

Safety, Convenience  
and Choice:

# THE TRUE VALUE OF CARDS



Research on the value and cost of cards in today's dynamic and vibrant payments ecosystem. Based on a survey of merchants working in physical and online retail across Europe in 2023.

## Key highlights



### Cash and merchants... a complicated relationship

**Cash** remains the most common payment method in Europe. However, its **overall share of total transactions is declining**.

**75%** of European merchants **prefer digital payments over cash**, and 65% would even like to have the ability to refuse cash.



### Market evolution: winners & winners

The European payments environment is a vast, multifaceted one, with a wide variety of brands and solutions available – serving the different needs of different merchants and consumers. **Merchants welcome this diversification.**

**79%** of merchants are **happy with the payment solutions** available to them.

**85%** of merchants believe that accepting a wide range of solutions **increases sales**.

**Mobile payments in Europe have tripled** over the last three years. Mobile wallets will account for up to 30% of e-commerce transactions in Europe by 2024. **77%** of merchants think that **mobile payments** have been **beneficial for their business**.



## What merchants really want

**Safety & security** are the main priorities for merchants when choosing payment method, followed by customer preference, reach, merchant convenience and cost.

**72%** of merchants prefer to accept **cards over other payment methods.**

Merchants **value cards because** of:

- » guaranteed payment
- » high security
- » a better purchase experience.

Bank transfers, including instant, are behind relative to other payment methods, though they are **gaining popularity** in countries where popular instant payment brands exist, such as in Poland and Sweden.



## Balanced payments strategies

Developing an **all-encompassing payments acceptance strategy** is critical for merchants – especially small merchants – to **drive revenue and reduce cost.**

While managing transaction costs is important, other elements such as **high approval rates, safety, fraud protection, and an attractive customer journey** are even more important.

When asked about their **payments acceptance strategy**, security, and cost reduction are in the lead, while “increasing conversion rates”, which can significantly drive sales, is only a focus point for 21% of merchants.



## Card payments: cost and value

**Cost is not the most important variable when choosing between payment methods.** Security, customer experience, reach and convenience are key drivers of merchant preference.

**87%** of merchants said the **value of cards outweighs the cost.** The vast majority of merchants are satisfied with the fees they pay for cards.

Card fees have remained stable over the years – but can differ between transaction and merchant type.

**67%** of merchants say the **cost has decreased** or has remained the same in the last years.

**1 out of 4** *unfortunately indicate they still do not understand the fees that they pay.*



## Empowering merchants

The payments ecosystem is evolving rapidly and staying up to speed can be a challenge. Initiatives aimed at sharing information and raising awareness of the different payment methods and networks available for merchants should be championed. They are key to further empowering merchants, increasing sales, improving conversion rates, and broadening the customer base.

