



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 and consumers in Denmark.

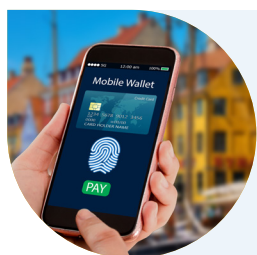
Introduction

The Danish payments market is **highly diversified and competitive**, with wide acceptance of different payment methods across the board. It is also **very innovative**, as evidenced, amongst other things, by the fact that Danish merchants are, by far, leading in accepting cryptocurrencies in Europe.

Moreover, over 20% of Danish merchants plan to increase the number of digital payment methods they accept in the next 12 months. Danish consumers seem to appreciate such diversification and innovation. Indeed, Danish consumers are happy with the payment options available to them, and only a limited number of them would wish to have a wider set of options. Compared to their European peers,

Danish consumers have a strong preference for cards, and 75% of them trust cards more than other payment methods.

“ **78%** of Danish merchants prefer accepting electronic payments over cash



Methodology:

This report is based on a survey commissioned by Payments Europe and conducted by FTI Consulting in May 2024.

The survey was completed by 2,250 merchants working in physical and online retail in Denmark (250), Austria (250), Greece (250), Czech Republic (250), Finland (250), Hungary (250), Ireland (250), Latvia (250), and Lithuania (250).

The survey was also completed by 13,000 consumers living in Denmark (1,000), Austria (1,000), Greece (1,000), Czech Republic (1,000), Finland (1,000), France (1,000), Germany (1,000), Hungary (1,000), Ireland (1,000), Latvia (1,000), Lithuania (1,000), Poland (1,000), and Sweden (1,000). Respondents were weighted on region, gender, and age to ensure representativeness.

Key highlights

The merchant perspective



Relationship with cash

The Danish payments landscape is increasingly digitised. Prevalence of cash is decreasing, and Danish merchants are less keen to accept cash compared to their European peers: **78% of Danish merchants prefer accepting electronic payments over cash**, and 62% would even like to be given the option to refuse cash

This may also be explained by the fact that **Danish merchants' turnover is much less reliant on cash compared to the rest of Europe** (39%, compared to the European average of 61%), and the merchants expect this number to drop to 16% in the next five years.



Market evolution: winners & winners

The Danish market is diversified, with Denmark having a notably high merchant acceptance of newer digital payment methods, such as BNPL and cryptocurrencies.

The diversity of the payments market is reflected in a smaller acceptance gap between the most popular payment methods, cash and cards, and other payment methods, such as instant payments, standard bank transfers, BNPL, and cryptocurrency.

Across the board, **Danish merchants are expanding their acceptance portfolio.** Notably:

- 27% intend to accept credit cards, and 23% are considering accepting debit cards, compared to the European average of 12% for both card types.
- 28% plan to accept standard bank transfers, exceeding the European average by 12%.
- 24% are planning to accept instant bank transfers, compared to the European average of 16%.
- 26% intend to accept BNPL, compared to the European average of 20%.
- 25% plan to accept cryptocurrencies, compared to the European average of 18%.



What merchants really want

Danish merchants prioritise safety and security, cost, consumer preference, and reach when considering which payment method to accept.

Interestingly, access to “value-adding data and insights” is also a priority for Danish merchants, something that is not considered as important in most other European markets.

80% of Danish merchants are actively trying to optimise their payment methods. To do so they are focussing on reducing costs (58%), enhancing payments security (46%) and reaching a broader customer base (44%).

Overall, **75% of merchants in Denmark are satisfied with the payment solutions available to them**, and 78% of them believe this to be the case for their customers as well.



Card payments: cost and value

78% of Danish merchants indicate cards as their preferred payment method. This is the case as cards are perceived as best in class in meeting merchants' priorities, namely guaranteed payments (97%), increased sales (95%), ease of use (92%), and speed (92%).

While cost is often cited as a reason for choosing cash over other payment methods, **80% of Danish merchants are happy with card acceptance fees.** Moreover, **84% of Danish merchants agree that the benefits of card payments outweigh the costs**, and **63% believe that the cost of card acceptance has decreased or remained the same in the past five years.**

Key highlights

The consumer perspective



Relationship with cash

Danish consumers enjoy the diversification and digitalisation of their payments market and **rely significantly less on cash (70%) than their European peers (83%)**. 76% of them would support making the acceptance of digital payments mandatory.



Market evolution: winners & winners

Danish consumers benefit from a wide selection of payment methods and are overall happy with the variety of options available to them. **90% of Danish consumers feel that the available payment methods meet their needs.**

92% of Danish consumers believe their market is leading or on par with the rest of Europe in terms of payment innovation.



A look at consumer preference

Safety and security are the top priorities for Danish consumers when choosing a payment provider, followed by reliability, affordability, and data privacy.

Instant bank transactions are generally available in Denmark, and 41% of consumers expect to use them more in the next 12 months. At the same time, only 5% of Danes prefer using instant bank transactions for online purchases compared to the most preferred payment method - cards (75%). This might be linked to the fact that **only 21% of Danish consumers fully trust instant bank transfers**, raising concerns about the risk of fraud and non-redeemability of funds in case of the wrong recipient or wrong amount. Simultaneously, **75% of Danes trust cards more than other payment methods**, which may explain their popularity among consumers for in-store and online payments.



Value of cards

91% of Danish consumers prefer cards over other payment methods. On par with their European peers, **70% of Danish consumers agree that card payments provide added value** compared to other payment methods. 69% would rather pay by card when cash is also available.

Consumers choose cards as the best payment method for their ease of use (68%), availability (66%), access to credit (64%), consumer protection (62%), and speed (62%). This aligns with the advantages of cards embraced by consumers across Europe, exceeding the European average by 10-20% per attribute.

Cards are also considered best for large and small purchases. **67% believe that cards are the safest payment method to use when paying for large amounts**, and cards are also the preferred method of payment in situations such as grocery shopping (69%), going to a restaurant/bar (69%), online purchases (75%), and buying an airline ticket (75%).



91% of Danish consumers prefer cards over other payment methods.





Digital Euro

On average, **Danish merchants are more aware of the Digital Euro's development than their European peers**, with 32% tracking its development (11% over the European average) and 42% of merchants being aware of it. Merchants consider the Digital Euro especially promising regarding increased security, speed, and convenience. At the same time, 17% do not see a clear benefit of the Digital Euro.

Compared to their European peers, Danish consumers are not very aware of the development of the Digital Euro. In fact, **64% of Danish consumers have never heard of the Digital Euro**. Moreover, **among those aware, 65% are unsure of, or do not see, benefits from the Digital Euro**. 52% of Danes are unsure in which scenarios they might use the Digital Euro, and 51% believe the Digital Euro is a form of cryptocurrency.

It is worth noting that Denmark is not part of the eurozone, which may impact the merchants' and consumers' awareness of the development of the Digital Euro.

