

Changes in Consumer Payment Preferences: Are You Ready?

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Electronic Data Payment Systems



Overview

Credit Card Acceptance: Then and Now

Changes in Consumer Thinking

Credit Card Processing Basics

- How it Works
- Account Types
- Pricing

Common Questions

WDDA Member Program Answers



Credit Card Acceptance: Then and Now



Credit Card Acceptance: Then and Now

The Growth of Non Cash Payments

Payment Method	1999	2008	Difference
Cash & Checks	39%	28%	-11%
Debit Cards	21%	37%	+16%
Total Electronic Payments	43%	63%	+20%

Hough, Daniel, Mark Riddle, Chris Allen, and Melissa Fox. "World of Choice, Consumer Payment Preferences." *BAI Banking Strategies* Jan.-Feb. 2009: 14-23. Print.



Changes in Consumer Thinking



Today's Consumer

- There are 48 million Generation-X consumers who were born between 1965 and 1976 and are primarily in their 30's
 - This group has different experiences and expectations compared to consumers in the past
 - Generation-X consumers are extremely tech savvy and 33% of them have college degrees
 - Gen-Xers tend to:
 - Do their research
 - Ask more questions
 - Involve themselves in each step of the process

Remodeling Online – January 2006



Changes in Consumer Thinking

- 41% use cash less frequently than 2 years ago
- More comfortable with using cards
- Preference for online banking
- Debit transactions used as ATM
- Convenience

Credit Card Processing Basics

How It Works



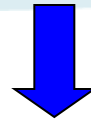
Credit Card Processing Basics

What happens when you accept
a credit card from a customer?

Transaction is Completed by Merchant



Terminal is Batched Out



\$\$\$ in Merchant Bank Account

Credit Card Processing Basics

Account Types

What kind of program is best for me?

Business Type	Transaction Type	Equipment
Retail Storefront	Swipe	Terminal
Mail Order/Telephone Order (MOTO)	Key Entered	Terminal or Virtual Terminal
Web	Online Shopping Cart	Virtual Terminal
Events or Installations	Swipe	Wireless Terminal

Credit Card Processing Basics

Pricing

Credit Card Processing Basics: Pricing

- All credit card processing costs are a direct result of the risk associated with the transaction
- Incorrect account set up will result in unnecessary fees

Credit Card Processing Basics: Pricing

Business Type	Available Rate Types
Retail Storefront or Mobile Account	Qualified, Debit, Rewards, Mid Qualified, Non Qualified
Mail Order/Telephone Order (MOTO)	Qualified, Debit, Non Qualified
Web	Qualified, Debit, Non Qualified

Common Merchant Questions



Common Merchant Questions

- How do I know if I am set up for the correct type of account?
- How do I know if I am paying too much?

WDDA Member Program Answers



WDDA Member Program Answers

- WDDA has put a program in place to assist members in better managing their credit card processing
- WDDA Member Credit Card Processing Program
 - First Step: Complimentary Statement Analysis
 - One on one relationship with a National Enrollment Specialist assigned to your account
 - WDDA members are important to us

Thank you!

Any Questions?

Contact us today at 866.578.9740, online at www.edpaymentsystems.com/partners/WDDA or find us on the WDDA website!

