

Information leaflet

The Polish retail payment market

Acceptance coverage
Transactions value
Opportunities for innovation

Description of the report *Report form: a PDF Presentation in English.*

The report is a comprehensive presentation of the development of the Polish retail payment market with a particular focus on the payment cards market. It is a unique study based on new, large-scale empirical research conducted among merchants and consumers. In order to analyse the results, the author used his knowledge and expertise gained during many years of conducting research into the payment market in Poland and abroad.

- The research enabled determining market sectors with the most extensive gap in card acceptance. It is there that efforts should be concentrated to develop the EFT-POS network.
- The influence of Interchange Fee reduction, projected to happen in 2014 under a legal regulation, was estimated.
- It also helped to identify the areas with considerable but untapped potential for card use and acceptance due to a large value of cash transactions.
- Moreover, the research specified segments of retail and service points of sale to whom new payment solutions, such as mPOS terminals, should be offered first.

Research methods

- The report covers consumer-to-business and citizen-to-government transactions conducted on the retail payments market. The research concerns the use and acceptance of all major payment instruments, such as cash, payment cards, bank transfers and other methods (mobile payments, merchant cash advances, instalments, etc.);
- The core survey was conducted among a representative sample of 1,200 Polish retail and service points of sale. The quota sampling concerned 20 sectors and the respondents had knowledge of and experience in finances and included business owners and managers. The research was conducted in March 2013 by TNS Polska with the use of CATI method;
- The second survey was conducted among a representative sample of 1,000 Polish consumers aged 15+ in February 2013 by TNS Polska with the use of CAPI method;
- The selection of research sample and the estimates of sector analyses were based on a cutomised database created by the Central Statistical Office for POLASIK Research. Moreover, the report relies on the results of earlier research conducted over many years by POLASIK Research.

Sectors covered by the research

- Super and hyper markets
- Smaller grocery stores
- Electronics and appliances
- Clothes and footwear shops
- Chemists, pharmacies
- DIY
- Petrol stations
- Bookshops, newstands
- Direct sale, vending machines
- Other specialized shops
- Public transport
- Travel agencies, airlines, car rental
- Eating places
- Hotels and motels
- Medical services, dentist
- Leisure and culture
- Sales and repair of motor vehicles
- Other services
- Services at home
- Mass creditors/bill issuers
- Public administration

Part 1. The Polish retail and services market

The report describes the business entities operating in the retail and services market, divided into twenty sectors. The description provides the number of active entities with the number of employees, turnover, type of business as well as the organisational structure and the legal status, including affiliation to retail and franchise chains. The number of points of sale (shops, outlets, etc.) and turnover were estimated for particular sectors, taking into account the size, location, and type of business. The turnover analysis includes net turnover as well as the value of indirect taxes and the scope of shadow economy. The overall value of retail payments in relation to the whole market was also estimated.

Part 2. Acceptance infrastructure with its potential for development and use of payment methods

The report determines acceptance coverage for the following payment methods on the Polish market: cash, payment cards, bank transfers, and other instruments (mobile payments, merchant cash advances, instalments, etc.). It also specifies the number of entities accepting a given method in a particular retail or service sector as well as the number of POS operated by them. The percentage of acceptants with their POS accepting a particular payment method was also estimated. The diversity of acceptance degrees due to the size and location of an entity was also analysed. The analysis also included the strategically important public sector.

The report defines the cash register and EFT-POS terminal network for payment cards coverage in terms of number and structure. Gaps in payment cards acceptance were identified in relation to sector, location, and scope of activity.

Next, the share of particular payment methods, including cash and cards, in the turnover of specific sectors and services was estimated. A complex picture of the value of the retail payments market was presented and the estimate of cash turnover included the influence of shadow economy on the said market.

Part 3. Conditions for card acceptance network development and projected impact of reducing the Interchange Fee

The analysis includes a study of preferences in terms of payment cards acceptance as declared by the retail and service points of sale operating in particular sectors. Besides the nature of sectors, the impact of the size and location of business were taken into account. The major obstacles preventing or discouraging traditional and contactless payment cards acceptance as well as the factors that can entourage card acceptance were identified.

The analysis covered a whole range of factors, including finances and costs, demand, marketing and image, safety, technical issues, business type, the activity of acquirers and the acceptant's knowledge of payment services. Forecasts about the influence of the Interchange Fee reduction, projected to happen in 2014, on the payment cards acceptance network in terms of the number of entities, POS, and EFT-POS terminals were also presented.

Part 4. The potential for innovation in m-POS and mobile payments

Major strategies for mobile payments implementation as a new payment instrument and an element of a mobile sales platform were presented. Prospective interest in payment innovations expressed by retail and service points of sale in particular sectors was determined. The innovations included: (a) mobile devices accepting traditional payment cards (e.g. m-POS) and (b) universal mobile payments enabling the payment of bills in e-commerce and the payment for goods and services in POS.

A comparison of the potential for and the recommended strategy of implementing key payment solutions based on mobile technologies – m-POS terminals and mobile payments systems – on the Polish market was made.

Part 5. The bill payments sector and consumer survey

The report contains an estimate of consumers' expenses in respect of bill payments divided into particular types. Both the relative share of particular payment methods use and the total value of transactions effected using a given method were presented in relation to the whole market. The following methods were considered: cash payments at the billers cash desk, cash payments at the post office and bill payment service agencies, bank transfers (including online ones), standing orders, direct debit, bill payments at shops and others. An analysis of the choice of payment method depending on the bill amount was conducted for major types of expenses.

The access to banking and products, as well as the usage of ICT by Polish consumers were presented. The influence of numerous demographic and social characteristics of the respondents was taken into account.

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- Bill payments Key messages

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- Gas
- Landline or mobile phone
- Internet

18. Financial and ICT products used by consumers

- Used products - total
- Used products and sex
- Used products and age
- Used products and education
- Used products and income
- Used products and place of living

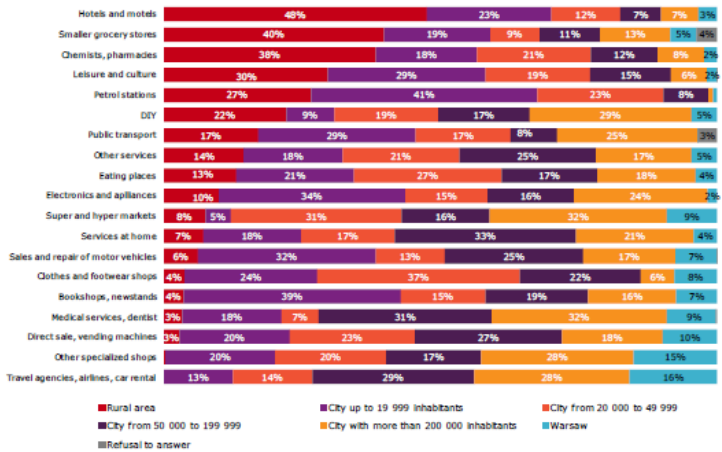
General Conclusions (full report)

Appendix 1. Respondents of the merchant's survey study (parts I - III)

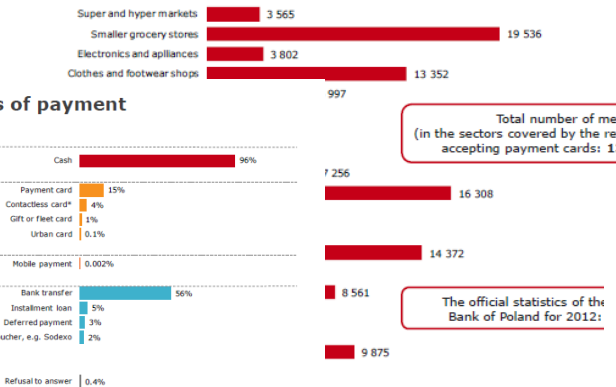
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Appendix 2. Respondents of the customers study (part IV)

Entities by the sector and location of head office



Number of merchants accepting payment cards, by sector



m-POS

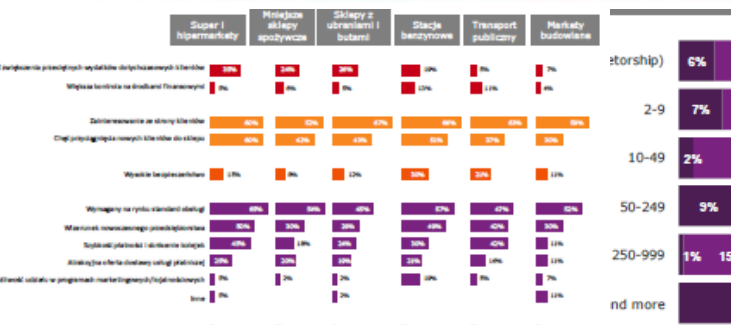
- mobile Point-Of-Sale - rozwiązanie techniczne, umożliwiające przyjmowanie płatności, w tym tradycyjnymi kartami płatniczymi, z wykorzystaniem urządzenia mobilnego (smartfon, tablet), bez konieczności wykorzystania tradycyjnego terminala EFT-POS czy kasy fiskalnej.
- Segment dostawców i operatorów urządzeń m-POS rozwija się niezwykle dynamicznie, m.in. w USA i w Europie.



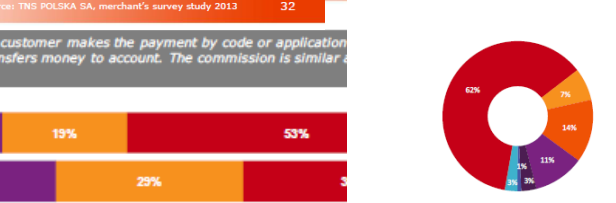
payment cards, by the size of employment in



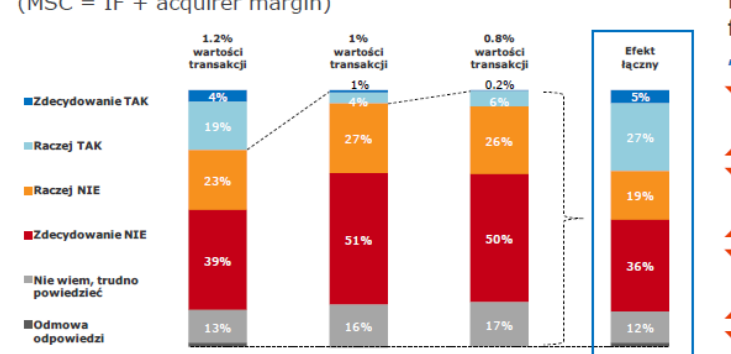
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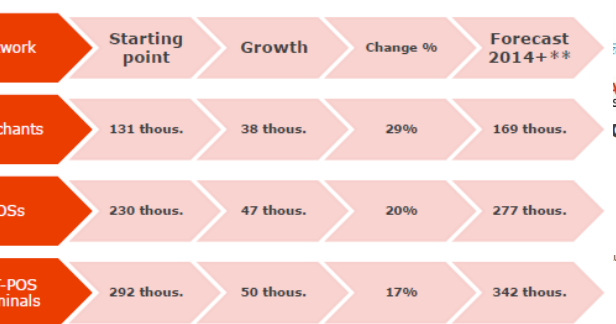
Limits for card payments, card transaction



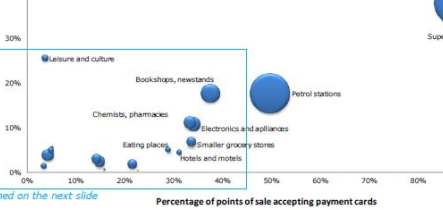
Interest in card acceptance if the acquirer's fee is reduced - total effect



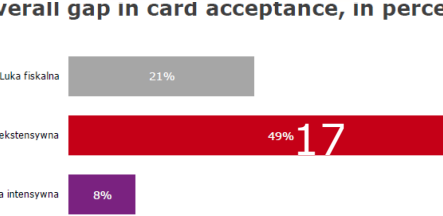
Projected impact of the change of acquirer's fee following IF reduction in 2014* „strongly interested”



POLASIK research



Overall gap in card acceptance, in percent



P10. Jeżeli poziom opłaty akceptanta zostałby obniżony do około ...% wartości transakcji to czy Pana(i) przedsiębiorstwo byłoby zainteresowane akceptacją płatności kartami? Wyniki podawane w %. Baza: Nieakceptujący płatności kartami płatniczymi; N=593 -->N=447 -->N=418, administracja publiczna wyłączona z analizy

*Prognoza nie uwzględnia potencjalnych zmian wynikających z wprowadzenia na rynek polski oferty mPOS;

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