

## **EHI survey: Card share continues to rise SEPA – Germany’s retailers are preparing themselves**

Cologne, May 21<sup>st</sup> 2007 – In the credit industry the preparations for a single European payment area (SEPA) have been a top topic for some time. Now they are increasingly perceptible in the retail sector also, as EHI Retail Institute of Cologne found in its annual survey “Card-based payments and customer retention”. 40 percent of the large German retail businesses intend to modify their card-payment infrastructure no later than in 2007 and a further 22.5 percent wish to follow suit in 2009 at the latest. In that context, the shift towards card-reading equipment that can be used throughout Europe is top of the to-do list among internationally active businesses.

### **Germany: debit outdoes credit**

In the year 2006 34.1 percent of the total retail turnover was transacted by card-based payment methods (32.9 percent the previous year). This explains why that particular topic ranks high among the investment decisions of the retail trade.

82 percent of the card-based turnover can be attributed in equal parts to the signature-based direct debit transactions and PIN-based electronic payments. Two thirds of the large companies and half of the medium-sized retail businesses currently combine both procedures successfully. This allows the businesses to harmonise the economic advantages of the direct debit process, which has been developed by retailing itself, with such aspects as security and guarantee of payment, offered by the more expensive electronic cash procedure initiated by the credit industry.

### **Food discounters: largest increase of card share**

A particularly clear rise of card payments can be detected with the food discounters, where payments can now be made by debit card in all outlets, in particular for the relatively expensive special offers. Although with a card share of almost 18 percent the discounters still clearly lag behind the large food retail businesses (which boast a share of 33.5 percent), the former volume has almost tripled in barely two years.

EHI reckons with a further increase of card payments up to a share of 40 percent by 2010. Meanwhile, paying with plastic has become standard in almost all branches of retail.

“In the next few years we will increasingly see signs of a “cannibalisation effect” between the various cards and card systems” says Horst Rüter, head of EHI’s Research Area “Payment Systems”.

According to him it will be interesting to see what pressure, in particular as far as cost price is concerned, international brands such as Maestro will exert on the existing national systems.

228 retail companies, representing a total turnover of 160bn euros, took part in the survey, which was supported by the German Retail Federation HDE, the Association of German Textile Retailers BTE, Intersport Deutschland and the DZB Bank (ariston-Nord-West-Ring-Gruppe/Sport 2000). The analysis

carried out by EHI is being used as a statistical basis by, amongst others, the German Bundesbank, the European Central Bank and the crime prevention units of the state and national police forces.

## About EHI

---

EHI is a research, training and consultancy institute for the retail industry and its partners. The international EHI-Retail-Network covers around 500 Member-Companies. EHI was founded in 1951. Managing Directors are Michael Gerling and Prof. Prof. E.h. (RUS) Dr. Bernd Hallier. EHI is a 50%-shareholder in GS1 Germany (former known as CCG). They coordinate the European EAN in Germany. In cooperation with EHI the Messe Düsseldorf organises EuroShop, the world's largest trade fair for capital goods for the retail industry, and EuroCIS, showing the latest products, solutions and trends in IT and security.

### Contact:

EHI Retail Institute e. V., Spichernstraße 55, 50672 Cologne, Germany, [www.ehi.org](http://www.ehi.org)  
Phone.: +49 (0)2 21/5 79 93-0, Fax: -45

Horst Rüter, Director Payment Systems Tel.: --53, <mailto:rueter@ehi.org>  
Ute Holtmann, Director Public Relations, Tel.: -42, <mailto:holtmann@ehi.org>