

## SMALL MERCHANTS VS. LARGE RETAILERS: WHO IS TELLING THE TRUTH?

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THE GAO REPORT ON INTERCHANGE DREW A CLEAR DISTINCTION BETWEEN THE STATEMENTS OF SMALL MERCHANTS AND THE CLAIMS OF LARGE MERCHANTS.

### Small business owners say they receive higher sales when they accept cards.

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“Several of the merchants we interviewed have seen some evidence that accepting credit cards has increased their sales.” (p. 29)

“For example, representatives from a . . . small home improvement store told us that customers paying with credit cards spend more than customers paying with cash or debit cards.” (p.29)

“A dentist told us that his patients spend more on procedures because of the credit that their cards provided.” (p.29)

**VS.**

### Large retailers say they don't.

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“Representatives of the large merchants with whom we spoke said that their increased payment costs had not led to a corresponding increase in sales.” (p. 29)

### Small business owners say they prefer electronic payments – they're immediate and guaranteed.

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“The dentist we interviewed told us that his credit card payments are credited to his bank account the day they are processed, providing him almost immediate access to the funds.” (p. 30 – 31)

“A small flower shop owner told us that she receives faster payments by credit card than from customers to whom she extends credit by sending a bill.” (p.31)

“For example, the home improvement merchant noted that she preferred being paid by credit card to receiving bad checks.” (p. 31)

“A sports club owner reported that he prefers the guaranteed payment associated with accepting credit cards to the risks associated with accepting checks.” (p.31)

**VS.**

### Large retailers say they don't.

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“Several of the large merchants we interviewed reported that as a percentage of sales, payment cards are more expensive to process than cash and checks.” (p. 31)

*Who are giant retailers out to help?*

# Themselves.

**Members of Congress, don't be fooled.**