

## Discussion

“Card acceptance and surcharging: the role of costs and competition” N.  
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# Summary

## Main Question:

How do card payment costs and merchant competition affect merchants' preferences to surcharge card payments and merchants' card acceptance decision?

## Methodology:

Test empirically the predictions of the theoretical literature by a survey data from 1008 Dutch merchants in 2007.

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  - Log of the average regional income level.

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- Very low market power have insignificant effects. (!)

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- High transaction size sectors more likely to accept credit cards.
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- High market power is insignificant. (!)

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  - Independent merchants 21% more likely to find fixed costs of debit cards high than chain stores.
  - Small size merchants 20% more likely to find variable costs of debit cards high than larger merchants.

# Questions

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- Why do you prefer probit model rather than a two-stage logit or nested logit?
- How is the surcharging behaviour compared between merchants accepting only debit cards and merchants accepting both debit and credit cards?