



## New consumer report reveals payment surcharges are bad for business

**Sydney, Thursday March 5, 2015** – Payment surcharges are poison for Australian businesses with 93 per cent of consumers saying they want them removed and 72 per cent telling friends to avoid businesses that surcharge, according to new report from RDG Insights - *'Every good buy is the next hello'*.

CEO and Founder of Retail Doctor Group, Brian Walker, says the report, based on a survey of more than 1,100 Australian consumers, shows that payment surcharges create negative customer experiences, reduce customer loyalty and advocacy, and are likely to negatively impact sales.

“The report’s general sentiment is that consumer’s feel powerless when it comes to payment surcharges and the fact that they want them removed is not surprising. What is surprising is the impact this is having on business. Removing payment surcharges is likely to be one of the most powerful ways businesses can encourage customer loyalty, advocacy and improve its sales” he said.

Research highlights on consumer attitudes, perceptions and behaviour in relation to payment surcharges include:

- 93 per cent would like surcharges removed
- More than 90 per cent consider not being surcharged as important to their repeat business
- Surcharges have the biggest negative effect in online transactions – 46 per cent attempt to use alternative payment methods, 28 per cent are unlikely to return, and 30 per cent tell others about it
- 44 per cent believe businesses surcharge what they want and they have no choice other than to pay
- 43 per cent have a bad last impression of the overall experience with the business that surcharged
- 38 per cent felt their business was unappreciated
- 30 per cent abandon online purchases when faced with a surcharge
- 25 per cent of retail customers will not return to a business if surcharged
- 20 per cent of restaurant customers have complained about a surcharge on the spot and one in four will not return

“The survey reveals that retailers need to consider all aspects of the customer experience. The critical moments that stick in a customer’s mind are being forgotten and the *'Every good buy is the next hello'* report is a timely reminder that good business is based on customer service,” Brian said.

### About the report

RDG Insights conducted a survey amongst 1,120 adult Australian adults from 28/1/2015 – 2/2/2015 to understand their sentiments, attitudes and behaviors in response to payment surcharges. The research was funded by American Express.



### **About the author**

Retail Doctor Group are Australia's leading retail advisors who specialise in helping clients increase their bottom line results through increased customers, sales and profits.

RDG Insights is RDG's consumer insights division, specialising in neuromarketing insights, consumer profiling and strategic brand management. RDG Insights specialise in providing retailers and brands with the missing link between understanding the drivers of consumer behaviour, brand strategy and operational implications at the point of sale.

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