

FYI.



SMEs may face burden of higher eftpos costs

● Small and medium businesses might end up paying \$250 million more each year for accepting eftpos card payments if a new regime is pushed through.

This is the warning from a newcomer to the eftpos payments space, Tyro Payments, in its submission to a Senate inquiry into competition in the banking sector last week.

About 2 billion eftpos transactions took place last year, according to Reserve Bank of Australia statistics. Retailers pay a fee to have the eftpos facility but each time it is used they get a rebate.

Every time a customer hits the “cheque” or “savings” option at the checkout rather than “credit”, between 4¢ and 5¢ is rebated to the retailer through a complex exchange network. Ultimately, the rebate translates into lower eftpos fees for the retail outlet.

But plans are afoot to increase the interchange fees associated with the eftpos network.

Eftpos Payments Australia Ltd (EPAL) is in the process of negotiating a new fee regime that may result in an average interchange fee of up to 12¢. This fee will come out of retailers’ pockets.

“Retailers will face a change of their eftpos fees of up to 17¢ due to the interchange rate increase every time a customer hits the cheque or savings option,” Tyro chief executive Jost Stollmann claims.

He says fundamental to the issue is the make-up of EPAL itself.

It is majority owned by Australian banks and credit unions, with minor shareholdings belonging to Woolworths and Coles.

“There is no voice for the other retailers in EPAL,” Stollmann says. He’s concerned this might result in the two big retailers brokering discounted interchange rates for themselves subsidised by higher fees for the rest of the retail world.

Agnes King

Sideswipe: Tyro warns extra fees may total \$250 million

Stars don’t shine

There’s a reason Holly actors do those painful Japanese adverts and i do with money – lots c stars such as Nicolas C Jodie Foster can pull ir millions of dollars for endorsing Japanese pr but companies actually better off spending less using unknown actors. That’s the view from U advertising analytics fir Metrix, which says cele endorsements are a wa money.

Its study analysed 2600 television commercials 2010 and concluded th “celebrity ads do not p any better than non-ce ads and in some cases perform much worse”. In good news for Touri Australia, the study fou an exception was the o woman marketing mac Oprah Winfrey.

An automotive insuran commercial discouragi drivers from texting w driving that featured th American talk show qu lifted resonance with v by a whopping 34 per which was the highest ad analysed.

Jessica Gardner

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9.8%

China’s year-on-year growth rate in the last quarter of 2010.

China’s strong growth has continued right through 2010, with rate rises sooner rather than later, says HSBC. Each tightening will resound in Australia, though China still has 100,000 infrastructure projects on the go and is due to expand public housing construction.