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Title	Forecasted merchant scenarios on surcharge implementation – Company X reacting to competitive changes in the Finnish payment card industry		
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Abstract

The purpose of the study was to find out how the Finnish companies will react on the implementation of the surcharge article (§60) as part of the Payment Services Directive set by EU Commission and how could Company X act upon the reactions. The directive was implemented in May 2010. The backgrounds of the study relate to the Single Euro Payment Area –development. In the course of the study, a theoretical framework was constructed in order to be able to assess the purpose of the study. The sub objectives were: “What are the main features of payment card markets in Finland?”, “How does surcharging affect the company base in Finland?” and “What is the competitive stand of Company X in relation to the surcharge implementation?”.

The theoretical configuration of the study consists of two parts. First, two-sided networks analogy and second, scenario building and SWOT analysis. The theory ensemble is drawn together by a framework theory by Kotler and Caslione and their ‘Chaotics Management System’. The ontological nature of the study is critical realistic. The study is qualitative, but quantitative data collection methods have been utilized as well. The theory and research data engaged into an iterative dialogue. Case study approach functioned as the research strategy whereas the data was gathered using mixed methods; quantitative survey (n=151) and qualitative interviews (10). In addition, documents, archival records and observation were used as secondary data. The data collected was analyzed by using thematic coding and tabulation. Trustworthiness was assessed through four factors: credibility, transferability, dependability and confirmability.

By constructing segment-size –merchant scenarios the surcharging likelihood was examined. Large retail chains likely refrain from surcharging whereas small retail merchants will have various practices. Restaurants and hotels are unlikely to surcharge due to practical reasons. Travel sector is most keen on surcharging and poses a threat. Company X should weigh the scenarios and assess the surcharge issue through attracting marquee players, strengthening marketing, focusing loyalty program, revising the pricing and above all by improving communication in B2B relations.

The study contributed as a directional report to the company and can be used for instance in planning the client management communication towards merchants and in assessing the risk per stake affiliated with each merchant scenario. Scientifically, the theoretical framework created is unique and can be more widely utilized in two-sided markets.

Key words	Business to business, two-sided networks, scenarios, SWOT, payment cards, SEPA
Information	The thesis has been done as a commission