



Dynamic Currency Conversion (DCC)

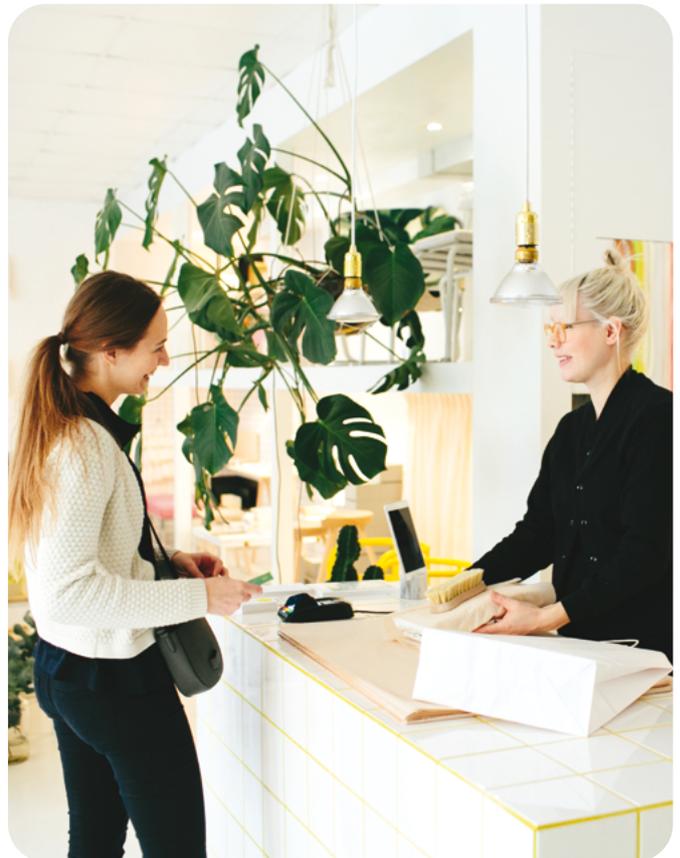
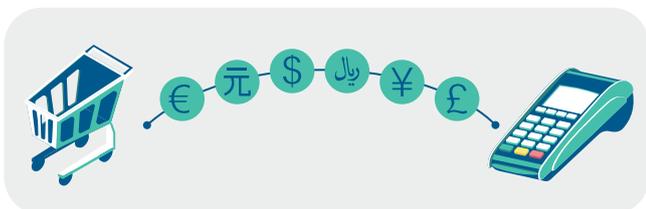
What is it & what's in it for
merchants and consumers?

Much has been made of whether Dynamic Currency Conversion (DCC) is implemented for the benefit of customers or whether it is merely a way for merchants to exact additional charges and revenues from an unwary traveller through less than transparent fees, poor exchange rate or similar.

What exactly is DCC and how does it work?

In a nutshell, DCC enables customers to pay for purchases made abroad in their domestic currency. This facility enables merchants to offer their international customers an attractive and transparent service in a way that suits the buyer, while simultaneously supplementing their own margin through additional commissions without any extra costs.

The merchant's payment terminal (either POS or eCom) automatically recognises non-domestic cards and immediately gives those cardholders the option of paying in their home domestic currency. The exchange rate and the converted amount will always be displayed on the screen and the best rates are guaranteed. For the customer, being able to see the price they are paying for their purchase in their local currency – the one they are accustomed to – makes the process more convenient and provides them with peace of mind.



What are the key benefits for merchants?



The first key benefit is greater customer satisfaction. As customers immediately know how much they are paying in their own currency, they have total peace of mind with their purchase experience. By default, this invariably leads to fewer complaints. Likewise, in the case of guaranteed claims, the acquirer takes over the communication between the parties involved to reach a satisfactory solution.



Customers can make an informed decision, when selecting their preferred payment currency. As the terminal automatically updates the currency conversion rates daily, merchants and customers offer and receive the fairest and most attractive exchange rate.



As the terminal, rather than the bank, does the currency conversion; merchants profit from lower transaction fees.

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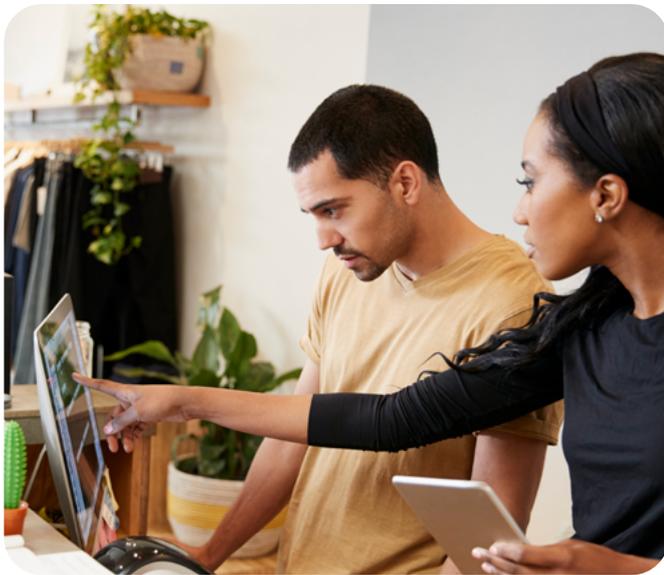
Generally, the foremost priority for customers is the ultimate purchase cost. However, with the Worldline 'best rate guarantee' they can rest assured that they are getting the optimal rate available on the day of their purchase.



Corporate travellers will also benefit from seeing the detailed information relating to the cost/expense in their domestic currency, available immediately as the amount in the card's local currency is seen on the terminal from the outset.



Last, but certainly not least, no additional costs are imposed upon the customer. The total cost and the prevailing exchange rate are both included on the terminal for the customer to see.



More specifically, how can DCC help merchants boost their customer service, revenue, and price transparency?

DCC enables merchants to provide their overseas customers with great service by offering choice and complete transparency. The customer knows exactly what the price is at point of purchase and there are no hidden charges. DCC also offers a valuable additional revenue stream to the merchant as each transaction effectively equates to merchant payback. This is ultimately represented as a percentage figure, which, over the course of any timeframe, will invariably mount up and eventually represent a significant amount of welcome additional revenue, while concurrently delivering an improved customer experience.

What role does DCC play in helping merchants reduce chargebacks and disputes?

DCC generates fewer chargebacks and disputes as there are no hidden charges, leading to greater customer satisfaction! As such the merchant knows exactly how much customers will pay at the point of purchase and the customer makes a conscious decision whether to accept DCC on the pin entry device (PED) or not.

When should merchants consider offering DCC to customers?

For example, do they need to know where a customer comes from in advance, or is there a threshold of overseas customer revenue that needs to be reached before warranting investment in DCC?

DCC-enabled PEDs will automatically recognise any customers paying with an international card and offer the customer a DCC payment option, so no prior knowledge of a customer's point of origin (or his card) is necessary. However, it has been clearly established that the take-up rate for the DCC service option significantly increases when the acquirer provides proper training to merchants' customer facing staff.

In other words, a sales representative who knows to offer DCC and can explain its advantages clearly to customers is much more likely to persuade them to avail themselves of the service – thereby generating

valuable additional revenue for the merchant with minimal effort, while enhancing customers' sales experience and satisfaction.





There has been some criticism of DCC for offering uncompetitive exchange rates and being there purely for the benefit of merchants – why should consumers consider DCC if it invariably costs them more?

While DCC is not always necessarily the cheapest option for customers, conversely it does not invariably cost them more, depending on exchange rate fluctuations. As alluded to above, DCC offers customers what they increasingly want from the sales experience. This includes complete

transparency, no hidden charges, reduced transaction fees, regular updated conversion rates and the Worldline 'best rate guarantee'.

Customers retain the option to pay in the local currency and potentially see exchange rates moving against them

without the comfort of knowing exactly what each purchase is costing them at that precise moment in time.

Customers come first and the Worldline payment solution ultimately provides for whatever the customer prefers.

What are we able to offer existing Worldline merchants?

For existing Worldline merchants we are able to perform bespoke analysis which allows us to identify the precise number of their customers that would be eligible for DCC and the average transaction value. We can then apply a conversion rate to ascertain how many customers would typically take up the offer of DCC based on data we already have. Finally, we can accurately predict the associated revenue and customer savings this would produce as a direct result of using DCC.



About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of choice for merchants, banks and third-party acquirers as well as public transport operators, government agencies and industrial companies in all sectors. Powered by over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services; Terminals, Solutions & Services; Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. In 2020 Worldline generated a proforma revenue of 4.8 billion euros.

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