

## Walmart vs. Visa: Customers would shop less frequently if retail giant pulls cards from stores

*Canadians side with Walmart in fee dispute, but expect retailer to line own pockets, not pass on savings*

**July 7, 2016** – As Walmart prepares to [stop accepting Visa cards](#) in certain Canadian stores beginning on July 18, a new public opinion poll from the Angus Reid Institute indicates that, while the retailer may be winning the public opinion ballot question over the credit provider, it may create a gaping self-inflicted wound if it follows through with its plan.

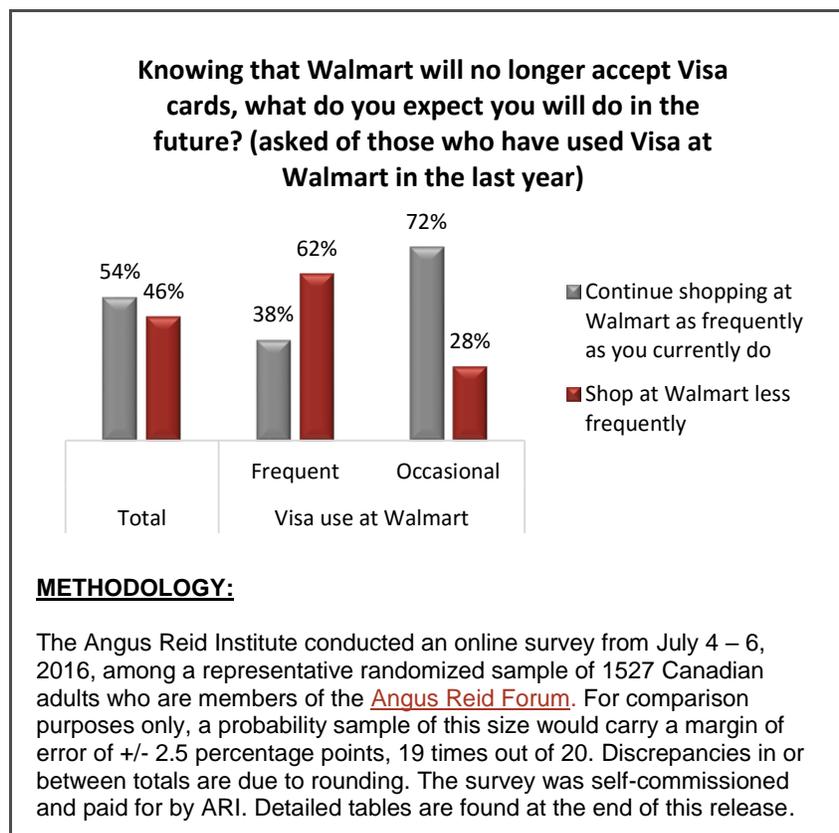
This national public opinion poll finds most Canadians (59%) side with Walmart in its war of words with Visa (41%) – but at a potentially significant cost. Half (46%) of Walmart shoppers who have used a Visa card to make a purchase at the store in the past year say they are less likely to shop at the store going forward if it stops accepting Visa.

Further, two-thirds of Canadians (65%) and almost as many regular Walmart shoppers (64%) believe that whatever savings are made as a result of any cut in Visa's fees will mostly end up lining Walmart's pockets, rather than being passed on to its customers.

In short, if this were an election campaign, Walmart would be winning the political air war but not getting the votes out on the ground at the ballot box. In fact, if push came to shove, a good chunk of Walmart's supporters would simply vote with their feet and go elsewhere.

### Key Findings:

- When forced to choose between the two companies, more Canadians side with Walmart (59%) than side with Visa (41%)



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- Roughly half (46%) of those who have used a Visa card at Walmart in the last 12 months say they're likely to shop there less frequently if the retailer follows through on its plan to stop accepting Visa
- Two-in-three Canadians (65%) think the savings from any cuts Visa makes to its fees are likely to go to Walmart's bottom line. Only one-in-ten (14%) think the savings would be passed onto customers in the form of lower prices

### Almost everyone in Canada has shopped at Walmart in the past year ...

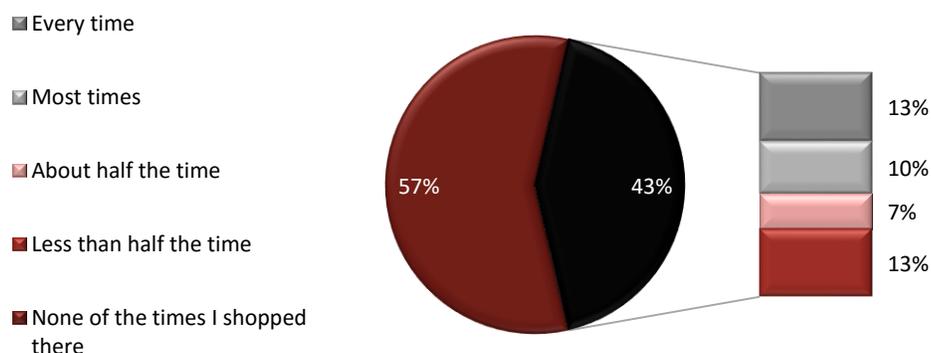
Walmart and Visa have sued each other a number of times in recent years over security and payment disputes. The latest front in this ongoing battle has the potential to affect a huge number of Canadians.

Not only are most Canadians (80%) aware of the ongoing fight, an astonishing nine-in-ten (93%) have shopped at Walmart in the past year. Two-in-five (43%) have done so regularly, 36 per cent a few times, and 14 per cent just once or twice. Only 7 per cent of Canadians indicate that they have not shopped at Walmart at all in the last 12 months.

### ... And many of them used Visa cards ...

Four-in-ten (43%) of those who have shopped at Walmart in the past year have used a Visa card to make a purchase. This includes a total of one-quarter (23%) of all Walmart shoppers who use Visa "every time" (13%) or "most times" (10%) they shop there. A further 20 per cent of total shoppers use their Visa cards less frequently, as seen in the following graph:

**Thinking about the times you shopped at Walmart in the last year, how many of these times would you say you used a Visa card to make a purchase?**



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## Most are aware of the Walmart – Visa dispute

As previously mentioned, eight-in-ten Canadians (80%) are aware of the showdown between Walmart and Visa, which is set to come to a head on July 18, when the retail giant plans to stop accepting Visa cards [at three locations in Thunder Bay, Ontario](#).

One-in-seven Canadians (14%) are following these developments closely in the news and discussing them with friends and family, and another one-third (34%) have seen some media coverage and had the odd discussion with others. Another three-in-ten (32%) are keeping abreast of the matter by scanning the headlines.

## Walmart wins the argument in most Canadians' minds

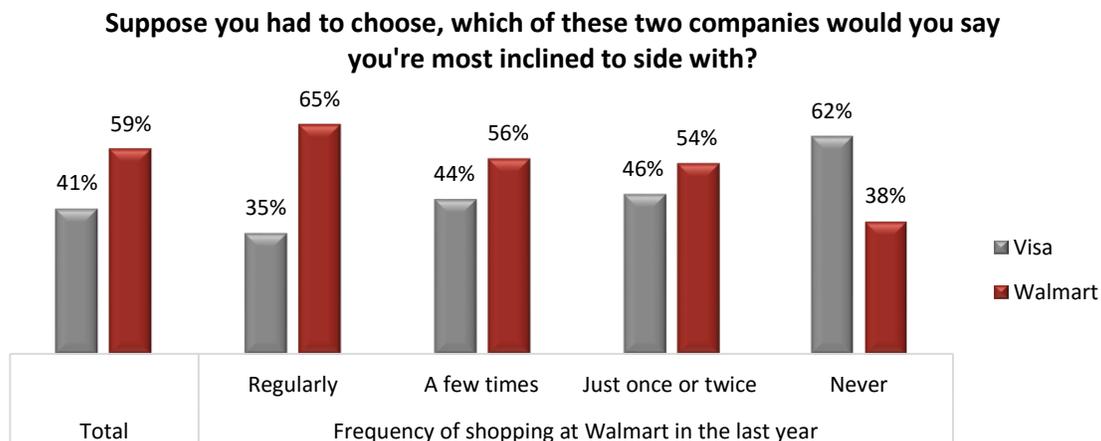
The changes at Walmart's Thunder Bay stores are expected to be the first in a series of moves designed to [put pressure on Visa](#) to reduce its merchant fees. Over time, if an agreement is not reached, more and more Walmart locations across Canada would stop accepting the cards.

Many smaller merchants – themselves frustrated with credit card fees – are [cheering for Walmart in the stand-off](#), and this poll finds most of the Canadian public on the side of the retailers in this debate.

Almost six-in-ten Canadians (59%) side with Walmart and its position that Visa's fees are too high, while the rest (41%) take Visa's position that their fees are reasonable.

Those who are following the dispute closely are more divided in their allegiances (45% support Visa, 55% support Walmart) than those who are just scanning the headlines or haven't been following at all (38% Visa; 62% Walmart).

Likewise, two-thirds (65%) of those who shopped at Walmart regularly in the last year support the retailer, while the only group that expresses majority support for Visa is the small cohort that never shops at Walmart:



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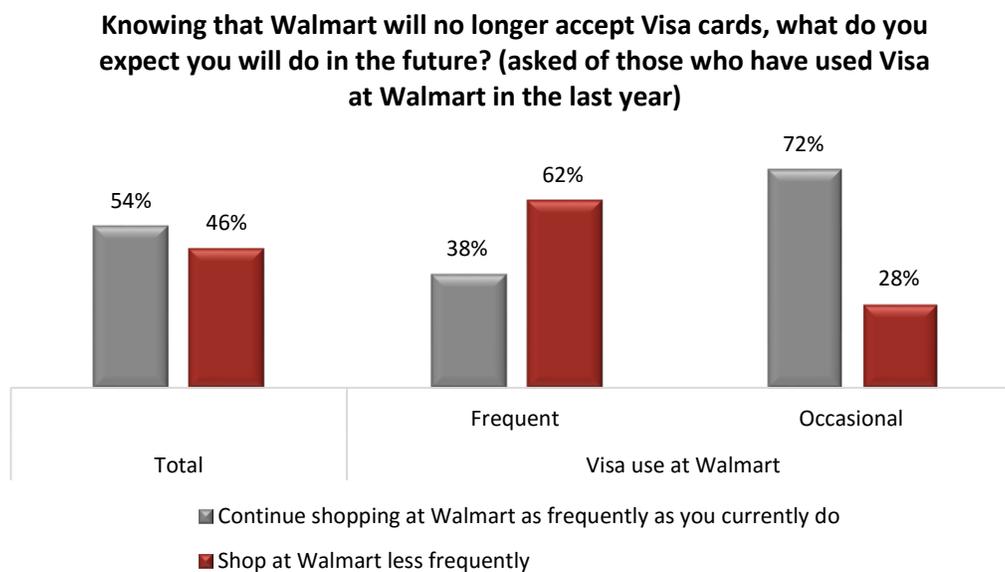
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## Half of Visa-using Walmart shoppers plan to shop there less frequently

While Walmart wins the battle for Canadians' sympathies, it may prove to be a Pyrrhic victory for the retailer on two fronts – its bottom line and its perceived motivations for fighting.

If the retail giant makes good on its threat to pull Visa cards from all of its Canadian outlets, it may affect the company's bottom line significantly. Half (46%) of those shoppers who have used a Visa card to make a purchase at Walmart in the past year indicate they're likely to shop there less frequently going forward.

As seen in the first graph of this release, it is frequent Visa users who are most likely to change their shopping behavior:



Putting this finding another way, Walmart stands to lose as many as one-fifth (20%) of its Canadian customers as a result of the decision to cut Visa out of its stores.

## Majority of Canadians believe Walmart's motivation is to line its own pockets

But the potential pitfalls of Walmart's strategy do not stop there. Most Canadians (65%) doubt that the average Walmart customer will see the benefits of any reduction in Visa fees the company is able to negotiate, saying instead that savings will go mostly to Walmart.

Even among regular Walmart shoppers, some 63 per cent believe savings will mostly end up in Walmart's pocket as opposed to being passed on to customers through lower prices, as seen in the graph that follows:

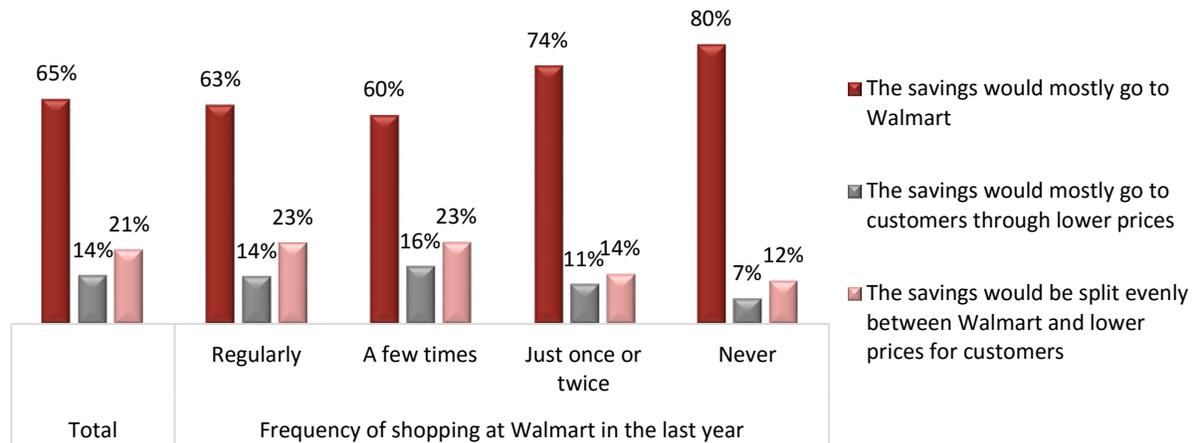
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**Suppose Visa cut the fees it charges Walmart in half. If this were the case, what would you expect to happen to the money Walmart saved on lower Visa fees?**



The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research organization established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

Summary tables follow. For detailed results by age, gender, region, education, and other demographics, [click here](#).

You indicated you have shopped at Walmart and used a Visa card to make a purchase there. Knowing that Walmart will no longer accept Visa cards, what do you expect you will do in the future?			
(weighted sample sizes)	Total who have used Visa at Walmart (608)	Visa card use at Walmart	
		Frequent	Occasional
Continue shopping at Walmart as frequently as you currently do, but not use Visa	54%	38%	72%
Shop at Walmart less frequently	46%	62%	28%

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**Suppose you had to choose, which of these two companies would you say you're most inclined to side with: Walmart's argument that Visa's fees are too high, or Visa's argument that its fees are reasonable?**

(weighted sample sizes)	Total (1527)	Frequency of shopping at Walmart in the last year			
		Regularly (664)	A few times (548)	Just once or twice (209)	Never (106)
Visa	41%	35%	44%	46%	62%
Walmart	59%	65%	56%	54%	38%

**Suppose you had to choose, which of these two companies would you say you're most inclined to side with: Walmart's argument that Visa's fees are too high, or Visa's argument that its fees are reasonable?**

(weighted sample sizes)	Total (1527)	Awareness of the Walmart-Visa dispute	
		Following and discussing the story (729)	Just scanning the headlines or haven't seen anything about it (798)
Visa	41%	45%	38%
Walmart	59%	55%	62%

**Suppose Visa cut the fees it charges Walmart in half. If this were the case, what would you expect to happen to the money Walmart saved on lower Visa fees?**

(weighted sample sizes)	Total (1527)	Frequency of shopping at Walmart in the last year			
		Regularly (664)	A few times (548)	Just once or twice (209)	Never (106)
The savings would mostly go to Walmart	65%	63%	60%	74%	80%
The savings would mostly go to customers through lower prices	14%	14%	16%	11%	7%
The savings would be split evenly between Walmart and lower prices for customers	21%	23%	23%	14%	12%

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