

VISA or Mastercard?

Sometimes our customers ask if it is better to issue **VISA** or **Mastercard cards**. In this article we would like to answer this question.

Main payment schemes

There are two main **payment schemes** in the card area that have almost monopolized global card business - VISA and Mastercard. Next to them there are several local schemes, sometimes going global that are also worth thinking of in more sophisticated global projects (like UnionPay China, JCB Japan, EC Karte Germany etc.) but in general in majority of projects you will do the business decision if you prefer to issue VISA or Mastercard cards.

In one sentence the answer is - usually it does not matter. But if you go into details, depending on the country or type of the program there may be some important differences worth considering.

Key decision points

Below we present some important decision points:

1. **Financial and marketing support** - depending on the country and type of program VISA or Mastercard can decide to support your program financially or from some marketing assets. If so, it makes sense to consider this as an important factor in the decision making process. Check with your card issuing partner if there are such possibilities.
2. **Interchange differences** - in some countries (outside of the European Union) there are slight but important differences in Interchange Fees which in the end means that you can earn more from every transaction. Check with your card issuer if such a situation exists on your market. If you are going to offer cards globally, it may also be possible that inter-regional (inter-continental) transactions will be more profitable in one payment scheme. So it is worth checking.
3. **Cost factors** - usually fees connected with a card issuing program will be dictated by your card issuer or BIN Sponsor but in some cases a card issuer may have different fees depending on the cost of VISA or Mastercard transaction fees.
4. **Special local or global card benefits programs** - both Mastercard and VISA are developing various loyalty, discount, value added services that can make your program more interesting for users. In Poland, for example, Mastercard is running a very attractive card benefit and loyalty program called "Priceless Specials". It is worth checking as it may be an important value added for your portfolio and users that may be much more important than any financial details.
5. **Brand and acceptance** - in 95% of countries there is no visible difference in acceptance and brand between VISA and Mastercard. But in some cases it exists. For example if you

are going to issue cards in Hungary - Mastercard is much more popular and customers are used to it. It is worth checking before making a decision.

6. **Educational and consulting support** - it can be valuable help. In various projects, countries or regions payment schemes can have services or people that can help you a lot in defining a good value proposition and important details of a card issuing program. This may be very valuable as very often employees of Mastercard and VISA are very professional, have a lot of knowledge and can help you in developing your portfolio. If you have such support, try to use it.
7. **Shareholding connections** - in some cases (like Verestro) one of the payment organizations (in our case - Mastercard) will be a shareholder of your partner. It may be very valuable as you will have in-depth support of the payment scheme and card issuer. It may be useful in various situations, difficult cases connected with rules etc. Make use of such cases, if you can.

Conclusion

Those are the main differences. It is worth considering. In the majority of cases your partner in **card issuing** will have some preferences and sometimes there will be no choice. But it is certainly worth considering when deciding which **card issuer** and **payment scheme** to choose.

Thanks for reading.

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