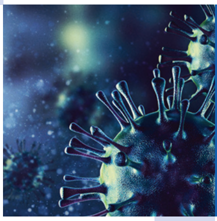
How COVID-19 changed European shopping and payments behaviour?



THE AIM OF THE STUDY

was to assess how the COVID-19 pandemic affected shopping habits and payment behaviour in different European country.

MAIN RESULTS OF THE STUDY

3 SEGMENTS OF EUROPEANS

21%

SEGMENT 1

CASH-ORIENTED TRADITIONALISTS

- Group most oriented towards cash
- They reject cashless payments as the only method in the future
- Not very optimistic about the future in terms of their assessment of the pandemic situation
- Only 1/3 of them agree that the pandemic encouraged them to shop online
- They don't reject cash-only services/venues - this is a natural situation for them

48%

SEGMENT 2

PAYMENT SWITCHERS

- They switch between payment methods - pay both using cash and cashless payment methods
- They don't believe that cash will stop being used in the future
- They are neither optimists, nor pessimists
- 1/3 of them agree that the pandemic encouraged them to shop online
- More often than Cash-Oriented Traditionalists they reject cash-only services/venues, but not as often as Modern Contactless Payers

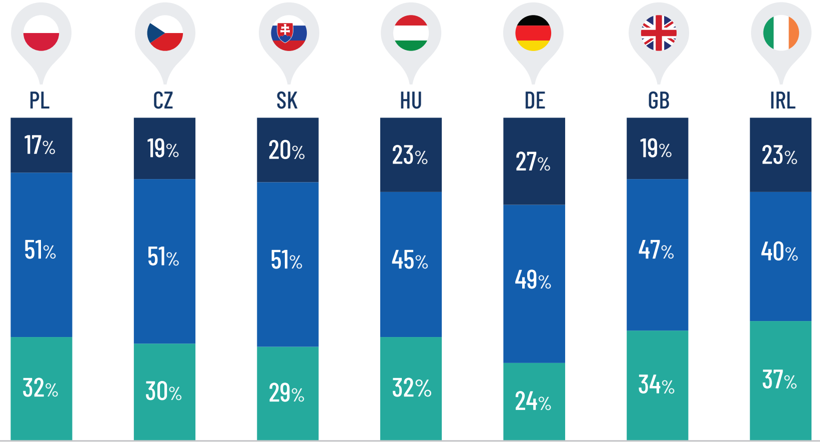
31%

SEGMENT 3

MODERN CONTACTLESS PAYERS

- They strongly prefer paying cashlessly
- They think that cashless methods of payment will be the only ones used in the future
- The most optimistic segment in terms of their assessment of the pandemic situation
- Pandemic encouraged them to shop online
- After lifting the restrictions, they plan to buy online more often
- Some Modern Contactless Payers reject businesses and services that do not accept cashless payment method

DIFFERENT SHARES OF SEGMENTS IN SURVEYED COUNTRIES



About half of respondents in every country are Payment Switchers.

Compared to Europe in general, there are more Cash-Oriented Traditionalists in Germany and more Modern Contactless Payers in Ireland.

Main difference between segments is their attitude towards payment methods. There are also differences between segments in their optimism about the future.

SURVEY PARTNER FOR CEE MARKETS

EVO survey conducted in cooperation with Visa in CEE markets by ARC using the CAWI method – respondents were invited to take part in an internet survey.

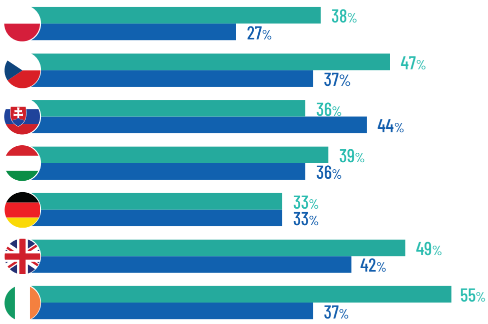
Although there are differences between countries participating in the study, the impact of the pandemic is seen in each nation in relation to shopping and payment habits.

SHOPPING ONLINE

The pandemic has accelerated the migration to online shopping – this shift is most acute amongst the Irish, British, Czechs and Slovaks

% of inhabitants AGREE THAT:

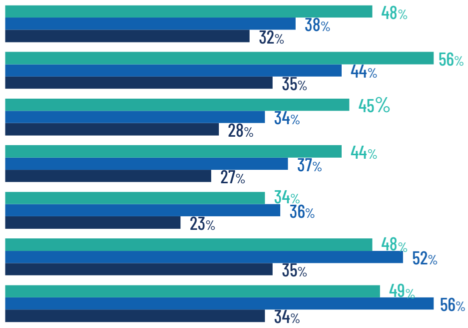
- The pandemic encouraged me to buy online
- I will continue to buy more online after the pandemic



CASHLESS PAYMENTS

The pandemic has accelerated the migration to cashless payment methods – especially Czechs, British and Irish

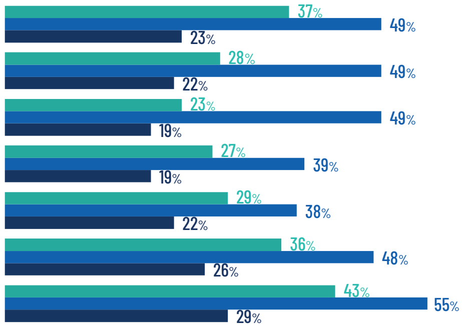
- No matter where, every time I have a chance I choose to pay with card/cashless
- I started to pay with card/cashless more often due to the pandemic
- I want to pay 100% with card/cashless in the next 5 years



CASH PAYMENTS

Cash appears to be less and less important and the pandemic has accelerated this trend – especially among Irish, British and Poles

- In my opinion in 10 years from now there will be no cash anymore/ people will not use cash at all
- In my opinion cash is more unhygienic than other payments methods
- People will revert to paying with cash even more after the pandemic



Pre-pandemic, Europeans used a variety of payment methods. However, the pandemic did encourage the use and frequency of contactless payment methods.

PL

- **38%** at least – think that the ability to pay by card/ cashless primarily means that the business is customer oriented (regardless of the venue)
- **22%** – plan to pay with traditional card payment while shopping offline more often than before the pandemic
- **19%** at least – plan to use fast transfer via the payment gateway or traditional card payment or Blik while shopping online more often after the pandemic

The pandemic has accelerated the changes observed for the last few years in Polish payment behaviour – but it also has aroused some uncertainty about the future.

CZ

- **24%** at least – think that if it is possible to pay by card/cashless, they may spend more (for shopping at grocery stores – bigger and smaller, shopping offline and use of hospitality)
- **66%** at least – want to use traditional card payment or traditional bank transfer or fast transfer via the payment gateway while shopping online as often as before the pandemic
- **71%** only – plan to use or use already contactless payments using a mobile phone, smartwatch etc. while shopping offline – this way of payment is growing, but slower than in Europe in general

Even though The Czechs mostly declare that they don't want to change their current habits, the pandemic has accelerated changes in paying behavior's that were already visible pre-COVID.

SK

- **42%** at least – think that if it is possible to pay by card/cashless it means that business is keeping pace with current technology (regardless of the venue)
- **20%** at least – plan to pay with traditional card payment or contactless payments using a mobile phone, smartwatch etc. while shopping offline more often after the pandemic
- **97%** – plan to use traditional card payment while shopping online after the pandemic – the most popular way of payment in Slovakia for online shopping, with potential to still grow

In Slovakia the pandemic has accelerated changes regarding payment methods that were already present pre-COVID. However, there is some uncertainty and difficulty in SK Slovaks in this „pandemic world".

HU

- **41%** at least – think that the ability to pay by card/ cashless primarily means keeping pace with current technology (regardless of the venue)
- **22%** at least – plan to pay with traditional card payment or contactless payments using a mobile phone, smartwatch etc. while shopping offline more often after the pandemic
- **88%** – plan to pay by card on delivery after the pandemic – it's a popular way of payment in Hungary for online shopping, with potential to grow even more

Although many Hungarians want to use traditional payment methods as often as before, some of them consider switching to cashless payments – the pandemic seems to have encouraged them HU to use new way of payment methods.

DE

- **26%** only up to – think that the ability to pay by card/ cashless is safer (more hygienic) than other payment methods (regardless of the venue)
- **93%** at least – want to pay with cash or by card via Girocard while shopping offline after the pandemic
- **91%** – plan to use buy now, pay lather method while shopping online after the pandemic – it's 2nd most popular way of payment in Germany for online shopping (after traditional bank transfer)

The COVID-19 pandemic seemed to affect shopping and payment habits of Germans, even if in a lesser way than in other countries. Although they are still attached to cash, they are also willing to use cashless payment methods even more after the pandemic.

GB

- **34%** – declare that the pandemic discouraged them to use cash while shopping offline
- **22%** at least – plan to use traditional card payment or virtual wallet while shopping online more often than before the pandemic
- **32%** – plan to pay with contactless payments using a mobile phone, smartwatch etc. while shopping offline more often due to the pandemic

The pandemic discouraged cash usage and has accelerated contactless adoption and other cashless payment methods. Even though the pandemic is not over yet, British are also more optimistic than other Europeans when talking about the future.

IRL

- **36%** at least – think that the ability to pay by card/ cashless is safer (more hygienic) than other payment methods (for most venues)
- **33%** at least – plan to use traditional card payment or contactless payments using a mobile phone, smartwatch etc. while shopping offline more often than before the pandemic
- **20%** at least – plan to use traditional card payment or virtual wallet or card connected to a mobile in marketplace while shopping offline more often than before the pandemic

The COVID-19 pandemic has altered Irish shopping and payment habits with people shopping online and using cashless payment methods even more so than other Europeans. What's more, Irish consumers plan to increase their card usage more than others.

EVO eservice REVO MMB PLATEBNÍ SLUŽBY BOI Payment Acceptance

SURVEY PARTNER FOR CEE MARKETS VISA

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