

## Electronic Payment Service Providers Association (EFISZ)

### A representative survey among those using electronic payment solutions

**The Electronic Payment Service Providers' Association (EFISZ), with contribution from its members, arranged for a new, country-wide representative survey to be conducted: the Association conducted the survey among users of electronic payment solutions.**

Representative sampling of **Internet-user population over the age of 18** in Hungary took place using the so-called CAWI—computer assisted web interview—method between **late September and mid-October 2022**, during which **1,500 persons were interviewed**.

Internet-user adult population was targeted, among whom 53 % (799) of the respondents were female, 47 % (701) male, 16 % (239) of the participants were in the 18–29 age group, 28 % (421) in the 30–39 age group, 19 % (279) in the 40–49 age group, 21 % (317) in the 50–59 age group, and 16 % (245) were above the age of 60. (Compared to the Association's survey made in June, it could be observed that the 30–39 age group was represented in a larger share—6 percentage points—as well as the 50–59 age group—4 percentage points—and the proportion of female and male respondents was reversed.)

Based on the type of settlement, 20 % (300) of respondents claimed to be from Budapest, 21 % (310) were from a county seat, 32 % (485) from other towns, while 27 % (407) came from townships or villages. (In this case, no significant change could be observed when compared to the previous EFISZ market survey.)

Based on the inputs, slightly more than 1/3 (35 %) of participants had an elementary qualification, 39 % (590) had a secondary qualification, while 26 % (386) had a tertiary qualification, of whom 63 % were in active employment while 37 % were inactive (drawing child care allowance (GYES), child care fee (GYED), child home care allowance (GYÁS); or a pensioner; unemployed; a student; other). (This also showed no significant deviation from the summer EFISZ survey.)

*It is worth noting, and it reinforces the previous EFISZ survey, that despite, or rather because of, the pandemic situation the popularity of electronic payment solutions has not changed. The result of this survey also underpins the fact that the proliferation of electronic payment methods may be facilitated by education, communication, information campaigns aimed at reducing information shortage as well as with safer and simpler systems, but it is also an important expectation on the part of the users that these solutions help reduce the costs of finances/payments and facilitate cost optimization, too.*

## Popularity, usage of electronic payment solutions

When compared to the results of the survey based on the 2022 summer sampling, **bank transfer** is still in the lead (94 %), with online payment (81 %) being also highly popular, while postpay (5 %) and instant payment with secondary account identifiers (9 %) are the least popular payment methods<sup>1</sup>. An intriguing development is the fact that **all other electronic payment solutions, apart from cash payment, have lost popularity**, with the exception of mobile wallet and digital wallet (an increase of 1-1 percentage point). Of these, **the popularity of direct debit decreased the most significantly** (8 percentage points).<sup>2</sup>

In parallel to this, it could be noted in connection with the use of the above methods that the weight of electronic payment solutions has not changed significantly among Internet-user adults (nine out of ten persons), nevertheless, **a slight shift may be observed concerning the popularity of the use cases**. While **paying for utility services and payment between private individuals** saw an **increase** (up from 45 % to 53 %, and from 27 % to 29 %), online purchases was the only one to keep its position (71 %). **The use of every other payment method listed** has, to a greater or lesser extent, **decreased**. Of these, payment for accommodation booking and various means of transport the least (from 37 % to 36 %, and from 23 % to 22 %), while **payment for telecommunications services** the most (from 40 % to 31 %). (Diagram 1)

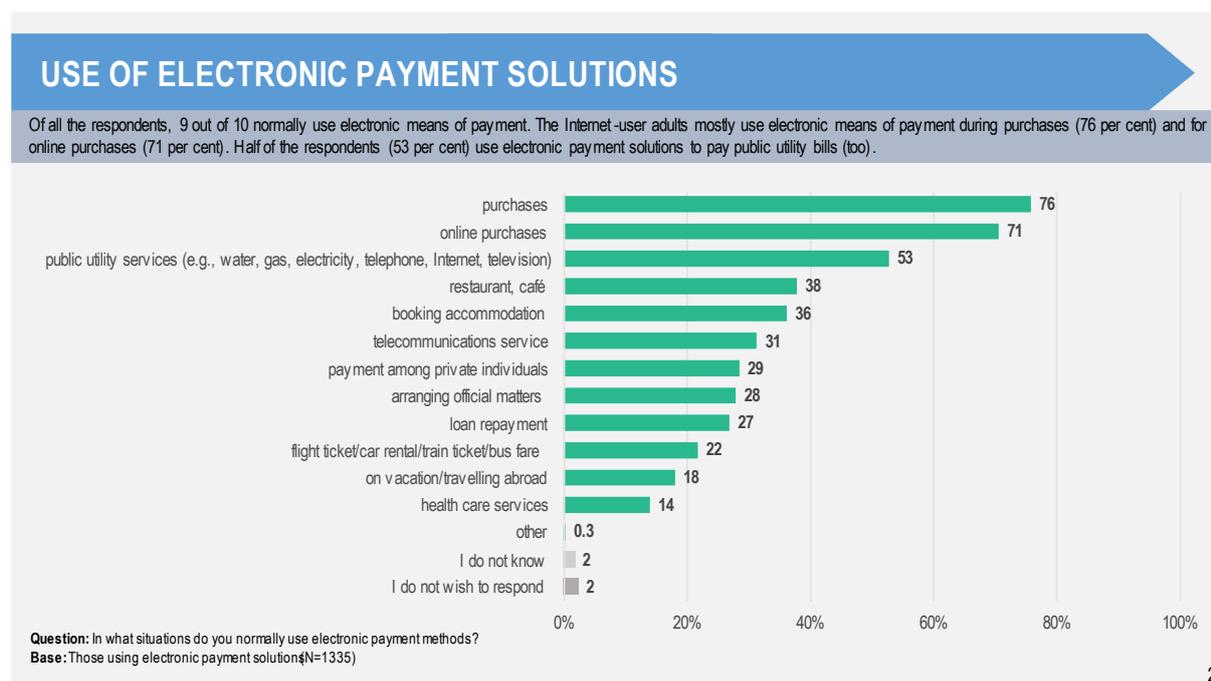


Diagram 1

**No substantial change concerning the use of cashless payment solutions can be detected when compared to the previous EFISZ research. Nearly all respondents in the under-30 age group (98 %), those with a tertiary qualification (98 %), and those living in**

<sup>1</sup> The question included in the questionnaire: What other electronic payment solutions do you know apart from cash payment? What major payment methods are you aware of?

<sup>2</sup> During the previous survey, 82 % knew of the cash payment option. There are no grounds to assume any change in this respect.



**the capital (97.7 %) use alternative methods for payment, while those most likely to avoid these payment solutions remain to be those in the 30-40 age group (93.8 %), those with an elementary qualification (94.7 %), and urban population (95 %). Nevertheless, an increase can be observed in all three categories.**

Of those preferring electronic payment solutions (525 persons), **35 % use cashless payment solutions daily**, nearly a third (32 %) of respondents use cashless payment solutions on a weekly basis, nearly a fifth (19 %) on a monthly basis, while a tenth (10 %) of the respondents use it even less frequently. There is a clear, 6-percentage point shift from those paying daily to those paying weekly. (Diagram 2)

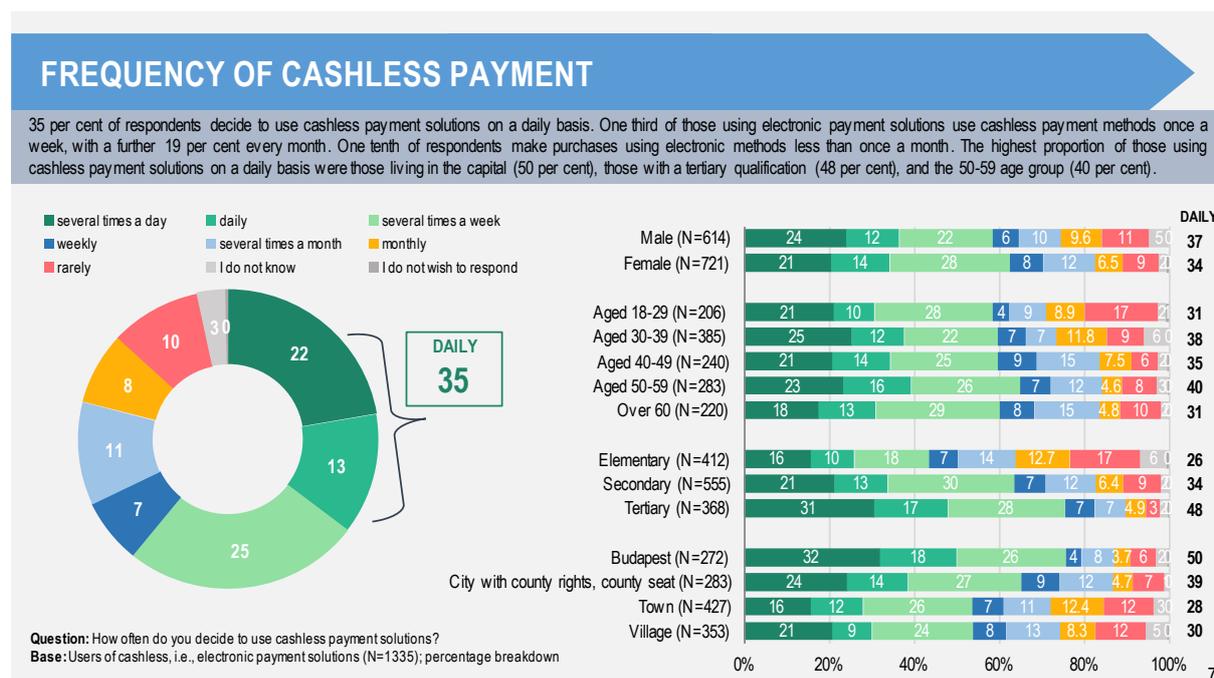


Diagram 2

23 % of those using cashless payment solutions use alternative payment methods in every, or in nearly every case. Compared to the previous EFISZ survey, this is a decrease of ten percentage points, nevertheless, the proportion of those who prefer to use it less frequently also decreased by five percentage points. (Diagram 3)

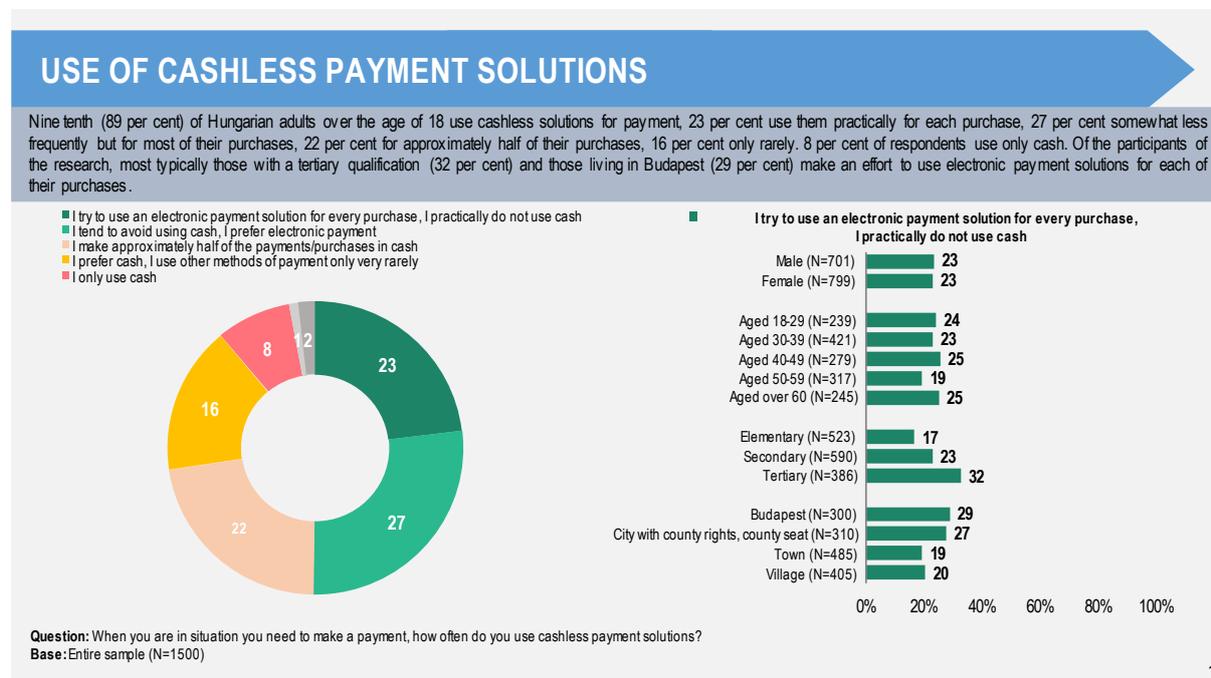


Diagram 3

A further interesting change is that **while there was a decrease in the proportion of those who always use cashless payment solutions, the difference between women and men has levelled out.** This balancing trend accompanying the decrease can also be observed in terms of distribution by age group, qualification, place of residence, too. Those above 60 (25 %), those with a tertiary qualification (32 %) and those living in the capital (29 %) continue to remain in the lead, nevertheless, the 40-49 age group has completely caught up with the former.

This time, the research did not examine the reason for avoiding electronic payment but rather the **incentives** that can potentially motivate **their use**. It is interesting that while 25 % **rejected the use of electronic payment** because they did not feel it was **secure**, only 17 % believed that higher security would be a motivating force. Similarly—**the difficulty of use** or the **lack of information** 18 %–17 %—, a shift in these to a positive direction was indicated by a mere 12%–12 %. In addition to this, previously 14 % noted to be **wary of costs**, and 17 % of respondents indicated specific **benefits** as incentives. A further interesting fact is that 26 % **would not change even in the case of any of the options listed**, and 25 % did not respond or was unable to decide. A complete lack of widespread acceptance of incentives is likely attributable to technological (contactless payment) and regulatory (mandatory electronic payment) development. This, however, implies that **education, communication, and the provision of information** are such achievable incentives that may influence the sentiment concerning the other possibilities, too.



Of respondents, the proportion of those who prefer using cashless payment, including those who “really prefer” cashless payment, did not essentially change (60 %–39 %). The highest proportion of those who most preferred to pay using electronic means were those with a degree (77 %), those living in the capital (70 %), and those above the age of 60 (69 %).

**The primary source of information concerning electronic payment options** (53 %) is **online advertisements, websites**, which **showed** a significant **increase** compared to previous EFISZ surveys (41 %) and—contrary to the result of previous research—it substantially pushed back experiences of the family, friends or acquaintances, and common habits (30 %) being used as a source of information. According to the market research, official sources, such as banks, financial advisors, came in second (33 %), but **social media** also plays a significant part (29 %). In the case of the latter, it may be worth noting that in today’s world of digital relationships social media may significantly overlap with those who prefer family, friends, and relatives. At the end of the line, we find printed press (7 %), radio (3 %) and other sources (2 %).

No repeat survey was conducted about satisfaction with the quality of electronic payment solutions; however, it can be said that their preference did not decrease (60 % prefer to or really prefer to use them), and the proportion of those **who use such solutions for at least a quarter of their payments** in total has **increased**. (Diagram 3)

The current EFISZ survey also did not cover the quality improvement of electronic payment solutions. Nevertheless, it can be concluded that while in the previous survey the areas most in need of development were **online** and **in-store purchases** (81–81 % of respondents), while healthcare (66 %) and public transport (65 %) were deemed less important, in the current survey these are the areas where alternative and electronic payment solutions are used the most often (71 %–76 %) and the least often (14 %–22 %). Based on the two surveys, a parallel can be drawn between the areas where **such payment methods are the most frequently used** and where **development is most needed**.

This EFISZ survey also does not ask respondents about what they see as the greatest benefit of using alternative payment solutions. Instead, an approximate comparison of the results of the two surveys shows the following: the previous survey showed that respondents regarded **swiftness** (37 %) as the best and 16–15 % regarded **security** and **comfort** as the most important benefit. In addition to this, concerning the factors encouraging a switch to **electronic payment** methods, the current survey showed that swiftness was considered the **least motivating** (11 %) and **increased security** was considered the **most motivating** (17 %) factor. (Diagram 4) This shows a certain correlation between the earlier high result of given criteria and the diminishing impact of their further marginal increase.

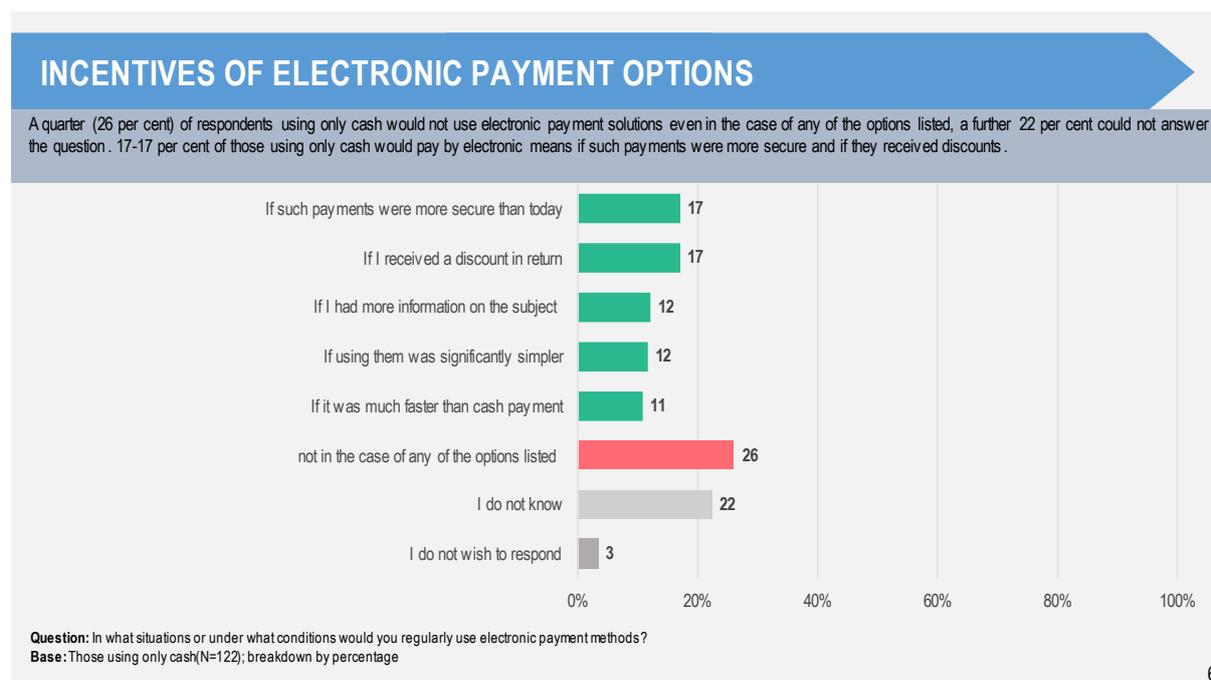


Diagram 4

Regarding **QR code payment** and **Instant payment**, it could be said that many of the respondents **have either never heard of the solution, or they have heard of it but do not know what it means**, these two groups make up 37 %–33 % of respondents (in addition to those replying as “I don’t know”). (Diagram 5 and 6) Besides informing these groups, it is worth asking the group of respondents that knows these solutions but have not used them at all, since their observations can help further develop these solutions, and where emphasis should be placed during education in order to make a better first impression.

## QR CODE PAYMENT OPTION

The majority of respondents (58 per cent) know QR code payment, 21 per cent of them use this option on occasion or on a regular basis, the relative majority (36 per cent) have never used it. The fourth (24 per cent) of respondents have heard of this option but do not know what it stands for. 13 per cent have never heard of this. Compared to the entire sample, a much higher proportion of respondents (17 per cent) among the 30-39 age group have never heard of QR code payments.

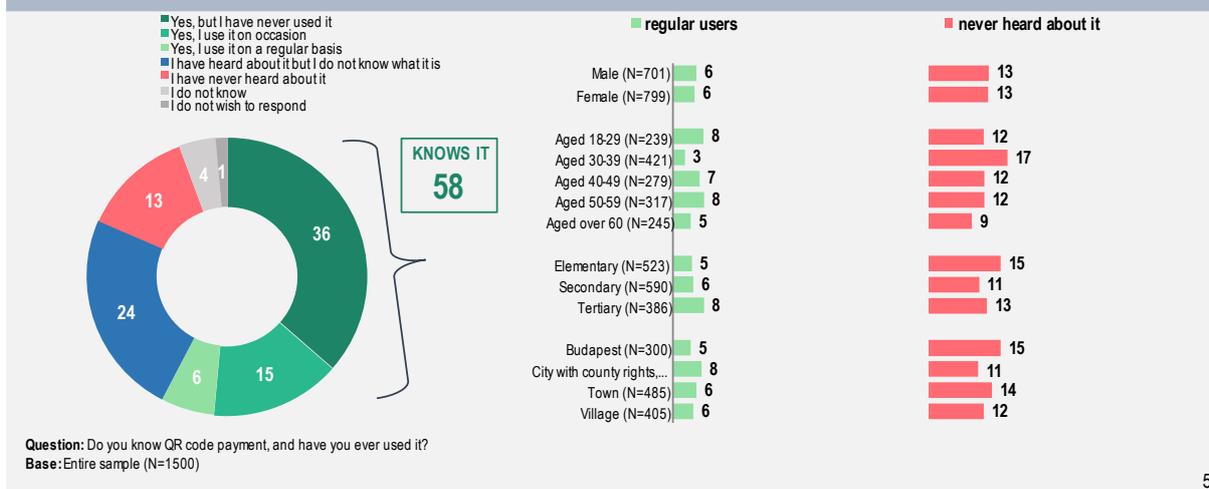


Diagram 5

## INSTANT PAYMENT

The majority of respondents (56 per cent) know instant payment, 40 per cent of them use this option on occasion or on a regular basis. Less than the fifth (18 per cent) of respondents have heard of this option but do not know what it stands for. 15 per cent have never heard of this. The highest proportion of respondents who use instant payment on a regular basis are in the 18-29 age group (21 per cent).

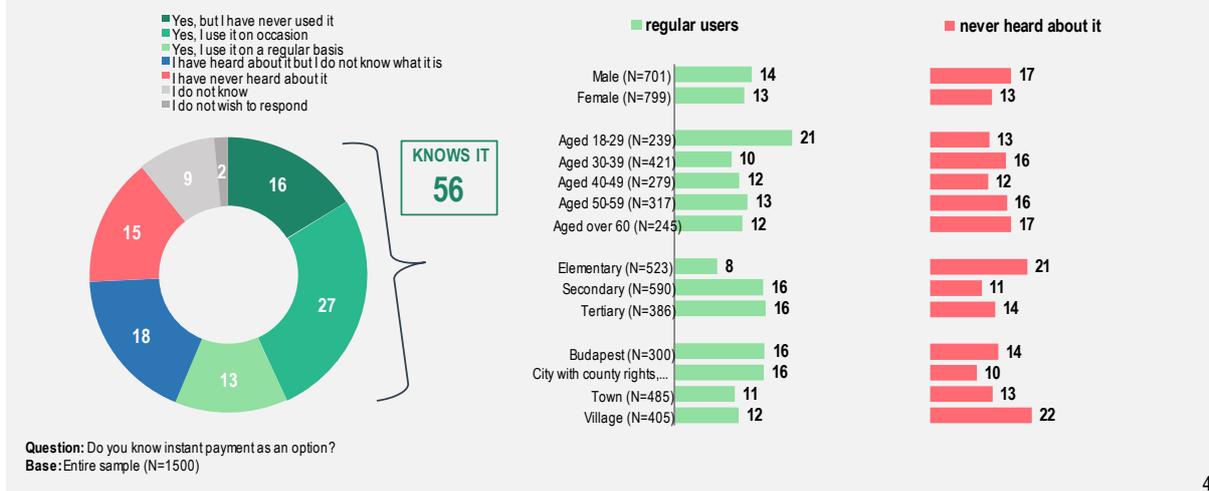
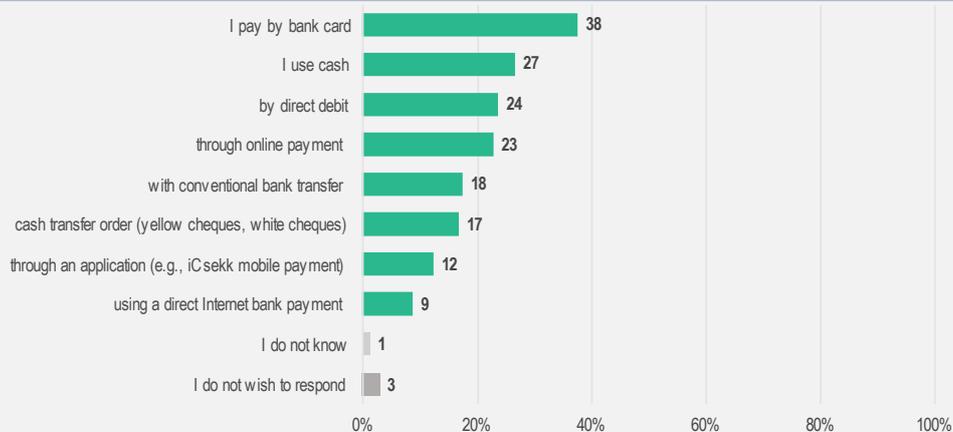


Diagram 6

Although concerning the payment of utility bills bank card payment takes the lead at 38 %, cash payment, taking the second place at 27 %, precedes all other form of electronic payment solutions. The use of applications (too) (e.g., iCsekk mobile payment) was selected by less than a mere third (12 %) of those selecting bank card payments. Since more than half of the respondents (53 %) use electronic payment solutions to pay utility bills, too, there is a significant room for growth here through education. (Diagram 7)

## PAYING PUBLIC UTILITY BILLS

Hungarian Internet-users primarily pay their public utility bills using a bank card (38 per cent). Besides this, regular methods include cash payment (too) (marked by 27 per cent), direct debit (too) (marked by 24 per cent), and online payment (too) (marked by 23 per cent). Nearly one fifth (18 per cent) of respondents pay their bills using conventional bank transfers.



**Question:** How do you normally pay public utility bills? (water, gas, electricity consumption, telephone, Internet, television, insurance premium, other)  
**Base:** Entire sample (N=1500)

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Diagram 7



## **Summary**<sup>3</sup>

Similarly to the summer of 2022 (94-93-84 %), during this autumn, too, the highest proportion of Hungarian Internet-user adults knew bank transfers (94 %), bank card transfers (90 %) and online payment (81 %) of all the cashless payment solutions.

Nine tenth (89 %) of Internet-user adults in Hungary typically use at least one electronic payment solution during their purchases.

The respondents primarily use electronic payment for purchases (76 %) and for online purchases (71 %). Among other uses, the payment of utility bills has a prominent place (53 %).

Utility bills are typically paid using bank cards (38 %). At the same time, cash payment represents a significant proportion (27 %) which offers a large growth potential for other electronic payment methods.

Half of those using cashless payment solutions pay more frequently via electronic means than in cash and, as in the summer of 2022, the proportion of those who prefer paying with alternative payment solutions is also 59 per cent.

The majority of those using electronic payment solutions (87 %) pay at least once a week using a cashless solution, and 35 % of them do this at least daily.

Compared to the previous data collection (42 %), the proportion of those using electronic payment solutions on a daily basis decreased by 7 percentage points in the autumn of 2022.

**The majority of Internet-user Hungarians know instant payment and QR code payment (56–58 %), however, the former is used by twice as many as the latter (40–21 %).**

Of those respondents who believe electronic payment solutions have an outstanding advantage, 35 per cent ranked swiftness as number one.

A quarter of respondents using only cash (26 %) would not use electronic payment solutions in the case of any of the above-listed options, 17–17 per cent of them would pay by electronic means if such payments were more secure or if they received discounts for such payments.

Every second respondent (53 %) obtains information about payment solutions from online advertisements and websites, which is a substantial shift from family, friends and relatives being the primary source of information earlier.

**Budapest, 27.10.2022.**

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<sup>3</sup> At this time, no new EFISZ survey was conducted about the respondents' own financial knowledge, their opinion on financial knowledge, or on what instruments, trends they believe would determine the payment habits of customers.