

Electronic Payment Service Providers' Association (EFISZ)

Representative survey on electronic payment and digitalization trends

The Electronic Payment Service Providers' Association (EFISZ) carried out another national representative survey: this time the association studied electronic payment and digitalization trends.

The representative survey has been carried out by the questioning of **2000 internet-users above the age of 18** in Hungary by use of the CAWI – online survey – method in **2023** between **end of March and mid-April**.

52% of the entire sample (1048 persons) is female, 48% (952 persons) male; as for age groups: 23% (460 persons) is between the ages 18 and 29, 22% (436 persons) between 30 and 39, 23% (467 persons) between 40 and 49, 16% (316 persons) between 50 and 59 and 16% (321 persons) aged 60 or above. (Compared to the Association's survey taken last October it is observable that the share of participants aged 18-29 was significantly higher – 7 percentage points – while the portion of participants aged 30-39 – 6 percentage points – and those aged 50-59 – 5 percentage points – was substantially less.)

As for type of local area 20% of those questioned (394 persons) claimed to be residents of Budapest, 21% (435 persons) live in a county seat, 32% (638 persons) in other cities or towns, 27% (532 persons) in a village or other smaller administrative unit. (In this respect no major changes were perceived compared to the last EFISZ-study.)

36% of the surveyed participants (717 persons) have elementary education, 39% (776 persons) secondary education while 25% (508 persons) tertiary education, 63% is actively employed and 35% is inactive (receiving various types of childcare benefits, pensioner, unemployed, student, other). (Neither in this respect was a significant change recognizable compared to the EFISZ-study carried out last year in October.)

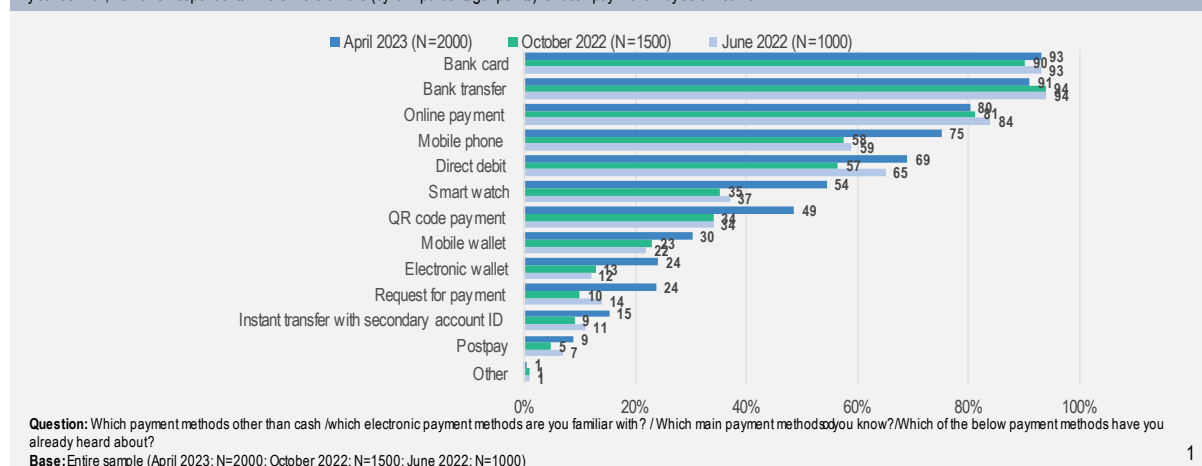
Popularity and usage of electronic payment solutions

Bank card payment and bank transfer are the two most well-known electronic payment methods, the former is known to 90%, the latter to 91% of those surveyed. The least well-known means, postpay and immediate transfer by secondary account ID is known to less than 20%.

Compared to the EFISZ-survey taken last autumn, the popularity of payment by cell phone, smart watch and QR code, e-wallet and request for payment rose significantly as well.

AWARENESS OF CASHLESS PAYMENT SOLUTIONS

In 2023 the share of those aware of bank cards rose compared to the result (90 percent) in October last year: 93 percent indicated this payment method this year. The second best-known way of payment is bank transfer the prevalence of which had fallen by 3 percentage points (to 91 percent) since autumn 2022 (94 percent). A large part of those surveyed (80 percent) are familiar with online payment; this spring the share of those selecting this response option was by 1 percentage point lower than in the previous survey. Just like in the case of the previous two assessments, instant transfer by secondary account ID (selected by 15 percent) and postpay (selected by 9 percent) proved the two least well-known methods this year as well, however respondents were more aware (by 6-4 percentage points) of both payment ways than earlier.

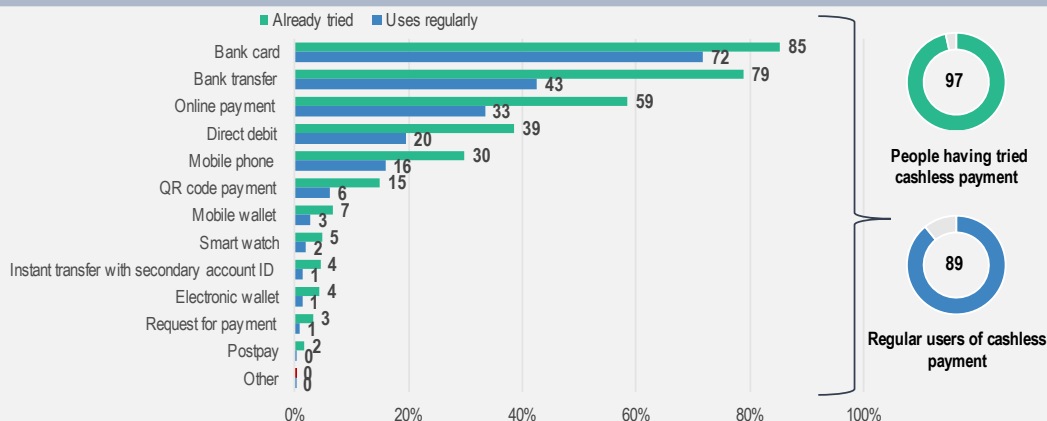


1. Figure

97% of all respondents have already tried some kind of cashless payment method; the share of those regularly using one of them is 89%. For most of the people cashless payment means primarily payment by bank card which is used by 72%. Beyond this, surveyed participants rather use classic digital payment regularly (bank transfer 43%, online payment 33%, direct debit 20%). This also means that the usage of relatively new payment means is less common for now (postpay 0%, request for payment 1%, e-wallet 1%, immediate transfer by secondary account ID 1%).

USE OF CASHLESS PAYMENT SOLUTIONS

97 percent of adults using the internet have already paid cashless and 89 percent of them pay this way regularly. Bank card usage turned out to be most popular among those having used electronic means at least once (85 percent) and this method has the highest rate among those using electronic means on a regular basis (72 percent) as well. The second best-known of listed methods is bank transfer: 79 percent of respondents have already tried it, however the share of regular users is significantly less (43 percent) than that of bank card payment. 59 percent of the surveyed have used online payment at least once and 33 percent of them became regular users.



Question: Which of the below payment methods have you already tried?/Which of the below payment methods do you use regularly?
 Base: Entire sample (N=2000)

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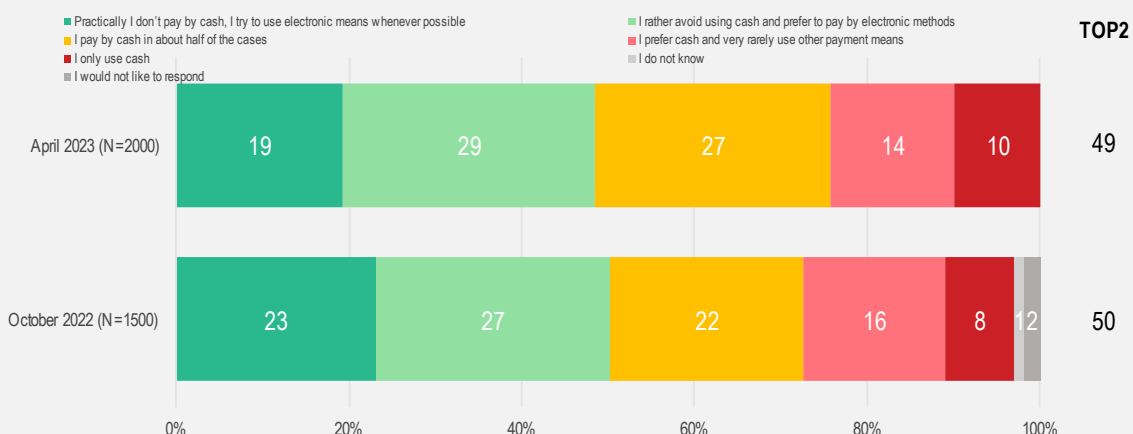
2. Figure

Frequency and places of use of cashless payment

Half of those surveyed prefer electronic payment and the share of those practically not using cash at all is 19%. 24% rather prefer payment by cash and 10% only use cash. In this respect no significant change is to be perceived compared to the survey taken last October.

FREQUENCY OF CASH USE

In April 2023 almost half of the adult internet -users (49 percent) pay electronically more often than by cash; this is by 1 percentage point less than that surveyed in October 2022. The share of those using cash only increased from 8 percent in last autumn to 10 percent – a difference within error tolerance.



Question: How often do you use cash when it comes to payment?
 Base: Entire sample (April 2023 : N=2000; October 2022 : N=1500); percentage

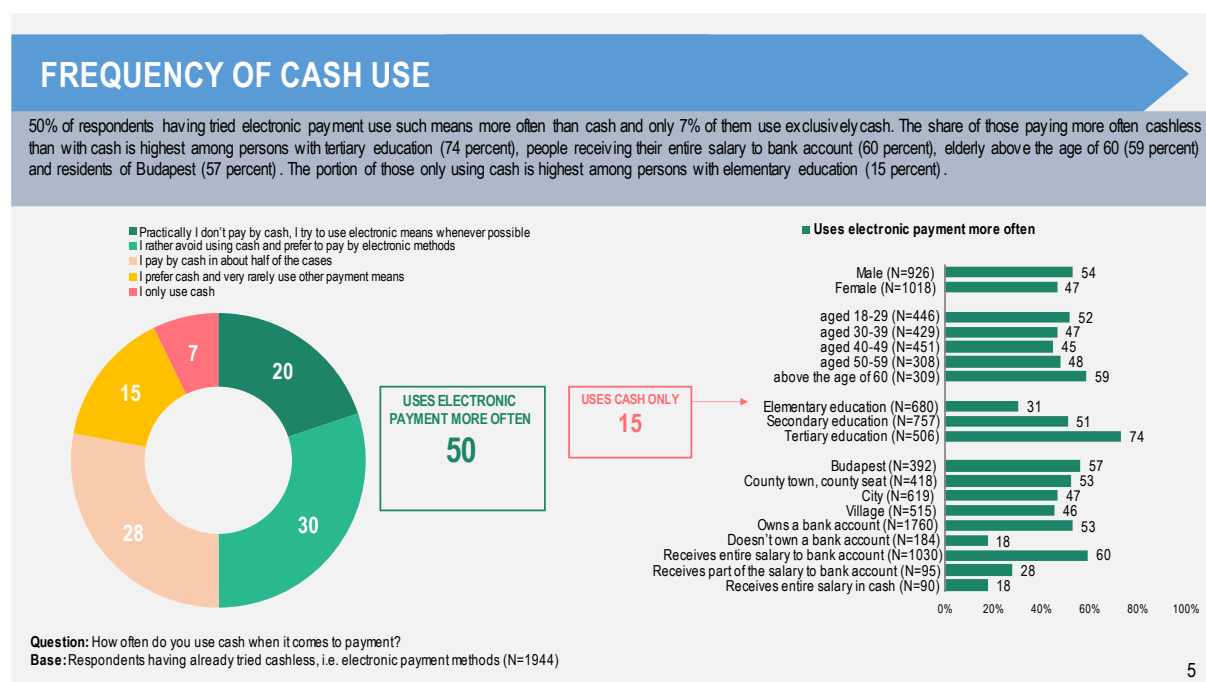
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3. Figure

The higher the education, the more likely a person prefers electronic payment. While only 31% of those having elementary education rather pay by digital means the same share

among respondents with secondary education is 51% and among those with tertiary education 74%.

Furthermore we can conclude that **the larger the settlement one lives in, the higher the likelihood of not using cash.**

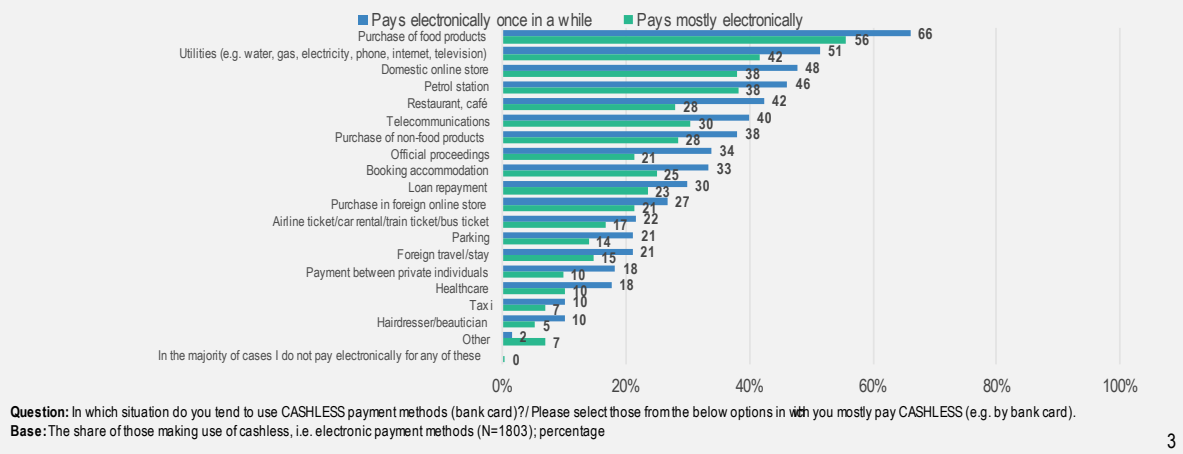


4. Figure

Cashless payment is primarily typical for purchases of food products, 66% of those paying electronically stated to usually pay by digital means when buying food and 56% of them tend not to use cash in such situations. It should be highlighted that **this is the only payment situation in which more than 50% of the survey participants usually choose electronic payment.** Beyond this, at least 40% of respondents usually pay electronically for utilities, domestic online store purchases, petrol station purchases for telecommunication services and in restaurants.

PLACES OF USE OF CASHLESS PAYMENT

Respondents using cashless payment (as well) most often pay electronically for food products (66 percent), and 56 percent of them use electronic payment for the majority of their purchases... 51 percent of respondents have already paid cashless for public utilities and 42 percent of them chooses regularly to do so. 48 percent have at least once paid electronically in domestic online stores (38 percent regularly) and cashless payment is popular when it comes to petrol station purchases as well (46% is the share of those paying this way occasionally, 38 percent pays like this routinely). Cashless payment is least customary when paying to private individuals, for healthcare, taxi, hairdressing and beautician services (18, 18, 10, 10 percent respectively).



5. Figure

Digital consciousness, electronic payment habits

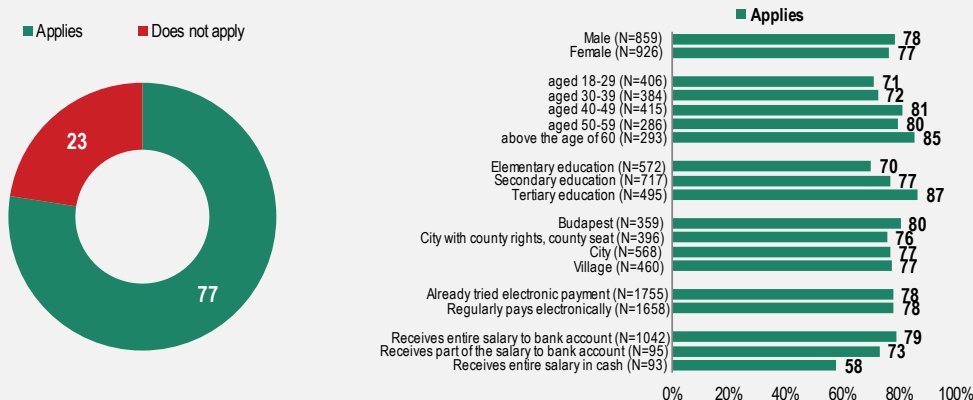
89% of those surveyed own a bank account – a factor fundamentally determining peoples' electronic payment options. **The higher the education, the more likely a person owns a bank account.** 80% of those having elementary education, 92% of those with secondary education and 97% of people having tertiary education own a bank account.

The means of receiving salary also influences electronic payment habits. 85 % of employees owing a bank account receive their entire salary electronically, 8% receive part of their salary to bank account while another 8% receive their entire salary in cash. In this respect it is also perceivable that **the higher the education, the more likely a person receives at least part of his salary electronically.**

77% of those owing a bank account make efforts to monthly withdraw only the amount of money from their bank account after which they are not charged by the bank. This consciousness is less typical for those under the age of 40. **People having tertiary education and elderly of and above the age of 60 pay most attention to this,** 87% of the former group and 85% of the latter purposefully try to reduce these kind of charges.

CASH WITHDRAWAL HABITS

More than three out of four respondents (77 percent) having a bank account usually make efforts to withdraw only the amount of money after which no bank charges are incurred. The awareness of free-of-charge cash withdrawal is most typical for respondents with tertiary education (87 percent) and elderly above the age of 60 (85 percent). 78 percent of those using electronic payment routinely usually avoid cash withdrawal charges; the same share than that of total respondents having a bank account.



Question: Does the following statement apply to you? "I tend to make efforts to withdraw only the amount of money from my bank account after which I don't need to pay bank charges."
Base: Respondents having a bank account (N=1784); percentage

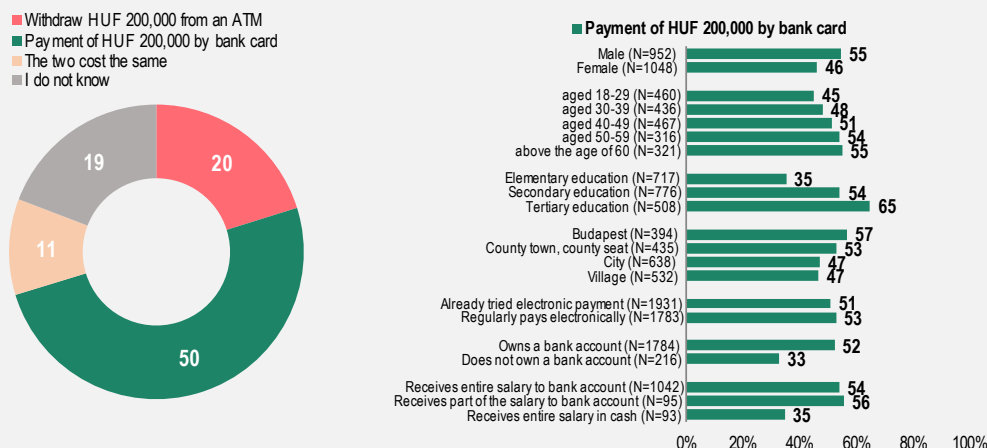
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6. Figure

Half of all the respondents are aware that **payment by bank card is cheaper than cash withdrawal**. There is a significant difference between men and women, between residents of Budapest and residents of smaller towns and villages. Furthermore, **the higher the age and the higher the education, the more likely a person is aware of this**.

AWARENESS OF THE CASH WITHDRAWAL CHARGE

Half of the respondents are aware of the fact that it is cheaper to pay HUF 200,000 by bank card than to withdraw the same amount at an ATM. The awareness of cash withdrawal costs is most typical for respondents with tertiary education (65 percent) and residents of Budapest (57 percent). The fewest correct answers came from people with elementary education, respondents not having a bank account and those receiving their entire salary in cash (35-33-35 percent, respectively). 53 percent of those paying electronically regularly knew the correct answer.



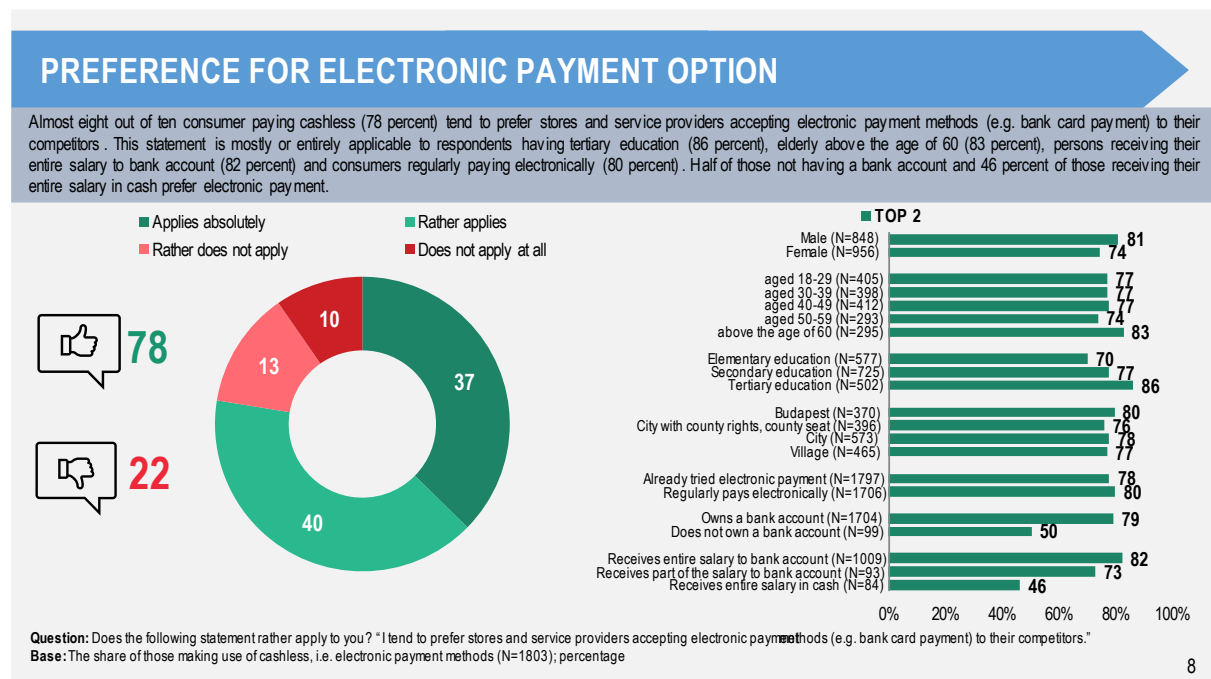
Question: Which one do you think is cheaper for a consumer? Withdraw HUF 200,000 from an ATM or pay HUF 200,000 by bank card.
Base: Entire sample (N=2000); percentage

7

7. Figure

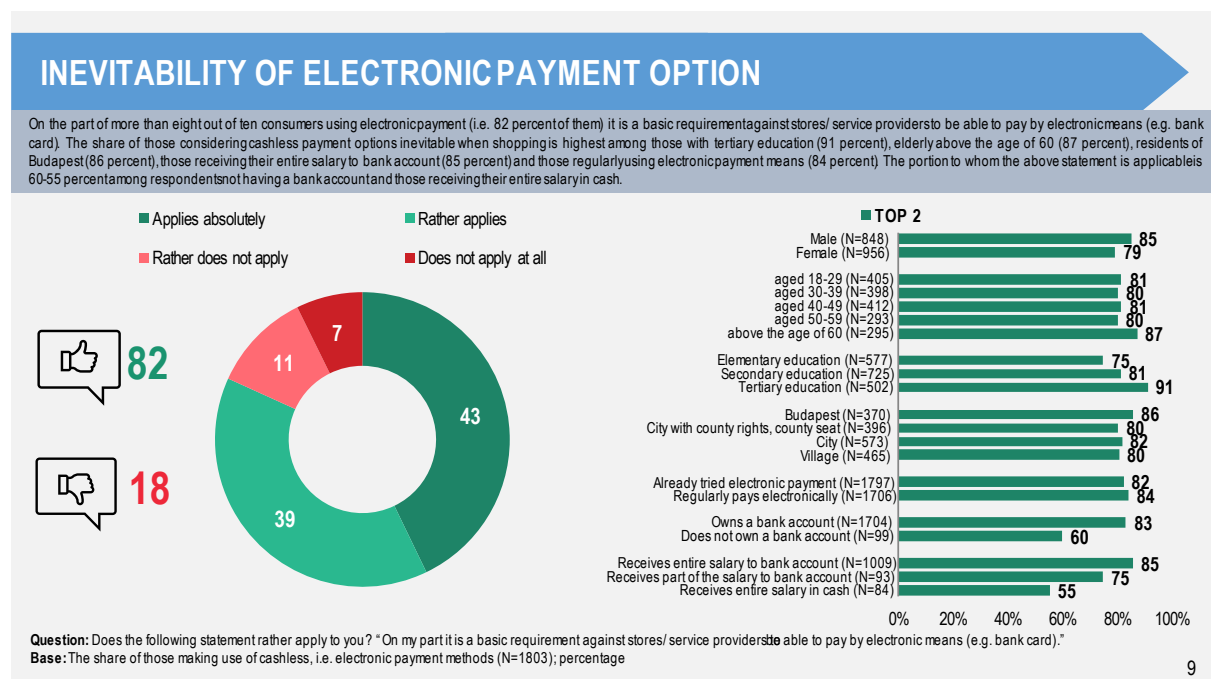
The preference of service providers/ stores accepting electronic payment is absolutely applicable or rather applicable to 77% of those using electronic payment methods. In

this respect a significant difference between men and women is perceivable: this behaviour is more typical for the former group. Here too, the aforementioned rule applies: **the higher the education, the more likely a person prefers places accepting electronic payment.**



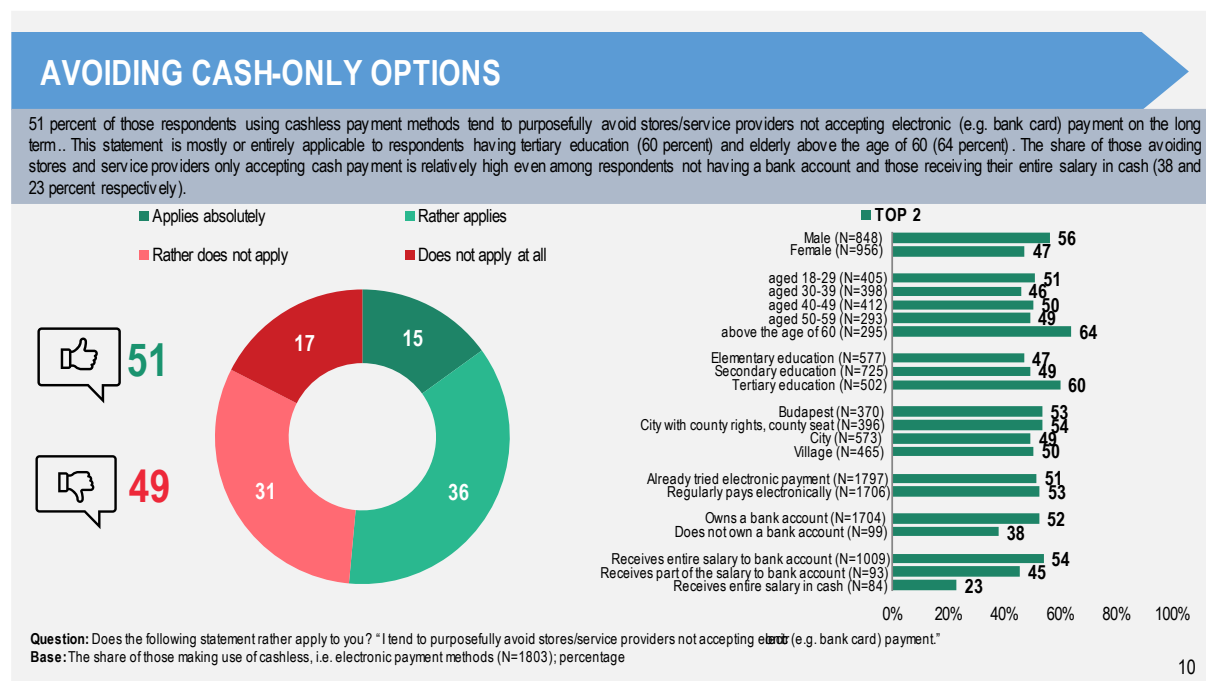
8. Figure

82% of those using electronic payment means raise the basic requirement or almost basic requirement of being able to pay digitally in a store / at a service provider. This especially applies for people having tertiary education, for elderly of and above the age of 60 and for residents of Budapest.



9. Figure

The deliberate avoidance of service providers/ stores not accepting electronic payment is absolutely applicable or rather applicable to half of those using electronic payment methods. There is a significant difference between men and women: 56% of the former group, 47% of the latter acts likewise. Well above average is the share of such answers among elderly aged 60 and above (64%) and among respondents with tertiary education (60%).



10. Figure

Summary

Just like in the previous survey (90-94-81 percent, respectively), in April 2023 bank card payment, bank transfer and online payment are the three best known cashless payment options (93-91-80 percent have already heard about these).

Almost every (97 percent) adult internet-users in Hungary have already paid electronically at least once and 89 percent of them pay this way regularly. Bank card and bank transfer are the two most frequently used methods: 85% tried the former and 75% use it regularly, 79 percent tried the latter however only 43% became its regular user.

Respondents (also) paying by cash alternatives primarily tend to pay electronically when purchasing food (66 percent) and paying for utilities (51 percent), 56-42 percent is the share of those settling these kind of transactions regularly with cash alternatives.

Just like in the previous survey, in April 2023 almost half of the respondents (49 percent) pays more often electronically than by cash and the share of those using cash exclusively is only 10%.

89 percent of the questioned own a bank account, the share of those currently employed is 66 percent. The overwhelming majority (92 percent) of employees having a bank account receive at least a part of their salary to bank account, 85 percent receive the entire salary this way.



More than three out of four respondents (77 percent) having a bank account usually make efforts to monthly withdraw only the amount of money after which no bank charges are incurred; this is mostly typical for those having tertiary education and for elderly of and above 60 (87 and 85 percent, respectively).

Half of the survey participants are aware that it is cheaper to pay HUF 200,000 by bank card than to withdraw the same amount of cash from an ATM. People having tertiary education and residents of Budapest are the most well-informed in this respect (65 and 57 percent are aware respectively).

78 percent of those usually paying cashless tend to prefer stores and service providers accepting electronic payment methods and for 82% of them it is a basic requirement to be able to pay cashless. Both behaviour is most typical for those having tertiary education (86 and 91 percent respectively) and elderly of and above 60 (83 and 87 percent).

Ca. half (51 percent) of those using cash alternatives (as well) claimed to usually avoid on the long run deliberately those stores/ service providers which do not accept electronic payment and the avoidance of cash only payment is primarily typical for elderly above 60 (64 percent) and those having tertiary education (60 percent).

Budapest, 08.05.2023

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