

## **Electronic Payment Service Providers' Association (EFISZ)**

### **Representative survey on user habits and attitudes related to mobile wallet applications**

**The Electronic Payment Service Providers' Association (EFISZ) carried out another national representative survey: this time, the Association carried out its two-phase surveys on "Mobile wallet solutions through the eyes of users – representative research on user habits and attitudes related to mobile wallet applications".**

Regarding the **quantitative research**, a representative survey was carried out by questioning **1000 internet users above the age of 18** in Hungary using the CAWI online survey method **between 15 April and 2 May 2024**.

52% of the total sample (522 persons) are female, 48% (478 persons) are male; in terms of age groups, 38% (380 persons) are aged between 18 and 39, 42% (419 persons) are aged between 40 and 59 and 20% (202 persons) are aged 60 or over.

As for the type of local area, 18% of those questioned (176 persons) claimed to be residents of Budapest, 23% (225 persons) live in a county seat, 32% (319 persons) live in other cities or towns, and 28% (280 persons) live in a village or other smaller administrative unit.

35% of the entire sample (355 persons) have elementary education, 38% (381 persons) have secondary education, and 26% (264 persons) have tertiary education.

**The qualitative research's online focus group study was conducted in four groups between 11 and 12 March 2024 under the guidance of a qualified moderator.**

During the focus group survey, users of the following electronic payment solutions within the mobile wallet app users were interviewed to learn the opinion of the target group:

- Between the ages of 18 and 66: 2 groups were selected from aged 18-25, and 2 groups examined those aged 25-66,
- users of mobile wallet applications, those over the age of 25, have already tried several such applications,
- members of groups over 25 use mobile wallet applications at least once a week; there was no stipulation for those aged 18 to 25.

The groups were heterogeneous in terms of gender and place of residence, and there were also people living in smaller and larger settlements from all three regions of the country.



## The result of quantitative research

### Available assets

**91 percent** of the survey participants **have a bank card**. The more educated someone is, the more likely to have a bank card. The smaller a settlement and the older someone is, the less likely they are to have a bank card.

While almost everyone (99 percent) among those having tertiary education has a bank card, this rate is only 84 percent among those with a basic education.

95 percent of the people in Budapest and 87 percent in a village have a bank card.

Among those aged 18 to 39, 94 percent have a bank card, and among those 60 years of age or older, 88 percent do.

**80 percent** of the research participants **have a smartphone with a permanent internet connection**. Regarding sociodemographic characteristics, the highest proportion of people from Budapest (88 percent) and aged 18-39 (86 percent) have a smartphone with permanent internet access.

63 percent of smartphone owners said their device is NFC-compatible. It is important to note that 20 percent of smartphone users could not answer this question.

Regarding sociodemographic characteristics, the percentage of those with an NFC-compatible phone is the highest among those aged 18-39 (74 percent), while it is the lowest among those 60 and older (38 percent).

### Usage of electronic payment solutions

The majority of survey participants prefer electronic payment methods.

**63 percent of the entire sample prefer electronic payment methods over cash**, 31 percent attempts electronic solution for every payment. 9 percent of respondents use only cash.

The share of those trying to use electronic solutions is highest among persons with tertiary education (45 percent), Budapest residents (39 percent), and older adults over the age of 60 (38 percent).

The more educated someone is, the more likely they are to pay electronically.

## PAYMENT METHODS USED

The share of those trying to use electronic solutions is highest among persons with tertiary education (45 percent), Budapest residents (39 percent), and older adults over the age of 60 (38 percent).

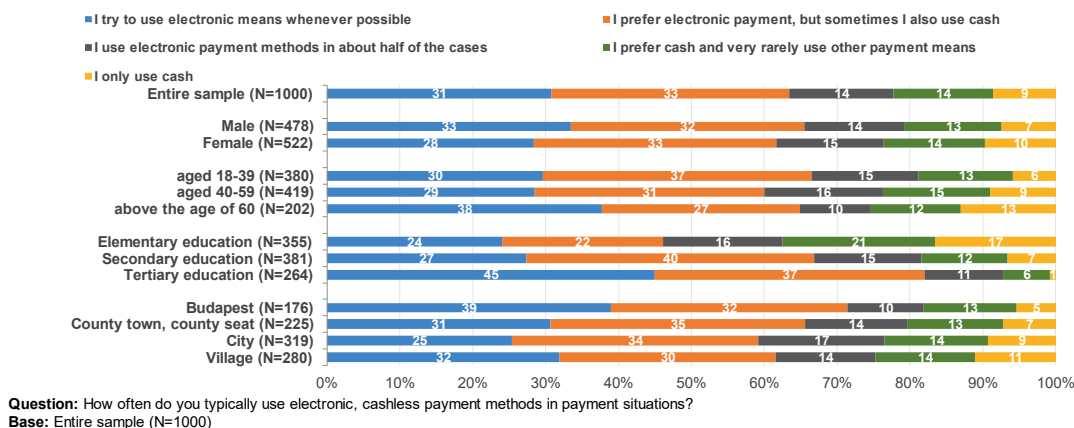


Figure 1

## Usage of mobile wallet

Nearly two-thirds of the survey participants (64 percent) have heard the term **mobile wallet (wallet)**, with the highest percentage among those living in Budapest (75 percent), those with tertiary education (74 percent), and those aged 18-39 (74 percent). Among those aged 60 or older, however, only 44 percent have already heard of the term.

The younger or more educated a person is, the more likely they are to have heard of mobile wallets.

## THE KNOWLEDGE OF THE CONCEPT OF A MOBILE WALLET

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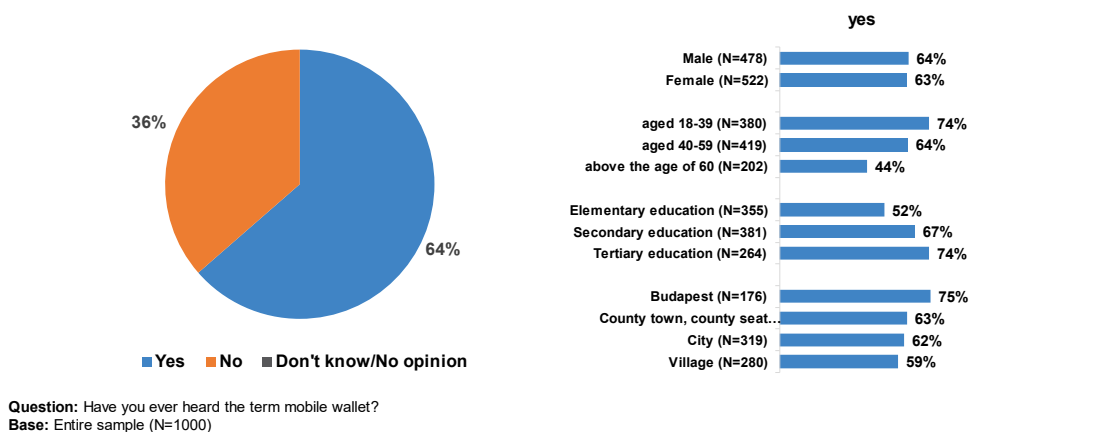


Figure 2

The best-known mobile wallet applications are PayPal (53 percent), Simple (44 percent) and Google Pay (40 percent), 26-25-14 percent of the respondents have tried them, and 13-15-8 percent use them regularly. Regular users of mobile wallet applications mainly use Simple (36 percent), PayPal (31 percent), Apple Pay (21 percent) and Google Pay (18 percent).

**Among those who regularly use a mobile wallet application, 53 percent pay with a mobile wallet most of the time, and 27 percent almost all the time.**

It is typical for those with tertiary education (38 percent) and Budapest residents (37 percent) to almost always pay with a mobile wallet.

The higher a person's level of education or lives the more likely they are to live on in a larger settlement, the more likely they are to almost always pay with a mobile wallet.

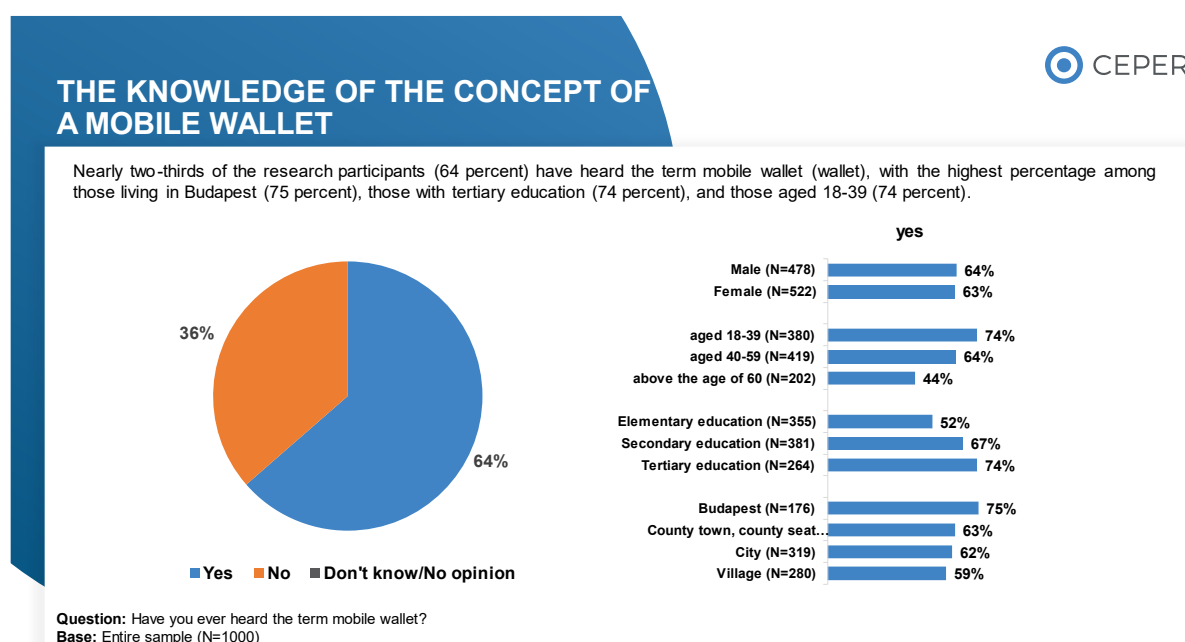


Figure 3

Among the functions available in mobile wallet applications, the most popular are paying bills (42 percent), paying via a bank card terminal (42 percent), sending money (34 percent), and storing bank card data (33 percent); 17-20-11-12 percent use these regularly. Respondents use mobile wallet applications the least for storing sensitive data (3 percent), tracking discounts and rewards (3 percent), and managing shopping (2 percent). Among those who regularly use mobile wallets, the proportion of those who pay with a mobile wallet in the store (59 percent) and those who pay bills (56 percent) is the highest.

Two-thirds of respondents (66 percent) think using a mobile wallet is convenient, and 26 percent consider it completely convenient. The vast majority (84-86 percent) of those who tried mobile wallets and used them regularly consider mobile wallet applications convenient. Based on sociodemographic characteristics, mainly those with tertiary education (75 percent) and those aged 18-39 (74 percent) find it convenient to use.



Almost half of the respondents (46 percent) consider using a mobile wallet cost-effective, 65 percent of those who have already tried a mobile wallet application, and 70% of regular users feel this way. In particular, those aged 18 to 39 (53 percent), those with secondary education, and those with tertiary education (50-50 percent) consider using a mobile wallet cost-effective.

Most of the respondents who have already tried at least one mobile wallet application (58 percent) store one bank card data in the mobile wallet application(s) they use; the proportion of those who store more than one is 29 percent. The highest proportion of people living in Budapest (37 percent) and those with tertiary education (36 percent) store more than one bank card data in a mobile wallet application, and 34 percent of regular mobile wallet users store more than one bank card data.

### **Problems with mobile wallets**

29 percent of those who tried the mobile wallet application failed to pay with a phone or smartwatch because the terminal did not recognise the device, 12 percent failed once, and 17 percent several times.

22 percent of those who tried the mobile wallet application had to download another one in addition to the existing one because payment from a given account was only possible from the application of that bank. 42 percent of those who had to download multiple applications said this was a problem.

16 percent of those who tried the mobile wallet application had to download another one in addition to the existing one because a specific function was not available in the existing application.

16 percent of those who tried the mobile wallet application had to download another application due to operational problems.

### **Opinions about the security of mobile wallets**

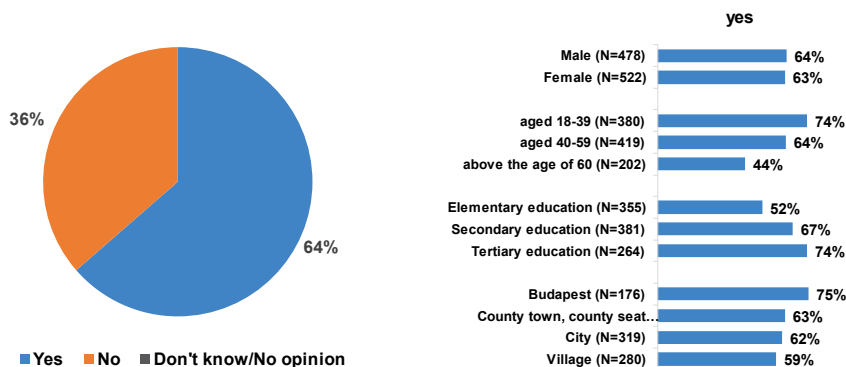
**47 percent of the total sample think using a mobile wallet is safe; the percentage of those who think it is completely safe is 14 percent.**

Among those trying mobile wallets (72 percent) and regular users (79 percent), the proportion of those considering these applications safe is remarkably high.

Based on sociodemographic characteristics, those with tertiary education (58 percent) and those aged 18-39 (55 percent) consider mobile wallet applications the most secure.

## THE KNOWLEDGE OF THE CONCEPT OF A MOBILE WALLET

Nearly two-thirds of the research participants (64 percent) have heard the term mobile wallet (wallet), with the highest percentage among those living in Budapest (75 percent), those with tertiary education (74 percent), and those aged 18-39 (74 percent).



Question: Have you ever heard the term mobile wallet?  
 Base: Entire sample (N=1000)

Figure 4

Almost half of the research participants (49 percent) think it is safe to pay paying with a mobile wallet without entering login data for every transaction. This proportion is significantly higher among those who have tried the mobile wallet and those who use it regularly, at 71 percent in both cases.

Based on sociodemographic characteristics, the highest percentage (57 percent) of those with tertiary education think paying with a mobile wallet without entering login data is safe.

35 percent of the respondents agree that paying with a mobile phone or smartwatch reduces the possibility of acquiring bank card data. This proportion is exceptionally high (49-54 percent) among those who have tried and pay regularly with mobile wallet.

One-third of the sample (33 percent) believe that mobile wallet applications adequately encrypt personal data. 51 percent of those who have already tried a mobile wallet application and 57 percent of regular users are satisfied with the encryption.

Based on sociodemographic characteristics, those aged 18-39 (42 percent) consider encryption in mobile wallet applications adequate.

### The possibility of completely replacing a bank card with a mobile wallet

**39 percent of survey participants think that mobile wallet is suitable for completely replacing the physical bank card**, 28 percent think it is not suitable, and 33 percent did not express their view on this question.

According to 53-57 percent of those who have already tried the mobile wallet and those who use it regularly, these applications can completely replace the physical bank card.

Based on sociodemographic characteristics, the highest proportion of those with tertiary education (49 percent) and those aged 18-39 (48 percent) think the mobile wallet can completely replace the bank card.

The younger a person is, the more likely he is to think that the mobile wallet is suitable for replacing bank cards.

The higher a person's level of education, the more likely he is to think that the mobile wallet is suitable for replacing bank cards.

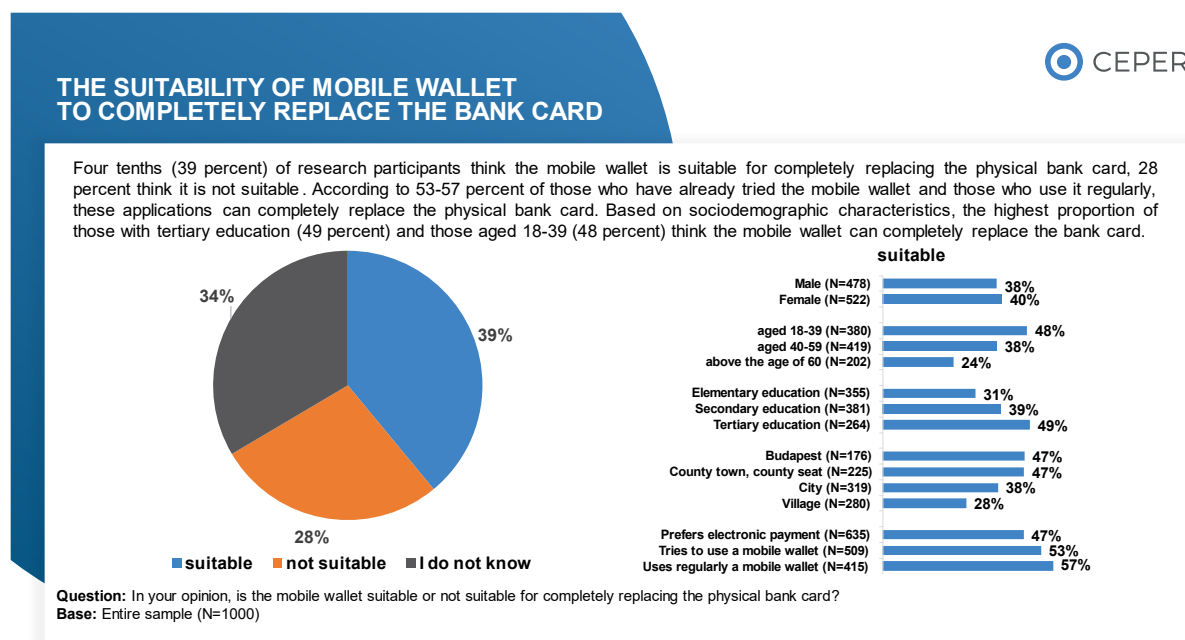


Figure 5

### Summary

91 percent of the survey participants have a bank card, 80 percent have a smartphone with a permanent internet connection, and 63 percent prefer electronic payment methods.

The technical conditions of the mobile wallet payment method are given, and many people are open to this payment solution.

64 percent of the survey participants have already heard about the concept of mobile wallets, and the proportion of those who regularly use a mobile wallet application is 42 percent.

The best-known mobile wallet applications are PayPal (53 percent), Simple (44 percent) and Google Pay (40 percent).

53 percent of those who regularly use mobile wallet applications pay with a mobile wallet.

47 percent of the total sample think using a mobile wallet is safe; the percentage of those who think it is completely safe is 14 percent. However, a high proportion of respondents (31 percent) could not express their opinion on the issue, which may indicate that many are not familiar with the details of this payment solution.

Among those trying mobile wallets (72 percent) and regular users (79 percent), the proportion of those considering these applications safe is remarkably high.



39 percent of survey participants think the mobile wallet is suitable for completely replacing the physical bank card, 28 percent think it is not suitable, and 33 percent did not express a view on this question, which may also indicate that average customers are uninformed on the subject.

According to 53-57 percent of those who have already tried the mobile wallet and those who use it regularly, these applications can completely replace the physical bank card.

## **The result of qualitative research**

### **Payment methods**

Although most mobile wallet users in the target group aged 18 to 25 and those over 25 favour electronic payments, some prefer using cash wherever possible.

The primary attraction of cash is tangibility and the ability to track how money is spent. Target group members prefer electronic forms of payment primarily because of their convenience, security, and speed.

In both age groups studied, cash and electronic payments are considered security concerns, and opinions are divided on which payment method is safer.

Online purchases are considered the least secure form of electronic payment, and participants mainly fear the risk of hacking attacks, and there were no major concerns about card payments.

Among the participants in both groups, there were cases where smaller shops did not accept electronic payment solutions when using services, and there were also cases with several group members where cash payment was not available. In Hungary, on-site electronic payment options are seen as more accessible than those found abroad.

### **Fintech, mobile wallet**

The surveyed public mainly associates the concept of Fintech with digital banks with a profile based solely on electronic services, like Revolut and Wise.

In both age groups surveyed, most consider mobile wallet payments more convenient, safer, and faster than bank card payments.

Most participants consider the phone's facial recognition and fingerprint protection system more secure than a bank card PIN.

While most aged 18-25 are familiarising themselves with the possibilities offered by mobile wallet applications and use them primarily for payments, those over 25 are familiar with and use several available functions. In addition to the different forms of payment, the functions relating to tickets and coupons are popular with both age groups. Sharing accounts was a novelty for many; a few considered it useful, and some specifically indicated that it was unnecessary.





Those aged 18-25 are more open to uploading personal data to mobile wallet applications than people over 25; they have fewer security concerns and are more interested in trying unique features, convenience, and having things in one place.

In both examined age groups, it was found that having more cards in use with smaller amounts of money increased security, and a virtual card that expired after the first use was considered a good idea.

The most popular mobile wallet applications are Apple Pay and Google Wallet, which have received positive user feedback. Among the banking applications, Simple Pay is used by many. The young people use it mainly because it is connected to their bank, and they have not tried any other application. Both groups mentioned that they can purchase a motorway vignette or bus ticket through this application and pay for parking with it. The number of PayPal users is also high, with some sites supporting its use primarily for online orders.

### **Summary**

The advantage of electronic payment is convenience, primarily to save time and space.

The security of online payments is questionable, especially in this case, as users fear hacker attacks.

The term fintech is less well-known and is mainly identified with online banks.

Paying with a mobile wallet is more convenient and secure than using a card.

Regarding ease of use and functionality, the users are the most satisfied with Apple Pay and Google Wallet; these are the most used many times in addition to the banking applications.

Among banks' mobile wallet applications, OTP Simple is the most popular, with the most popular options for parking, buying bus tickets and motorway vignettes.

Younger people are more open to uploading personal data and have fewer security concerns about the data stored in mobile wallet applications.

### **Budapest, 30.05.2024**

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