



Swiss Payment Monitor 2020

How does Switzerland pay?

swisspaymentmonitor.ch

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Foreword



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The Swiss payment market is still in a state of flux. With the increase in digitisation, new innovative providers of digital payment and banking services are constantly joining local market participants, especially those from abroad. So-called neo-banks are attracting customers in Switzerland with their own payment products, practical app solutions and attractive fee structures. They are currently mainly used as niche products, as our present study has shown for the first time. In addition, mobile payment has enormous growth potential, while contactless payment has now become established in Switzerland. The coronavirus crisis will undoubtedly promote these trends and change payment behaviour for years to come. Payments will be increasingly cashless. Nevertheless, the Swiss population says that the abolition of cash is not an option. In the eyes of those asked, it offers too many substantial benefits.

The increasing dynamics of the market have prompted the ZHAW and the University of St. Gallen to conduct a major joint research project to investigate the payment behaviour of the Swiss population and their underlying motives, as well as its development over time. For several years, the Swiss Payment Research Centre (SPRC) of the Zurich University of Applied Sciences (ZHAW) and the Executive School of Management, Technology and Law (ES-HSG) at the University of St. Gallen have been independently looking at issues related to the topic of “payment” from different angles.

This is the third edition of the annual Swiss payment survey, which combines the consumer perspective with the macroeconomic view. This report is based on the 2019 survey, which interviewed a total of more than 1200 people aged between 18 and 65 from all three regions of Switzerland. The study is financially supported by the Swiss Payment Association (SPA) as well as industry partners Concardis and SIX Payment Services.

We wish you an interesting read!

Bettina Gehring, Sandro Graf, Dr. Tobias Trütsch

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I. The most significant findings from the Swiss Payment Monitor 2020

Debit card remains the most popular means of payment

The debit card is still by far the most popular means of payment for the Swiss. It is seen as much more reliable, trustworthy, transparent and secure than credit cards and much more practical, attractive, faster and more forward-looking than cash. With a share of 28 %, the Swiss spend most of their money by debit card, followed by cash (23 %) and credit card (21%).

Cash use remains high, but is decreasing

Cash is still the most widely used payment instrument in Switzerland in terms of transaction count at 45 %, followed by debit cards (27 %) and credit cards (14 %). Compared to the previous year, however, cash use decreased by around 3 percentage points in terms of both the number of transactions and turnover. On average, every Swiss citizen carries CHF 70 with them. Since 2018, the amount of cash carried and the frequency of purchases has decreased slightly, while the amount of the average cash withdrawal has increased.

Payment preferences are multifactorial

In addition to the perceived characteristics of the means of payment, habits, social norms (see below) and demographic factors, the amount and place of payment and the payment situation (stationary trade or shopping on the Internet) essentially determine the choice of a means of payment.

Small amounts up to CHF 20 are mainly paid in cash (70 % of transactions), of which a quarter is accounted for

by small amounts up to CHF 5. In addition to cash, contactless and mobile payment methods (especially “in-app” payments) as well as prepaid cards are disproportionately used in these payment amounts.

With regard to the place of payment, card payments dominate in high-turnover retail. Debit cards are widely used across different spending categories, while credit cards are mainly used in restaurants and when travelling. In addition to the retail trade, mobile payment methods are used for daily needs, especially for expenses in relation to mobility (public transport, parking). Cash is much more commonly used in restaurants and bakeries, as well as at outside sales outlets (kiosks, takeaways).

Mixed payers form the main payment type

According to the payment diary entries, almost half of the respondents are mixed payers. This payment type prefers different means of payment depending on the payment situation, location and amount. A quarter pay mainly by debit card and a fifth mainly in cash. Only one in ten belongs to the category of credit card payers. Over time, there has been a slight shift from credit to debit card payers. Cash payers in particular are staunch advocates of their preferred means of payment.

Contactless payment has established itself

Contactless payment by payment card is now known to almost every Swiss person and has found its way into everyday use. According to the respondents' self-assessment, around three out of five people use the contactless



I. THE MOST SIGNIFICANT FINDINGS FROM THE SWISS PAYMENT MONITOR 2020

function, with the use of debit cards surpassing that of credit cards for the first time. By the end of 2019, 97 % of credit cards and 80 % of debit cards were already equipped with contactless functionality. In 2019, 56 % and 45 % of credit card and debit card payments at points of sale in Switzerland were contactless. This corresponds to 34 % of credit card turnover and 27 % of debit card turnover. Contactless payment has been growing exponentially since 2015.

Comprehensive understanding of mobile payment

In contrast to the two previous measurements, "Mobile Payment" is now very well understood. The term is most strongly associated with payments in an app with an integrated payment function and payment with a mobile phone on site in a shop, followed by payment with a mobile phone on the Internet or in an online shop and "peer-to-peer" payments domestically. By far the most well-known mobile payment providers in Switzerland are Twint and the SBB app. "Digital wallet" solutions, such as Google Pay and Samsung Pay are experiencing a significant increase in customer awareness compared to 2019.

Mobile payment with great potential

Mobile payment is beginning to establish itself in the everyday use of the Swiss population. Compared to the previous two years, there was a significant increase in use across all forms of application. According to the respondents' self-assessment, around two-thirds use "in-app" payments, almost half use mobile payments on the Internet, two out of five people use peer-to-peer payments at home and around

one third use mobile payments in brick-and-mortar stores. Mobile payment online and "in-app" payments have the highest ratings – even better than contactless payment.

Mobile payments effectively account for around 6 % of transactions and 4 % of turnover in terms of total spending, which represents a significant increase compared to 2019. It continues to have great potential for use, especially for mobile payment on the Internet, followed by "in-app" payments and mobile payment in face-to-face business.

Abolishing cash is not an option

A possible abolition of cash is a highly emotional issue for the Swiss. For around three-quarters, the abolition of cash is not an option and half of those surveyed are even opposed to abolishing it altogether. Only around one fifth fully agree to a Switzerland without cash. The main reasons against the abolition of cash were the loss of the value of money, a lack of control over finances, technological dependence and various security concerns (e.g. cyber-risks, technical faults) in decreasing order of importance. Also playing a role are the loss of anonymity, the fear of monitoring by government and financial institutions and less flexibility in the use of means of payment.

Neobanks are used as niche products

Neobanks are on the rise in Switzerland. The survey results make it clear that two out of five people in Switzerland know at least one of the most common providers of digital banking solutions (neo-banks), while every tenth person has used or tried their services at least once. In particular, men,



I. THE MOST SIGNIFICANT FINDINGS FROM THE SWISS PAYMENT MONITOR 2020

younger and more educated people with higher incomes are using neo-banks more often than their counterparts.

The main reasons include their simple and practical use (convenience), as well as an advantageous fee structure, in particular the favourable exchange rates. Three quarters use the new digital banking offerings as a complement to traditional providers. Only around 10% have cancelled services from a traditional provider as a result of the new offers, or 10% intend to do so in the distant future. Currently, neo-banks mainly act as niche products, especially for paying abroad when travelling.

The neobank providers Revolut and Zak are the most well-known in Switzerland. The UK suppliers Revolut and Transferwise are the most used, although the Swiss suppliers Zak and Neon are ahead in terms of the perception of security. The largest popular provider is currently Revolut, followed by the two domestic providers Neon and Zak and the British company Transferwise.

their preferred means of payment and believe that people of the same age and comparable income would also pay with cash. Many people also think that people living in urban areas are more likely to have to pay electronically/cashless and people living in rural areas are more likely to have to pay with cash.



Social norms influence payment behaviour

According to the survey results, most people pay close attention to the payment needs of other people, especially women and young people. In principle, those surveyed expect that service staff in the catering sector clearly prefer cash, especially for small amounts. This can be attributed to the “tip effect”.

Respondents appreciate the freedom to choose the means of payment. They think that it should always be possible to pay with cash, as well as electronically or using cashless methods. Cash lovers are staunch advocates of

II. Study design

The goal of the Swiss Payment Monitor is to provide a comprehensive overview of the Swiss payment landscape from various perspectives. By combining a variety of research methods, this long-term study gathers data annually to offer an integrated approach to the payment method market, enabling a documentation of new developments as well as a report of relevant trends over time.

The study encompasses two parts: the micro-perspective consists of a standardised online survey with questions concerning payment behaviour in general and a payment journal that participants are asked to complete; the macro-perspective is based on an analysis of publicly available data on the electronic payment transactions of the Swiss National Bank (SNB) (see Fig. 1).

Micro-perspective

The micro-perspective reflects the consumer perspective and summarises the payment habits as well as the perception and attitudes of the Swiss towards various forms of payment.

As part of the third implementation of the Swiss Payment Monitor, a total of 1259 people aged between 18 and 65 from German, French and Italian-speaking Switzerland were interviewed from a micro-perspective.

ONLINE SURVEY

The first step asked participants to answer online questions regarding the topic "payment". The focus here was primarily the participants' self-awareness and the assessment of various aspects of their payment behaviour. The survey took about 25 minutes to complete and was implemented in stages during the second half of November 2019.



Fig. 1

II. STUDY DESIGN

PAYMENT JOURNAL

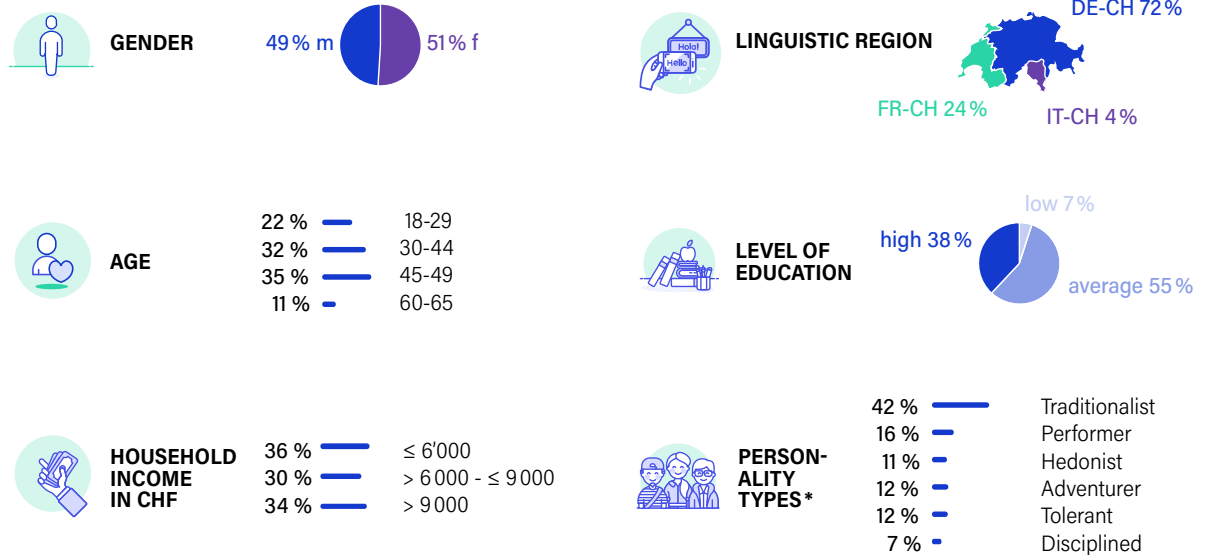
At the end of the online survey, participants document their payment behaviour in the form of a journal over a period of 7 days (see Table 1). Accordingly, participants were asked to record all payments made throughout the course of the day—with the exception of recurring expenses—and to classify these using predefined characteristics. Compared to the online survey, the focus here was primarily the participants' actual payment behaviour and, based on this, any variance in behaviour as stated in the first part of the survey. The payment journal could either be filled out online or using the app, which facilitated the timely recording of transactions after purchase.

The study participants were recruited via the "intervista Online Access Panel". In order to ensure the representativeness of the sample, the selection of participants was based on the quota system of the previously defined criteria of (linguistic) region, gender, age and educational level. Following the survey, data were adjusted and weighted according to the structural characteristics in the Swiss population (see Fig. 2).

Macro-perspective

The macro-perspective pertains to the entire economic scope and documents payment transactions on an aggregate level based on the publicly available data from the Swiss National Bank (SNB) until the end of 2019. It provides unaltered representation of cashless payment transactions in Switzerland and with Swiss payment cards abroad; both the number and turnover of cashless payment transactions are taken into account. Furthermore, it provides information regarding effective cash withdrawal using payment cards.

SAMPLE OF ONLINE SURVEY AND JOURNAL



* based on limbic® types

Fig. 2

Overview of payment journal	
Duration of journal entries	7 Days
Number of completed journals	977
Volume of sales	CHF 387,274
Volume of transactions	8,020
Average number of transactions a week per person	8.2
Average number of transactions a day per person	1.2
Average amount due per transaction	CHF 48.29

Table 1

III. Recognition and image of payment methods

Popularity of payment methods

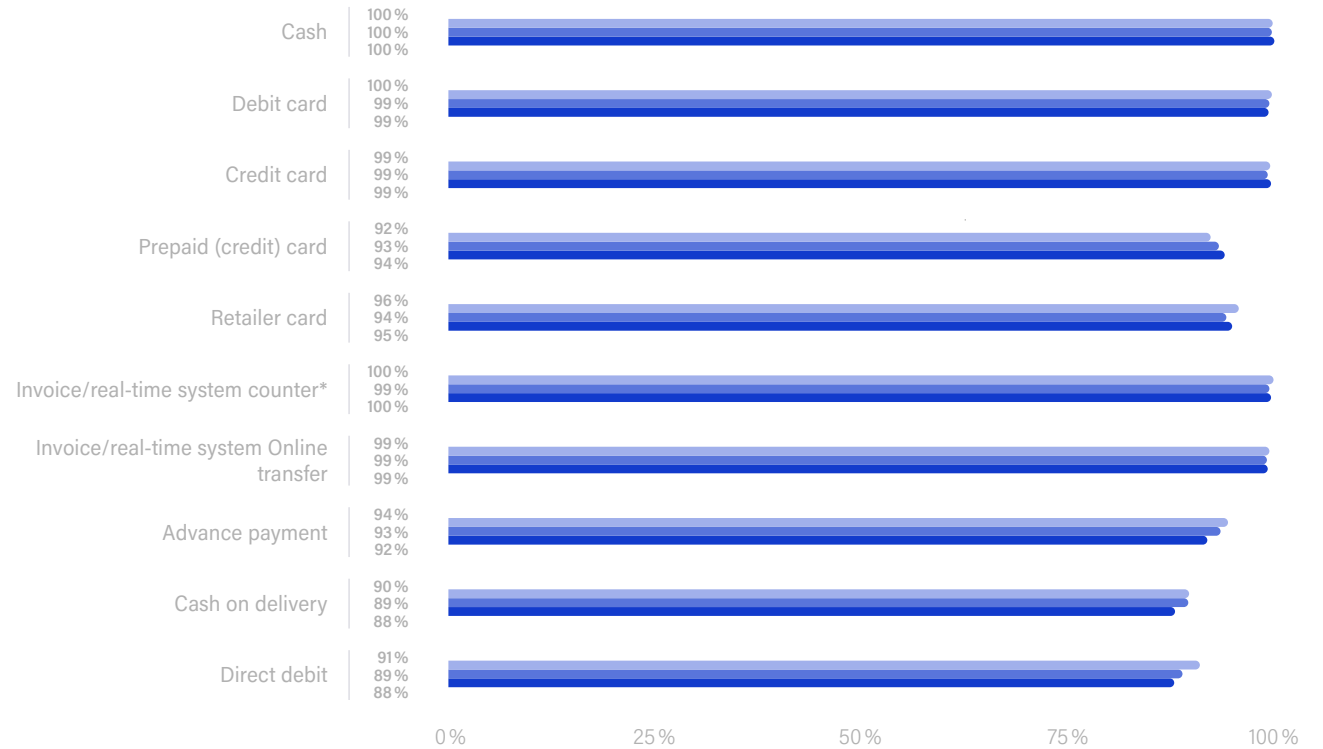
In addition to the traditional payment methods of cash, debit cards and credit cards, newer payment methods, such as contactless and mobile payment, as well as internet payment methods such as immediate transfer or Twint, are now well known (see Fig. 3). For example, 97% of respondents stated that they were familiar with contactless payment by credit card, while the saturation point has been reached for contactless payment by debit card at 95%. Contactless payment has now become established.

Also very present with values of 98% and 91% respectively, are online payments by credit card and debit card as well as internet payment methods like Twint, which 9 out of 10 people know. Awareness of online debit card payments has increased slightly compared to 2019 (+2 percentage points).

Mobile payment in over-the-counter trade ("Proximity Mobile Payment") and mobile payment online ("Remote Mobile Payment") are currently known to 96% and 95% of the respondents, while the figure for mobile payments via an app with an integrated payment function (so-called "in-app" payments) is just 94%. This represents an increase of 2, 3 and 2 percentage points (hereinafter PP) compared to the previous year.

Somewhat less common, but on the rise, are "peer-to-peer" solutions for sending or receiving money such as PayPal or Twint at 87% (plus 5.8 PP compared to 2019), cryptocurrencies at 84% (plus 3.7 PP compared to 2019) and "wearable" payments at 52% (plus 7.4 PP compared to 2019). These forms of payment will gain in relevance in the future.

AWARENESS OF CONVENTIONAL PAYMENT INSTRUMENTS



*The 2018 figures cannot be compared directly to the 2019 and 2020 figures due to changes to the survey.

- 2018
n=1 018
- 2019
n=1 011
- 2020
n=1 259

"n" = no. of observations

Fig. 3
Question: Please indicate which of the listed payment methods/payment types you know.

Based on all respondents

III. RECOGNITION AND IMAGE OF PAYMENT METHODS

Attitudes toward payment methods

As in the previous two years, the debit card is by far the most popular means of payment among the Swiss (Maestro card, PostFinance Card/Postcard, V PAY) (see Fig. 5). It is clearly viewed more positively than credit cards for a large share of the evaluation factors (acceptance, necessity, reliability, trustworthiness, transparency and controllability of the payment process and outlays, price attractiveness, acceptance at points of sale and security). In addition, it is considered to be significantly more practical, attractive, faster and more forward-looking than cash.

In a similar manner as for debit cards, cash and credit cards are also valued more positively than in the previous year, with credit cards in particular gaining considerable favour. They are considered to be significantly more practical and attractive and are more often associated with a good overview of expenditure and improved expenditure control than was the case in the two previous surveys.

AWARENESS OF NEWER PAYMENT INSTRUMENTS

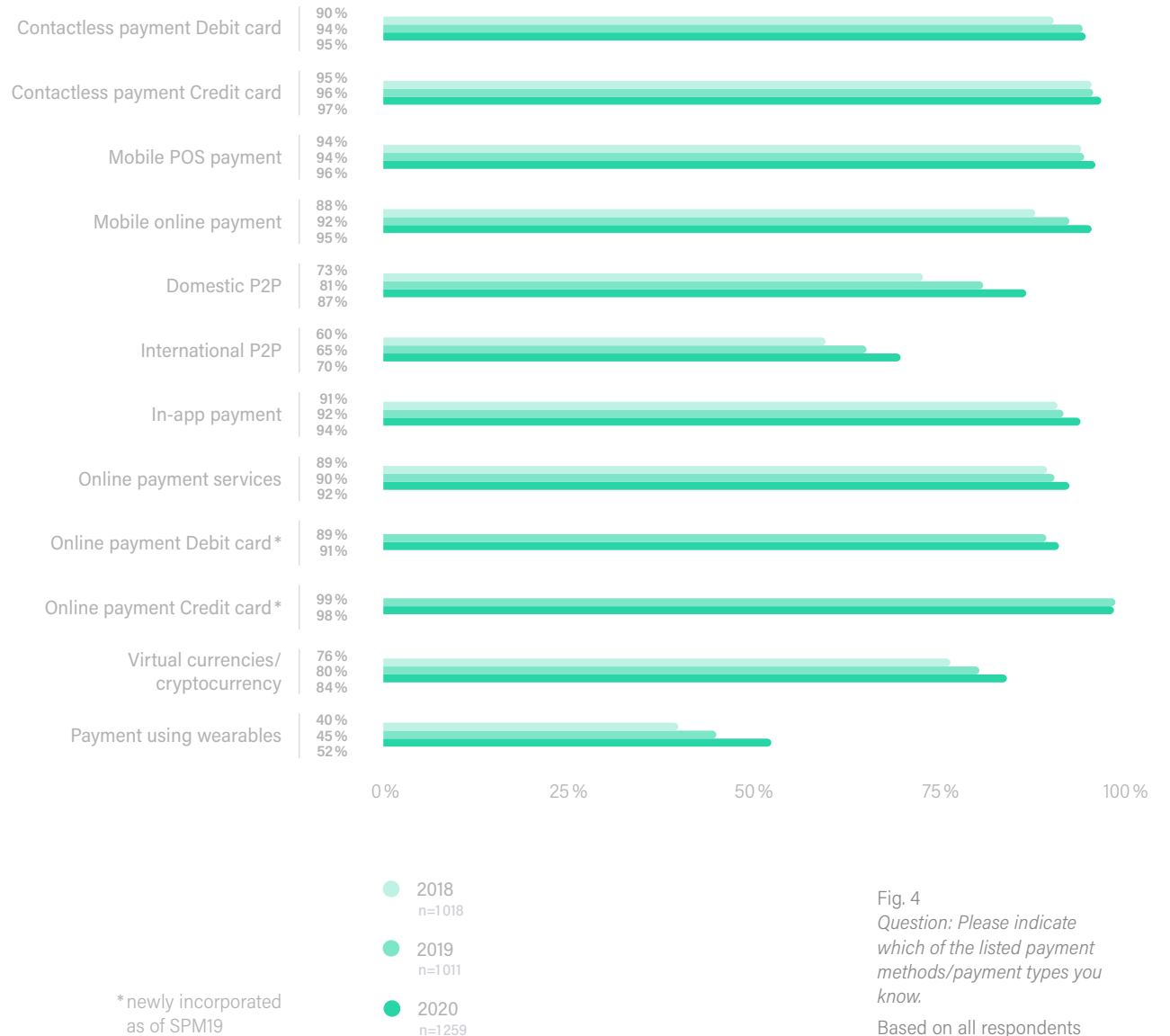


Fig. 4
Question: Please indicate which of the listed payment methods/payment types you know.

Based on all respondents

III. RECOGNITION AND IMAGE OF PAYMENT METHODS

Newer payment methods, such as contactless or mobile payment, are still lagging behind traditional cash, debit card and credit cards due to various security concerns with regards to acceptance, but are constantly catching up. While contactless payment is already widely established and has found its way into everyday use, mobile payment is becoming increasingly relevant. Mobile payments on the Internet currently enjoy the greatest acceptance, followed by “in-app” payments. Also worth mentioning here is contactless payment by credit card, the popularity of which has developed very positively over the past year. At present, mobile payment is the least popular form of payment at a stationary point of sale, which is perceived as comparatively slower, less reliable and more cumbersome than the rest of the payment methods.

It should be noted that the rating from non-users of these means of payment is significantly lower than from users.

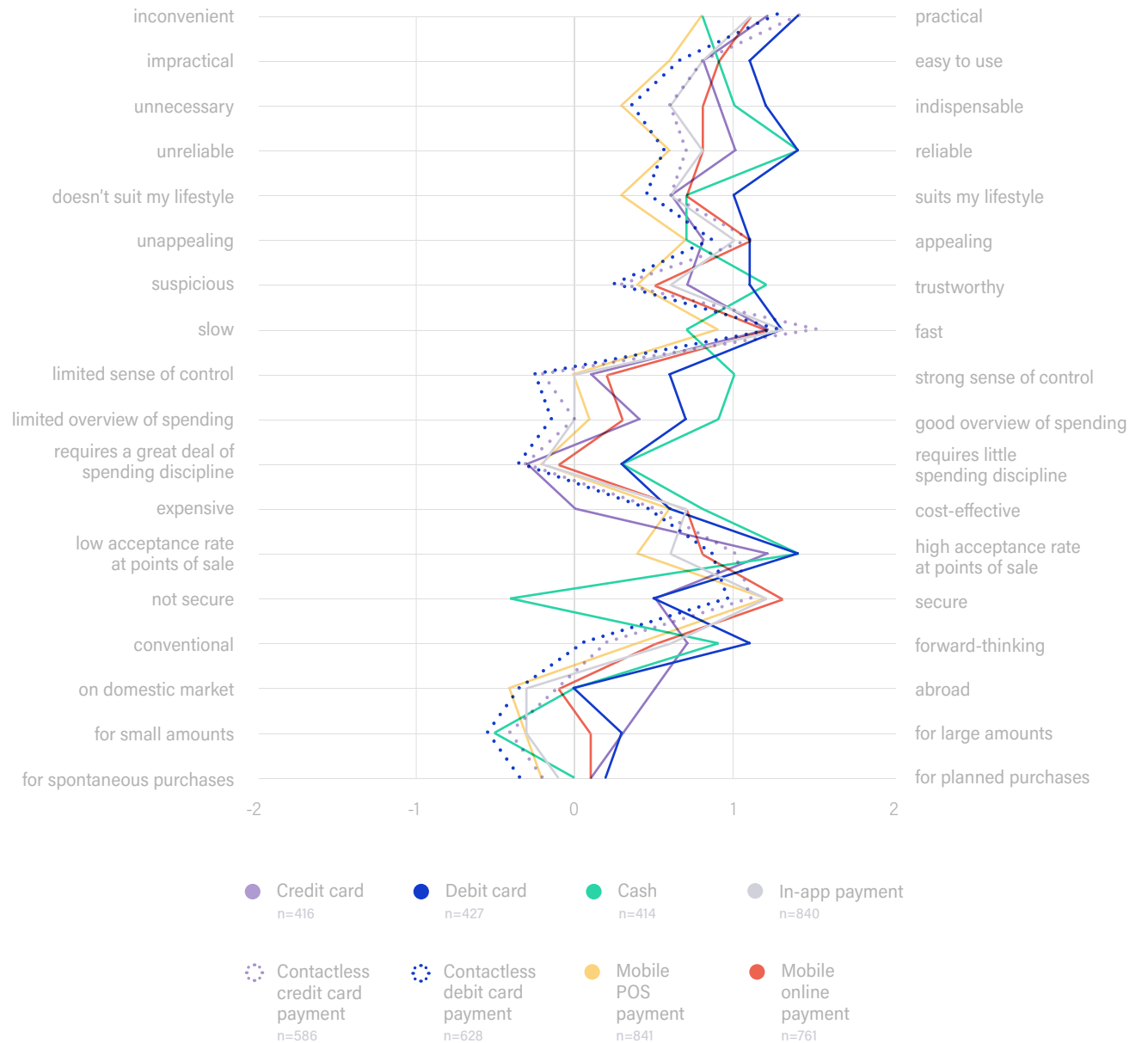


Fig. 5

To what extent do the listed descriptions/characteristics meet your expectations of “payment methods”?

Based on people who are familiar with payment methods; random selection for cash, debit card and credit card

Focus on Neobanks

Neobanks are on the rise in Switzerland. Overall, 38% of the Swiss population know at least one of the eight most common providers of digital banking solutions (so-called neobanks or challenger banks) in Switzerland, such as N26, Neon, Nubank, Revolut, Transferwise, Sonect, Yapeal and Zak (see Fig. S. 1.1).

One in ten uses one or more services from a neo-bank or has tried them before (see Fig. S. 1.2). In particular, men, younger people and more educated people with higher incomes use challenger banks more often than their counterparts. The main reasons for their use are their simple and practical use (convenience), as well as an advantageous fee structure, in particular the favourable exchange rates (see Fig. S. 1.3).

Fig. S. 1.1

Question: Please indicate for the individual providers of digital banking solutions (so-called digital banks or neo-banks) which of the respective statements apply to you.

Based on all respondents

Fig. S. 1.2

Please indicate which of the respective statements regarding digital banking solutions (so-called digital banks or neobanks) applies to you.

Based on all respondents

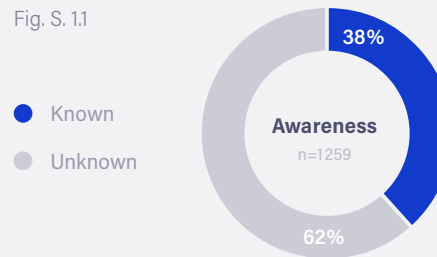
Fig. S. 1.3

Question: What is/are your reason(s) for using a neobank?

Based on respondents who use neobanks

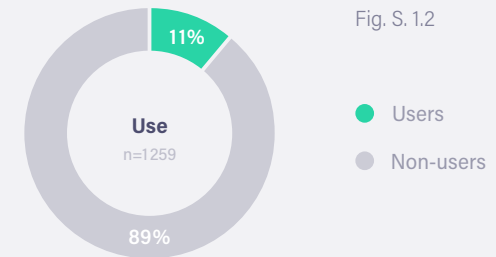
AWARENESS & USE OF NEOBANKS AMONG THE SWISS POPULATION

Fig. S. 1.1



- Known
- Unknown

Fig. S. 1.2

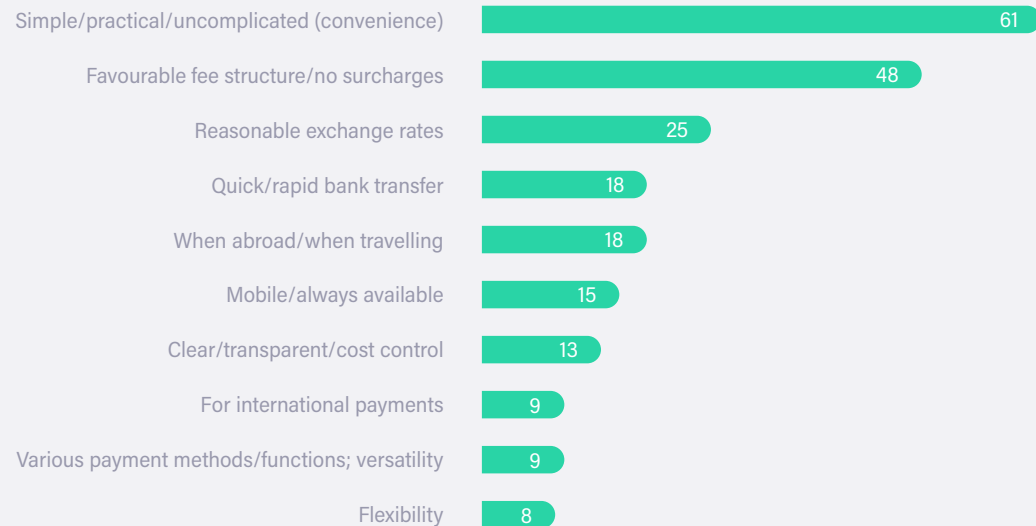


- Users
- Non-users

TOP 10 REASONS FOR USE

unaided query, number of mentions

Fig. S. 1.3
n=271



III. RECOGNITION AND IMAGE OF PAYMENT METHODS

Focus on Neobanks

Around two thirds of respondents use neobanks to pay locally or on the Internet – mainly when travelling abroad (41%) and for purely domestic payments (35%) – followed by withdrawing money (38%) and transfers to private individuals (36%). Three quarters use the new digital banking offerings as a complement to traditional providers. Only around 10% have cancelled services from a traditional provider as a result of the new offers, or 10% intend to do so in the distant future. Most people use a Mastercard or Visa credit card in connection with a neobank (76% of respondents), but debit cards are also common (58%).

The most well-known in Switzerland are the neo-banking providers Revolut (26% awareness share) and Zak (16%), but the UK providers Revolut and Transferwise (7% and 3% share of usage respectively) are the most used (see Fig. S. 14).

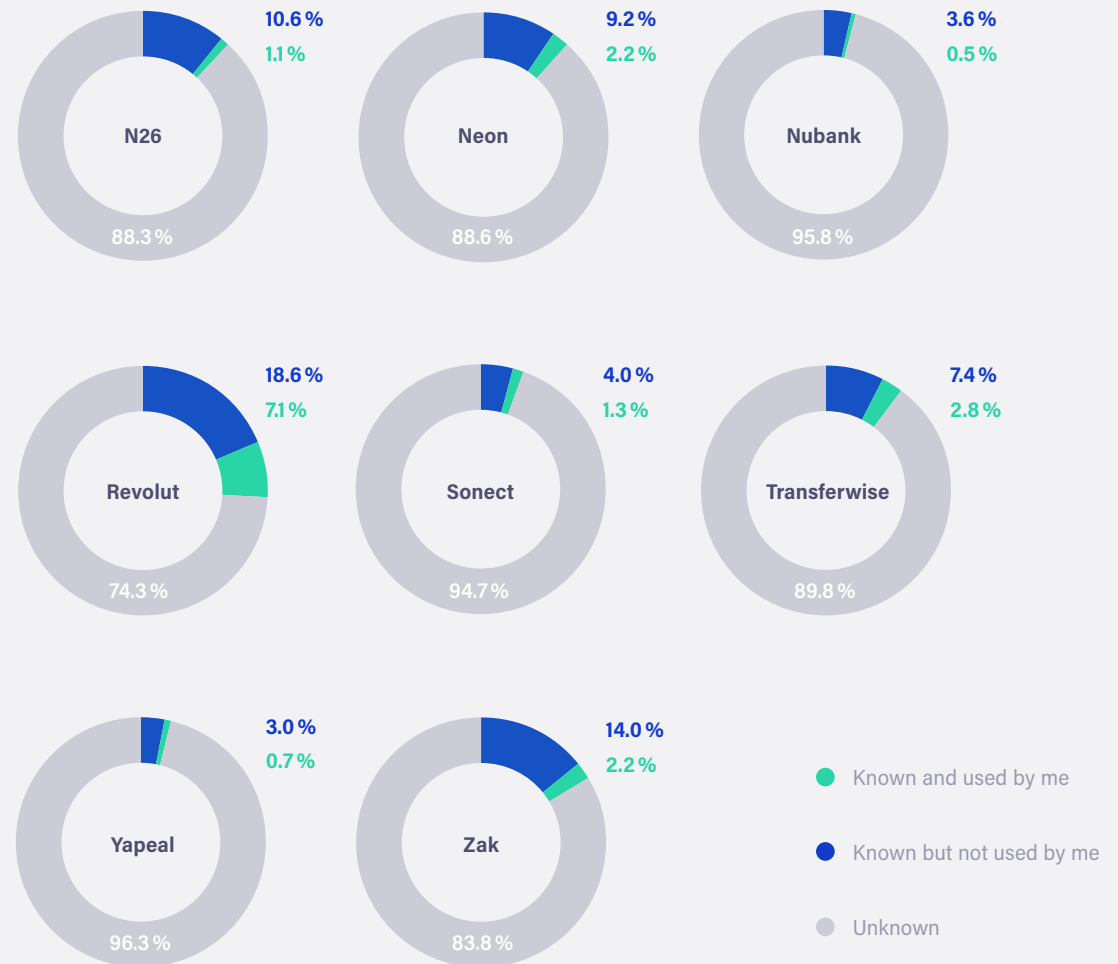
Fig. S. 14

Question: Please indicate for the individual providers of digital banking solutions (so-called digital banks or neobanks) which of the respective statements applies to you.

Based on all respondents

AWARENESS & USE OF DIFFERENT NEOBANKING PROVIDERS IN SWITZERLAND

Fig. S. 14
n=1259



III. RECOGNITION AND IMAGE OF PAYMENT METHODS

Focus on Neobanks

The most accepted provider is currently Revolut (average 3.4 on a scale of 5) followed by the two domestic suppliers Neon and Zak and the British company Transferwise (average 3.3 each) (see Fig S. 1.5). Nubank and Yapeal currently enjoy the lowest levels of acceptance, which is probably due to the fact that both providers are scarcely known in Switzerland.

In terms of the perception of security, however, Swiss providers are clearly ahead (see Fig. S. 1.6): According to the respondents, the safest are Zak (average 3.5) and Neon, Transferwise and Sonect (average 3.3 each). The suppliers Nubank and Yapeal (average 2.8 each) are perceived as the most insecure. Revolut and N26 are in the middle with an average of 3.2 each.

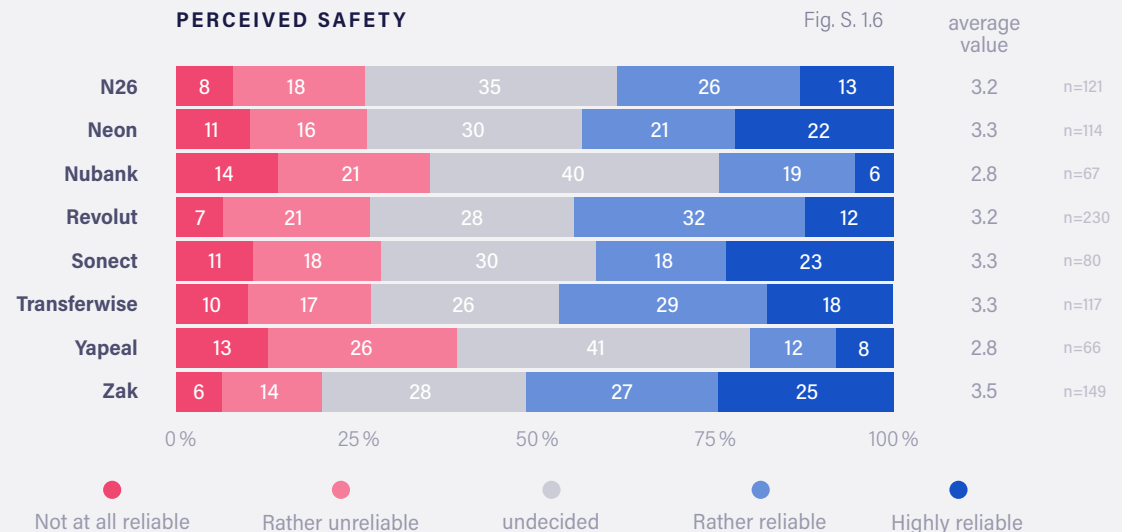
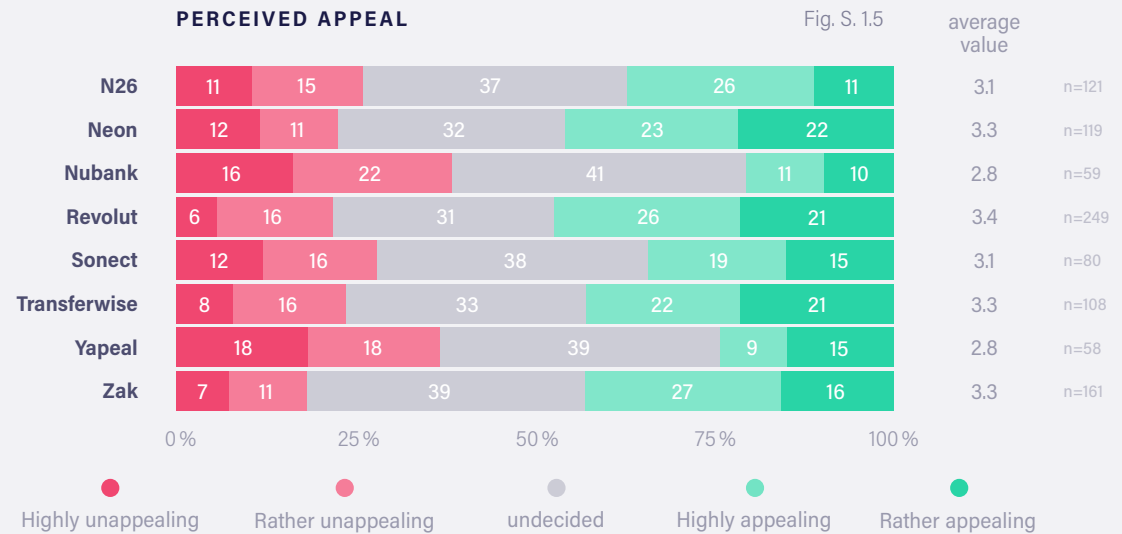


Fig. S. 1.5

Question: How appealing are the individual providers to you?

Based on respondents who know or use providers

Fig. S. 1.6

Question: How reliable do you consider the individual providers to be?

Based on respondents who know or use providers

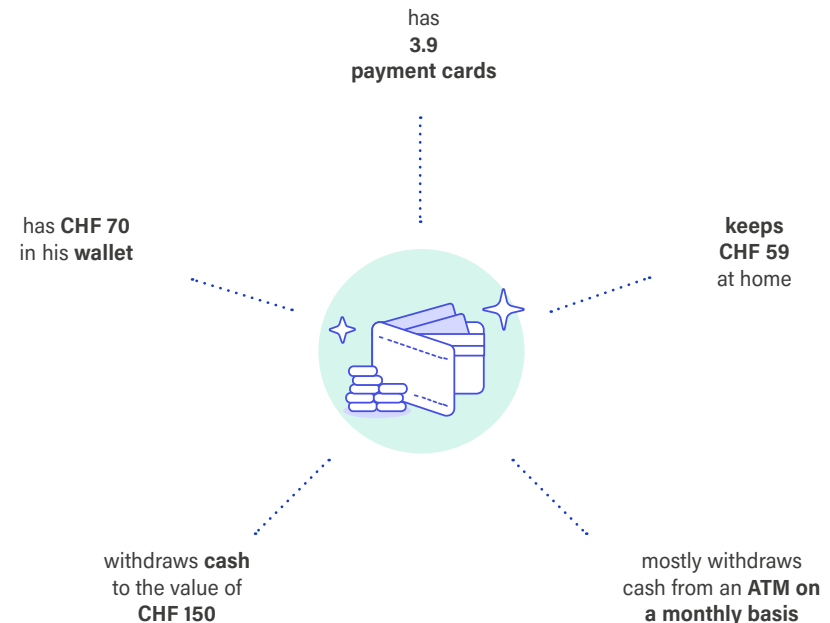
IV. A look in your wallet

Cash withdrawal and on-hand cash

The Swiss still see cash as indispensable. This is seen in the wallets of Swiss men and women (see Fig 6): This means that most people have at least some “coin” in their wallet or pocket, on average it is CHF 70 (CHF 10 less than in 2019). Only 3% (1 PP more than in 2019) say they do not carry cash. Compared to the previous two years, there was a slight decrease in the amount of cash carried and the frequency of purchases, while at the same time the amount of cash withdrawn at the ATM increased.

There are socio-demographic differences that can be observed regarding the possession of cash: For example, with an average of CHF 80, men carry significantly higher amounts of money than women (median CHF 60), but at the same time men also state much more frequently that they have no cash in their wallets or pockets. Risk-averse people and the elderly in particular also value cash, which likewise indicates that, among other things, people 45 years and older have significantly more ready cash than younger people.

THE AVERAGE SWISS...



n=988

Fig. 6
Note: The average value is based on the median.

IV. A LOOK IN YOUR WALLET

Aside from cash, most Swiss people own multiple payment cards (see Fig. 7). For example, 81% of respondents have a credit card and 85% a debit card. Each cardholder thus accounts for an average of 1.6 debit cards and 1.7 credit cards. One in five people already has a new debit card with credit card functions (e.g. Visa Debit or Debit Mastercard). In addition, the respondents have an average of 1.9 retailer cards with a payment function (Globus card, MyOne card, etc.).

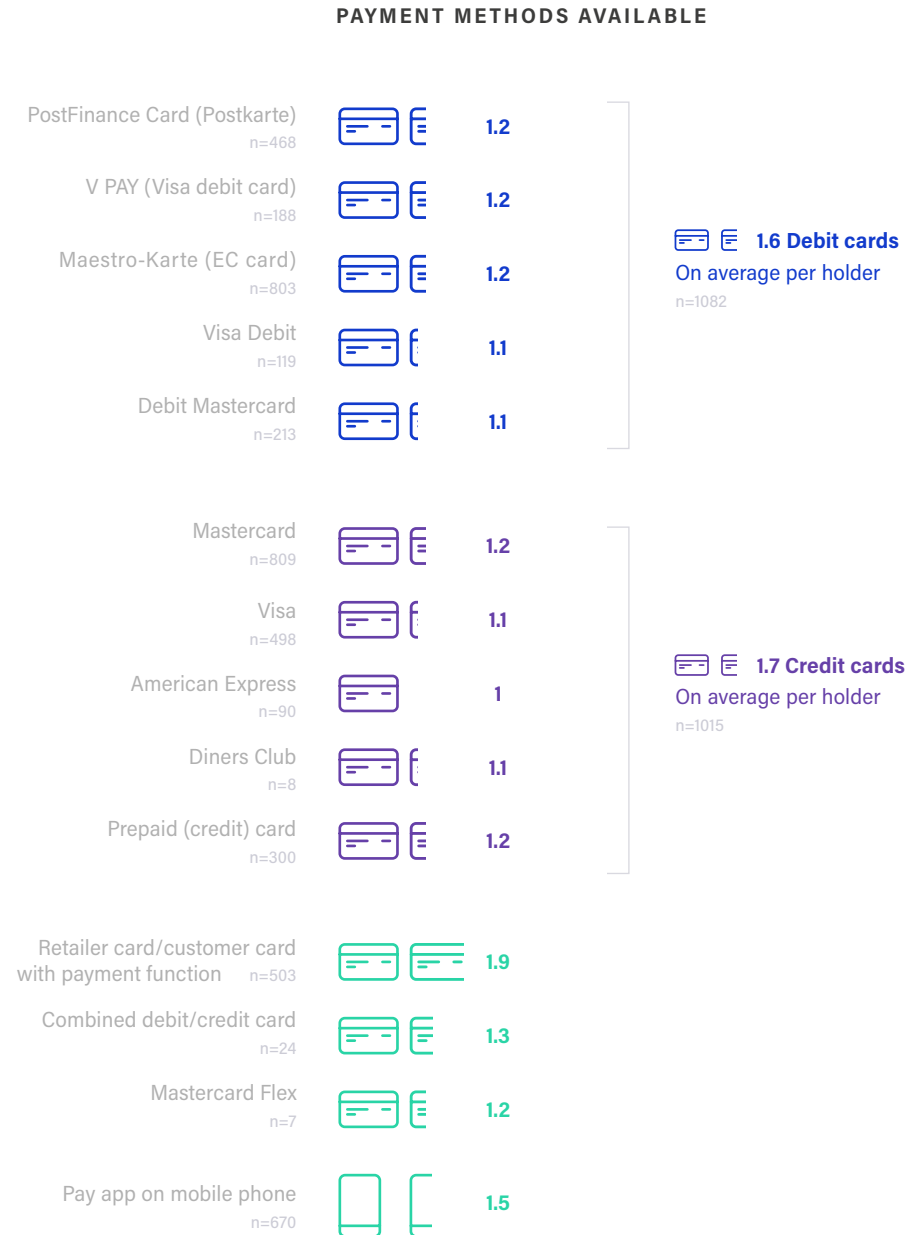
Furthermore, a look into digital wallets shows that two-thirds of respondents said they had installed an app with an integrated payment system on their phones (e.g. iTunes, PayPal App, SBB Mobile App), with those under the age of 45 having considerably more of these apps. Furthermore, one in two people say they have one or more payment apps (e.g. Apple Pay, PayPal, Twint) on their smart phone, with people having an average of 1.5 such apps installed. Adoption rates have risen significantly relative to 2019.

Men typically own significantly more credit cards than women, have significantly more payment apps installed on their smart phones, and are significantly more likely to have newer payment methods (e.g. cryptocurrencies).

Fig. 7

Question: Which of the listed conventional methods do you personally own? Please indicate the respective number.

Based on forms of payment that the respondents know; only the owner of the corresponding payment method



IV. A LOOK IN YOUR WALLET

Focus on Abolishing Cash

The survey results suggest that the abolition of cash is not an option (see Fig. S. 2.1). Some 71% oppose it. Just under half (48%) of the respondents are even totally opposed to its abolition. Only just under 17% agree in principle to a Switzerland without cash.

The main reasons against the abolition of cash were the loss of value of money ("holding something in your hands"), the lack of control over own finances, technological dependence ("reliant on functioning networks and electronic devices") and various security concerns (e.g. cyber-risks, technical faults) (see Fig. S. 2.2). Other important factors include the loss of anonymity, fear of monitoring by the government and financial institutions and less flexibility in the use of means of payment.

Fig. S. 2.1

Question: How would you feel if there was no more cash?

Based on all respondents

Fig. S. 2.2

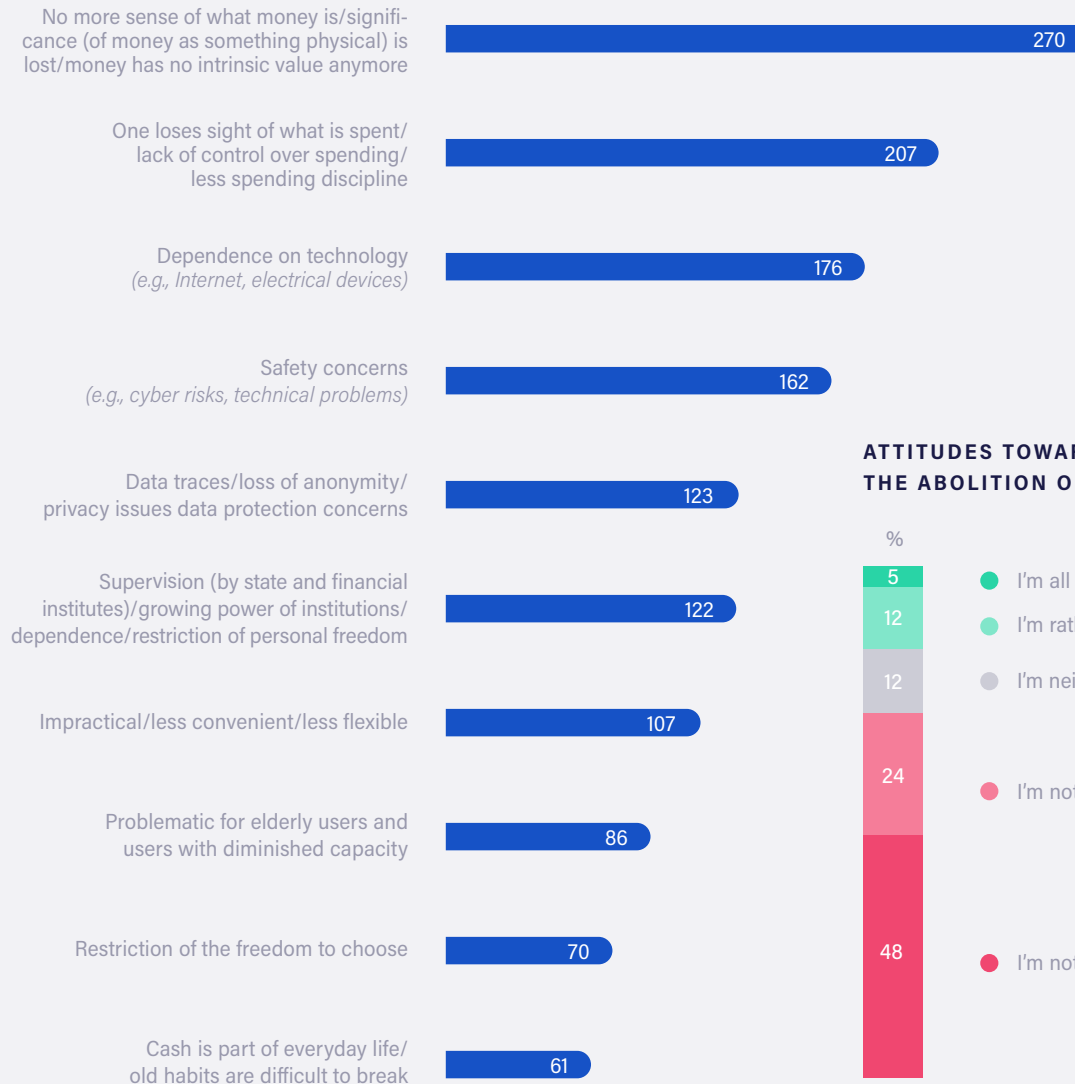
Question: What disadvantages do you think the abolition of cash would have?

Based on all respondents

TOP 10 DISADVANTAGES OF ABOLISHING CASH

Fig. S. 2.2
n=1882

unaided query, number of mentions



ATTITUDES TOWARDS THE ABOLITION OF CASH

Fig. S. 2.1
n=1259



V. Payment behaviour

Different payment types

The payment preferences are very heterogeneous and vary depending on the person and payment situation. On the basis of the payment data collected in the diary, four types of users can be distinguished: the cash payer, the debit card payer, the credit card payer and the mixer (see Fig. 8).

By far the most frequently represented is the mixed payer with a sample share of 42%, who pay with a range of means of payment, depending on the situation, and exhibit a hybrid payment behaviour. Also common, at 25% and 21% respectively, are people who pay mainly with a debit card or cash. The smallest group, with a share of 12%, is the category of credit card payers (see Fig. 8).

Since 2018, there has been a slight shift from credit card to debit card payers, whereby relative to 2019, a shift from predominantly debit card payers to predominantly cash payers (plus 3 PP) was also to be observed.

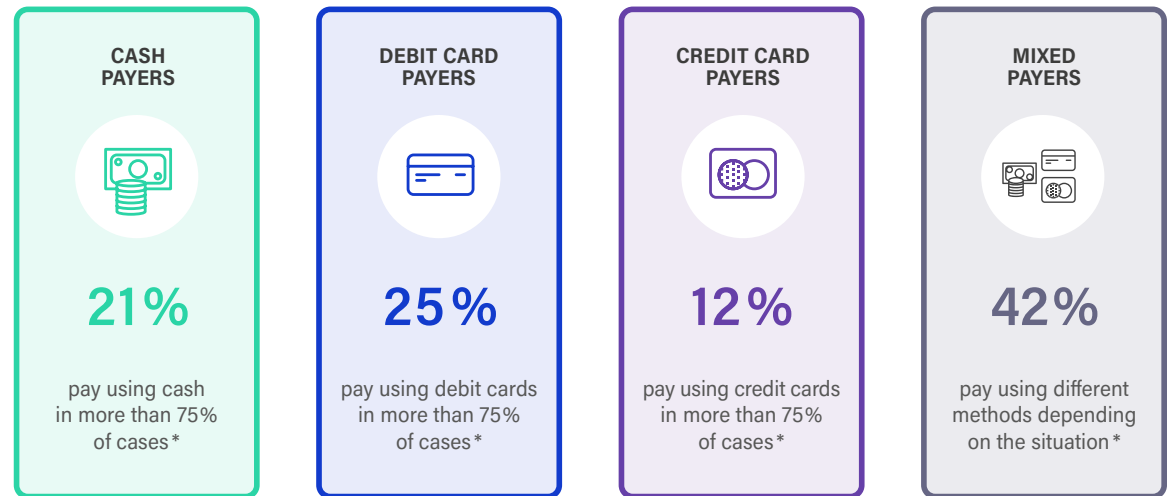
Typical cash payers are generally over 45 years of age, value security and have a traditional mindset. They tend to be sceptical about innovations (e.g. new forms of payment) and only use new technologies when they become unavoidable.

The majority of debit card payers are generally women between the ages of 18 and 44. They are often risk-averse and appreciate the familiar, but are more open in principal to new options than cash payers. New technologies are essentially adopted subject to the condition that other people also use them and have good experiences with them.

The classic credit card payer is predominantly male, over 30 years old, has a good level of education and a higher income. He is highly performance-oriented, extroverted, a risk-taker and likes to try new things.

The mixed payer is also usually male, spread over all age groups and coming from different social classes. These are primarily open-minded, rather extroverted personalities with a certain tendency to take risks.

In particular, predominantly cash-paying persons are convinced advocates of their preferred means of payment. They award much more positive ratings than for the other payment types. In the case of card payers, however, no such marked preference is discernible.



n=973

Fig. 8

*Includes mobile payment options.

V. PAYMENT BEHAVIOUR

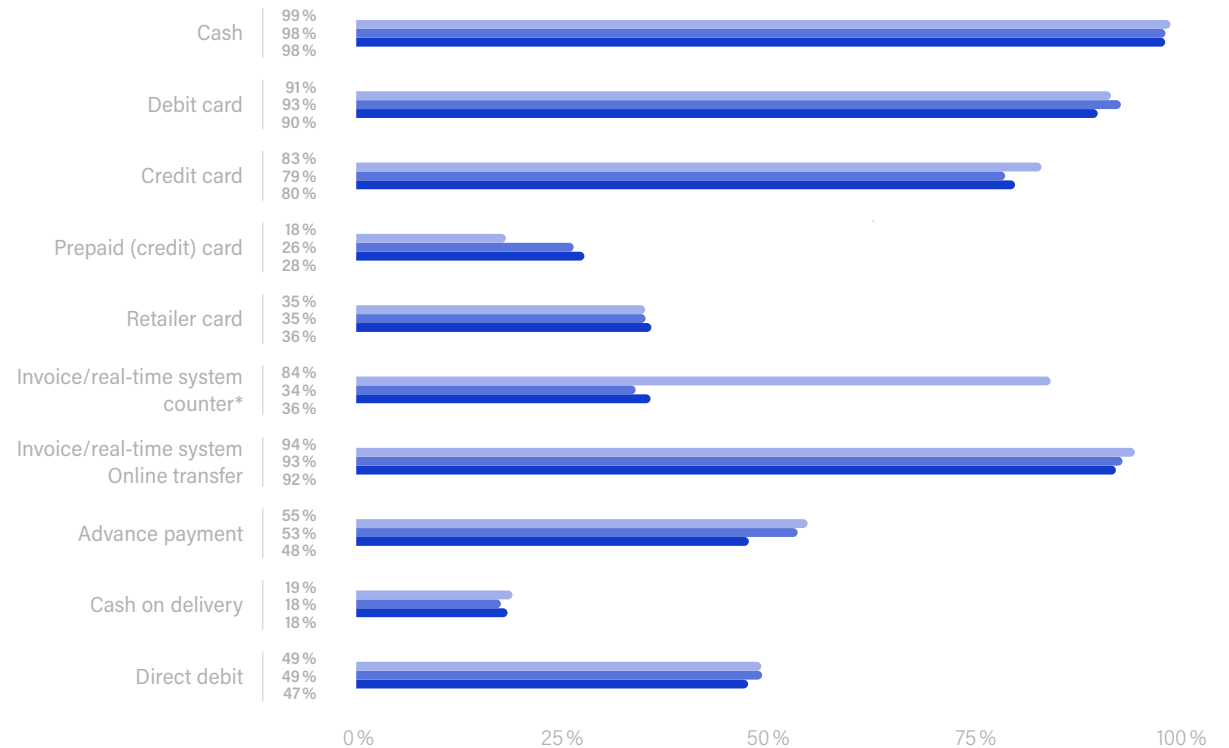
Payment behaviour according to self-assessment of respondents

The high awareness values are also reflected in use: As is the case with awareness, the use of most forms of payment is also increasing, but in contrast to awareness, the utilisation rate varies much more (see Fig. 9 and 10).

According to the respondents' self-assessment, the most common uses, in addition to cash with a 98 % usage share, are online transfer (e-banking) with 92 % and debit cards in general, which nine out of ten people indicate they use. This is followed by online payment by credit card with 83 % and credit card payments in general with a share of 80 %.

Newer payment methods are still on the rise. Contactless, mobile and Internet payment methods are experiencing high growth rates. Accordingly, contactless use has increased significantly compared to the zero measurement in 2018 and is moving towards the 60 % threshold. Contactless payment by debit card currently accounts for 59 %, compared to 57 % by credit card. Based on the self-assessment by the respondents, the use of the contactless function on a debit card has thus overtaken the use of credit cards for the first time.

USE OF CONVENTIONAL PAYMENT INSTRUMENTS



* The 2018 figures cannot be compared directly to the 2019 and 2020 figures due to changes to the survey.

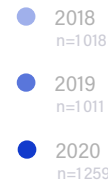


Fig. 9
Question: Please indicate which of the listed payment methods/payment types you use.
Based on all respondents

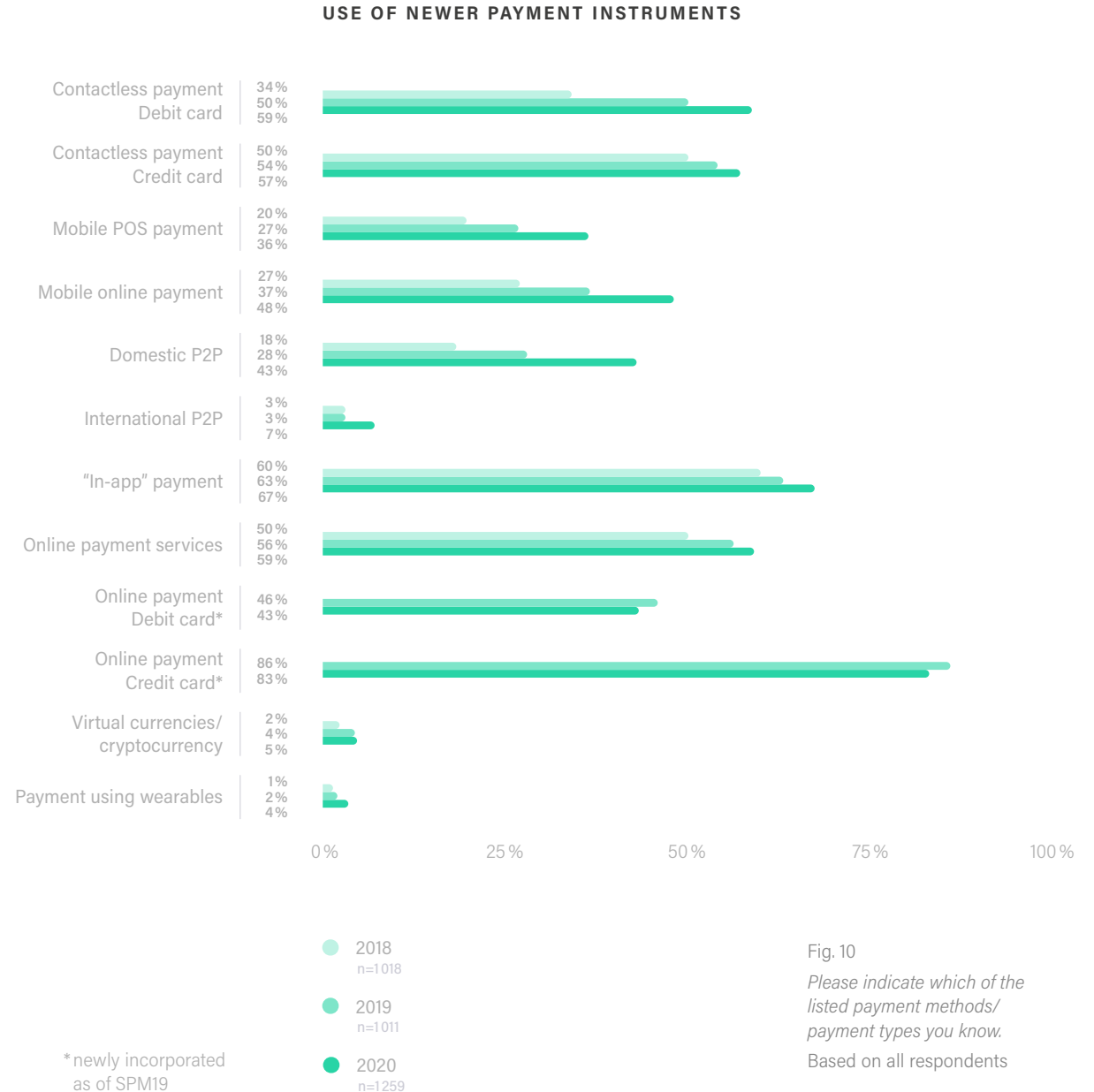
V. PAYMENT BEHAVIOUR

While contactless debit card payments are particularly popular with the younger target group due to the high level of practicality and low costs, contactless credit card payments are disproportionately more likely to appeal to men and people with higher levels of education and income.

Internet payment methods, such as PayPal or Twint are equally popular. Nearly two thirds (59%) of participants indicate that they use such forms of payment. The greatest potential is currently based on mobile payment methods, which are developing rapidly and which have usage rates that have increased significantly over all forms of application compared to the previous two years. According to the respondents, more than 36% currently use mobile payments in brick-and-mortar stores (up 9.6 PP relative to in 2019) and mobile payments on the Internet are now as high as 48% (up 11.5 PP relative to 2019). 67% use "in-app" payments (up 4.3 PP relative to 2019). 43% use domestic peer-to-peer payments (up 15.0 PP relative to 2019). These figures show that mobile payment is beginning to become established in the everyday life of the population.

Currently even less relevant, but also with considerable growth rates, are virtual currencies and payments using "Wearables". Virtual currencies are currently used by 5% of participants and 4% currently use "Wearables".

Men and those under 45 years of age who are progressively oriented are generally more tech-savvy and use new technologies (contactless, mobile, online) significantly more frequently.



V. PAYMENT BEHAVIOUR

Payment behaviour according to journal entries

A look at actual usage behaviour shows that, although cash is still the most commonly used payment instrument in terms of transaction numbers (transaction share of 45 %), the percentage is decreasing steadily year-on-year. Compared to the previous year, there was a decrease of 3.2 PP (see Table 2).

In terms of sales, cash transactions (23 %) are behind debit card payments (28 %) and ahead of credit card payments incl. prepaid (21%). Debit cards are used much more often in French-speaking Switzerland than in German and Italian-speaking Switzerland. Cash on the other hand, is much more common in Ticino than in the rest of the country.

In terms of turnover, invoices or online transfers are also relevant with just under 17%. This figure has slightly increased again compared to 2019.

In terms of number of transactions, the majority of debit card transactions are still made conventionally by inserting a contactless card into a payment terminal (56 % conventional compared to 41 % contactless). However, the proportion of contactless transactions using credit cards (44 %) is

PAYMENT METHODS BASED ON THE NUMBER OF TRANSACTIONS AND TURNOVER

according to journal entries on the domestic market

Payment method	Distribution according to number of transactions		Distribution according to turnover		Mid-price transaction
	Number of transactions	Share of transactions in %	Turnover in CHF	Share of turnover in %	Median
Cash	3,568	44.5	89,546	23.1	10.74
Debit card	2,161	26.9	107,365	27.7	25.28
Credit card	1,145	14.3	80,351	20.7	24.97
Prepaid (credit) card	93	1.2	1,856	0.5	10.56
Retailer card/customer card	137	1.7	4,286	1.1	11.02
Invoice	210	2.6	64,430	16.6	99.16

Table 2

TABLE CONTINUED: NEXT PAGE →

V. PAYMENT BEHAVIOUR

already higher than for conventional transactions (33%). In terms of value-based volume (turnover), on the other hand, the largest share of both forms of payment is still handled in the conventional way. The contactless share (measured as a proportion of sales for the respective card type) of the debit card (26%) is now higher than that of the credit card (22%) (see Table 2).

Invoices (for one-off or irregularly recurring expenses) are mainly settled by online bank transfer or e-banking. Nearly 82% of payments based on an invoice are made online, representing a 95% share of turnover.

In contrast to the self-assessment (which also takes into account one-time or casual users) with usage rates of 50% or more in part for mobile payment methods, the analysis of the diary study shows significantly lower (effective) usage behaviour with values in the single-digit range (transactions 5.9%, turnover 3.9%). As with the self-assessment, however, a significant increase in the (quantity and financial) transaction volume can be observed here as well. Mobile payment is becoming more and more part of every-day payment behaviour.

PAYMENT METHODS BASED ON THE NUMBER OF TRANSACTIONS AND TURNOVER

according to journal entries on the domestic market

Payment method	Distribution according to number of transactions		Distribution according to turnover		Mid-price transaction
	Number of transactions	Share of transactions in %	Turnover in CHF	Share of turnover in %	Median
Advance payment	8	0.1	612	0.2	47.51
Direct debit (LSV)	5	0.1	466	0.1	6.94
Mobile payment	475	5.9	15,288	3.9	10.74
Online payment services	84	1.0	16,978	4.4	56.43
Other	133	1.7	6,095	1.6	6.74
Sum	8,019	100.0	387,274	100.0	

Table 2

V. PAYMENT BEHAVIOUR

Debit card

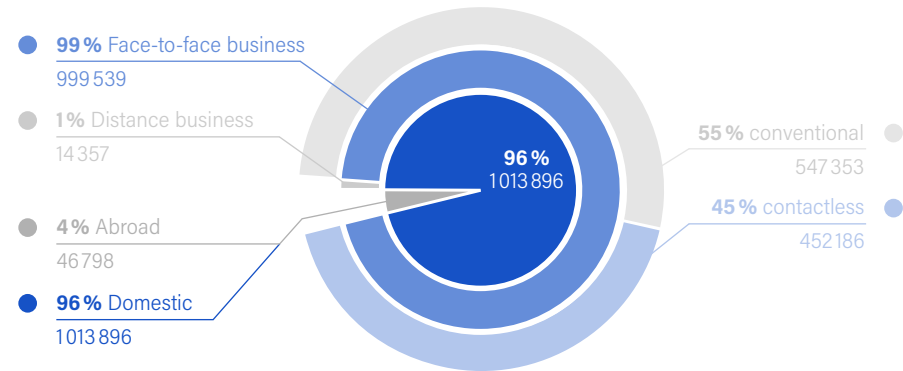
The popularity of debit cards is also reflected in their use – in comparison to credit cards they are used twice as much. Payment by domestic debit cards exceeded 1 billion transactions for the first time in 2019, of which 98 % are domestic and 2 % are carried out abroad (see Fig. 12). Between 2005 and 2019, domestic debit card transactions more than quadrupled. Contactless debit card payments accounted for 45 % of domestic in-store payments (up 17 PP relative to 2018) (see Fig. 11).

In 2019, around CHF 54 billion was transacted with Swiss credit cards – of which around CHF 50 billion (approx. 93 %) domestically and around CHF 4 billion (approx. 7 %) abroad (see Fig. 14). Turnover has more than doubled since 2005. 27 % of domestic debit card sales in Switzerland at a stationary point of sale were generated contactless in 2019 (up 13 PP relative to 2019) (see Fig. 13).

TRANSACTION FREQUENCY OF DOMESTIC CONTACTLESS DEBIT CARDS IN 2019 ON THE DOMESTIC MARKET

Analysis of SNB data –in millions

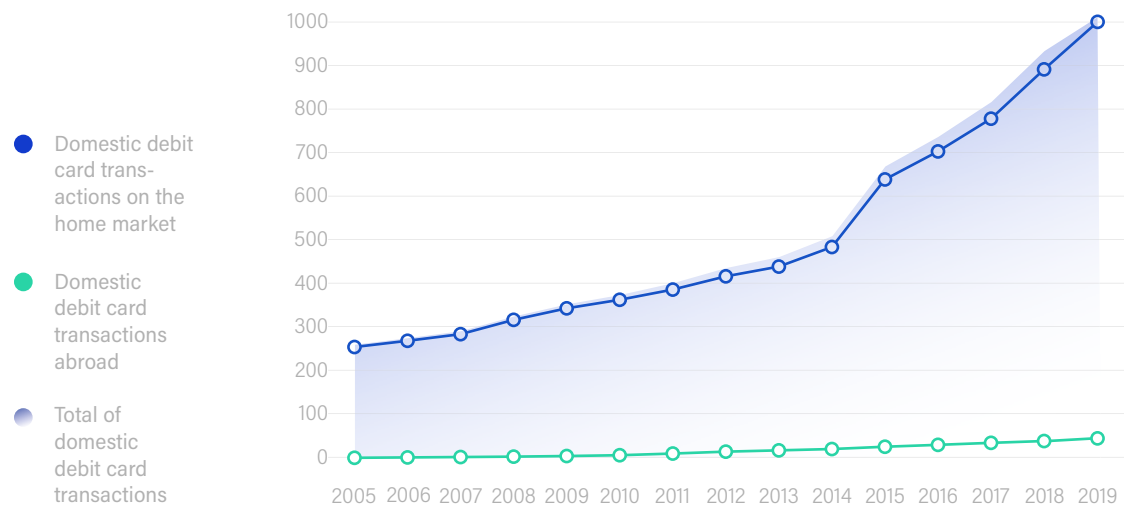
Fig. 11



DEVELOPMENT OF TRANSACTION FREQUENCY FOR DOMESTIC DEBIT CARDS

Analysis of SNB data –in millions

Fig. 12

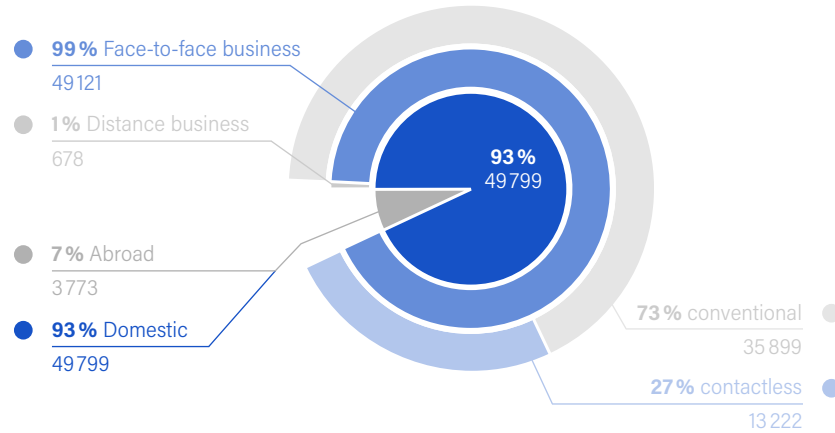


V. PAYMENT BEHAVIOUR

TURNOVER OF DOMESTIC CONTACTLESS DEBIT CARDS ON THE DOMESTIC MARKET IN 2019

Fig. 13

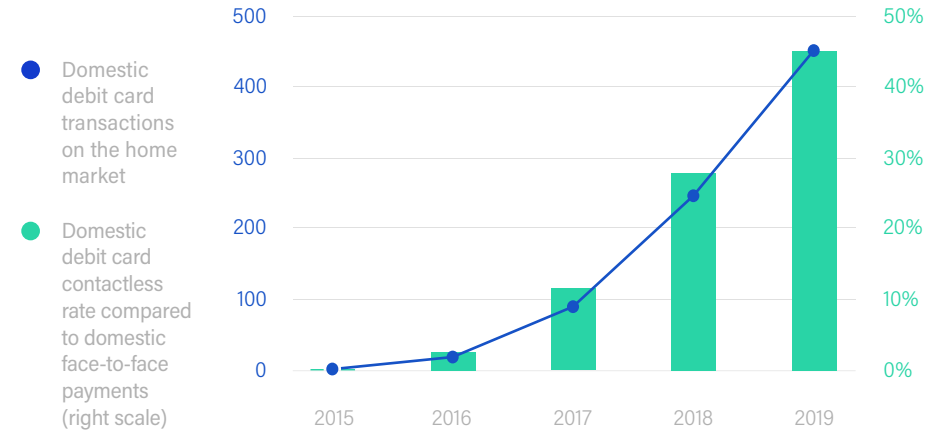
Analysis of SNB data - in millions CHF



DEVELOPMENT OF TRANSACTION FREQUENCY OF DOMESTIC CONTACTLESS DEBIT CARDS

Fig. 15

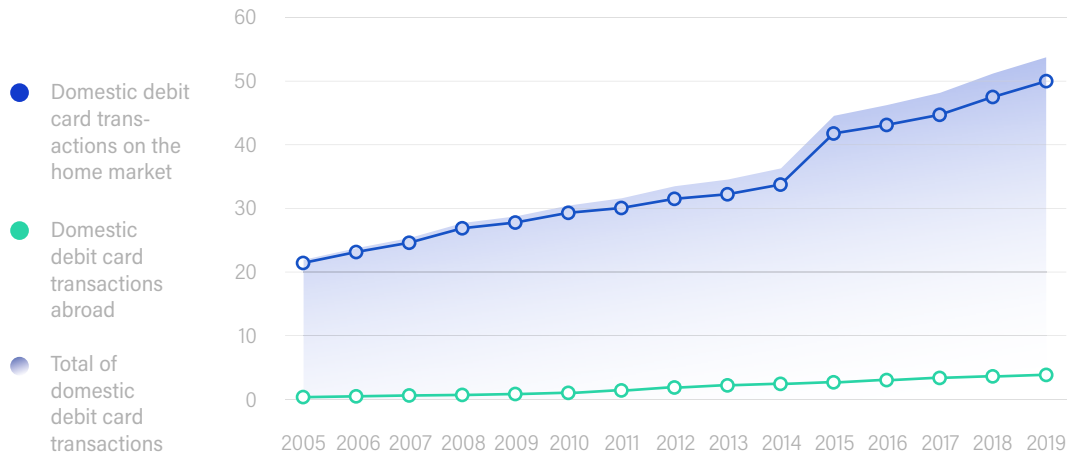
Analysis of SNB data - in millions



DEVELOPMENT OF TURNOVER FOR DOMESTIC DEBIT CARDS

Fig. 14

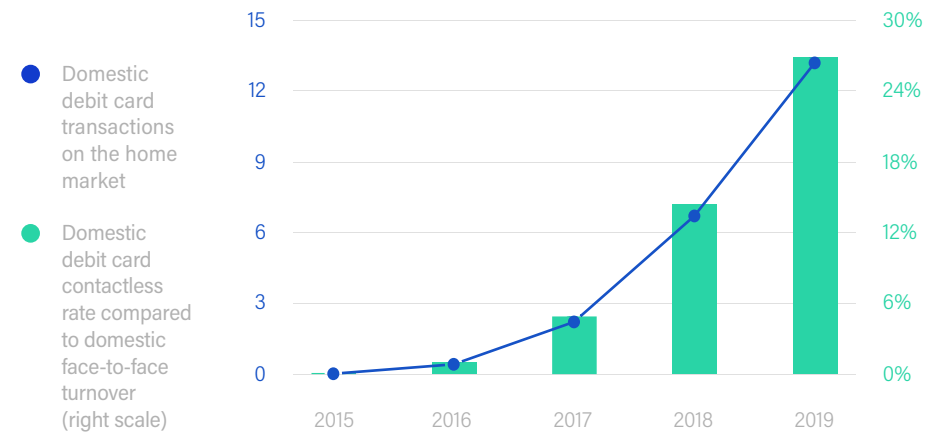
Analysis of SNB data - in billions CHF



DEVELOPMENT OF TURNOVER FROM DOMESTIC CONTACTLESS DEBIT CARDS

Fig. 16

Analysis of SNB data - in billions CHF



V. PAYMENT BEHAVIOUR

Domestic contactless debit card transactions increased 390-fold between 2015 and 2019 (see Fig. 15). Turnover from contactless domestic debit cards increased 490-fold between 2015 and 2019 (see Fig. 16).

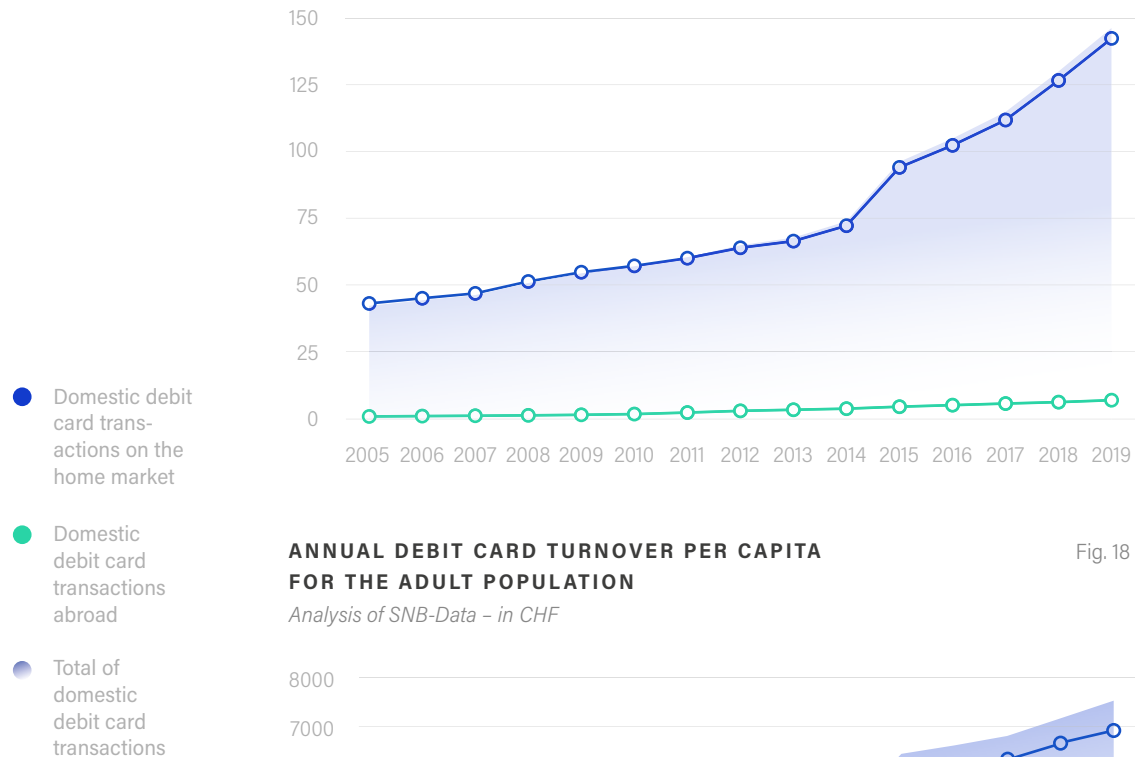
On average, an adult in Switzerland made 149 debit card transactions in 2019 – of those, 142 (95%) were domestic and around 7 (5%) of them took place abroad (see Fig. 17). From 2005 to 2019, the use of debit cards per adult more than tripled.

Annual debit card turnover per capita for adults amounted to CHF 7,509 in 2019 (see Fig. 18). Since 2005, per capita expenditure has almost doubled.

NUMBER OF DEBIT CARD TRANSACTIONS PER CAPITA FOR THE ADULT POPULATION

Fig. 17

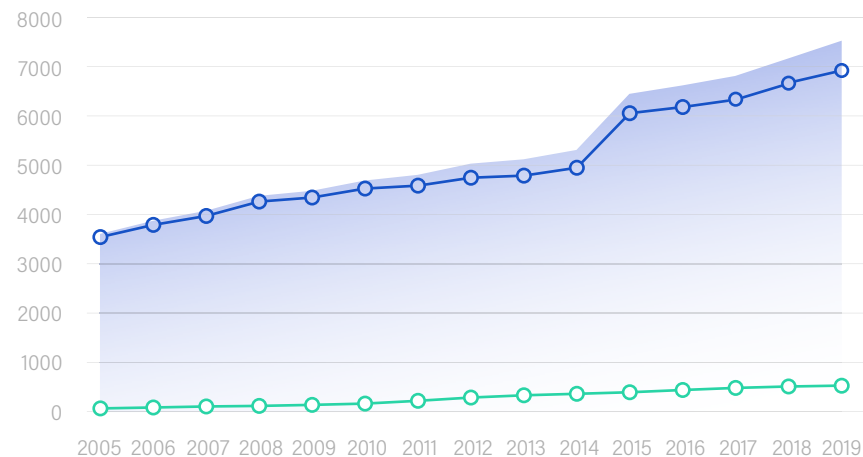
Analysis of SNB data



ANNUAL DEBIT CARD TURNOVER PER CAPITA FOR THE ADULT POPULATION

Fig. 18

Analysis of SNB-Data – in CHF



V. PAYMENT BEHAVIOUR

Credit card

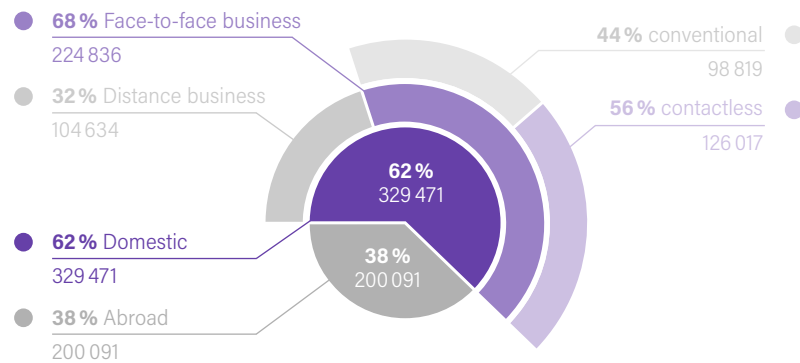
In 2019, almost 530 million transactions were conducted with domestic credit cards; 60% of these were domestic and 40% took place abroad (see Fig. 20). This amounts to almost half of the number of debit card transactions. Slightly more than half of the domestic in-store payments were contactless payments (up 10 PP relative to 2018) (see Fig. 19). From 2005 to 2019, domestic credit card transactions increased five-fold.

Around CHF 47 billion was spent on Swiss credit cards in 2019 - of which around CHF 26 billion (approx. 53%) was domestically and around CHF 21 billion (approx. 47%) was abroad (see Fig. 22). Turnover has more than doubled since 2005. 34% of domestic credit card sales in Switzerland at a fixed point of sale were generated contactless in 2019 (up 10 PP relative to 2018) (see Fig. 21).

TRANSACTION FREQUENCY OF DOMESTIC CONTACTLESS CREDIT CARDS IN 2019 ON THE DOMESTIC MARKET

Fig. 19

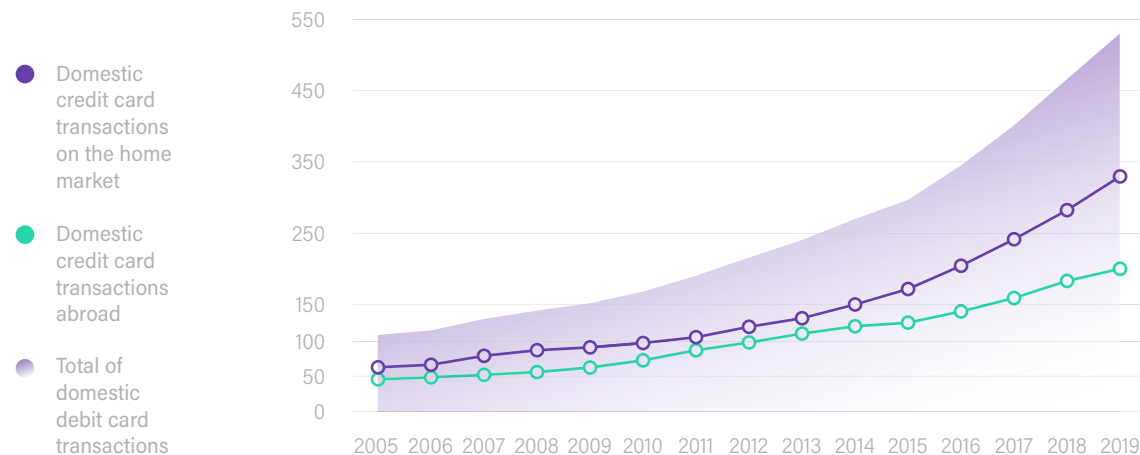
Analysis of SNB data - in millions



DEVELOPMENT OF TRANSACTION FREQUENCY FOR DOMESTIC CREDIT CARDS

Fig. 20

Analysis of SNB data - in millions

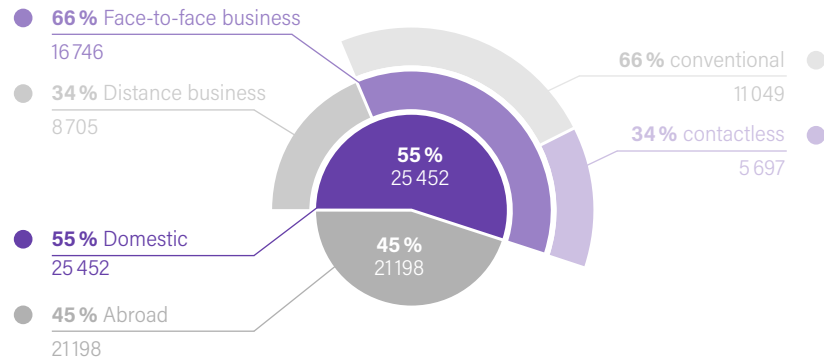


V. PAYMENT BEHAVIOUR

TURNOVER OF DOMESTIC CONTACTLESS CREDIT CARDS IN 2019 ON THE DOMESTIC MARKET

Fig. 21

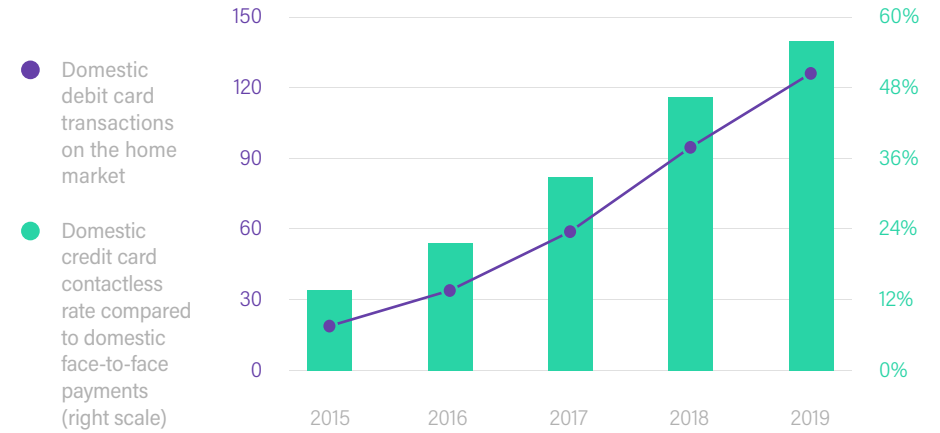
Analysis of SNB data - in millions CHF



DEVELOPMENT OF TRANSACTION FREQUENCY OF DOMESTIC CONTACTLESS CREDIT CARDS

Fig. 23

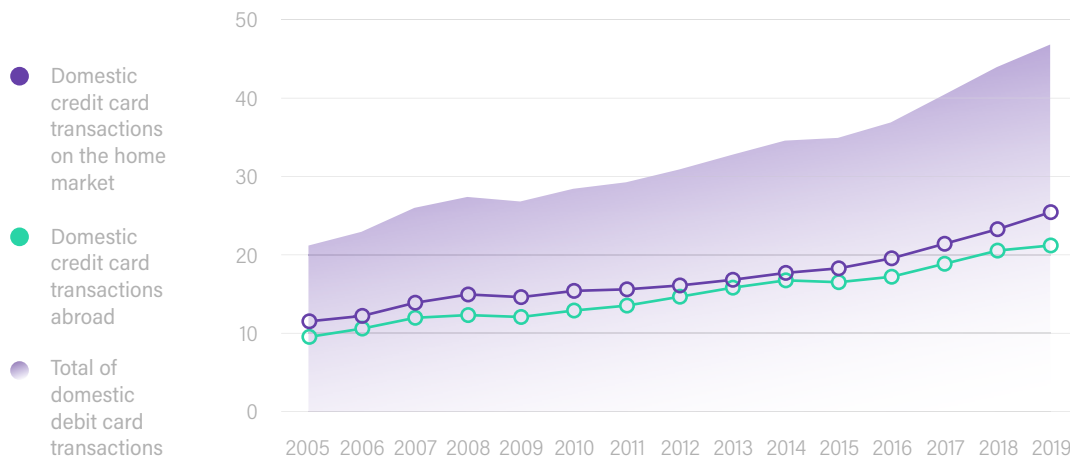
Analysis of SNB data - in millions



DEVELOPMENT OF TURNOVER FOR DOMESTIC CREDIT CARDS

Fig. 22

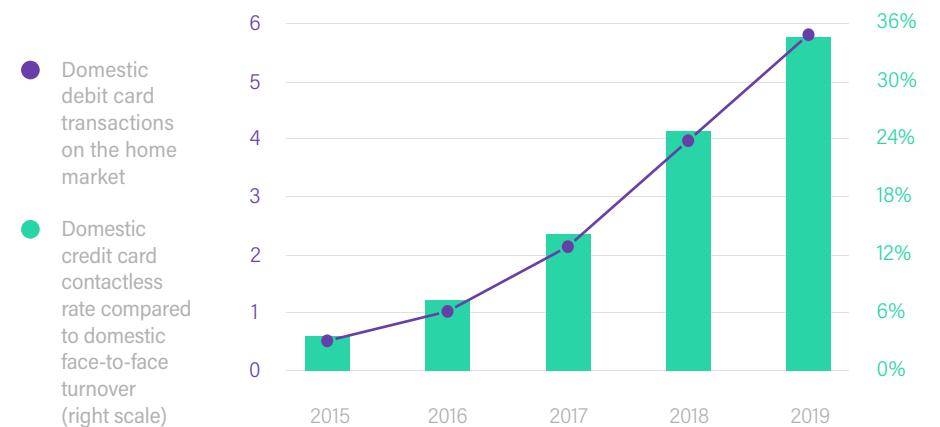
Analysis of SNB data - in billions CHF



DEVELOPMENT OF TURNOVER FROM DOMESTIC CONTACTLESS CREDIT CARDS

Fig. 24

Analysis of SNB data - in billions CHF



V. PAYMENT BEHAVIOUR

Contactless domestic credit card transactions increased seven-fold domestically from 2015-2019, while turnover with contactless domestic credit cards increased 12-fold (see Fig. 23 and Fig. 24).

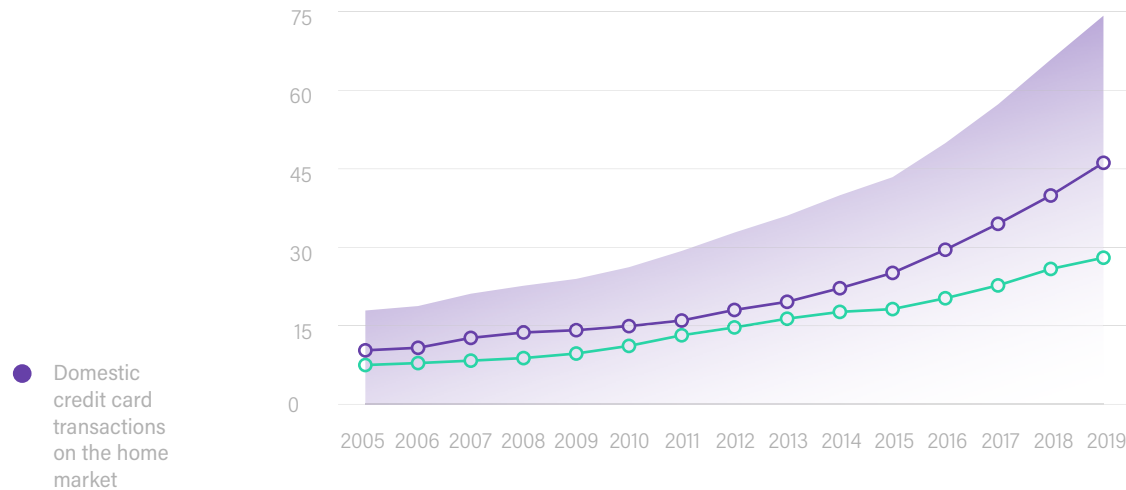
On average, each adult in Switzerland made 74 credit card transactions in 2019 – of those, 46 (60 %) were domestic and 28 (40 %) took place abroad (see Fig. 25). In 2019, per capita domestic credit card use amounted to around half of debit card use. From 2005 to 2019, credit card use per capita increased more than four times.

Annual credit card turnover per capita for adults amounted to CHF 6,463 in 2019 (see Fig. 26). Since 2005, per capita expenditure on credit cards has doubled.

NUMBER OF CREDIT CARD TRANSACTIONS PER CAPITA FOR THE ADULT POPULATION

Fig. 25

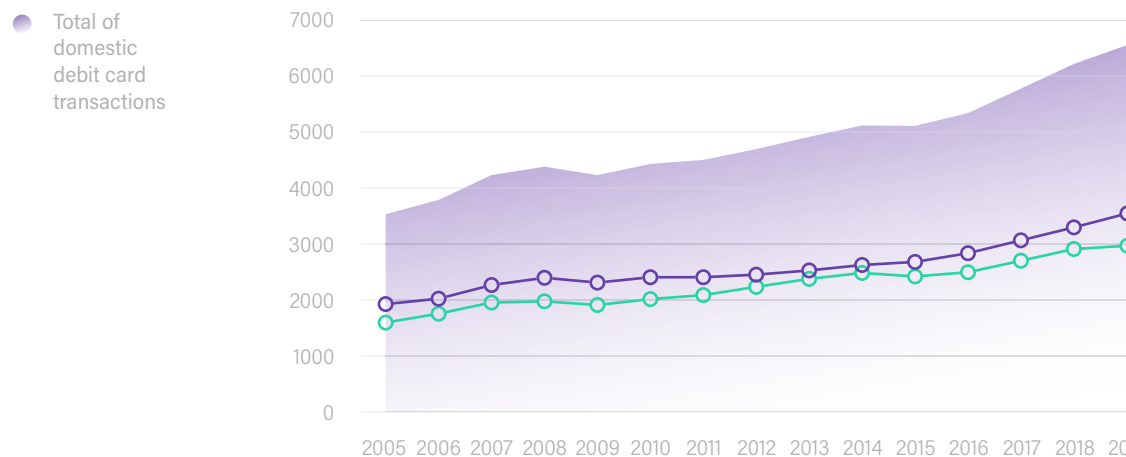
Analysis of SNB data



ANNUAL CREDIT CARD TURNOVER PER CAPITA FOR THE ADULT POPULATION

Fig. 26

Analysis of SNB data – in CHF



V. PAYMENT BEHAVIOUR

Focus on Social Norms

According to the survey results, social norms have a relevant influence as psychological factors on payment behaviour, in addition to habits.

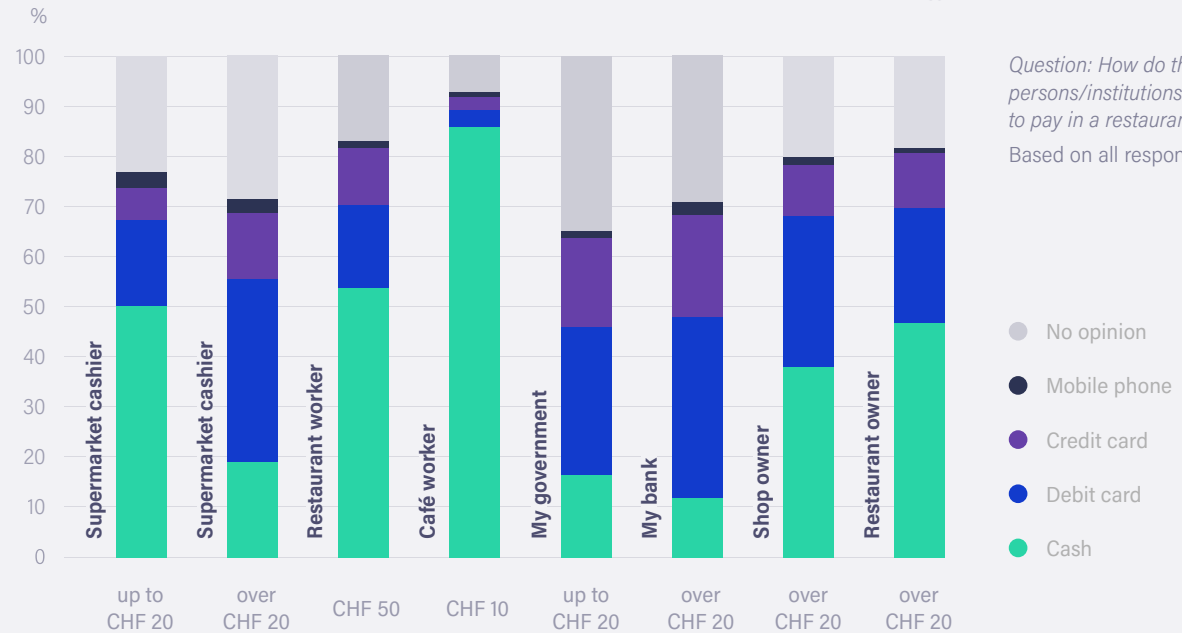
In general, the people surveyed expect service employees in the catering sector to have a preference for cash payments (the "tip effect"). In a café (amount around CHF 10) this proportion is 86% of the respondents, in a restaurant (amount around CHF 50) it is 54% (see Fig. S. 31). The (stated) cash preference is also common among shop and restaurant owners (38% or 47% respectively), with debit cards also considered to be a desired means of payment (30% or 23% respectively). Cashiers in supermarkets are presumed to have a cash preference for amounts below CHF 20 (50%) and for debit cards for amounts over CHF 20 (36%).

A credit card is rarely considered to be a desired means of payment, in addition to payments made in connection with your own bank (see Fig. S.31).

Most respondents say that they take great account of the payment needs of others, in particular those of service employees in restaurants (average 3.4 on 5 point scale) and shop and restaurant owners (average 3.3 in each case) (see Fig. S. 3.2).

EXPECTED PAYMENT BEHAVIOUR (INJUNCTIVE NORMS)

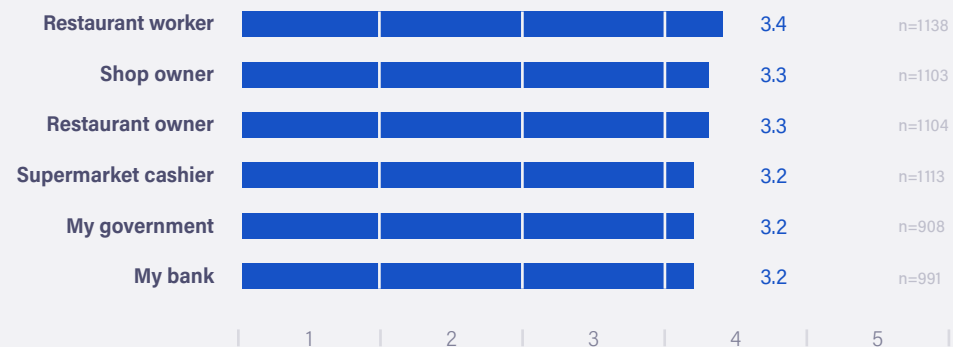
Fig. S. 3.1
n=1259



Question: How do the listed persons/institutions want you to pay in a restaurant?
Based on all respondents

ADJUSTMENT OF PAYMENT BEHAVIOUR

Fig. S. 3.2



Question: Please rate the following statement: "I like to pay the way the listed persons/institutions want me to."
Based on all respondents

Average value scale:

1 = totally disagree
5 = fully agree

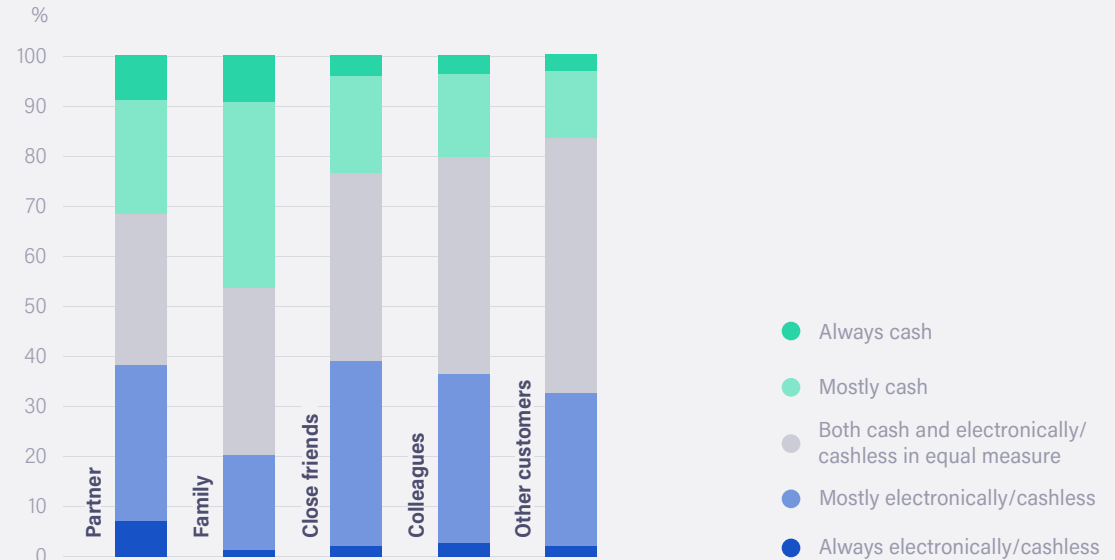
V. PAYMENT BEHAVIOUR

Focus on Social Norms

Most people think that close friends, partners, work colleagues and other customers pay with cash as often as electronically or mostly cashless (see Fig. S. 3.3). The same question about family is answered with "usually with cash" and "pay with cash as often as electronically". The persons interviewed are guided by the (alleged) preferences of others, especially women and young people, when choosing the means of payment. They are most influenced by their own partner (average 3.3) (see Fig S. 3.4).

**EXPECTED PAYMENT BEHAVIOUR
(DESCRIPTIVE NORMS)**

Fig. S. 3.3
n=1259



**ADJUSTMENT OF PAYMENT BEHAVIOUR
VIS-A-VIS SPECIFIC GROUPS OF PEOPLE**

Fig. S. 3.4

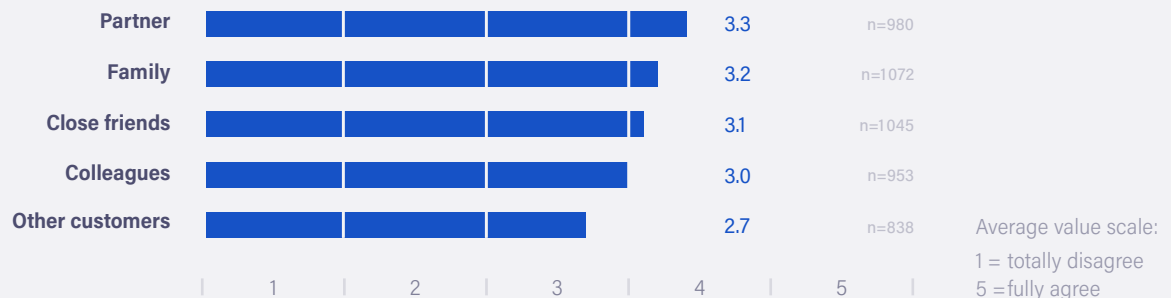


Fig. S. 3.3

Question: How do you think most people in the listed groups pay?

Based on all respondents

Fig. S. 3.4

Question: Please rate the following statement: "I like to pay the way the listed people want me to pay."

Based on all respondents

V. PAYMENT BEHAVIOUR

Focus on Social Norms

Respondents value the freedom of choice in means of payment (see Fig S. 3.5). They agree in principle that it should always be possible to pay with cash (77% agree) as well as electronically or cashless (73% agree). However, they find it more important that you can always pay with cash compared to cashless.

Cash lovers are staunch advocates of their preferred means of payment and believe that people of the same age and comparable income would also pay with cash (see Fig. S. 3.6). Younger people up to the age of 44 are significantly more likely to think that people of their age should pay electronically or cashless, while for older people it is the other way around. People with an income of less than CHF 6,000 and a low level of education are significantly more likely to think that cash should be used to pay in their income class. There tends to be the view that people living in urban areas are more likely to pay electronically/cashless and people living in rural areas are more likely to pay with cash.

Fig. S. 3.5

Question: Rate the respective statements.

Based on all respondents

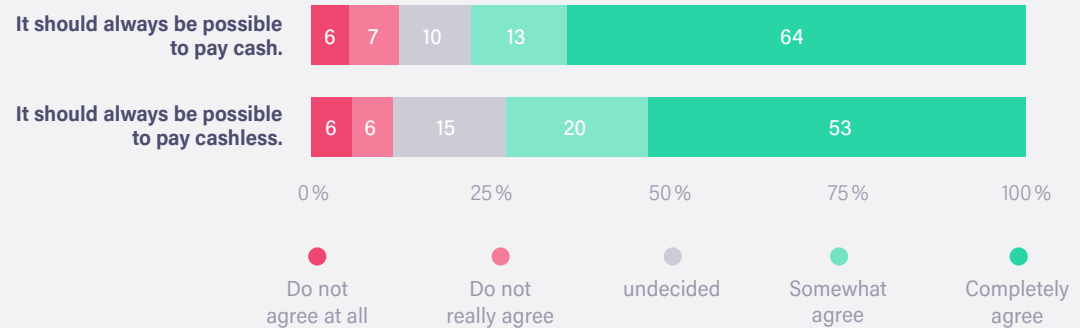
Fig. S. 3.6

Question: In your opinion, what is the best payment behavior for people who...?

Based on all respondents

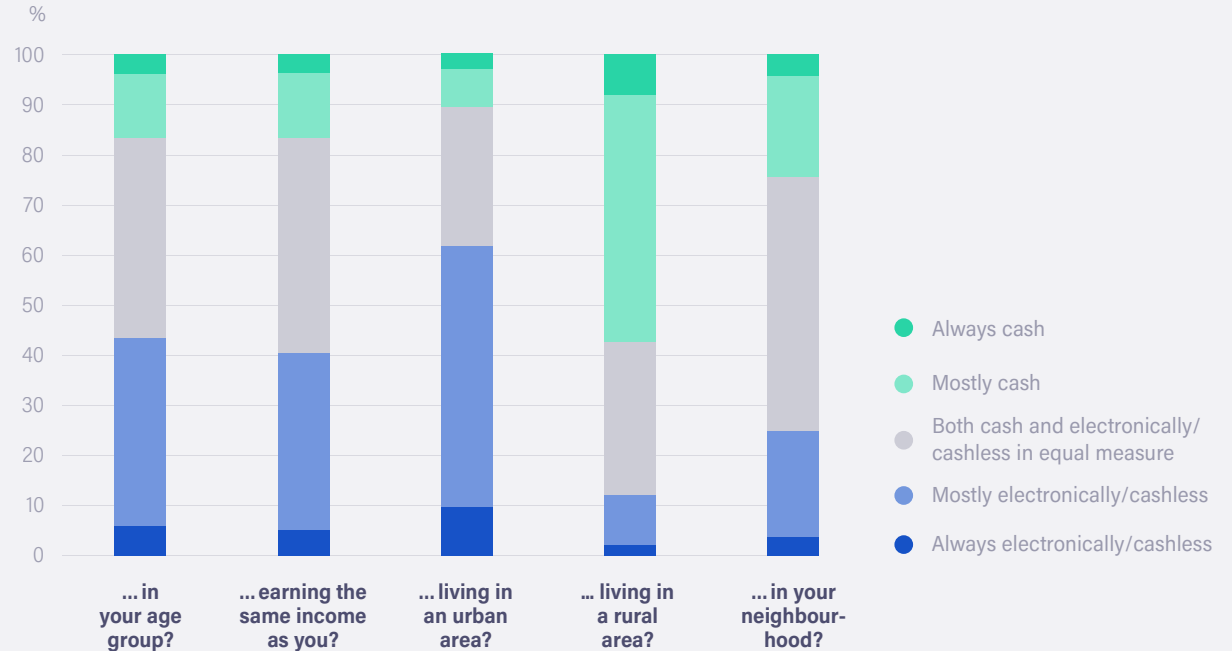
PERSONAL ATTITUDE TOWARDS PAYMENT BEHAVIOUR

Fig. S. 3.5
n=1259



WHAT IS THE BEST PAYMENT BEHAVIOUR FOR PEOPLE ...

Fig. S. 3.6
n=1259



V. PAYMENT BEHAVIOUR

Payment behaviour depends on the payment amount

As the analysis of the payment journal shows, the payment amount has a significant influence on the choice of payment method (see Figs. 27 and 28).

Cash is still by far the most frequently used payment instrument for payments below CHF 20. A large part of cash transactions (70 %) account for small sums of up to CHF 20, and of this one quarter are smaller sums of up to CHF 5.

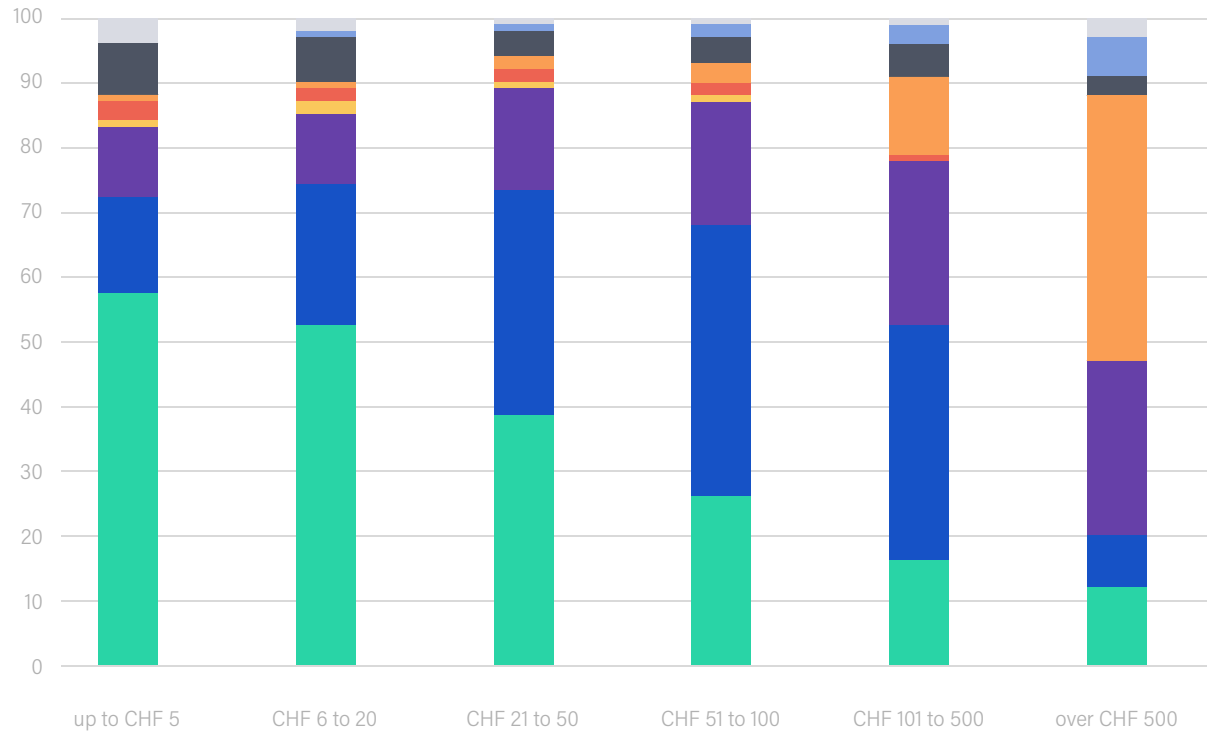
In addition to cash, contactless and mobile payment methods (in particular "in-app" payments), retailer cards and prepaid cards are also being used disproportionately more frequently for the payment of small and very small amounts.

While debit cards are used more and more from CHF 6 to CHF 20, credit cards are usually only used more widely for amounts from CHF 20. Contactless payment tends to

MEANS OF PAYMENT BY DOMESTIC AMOUNT RANGE

Share of transactions in %, according to journal

Fig. 27
Basis: 8 020



- Cash
- Debit card
- Credit card
- Prepaid (credit) card
- Invoice
- Retailer card/customer card
- Mobile payment
- Online payment services
- Other payment methods
- Advance payment*
- Direct debit (LSV)*

* Values are not shown as they are close to 0%.

V. PAYMENT BEHAVIOUR

favour credit cards a little more, but apart from that, the amount does not have a noticeable effect on the choice of the appropriate means of payment (debit or credit card).

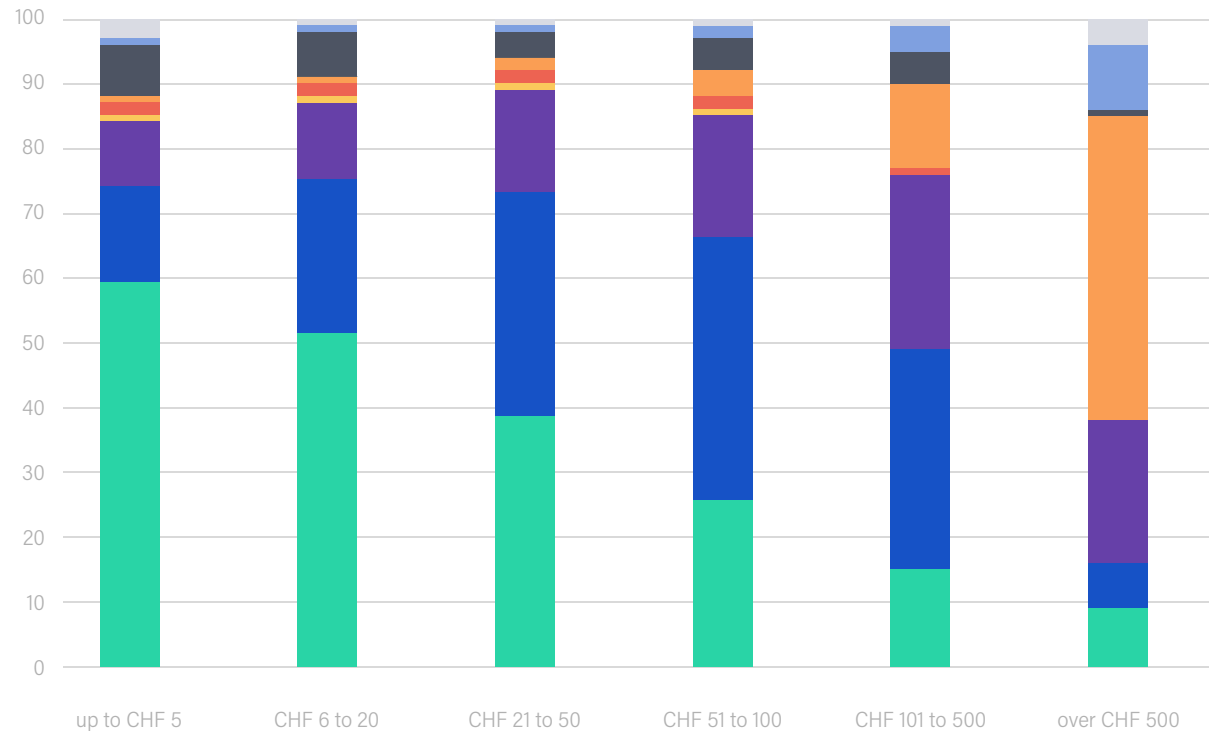
The transition threshold from cash to card transactions (i.e. the point where the proportion of card transactions outweighs that of cash transactions) is in the range of CHF 20 to CHF 50, with card payments increasing proportionally with increasing amounts.

For amounts above CHF 100, traditional distance means of payment, such as invoices, advance payment and direct debit, as well as conventional credit card payments and Internet payment methods are predominant, while large amounts over CHF 500 are paid disproportionately more frequently by online transfer.

MEANS OF PAYMENT BY DOMESTIC AMOUNT RANGE

Share of turnover in %, according to journal

Fig. 28
Basis: 387 274 CHF



- Cash
- Debit card
- Credit card
- Prepaid (credit) card
- Invoice
- Retailer card/customer card
- Mobile payment
- Online payment services
- Other payment methods
- Advance payment*
- Direct debit (LSV)*

* Values are not shown as they are close to 0%.

V. PAYMENT BEHAVIOUR

Payment behaviour depends on the situation

In addition to the payment amount, the choice of means of payment also depends on the payment situation and the place or purpose of payment.

In terms of volume alone, the majority (86%) of transactions are concentrated in face-to-face business, while distance business accounts for only one tenth of all effected transactions. Transfers to private individuals ("peer-to-peer" payments) account for 4% of all transactions (see Fig. 29).

However, the ratio is more balanced in terms of turnover: While 64% of turnover is generated in brick-and-mortar retail, distance business achieves a considerable share of 29% of the total turnover volume due to the relatively higher transaction amounts. "Peer-to-peer" transfers currently account for 7%. These figures have remained stable compared to the previous year.

In brick-and-mortar retail, debit card transactions carry the largest share of the turnover at 40%, followed by cash transactions at 31% (see Table 3). Credit cards (incl. prepaid) also play an important role, with their share of sales in brick-and-mortar retail increasing from 19% in 2019 to 24% in 2020.

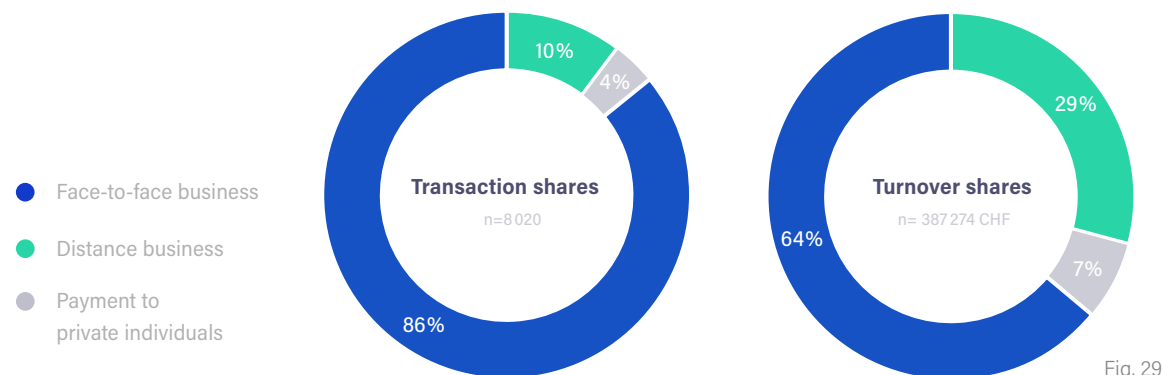


Fig. 29

Face-to-face business

PAYMENT METHODS BASED ON TURNOVER AND THE NUMBER OF TRANSACTIONS

according to journal entries on the domestic market

Payment method	Distribution according to number of transactions		Distribution according to turnover	
	Number of transactions	Transaction share in %	Turnover in CHF	Turnover share in %
Cash	3,325	48.6	76,347	30.8
Debit card	2,083	30.4	99,208	40.0
Credit card	903	13.2	58,525	23.6
Prepaid (credit) card	79	1.2	1,441	0.6
Retailer card/customer card	134	2.0	3,820	1.5
Mobile payment	195	2.8	5,357	2.2
Other	128	1.9	3,365	1.4
Sum	6,847	100.0	248,063	100.0

Table 3

V. PAYMENT BEHAVIOUR

While the share of debit card payments at the point of sale has increased (plus 2 PP relative to 2019), cash payments (less 3.1 PP relative to 2019) and credit card payments decreased slightly compared to the previous year (less 2.0 PP relative to 2019).

Distance transactions are mainly made by invoice or online transfer (53%) and by credit card (19%) in terms of turnover, as well as via Internet payment methods, such as Twint or PayPal (12%) (see Table 4). Mobile payment methods are also becoming increasingly relevant: In terms of turnover, these account for only a relatively small proportion of 7%, but 26% of all transactions already take place via mobile devices.

Distance business

PAYMENT METHODS BASED ON TURNOVER AND THE NUMBER OF TRANSACTIONS

according to journal entries on the domestic market

Payment method	Distribution according to number of transactions		Distribution according to turnover	
	Number of transactions	Transaction share in %	Turnover in CHF	Share of turnover in %
Debit card	63	7.7	6,502	5.8
Credit card	234	28.6	20,907	18.8
Prepaid (credit) card	15	1.8	415	0.4
Retailer card/customer card	4	0.4	466	0.4
Invoice*	198	24.2	59,182	53.1
Advance payment	8	0.9	612	0.5
Direct debit (LSV)	5	0.7	466	0.4
Mobile payment	216	26.3	7,209	6.5
Online payment services	72	8.8	13,015	11.7
Other	4	0.5	2,593	2.3
Sum	819	100.0	111,367	100.0

Table 4

* Values not comparable with previous year, as query changed

V. PAYMENT BEHAVIOUR

Place of payment

Table 5 provides an overview of the distribution of turnover and transactions depending on the payment location or purpose.

Compared with other forms of payment, cash is much more commonly used in restaurants and bakeries, as well as at external sales points (kiosks and takeaways).

While debit cards are widely used across different spending categories, credit cards are the means of payment of choice, mainly in restaurants and when travelling.

PAYMENT LOCATION BASED ON TURNOVER AND THE NUMBER OF TRANSACTIONS

according to journal entries on the domestic market

Place of payment	Distribution according to number of transactions		Distribution according to turnover		Mid-price transaction
	Number of transactions	Transaction share in %	Turnover in CHF	Share of turnover in %	Median
Retail for daily needs	3,140	39.2	112,827	29.1	17.79
Personal clothing	174	2.2	19,265	5.0	65.99
Pharmacy/drugs	128	1.6	5,182	1.3	26.25
Retail for longer-term purchases	256	3.2	40,760	10.5	54.28
Petrol station/petrol	306	3.8	12,080	3.1	35.35
Kiosk, bakery	553	6.9	5,916	1.5	6.98
Restaurant	836	10.4	34,608	8.9	18.67
Cafe, pub, snack bar, fast-food restaurant, take-away, delivery services, bar, club	919	11.5	11,368	2.9	8.19
Leisure activities/entertainment	325	4.1	21,439	5.5	30.08
Service provider (e.g. hairdresser)	170	2.1	19,497	5.0	57.84
Hotel, guest house	27	0.3	6,315	1.6	127.67

Table 5

TABLE CONTINUED: NEXT PAGE →

V. PAYMENT BEHAVIOUR

Invoices or bank transfer are generally widely used, but are predominant in the case of payments to public authorities.

The majority of Internet payment methods are used to cover expenses in the leisure activities and mobility sector, as well as in retail trade for consumer goods and durable goods. They also play a not insignificant role in the context of private payments and payments to public authorities.

In addition to the retail trade, mobile payment methods are used for daily needs, especially for expenses in relation to mobility (public transport, parking).

PAYMENT LOCATION BASED ON TURNOVER AND THE NUMBER OF TRANSACTIONS

according to journal entries on the domestic market

Place of payment	Distribution according to number of transactions		Distribution according to turnover		Mid-price transaction
	Number of transactions	Transaction share in %	Turnover in CHF	Share of turnover in %	Median
Mobility, travel, parking, transportation	533	6.6	20,520	5.3	7.23
Vending machines (e.g. cigarettes, drinks/snacks)	123	1.5	517	0.1	1.95
Placing a mail order without Internet (e.g. catalogues, phone orders)	38	0.5	4,066	1.0	74.85
Expenses to private individuals (e.g. babysitting, tutoring)	30	0.4	3,697	1.0	37.51
Private payments (e.g. pocket money)	89	1.1	8,667	2.2	23.14
Spending/donations to charities	48	0.6	2,915	0.8	19.98
Payments to public authorities (e.g. fines, fees)	68	0.9	11,164	2.9	60.94
Other	258	3.2	46,469.8	12.0	26.09
Sum	8,021	100.0	387,274	100.0	

Table 5

VI. A look into the future

New forms of payment

The newer payment methods include contactless payment with a credit and debit card and mobile payment methods, such as on-site payment in a brick-and-mortar shop, on the Internet or within an app (“in-app” payments).

While contactless payment is now widely established and has found its way into everyday use, mobile payment is currently experiencing a strong upswing after a very hesitant initial development.

The number of contactless credit cards issued in Switzerland increased slightly by 95 % to 97 % compared to the previous year. The number of contactless debit cards circulated in the previous year has again increased markedly and presently has an 80 % share of the debit card volumes (up 9 PP relative to 2019).

Understanding mobile payment

In contrast to the two previous measurements, “Mobile Payment” is now very well understood. The term is most strongly associated with payments in an app with an integrated payment function (stored method of payment) and payments with a smart phone on site in a store (both 68 %) followed by payments with a smart phone on the Internet or in an online store (61 %) and peer-to-peer payments domestically (56 %) (see Fig. 30).

Just over one in five people combine mobile payment with transfers to private individuals abroad (23 %) and “Wearables” (21 %), the latter being significantly more prevalent in the perception of the respondents than in the previous year (up 7.9 PP).

MOBILE PAYMENT ASSOCIATIONS

Closed-question survey

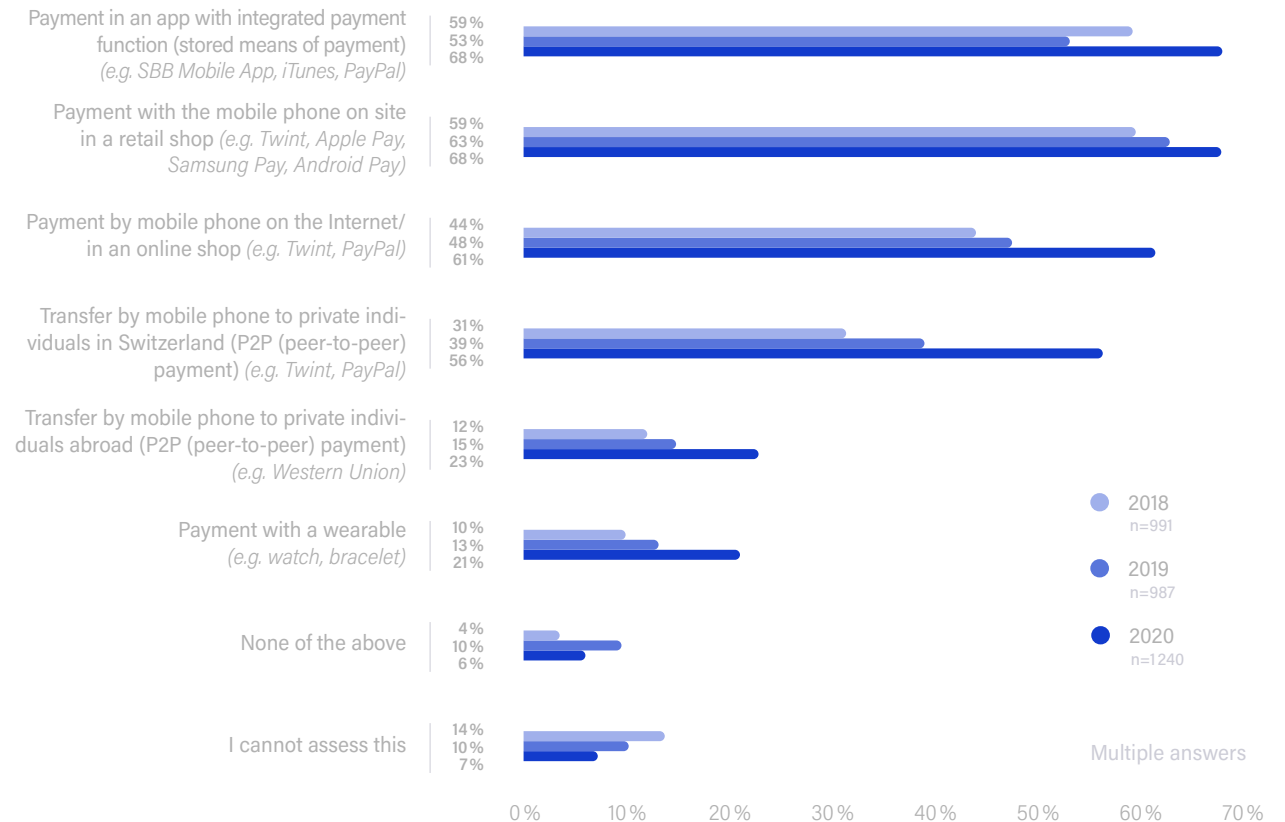


Fig. 30

Question: Which of the following payment situations do you generally associate with mobile payment?

Based on respondents that claimed to be familiar with mobile payments

VI. A LOOK INTO THE FUTURE

How users like the new payment forms

Newer forms of payment are very popular. When asked how well users like them, contactless and mobile payment methods are equally positive with an average score of 3.9 on a scale from one to five (see Fig. 31 and 32). The high level of practicality (convenience) as well as the speed of the payment process are particularly appreciated in both contactless and mobile payments. However, while mobile payment is only getting started, growth in contactless payment is slowing down and saturation is starting to emerge.

Differences can be observed not only between the forms of payment, but also within the individual methods. As a result, contactless payment by credit card has become significantly more attractive, whereas debit card payments have grown only slightly. With regard to the overall impression they create, contactless payments by debit card and credit card are identical.

Regardless of the type of card, German-Swiss people like contactless payment much better than people from Western Switzerland. At the same time, men rate contactless payments significantly more positively than women and the 18-44 age group is significantly more responsive to the form of payment than people aged 45 and over. Contactless payment is also particularly popular with high-purchasing consumers and people who like to try new things ("pioneers").

Mobile payment is again rated significantly better in the current survey than in the previous year (see Fig. 32). This applies not only to mobile payments in general, but also to all forms of mobile payment, whereby mobile payment at the POS/on-site in a store with an average score of 3.7 has made a significant leap forward (up 0.3 points).

OVERALL IMPRESSION OF CONTACTLESS PAYMENT, YEAR-ON-YEAR COMPARISON

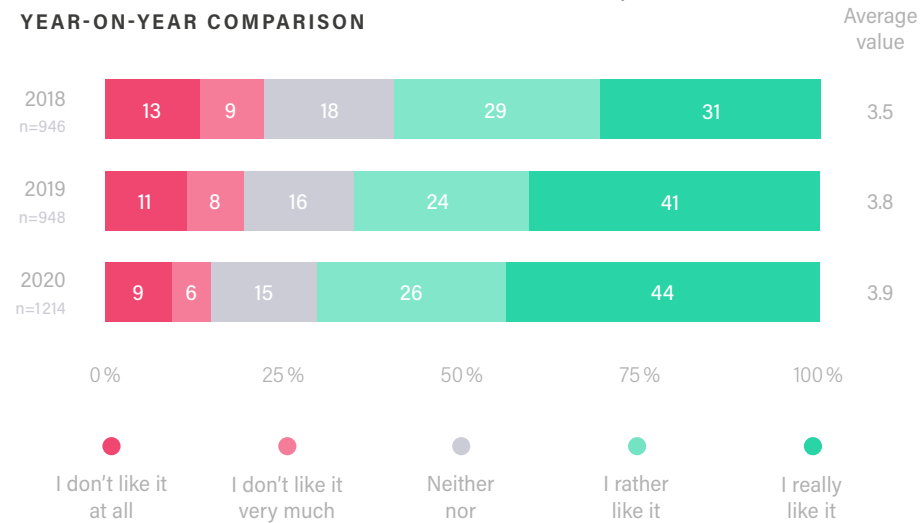


Fig. 31
Question: How do you like using contactless payment?
Based on respondents who are familiar with contactless payments

OVERALL IMPRESSION OF MOBILE PAYMENT, YEAR-ON-YEAR COMPARISON

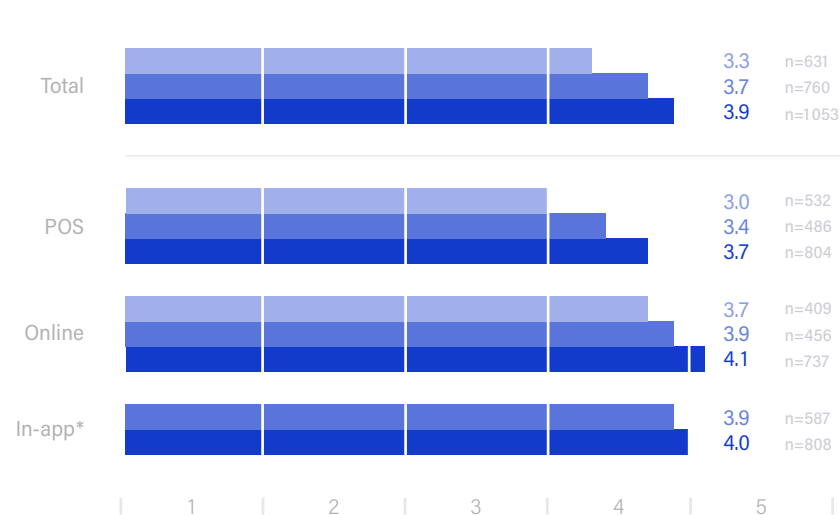


Fig. 32
Question: How do you like using mobile payment?
Based on respondents who are familiar with mobile payments

● 2018
● 2019
● 2020

Average value scale:
1 = I don't like it at all
5 = I really like it

*newly incorporated as of SPM19

VI. A LOOK INTO THE FUTURE

With an average value of 4.1, mobile payments are still the most popular online, closely followed by “in-app” payments with an average of 4.0 (see Fig. 33).

This means that these two payment forms are even placed ahead of contactless payment on the popularity scale. On the other hand, POS payments receive a more subdued assessment with a higher proportion of sceptics and indifference (38%).

As with contactless payment, certain segment-specific differences can also be observed here. Thus, men and those under 45 generally rate mobile payments significantly better than women and older people. Furthermore, performance-oriented individuals rate mobile payments significantly better than conservative people and “pioneers” and those more open to risks rate them significantly better than the rest of the adoption types. In addition, the new forms of payment appeal to users, as should be expected, significantly more than to non-users.

OVERALL IMPRESSION OF MOBILE PAYMENT FORMS

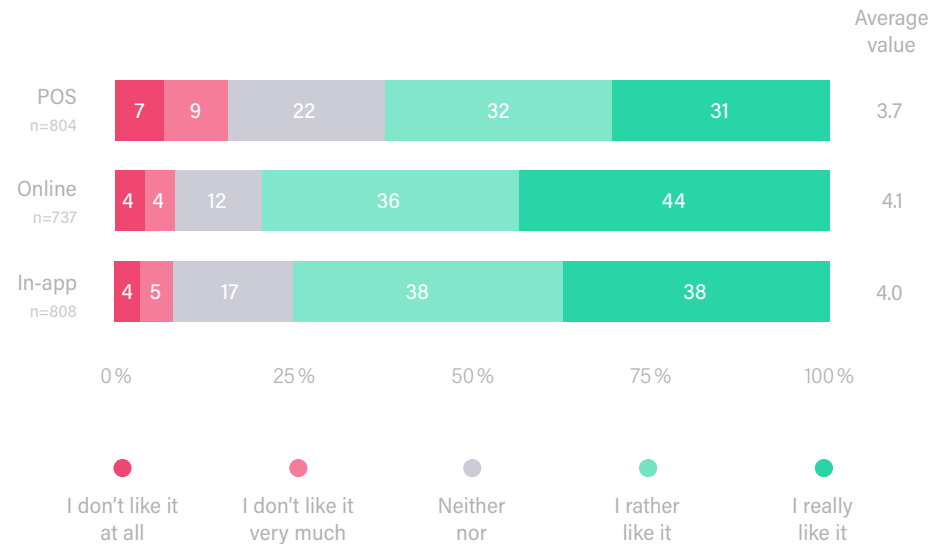


Fig. 33
 Question: How do you like using mobile payment?
 Based on respondents who are familiar with mobile payments

VI. A LOOK INTO THE FUTURE

Intended use of new payment methods

New forms of payment have potential. Accordingly, over 63% of respondents could imagine using contactless payment within the next three years (even more frequently), which corresponds to an increase of 5.0 PP compared to 2019 (see Fig. 34). The main driver of this development is contactless payment by credit card, which has increased reasonably sharply in terms of usage intention in the past year (up 0.4 points on a 5 point scale). With an average score of 3.8 on a 5 point scale, contactless payments with debit cards and credit cards are now at the same level.

FUTURE USE OF CONTACTLESS PAYMENT, YEAR-ON-YEAR COMPARISON

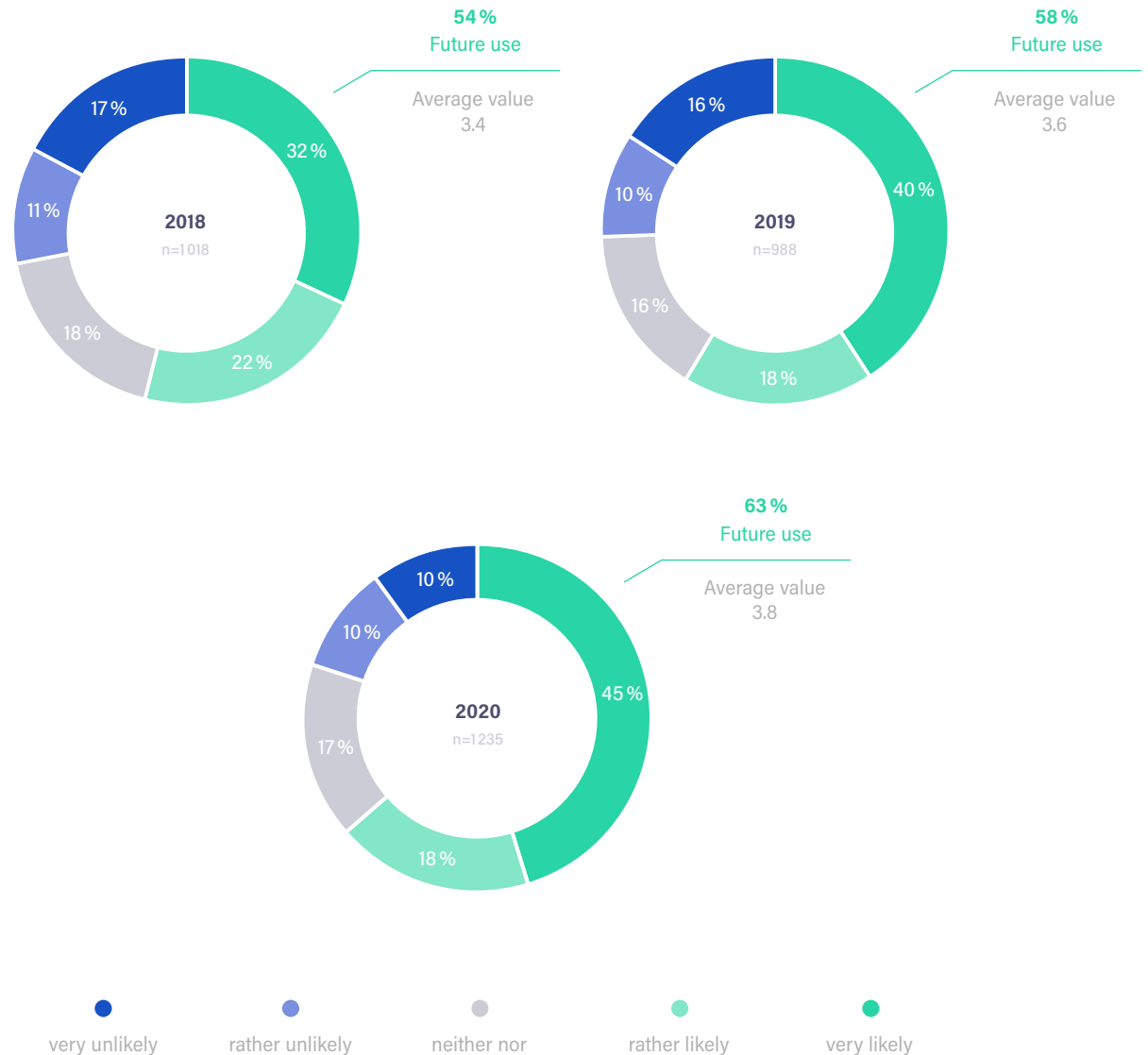


Fig. 34

Question: How likely do you think it is that you will use contactless payment (even more frequently) within the next three years?

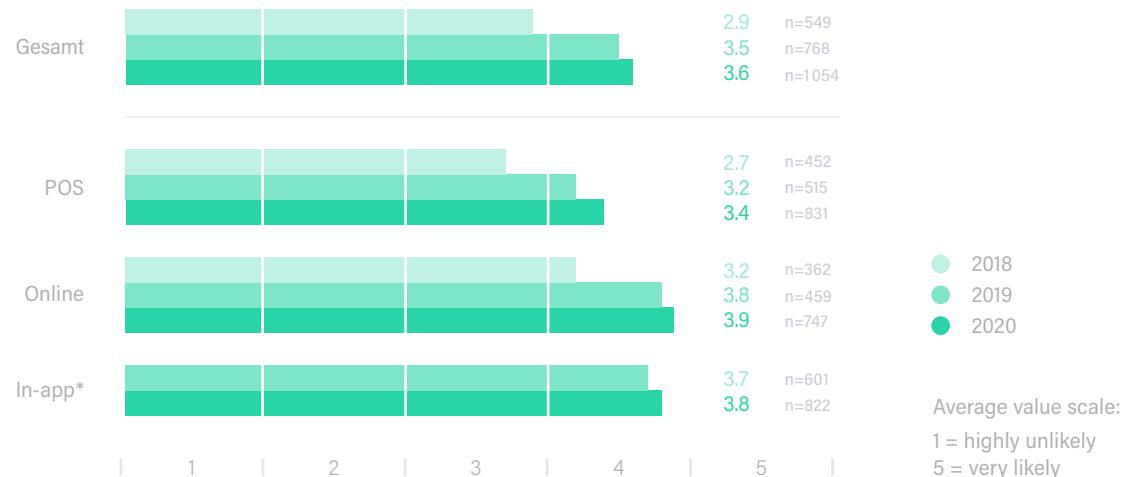
Based on respondents who are familiar with contactless payments

VI. A LOOK INTO THE FUTURE

The future intention to use it also depends, among other things, on the experience of the respondents with the contactless function. While almost 43% of non-users (483 people) consider it likely to use contactless payment within the next three years, around 77% of users are considering a future increase in usage. In line with the increasing popularity of contactless credit card payments, there has been an alignment between payment methods (debit and credit card).

At the same time, the intention to use mobile payments has also increased compared to the previous year, albeit to a lesser extent (see Fig. 35).

FUTURE USE OF MOBILE PAYMENT, YEAR-ON-YEAR COMPARISON



*newly incorporated as of SPM19

Fig. 35

Question: How likely do you think it is that you will use mobile payment (even more frequently) within the next three years?

Based on respondents who are familiar with mobile payments

VI. A LOOK INTO THE FUTURE

The highest potential comes from mobile payment on the Internet (see Fig. 36). Almost two thirds (69%) of respondents consider it likely that they will use the payment method (even more frequently) within the next three years.

The forecast for "in-app" payments also looks promising. 62% of the respondents could imagine using this payment form (even more frequently) in the future. At 52%, the intention to use them in-store is the lowest, but also with considerable growth rates compared to the previous year.

It is valuable to look at users and non-users in this context. While the potential for use of POS and "in-app" payments varies widely depending on group membership (usage potential of 76% among users vs. 28% for non-users for POS payments; 70% for users vs. 27% for non-users for "in-app" payments), the ratio for online payments is significantly more balanced (78% for users vs. 51% for non-users).

FUTURE USE OF MOBILE PAYMENT FORMS

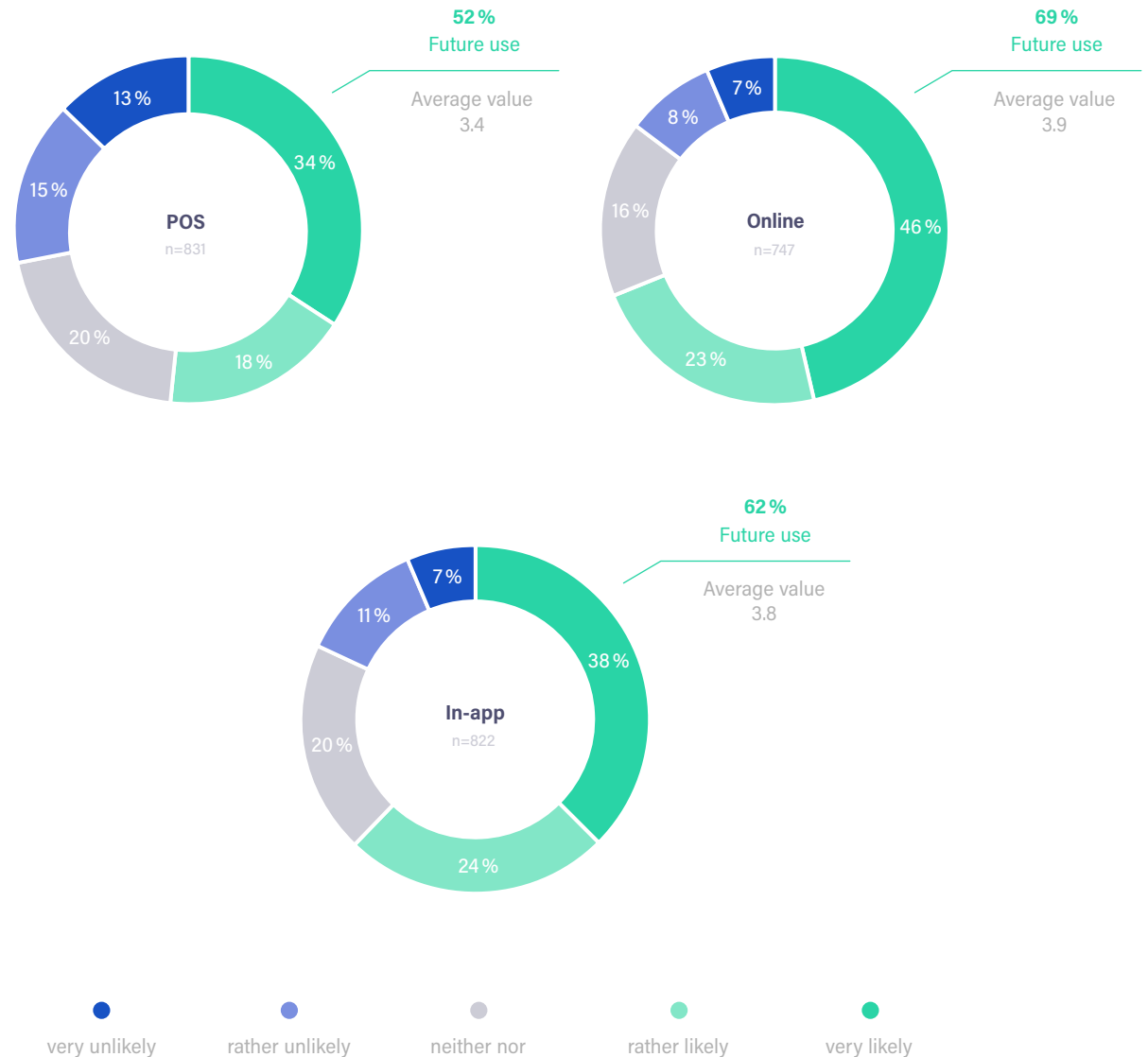


Fig. 36

Question: How likely do you think it is that you will use mobile payment (even more frequently) within the next three years?

Based on respondents who are familiar with mobile payments

VI. A LOOK INTO THE FUTURE

In line with the increase in the attractiveness of mobile payment methods, the awareness of mobile providers has also increased (see Fig. 37). According to the survey, the Twint app is the top performer with a recognition of 87% closely followed by the SBB App (SBB Mobile) with 84%. Also present, but behind the first and second ranked providers by a significant margin, are the iTunes Store (73%), the PayPal App (71%) and Apple Pay (68%), as well as the App Store (65%).

A large proportion of the payment solutions offered have increased in popularity compared to the 2019 survey, most notably "Digital wallet" solutions such as Google Pay or Android Pay (up 32.1 PP) and Samsung Pay (up 10.3 PP).

POPULARITY OF MOBILE PAYMENT PROVIDERS

Closed-question survey

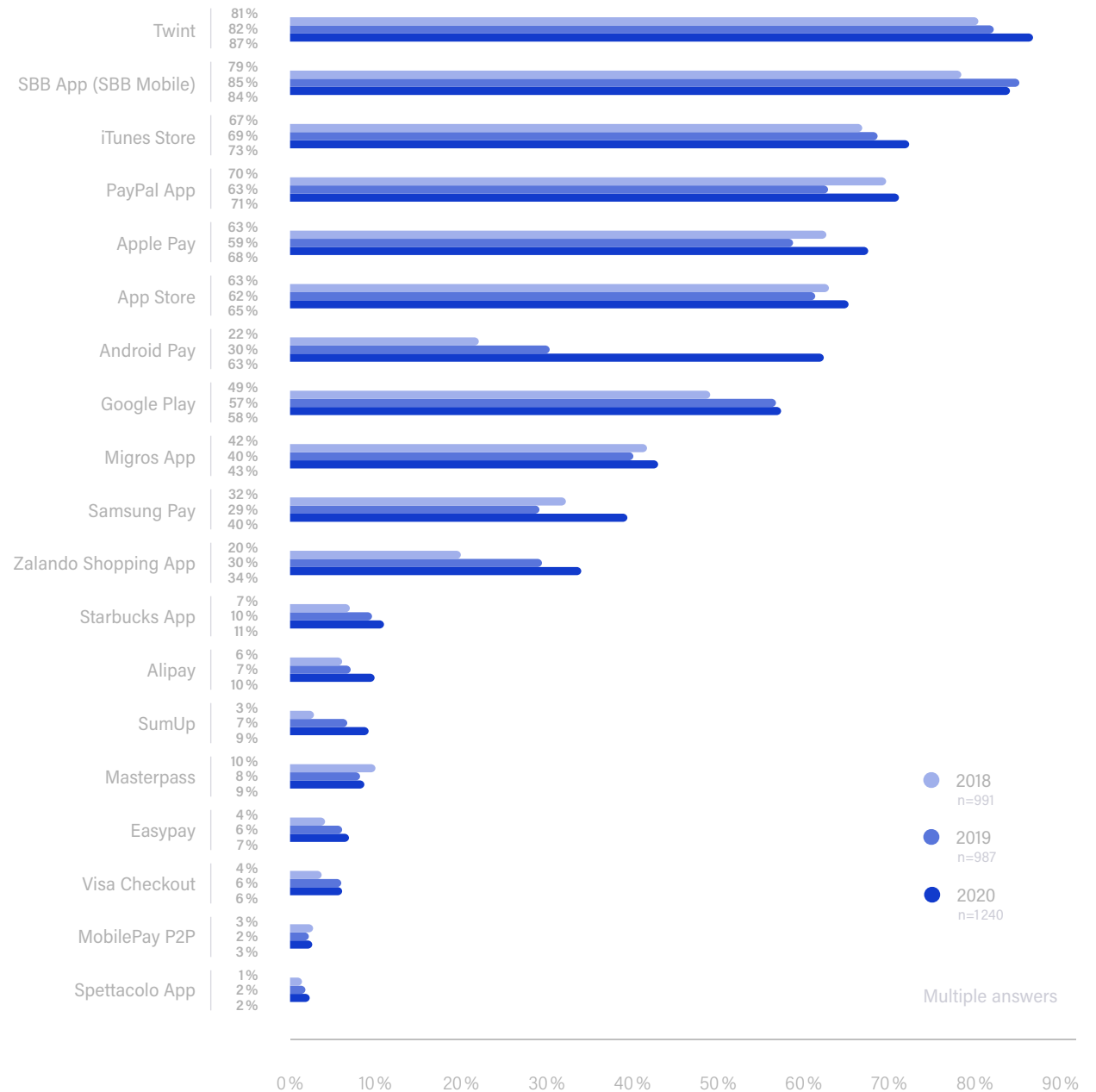


Fig. 37

Question: Which of the following providers do you know at least by name?

Based on respondents who are familiar with mobile payments

VII. Glossary

Distance business (remote payments)

Payments where payer and recipient are in separate spaces (e.g. payment in online shops, deposit at the counter, etc.)

Debit card (EC card)

Payment card that is linked to a private account and debited immediately after payment (e.g. Maestro/EC card, PostFinance Card/Postkarte, V PAY).

Cash back (POS withdrawal)

The possibility to withdraw cash when making a retail purchase, e.g. at supermarket check-outs. The total amount for purchase and withdrawal is deducted from the private account.

E-commerce

The sale of goods and services via the Internet.

Electronic bill (e-bill)

Invoices that are created and transmitted electronically.

In-app payments

A form of mobile payment whereby payments are made using an integrated payment function (e.g. iTunes, PayPal, SBB mobile app).

National principle

Based on the origin of the payment card (in this case only Switzerland). All transactions made with domestic cards within and outside of Switzerland are collected.

Domestic principle

Based on the geographical boundaries within Switzerland. All transactions made with domestic and foreign cards within Switzerland are collected.

Online payment services

Methods specially developed for Internet payment, such as PayPal, Sofortüberweisung, or Twint.

Contactless payment by card (contactless payment)

Processes that transmit the necessary payment data without contact, in other words, via wireless technology (NFC, Bluetooth) by holding the card in front of the reader. A PIN is only required for purchases over CHF 40. (since April 2020 over CHF 80).

Credit card

Payment card with a delayed account debit. The retailer is guaranteed payment (e.g. Master Card, Visa, American Express).

Customer card with payment function

A customer or loyalty card from a retailer that can be used to pay. The payment itself usually occurs downstream via direct debit or charging a credit card (e.g. MyOne card [Manor, Jumbo, Athleticum], Globus card, Supercard credit card, Cumulus credit card, Starbucks card, petrol station cards, gift cards).

Direct debit

Electronic payment method in which the recipient, using a payment service provider, has an amount debited from the payer's account (e.g. LSV, debit direct, Swiss direct debit).

VII. GLOSSARY

Mobile payment (mobile payment, M-payment) Payment using a smartphone or other mobile device (e.g. Android Pay, Apple Pay, Samsung Pay, Twint, PayPal).

Cash on delivery Shipping and payment method whereby, upon the receipt of the goods, payment is made by the recipient to the delivering postal or logistics company.

Online transfer (online banking) An electronic payment system that enables customers of banks or other financial institutions to manage their personal account online and process banking transactions via the website of the institution.

Online transfer A payment made to the recipient's account from the payer via a transfer of funds online.

Paper invoice Bill on paper

Peer-to-peer (P2P) payments A form of mobile payment referring to payments made between private individuals domestically or abroad using a mobile app (e.g. PayPal, Twint, Western Union).

POS (Point of Sale) Physical place where goods or services are sold and paid for (e.g. at the cash register). Online and mail order businesses are not currently included in the present definition of POS.

Face-to-face business (proximity payments) Payment made locally in a physical retail outlet (POS).

Pre-paid card Payment cards that need to be charged with credit before use.

Virtual currency (cryptocurrency) Electronic currency that functions without cash and is based on blockchain technology.

Advance payment A term of payment that requires the buyer to first pay the purchase price before the seller starts the contractual delivery of the goods or the promised service.

Wearable payments A form of mobile payment involving contactless payment via portable devices such as smartwatches and fitness trackers.

Source: German Central Bank, 2017

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The ZHAW Zurich University of Applied Sciences, with its eight departments and more than 12,000 students, is one of the leading Swiss universities of applied sciences and is active in teaching, further education, research and services. In addition to training and further education, the ZHAW—as a university of applied sciences—has the task of conducting practice-oriented research, promoting the transfer of technology to small and medium-sized enterprises, and providing services on the part of third parties. New knowledge obtained via research flows back into teaching and practice and thus directly or indirectly benefits a specific group of users or society.

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The University of St. Gallen (HSG), as one of Europe's leading business universities, provides training for managers. Founded in 1898 as a demand-oriented business academy, for more than a hundred years the HSG has been a prominent contact point for ambitious people whose goal is to achieve something—personally and socially—to actively shape the future. Staff from 30 institutes offer students qualified degrees in the areas of business administration, economics, law and social sciences, as well as international relations. The HSG regularly features at the top of international business school rankings and is currently ranked fourth in the Financial Times ranking for European business schools.

Swiss Payment Monitor 2020

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Swiss Payment Association (SPA)

The aim of the association is to strengthen the position of club members in the Swiss payment market, to exchange and to engage in topic-based cooperation with other players in the Swiss payment market and to promote cashless payment. The activities of the association are in the interest of fair and effective competition.

[swiss-payment-association.ch](https://www.swiss-payment-association.ch)

