



Research note from 18 August 2021

ZHAW School of Management and Law/University of St. Gallen

Cash no longer most used means of payment for the first time

For the first time, cash is no longer the most used means of payment in Switzerland. It has been displaced from first place by the debit card. This is shown by the current Swiss Payment Monitor of the ZHAW and the University of St. Gallen.

The debit card has replaced cash as the most used means of payment in Switzerland for the first time. More than one in three payments (34%) is now made with a debit card. Cash payments continue to decline more than a year after the outbreak of the pandemic and now account for just under 30 percent of the number of transactions. This is shown by the Swiss Payment Monitor (SPM), conducted for the fifth time by ZHAW and the University of St. Gallen. For the survey, more than 1,400 people were questioned in May 2021, representing the whole of Switzerland.

Debit card shows the highest share of turnover

The debit card is also used to spend the most money in Switzerland. It accounts for 31 percent of total spending, followed by the credit card with 25 percent. Compared to the last edition of the SPM, these two means of payment have swapped places in terms of turnover share. "We attribute this to the fact that online business accounted for around 50 per cent in the November 2020 survey, whereas it is only around 30 per cent in the current May 2021 survey," explains ZHAW payments expert Marcel Stadelmann. In the face-to-face business, the debit card is clearly dominant with a transaction share of 38 percent and a turnover share of 41 percent. Cash is still the second most used method for on-site payments (34 %), followed by the credit card (17 %). In terms of turnover, the credit card (27 %) is ahead of cash (25 %) in face-to-face business, as it tends to be used to settle larger amounts.

Online purchases increasingly made via a mobile device

Online purchases are most frequently made via a mobile device (42% of transactions). This represents an increase of 12 percentage points compared to November 2020 (30%). Invoice (26%) and credit card (14%) follow in second and third place. The invoice, on the other hand, continues to hold by far the largest share of sales in the distance business with 47%, ahead of mobile payment (20%) and the credit card (18%). Large amounts in particular are paid by invoice. "The median bill amount (Fr. 99.-) is more than three times higher than that of the credit card (Fr. 31.-) and around seven times higher than that of mobile payment (Fr. 16.-)," says Tobias Trütsch, payment economist at the University of St. Gallen.



Swiss Payment Monitor

The Swiss Payment Monitor (SPM) is a long-term study series and is published every six months to provide a timely picture of developments in the payment behaviour of the Swiss population. It was published for the first time in 2018 and is based on representative survey data from an online and diary survey on the one hand and on public data from the Swiss National Bank on the other. In the first half of May 2021, over 1400 people aged 18 and over from all three parts of the country were representatively surveyed on their payment habits and attitudes towards (innovative) means of payment.

The SPM is published by the Swiss Payment Research Center of the ZHAW School of Management and Law and the Swiss Payment Behaviour Lab of the University of St. Gallen. The study is funded by the two research institutions, the Swiss Payment Association (industry organisation of all major Swiss issuers of credit cards of the international card organisations) and the industry partners Nets (Nets Schweiz AG) and Worldline | SIX Payment Services.

www.swisspaymentmonitor.ch | www.swisspaymentbehaviour.ch

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