

Media release from 24 February 2022
ZHAW School of Management and Law

Every second online payment is made on a mobile device

Around half of online payments are now made via smartphone, tablet and the like. In addition, around 30 percent of the Swiss population now use neobanks. This is shown by the current Swiss Payment Monitor of the ZHAW and the University of St. Gallen.

The Swiss population now very often pays for goods and services that they do not purchase directly on site in a shop or restaurant using mobile devices: 49 per cent of all transactions in the so-called distance business are made using a mobile phone, tablet or smartwatch. On the one hand, this includes payments directly via the bank account, such as with TWINT, but on the other hand also with a credit or debit card stored in an app, such as with Apple Pay or SBB Mobile. This is the result of the sixth Swiss Payment Monitor conducted by the ZHAW School of Management and Law and the University of St. Gallen. For the study, 1460 people were surveyed at the end of 2021, representing the whole of Switzerland.

Many in-app purchases

A year ago, mobile payments accounted for 29 per cent of all distance purchases. "The large growth is mainly due to payments in apps with integrated payment functions, such as SBB Mobile. These now account for more than half of the number of mobile distance purchases," explains ZHAW payments expert Marcel Stadelmann. The second most frequent method of payment from a distance is by invoice (26 per cent), followed by the non-mobile use of credit cards (10 per cent). In terms of the total turnover of all distance purchases, mobile payment has also almost doubled in the last year: the share is now around a quarter. This puts mobile payment solutions in second place behind bills (45 per cent) and ahead of non-mobile credit card use (17 per cent).

Overall, the debit card remains in the lead

With a share of 32 percent of the number of all transactions (from distance and presence business) and 30 percent of the corresponding turnover, the debit card continues to be the most used means of payment overall. With a share of 16 percent, cash is losing turnover shares (-2.8 percentage points) and occupies third place behind the non-mobile use of credit cards (23 percent). In terms of frequency of use, however, it can hold on to second place behind the debit card with 30 percent of all transactions. The non-mobile use of credit cards follows in third place with 16 percent. "The payment behaviour of the Swiss population has stabilised in the course of 2021 after the sudden changes at the beginning of the pandemic," explains Marcel Stadelmann. "Only the popularity of mobile payments continues to increase markedly, with TWINT being by far the most used mobile payment solution in Switzerland, with a share of around 60 per cent, both in terms of turnover and the number of all mobile payments.



Neobanks as a complement

Around 30 percent of people in Switzerland have also used new online solutions from neobanks at least once. "Statistically, younger men with a high level of education in particular use neobanks more often," says Tobias Trütsch, a payment economist at the University of St. Gallen. Revolut is used most often (12 percent), followed by the Swiss providers Neon (9 percent) and Zak (8 percent). The vast majority of users of neobanks take advantage of their services in addition to those of conventional financial service providers. 2.5 percent of all respondents regularly make payments via neobanks, while only 1.4 percent have most of their money in a neobank account.

E-Franc hardly known

Furthermore, around one in ten people say they know and use virtual or cryptocurrencies such as Bitcoin. This share has increased by around 4 percentage points within a year. Digital central bank money is still very little known among the Swiss population. "Although around 14 percent of respondents said they knew this term, only around 5 percent were able to describe it correctly," explains Tobias Trütsch. Digital central bank money refers to a new form of electronic money issued by central banks and based on blockchain technology. Corresponding solutions are currently being discussed internationally, in Switzerland also under the name "e-franc".

Swiss Payment Monitor

The Swiss Payment Research Center (SPRC) at the ZHAW School of Management and Law and the Swiss Payment Behaviour Lab at the University of St. Gallen have been working independently on payment-related issues for years. Together, they have been conducting the Swiss Payment Monitor annually since 2018 and semi-annually since 2021. When it was first published, it was the first Swiss payment study to combine a consumer perspective with a macroeconomic view. The combination of an online survey and a diary survey, as well as the link with public data from the Swiss National Bank (SNB), allows the daily use of payment methods to be mapped realistically. A total of 1460 people aged between 18 and 87 from all three parts of the country were representatively surveyed in 2021 from the end of October to mid-November. The study is financed by the two research institutions, the industry organisation of all major Swiss issuers of credit cards of the international card organisations (Swiss Payment Association) and the industry partners Nets and Worldline.

www.swisspaymentmonitor.ch | www.swisspaymentbehaviour.ch

Contact

Dr Marcel Stadelmann, Senior Researcher, ZHAW School of Management and Law, Phone 058 934 46 46, e-mail: marcel.stadelmann@zhaw.ch

Dr. Tobias Trütsch, Head of Swiss Payment Behaviour Lab, University of St. Gallen, Phone 071 224 75 14, e-mail: tobias.truetsch@unisg.ch

Frederic Härvelid, Communication, ZHAW School of Management and Law, phone 058 934 51 21, e-mail: frederic.haerVELID@zhaw.ch