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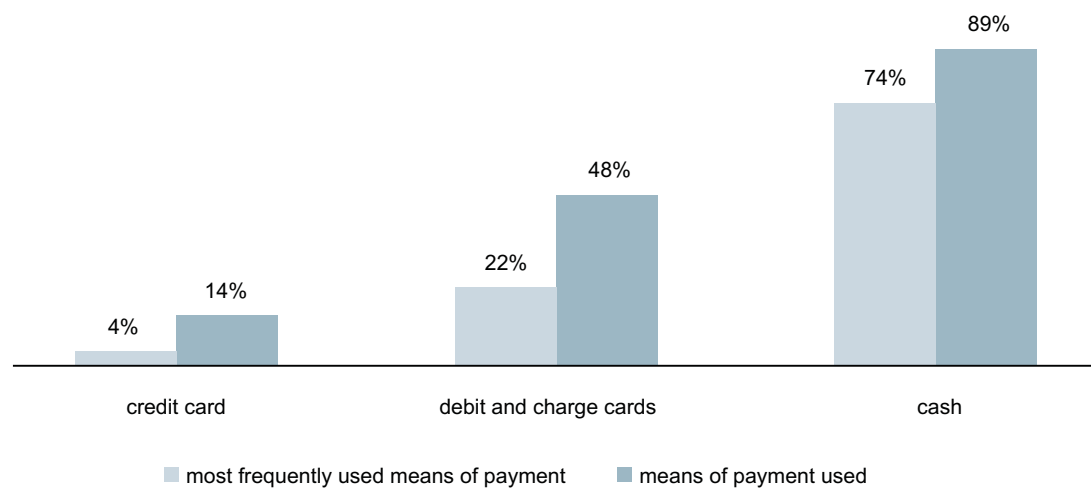
Why do Poles prefer cash to electronic money?

Nearly three out of four Poles prefer to pay with cash when shopping, according to a survey by PMR. Responses concerning use of payment cards indicate a gradual change in Poles' commitment to cash.

Cash remains still the most popular means of payment

Although 14% of the respondents stated that they used a credit card, just 4% mentioned this form of payment as the one they used most frequently. Cash remains the most popular payment method in Poland, as identified by 74% of the respondents. Though nearly one in two (48%) said they used a debit and charge card, only 22%, i.e., about one-fifth of this group, use them intensively enough to describe them as their main form of payment.

Means of payment



Respondents could give multiple answers in questions concerning used means of payments (n=600).
Source: PMR 2012.



Data from the National Bank of Poland indicate that payment cards¹ are steadily gaining in popularity in Poland (except for a slight decline at the turn of 2009/2010). Between 2008 and December 2011, the number of debit cards in use in the country increased continuously by an average of 2% per quarter. In December 2011, the aggregate number of debit cards issued reached 32,044,900.

Since 1998, the structure of the contribution of each type of card has been changing. Of these three types of cards, debit cards remain the most popular (on average 79% of all types) due to their method of accounting; the share of credit cards, however, is increasing (from 2.4% in 1998 to 21.7% at the end of 2010).

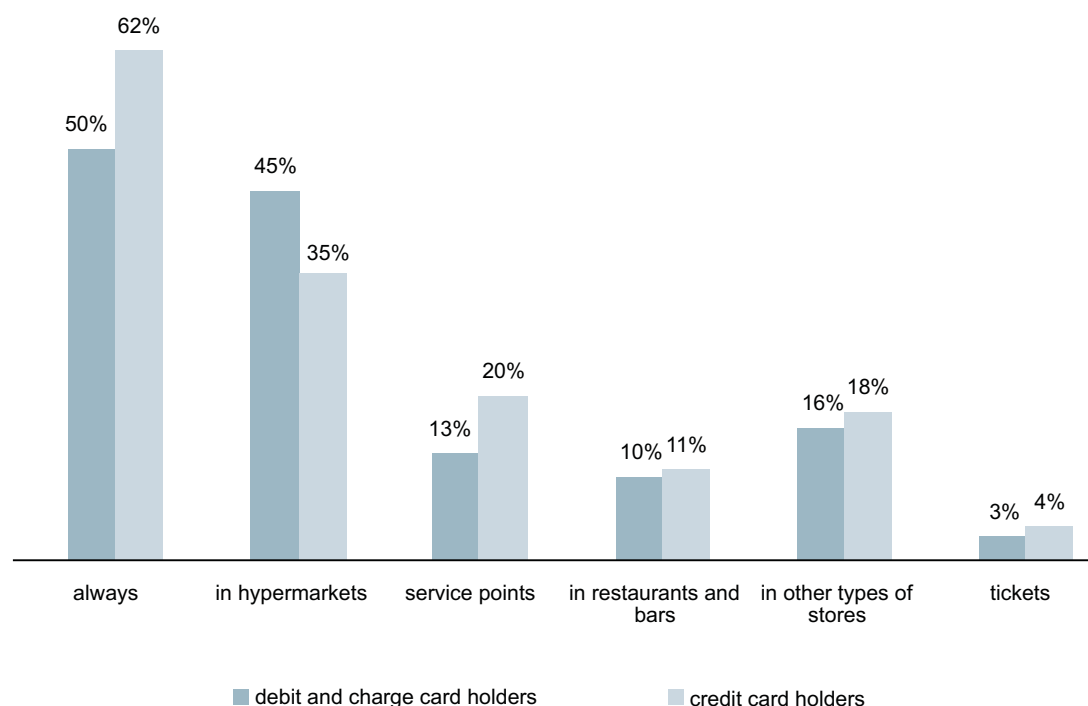
¹ According to statistics from the National Bank of Poland, payment cards include three types. One classification is method of accounting used for the transaction: cards with a debit function, delayed debit cards (charge cards), and credit cards. Another classification is the function(s) the card performs: cards with a cash function, payment cards with a cash function, and payment cards without a cash function.

Payment with cards mostly in supermarkets

Hypermarkets and supermarkets are the retail outlets where Poles most frequently pay with debit or credit card (45% of debit and charge cards users; 35% of credit card users).

The percentages are considerably lower in the case of service establishments (such as hairdresser/barber shops, beauty parlours, etc.), where 13% of debit and charge card users and 20% of credit card users pay with plastic, or in restaurants and cafes (10% of debit card users and 11% of credit card users).

Percentages of card users who use cards in particular situations



Respondents could give multiple answers. Indications of respondents who used payment cards as a most frequent means of payment (n=126). The graph does not include the answer "other". Source: PMR 2012.



Among payment cards users, the largest group of people are those who only have one card. Among those who use debit and charge cards, 75% have one card, 20% have two cards, and 5% have three or more. The vast majority of credit card users – 75% – have only one card; 20% have two cards; only 5% have three or more.

The results of PMR's research confirm statistics from the National Bank of Poland: among Poles, the highest level of being "carded" is found among young people with higher education living in cities.

Payment card infrastructure in Poland

NBP data shows a steady increase since 1998 not only in the number of cards issued, but also in the number of transactions made with credit cards and debit cards (while there has been a decrease in the number of charge cards transactions).

The payment card infrastructure is also growing. The number of ATMs is increasing (17,979 in the third quarter of 2012), as well as the number of retail and service outlets that accept payment via payment cards (233,400 in the third quarter of 2012), as well as POS (point of sale) that allow for goods and services to be paid for with cards (from 83,693 in 2003 to 292,533 in the third quarter of 2012).

“The Polish market for payment cards, although smaller than seen in Western European countries, is innovative and is continuously evolving”, according to Marcin Rzepka, Head of PMR Research Services. “We are still catching up to the EU15. NBP and PMR data showed that Poles are getting used to non-cash transactions and are using so-called electronic money more and more. At this stage of the implementation of smart cards (proximity payment cards), there is not much of a difference between Western European countries and Poland” – he adds.

Why are Poles unconvinced about payment cards?

Out of the total sample of respondents, 52% said they did not use a debit or charge card. The most popular reason is that they had never needed one (50% of non-users of debit and charge cards). The second most frequent answer given for not having a debit or charge card, mentioned by 13% of those without them, was lack of trust in this payment method, around 6% fear they would lose control over their spending if they owned a debit card.

The proportion of respondents who do not use a credit card is still higher, at 86%. The most frequent reason given for not using a credit card was lack of need (64%), followed by lack of trust (13%) and fear of loss of control over one's spending (10%). Around 2% of the respondents without a credit card said they did not have such a card because their bank had never offered them one.

The motivations to use mainly cash are primarily habit (33% of people who use mainly cash) and not having payment cards (31%). On the other hand, users of payment cards are afraid of carrying large sums of money in their wallets.

The nationwide consumer survey was conducted by PMR in April 2012 on a representative sample of 600 adult Poles, with a maximum estimation error of 4%. The Data from the National Bank of Poland comes from publications available on the NBP website www.nbp.pl.

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