

SUMMARY OF THE REPORT

"HAS COVID-19 AFFECTED EUROPEAN SHOPPING HABITS?"

The international survey titled "Has COVID-19 affected European shopping habits?", of more than 3,500 respondents was commissioned by EVO Group companies operating in 7 European countries: eService (in Poland, Slovakia and Hungary), REVO and MMB Platebni Služby (in the Czech Republic), BOI Payment Acceptance (in Ireland), and EVO (in Germany and the UK). Visa became a partner of the study, inter alia in Hungary. It was carried out by ARC Rynek i Opinia research institute. The aim was to find out how the COVID-19 pandemic affected shopping habits and consumer payment behaviour in different European countries and what the shopping habits of Europeans look like after the pandemic.

Key consumer segments

In terms of the dominant payment preferences and purchasing behaviour, the survey shows three main consumer segments – Payment Switchers, Modern Contactless Payers and Cash-Oriented Traditionalists. Modern Contactless Payers are more likely than other groups to declare high standard of living. Compared to the Cash-Oriented Traditionalists, this group contains statistically more women. Meanwhile, the group of Payment Switchers is distinguished by the highest percentage (43%) of young people - aged 18-35.

Characteristics of the distinguished segments:

- **The largest group (48% of the respondents in Europe), can be described as Payment Switchers.** They pay both in cash and cards and other electronic methods. One in three of them believe that people will still be using cash 10 years from now. **Experiences of the pandemic have convinced them to buy online more often.**
- **The second segment (31% of European respondents) is comprised of Modern Contactless Payers. They strongly prefer to pay using electronic methods, with a majority saying this method will dominate in the future.** They find cash unhygienic and often give up the purchase of goods or services where cash is the only payment option. They are optimistic, believing that the worst is over. They plan what they will do in the near future and announce that they will buy online more often once the restrictions are lifted.
- **The smallest group (21% of the respondents in Europe) are Cash-Oriented Traditionalists.** They believe that in such uncertain times it is better not to keep money in banks. A third of them are convinced that the worst is yet to come.

Meanwhile, **32% claim that the pandemic has encouraged them to shop online, but in the future, they don't want to pay electronically, exclusively.**

Preferred payment methods

The wide availability of modern methods of payment provided by EVO Group enabled Europeans to better handle the burdens of the restrictions and limitations in place during the Covid-19 pandemic. The survey shows that **in Hungary, the pandemic has accelerated changes in shopping and paying behaviours that were already visible pre-COVID. More than a quarter (27 percent) say they are now using cash less often; almost as many plans to use payment cards even more often (23 percent) or pay with a card connected to the mobile or another device (22 percent).**

- According to Hungarians, the ability to pay by card/cashless primarily means keeping pace with current technology. The results, in this case, are significantly higher than for other Europeans, regardless of the inquired service. Card/cashless payment methods are especially important in the case of hospitality services, groceries, and offline retail but they do not affect Hungarians' spendings in these places.
- There are more **Modern Contactless Payers in Hungary (32%) than in Europe (31%). The percentage of Payment Switchers is slightly higher in Europe (48%) than in Hungary (45%). Cash-Oriented Traditionalists are also in greater proportion in Hungary (23%) than in Europe.**
- A change is also observed in terms of payment methods used in traditional stores. **27 percent of Hungarians say they will use cash less often than before the pandemic when shopping offline.**
- Online shopping is dominated by card payments - 66 percent of Hungarians plan to use them as often as before the pandemic, and as much as 19 percent plan to use them more often.
- **Virtual wallets are more popular in Hungary than in other countries.** Only less than 1/5 don't use them and don't plan to start after the pandemic (it's less than in all surveyed European countries).

Durability of changes in consumer behavior

The research shows that the changes that have taken place in our purchasing habits may turn out to be permanent.

- **In Europe, Cash-Oriented Traditionalists intend to use payment cards more often than before the pandemic, both traditional cards (16%) and those in a virtual wallet on a phone (15%).** In addition, one in 7 of them (14%) complain that they sometimes feel the absence of electronic payments.

- **While shopping offline, 66 percent of Hungarians - more than in the other European countries surveyed - say they plan to use card payments as often as before the pandemic, but as much as 23 percent will use them more often.**
- **71% of respondents want to shop in traditional stores as often as before the pandemic, 11 % want to shop offline less often than before the pandemic. 23% plan to shop online more often** while 59% want to do that as often as before.

Additional conclusions

Additional findings from the survey indicate that during the pandemic we missed travel, socializing, and entertainment activities the most. **Hungarians more often than other Europeans indicate that after the restrictions are lifted, they would like to use entertainment activities, such as cinema, theater, or concerts.** Other cultural activities are also more important to them, such as visiting museums, galleries, and exhibitions - every fifth Hungarian wants to enjoy these places.

- After the pandemic, more than 70 percent of Hungarians want to return to shopping in traditional stores as often as they did before the pandemic, and **as much as 15 percent want to do so more often.** 65 percent of Hungarians want to renovate their homes and gardens as often as they did before the pandemic, while 13 percent want to do it even more often. 55 percent want to use beauty services as often as before, while 12 percent want to use them more often.
- **Hungarians are not sure what the future holds for them.** 1/6 of Hungarians think that "normal life" – life without restrictions – will return later than during the 2nd half of 2022. It's significantly more than in the rest of Europe. However, 22% of them say that we will live normally in Hungary in the 1st half of 2022 while 22% thinks that normal life will return only in the 2nd half of 2022.