

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 Slovakia. 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 **Slovaks, more often than others, feel that if it is possible to pay by card/cashless it means that business is keeping pace with current technology (regardless of the inquired service).** Providing access to their preferred payment methods is no longer treated as an expression of being state-of-the-art but is becoming an expected standard.

- The popularity of traditional card payments and modern contactless payments **while shopping offline** has a big chance of growing post-pandemic in Slovakia. **64% of Slovaks declare that they plan to use cash as often as before the pandemic** – that's more than in all surveyed European countries. **21% of Slovaks admit that they plan to use card payments more often as before the pandemic.**
- **It seems that Slovaks do not want to change their payment habits while shopping online.** They use and plan to use mainly traditional card payments, traditional bank transfers, fast transfers via the payment gateway, and payment on delivery (both by card and with cash). **71% of Slovaks plan to use traditional card payments as often as before the pandemic (it's more than in other European countries).**
- **The percentage of Modern Contactless Payers (29%) is slightly lower to the European average (31%), there are more Payment Switchers in Slovakia (51 vs. 48%) and slightly lower Cash-Oriented Traditionalists (20 vs. 21%) than in other countries surveyed.** While the latter segment is dominated by men – 57% are men compared to 53% men in Europe in this segment. The other two are dominated by women, who, in Slovakia, are more willing to use modern payment methods.
- $\frac{1}{4}$ of respondents say that the ability to pay by card/cashless would primarily encourage more frequent use of grocery stores, retail outlets, but also restaurants/pubs/cafés. In Slovakia, the results are very similar.

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.

- **In Slovakia, 21% of the respondents expect to use card payments more frequently after the pandemic,** with only 8% indicating that they will do so less frequently than before the pandemic. In the case of cash, the trend is reversed - only 9% of the respondents declare using it more often, and 24% respondents intend to use it less often.
- **14% of respondents want to shop in traditional stores more often than before the pandemic** (71% want to shop there as often as before). **17% plan to shop online more often** (67% 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 food services the most. Slovaks' longing for activities that were limited by the pandemic is similar to that experienced by respondents in other countries. The activities that Slovaks missed the most are travelling (54%, more than other Europeans - 49%), entertainment activity as visiting cinema, theatre concert (37%), as well as meeting with other people (35%),

- **Representatives from all the three segments admit they want to shop physically rather than online more often once the pandemic has ended.** Availability of card payment is one of the factors that encourage more frequent visits to local grocery stores (18, 22, and 34%, respectively), bakeries (13, 22 and 32%), bars and restaurants (14, 21, and 29%).
- **Slovaks are not sure what the future holds for them.** They slightly more often (4%) than residents of other countries (2%) declare that their life is already back to normal. 14% of Slovaks are incapable of telling when this return to normalcy will take place, the same as across Europe. **But 25% of us think it will be the second half of 2022, which is more pessimistic than other countries (across Europe 20%).**