

Safety, Convenience  
and Choice:

# THE TRUE VALUE OF CARDS

*Research on the value and cost of cards in today's dynamic and vibrant payments ecosystem. Based on a survey of merchants and consumers in Austria.*



## Introduction

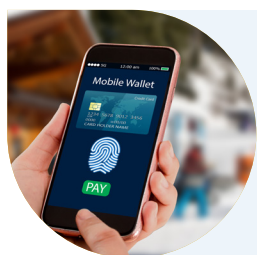
The payments landscape in Austria is characterized by a combination of traditional and modern payment methods, reflecting the country's well-developed banking sector and high levels of technological adoption. The market is diversified and competitive with wide acceptance of payment methods. While a focus on cash still exists, Austrian merchants and consumers both take advantage of diversification and competition.

Looking at consumer habits, cash remains an important medium of transaction in Austria, especially for small and day-to-day purchases. Consumer use of cash can be even higher than some of their regional peers. 9 in 10 consumers have used cash in the last 12 months (compared to the European average: 83%).

At the same time, Austrian consumers also have a strong preference for cards (84%) and (standard) bank transfers (71%), ranking as the second and third most used method of payment, respectively.

Underscoring the diversification of the payments market, Austria is one geography where Buy Now Pay Later (BNPL) is relatively more prevalent (20% compared to the 14% European average). The rise of e-commerce is also behind the diversification of payment options available to merchants, ultimately improving their acceptance strategy.

**Overall, the Austrian payments market reflects the developments of the broader European landscape: rapid adoption of digital payment methods, with a focus on efficient, secure and reliable payment solutions.**



### Methodology:

This report is based on a survey commissioned by Payments Europe and conducted by FTI Consulting in May 2024.

The survey was completed by 2,250 merchants working in physical and online retail in Austria (250), Greece (250), Czech Republic (250), Denmark (250), Finland (250), Hungary (250), Ireland (250), Latvia (250), and Lithuania (250).

The survey was also completed by 13,000 consumers living in Austria (1,000), Greece (1,000), Czech Republic (1,000), Denmark (1,000), Finland (1,000), France (1,000), Germany (1,000), Hungary (1,000), Ireland (1,000), Latvia (1,000), Lithuania (1,000), Poland (1,000), and Sweden (1,000). Respondents were weighted on region, gender, and age to ensure representativeness.

# Key highlights

## The merchant perspective



### Relationship with cash

Cash remains among the preferred payment methods in Austria and at a higher rate compared to the European average (74% of Austrian merchants prefer to accept cash vs. 61% European average).

At the same time, **cash prevalence is declining**: when asked the same question, **78% of merchants prefer to accept cards**, and merchants expect their cash turnover to decrease over the next 5 years, in favour of other payment methods.

Cost of acceptance is often cited as a reason for cash preference, yet **Austrian merchants perceive the cost of accepting cash and cards as the same**.

As businesses transform and shift away from cash, **merchants see 1) increasing turnover, 2) reaching a broader customer base, and 3) payment security as their top priorities**, pointing to a strong preference for digital means of payments.



### Market evolution: winners & winners

The Austrian payments market is evolving rapidly and increasing competition is broadening the offer. Austrian **merchants benefit from a highly diversified payment ecosystem** and rely on a variety of payment methods, particularly cards, cash and standard bank transfers (at a higher rate than other EU markets). **94% of merchants believe that contactless payment with a card or mobile has been beneficial to their business**, and 83% specifically believe so for mobile payments.

70% of merchants accept standard bank transfers (compared to a European average of 58%). This same pattern is also reflected in turnover by payment type, where 14% of merchants' turnover originates from bank transfers (compared to the European average of 10%).

In line with this trend, almost **9 out of 10 (88%) merchants are satisfied with the payment options that are available** to them, and **86% believe their customers are happy with the solutions available**.



### What merchants really want

'Safety and security' are by far the top priorities for Austrian merchants (58%), followed by consumer preference (48%) and reach (36%).

Across the board, merchants ranked cards highest because cards meet those needs and priorities best:

**guaranteed payment; higher security; and a better purchase experience.**



### Card payments: cost and value

As we have seen, cost is not the most important variable when choosing between payment methods. Security, customer experience, reach and convenience are key drivers of merchant preference.

**83% of merchants in Austria believe that the benefits brought about by card payments outweigh the costs**, in line with other markets across Europe. Additionally, 57% of merchants recognise the value that cards bring when it comes to not having cash handling costs, compared to the European average of 43%. **82% understand the different fees they pay for cards.**

94% of merchants believe 'contactless payment with a card or a mobile' has been very beneficial to their business (in line with the European average of 93%), and **86% of merchants believe their business has benefited from lower card acceptance costs.**

Finally, **61% of Austrian merchants believe cards enable them to accept payments from foreign consumers, above the European average.**

# Key highlights

## The consumer perspective



### Relationship with cash

While cash culture is deeply ingrained and cash remains among the preferred payment options for Austrian consumers today, digital payments are quickly gaining ground. In particular,

**cards and standard bank transfers are highly regarded methods of payment.**

90% of Austrian consumers have used cash in the last 12 months, closely followed by cards (84%).

**52% of consumers would prefer to pay with cards even if cash were available.**



### Market evolution: winners & winners

Austria benefits from a diversified payments market that meets merchant and consumer needs. 87% of consumers feel that the payment options currently available respond to their payment needs, while **85% believe that the market is leading or on par with European markets for payment methods.**

About **30% make online payments on a daily or weekly basis** (on par with the EU average 30%), **underscoring a robust uptake of digital payments** in the country, and more than half of respondents believe they will make more instant payments in the next year.

Austria is one of the markets where consumers are more likely to use Buy Now Pay Later (BNPL) as a method of payment: 20% compared to the 14% European average, and this is an even more common method of payment among young consumers.

**27% have used BNPL in the last year.**



### A look at consumer preference

Consumers in Austria consider **safety & security as the top priorities when choosing between payment methods**, in line with the European average.

Above other payment categories, Austrian consumers are confident in the security of cards: **78% prefer paying by card as it ensures safe and secure transactions.**



### Value of cards

Results show that Austrian consumers feel strongly about the advantages of card payments. Across the board, **consumers prefer paying with cards over other methods when considering safety, convenience, and speed.**

Comparatively, if we look at alternative payment methods, only 21% of consumers do not have concerns when executing bank transfers (either instant or standard), where fraud and non-redeemability of funds were overwhelmingly listed as the top concerns.

**83% of consumers believe cards are safe and believe they ensure safe and secure transactions**, and cards are also seen as beneficial to use for larger transactions, over half (51%) would choose to pay with a card for costly items.





## Digital Euro

79% of merchants are aware and knowledgeable of the development of the Digital Euro. This statistic is higher than the European average. At the same time, the top perceived benefit of a Digital Euro is convenience for 33% of merchants, while 31% are unsure or do not see the benefits of a Digital Euro.

Similarly, 74% of consumers are aware and knowledgeable of the development of the Digital Euro. Yet 64% of consumers are unsure or do not see the benefits of rolling out a Digital Euro, and 54% believe the Digital Euro is a form of cryptocurrency.

