



SHELL SMARTPAY Research Results



Prepared by Edelman DXI - December 2022

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Methodology

Research methodology



Online survey conducted in the DACH region

- 10-minute survey conducted between November-December 2022
- 3 countries: Austria, Germany and Switzerland.

Please note that these countries will be shown in alphabetical order throughout the report



Sample definition

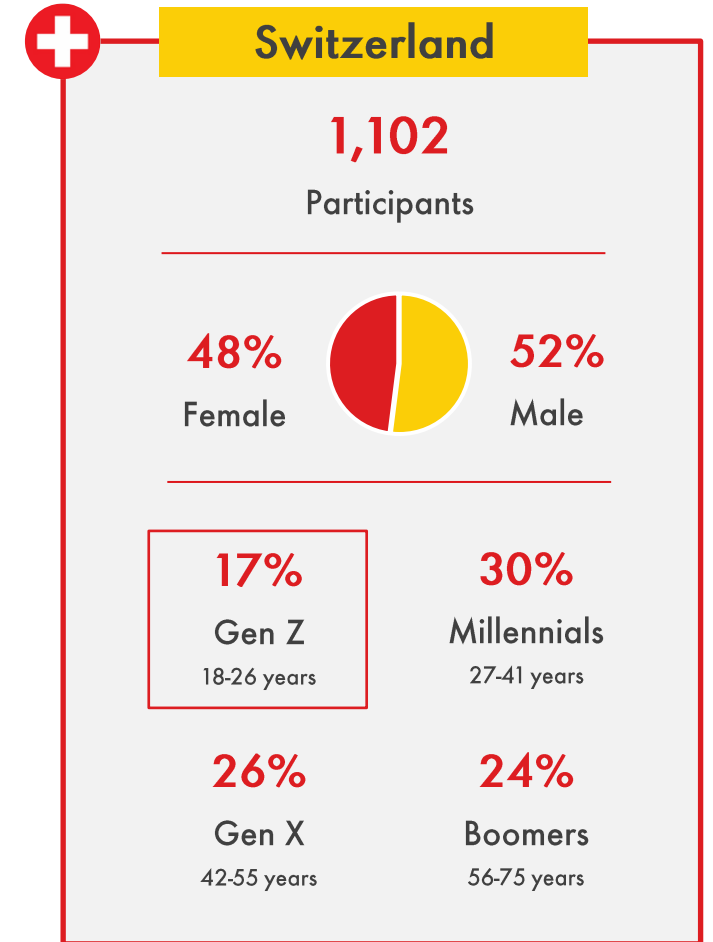
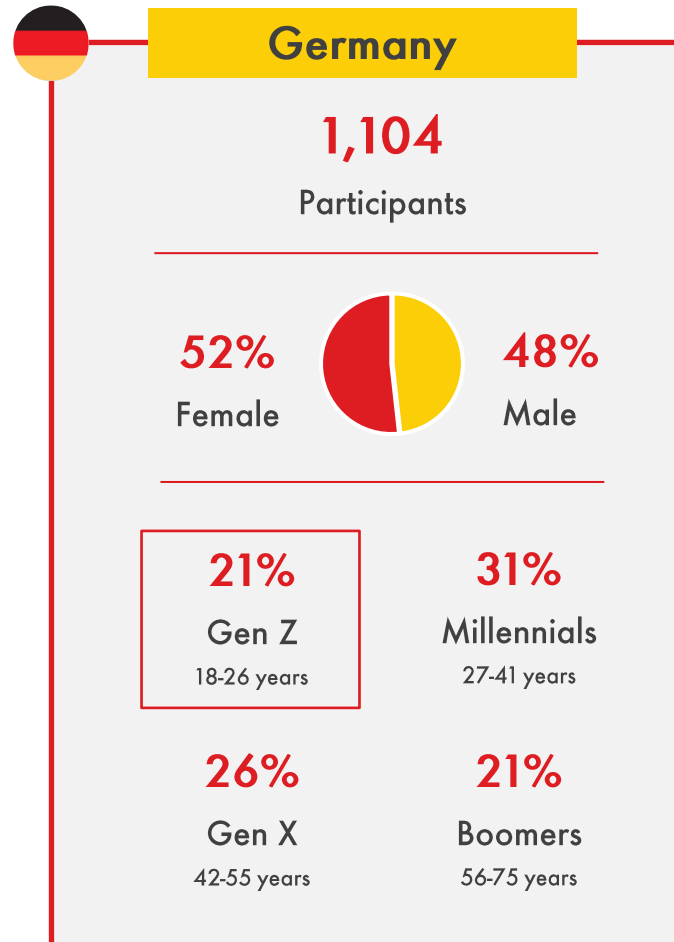
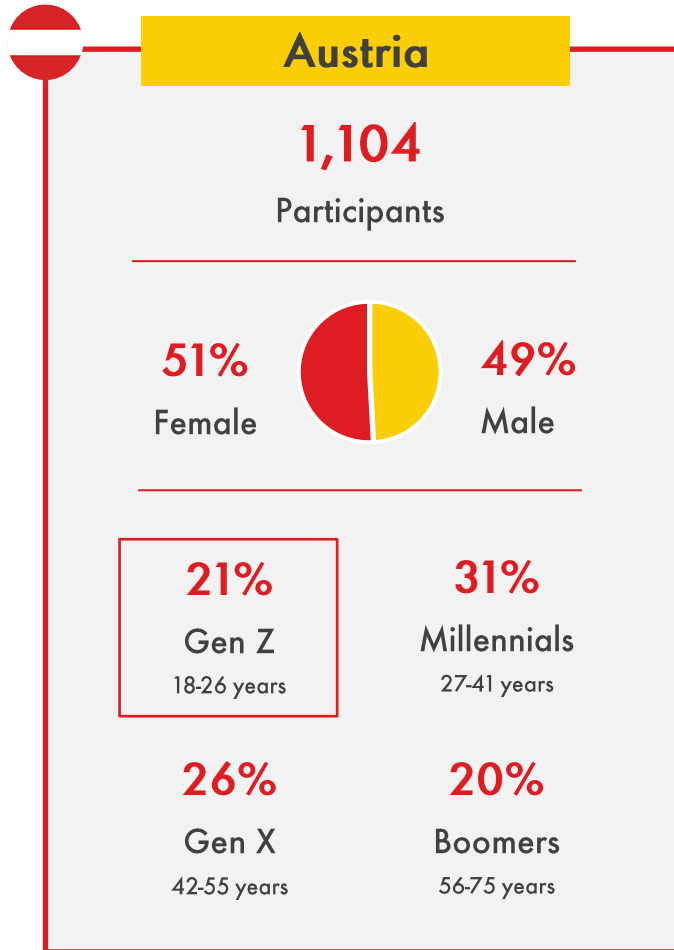
- Survey of the general population (representative in terms of age, gender and region) and in addition specifically of people who belong to the age group of Gen Z (n~100 per market)



Sample size









- Total sample size n=3,310
- Austria: n=1,104
- Germany: n=1,104
- Switzerland: n=1,102

Sample overview



Glossary

The 8 following payment methods were tested in the survey to measure expectations, usage and perceived benefits of these methods.

	Cash
	Debit card or Credit card typing my pin number
	Debit card or Credit card contactless
	Digital wallet (e.g., bank cards saved in an app, and you hold/tap your phone over a terminal screen at checkout. <i>See full definition in the notes</i>)
	Check-out app (e.g., you pay with your phone, but you don't need to hold it over a terminal screen at checkout. <i>See full definition in the notes</i>)
	Prepaid card payment options (payments with a previously charged credit)
	QR code payments (scanning a seller's QR code on your phone)
	Cryptocurrency



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Executive Summary

Cash isn't completely dead yet, but it is certainly less used

- Cash is still an indispensable payment method in the DACH region – when shopping in stores, 6 in 10 (65%) regularly pay with it
- However, nowadays people are more likely to regularly use cashless payment methods (78%) and 2 in 3 (68%) expect more shops to go cashless in the future
- Switzerland is leading the cashless movement within the DACH region – with 3 in 4 (77%) using new digital payment methods (*see definition in the footnotes*) compared to 53% in Austria and 55% in Germany

Gen Z is leading the way to new digital payment solutions, highlighting a generational divide

- The younger, the more digital - when shopping, Gen Zers are TWICE more likely (78%) to use newer digital payment options than Boomers (44%)
- Gen Z's preferences in payment methods seem to be reinforced by current economic climate: with 66% saying that they trust cashless payment methods more due to the economic crisis and 75% are planning to use them more.

Mobile payments may become the new popular way to pay for fuel, especially among Gen Z

- More than 2 in 3 (68%) Gen Zers use new digital payment methods to pay for fuel
- In a world where people are all about convenience, mobile payments appear to be perfectly designed for gas stations with 2 in 3 (66%) of Gen Zers saying that they are fast and 1 in 2 (54%) saying that they are easy to use

GO WELL



GO MET

3

48.36
7.00

£



Key Findings

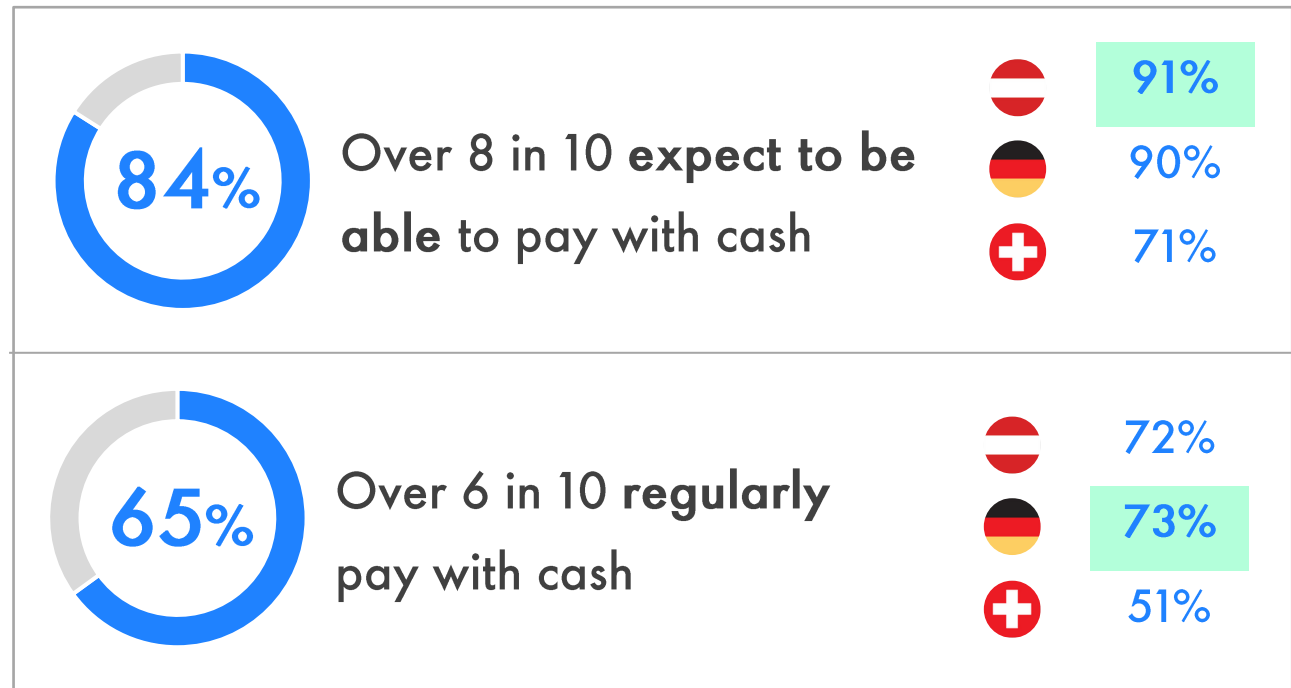
Digital payments are set to become mainstream, and Switzerland is leading the way!



Strongly rooted in tradition, cash remains an essential payment method in the DACH region



When shopping in store, in the DACH Region...



Whilst cash isn't completely dead yet, it is certainly on the decline, with people shifting to cashless payment methods

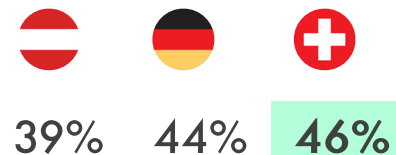


When shopping in store,
78% regularly use
cashless payment methods
(NET - vs. 65% using cash)

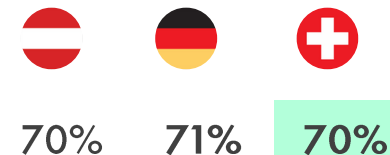


There is a perception that the **future is cashless.**

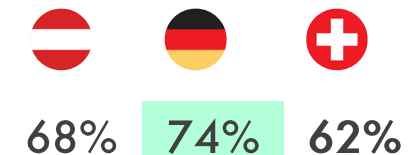
2 in 5 (43%)
believe that
stores that
only accept cash
are **old-fashioned**



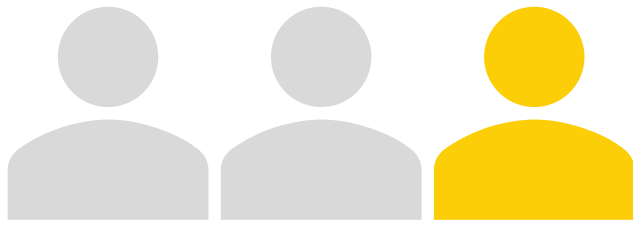
2 in 3 (70%)
say **contactless**
payments in store
has become
the norm



2 in 3 (68%)
expect more shops
to go cashless in
the future



Many stores are still falling short when it comes to offering new payment methods



36% - DACH Region



29%



41%



37%

1 in 3 (36%) would like to be able to use mobile payments/a digital wallet in more shops (e.g., Apple Pay, PayPal Wallet)



People want the convenience of multiple payment options, and by not offering cashless options, stores risk losing customers

“

3 in 4 appreciate if stores offer several payment options because it gives more flexibility

(73% - DACH Region)



69%



71%



78%

2 in 5 say they are annoyed when they can't pay cashless in a store

(42% - DACH Region)



36%



44%



46%

More than 1 in 3 have been unable to purchase something because they were not carrying enough cash

(39% - DACH Region)



35%



38%



42%

1 in 4 don't shop in stores that only accept cash

(25% - DACH Region)



20%




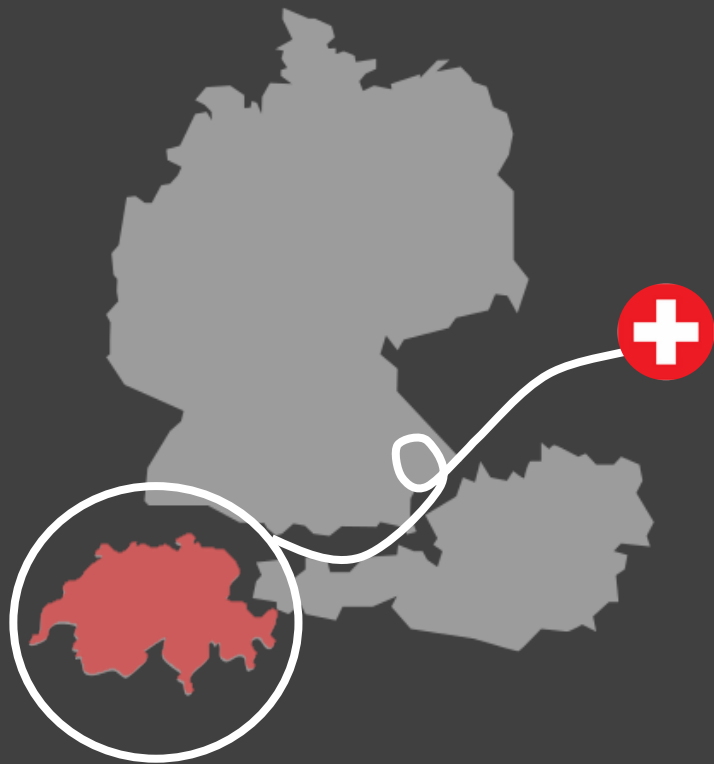
25%



31%

Switzerland is leading the adoption of new digital payment solutions

 By new digital payment solutions, we refer to digital wallets, checkout apps, prepaid cards, crypto or QR codes.



3 in 4 (77%) in Switzerland expect stores to offer new digital payment solutions

vs.



55% in Austria



55% in Germany



3 in 4 (77%) in Switzerland use new digital payment solutions

vs.



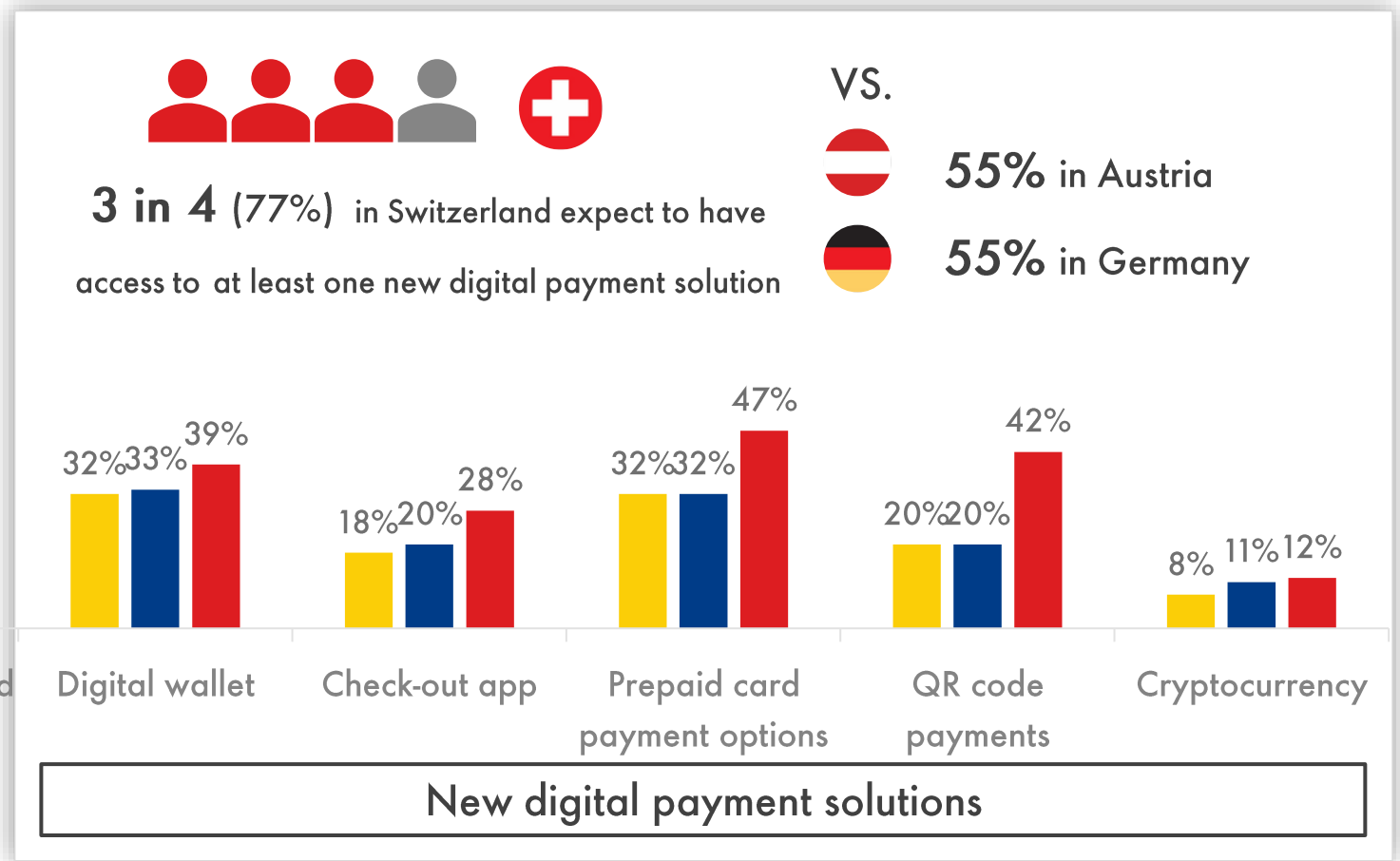
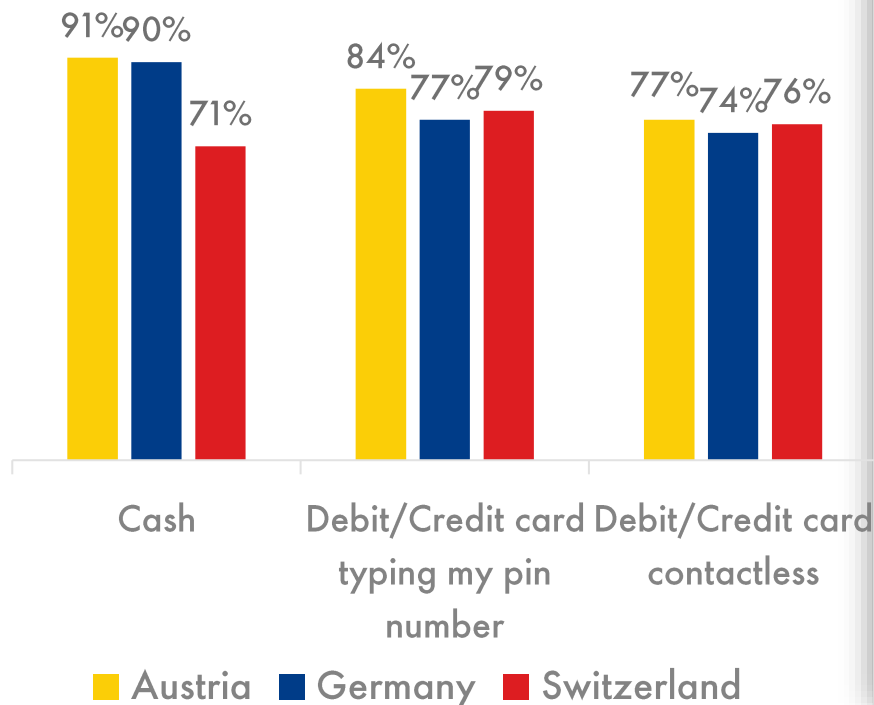
53% in Austria



55% in Germany

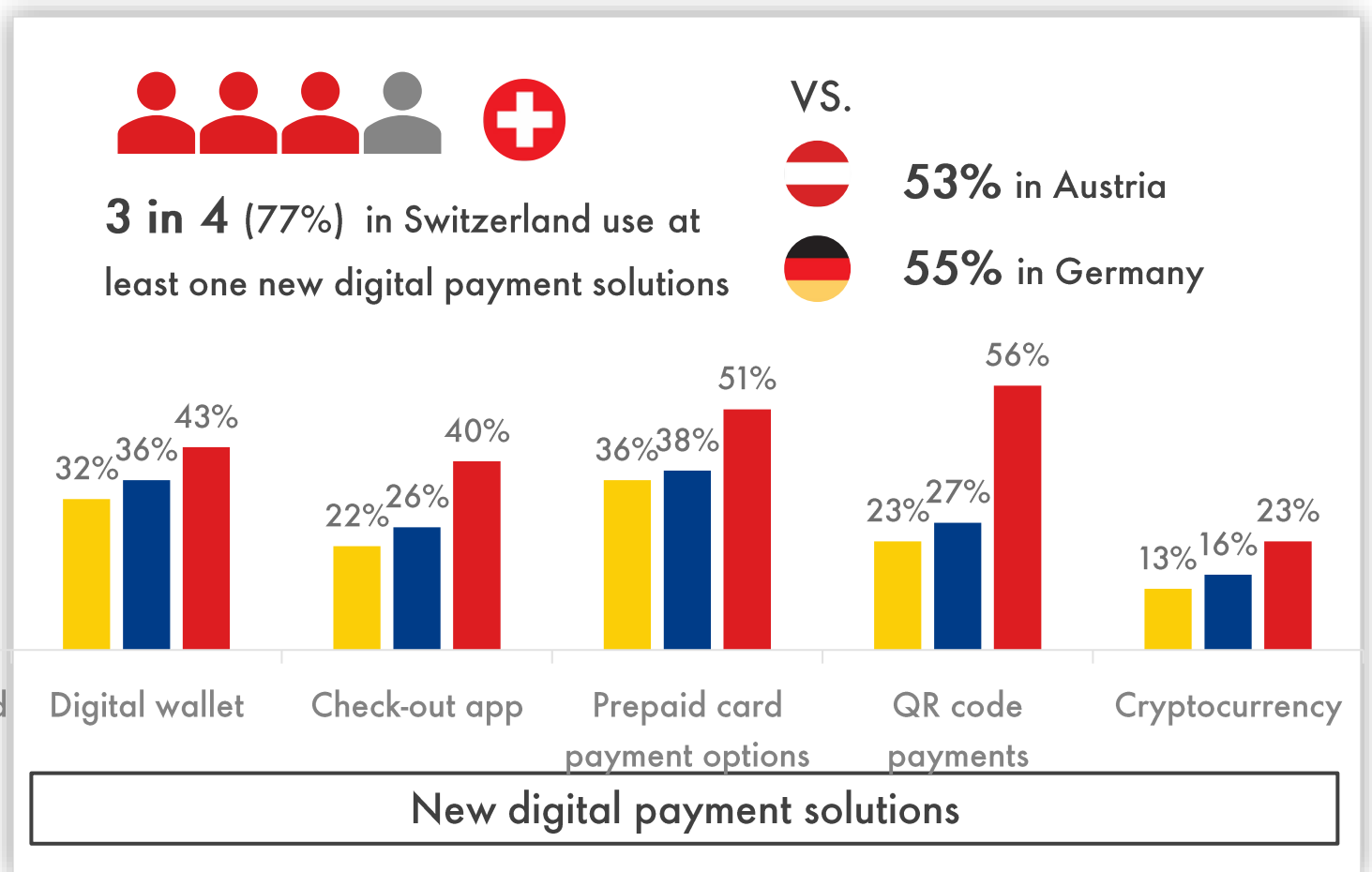
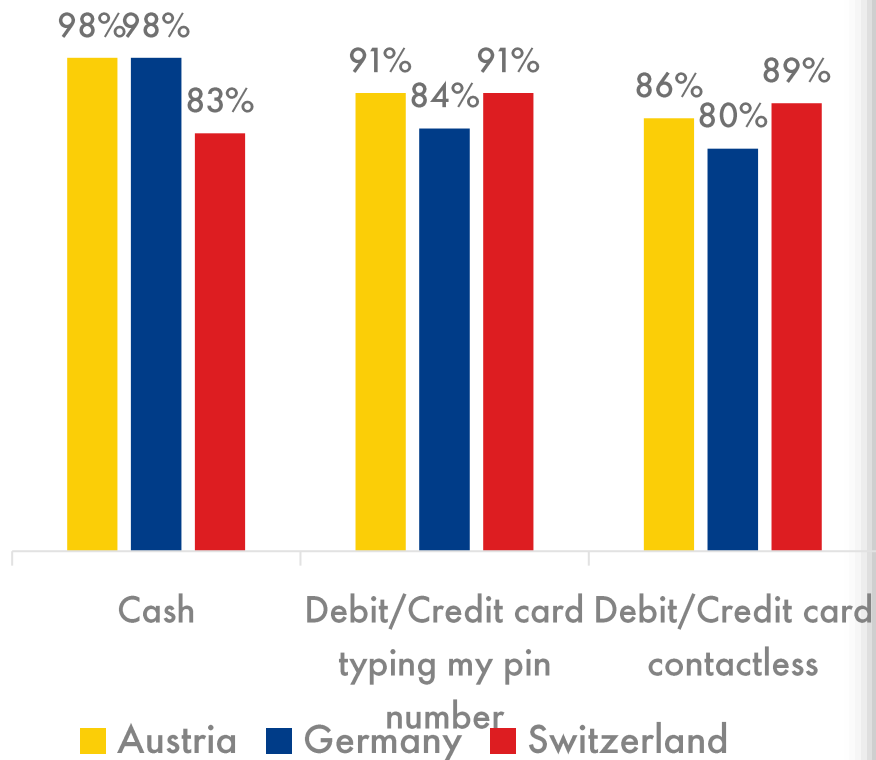
In Switzerland, the majority expect to have access to new payment solutions when shopping in store...

% who expect to have access to the different payment methods when shopping in store

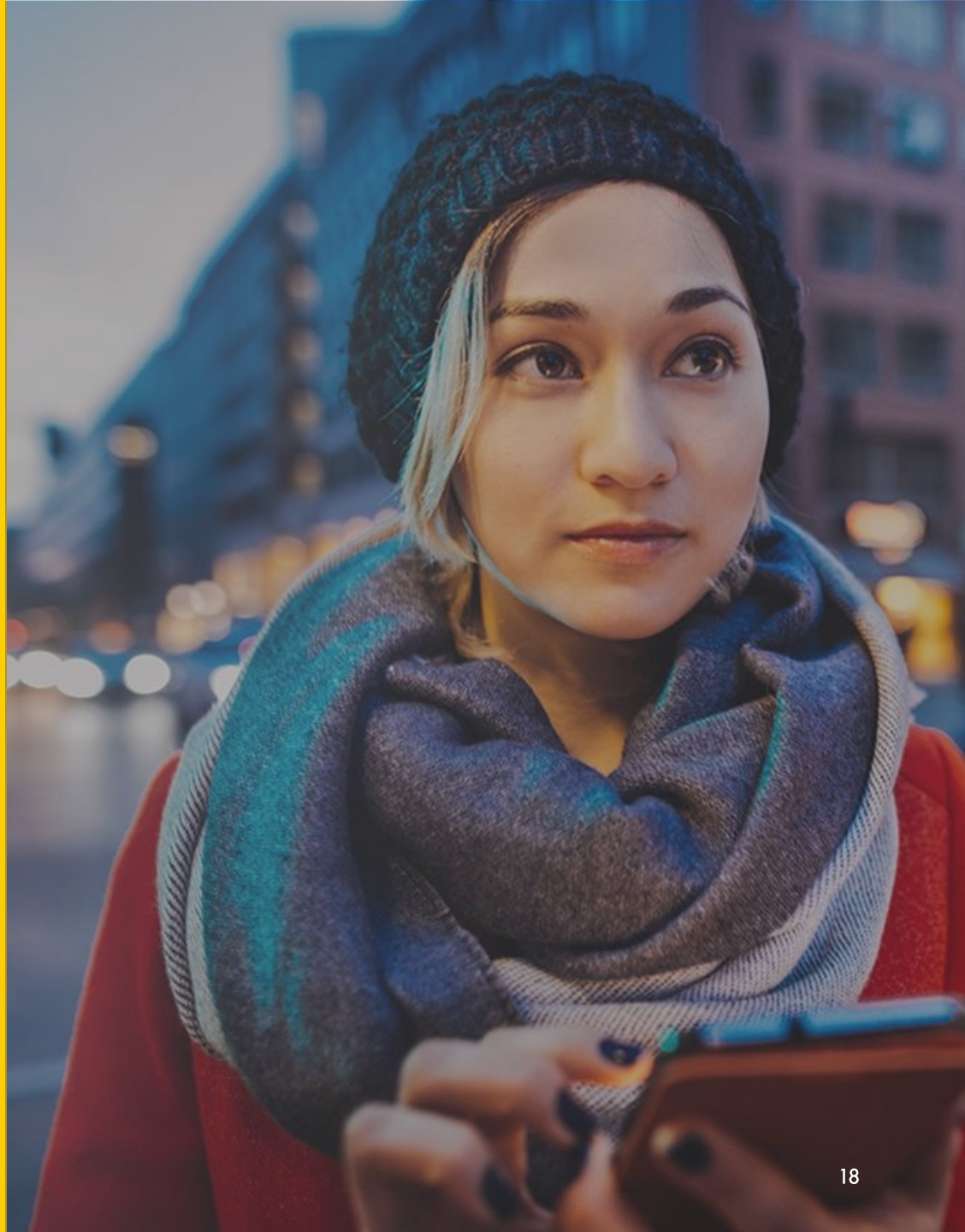


... and this is in line with their payment behaviours, as most use new digital payment solutions, especially QR codes

% who use each of the following payment methods when shopping in store

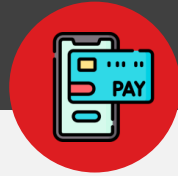


The younger, the more digital



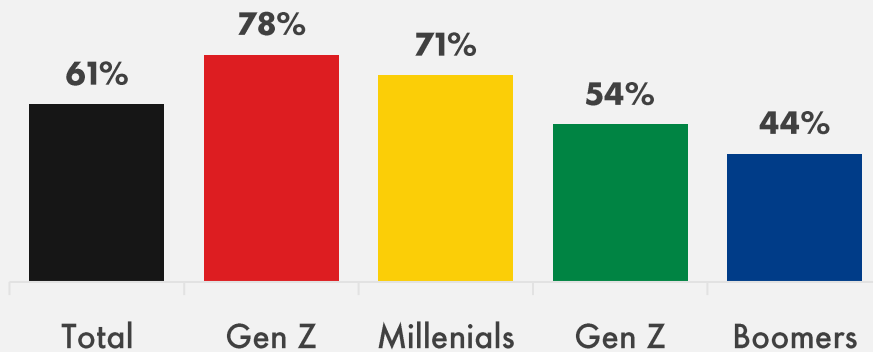
Gen Z: a generation embracing new digital payment solutions

💡 By new digital payment solutions, we refer to digital wallets, checkout apps, prepaid cards, crypto or QR codes.



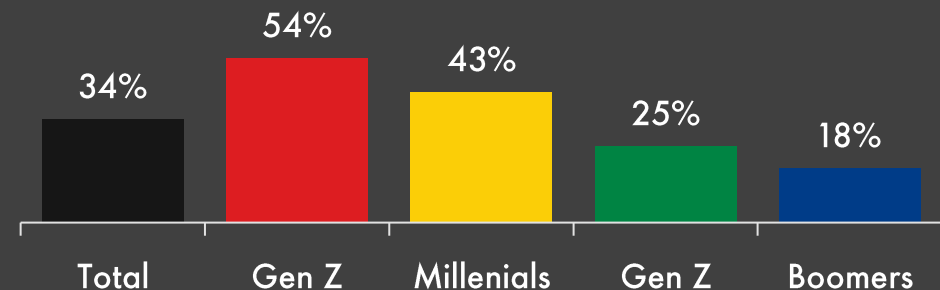
8 in 10 Gen Zers use new digital payments (78% vs. 44% of Boomers)

% using new digital payment methods (NET)

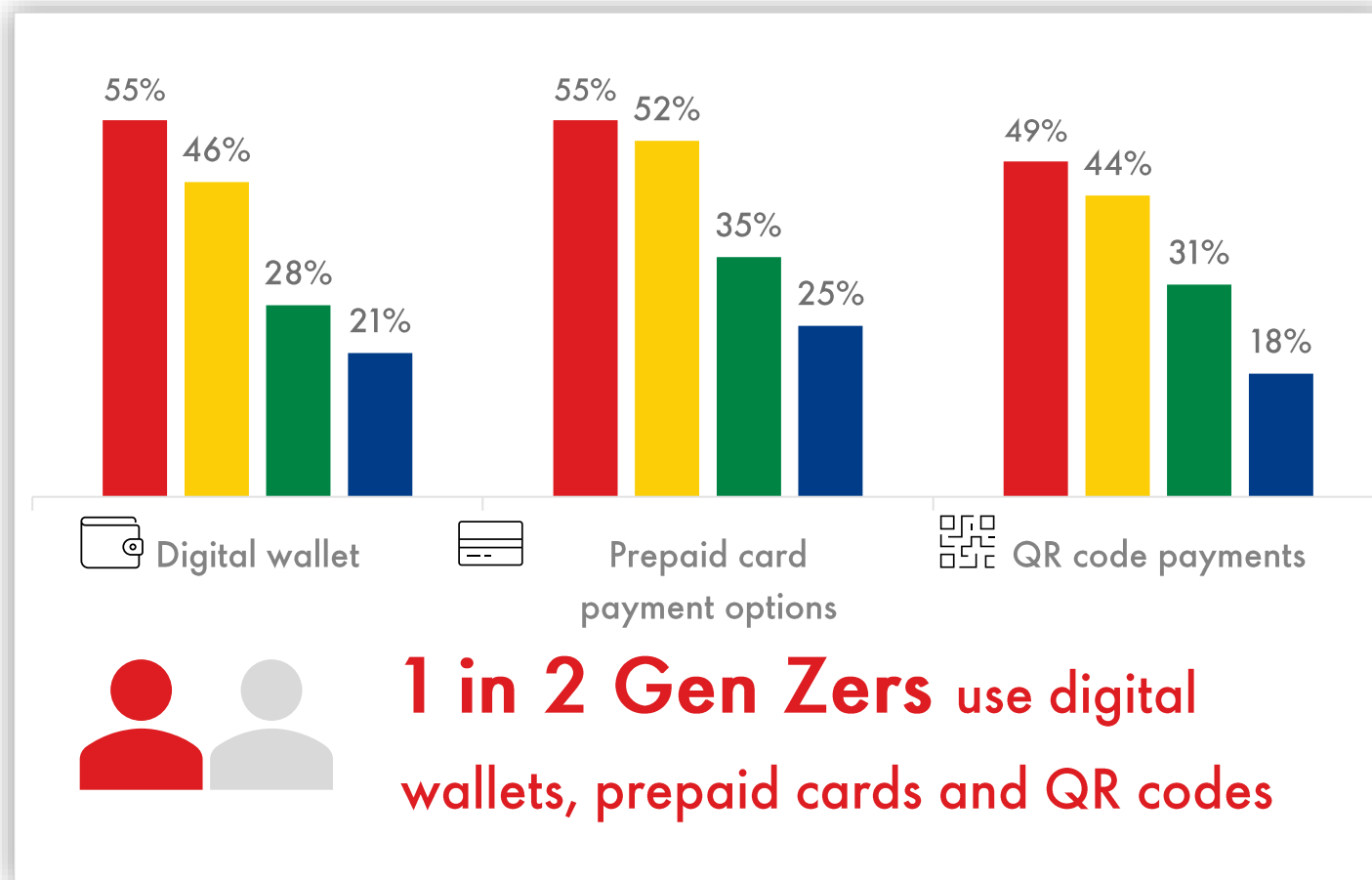


The gap is bigger when it comes to frequent usage with **Gen Z 3 TIMES** more likely to REGULARLY use new digital payments than Boomers

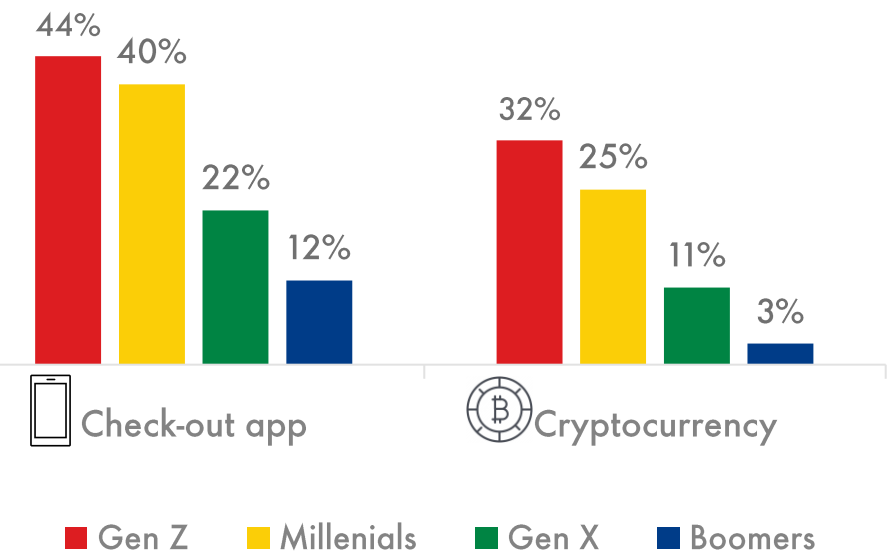
% regularly using new digital payment methods (NET)



Digital wallets, prepaid cards and QR codes found their place among Gen Z

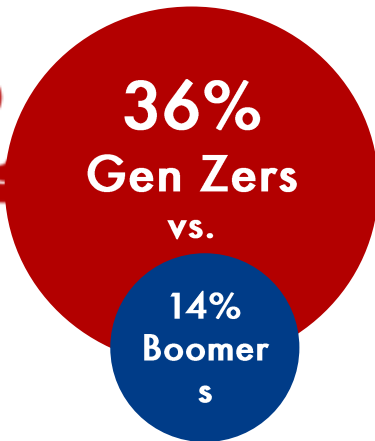


% who use these new digital payment methods when shopping in store



Many Gen Zers don't shop in stores that only accept cash, and half believe digital payment options should be made mandatory

GEN Z are **TWICE** more likely to **NOT SHOP** in stores that only accept cash



29%



42%



39%

GEN Z are **THREE TIMES** more likely to believe digital payment options **SHOULD BE MANDATORY** in store by law

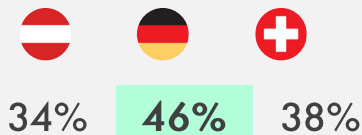
(**48%** Gen Z say so VS. **16%** of Boomers)

In Germany, 1 in 2 Gen Zers would rather not watch TV or streaming services for a year to avoid having to only use cash for the rest of their life

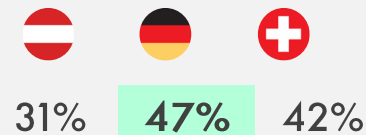
To avoid not being able to pay digitally for their rest of their life, **2 in 5 Gen Z would prefer to...**



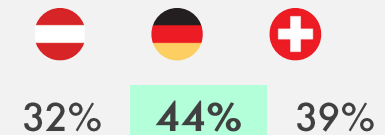
...**not watch** streaming services / TV for one year



... have an **annoying song** stuck in their ear



...**look terrible** in all photos for one year



Gen Z's trust and usage of cashless payment methods is growing due to the current economic situation and rising prices

Due to the economic crisis and inflation...



of **Gen Z** say they **trust** cashless payment methods (NET*) **more**



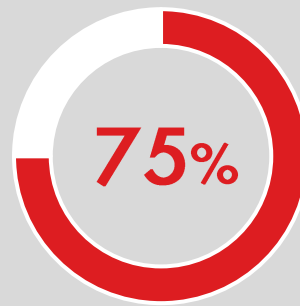
59%



71%



69%



of **Gen Z** are planning **to use** cashless payment methods (NET*) **more**



68%



79%



77%









* Please note that it doesn't necessarily mean they will spend more money but that they are planning to use them more as a payment method.

This NET is an aggregate of different cashless payment methods, which means that 75% are planning to use at least 1 cashless payment method more, and 65% trust at least 1 cashless payment method more.

The cashless payment methods included in this NET are indicated in the footnotes as well as on the following slide.

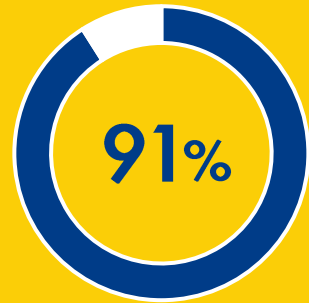
Contactless cards is the payment method with the highest increase in usage among Gen Z

Due to the economic crisis and inflation, % of Gen Z... ...who are planning to use these payment methods more (NET Use More/Use Much More) ...who trust these payment methods more (NET Trust More/Trust Much More)

	Cash	30%	39%
	Debit/Credit card (pin number)	37%	38%
	Debit/Credit card (contactless)	43%	37%
	Digital wallet	32%	30%
	Check-out app	28%	27%
	Prepaid cards	25%	27%
	QR code payments	29%	29%
	Cryptocurrency	24%	25%
NET Cashless payment		75%	66%

Boomers are not completely 'digitally shy' and open to new payment methods in the future

When asked if they expect to have access to new digital payment options when they shop in store...



...of Boomers say "no, but would be happy to in the future"



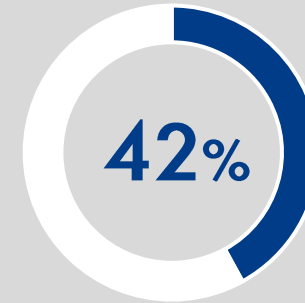
90%



93%



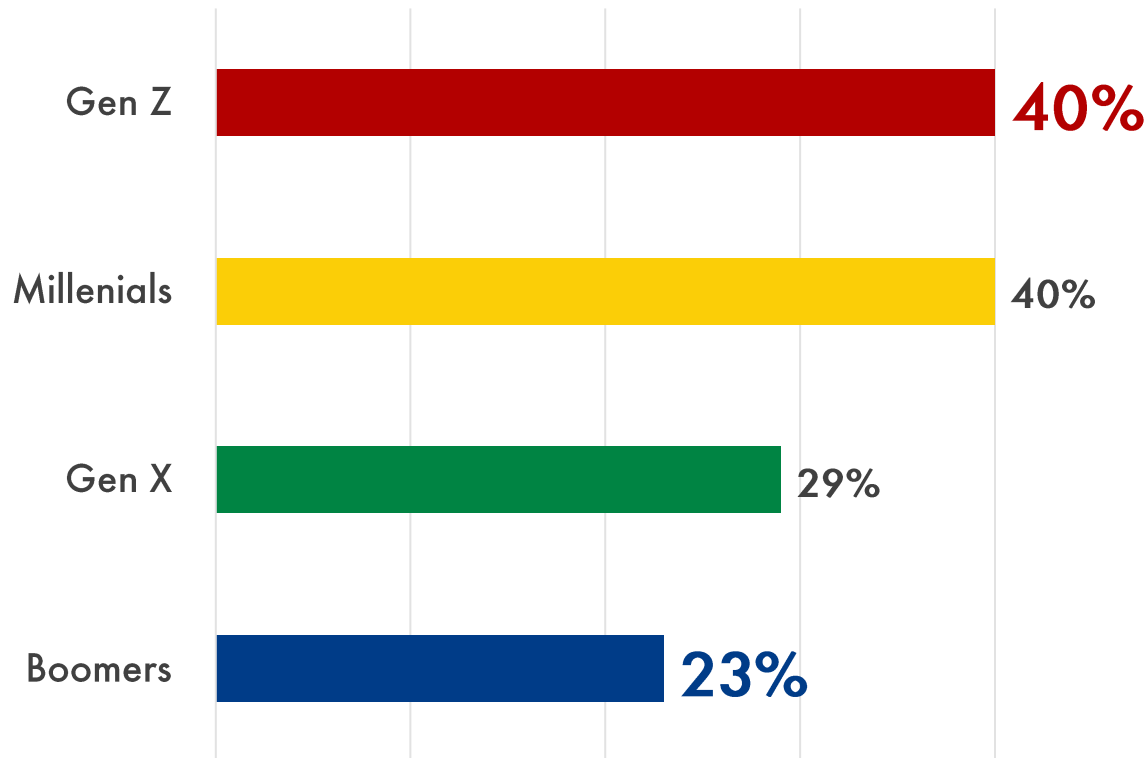
89%



2 in 5 Boomers say that they would not be happy making all their payments **exclusively in cash**

Addressing Boomers' concerns around security could be a way to bridge the generational mobile payment divide

% saying they are comfortable saving their credit card or PayPal details on their phone



Gen Zers are **TWICE** more likely to be **comfortable** saving their credit card or PayPal details on their phone than **Boomers** (40% vs. 23%)

Mobile payments:
Gen Z's new popular way
to pay for fuel?



New digital payment methods are widely considered at gas stations and specifically popular when it comes to charging electric cars



1 in 2 (50%) would consider using new digital payment methods to pay for car wash services



45%



46%



60%



Almost 3 in 4 (71%) would consider using new digital payment methods to pay for electric car charging



74%



66%



73%



1 in 2 (56%) would consider using new digital payment methods to pay for fuel



51%



51%



65%

Gen Z is set to drive digital payment method adoption in gas stations in Switzerland



2 in 3 Gen Zers (68%) would consider using new digital payment methods to pay for car wash services



60%



71%



73%



2 in 3 Gen Zers (68%) would consider using new digital payment methods to pay for electric car charging



62%



71%



74%



3 in 4 Gen Zers (75%) would consider using new digital payment methods to pay for fuel



69%



74%



83%




Among Gen Z, the usage of new digital payment options to pay for fuel is three times higher compared to boomers

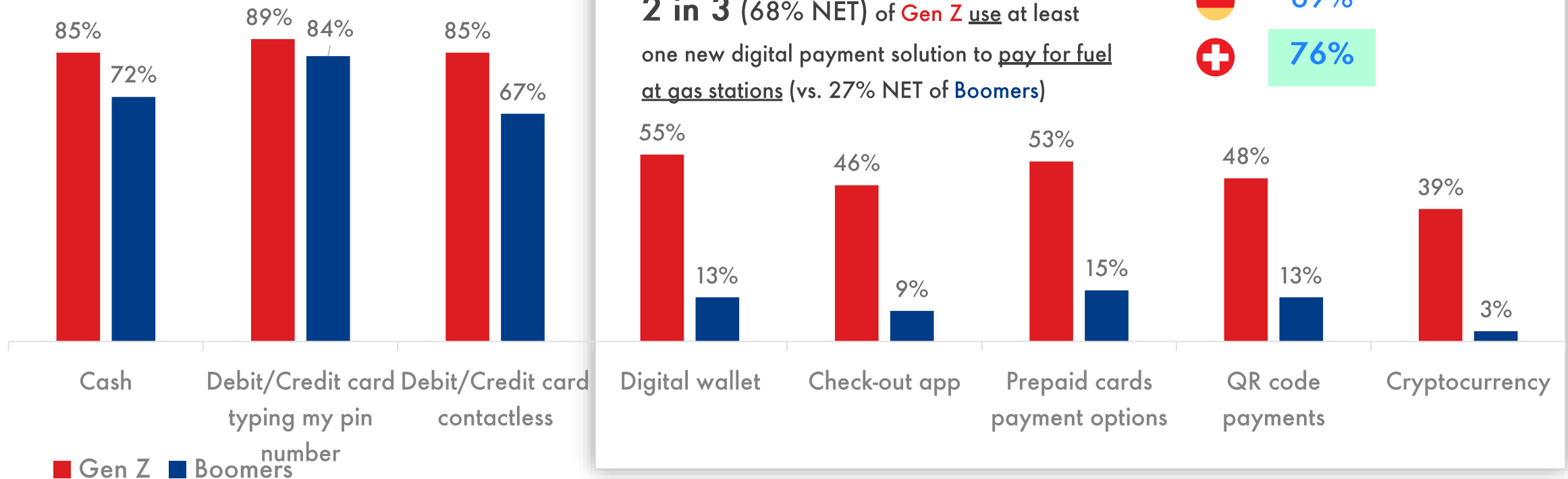


% of usage of the payment methods:



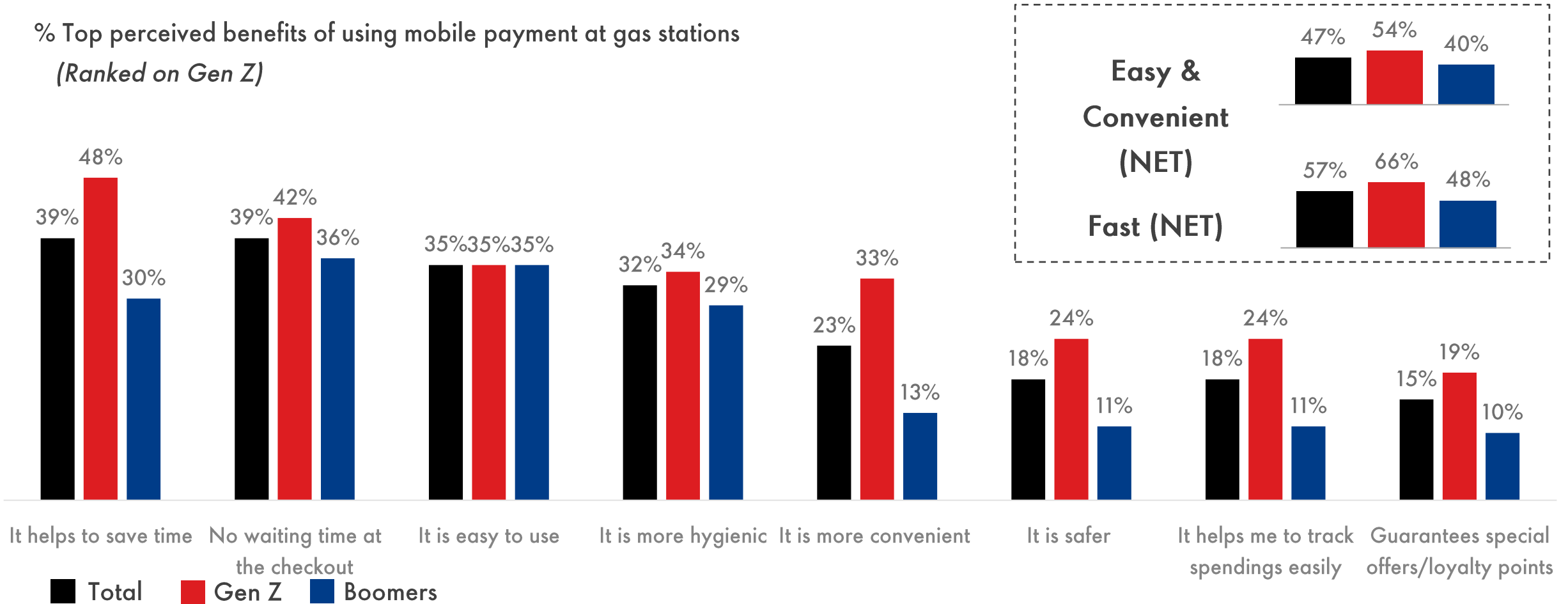
2 in 3 (68% NET) of **Gen Z** use at least one new digital payment solution to pay for fuel at gas stations (vs. 27% NET of Boomers)

-  60%
-  69%
-  76%



Convenience and speed are the main benefits associated with mobile payments at gas stations, specifically among Gen Z

% Top perceived benefits of using mobile payment at gas stations
(Ranked on Gen Z)

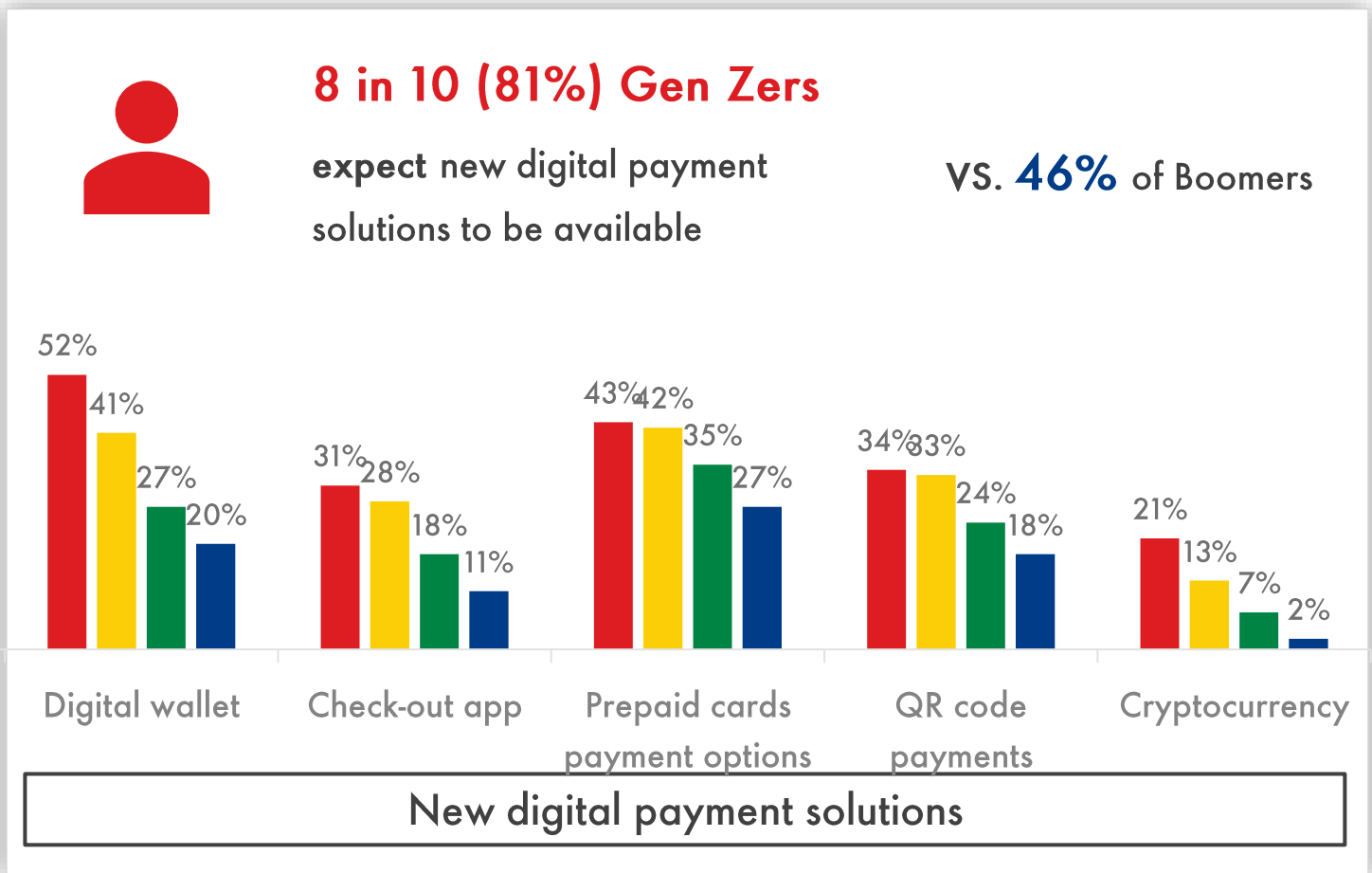
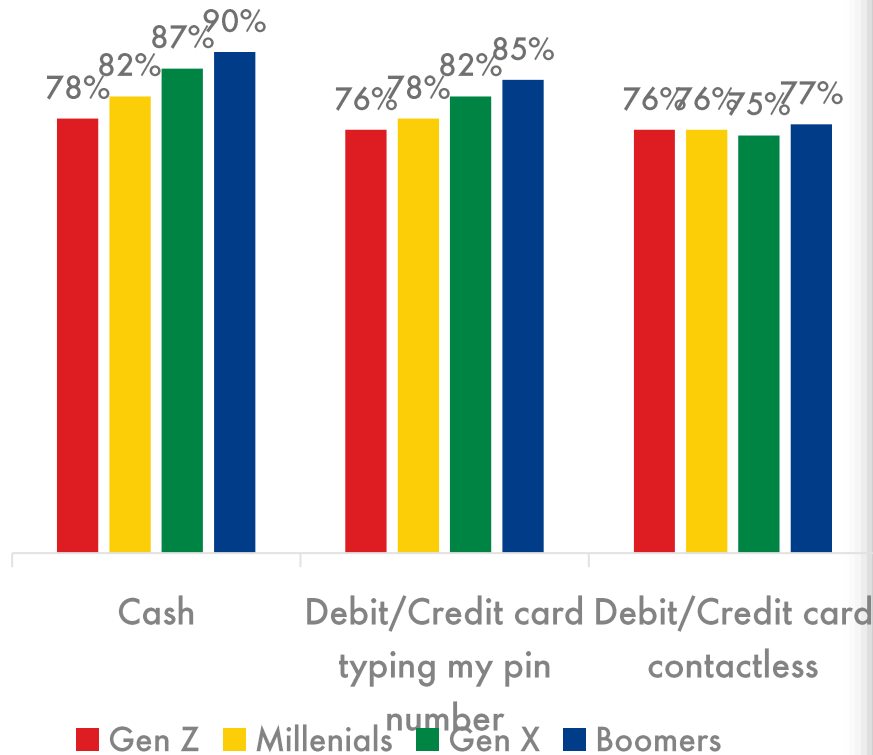




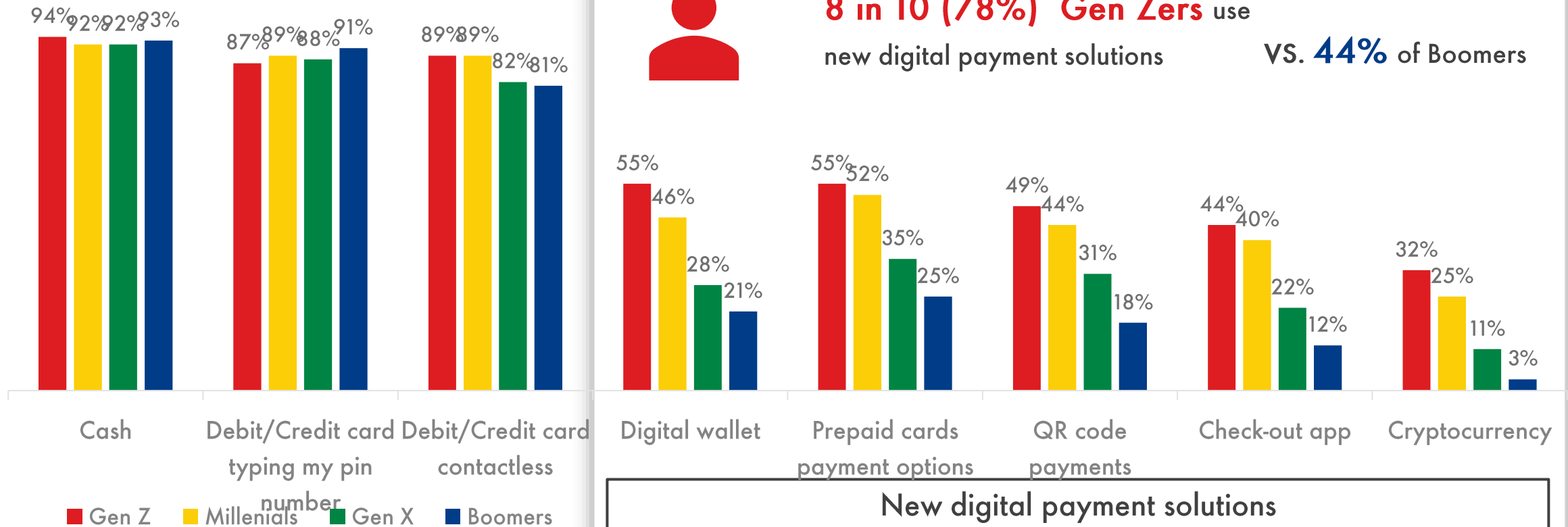


APPENDIX

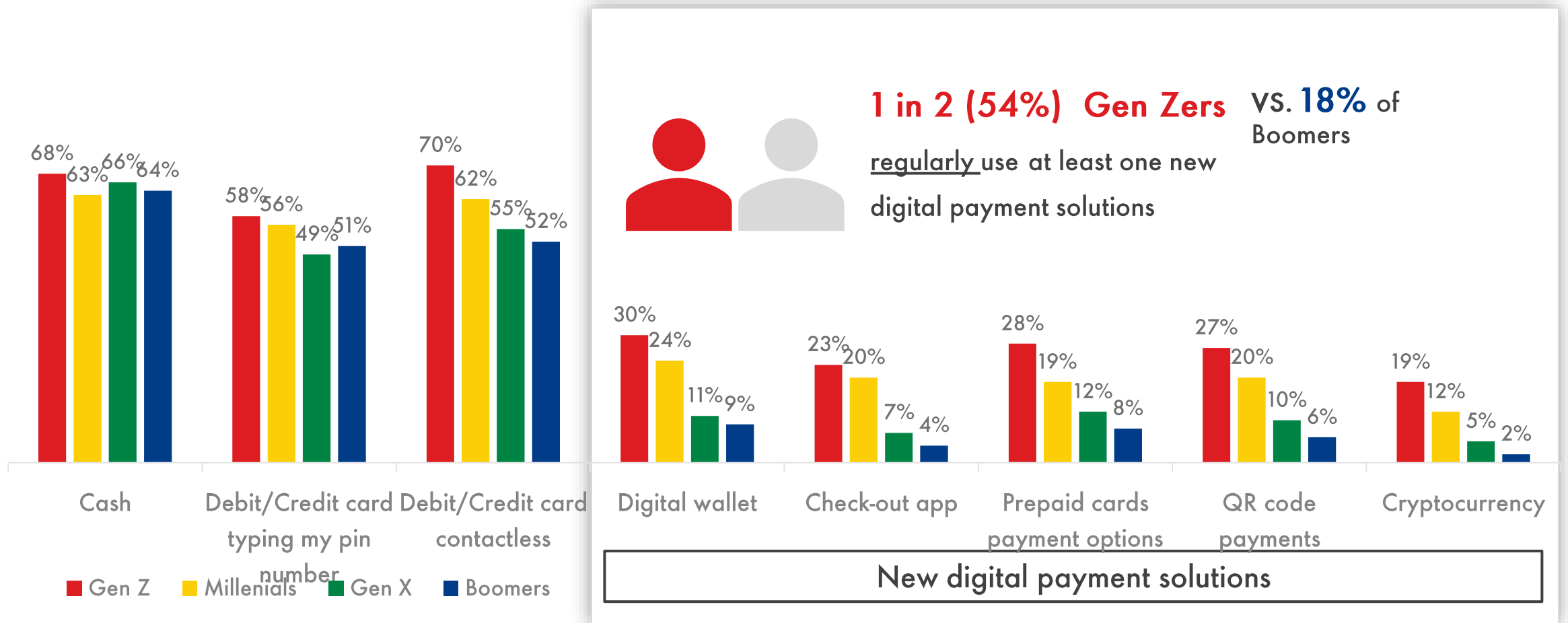
% who expect to have access to these payment methods when shopping in store



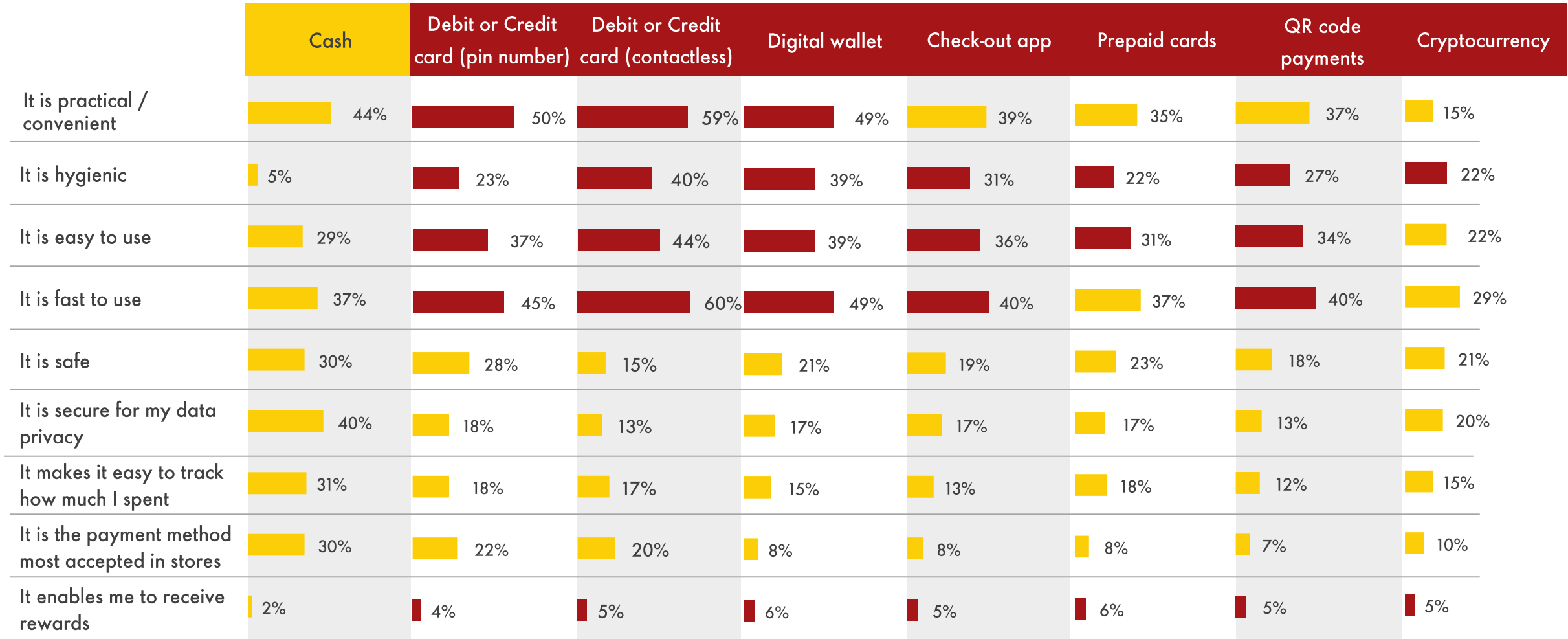
% who use the following payment methods when shopping in store



% who regularly use the following payment methods in store



Hygiene, convenience and speed are key benefits associated with cashless payment methods



Cashless payment options are expected to be widely available in different types of stores

% of payment methods available when shopping in different types of stores (alphabetically ranked):

