



Executive Summary

Understanding Swiss Payment Preferences: Cash, Cards and Other Patterns

In this research paper we present novel and unique insights into the payment behavior of Swiss consumers based on anonymized transaction-level data. As part of this collaboration between SIX and the University of St.Gallen, we leverage a sample of debit card users over a period of 13 months from September 2020 to September 2021. The data covers a large sample of card-issuing banks and is therefore representative for all regions of Switzerland.

The use of debit cards at the POS vs. ATMs differs significantly across cardholders, but surprisingly also for the same cardholder over time. Two-thirds of observed cardholders use their debit cards more for POS payments than for cash withdrawals.

While we can clearly assign each cardholder a payer type with respect to his or her preference towards cash or card, we also observe that labelling consumers with static payer types can be misleading as many consumers exhibit changing behavior across individual months.

While we observe clear differences in the preference toward cash across cantons, there is only weak to no variation across agglomeration types or between the German and French language regions. The Italian speaking region shows a slightly higher preference for cash. Our results indicate that there is a widespread demand for all-in-one card products allowing e.g., POS payments, ATM withdrawals, and e-commerce.

Debit POS payments are dominated by everyday consumer purchases. Consumers make on average 16 POS transactions per month. Over the observed months the average cardholder executes transactions at 63 different merchants. Most debit card payments involve purchases

at supermarkets and other merchants who consumers visit regularly. The majority of card payments are conducted contactlessly, with transaction sizes below CHF 50. We observe significant differences in transaction sizes across key merchant categories, but no differences across payer types. During the course of an average month, we observe only a weak payday effect with higher levels of POS transactions toward the end of the month, but card usage is otherwise relatively stable across the month.

ATM withdrawal amounts vary significantly in withdrawal amounts and display a strong payday effect. The average cardholder makes two ATM withdrawals per month. On average 65% of all withdrawals are from ATMs of the card-issuing bank while card-preferring payer types seem more indifferent to the bank affiliation of an ATM as only 60% are at a respective ATM.

The average ATM withdrawal by debit card amounts to CHF 350, but 50% of all transactions amount to CHF 200 or less. Demand for ATM withdrawals peaks on Friday and significantly toward the end of the month, signaling a strong payday effect. About 20% of cardholders use ATMs to deposit cash, with an average deposit amount of CHF 1,090 and 50% of deposit amounts being CHF 400 or below.