



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 Greece.

Introduction

The payments landscape in Greece is transforming, spurred by technological advancements, and evolving merchant and consumer preferences. In particular, it is seeing a shift towards digital payments, e-commerce, and a broad move away from cash. Regulation has also been a driver of this shift, for example with legislation that requires the mandatory acceptance of cards or instant payments.

Electronic payment transactions have become increasingly popular, and the trend is expected to continue over the next 12 months, by when

83% of Greek merchants believe they will be completing more digital transactions, specifically through instant payments.

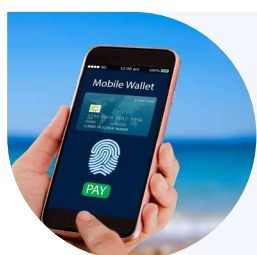
Greek banks are heavily investing in the digital transition, offering comprehensive online banking services, user-friendly mobile apps, and instant payment solutions. Mobile payments have gained

significant traction in Greece and local banks have developed their own mobile payment solutions, which have become particularly popular among younger demographics.

More than 70% of Gen Z and millennials expect to use instant payments more in the next year, compared to the EU average of 56%.

Despite the growth of digital payments, cash still plays a role in Greece's payments ecosystem. For consumers, it remains the preferred payment method for activities such as housekeeping or gardening, but cards are selected as preferred payment method for all other transactions (e.g. grocery shopping in-store, buying an airline ticket, or completing online purchases). For merchants, cards represent the main source of turnover (47%, followed by cash at 39%).

Furthermore, 62% of Greek merchants prefer to accept electronic payments over cash.



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 Greece (250), Austria (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 Greece (1,000), Austria (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 balanced representation.

Key highlights

The merchant perspective



Relationship with cash

Among all different payment methods currently available, virtually the same number of **Greek merchants indicate cash and cards as their preference** (respectively, 76% and 77%). Interestingly, the preference for cash is 15% higher than the European average.

Cash payments make up 39% of Greek merchants' turnover, against the 47% that is generated by cards. In the next five years, Greek merchants expect their turnover generated from cash transactions to decline to 26%, especially in favour of cards. This aligns with the fact that **77% of Greek merchants believe that only accepting cash would reduce their revenue**.

Cost of acceptance is often cited as the reason for preferring cash over digital payments. Yet, **fewer than half (42%) of Greek merchants believe cost of acceptance is a priority in their payments strategy**.



What merchants really want

In line with their European peers, Greek merchants indicate **safety, security, convenience and consumer preference as the top priorities** when deciding which payment options to accept.

Cards are considered to meet those priorities best. For example, in line with the European average, **65% of Greek merchants associate cards with good anti-fraud measures**.

80% of Greek merchants are actively trying to optimise their payment methods. To do so they are focussing on reducing costs (58%), enhancing payments security (46%) and reaching a broader customer base (44%).

In line with their European peers, 83% of Greek merchants believe that by accepting a large range of payment options, they have been able to increase turnover.

Overall, **98% of them feel that cards are key to increasing sale**.



Market evolution: winners & winners

Decreasing reliance on cash is supported by an uptick in digital means of payment. In a society traditionally perceived as cash-oriented, given the choice between cash and electronic payments, **62% of merchants express a preference for accepting electronic payments**. Moreover, given the option, **47% of merchants would like to be able to refuse cash payments**.

94% of Greek merchants consider electronic payments to be critical to their organisation, and **83% believe they will make more digital transactions in the next 12 months**. Diversification of the market is also highlighted by BNPL acceptance, which is in line with the European average. In the next 12 months, **20% of Greek merchants also plan on starting to accept crypto**.

Overall, 83% of Greek merchants believe that accepting a wide range of payment solutions increases sales, **83% of them are satisfied with the payment solutions available, and 94% believe their customers to be satisfied with the payment options available**.



Card payments: cost and value

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

"While Greek merchants do demonstrate a marked preference for cash compared to other European markets, **77% agree that the benefits of cards outweigh the costs**".

Looking at card costs, card fees have remained stable over the years, a view echoed by merchants: **50% believe the cost of cards has decreased or remained the same and 77% believe they pay a reasonable fee for the value they get from cards**. Finally, 69% understand the different fees they pay for accepting cards.

Key highlights

The consumer perspective



Relationship with cash

Greek consumers are becoming increasingly **less reliant on cash**, a trend that reflects broader shifts in financial behaviour and technology adoption.

91% of Greek consumers have used cards in the last 12 months compared to 86% who used cash, and **67% of Greek consumers prefer paying with cards** at a merchant, even if cash was also available.

Contrary to their European peers, 38% of Greek consumers would also prefer to use cash (in advance or on delivery) (16% higher than average) or prepaid cards/vouchers (23%; 14% higher than average) for online purchases.

Overall, **68% of Greek consumers trust cards more than other payment methods**, and this number increases to 77% when travelling abroad.



A look at consumer preference

Safety and security and reliability of payments are the top priorities for Greek consumers when choosing a payment provider. Online acceptance is also particularly important to Greek consumers: of the populations surveyed, 69% conduct online purchases several times a week or month, slightly above the European average.

When looking at safety, Greek consumers stand out in that about half of the population find insurance and consumer protection particularly important (selected by 47% of Greek consumers, against a European average of 25%). This is especially true for individuals who are just managing to cover basic living costs (51%). Card payments outrank any other payment method for these features.

Speed is also a recurring theme for Greek respondents. **Two-thirds (66%) believe the main advantage of mobile payments is their speed.** Speed and convenience are the highest priorities for purchases in physical stores.



Market evolution: winners & winners

The Greek payments environment is evolving, with new payment methods becoming available every day and healthy competition in the market:

85% of Greek consumers believe their payments needs are currently met, 85% of them believe their market is innovative when it comes to payments, and 62% believe their market is leading or on par with Europe in this field.

Over half (58%) of Greek consumers find that real-time bank transfers are widely available for person-to-person payments, and **66% believe that in the next 12 months they will be making more instant payments than they are today.**

When conducting digital payments in a physical context, 66% of consumers indicate a preference for physical cards, followed by mobile payments (29%).

50% of Greek consumers believe fraud is a key concern when using real-time bank transfers/instant payments. Indeed, more than 40% of them worry about non-redeemability of funds in case of errors in amount or recipient; or incorrect or damaged goods. Greek consumers are more likely to use mobile banking (61%) rather than online banking (50%) as a channel for instant payments. This underscores a rapid increase in digitalisation and digital literacy when it comes to payments.



Key highlights

The consumer perspective



Value of cards

Greek consumers feel strongly about the advantages of card payments and **68% trust cards more than any other payment method.**

71% of Greek consumers believe card payments provide more value than other payment methods.

When making large purchases, 63% of Greek consumers believe that cards are the safest payment option. This matches with the preference expressed for card payments when conducting the purchases of high-value products (indicated by 66% of Greek consumers, compared to a European average of 54%).

For in-store purchases, 61% of Greek consumers identify speed and 53% of them point to convenience/ease of use as particular advantages of card payments.

Finally, **58% of Greek consumers value the ability that cards grant them to monitor and track expenditure.**

Digital Euro

Only 14% of Greek consumers consider themselves knowledgeable about the Digital Euro, whilst 55% of them report are aware of it. Among these, **46% are unsure about what benefits the Digital Euro could bring, or believe the Digital Euro will bring no benefit at all.** Moreover, 40% report they would not, or wouldn't know when, to use the Digital Euro.

Amongst those who believe there might be benefits linked to the Digital Euro, these would be payment speed, convenience, and lower costs.

Among merchants, knowledge (or overall awareness) of the Digital Euro is in line with the European average (approximately 70%). 32% of those aware of the Digital Euro project are unsure how it would benefit them, and 40% believe its greatest advantage would be transaction speed.

