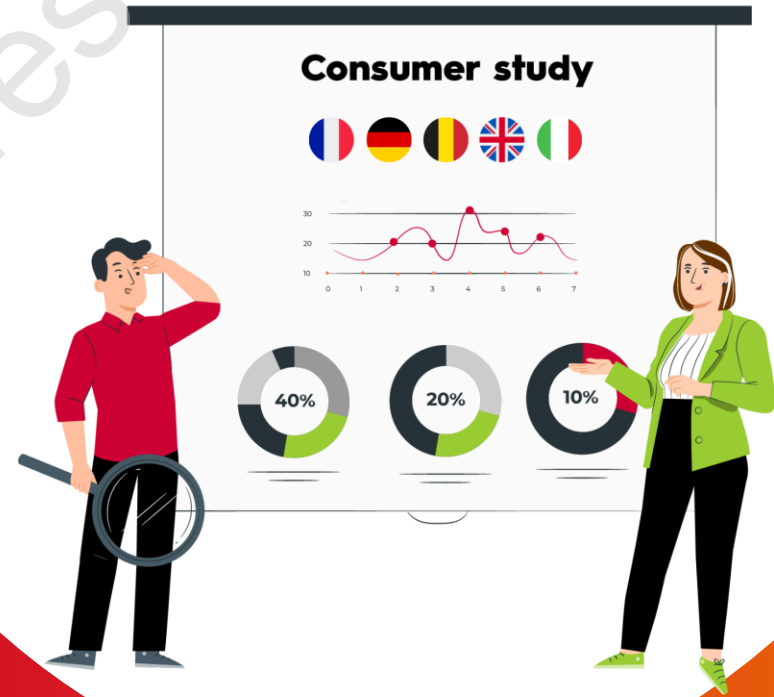


# Pan European Results

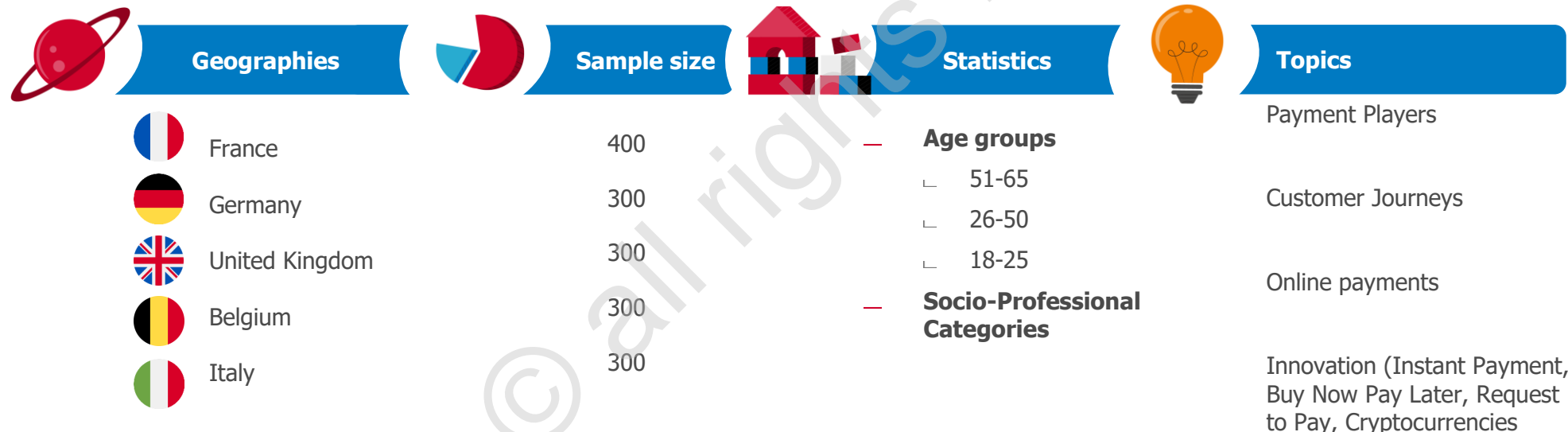
JUNE 2022



Passion for payments

# The Galitt PayObserver is a Pan European study aiming to shed light on payment services...

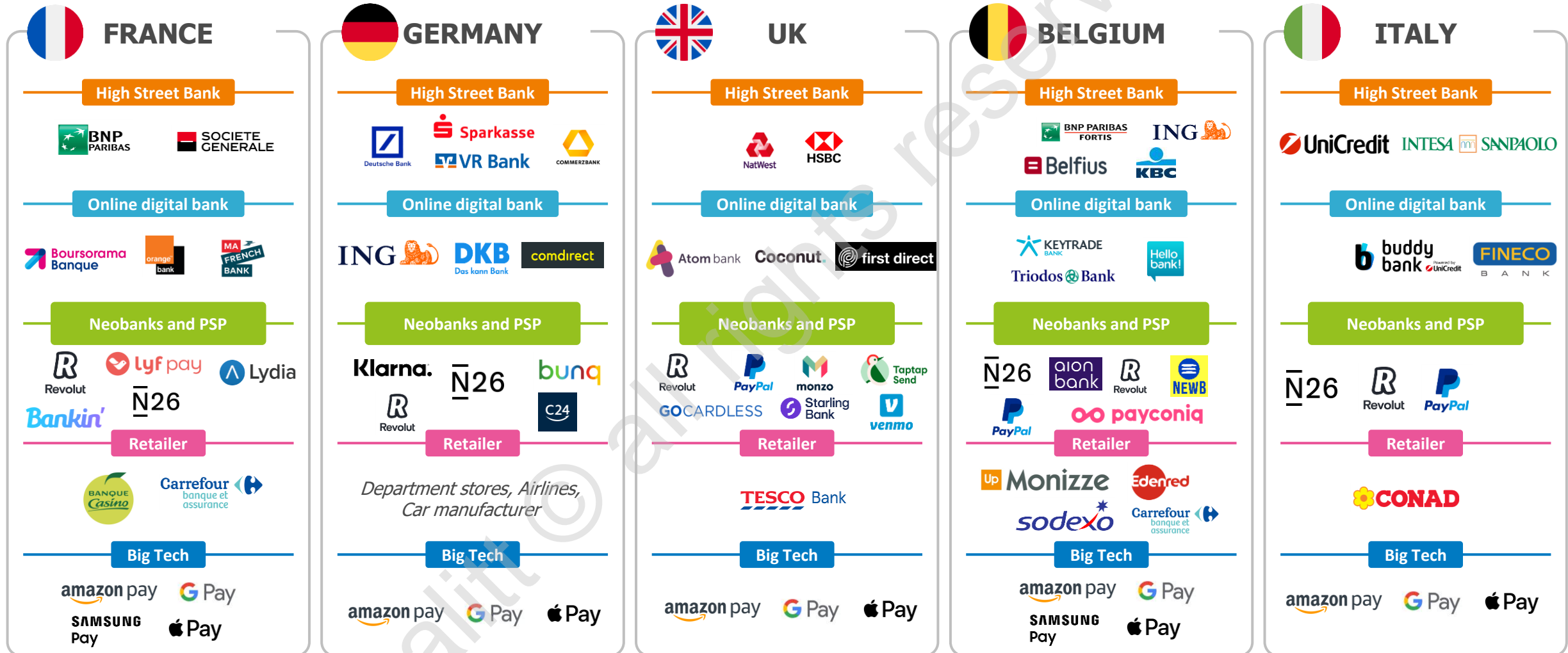
- The global pandemic impacted everyone in every way. And, while we thought some normality could return, we are all facing economic uncertainty
- Consumers have been forced to change behaviours in every way – what they buy, where they buy, how they buy, and how they pay.
- Financial services is one of the few categories that are relevant and required by 100% of the consumer and business audiences. Movement away from cash, move into smartphone, digital wallets was accelerated even for the most fiscally conservative markets...and it is a permanent change (not back to normal, the new ever-changing normal).
- The purpose of Pay Observer is to provide customers with a tool to inform clients' decision making process : insight on critical factors to act on, based on detailed consumer understanding. This is also tool to analyse, anticipate, act, learn, adapt, and succeed.



The study is based on an online questionnaire for all markets, with a representative proportion of each age group, conducted in April/May 2022 . All participants had to have a bank account as an entry requirement to answer the questionnaire. Specifically for Belgium, there is a proportionally relevant representation of participants between Wallonia, Flanders and Brussels.

The study has been carried out in collaboration with  StellarOne , the analysis has been run by Galitt.

# For reference, here are the examples given for each player by geography



# Agenda

- 01** Payment Players
- 02** Payment Methods
- 03** Focus on-line
- 04** Payment Innovations
- 05** Conclusion

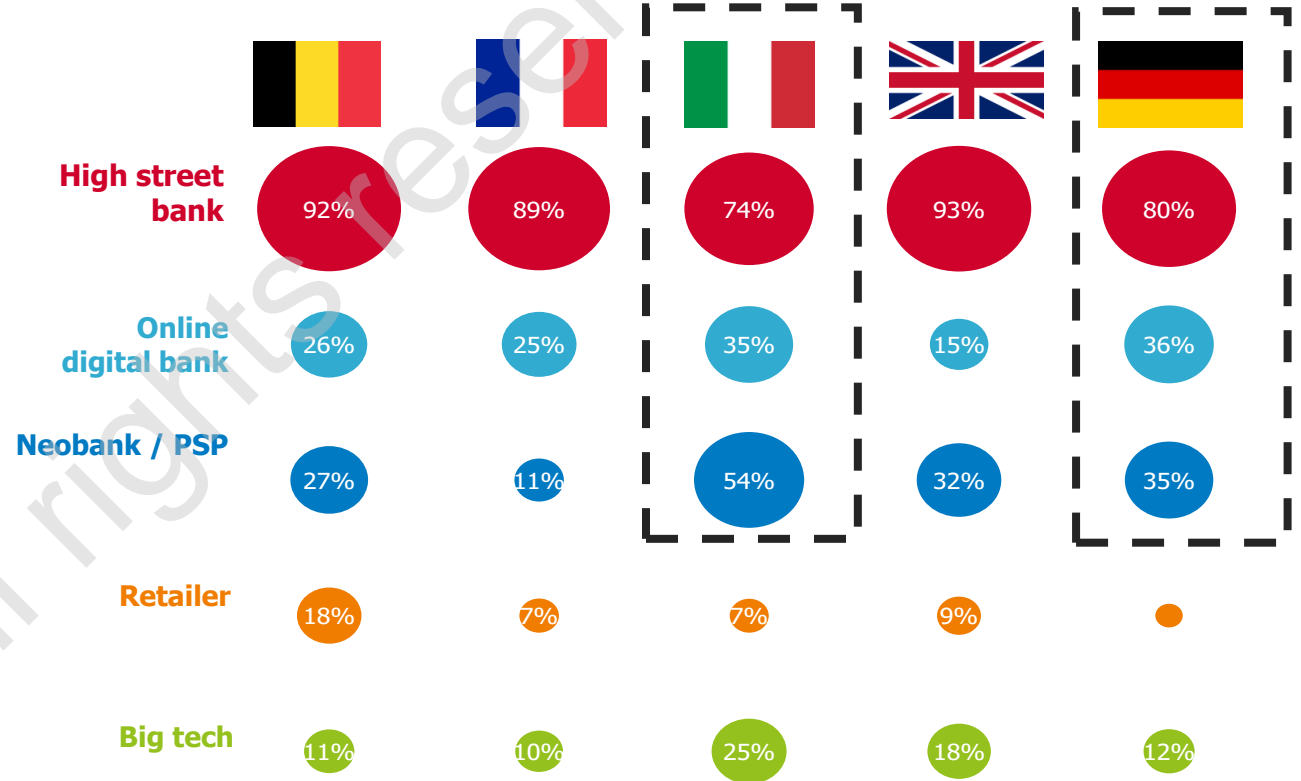
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# 01- Payment players

# Banks still pave the way in every geography in terms of payment account ownership

However, FinTech and other online providers are making inroads notably in Italy

Do you have a bank or payment account with one of these financial services providers?



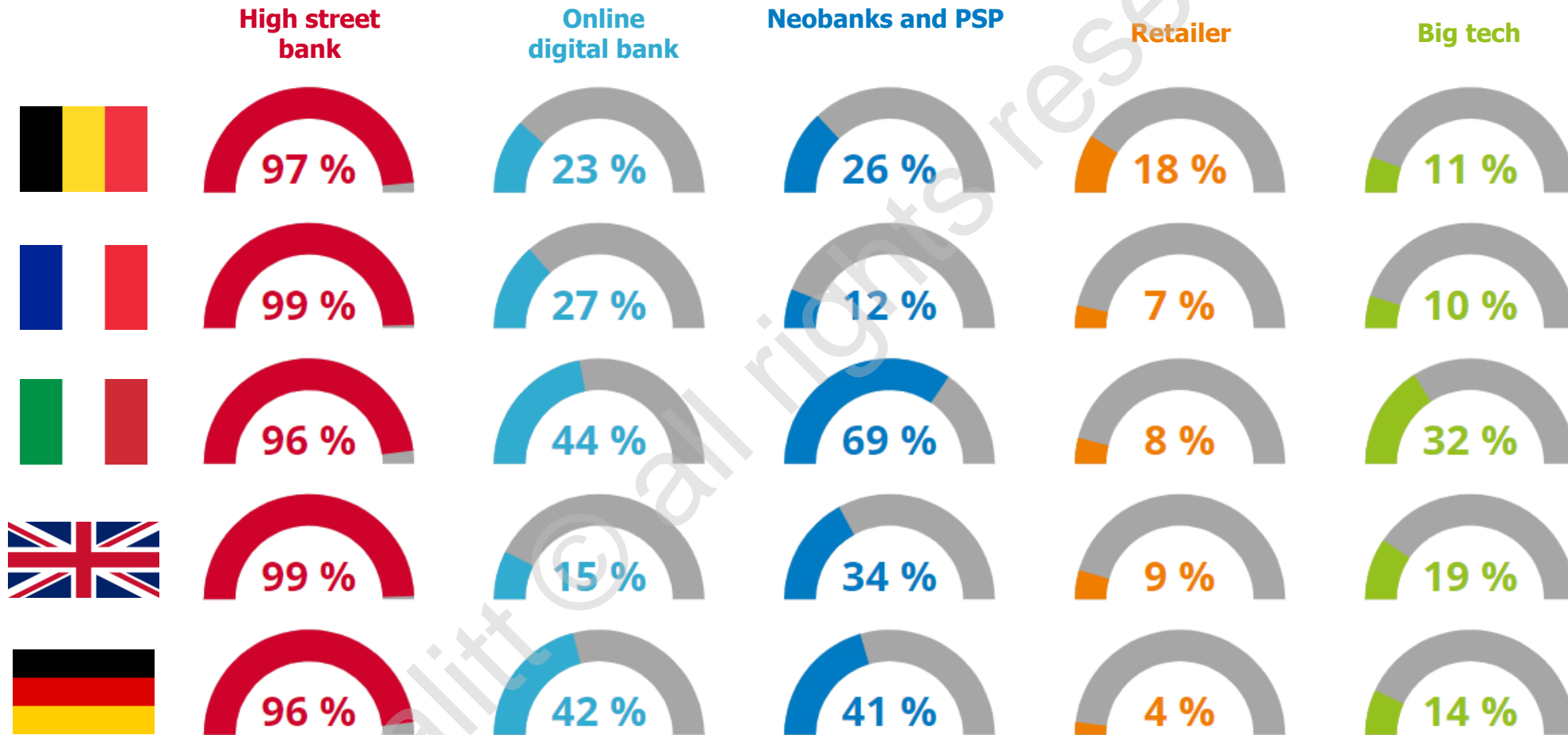
	High Street Bank	Online digital bank	Neobank / Fintech	Retailer	Big Tech
51-65	88%	21%	22%	8%	8%
26-50	86%	30%	34%	10%	17%
18-25	84%	30%	34%	6%	19%

- Banks notably have more customers and a more significant relationships than any other payment player
  - 92% of Belgians have their account or payment service with a High Street Bank versus less than 30% for any other provider
  - While 54% use FinTech in Italy, 74% still have a bank or payment account with a High Street Bank
  - FinTech awareness is very high, but this has not (yet) translated into usage – More than 8 in 10 consumers across the EU are aware of FinTech providers, but less than 50% use them.
- Besides noting the differences between markets – such as the Italians being at the forefront of new provider adoption – there are significantly different adoption rates between different consumer typologies and segments.
- Overall, the younger generation (18-25) is more likely to be big adopters of new payment players than mid age range (26-50), and Gen-Z are only slightly more likely to not have a traditional bank. This is obviously linked to the fact their financial needs are still simple

# Unsurprisingly, usage for high street banks is very high

But usage for the other players remains low with the exception of other financial service providers in Italy and Germany

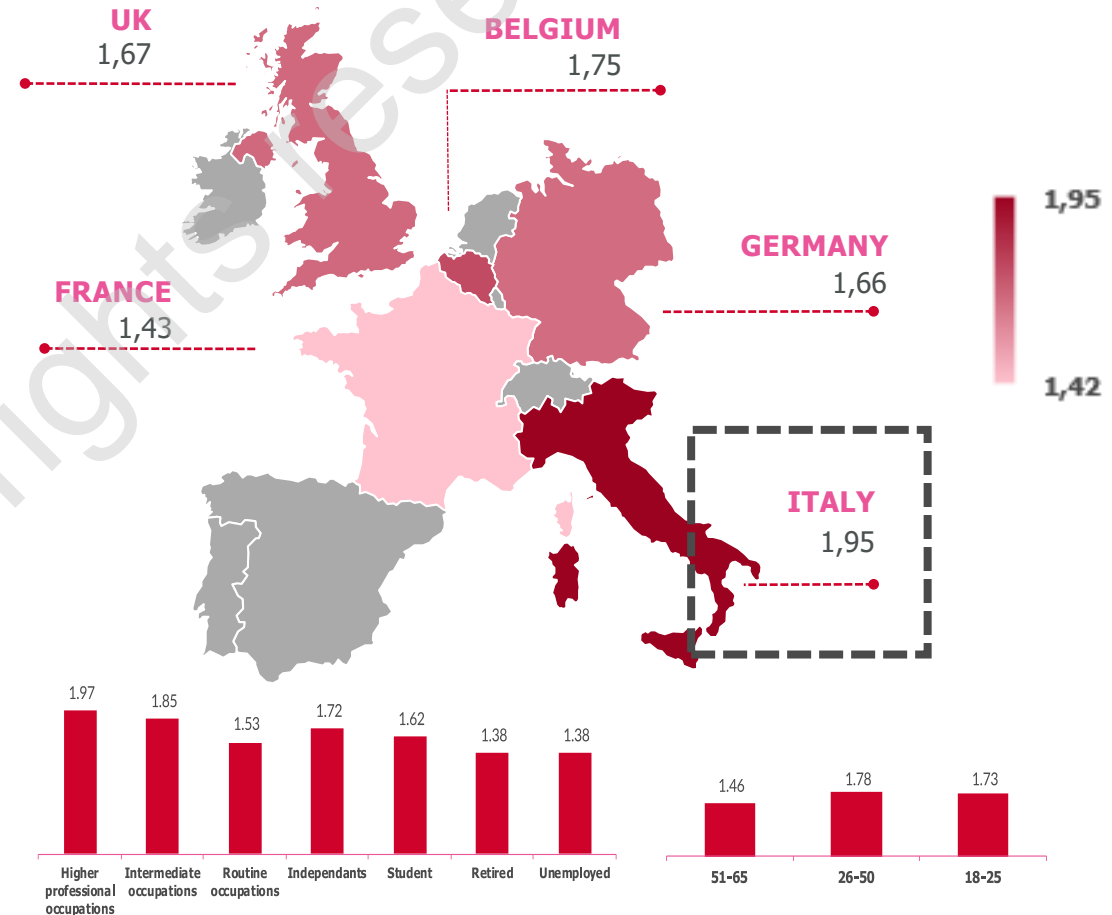
*Those consumers that use their account*



# However, consumers have started to add to their portfolio of providers

....creating a customized experience relevant to the changing economy and their changing lives.

Average number of categories of financial providers per person (not number of products or services)



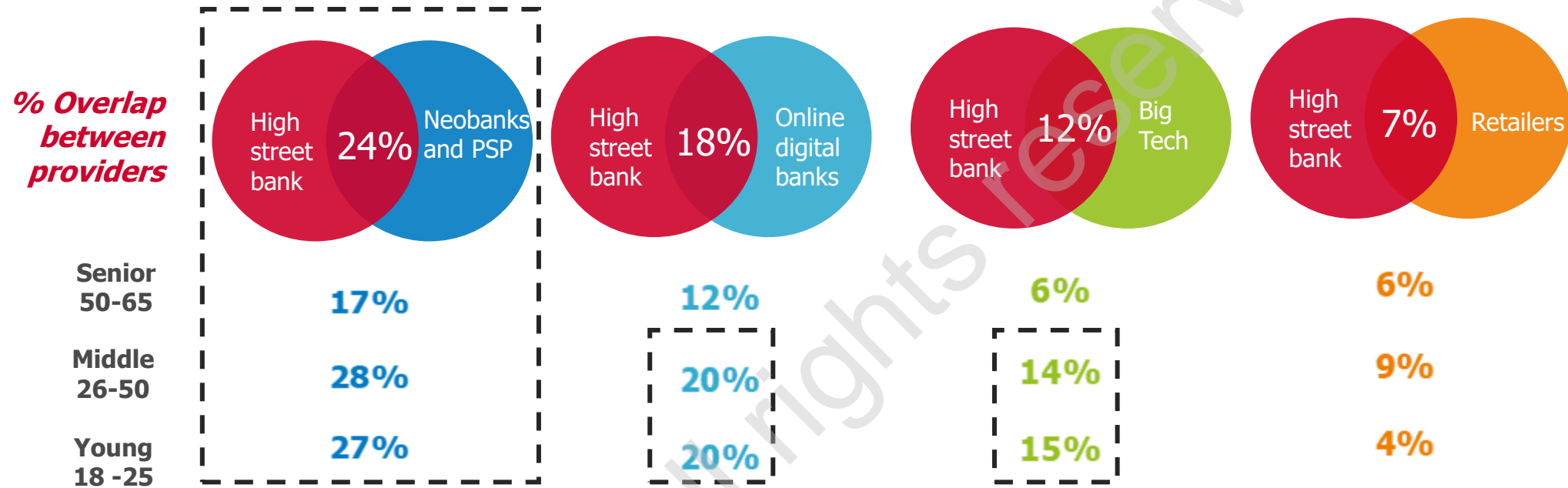
## CUSTOMISED PORTFOLIO OF PROVIDERS REPLACING 'ONE STOP SHOP' APPROACH

- Italy has the highest amount of use of different category of payment players. It is also the country where customers show the lowest level of trust on one single FSP and hence their likeliness to diversify their provider portfolio.
- French customers have the least diversified provider portfolio reflecting their culture of financial conservativeness
- 26-50 years old have a higher need for diversified financial offerings, which is in-line with the different situations they encounter during these years (real estate purchase, becoming parents, etc..)
- Overall, using several payment actors provides the ability for consumers to better address their specific and changing needs – from the salaried employee to freelancers or participants in the sharing economy.



# Neobanks and PSPs are the biggest challenge to the status quo

The biggest overlap in providers is between High Street Banks and these payment challengers



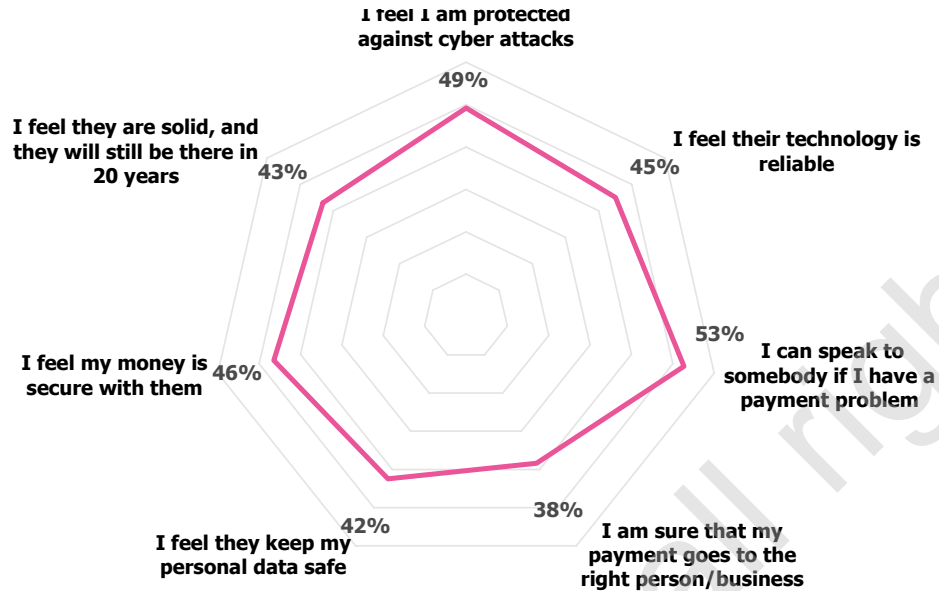
- The adoption of digital/app/mobile first providers are how Millennials and GenZ are building their financial portfolios. They are participating in a very different banking experience that creates a new benchmark for approach to product pricing and customer service.
- The youngsters are open to work with big tech and high street banks at the same time. It is an interesting mix that gives high street banks leverage to extend their business, once this generation has more sophisticated financial needs growing older
- The older generation is generally sticks with one type of FSP. If they mix the type of FSP it is more likely to be with other online financial services provider. In general, this generation does not mix up the type of FSP as much as the other generations

# Banks have the biggest competitive advantages in terms of trust

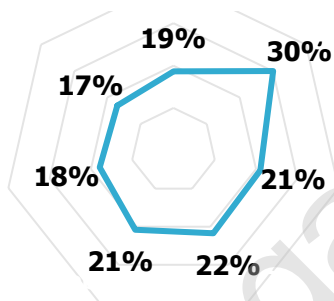
Other players still have work to do to build trust, notably on security issues

What makes you **trust** your financial service provider when it comes to using their payment services (cards, wallets etc)?

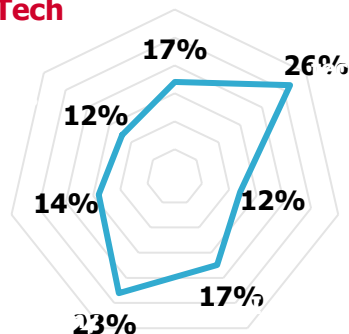
## BANKS



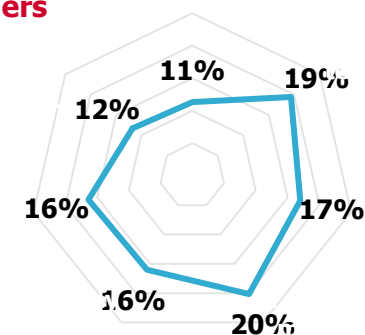
## Neobanks /PSP



## Big Tech



## Retailers



## ESTABLISHED TRUST MODEL – BIG ADDED VALUE

- Customers trust banks holistically for many reasons, and in particular for personal contact and economic stability.
- The latter are the two areas where the other players are less trusted.
- The competitive advantage of trust appears to be underexploited by banks today: customer awareness is high, and while they often complain about cost, they will always return to established banks for complex financial needs .

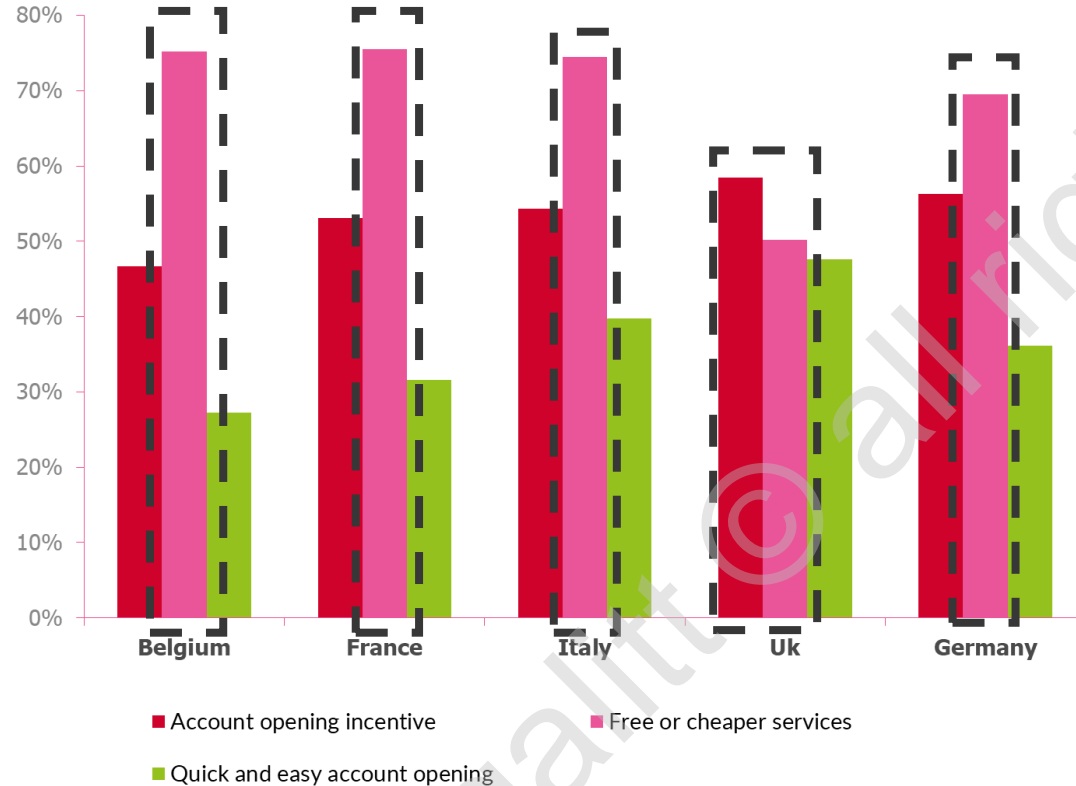
# But the perception that Neobanks/PSP and Big Tech are 'free' is very motivating.

Consequently, this is a legacy all payment providers will have to live with

Which services or incentives would motivate you to open a financial account with a new financial services provider such as a Neo Bank / Challenger Bank, a fintech or a Big Tech company? Top 3 most important.



**Zoom on financial incentives**



**CONSUMER EXPECTATION ARE SET**

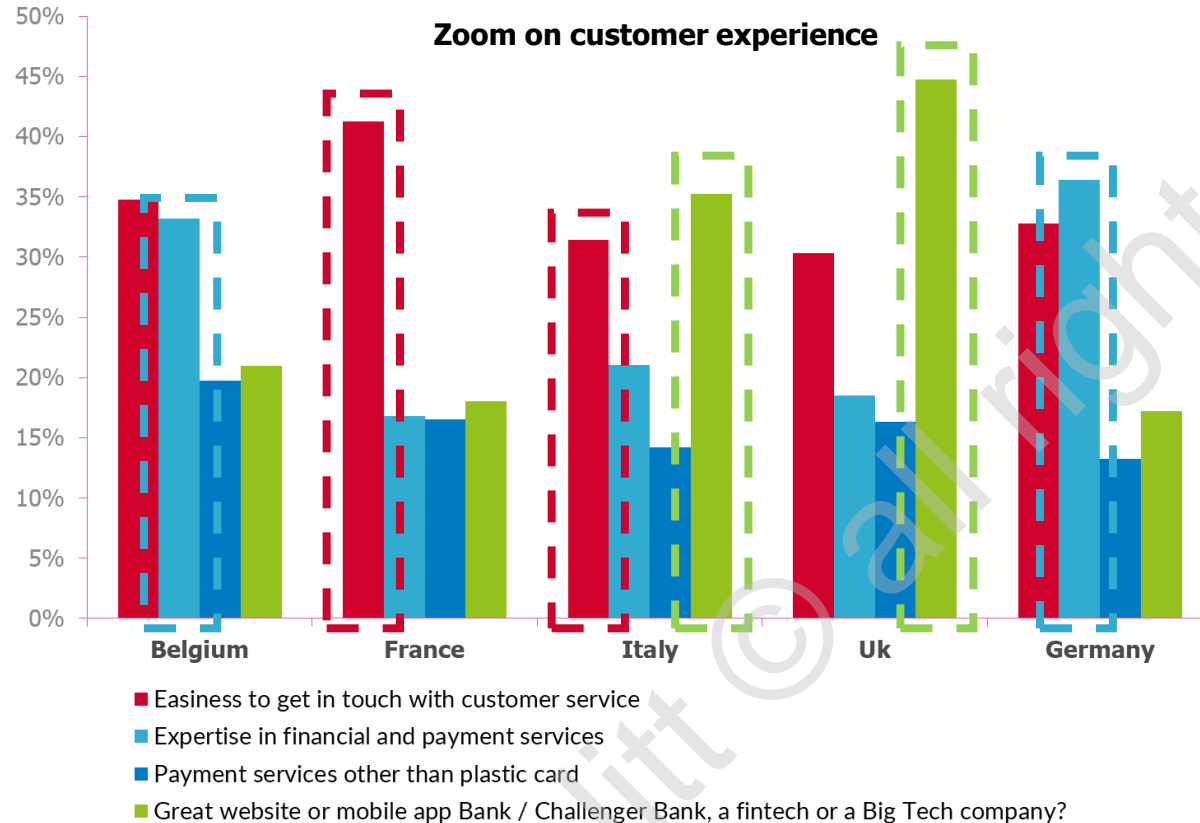
- **Expectations about free and democratic access were set by the internet** – with Gen Z especially was born into this mindset.
- The perception (reality?) is that FinTechs were created based on a different model than 'banks' – e.g. no staff, no buildings, no paper, no terminals – so the 'costs' are significantly lower allowing for 'free' services to consumer
- With growing and diverse competition the **consumer is in control** (real or perceived)
  - ✓ ....And, they want to **be rewarded for their loyalty**
  - ✓ ....And, getting it for free is their **new normal**

# New payment challengers have created THE ultimate link between great tech and customer service

Creating a motivation around not having to interact with humans to solve problems



Which services or incentives would motivate you to open a financial account with a new financial services provider such as a Neo Bank / PSP or a Big Tech company? Top 3 most important.



**EASE to get in touch is the strong motivator in most countries**  
 No one ever wants to need to use Customer Service – it means you have a problem. If barriers are removed, and problems can be solved seamlessly, then human interaction is not needed and the easiness to get in touch becomes irrelevant. This is what we see in the UK and Italy.

**Great Interface is linked to 'ease' and 'service' reality**  
 It's not customer service that makes the difference, it's the EASE of use...and sometimes this via the digital interface GenZ would prefer to autonomously solve their problems – and this would be done through great APP (not website) – customer service being augmented with (replaced by) self-service

**Expertise is about relevance to me**  
 There are cultural differences – Germany culture requires expertise even if it's outside your specific services, Belgium is a mature payments market so high expectations But overall the new payment players narrowcasts their services, and therefore consumers don't need to be knowledgeable about a range of services that they don't need (e.g. mortgage)

# Deterrents are based on real or perceived stereotypes of financial service providers

....Onboarding processes are too long, slightly more so for banks who have more stringent compliance departments

Which of the following reasons would deter you from using the financial services providers listed below? Tick all that apply.

Biggest deterrent is based on experience that only associated with High Street banks....and that is possible to change.

Neobanks/Fintechs and Big Techs have not been able to convince consumers that they can provide customer support at the 'best in class' levels as High Street Banks. Consequently, this contributes to the lack of trust of these providers. Customers required a demonstration of real customer service, even if it's not human, and provide services that are resonate with humans.

## HIGH STREET BANK

### TOP 3

- 1. The onboarding process is too long: 26%**  
I feel the account opening process is to long (26%)
- 2. I feel they are not innovative enough 18%**  
I feel they are not innovative enough (18%)
- 3. I am afraid I won't be able to reach customer support: 18%**  
I am afraid I won't be able to reach customer support (18%)

## NEOBANKS / FINTECHS

### TOP 3

- 1. Have difficulty contacting customer service: 58%**  
I am afraid I won't be able to reach customer support (32%)  
I fear that I cannot live meet with the customer support (26%)
- 2. Lack of trust and feeling of money is not secure: 53%**  
I don't trust them (27%)  
I feel my money is not secure (26%)
- 3. Onboarding process is to long: 23%**

## BIG TECH

### TOP 3

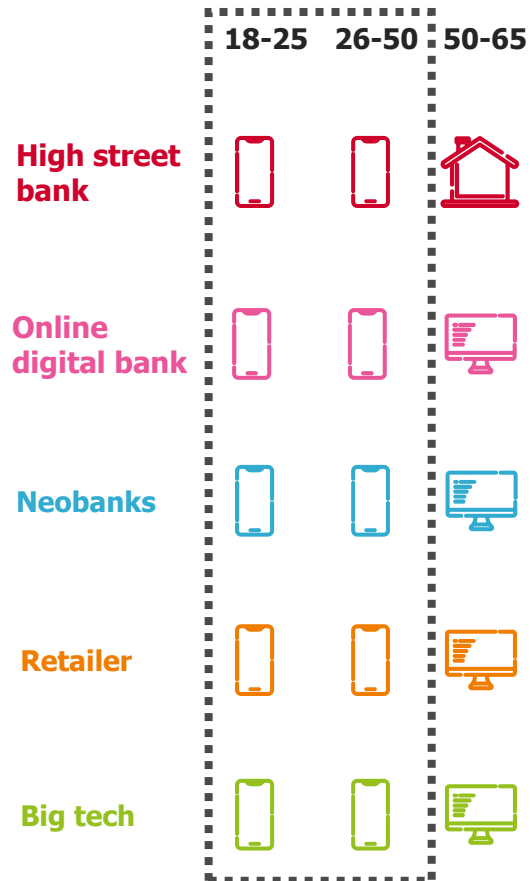
- 1. Lack of trust and feeling of money is not secure: 56%**  
I don't trust them (32%)  
I feel my money is not secure (24%)
- 2. Difficulty contacting customer service: 55%**  
I am afraid I won't be able to reach customer support (31%)  
I fear that I cannot live meet with the customer support (24%)
- 3. Not have financial product to fit my needs: 23%**

# All players need a mobile-first best in class customer interface

Smartphone is the preferred communications method for most consumers. Even bricks and mortar providers require excellent digital interfaces to maintain customer loyalty

What is your preferred communication method with your financial services provider?

## Top Choice by Age Group



### Human interaction is not a priority

There are fewer reasons to go into the bank. And if you do need a human, an appointment is required. The closing of branches (UK at the forefront) and the focus on digital interfaces have driven the preference for non-human and/or autonomous communications.

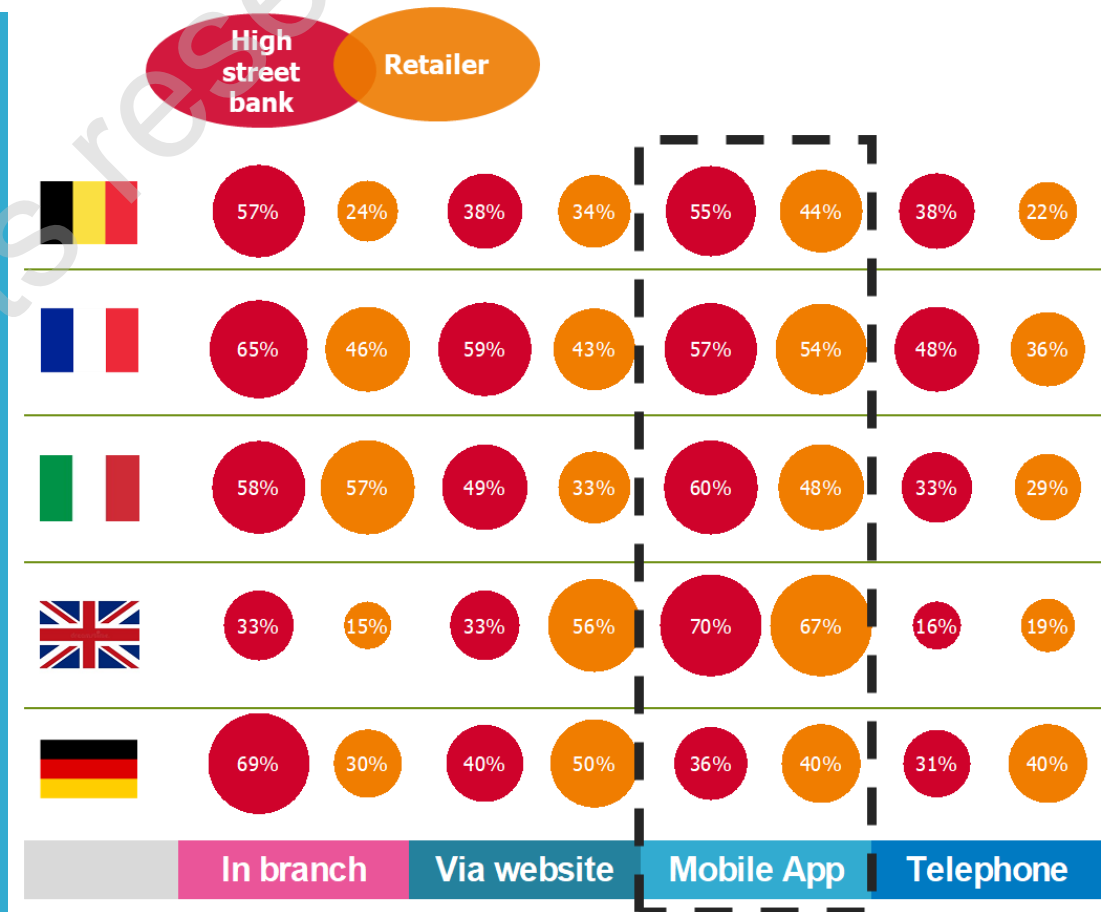
### ... but branches are still needed

The generation that grew up with physical banks and human interactions would like to maintain this service – almost feels like a privilege.

In France, Germany and Belgium, there is still a competitive advantage for bricks and mortar...geo locate your solutions.

### The App is used to manage finance and loyalty

Retailers advantage is played through excellent Apps that also help to drive and manage loyalty.... And amazing physical experiences. Buy physicality does not seem to be important for payments as consumers want payment choices, not tied to one retailer



Passion for payments

# 02 - Payment methods

# Plastic cards are the primary payment method @ Point of Sales

No radical change required or requested until smartphone experience is as easy



Rate paying with a plastic card while shopping in-store



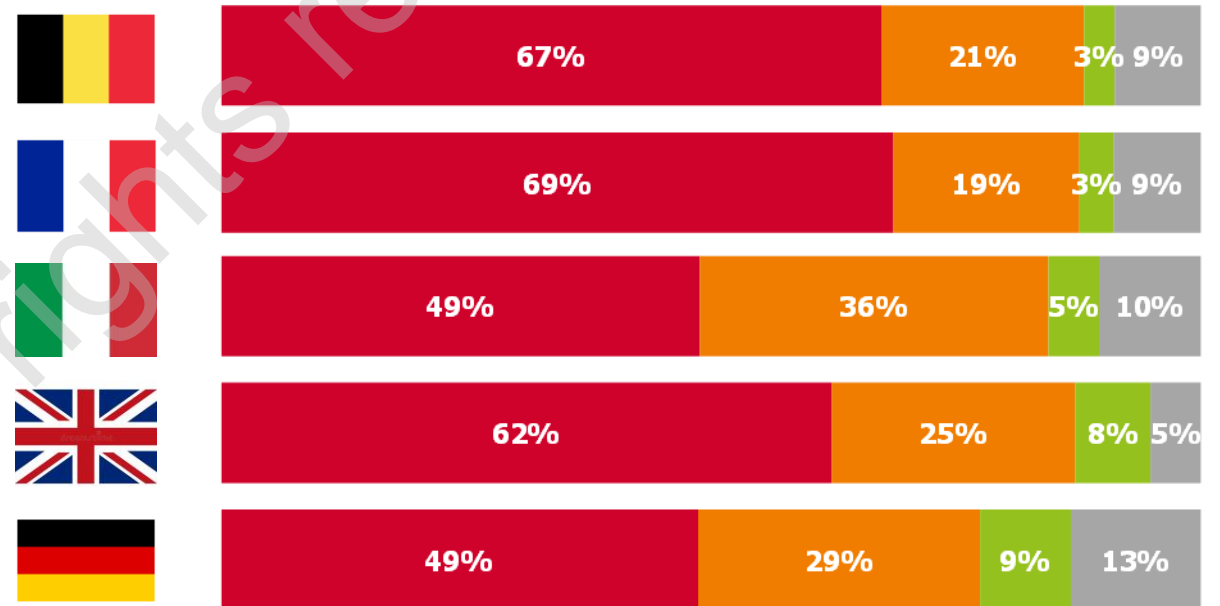
## Cards are liked

The service is just transactional, as very few incorporate ancillary services (e.g. Loyalty, digitized receipts, etc.)

Yet it is still considered simple, easy, secure, lightweight, don't need a battery, can use with mask

## Covid made cards and smartphones more popular

The future is contactless and cashless. But smartphones can't replace cards until the experience feels easier and the value elements are felt more significantly.



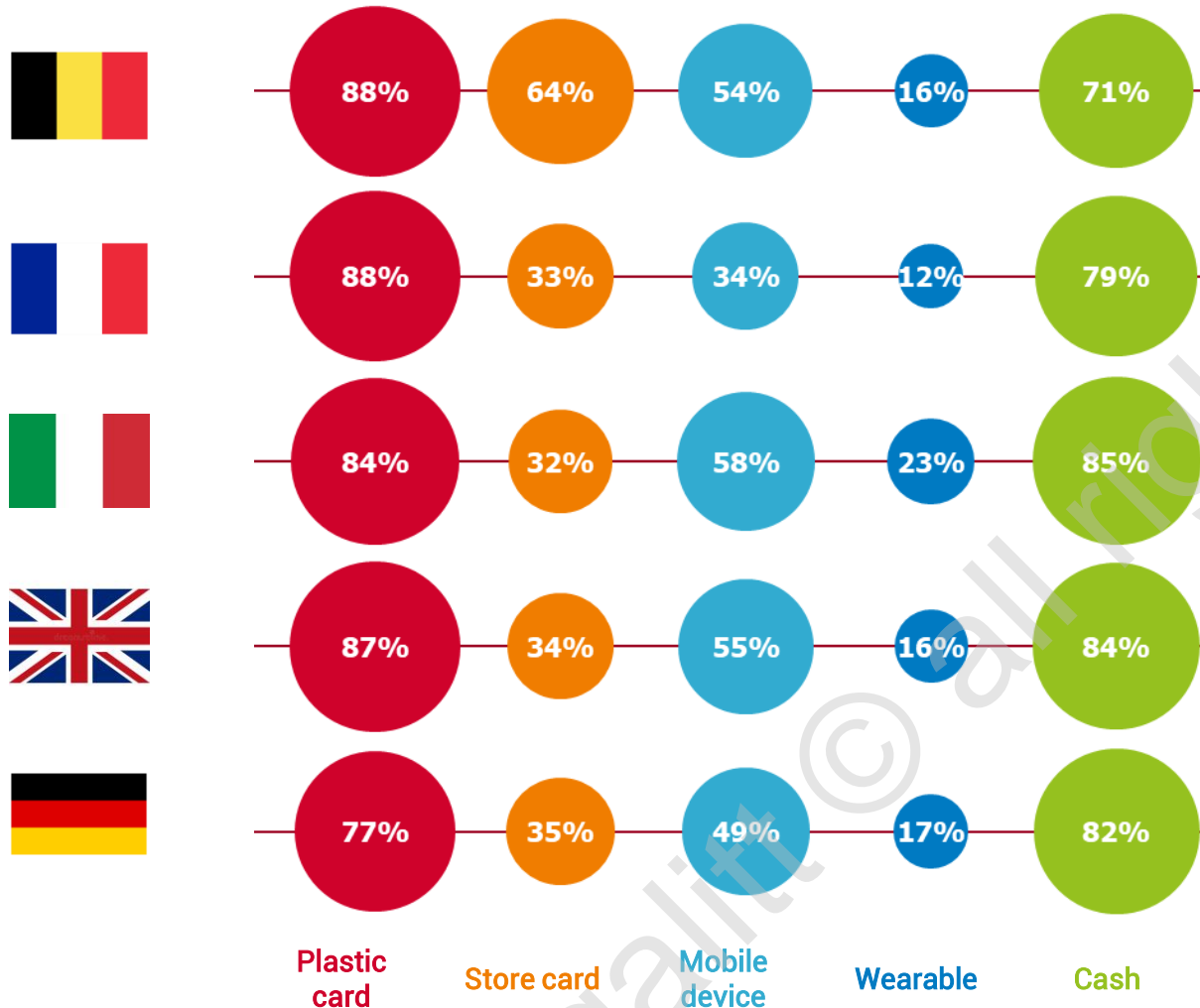
■ I use it all the time      ■ I have used it and liked the option  
■ I have used it and not liked the option      ■ I have never used it



# And as plastic cards works so well, alternative forms struggle to take off.

Only 1/3 of the French say they use and appreciate mobile devices for payment

Rate the following payment methods while shopping in store - Consumers that use it all the time + Consumers that use and like it



## Even buskers in London Tube take cards

Cards and Cash have not been replaced.

The key to payments is that consumers want to be able to use with ease and security any payment system at their disposal.

Options and customizable are still the leading requirements of consumers, regardless of market.

## Mobile payments should be welcomed by everyone

Every provider should be delivering best in class mobile and wearable experience.

Great way to reduce climate impact, but the consumer is engaged and increasing use with or without you.

With geolocation and payment together is it a data goldmine.

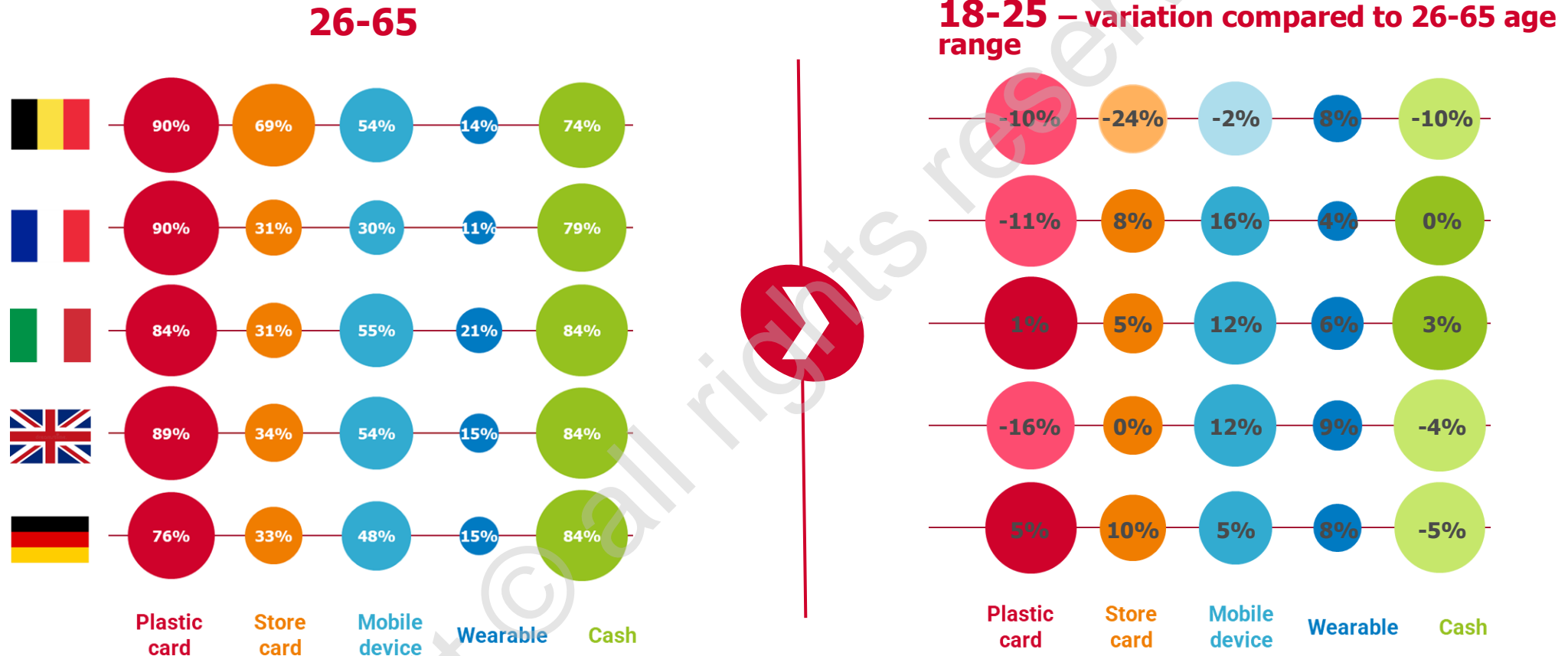
## CASH IS NOT REALLY KING ANYMORE

But definitely still a strong prince

# But this will change as Gen Z become older

With cards decreasing significantly (except in Germany), and cash as well (except in Italy)

Rate the following payment methods while shopping in-store?



- It comes with no surprise that the overall usage of plastic card is decreasing for the youngsters and the same is true for cash. Both options lose market share with the younger generation in favor of mobile devices and wearables
- While store cards is a generally popular in Belgium the younger generation favors wearables.

# Consumers are open to new payment methods

Especially if their usage is rewarded in tangible ways

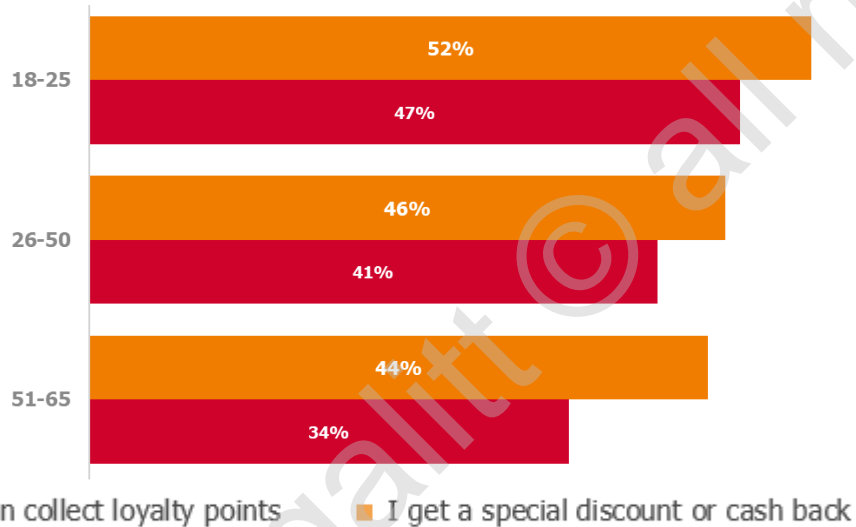
Cash incentives became the currency for attracting new customers – 10% first purchase, 0 fee, free transfers.

This permanently changed the attraction and recruitment model.

And, then we have added social media influence and action to how relationships can be played out – valued or destroyed.

With data still at our disposal, you can personalize rewards, and partner with where they save their money. Creating a virtuous circle of benefits – e.g. 10<sup>th</sup> time you use us to pay for your Uber, voucher for 11<sup>th</sup> ride, surprise and delight with a Uber Eats free delivery etc.

Due to lack of value of Gen Z, loyalty rewards should evolve to be based on frequency rather than just value.



At in-store or online checkout, what would convince you to use a new payment method or offer other than the one you typically use? Choose all that apply.

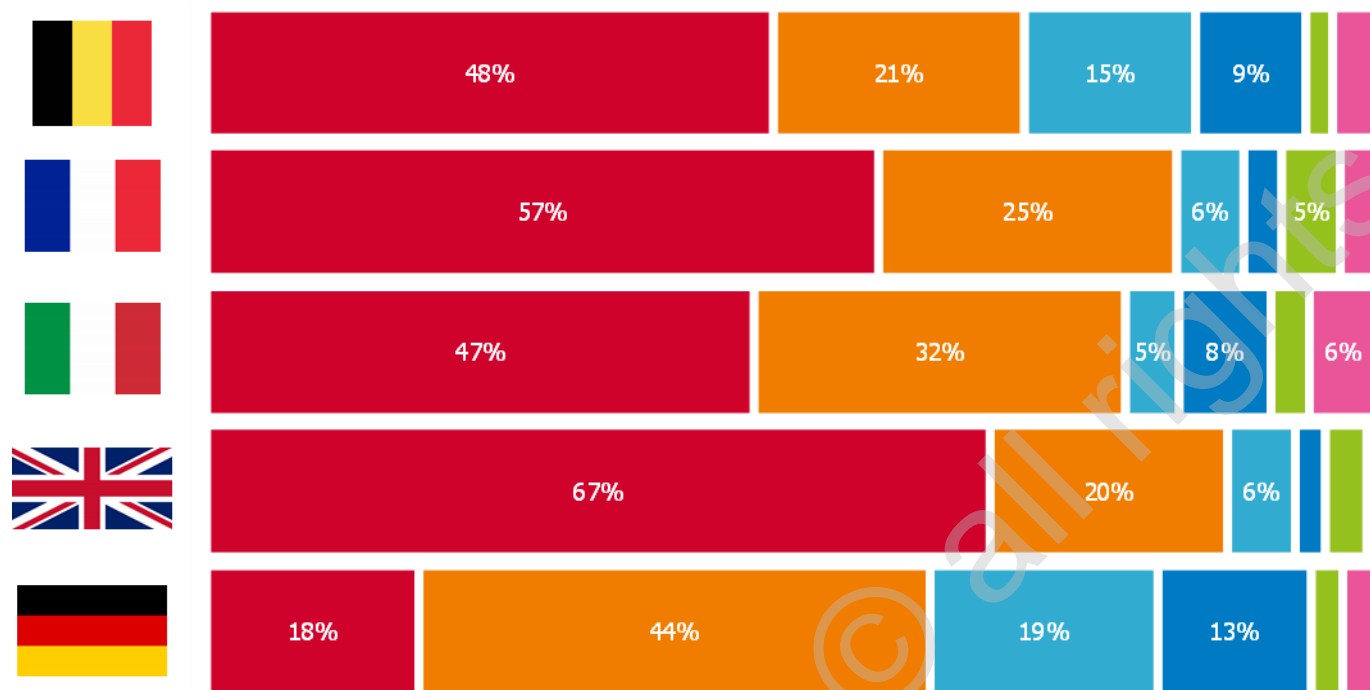


# 03 - Online Payments

# The set of payment option for online shopping needs to be relevant to consumers needs

....and their needs vary vastly per country

What is the most important payment option that you require when shopping online? Top Choice.



■ Debit or Credit Card

■ Payment with my wallet provider (Paypal, Apple Pay, Google Pay, ...)

■ Bank transfer

■ Payment upon / after delivery

■ Payment in instalments

■ Payment with Gift Card

Pan EU

## Debit or credit card

It's the preferred payment option for online shopping with the exception of Germany

48%

## Wallet provider

Germans like to pay with their wallet online twice as much as customers on other countries

28%

## Bank transfer

An option that is working for Germans and Belgians

10%

## Payment upon/after delivery

Preferably used by Germans, followed by Belgian and Italians

7%

## Gift card

3%

## Payment in instalments / buy now pay later

3%

Options that are for the moment a nice to have but will gain traction the future

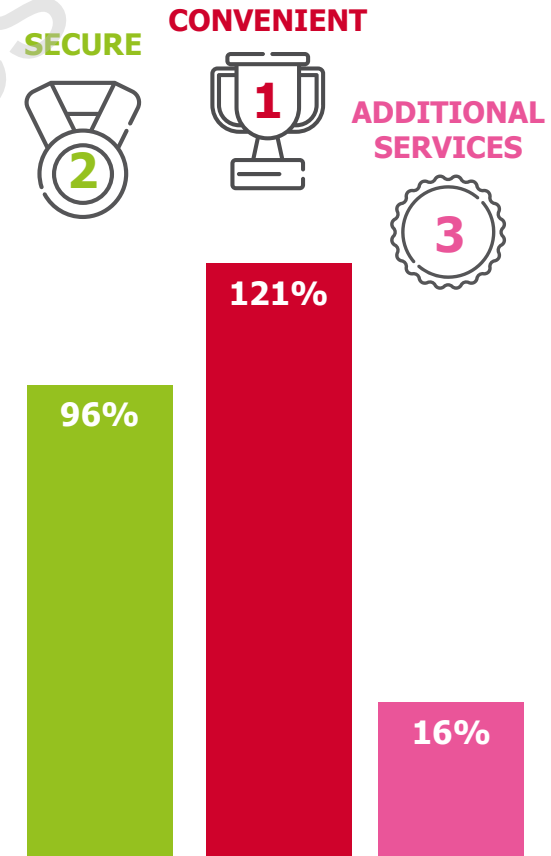
# The balance between security and convenience is difficult to achieve in e-commerce.

But convenience tops security



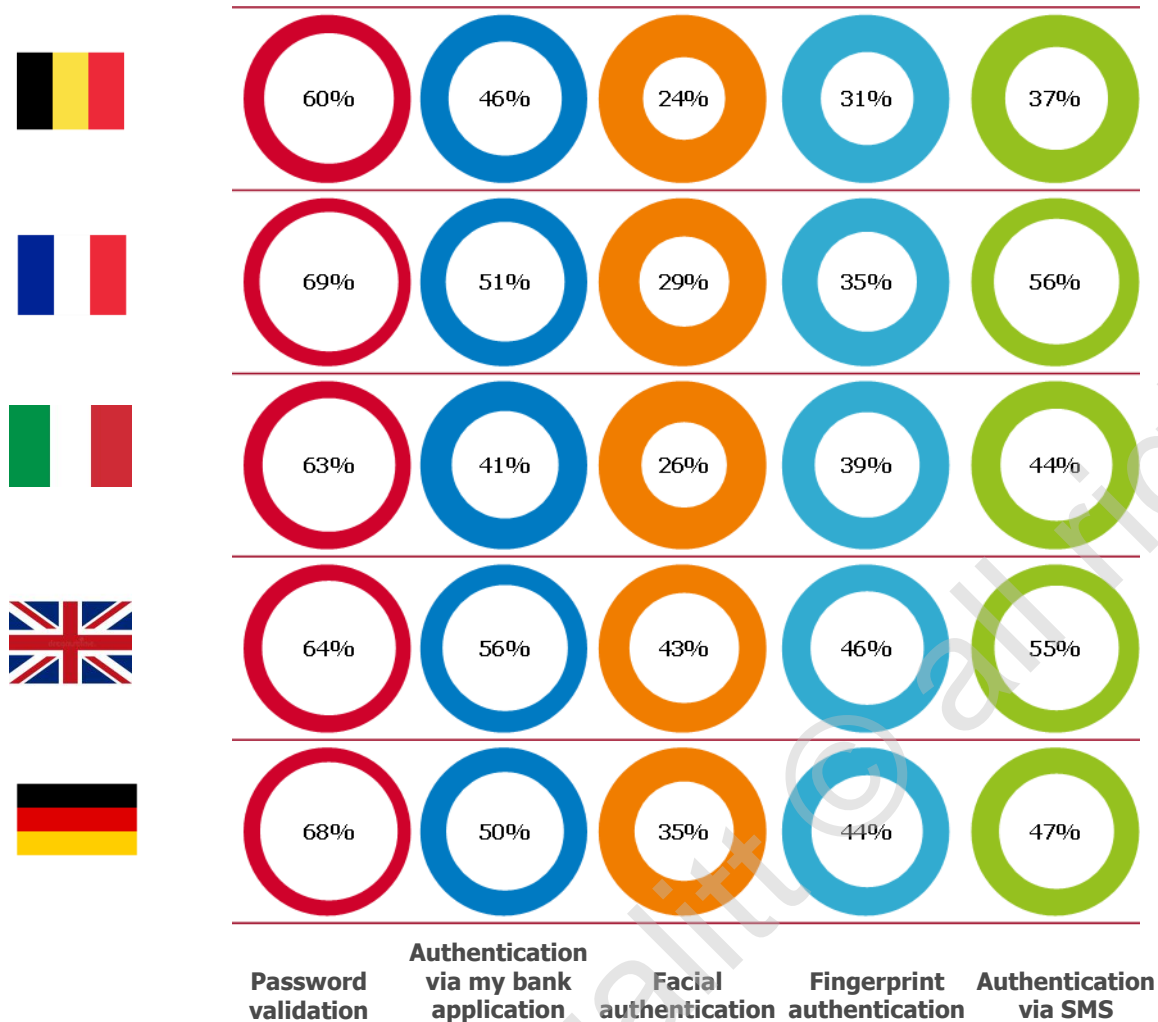
Despite a rumbling recession, global e-commerce growth accelerated in 2020, posting \$4.6 billion in transactions, a 19% increase over 2019. As a result of this growth, e-commerce penetration gained nearly three years, with total transactions increasing from 8% in 2019 to 10% in 2020.

In 2020, e-commerce grew at its fastest rate in five years as homebound consumers sought alternatives to physical stores forced to close their doors



# The right authentication is a priority for online shopping

But consumers want options that are convenient (and relevant)



- Authentication is critical to protecting consumers and at the same time increasing the ease of the transaction they want to make.
- Every provider (regardless of the service) needs to have a digital authentication plan. One that is built to adapt with changes in tech and the adaptability of fraudsters.

Multi-Factor Authentication – using who you are (face), what you know (passwords), and things only you have (e.g. ID card) – is becoming the norm in business applications (e.g. Salesforce moved to this globally in March 2022)

- Customers have different levels of comfort and requirements. So, a baseline of secure authentication is required, but with customisable elements.

*How do you describe the following validation processes when purchasing online? Figures are those consumers that indicated that they feel reassured.*

# So in order to convert the online cart, payment needs to be fast and secure in all geographies

.... fewer clicks, payment preference is available or already captured.

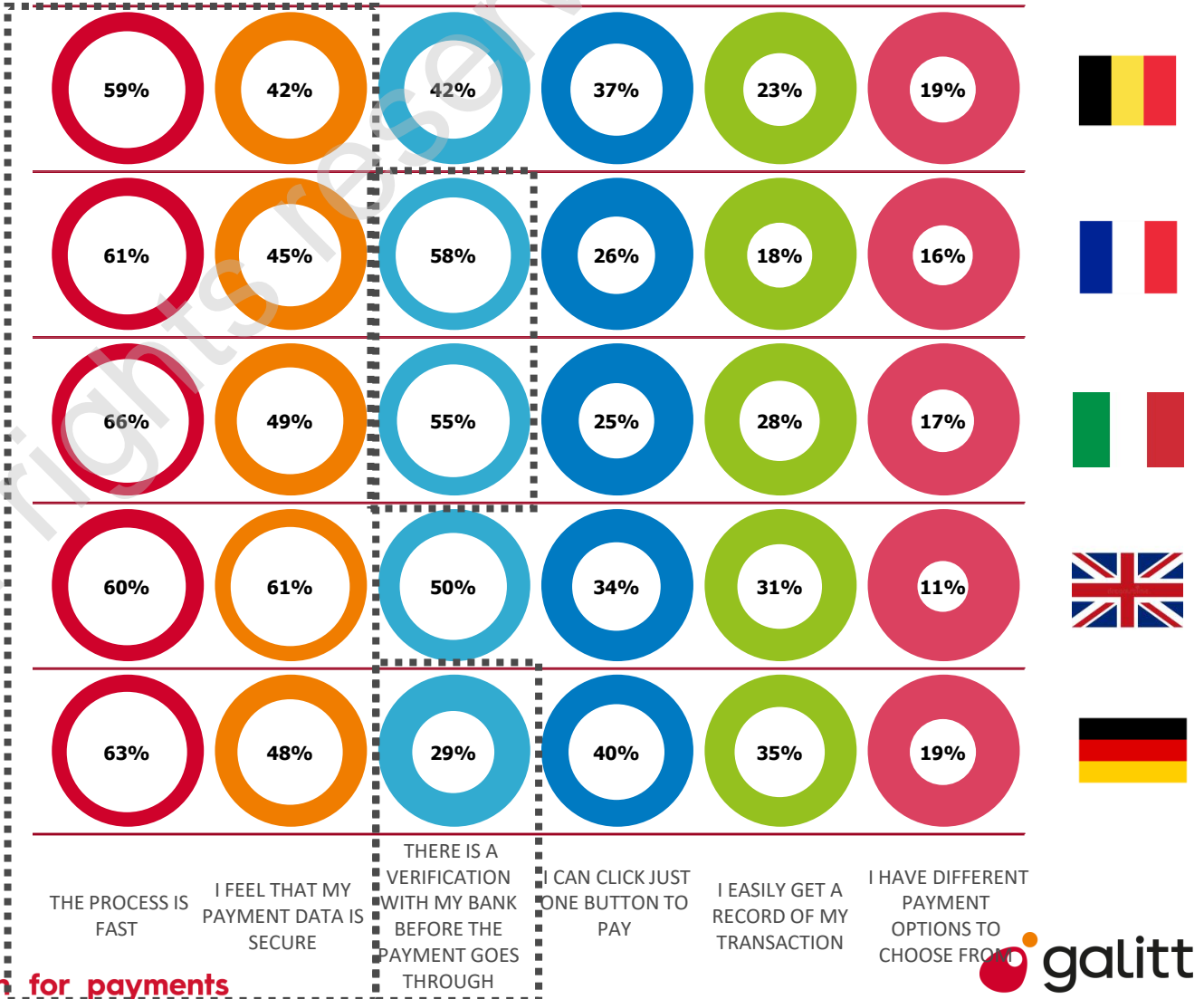
Regardless of most countries, EASE is the driver for completing the purchase. It's a combination of many individual factors – payment option available, do I have the app, is my data secure, is the transaction safe and seamless?

But process speed isn't just about the speed of your internet, connection, data flow. Speed also means that my preferred payment option is available (e.g. I wanted to use PayPal, but now I have to go to the kitchen to get my credit card out of my wallet)

And this is linked to consumers feeling their payment data is secure – either in being housed on a site or when they input it there is adequate and relevant authentication.

The verification process through the bank is critical in France (58%) and Italy (55%) but not at all in Germany (29%)

Among the list below, what are the most important elements when you make a payment online? Top three.



Passion for payments



# A large number of customers has already abandoned an online purchase if a specific payment option is not available

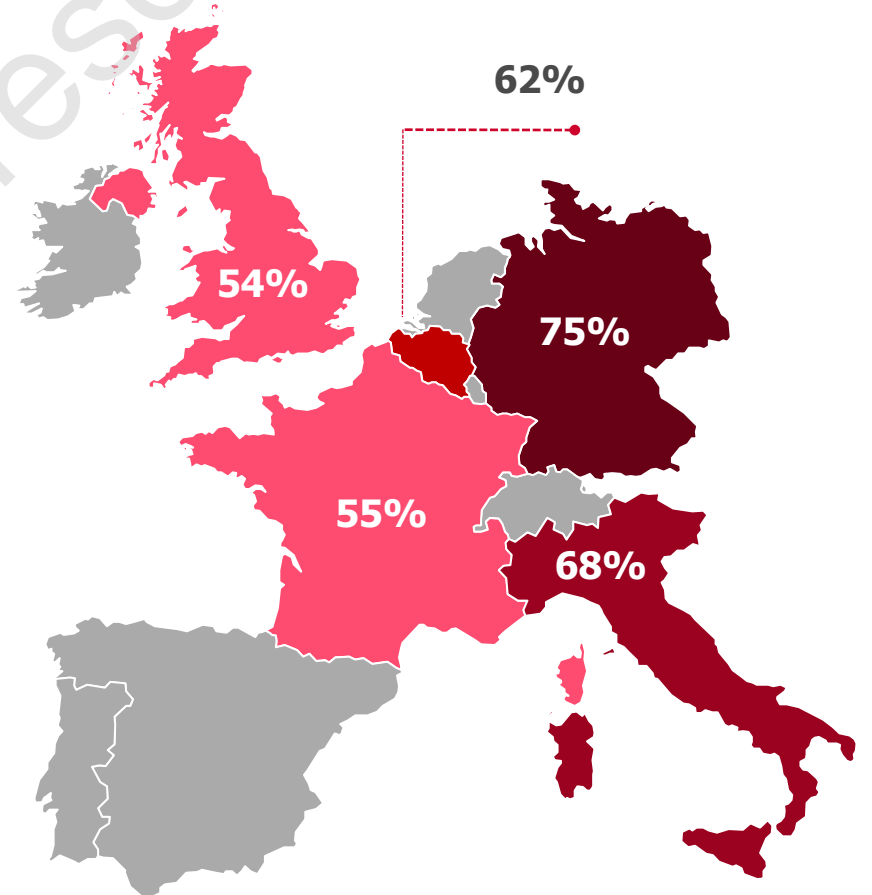
This is particularly true in Germany and Italy, and for the Gen Z



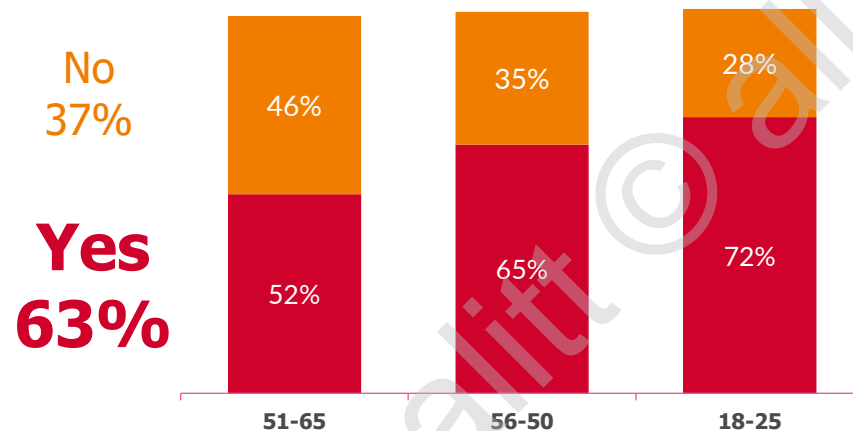
A large majority of customers has already abandoned a purchase, and in particularly true in Germany and Italy, indicating that online payment customer journey is ripe for improvement.

The younger the customer, the more volatile: younger customer tend to abandon they online purchases quicker than the older generations. Customers become increasingly demanding when it comes to the customer payment journey.

*Those consumers that have abandoned their cart when shopping online if a specific payment option was not generally available?*



*Have you ever abandoned your cart when shopping online if a specific payment option that you use generally is not available?*



**No**  
37%

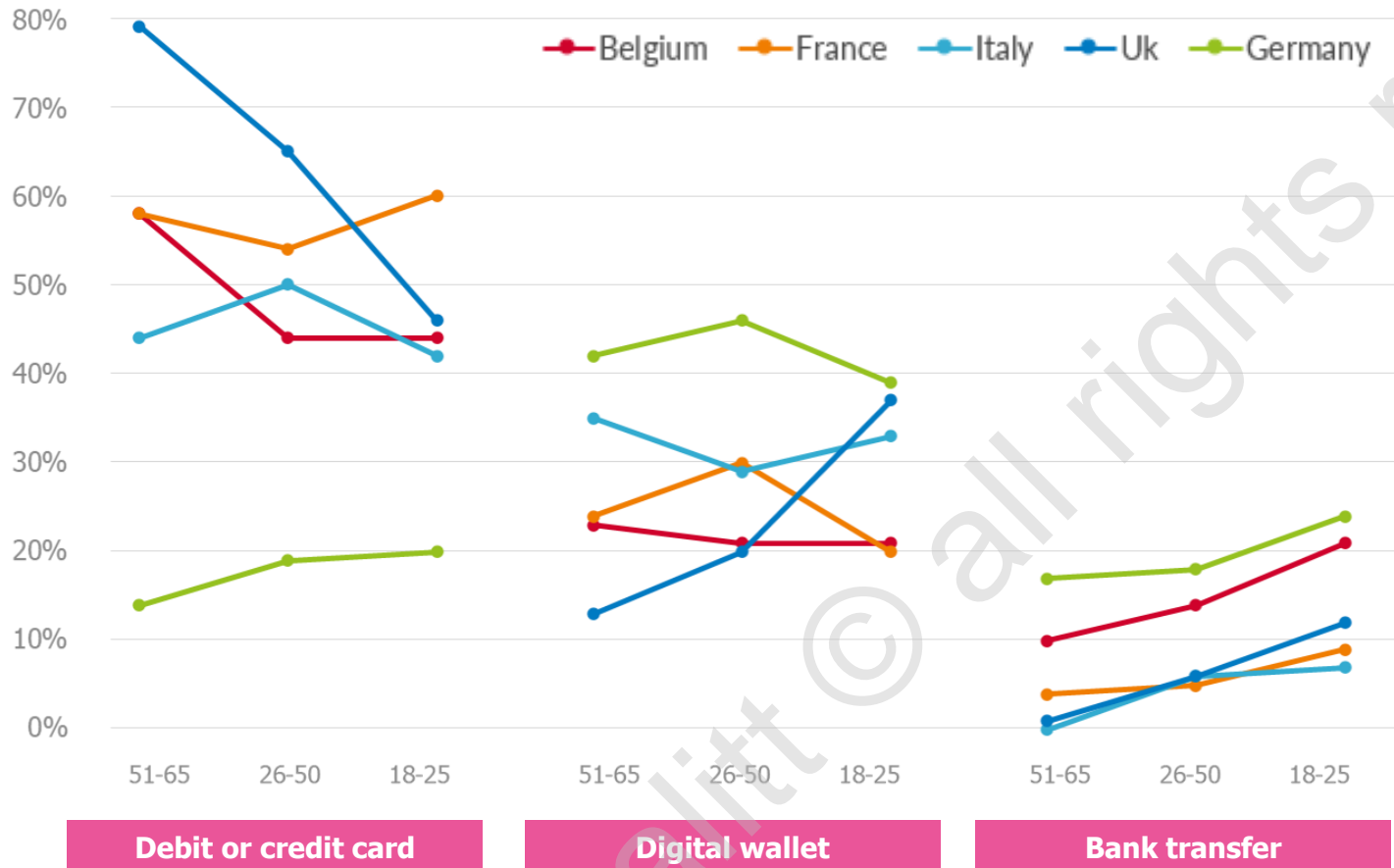
**Yes**  
63%

Passion for payments

# Preferred options differ by types of customer

So segmenting options based on who is the customer is important

What is the most important payment option that you require when shopping online? Top Choice.

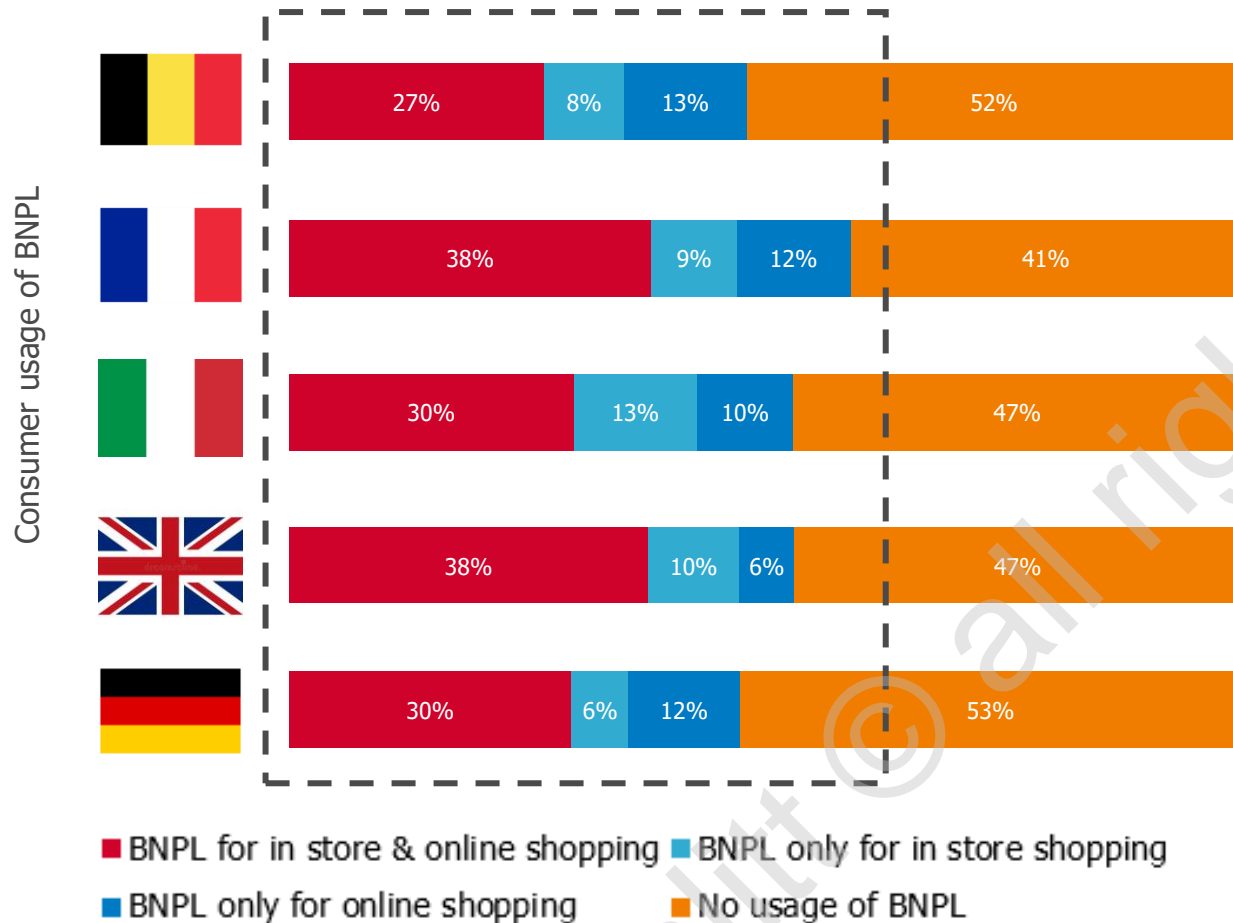


- The goal for providers and retailers is to maximize the shopping cart AND make sure it is purchased. With all other parts of the experience equal, at the last hurdle you can lose a sale because the payment type option 'I' want is not available.
- Lifestage plays a crucial part in fiscal product availability – we buy gift cards for our parents because we have no idea what to buy them, kids use bank transfers because they do not have credit cards, digital wallets can require credit cards....and with Covid driving online and contactless purchases you can see this large scales usage...and permanent change.

# 04 - Innovations

# BNPL resurgence during pandemic with over 50% up-take

But this has increased risks and therefore regulation

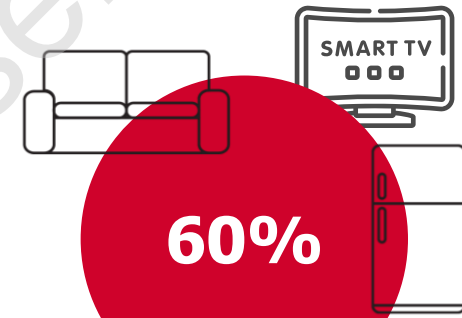


- There is an overall positive user experience with BNPL options, with a majority of consumers using regularly and liking it.
- **6 out of 10 Europeans use payment facilitators to pay later or pay in instalments, proving a promising market for FSP**
- Despite of a majority of customers not having used this option, there seems to be an overall awareness of this payment method
- The UK market, traditionally a keen user of this option, has recently seen FCA crack down on BNPL companies. British consumers increasingly experienced issues paying back debt they had accumulated throughout the pandemic. The BNPL schemes in the UK have hence taken a hit in consumer popularity.
- BNPL providers may run a hard credit check, which may affect a consumer's credit score – a big topic in the UK. In addition BNPL doesn't offer the same level of protection on spending that credit cards provide
  - Buy Now Pay Later options are equally unpopular in general and for online payments, customers stating the same preferences for both categories.
  - However, those who have used the option, also seem to like it. Few customers state that they have used it and not liked it

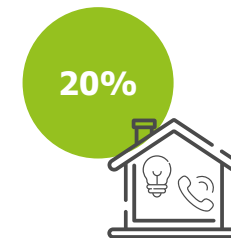
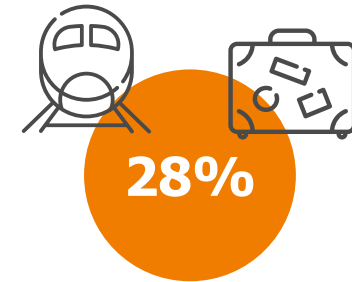
# BNPL is used by those with higher levels of income

And to buy high value ticket items

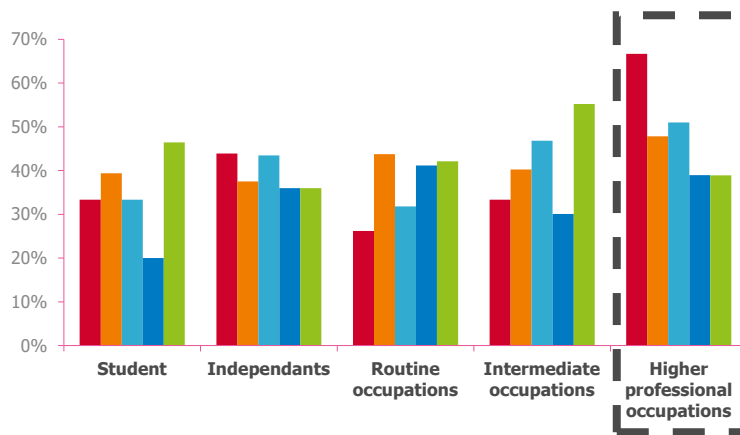
Contrary to intuition that this service is for consumers without a strong case or investment profile, our results indicate that BNPL is a very intelligent & cost effective way to manage cash flow off and on-line.



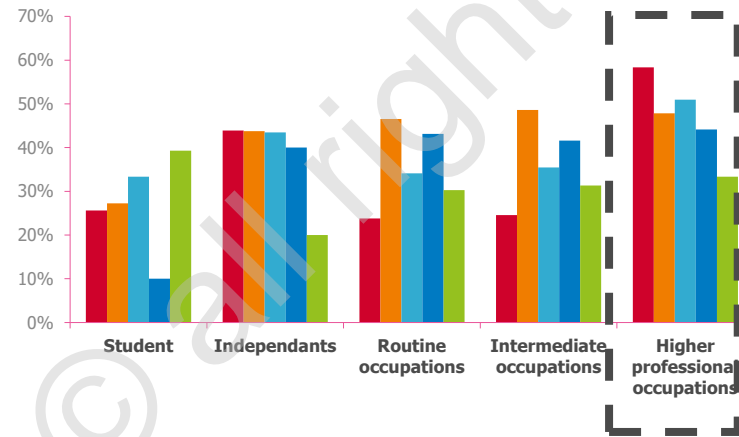
**TYPES OF GOODS CONSUMER FIND BNPL USEFUL FOR**



## BNPL FOR ONLINE SHOPPING



## BNPL FOR IN STORE SHOPPING

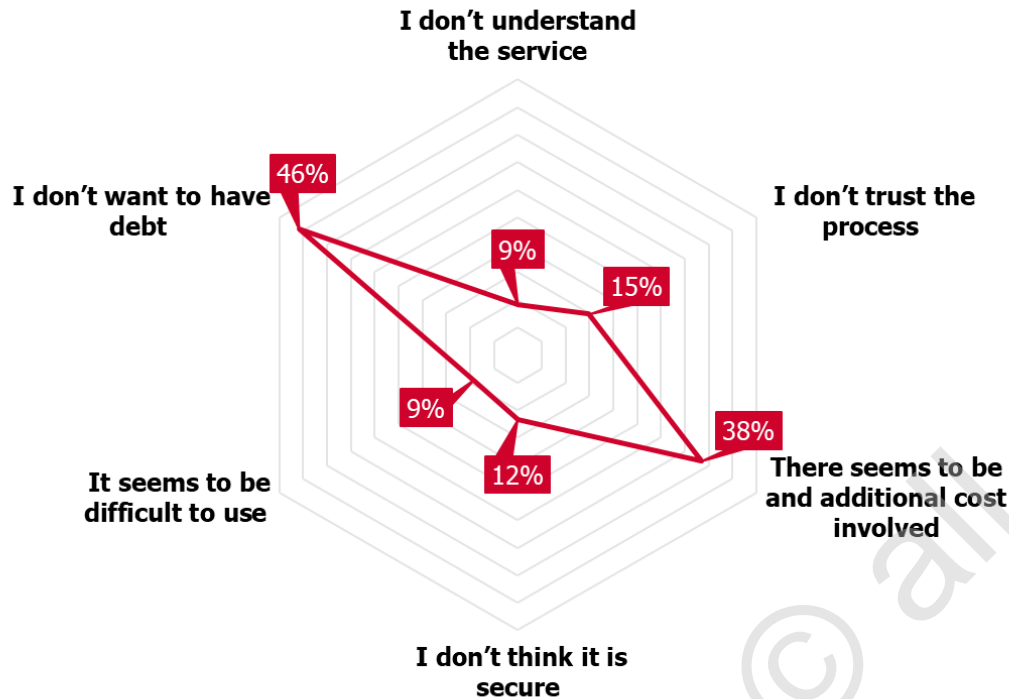


■ Belgium ■ France ■ Italy ■ Uk ■ Germany

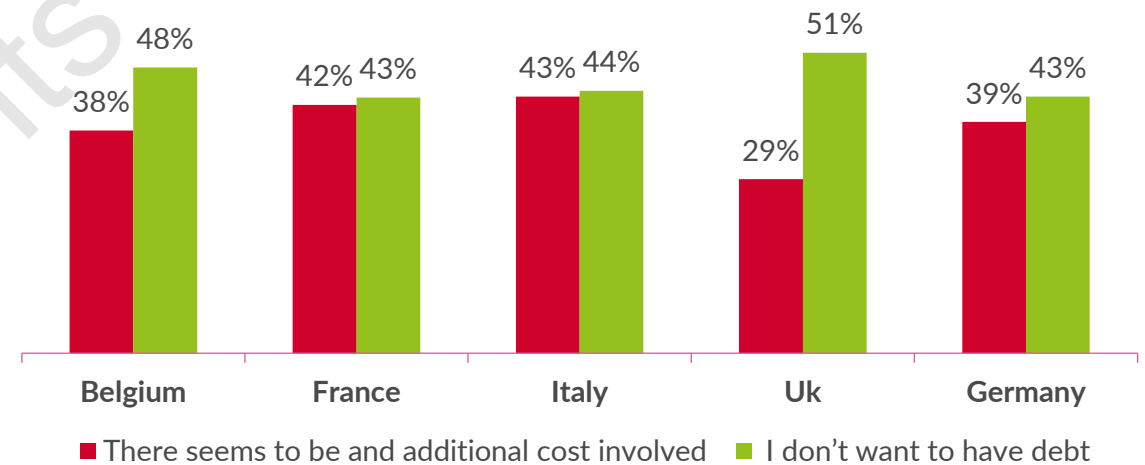
# BNPL feels like debt, not a payment method

They need transparency about costs, and advice about repayment

When presented with the option to Buy Now or Pay Later in full or in instalments, what would deter you from taking this option? (choose all that apply)



A majority of consumers fear debt and associated cost when it comes to BNPL. This is even true in the UK, which is traditionally a market for consumer credit. It shows a certain maturity of consumers when it comes to their reflection around buying on credit



BNPL is a consumer credit product repackaged in a different way, and banks bring their natural competitive advantage to the table in terms of regulatory compliance and their incomparable credit-decisioning models

By making their consumer financing programs more accessible at the point of sale (mostly utility bills at this stage and similar trusted regular bills), banks can tap into the growing demand by merchants and consumers for responsible but fair BNPL financing.

# Instant Payment : Immediacy is the option consumers want

Especially versus the classic two days bank transfers

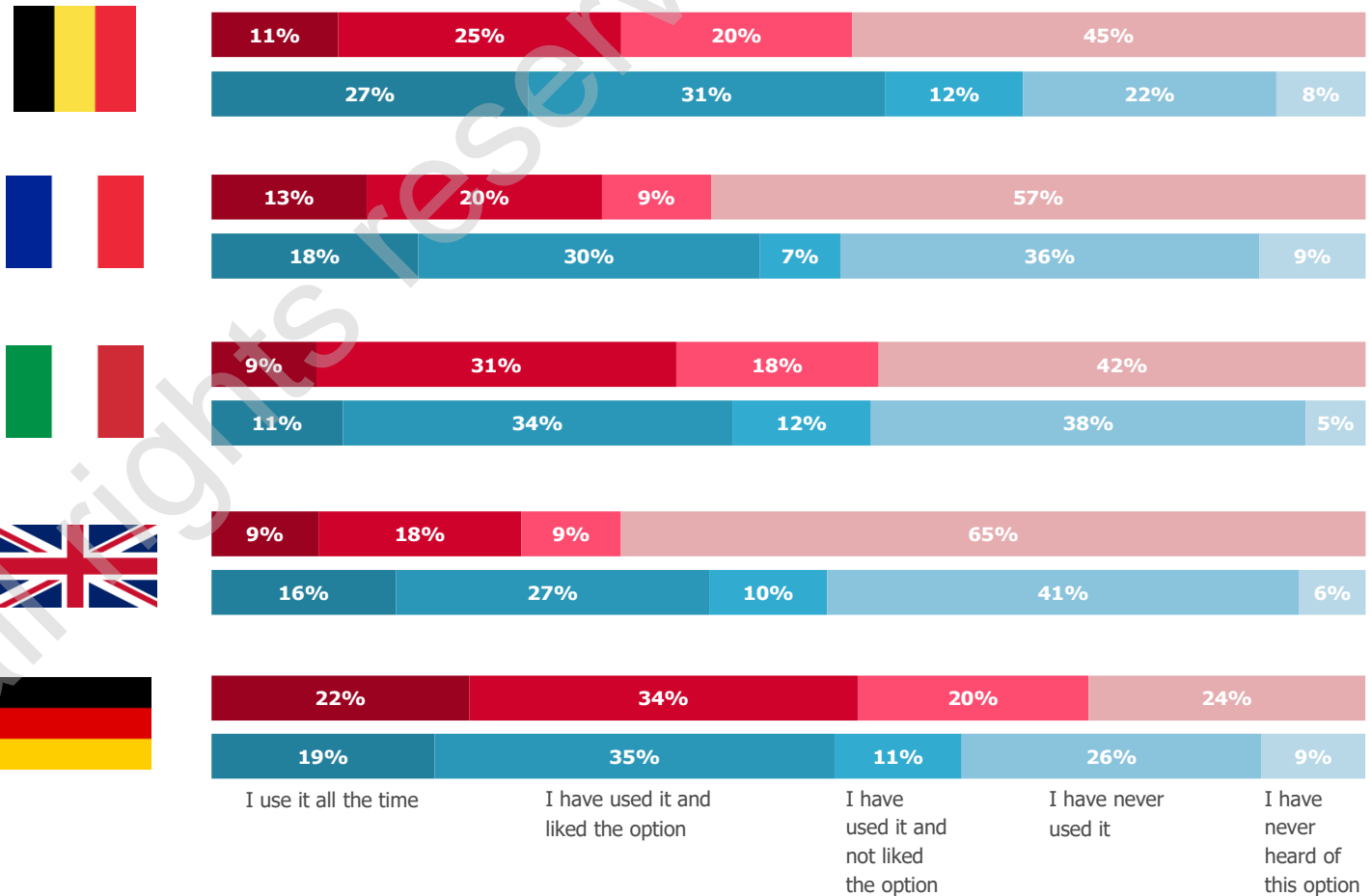
For customers, Instant payments are or should be free and instant versus the time and money required for transfers – so of course they are preferred.

Bank transfers are an unpopular method for online payments in the UK and in France, where online payments by card are very popular. The clearing delay may affect the customer's credit rating or triggering debt collectors, making it an unpopular option

On the contrary, German customers are rather keen on bank transfers, both instant and traditional. German online consumers use a wide range of payment methods, however, appreciate efficiency and punctuality in delivery. Banking transfers have been used for a long time and proven to be reliable payment methods

Belgium has a high proportion of users that pay online with instant bank transfer. For all countries, IP is preferred for online shopping compared to normal bank transfer

Rate the following payment methods (Classic vs Instant Transfer) while shopping online or directly to pay someone?



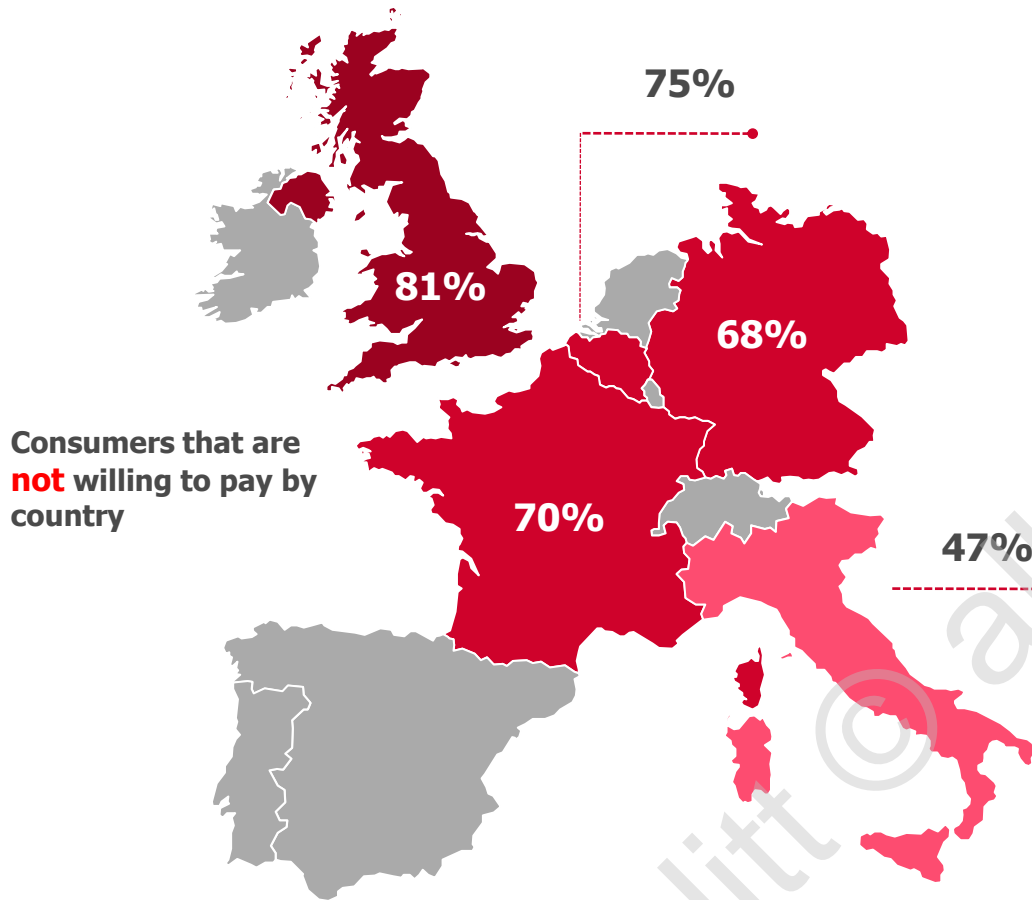
**PAY WITH A BANK TRANSFER WITHIN 2/3 DAYS ON MY BANK WEBSITE OR APP**

VS

**PAY WITH A BANK TRANSFER INSTANTANEOUSLY ON MY BANK WEBSITE OR APP**

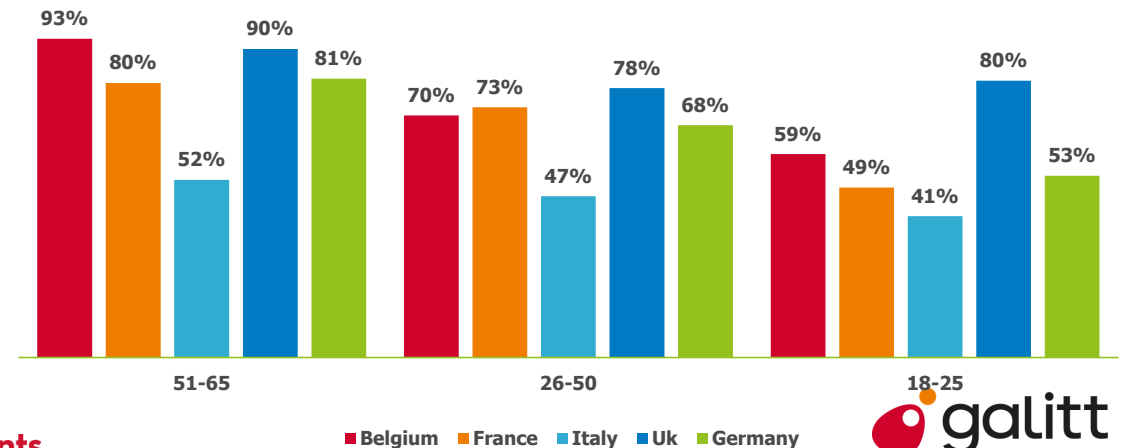
# Consumers are not willing to pay 'extra'

Only a small open door in less mature markets e.g. Italy.



- Free is the new normal
- Instant / Immediate is also the new normal
- Unless intervention is required and/or obvious, customers do not see the rationale for paying for payments.
- Build business models that make sense, create value for customer and provider, and make this service feel valued or be an added value – e.g. include in the package of products you have with your bank.
- Consider how to valorise this service for customers who are High Value Tickets.

Customers that are **NOT** willing to pay for IP by age

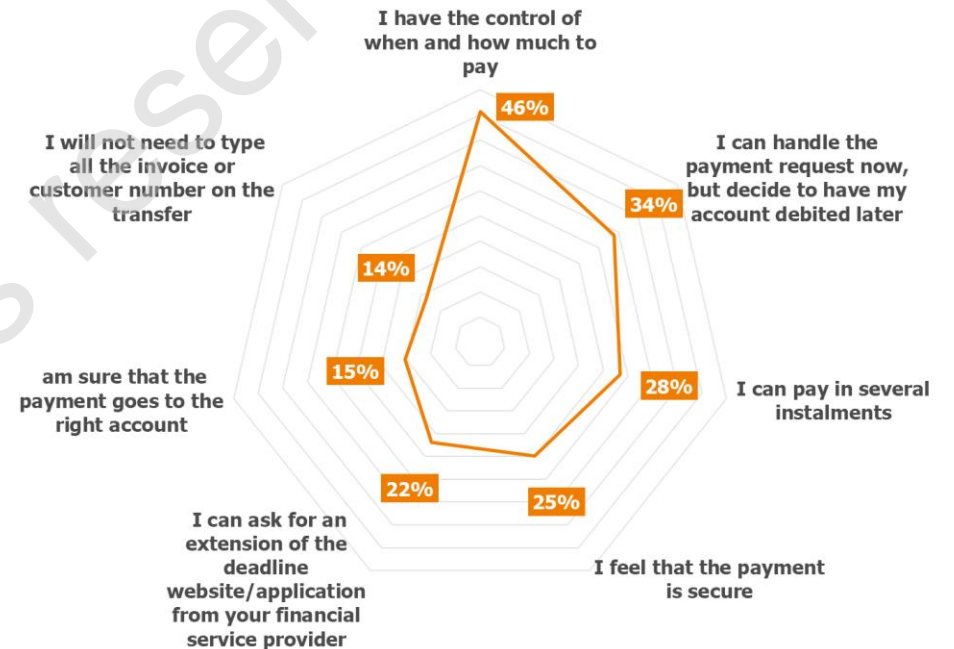
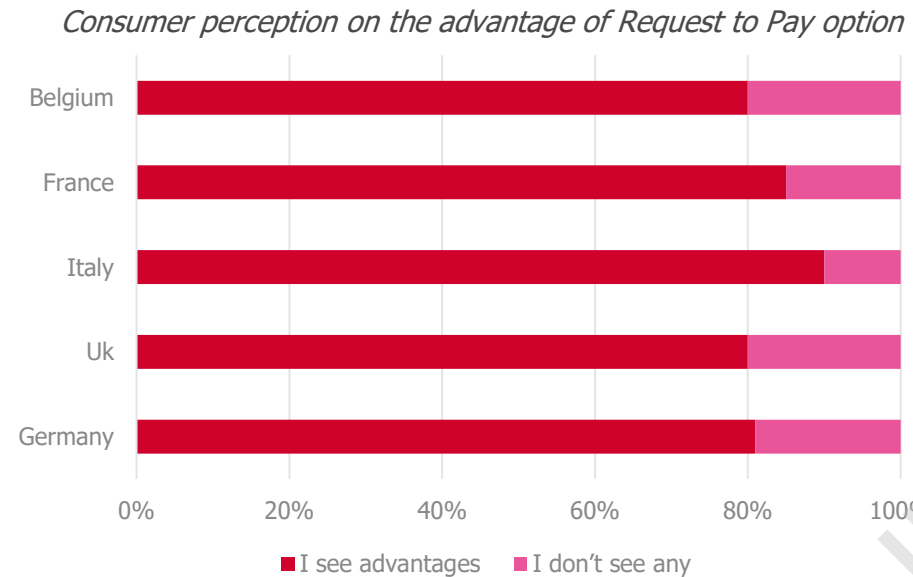




# Demand is high for Request to Pay : over 80% of the Europeans see only advantages

Allows them to manage the ever changing costs of certain services vs direct debit/standing order

Main advantages of RTP

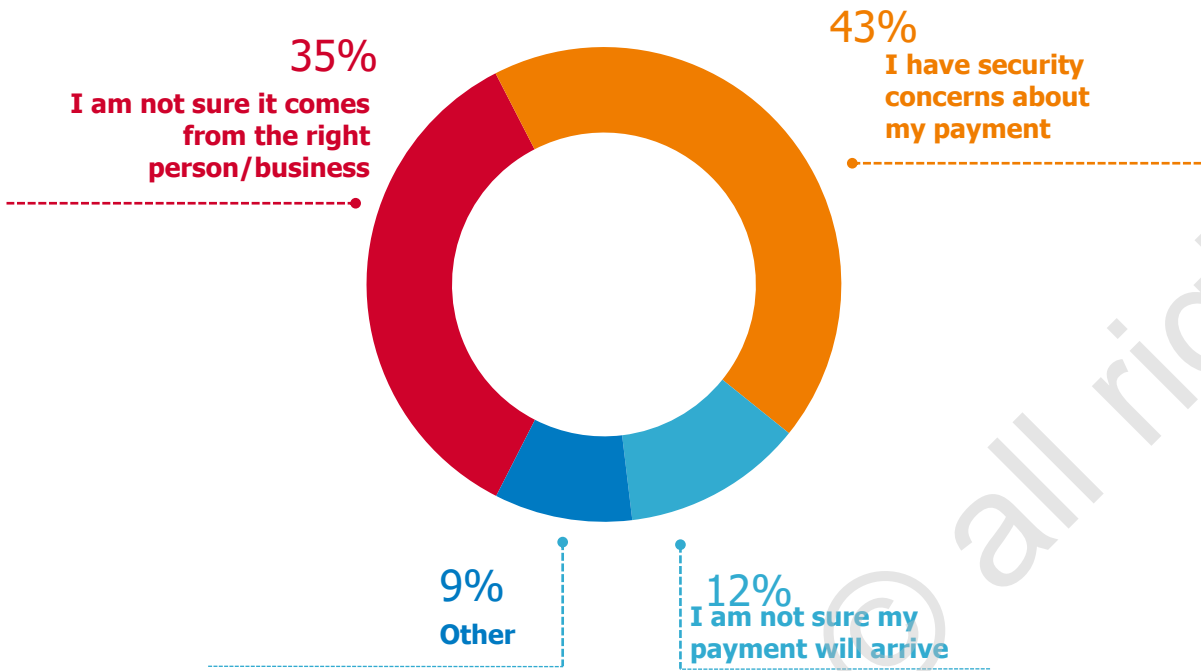


- Request to Pay is a new to the market for many. When explained to customers it has an overwhelmingly positive response in all markets
- If you consider the dramatic rise in costs associated with bills that may be directly debit to bank accounts, it's a service that gives not only control but also active management in how, how, when bills are paid. Perceived usefulness could be for timing reasons (decision on when to pay, deadline extensions, installments) or because they consider the concept as safe. On the other hand, we asked them if why they would not use it (i.e. not sure of the payment goes through).
- A majority of customers saw a potential use in this type of payment option, and specifically the young generation.

# But they want to ensure that the request is not phishing

Most are comfortable to use for utilities or people they know

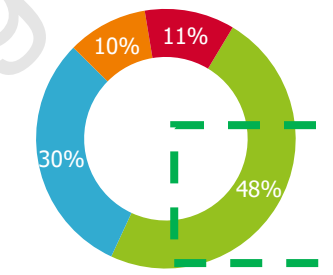
*What would make you uncomfortable to receive a payment request in a secure website/application*



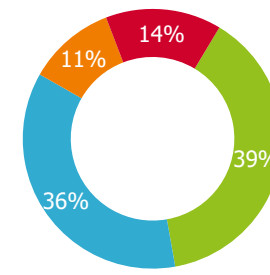
Security is the major concern when it comes to request to pay, both in terms of payment security and the person that is emitting the request. This is a question of the requester identification and process rather than the idea itself.

However, customers are reassured about the payment arriving, with very little differences between the countries

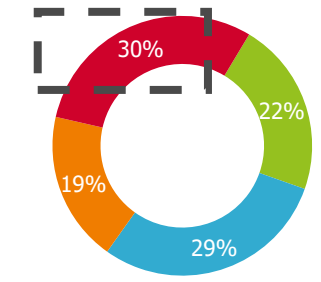
Customers feel comfortable or neutral about requests to pay **when they know the requester**, or when it comes from a recognized instance like a utility.



A UTILITY PROVIDER



SOMEONE I KNOW (MY FRIEND, MY REGULAR PLUMBER, ETC)



SOMEONE I DON'T KNOW (AN ELECTRICIAN I USE FOR THE FIRST TIME)

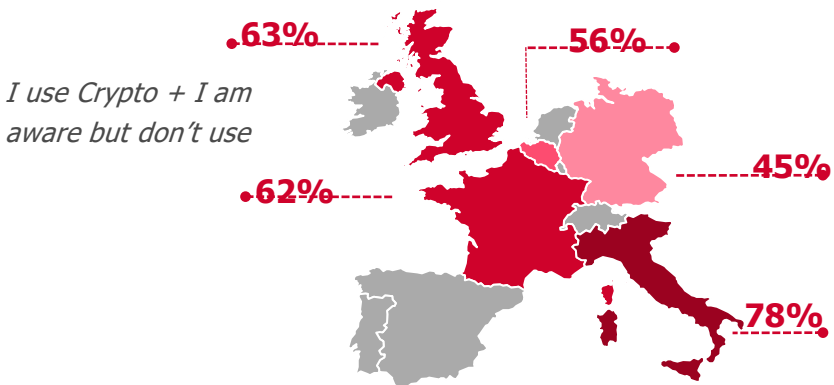
- Comfortable
- Neutral
- Uncomfortable but I would do it
- Not an option at all

# Awareness of Crypto is much higher than usage

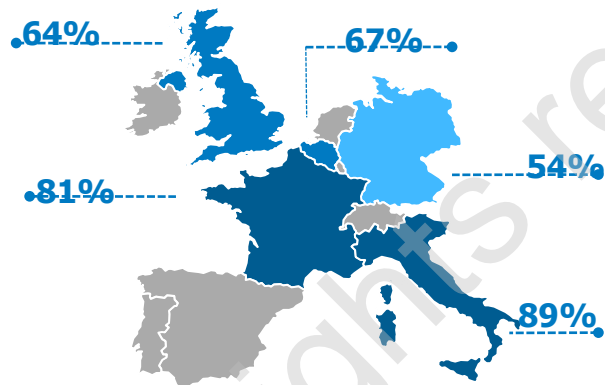
.....But uptake is still significant amongst Gen Z who are looking at Crypto as their future wealth generator.

Which of the following statements best describes your approach to cryptocurrencies? Please choose one answer.

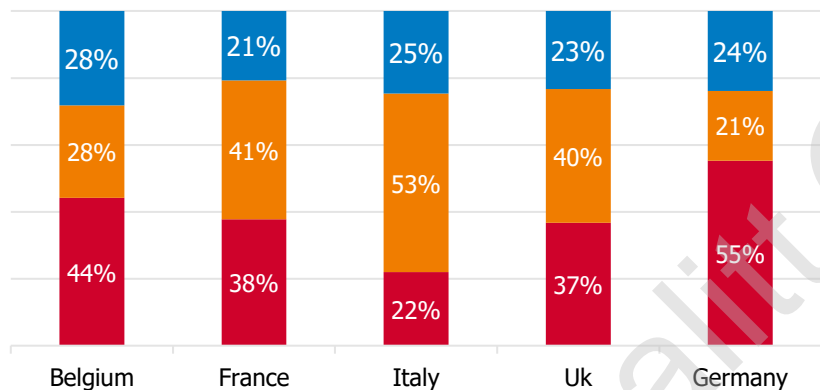
**Awareness all age groups**



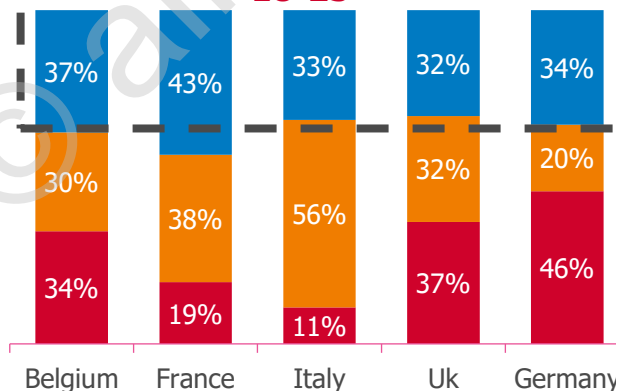
**Zoom on 18 - 25**



**Usage All ages**



**18-25**



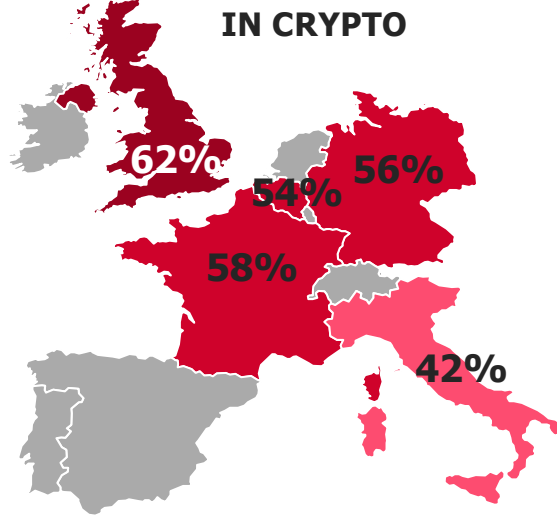
35 ■ I use Crypto ■ I am aware but I don't use them ■ I don't know anything about cryptocurrencies.

There is rather high awareness of crypto amongst consumers, especially in Italy. Beginning 2022, the Italian Ministry of Economy and Finance ("MEF") issued a new decree ("Decree") requiring that virtual asset/currency service providers to enroll special section of the register, with the aim of monitoring cryptocurrency exchanges and implementing anti-money laundering controls. This initiative has likely brought the subject on the media forefront

There is still a high proportion of consumers that don't know anything about crypto, especially in Germany and Belgium, however those are also the countries with the highest proportion of customers having bought crypto to try. Hence, we expect the number of consumers that want to try, to increase in these countries

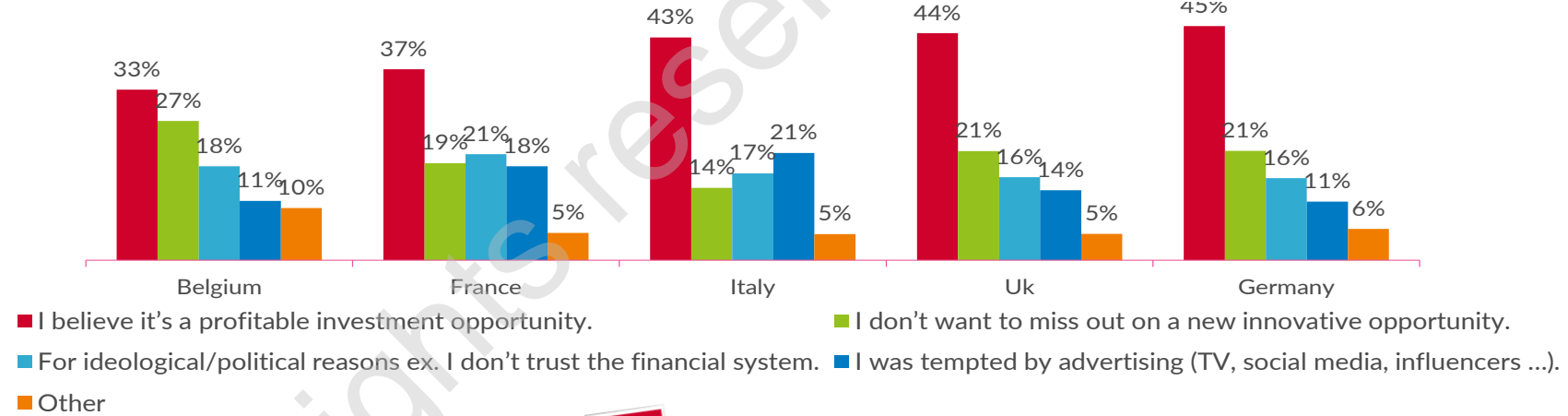
# Consumers have little interest in cryptos and when they do, it is primarily used as an investment opportunity (and not for payments)

## CONSUMERS WITHOUT ANY INTEREST IN CRYPTO

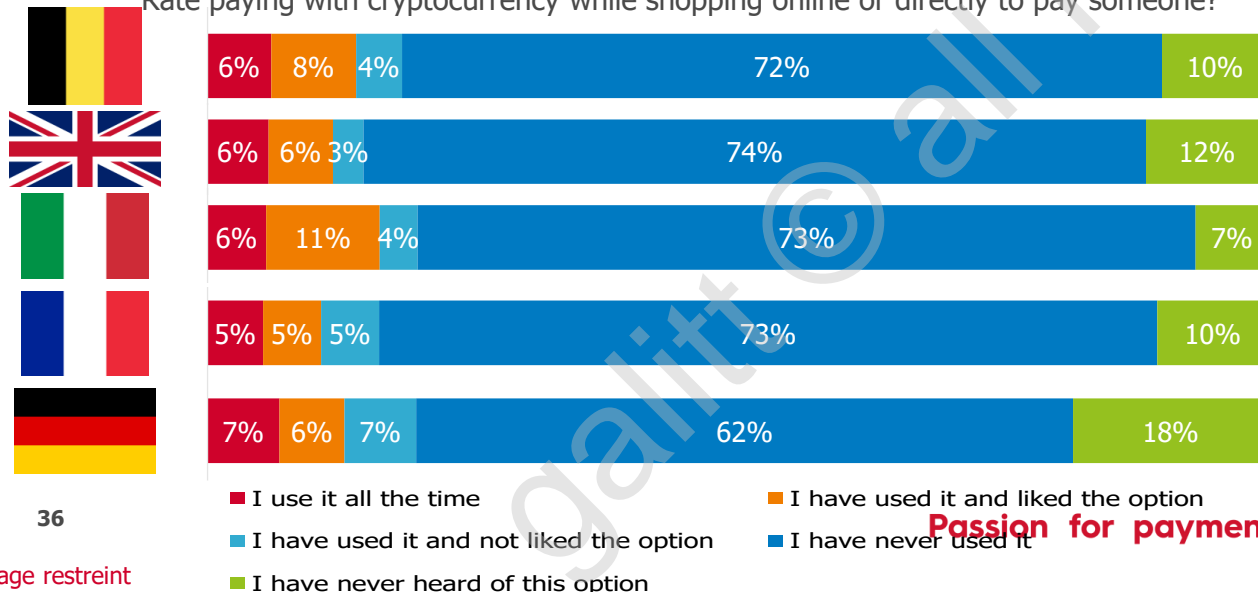


## AMONG THOSE WHO DO SHOW INTEREST IN CRYPTO

Which of the following statements best describes your approach to cryptocurrencies? Please choose one answer.



## Rate paying with cryptocurrency while shopping online or directly to pay someone?



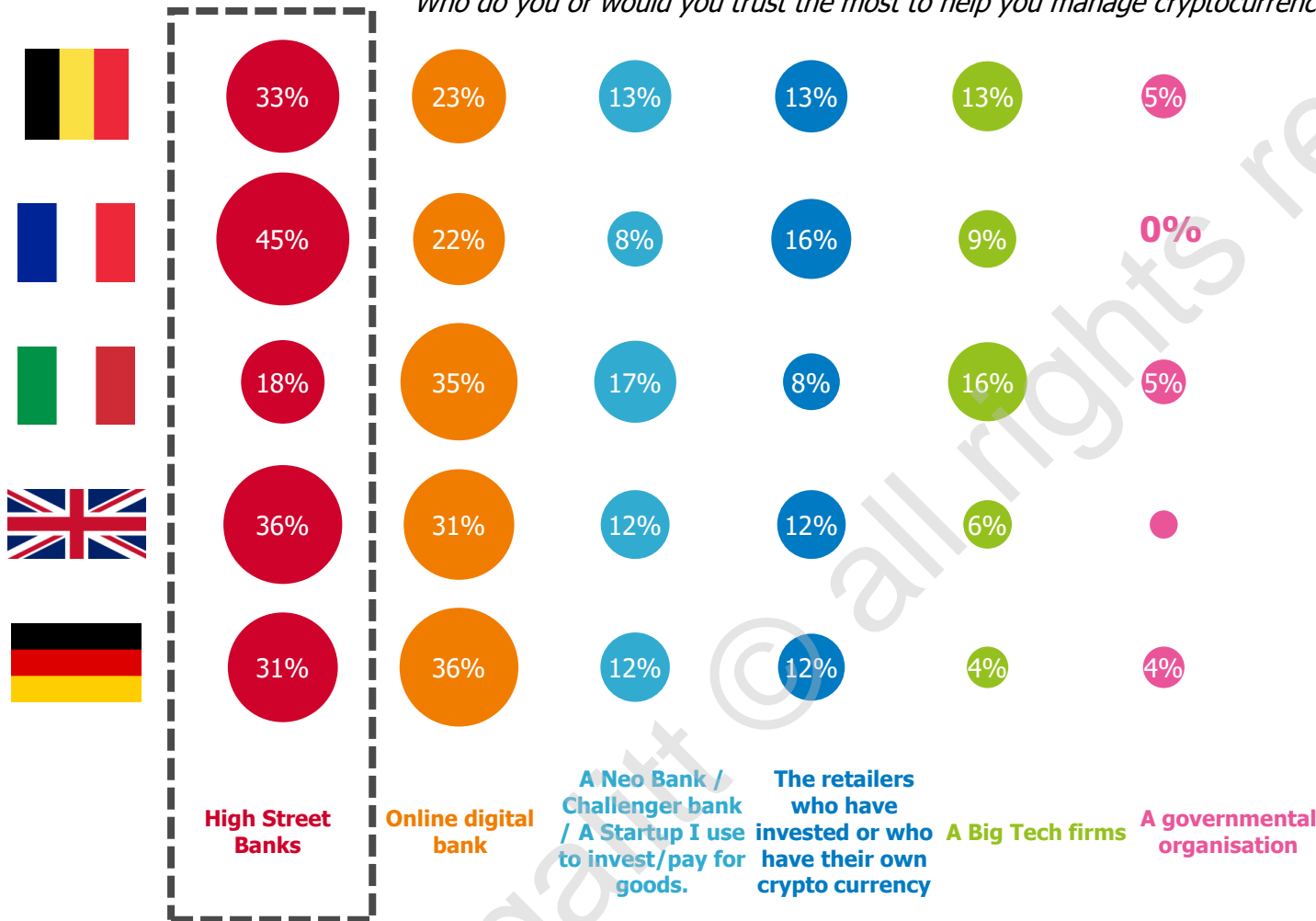
- A large majority of customers have never used crypto for online payments, despite of being aware of it
- The proportion of customers that have never heard of this option for online payments is particularly high in Belgium. This fits into the overall awareness of Belgium customers when it comes to crypto
- 63% of those interested in Crypto Currency are interested in paying for goods using this currency. And around 20% say they have used it as a payment option.
- 2/3 are primarily using Crypto for gaming and e-commerce purchases

Passion for payments

# Surprisingly, the banks are the most trusted partner for cryptos

Even though the whole concept is about bypassing centralization

Who do you or would you trust the most to help you manage cryptocurrencies? (of those that are interested in Crypto)



### HIGH STREET BANKS AS TRUSTED PROVIDER FOR CRYPTO MANAGEMENT

- In all countries, high street banks are the trusted institution when it comes to managing cryptocurrencies, with the exception of Italy. Crypto management is still unregulated in Italy, giving online digital banks and neo banks the leeway to occupy this space
- Governments are largely considered unsuitable to help customers manage crypto

# 05. Conclusion

# In conclusion...



**1** Banks are still the favorite financial service providers in all geographies with over **96% ownership** and over **95% usage**. They are leading notably on **trust**, but as consumers use more providers, how they define trust is evolving. **Tech** is trusted equally across all providers, banks lead on **money and data security** as well as on **customer support**.



**2** The rise of neoplayers is real though with over **1.6 category of players in Europe**: cashless, seamless, timeless... and **FREE**. Although it does not translate into usage, and even if all the FinTech companies don't survive, they have **redefined banking and payments** for all providers : they have created the **ultimate link** between great tech and customer services.



**3** The customer support needs to be **flawless on mobile** because it is the **preferred communication** method in all the geographies except Germany. **Apps** have the ability to provide answers to consumers hence allowing them to **avoid the calls**.



**4** In a world that hates plastic... **plastic is still the most popular form of payment @POS for more than 85% of European consumers**. Because **smartphones** hold "our world", they **will get there**, but just not yet. Ultimately though, all payments will be served through some **form of digital device** that incorporates **all the aspect of payment**, loyalty, authentication, travel docs, keys, etc. Somehow, markets less mature on card payments make the jump easier to the next generation. But **gen Z** with its taste for **innovation** will be changing the payment landscape soon with their appetite for innovation.



**5** **2/3 of Europeans have already abandoned a purchase**, and in particularly true in Germany and Italy, indicating that online payment customer journey is **ripe for improvement**. The set of **options** need to be relevant to their needs, and those **vary vastly** by country and by generation.

**6**

**Payment innovations are slowly taking hold**



**BNPL** allows to manage cash flow during uncertain times. It is used by those with higher levels of income to buy high value ticket items. But it feels like a debt for over 30% of European, not a payment method and 50% of consumers are reluctant about the extra cost involved.



**Request to Pay** is a new to the market for many. When explained to customers it has a very positive response with over 80% who see only advantages. With the dramatic rise in costs associated with bills that may be directly debit to bank accounts, it's a service that gives not only control but also active management in how, how, when bills are paid.



**Instant payment** has become the new Normal and the assumption is that it should be free. Unless intervention is required and/or obvious, customers do not see the rationale for paying for payments. Should it be included in the package of products you have with your bank ?



With over 60% awareness, **Crypto** is well recognized but not yet really used (by less than 30% of those aware). But the uptake is significant with the Gen Z who is looking at crypto as their future wealth generator, ie the "stone investment" of the older generations. Surprisingly, the most trusted partner to manage the crypto portfolio is the banks (brick and mortar or digital).

# Any questions ?





# Thank you

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