



Cash usage in the Netherlands. Who uses cash and why?

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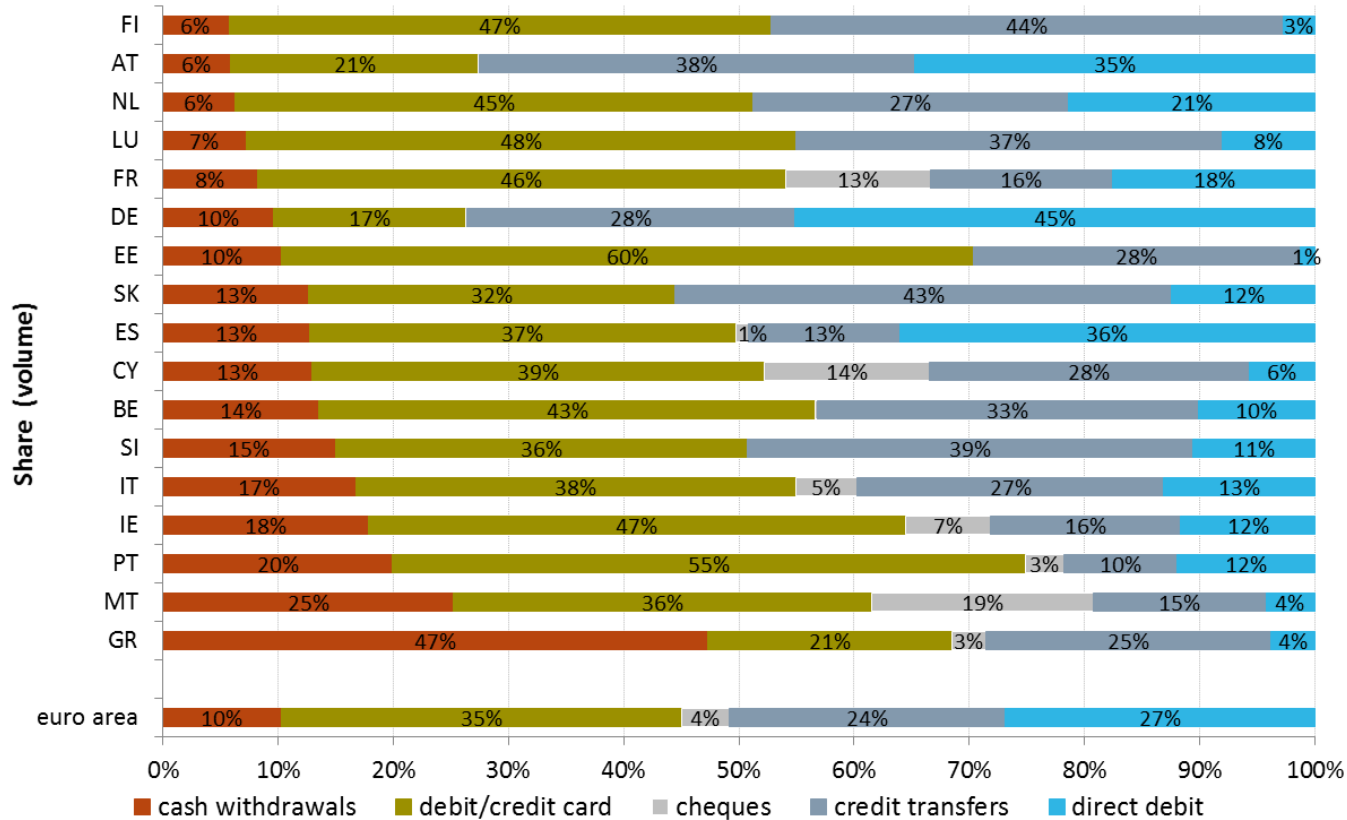


Introduction

- Usage of cash
- Who uses cash?
- Why using cash



Large X-country differences cash usage ('13)

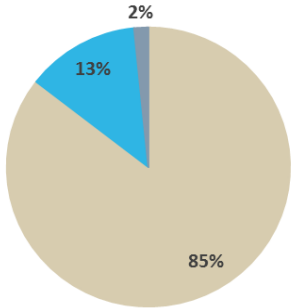


In NL debit card usage is stimulated by banks and merchants for safety and efficiency reasons.



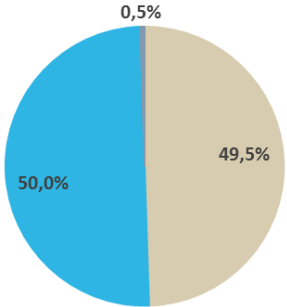
Cash usage is declining, but still used a lot

NL: 2002 (volume)



- Cash and debit card used most at the POS
- Steady substitution of cash by debit card payments

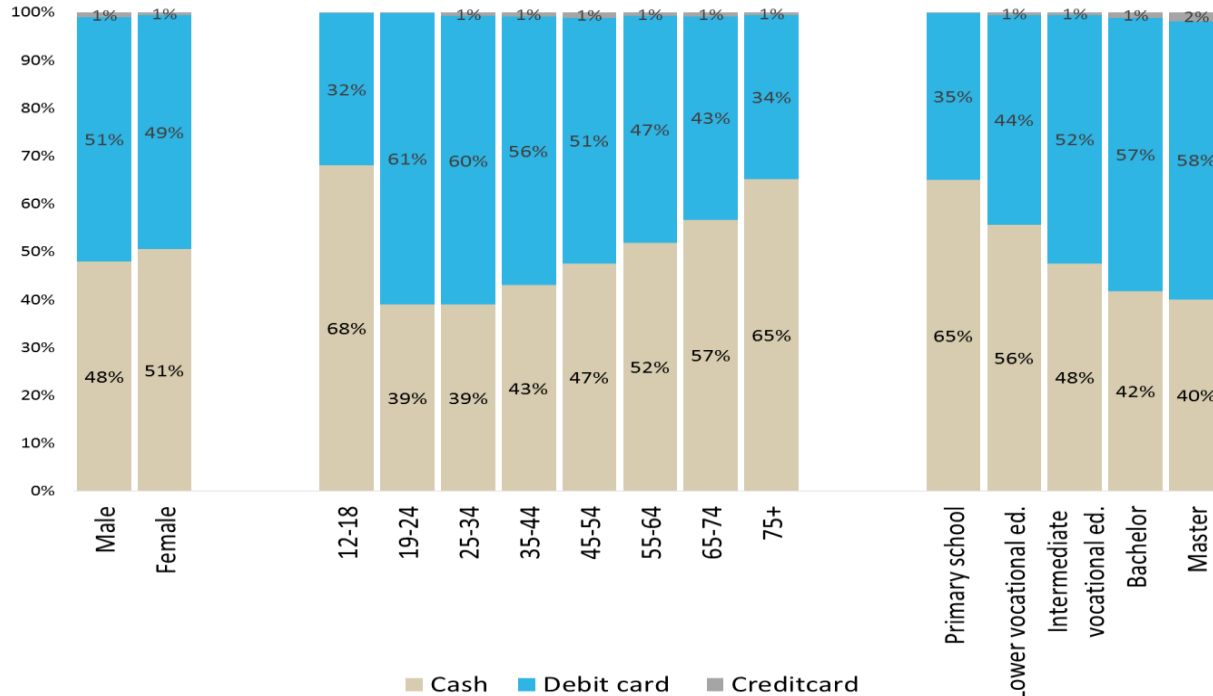
NL: 2015 (volume)



■ cash
■ debit card
■ other

Who pays cash?

Share of cash and debit card payment on all POS payments, by consumer segment



Gender: small difference

Age: teenagers and pensioners

Education: cash usage declines with education

Reasons to use cash have changed

2004: Top 3 reasons

1. Fastest means of payment
2. Monitoring expenses
3. Only accepted means of payment

Source: Jonker (2007), De Economist.

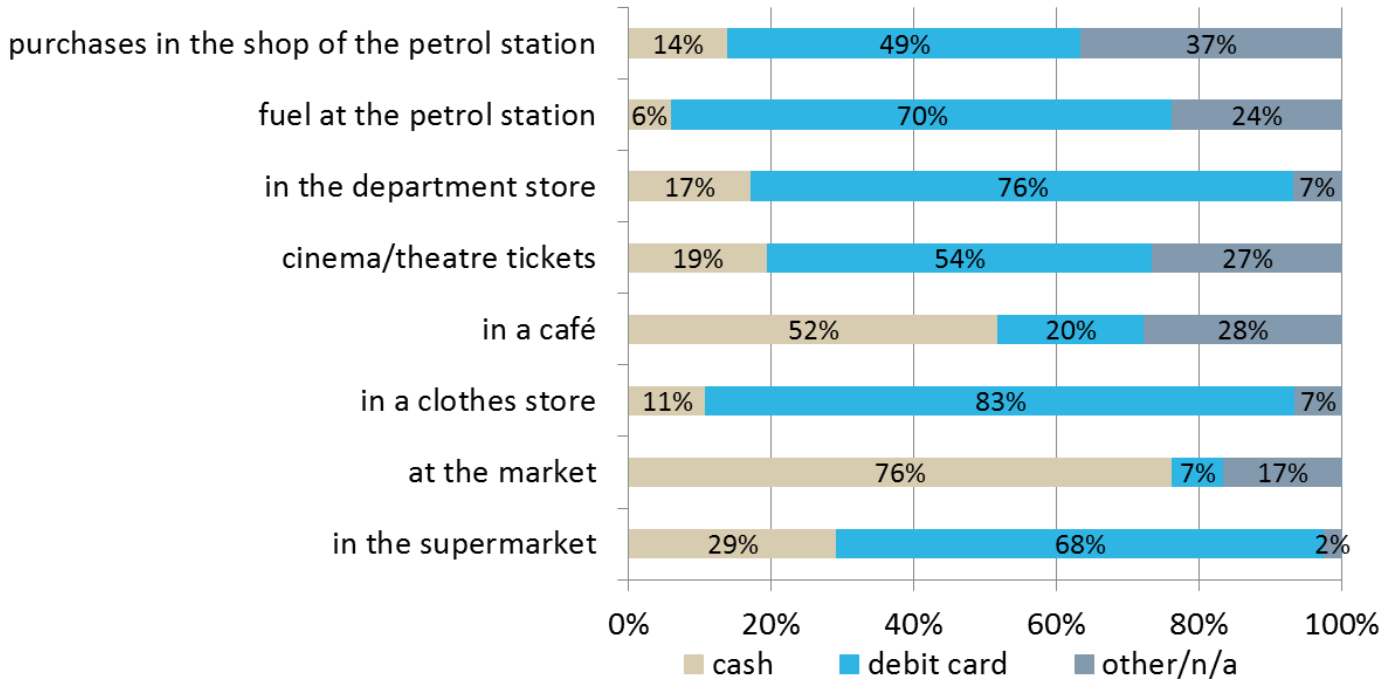
2015: Top 3 reasons

1. Monitoring expenses
2. Habit
3. Less spending when using cash

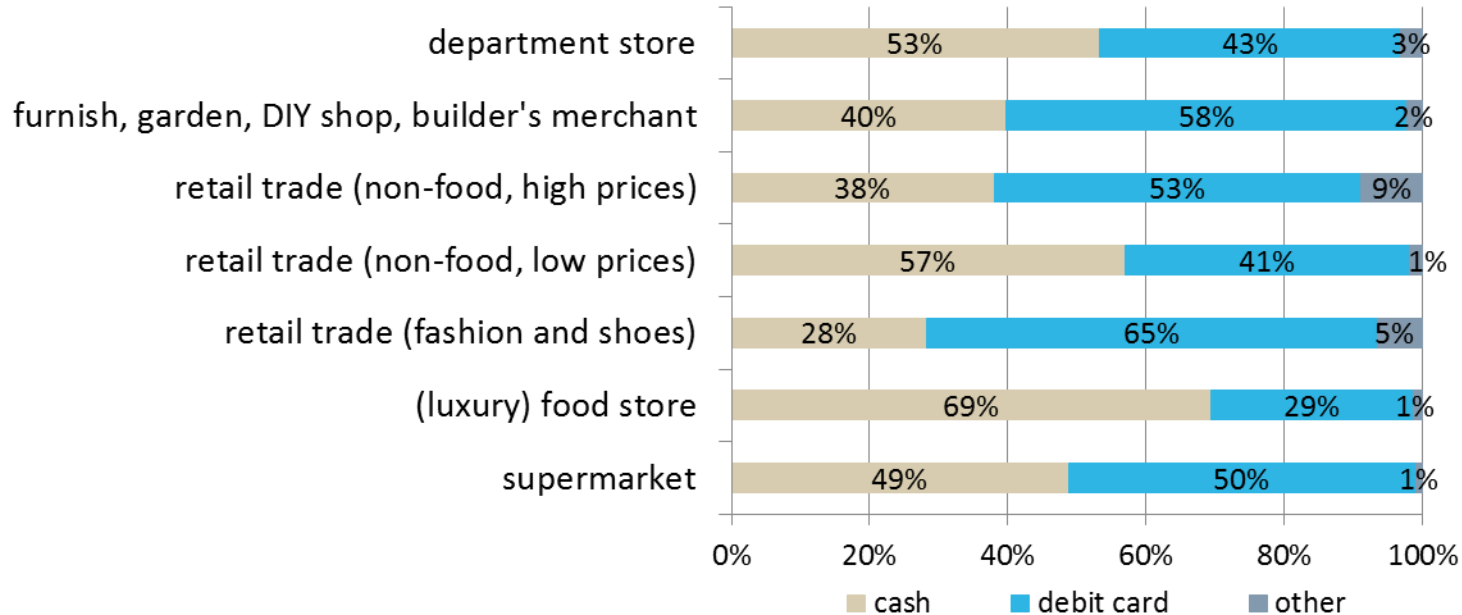
Anonymity of cash mentioned by 37% of cash users (6th place)

Source DNB/DPA (2016)

The Dutch think they mostly use the debit card...



....but often use cash

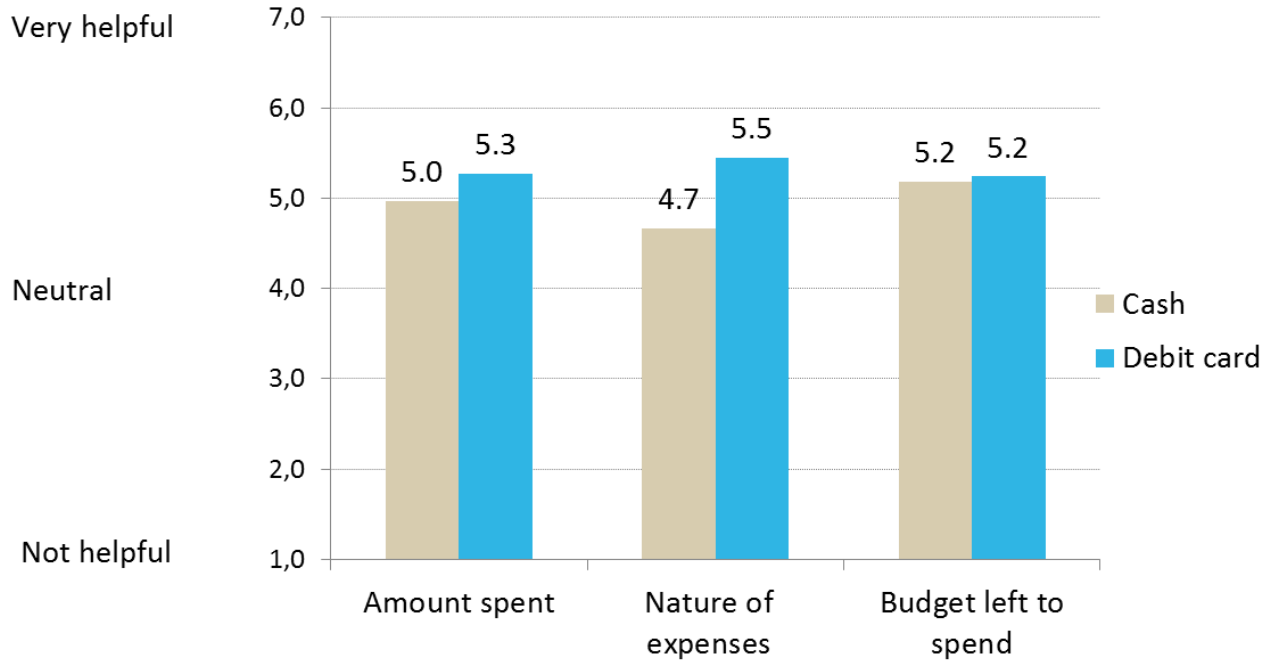


Persistent habits play an important role

The likelihood of a gap...

- ... increases with age.
- ... is larger for consumers who pay relatively small amounts.
- ... is larger for consumers with relatively much cash in their wallet.

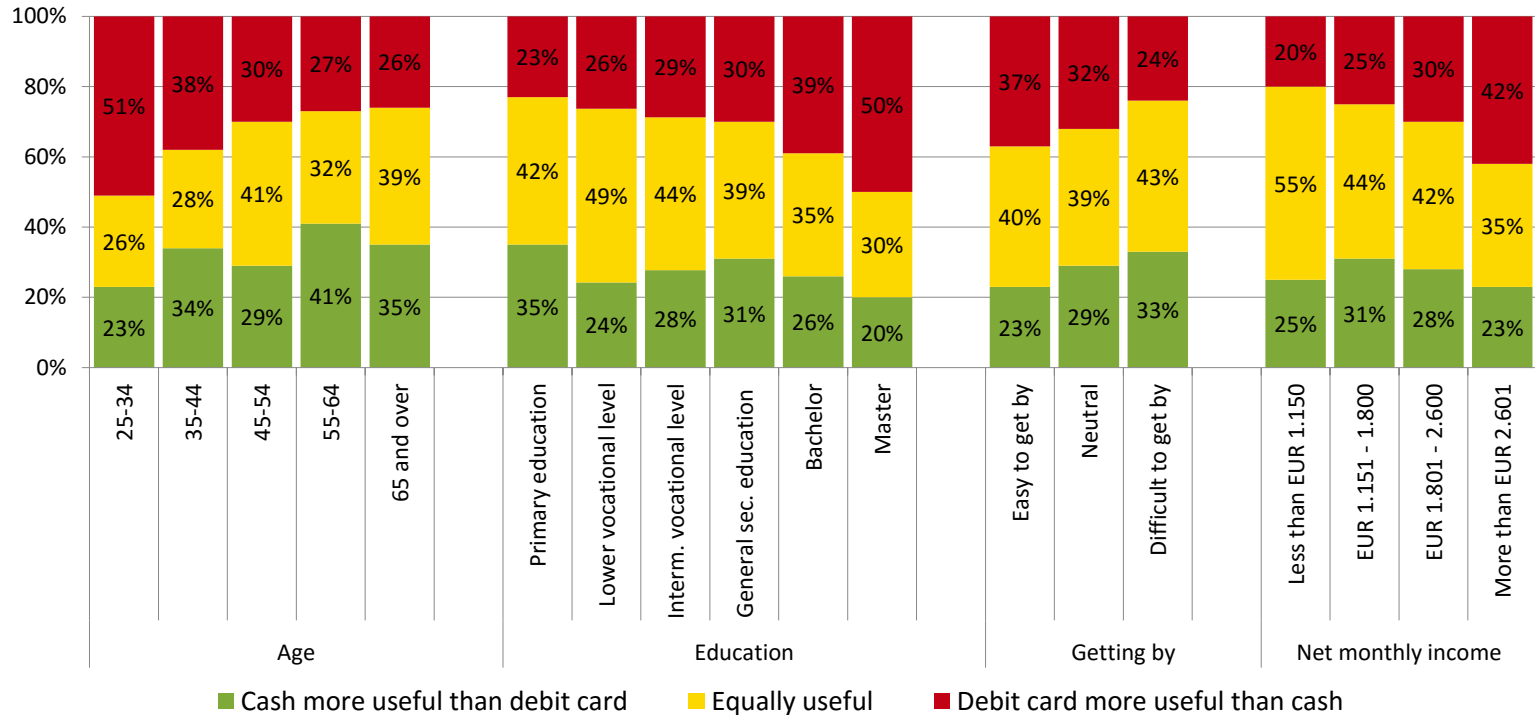
Budget control: consumer perceptions



On average, consumers perceive cash as less/equally helpful as the debit card wrt budget control....

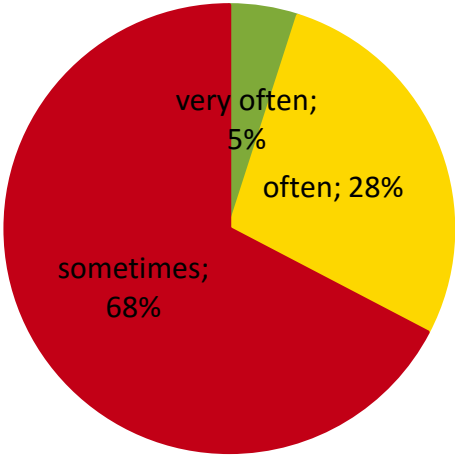
DHS, 2012

.... but consumers differ in preferences

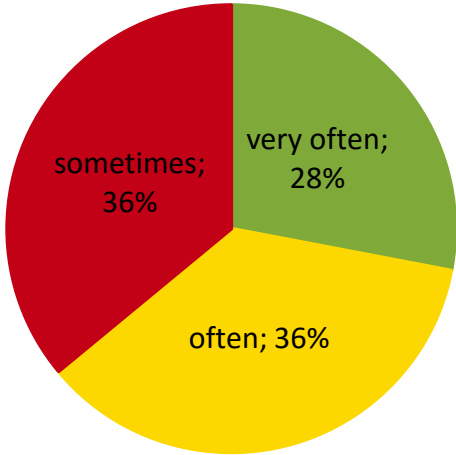


Impact of budget control on cash usage

Debit card more helpful



Cash more helpful



For the next decades, society will need cash

- In spite of consumers' preference for the debit card
..... cash is still used in almost half of the transactions.
- Next to persistence of payment habits, there is an unmet "gap" in terms of payment innovations as.....
....cash still brings benefits to specific groups that electronic alternatives have been unable to match wrt budgetting.
- Conclusion: for the next decades, cash will be needed by society.

Thanks for your attention.
Any questions?

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