

Cash is king – also on the internet!

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paysafecard is the European prepaid payment solution available to everyone to pay for digital goods online. No credit card or bank account is needed. With its core product, paysafecard, the company is present in over 500,000 sales outlets in 43 countries worldwide. Thousands of renowned online shops and online entertainment providers accept paysafecard as a payment method.

Intro / March 2016

Dear readers,

„Nur Bares ist Wahres“ [Cash is the only real deal] is what Austrians say – and they know what they are talking about. Since its foundation in the year 2000, paysafecard has been committed to offering an online payment solution that corresponds to cash in all essential aspects: Availability. Convenience. Highest data security by paying without having to disclose any personal data. In view of the current movement that is clearly directed at the elimination of cash money, paysafecard is fully in line with the current trend.

**Best Regards,
Your paysafecard team**

#Cash: The most preferred method of payment is cash – also on the internet

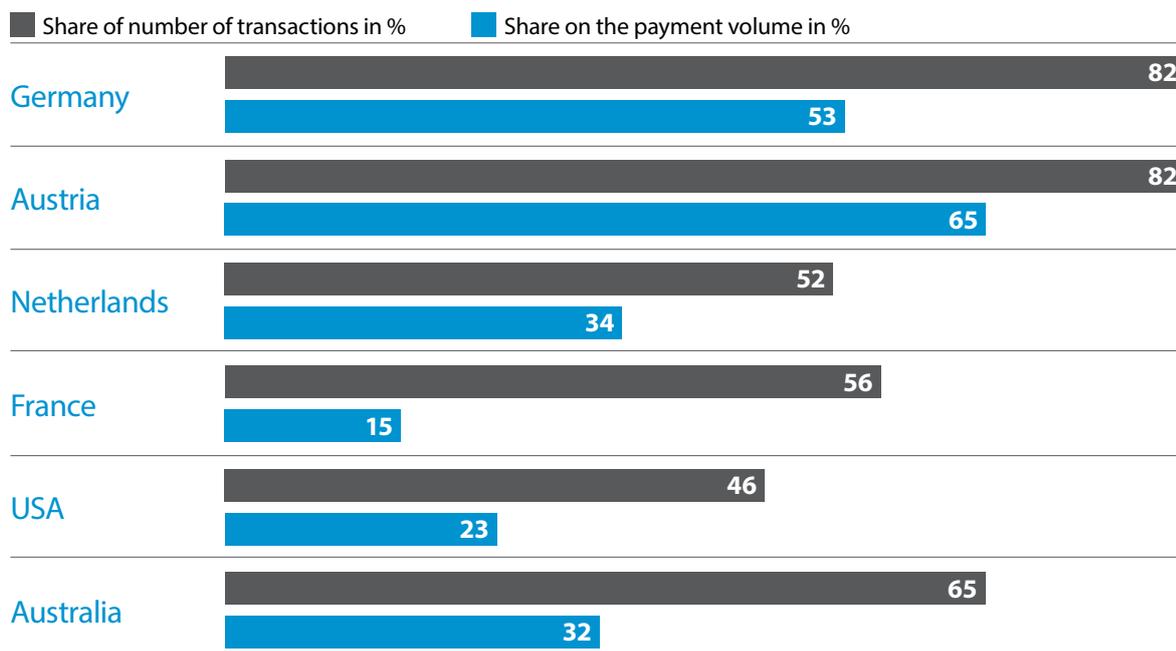
The discussion in recent months has shown: People around the world don't want to dispense with cash. As good as the arguments against cash may seem – the arguments in favour are simply more substantial.

Kurt Pribil of the Austrian National Bank recently stated in the industry magazine Report plus: „Some three-quarters of all transactions in retail are paid in cash. (...) It is obvious that Austrians love their cash. They especially prefer to pay smaller amounts in cash. Cash has many benefits. In the case of smaller amounts, it is cost-effective and you always have an overview of what you have spent.“

Ewald Just, honorary professor of the Marketing department at the Vienna University of Economics and Business, adds: „In reality (...) three-quarters of the transactions at the point of sale (PoS) at retail or service enterprises are paid in cash. All other transactions are already non-cash transactions: salaries and wages, which used to be paid out in cash, have been being paid by non-cash means for a long time now. The same goes for the payment of rent, electricity, gas and water as well as all busi-ness transactions and all payments for and by public institutions.

Yet when making daily purchases, it's about convenience and also about security and freedom. Accordingly, cash is and will remain the central factor when paying, as the following figure shows. It compares the share of cash with the number of transactions and with the share of amounts of money moved. In all countries, we see that the first value is higher than the second one – which means that predominantly small amounts of money are paid with cash.

CASH PAYMENTS



Source: FEDERAL RESERVE BANK OF BOSTON

#Cash: The most preferred method of payment is cash – also on the internet

Actually, a survey conducted by the German Central Bank revealed that 96% of all transactions lower than €5 are paid in cash. The higher the amount becomes, the share of cash payments decreases to 24% for transaction of €500 or more. paysafecard as „cash for the internet“ fits in with these results with its average transaction volume of around €24.

As more and more money is being moved online nowadays, the issue concerning cash payments for online shopping is just as virulent as in stationary trade. And here too are solutions that are cash-based, even if the final step of the payment is digitized. But it's all about the benefits of cash: Convenience, security, freedom.

The most secure data is the data that doesn't change hands, which is why more and more people are sceptical when it comes to disclosing their credit card number or their IBAN. Solutions that do not need this data are most popular among consumers.

And by the way: Cash is by far the most popular Christmas gift – the German consumer research institution GfK determined that in Germany alone, a volume of € 3.5 billion was given as cash presents. The second strongest product category was clothing and accessories with €1.8 billion, which is just slightly more than half of the amount spent for cash presents.

A survey conducted by the German Central Bank revealed further surprising facts: Every German has €103 cash in their wallets, €5.73 of which in coins. And the share of cash payments in the overall number of transactions remained from 83% in 2008 to 79% in 2014 surprisingly constant. The „end of cash“ is therefore nowhere in sight.

#Clear: The first solution always remains the best solution

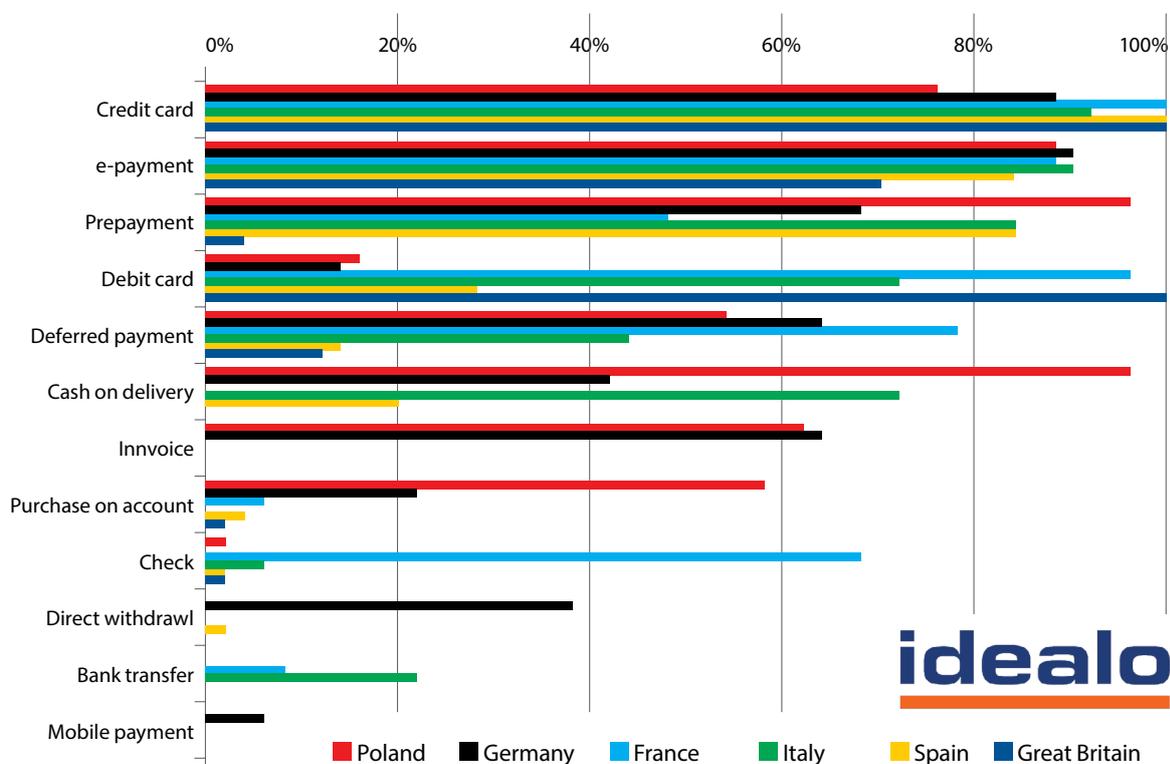
„Cash for the internet“ has been available with paysafecard since the year 2000, which still often leads to incredulous amazement. Because no bills or coins are fed or scanned into the computer, it's all about generating cash with a 6-digit code (PIN), which is redeemed when entering a payment. With the British e-money licence, paysafecard is entitled to issue this method of payment. paysafecard is licensed by the FCA (Financial Conduct Authority, a British financial supervisory authority) as a licensed payment service provider.

By purchasing the PIN, the consumer has already made use of one of the more than 500,000 paysafecard sales outlets around the world for exactly the amount that is stated on the PIN. paysafecard is therefore just as free to use as cash.

Such e-payment methods are extremely popular around the world and have caught up with the credit card and in some markets has even surpassed it, as shown by a study conducted by the price comparison portal idealo (www.ideal.de) in 2014:

Payment methods in the European e-commerce

Share of the top 50 idealo shops* per country, which offer the following payment methods



*The top 50 idealo stores per country were considered for the survey. For this purpose the 100 most clicked online shops of the idealo page (ideal.de, ideal.co.uk, ideal.fr, ideal.it, ideal.es and ideal.pl) were used for the 50 stores with the highest national Alexa Traffic Rank.

#Wonderful: This is how I distinguish a good solution from a bad solution for cash on the internet.

There are countless payment solution providers on the internet, many of which are newcomers to the market. For consumers it is important to conduct the following check to find the best individual solution:

Is the means of payment a proven method?

New providers often have „teething problems“, which in extreme cases may prove to be very detrimental to the user. A long-standing established solution has been proven over the years and provides security.

What about acceptance?

Trendy payment methods that are not accepted by many webshops are disappointing over time because you end up having to use several different means of payment.

Where can I buy the means of payment - Can I buy it offline as well?

Sales at tobacconists, gas stations, supermarkets, etc. increase security as no personal data is necessary as these items are paid in cash. Means of payment that are only offered on the internet naturally do not have this benefit.

Are the costs of the means of payment transparent?

Some means of payment, such as the classic paysafecard PINS are free, so there is no question in terms of transparency. Otherwise, costs should be traceable and transparent so that you can clearly assess the costs and benefits.

#True: This is what Europe's consumers expect when paying online

paysafecard interviewed 3,500 internet users late 2015 in seven European countries on their buying and paying habits. There were various exciting results spanning Austria, Germany, Switzerland, Spain, France and Poland.

Austria's men, with monthly spendings amounting to about €242 online are the most generous. The overall average of all countries included in the survey was €174 for men and €109 for women. The Swiss, who spend a monthly amount of €329 are the most free-spending. Austria comes in second with an average of €205, followed by Germany with €155, Italy with €138 and France with €120.

What do users in Europe look out for? Quite simply: data security. 87% of those who took part in the survey responded that data protection was „very important“ to them. Frontrunners here are Austrian users (92% agree), France and Spain (both 89%). Austrian women achieved the absolute highest value among all groups with 95%. Good news: None of the participating countries were below 84% when asked how important data protection was.

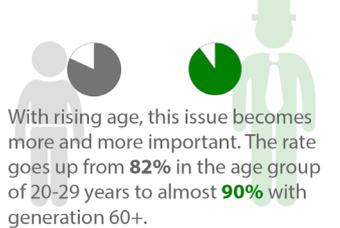
Security awareness apparently also seems to be a matter of age. Among the 20-29 year-olds, 82% regarded data security as very important, whereas the result of the 60+ group rose to nearly 90%.

What else do European users expect from their online buying experience?

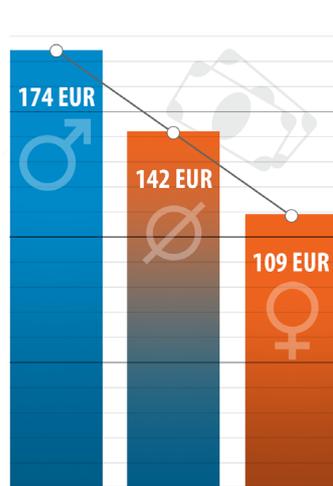
- „Paying must be free“, say 75% of all Spanish participants – whereas only 58% of the Swiss attach any value to this.
- „Paying must be quick“ is what 67% of the Polish participants deemed as „very important“ – whereas Swiss users found this less important (only 41% rated this as „very important“).
- „Cost control online is very important“ is what 66% of the Austrians think, very much unlike the Italians, of which only 42% merit the same degree of priority.

The paysafecard infographic shows an overview of all the results:

1. People care most about security.



2. Men spend almost 75% more than women on the internet.



The average monthly amount spent on the internet reaches **142 EUR** across all countries. The average spending for men is **174 EUR**, for women significantly lower **109 EUR**.

3. Older users tend to spend more than younger ones.



The average spending grows from **52 EUR** per month (people 16-19 years) to **173 EUR** for people 60+ who are the biggest online spenders among the age groups.

4. Cross-country comparison of online spendings:

Country	Average value
Switzerland	€ 329 CHF 358
Austria	€ 205
Germany	€ 155
Average	€ 142
Italy	€ 138
France	€ 120
Poland	€ 91 PLN 387
Spain	€ 90

Source: PK study by paysafecard, 2015

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paysafecard Wertkarten GmbH
Am Euro Platz 2
1120 Wien

www.paysafecard.com

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