

Central Bank Forum on Payments Surveys

# Australia's 2007 Payments Use Study

Darren Flood

Reserve Bank of Australia

# Data Elements of Payments Review

- Costs of payment methods
  - financial institutions, merchants, individuals
- Survey of payments by individuals
- Transactions from large financial institutions for a month
  - card, direct entry, cheque
  - number, value, some merchant info
- Survey of selected retailers and billers
  - number, value
- Survey of small merchant payment methods

# Data Elements of Payments Review

- Costs of payment methods
  - financial institutions, merchants, individuals
- **Survey of payments by individuals**
- Transactions from large financial institutions for a month
  - card, direct entry, cheque
  - number, value, some merchant info
- Survey of selected retailers and billers
  - number, value
- Survey of small merchant payment methods

# Consumer Study Details

- Pocket-sized diary
  - every transaction for two weeks
- For each payment:
  - amount
  - merchant type
  - payment method
  - channel (in person, phone, internet, mail)
  - surcharged
- Cash withdrawals:
  - how much
  - method (ATM, OTC, EFTPOS)
  - special trip?
- Separate survey on regular payments

# The Diary

## MERCHANT CATEGORY

- A – Supermarket
- B – Liquor Store
- C – Small food store (e.g. butcher, greengrocer, deli)
- D – Other Retailer (e.g. department store, clothes store, book store, electrical, hardware store, other)
- E – Petrol/fuel for motor vehicles
- F – Transport (e.g. tolls, train, bus, ferry, car mechanic, car registration)
- G – Take-away food/fast-food
- H – Restaurant/formal dining
- I – Pub/bar
- J – Sporting and entertainment
- K – Holiday travel, hotel accommodation
- L – Insurance (motor vehicle, home, health)
- M – Health/Medical care (doctor, dentist, chemist)
- N – Housing/Utilities (e.g. phone, gas, electricity, internet, Pay TV, rent, council rates)
- O – Education, childcare
- P – Professional service/home repair or home improvements (accountant, lawyer, electrician, plumber)
- Q – Other

## PAYMENT METHOD

- 1 – Cash
- 2 – Debit Card using a PIN
- 3 – Visa/MasterCard debit card
- 4 – Visa/MasterCard credit card
- 5 – American Express/Diners Club card
- 6 – Store card/Petrol card
- 7 – Personal Cheque
- 8 – Bpay
- 9 – Other

DATE:  /  /

Mon  Tue  Wed  Thu  Fri  Sat  Sun

	Transaction Amount	Merchant Category	Payment Method	Channel				Surcharge Paid?
				In person	Phone	Internet	Mail	
1	\$ <input type="text" value="82"/> .00	<input type="text" value="A"/>	<input type="text" value="4"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	\$ <input type="text"/> .00	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	\$ <input type="text"/> .00	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	\$ <input type="text"/> .00	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Survey Process

- Undertaken by market research firm, Roy Morgan
- Sent to 1000 individuals
  - 677 completed diary
  - final sample of 662
- Sample of 17,000 payments, worth \$850,000, 1,800 cash withdrawals

# Type of Information Obtained

- Payment instruments used at particular merchants
- How does payment instrument vary with transaction size?
- How many cash transactions are made and what size?
- How do people obtain cash and how many transactions per withdrawal?
- How do demographic and financial factors affect payments use?

# Design and Quality Control

- Precedents
- Internal pilot (20 people)
  - question design and instructions
- External pilot (35 people)
  - mail-out procedures, return rates
- Results verified against:
  - financial institution data
  - RBA aggregate payments collection
  - ABS Household Expenditure Survey



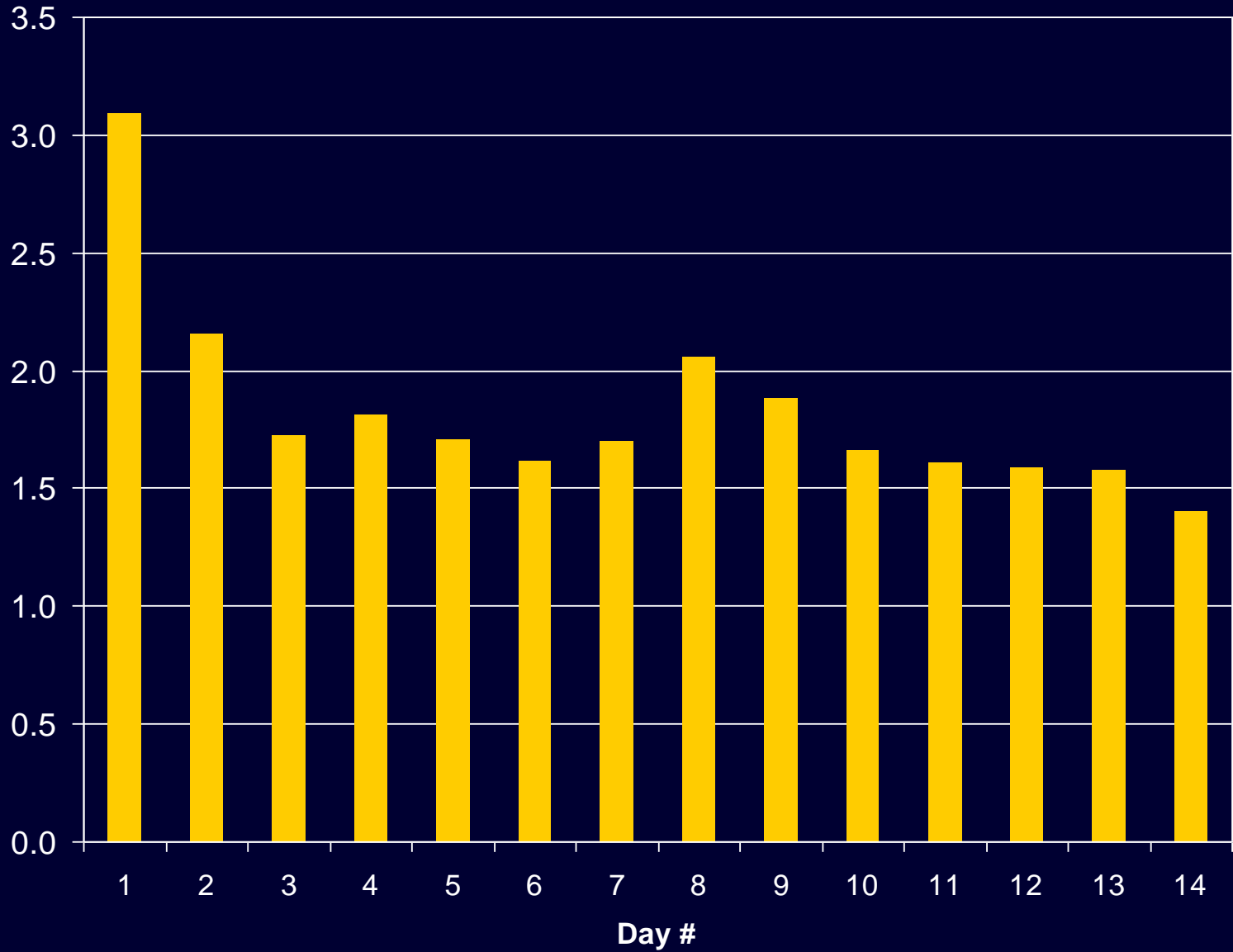
# Challenges

- Participation
  - to pay or not to pay
- Survey fatigue
- Simplicity vs. analytical content
- Physical size of diary
- Representative sample?
- Adequacy of instructions
- Automatic payments?

# Lessons

- Overall very happy with the output
- Use of market research firm highly beneficial
- Survey fatigue remains a concern
- Respondents' understanding
- Balancing cost and sample size

# Average Daily Payments



# Lessons

- Overall very happy with the output
- Use of market research firm highly beneficial
- Survey fatigue remains a concern
- Respondents' understanding
- Balancing cost and sample size

