

Debit Card Nontraditional Use

2024 Survey



Overview

The confluence of increased use of debit cards and growing consumer preference for digital payments via mobile apps and websites means new opportunities for debit card issuers to engage with their customers.

After years of credit card dominance and campaigns designed to attract credit card customers, 57%¹ of Americans are now leaning into debit card use as their preferred primary payment method. While many of these transactions relate to traditional purchases, increasing digital payments online and through mobile apps opens new ways for consumers to use their debit cards that go beyond card use at traditional points of sale. These new scenarios include peer-to-peer payments, recurring subscriptions, rent payments and more. As debit cards gain more traction, it is important that issuers understand the evolving trends so they can compete effectively for customer engagement with their products.

Media Logic surveyed a combined total of 476 Millennial (27-42 years old) and GenZ (22-26 years old) consumers to understand sentiments, attitudes, current usage patterns and the factors impacting their use of debit cards in novel ways. We started this study with the assumption that the three levers required for debit card preference for non-point-of sale transactions are network digital enablement of debit cards, merchant acceptance and issuer commitment to promoting awareness and education of this payment option. Specifically, we wanted to explore any generational differences in attitudes and behavior.

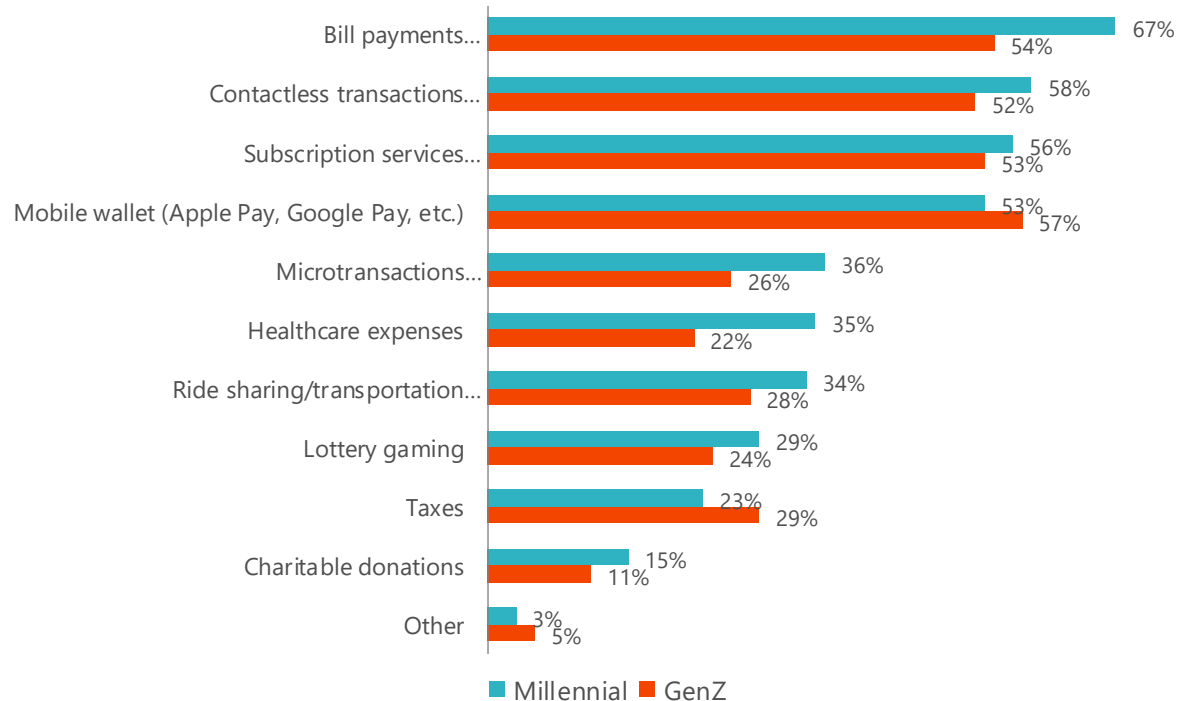
¹<https://www.forbes.com/advisor/banking/banking-trends-and-statistics/>

Findings

Beyond traditional retail points of sale, Millennials and GenZ use their debit cards similarly — most frequently for bill payments. The next most frequent uses were for contactless transactions, subscriptions and mobile wallet.

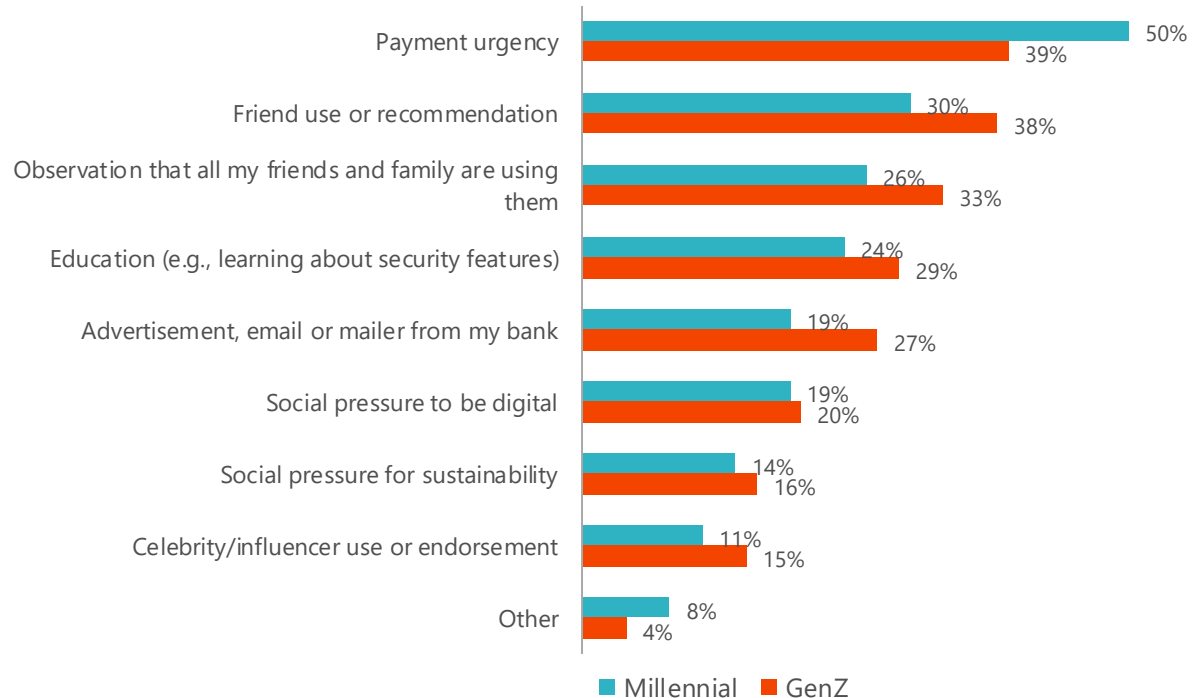
It is worth noting, however, that Millennials use debit cards relatively more than GenZ for bill payments and healthcare expenses.

Q. Do you use your debit card for any of the following nontraditional purposes?



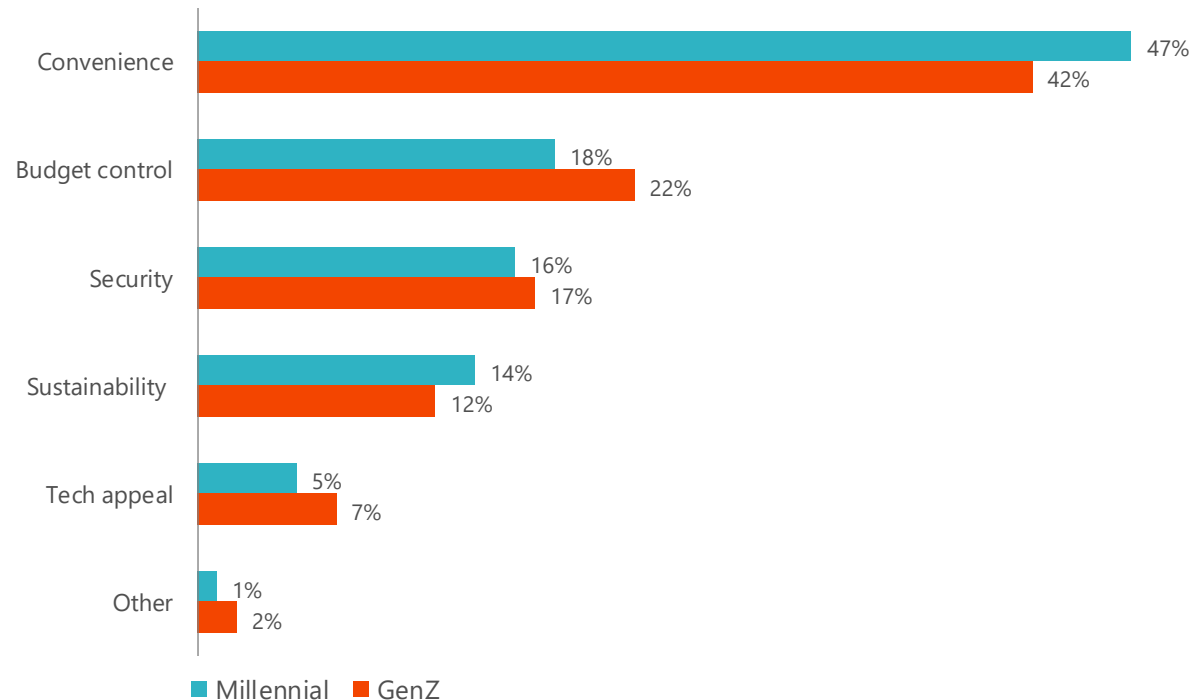
Payment urgency was a top reason consumers started using their debit card for nontraditional purposes — and more so for Millennials. While the two generations paralleled in prioritization of the remaining stated influences, all were stronger for GenZ than for Millennials. GenZ was also somewhat more impacted by friends and family, education, and bank ads and communications.

Q. Which of the following influenced your decision to start using your debit card for nontraditional transactions?



When it comes to nontraditional debit payments, consumers are more likely to continue using their debit card for convenience than for any other reason. In fact, convenience was stated as the top reason by a factor of about 2X or more compared to budget control and security..

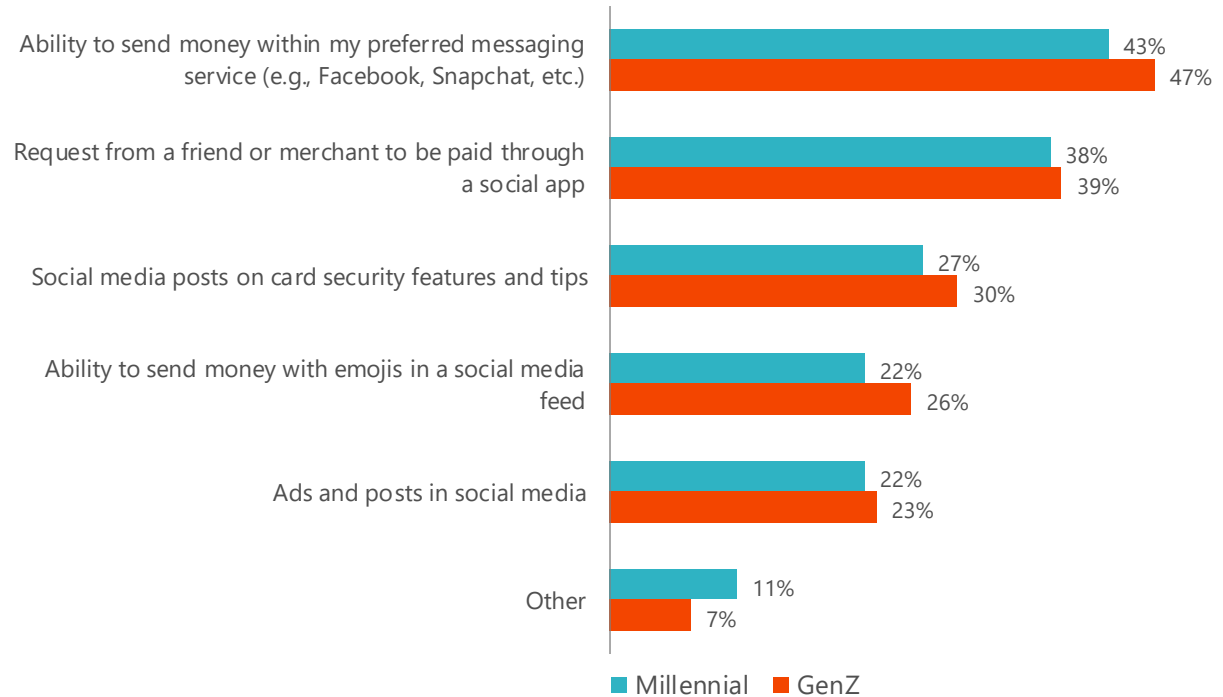
Q. What is the primary reason for continued use of your debit card for nontraditional purposes?



When using debit cards via social media channels and mobile apps, more Millennials and GenZ consumers chose debit cards because they could do so through their preferred platform.

It is worth noting that requests from a friend or merchant to be paid through a social app is the second top influence for this activity. In nearly all instances, GenZ edges out Millennials for susceptibility to social and mobile app-related reasons to use their cards.

Q. Which of the following social media and mobile app-related reasons influenced you to use your debit card in a particular way?



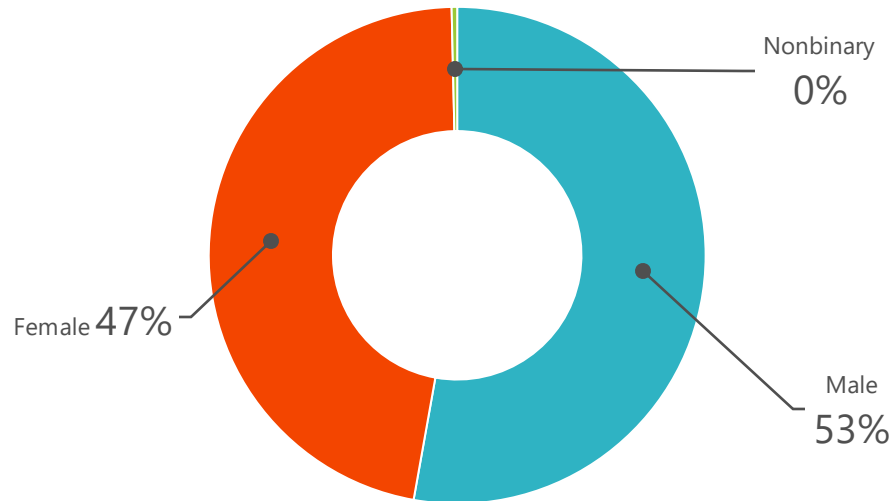
Key Takeaways

- Overall, there are similar behavioral patterns and few notable gaps between Millennials and GenZ relating to their use of debit cards for new use cases.
- Both generations use debit cards for a wide range of non-traditional payment types, with greatest frequency for bill payments, followed by contactless (tap and go) purchases, subscriptions and mobile wallet transactions.
- Compared to Millennials, GenZ are more likely to start using their debit cards for non traditional payment types due to friends and family, education and advertising. However, both generations state convenience as the top reason they habitually use this payment option.
- Within the context of social media and mobile apps, both generations say they can be influenced to use their cards in an instance where they can conduct the transaction through a preferred social network or because of a request by a friend or merchant.
- The findings of this survey are consistent with our foundational assumptions on the three levers for adoption of debit card usage. In addition, however, issuers should consider ways to leverage referral by friends and family, especially with GenZ.

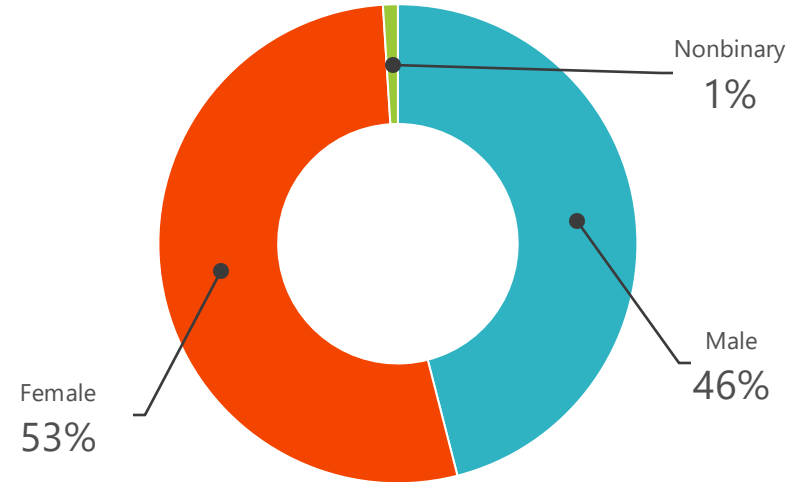
Additional Consumer Insights

Q. How do you identify your gender?

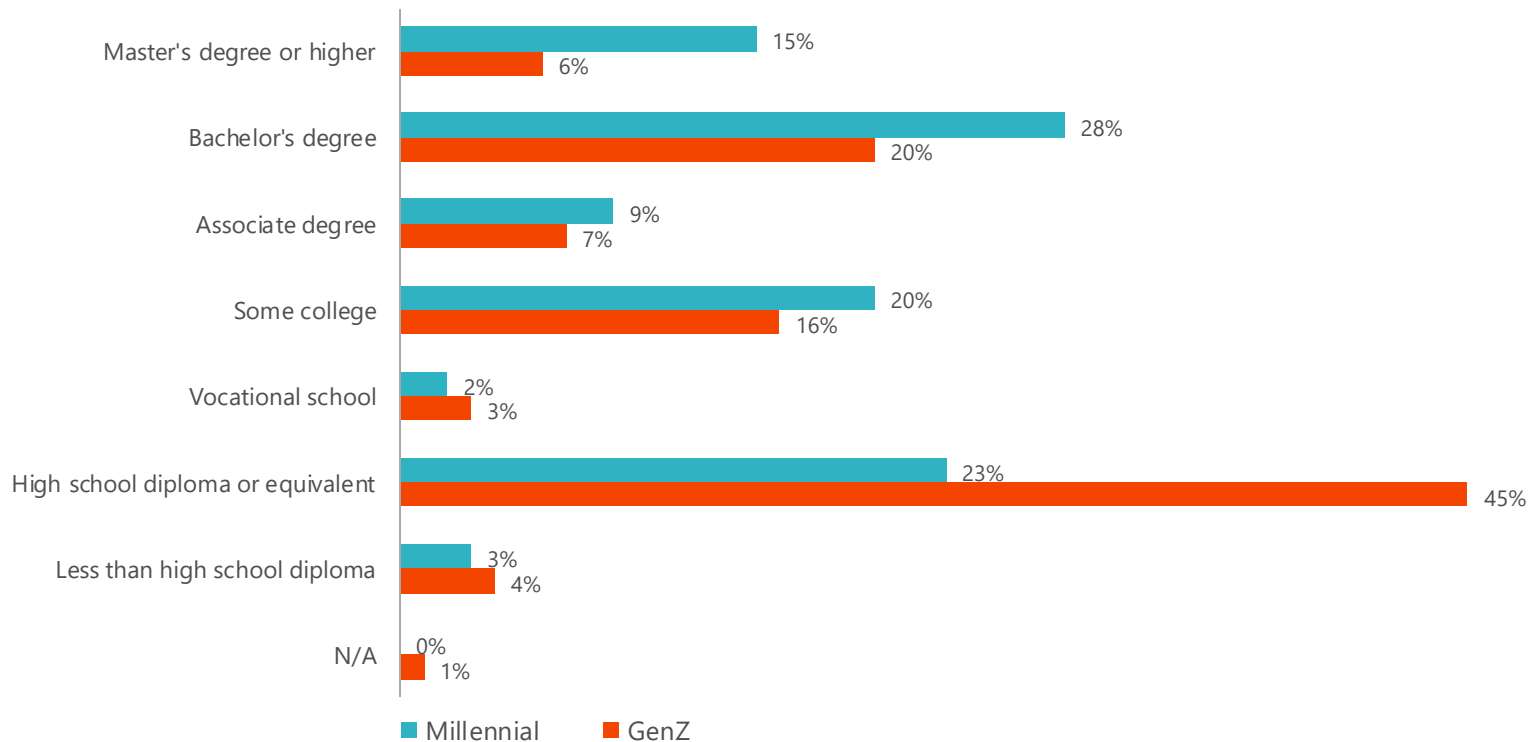
Millennial



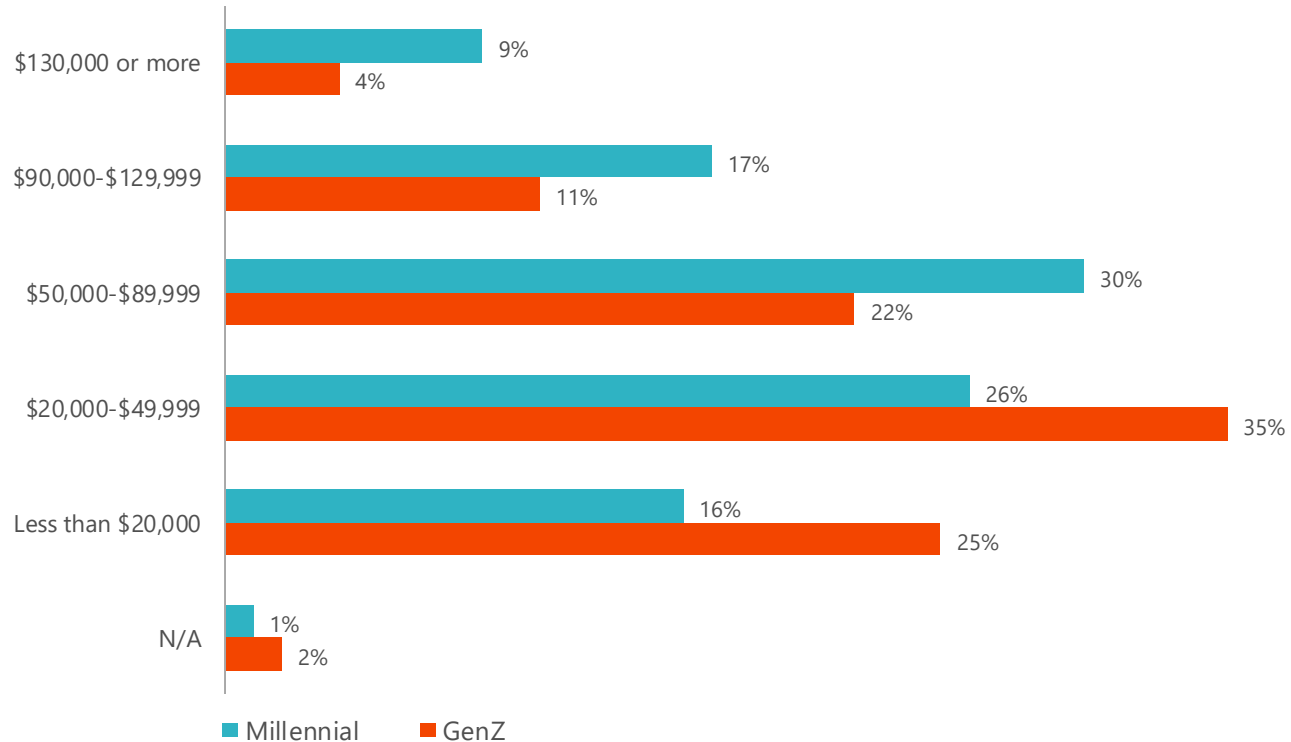
GenZ



Q. What is the highest level of education that you completed



Q. Which of the following best describes your personal income level?



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