

Since mid-March, PSCU, the nation's premier payments credit union service organization, has been tracking and publishing weekly transaction insights from its Owner credit union members on a same-store basis to identify the impact of COVID-19 on consumer spending and shopping trends.

To provide relevant updates on market performance, experts from PSCU's Advisors Plus and Data & Analytics teams today released a collective look at year-over-year transaction trends and the changing behaviors of consumers as a result of the pandemic from **Week 13 (ending March 29, 2020 compared to the week ending March 31, 2019) through Week 46 (ending November 15, 2020 compared to the week ending November 17, 2019)**.



Over the past nine months, COVID-19 has brought tremendous change to the entire world and the global economy. Even before COVID-19, shifting consumer preferences were becoming apparent in the digital space as consumers of all generations adopted digital banking, downloaded payment apps on their mobile phones and changed the way in which they interact with their credit unions on a daily basis. COVID-19 has accelerated these shifts, with significant growth in contactless, mobile wallets and card-not-present forms of payments. As the uncertainty of the ongoing pandemic evolves, we will continue to monitor the impacts and the changing behaviors of consumer spending.

— Glynn Frechette, SVP, Advisors Plus Consulting at PSCU



## THE WAY CONSUMERS PAY HAS SHIFTED TO “CLEANER” FORMS OF PAYMENT.

**Card Not Present** – Since March, there has been a strong shift in transactions and purchases from card present to card not present (CNP).



**DEBIT CARD NOT PRESENT**  
**30.1% of Transactions**  
**43.3% of Purchases**

**CREDIT CARD NOT PRESENT**  
**44.7% of Transactions**  
**54.5% of Purchases**

For Weeks 13 through Week 46, CNP credit transactions represent 44.7% of total credit transactions, up from 32.7% for the same period in 2019. CNP credit purchases represented 54.5% of credit purchases, up from 45.9% for the same 2019 time period.

CNP debit transactions represent 30.1% of total debit transactions, up from 21.1% for the same period in 2019. CNP debit purchases represented 43.3% of debit purchases, up from 34.6% for the same 2019 time period.

The largest sectors (Goods, Groceries, Restaurants and Services) have all seen increases in CNP activity.

**“Tap-and-Go” Activity on Contactless Cards** – Our results show strong contactless growth as consumers have adopted “safer” ways to pay.



**CONTACTLESS DEBIT**  
**14.6% of Transactions**  
**10.1% of Purchases**  
**Average Purchase Size**  
**\$21.21**

**CONTACTLESS CREDIT**  
**9.3% of Transactions**  
**6.6% of Purchases**  
**Average Purchase Size**  
**\$41.42**

For debit activity during Weeks 13 to 46, contactless transactions represent 14.6% of all transactions on these cards and contactless debit purchases are 10.1% of all purchases on contactless debit cards.

For credit activity, contactless transactions represent 9.3% of all credit transactions on these cards and contactless credit purchases are 6.6% of all purchases on contactless credit cards.

We see that results are strongest where merchant acceptance is actively promoted.

In the drug store sector, where market share is concentrated in a small number of national drug stores, we see very strong performance from CVS and Walgreens.

One of the strongest use cases for contactless is the displacement of smaller dollar value cash transactions. We are seeing that the average purchase sizes of contactless transactions for both credit and debit are much lower than the overall average transaction amounts. The average contactless purchase for this time frame is \$21.21 for debit and \$41.42 for credit. The overall purchase size for all transactions is \$42.87 for debit and \$66.23 for credit.

**Mobile Wallets** – Mobile wallets, which also allow tap-and-go payments at the point of sale, have also gained traction, with strong year-over-year growth.



**DEBIT MOBILE WALLETS**  
**↑ 29.7% Transactions**  
**↑ 65.8% Purchases**

**CREDIT MOBILE WALLETS**  
**↑ 2.7% Transactions**  
**↑ 39.6% Purchases**

Debit transactions are up 29.7% and purchases are up 65.8% for the overall period of Weeks 13 to 46. For credit, transactions are up 2.7% and purchases are up 39.6%. These results represent six supported mobile wallets: Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, LG Pay and Samsung Pay.

**ATM/Cash** – Overall, we have seen a reduction in total cash withdrawals from ATMs.



**ATM**  
**↓ 24.4% Transactions**  
**↓ 14.4% Withdrawals**

Cash withdrawal transactions are down by 24.4% and the total amount withdrawn is down by 14.4%, during weeks 13 to 46 versus the same period in 2019.

## SHIFTS IN CONSUMER SPENDING AND BEHAVIOR HAVE PROPELLED GROWTH WITH NATIONAL RETAILERS.

As the CARES Act economic stimulus package was being authorized at the end of March, we have seen strong year-over-year growth in large national retailers throughout Weeks 13 to 46.



**↑ 84.2% Debit**  
**↑ 47.8% Credit**

Amazon – Purchases are up 84.2% for debit and 47.8% for credit.



**↑ 8.5% Debit**  
**↑ 6.5% Credit**

Walmart – Purchases are up 8.5% on debit and 6.5% on credit.



**↑ 30.5% Debit**  
**↑ 21.9% Credit**

Costco – Purchases are up 30.5% on debit and 21.9% on credit.



**↑ 33.6% Debit**  
**↑ 15.4% Credit**

Target – Purchases are up 33.6% on debit and 15.4% on credit.



**↑ 54.2% Debit**  
**↑ 17.9% Credit**

Sam's Club – Purchases are up 54.2% on debit and 17.9% on credit.

## CONSUMER PURCHASES HAVE SHIFTED AMONG MERCHANT SECTORS IN THE PANDEMIC ENVIRONMENT

Several sectors have experienced significant growth and remained strong during Weeks 13 to 46.



**GROCERY**  
**↑ 12.2% Debit**  
**↑ 16.5% Credit**

Grocery – Purchases are up 12.2% on debit and 16.5% on credit. Transactions are down 3.4% for debit and down 4.6% for credit.



**GOODS**  
**↑ 30.3% Debit**  
**↑ 14.2% Credit**

Goods – Purchases are up 30.3% on debit and 14.2% on credit. Transactions are up 14.9% for debit and 11.3% for credit.



**HOME IMPROVEMENT**  
**↑ 54.4% Debit**  
**↑ 27.5% Credit**

Home Improvement – Purchases are up 54.4% on debit and 27.5% on credit.

Other sectors have been significantly impacted, experiencing considerable declines.



**TRAVEL**  
**↓ 34.5% Debit**  
**↓ 62.8% Credit**

Travel – Purchases are down 34.5% on debit and 62.8% on credit. Transactions are down 49.5% for debit and 63.9% for credit.



**ENTERTAINMENT**  
**↓ 40.2% Debit**  
**↓ 25.6% Credit**

Entertainment – Purchases are down 40.2% on debit and 25.6% on credit. Transactions are down 45.6% for debit and 52.7% for credit.



**GASOLINE**  
**↓ 17.9% Debit**  
**↓ 31.5% Credit**

Gasoline – Debit gasoline purchases are down 17.9% and credit purchases are down 31.5%. Transactions are down 9.1% for debit and 18.9% for credit.

PSCU will continue to develop and share analysis of transaction trends on a regular basis. Year-over-year weekly performance data trends will resume next week, including insights on Black Friday and holiday spend. For more COVID-19 support resources, visit [pscuc.com/covid19](https://pscuc.com/covid19).