

Bulgaria

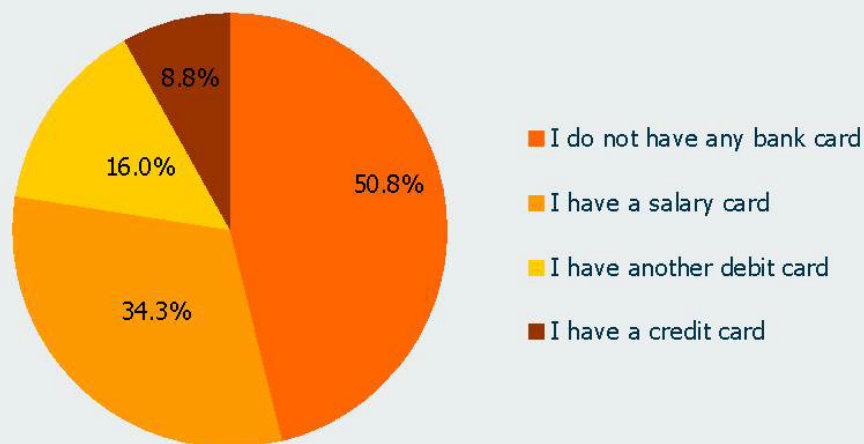
Are the Bulgarians properly aware of the possibilities for using plastic money?

Debit and credit cards are perceived to be one of the rapidly developing banking products, not only within the Bulgarian market but also in global terms. The FMDS survey undertaken by GfK Bulgaria shows the ways in which the Bulgarian population uses plastic cards and some interesting facts have been gleaned about the awareness and acquisition of the various bank card products. In addition, interesting elements arising from the figures are the possibilities which exist for shaping the customer profile and the opportunity to come to some conclusions about the motivation to more frequent and intense usage.

According to the data, 50.8 % of the respondents do not have any sort of bank card whilst 34.3% have a salary card. 52.9 % of them say that they are using the bank chosen by their employer. On the one hand, this could be due to a low awareness of the fact that the person themselves can choose the bank to receive payment of their monthly wage but is, on the other hand, possibly the result of an unwillingness to engage independently in making this choice.

Possession of various bank cards

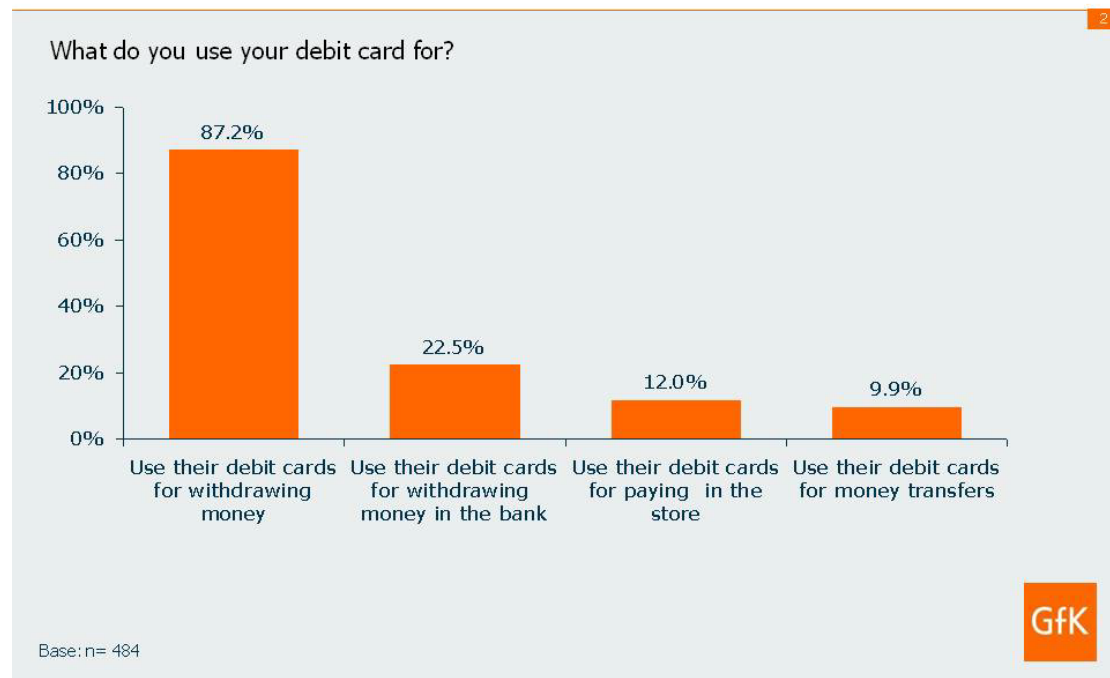
Which of the following bank cards do you hold?



Another fact determined by the research is that bank cards in Bulgaria are mainly used for withdrawing money, with 87.2% using their cards for taking their salary out of the bank using an ATM. Furthermore, 22.5% of the respondents claim that they use the card for taking their money out of their account at the bank counter. This makes it clear that a significant proportion of the Bulgarian population is not fully aware of the advantages of these card products.

With regard to the frequency of using the cards, 40.9 % of the respondents said that they use it two or three times a month and 31.0% only once a month. Only 18.0% claim to use their debit card once a week or more frequently.

Use of various bank cards I

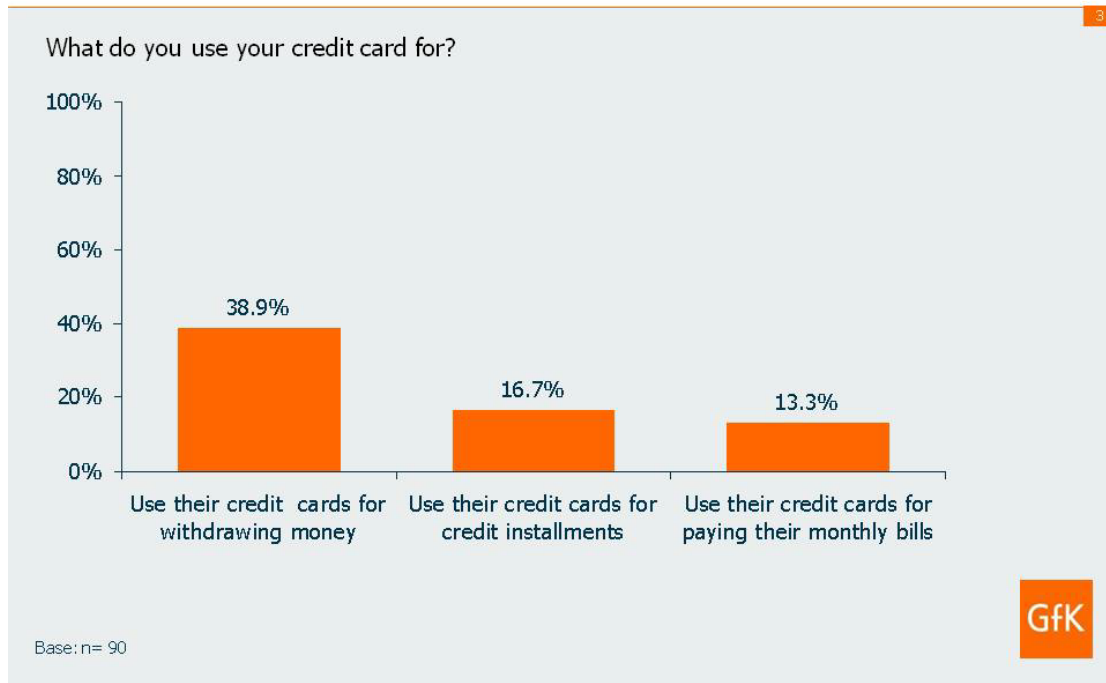


Who is the user of the plastic card?

On the basis of the data gathered, a bank card holder in Bulgaria has secondary or higher education, earns an average income and lives in a big city. Taking into consideration the increasing importance of the Internet as a means of communication with the bank, 6.6% of those who use the Internet say they pay their community bills online as compared to 2.7 % of those who do not have access to the Web. The education level also has an influence on the ways in which the bank card is used: 20.8% of the respondents with a high educational background use their bank card for making payments in-store compared to between 7 and 9% of those with a lower educational background.

Credit cards are a different case. Compared to debit cards, their use is very low at only 8.8%. 38.9% of the users only use them to withdraw money which is not actually a benefit as the charge for using them to withdraw cash is usually high.

Use of various bank cards II



In summary: it was possible to draw two important conclusions. Primarily, Bulgarians are still not well informed about the functional assets of cards as a banking product. Furthermore, the financial institutions could increase their share of customers by making dynamic and flexible offers and highlighting the benefits of the functional attributes of the cards as such. This should be a role for the various financial institutions: to act as providers of adequate information about their products to enable them to expand their customer share.

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