

# Euro introduction in Estonia Ex-Post Citizen Survey

## Summary

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# Euro introduction in Estonia Ex-Post Citizen Survey

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**THE GALLUP ORGANIZATION**

## Introduction

As of January 1, 2011, Estonia joined the euro area. The present survey on Estonian citizens' attitudes toward the new currency and the changeover process was conducted immediately after the euro's introduction. It therefore captures their immediate reactions on the topic.

The survey covers the following themes:

- Estonians' personal experiences
  - with using euro banknotes and coins; with converting krooni to euros; with understanding of values in euros
  - regarding the dual display of prices: how useful did respondents find this tool; opinions on whether or not the system was implemented correctly
  - with euro coin starter kits
- General perception of the success of the changeover;
- Awareness of the security features of euro banknotes;
- Concerns that price conversions and price rounding would be performed incorrectly;
- Concerns about an increase in inflation due to the changeover to the euro;
- The preferred sources and channels of information (regarding the changeover);
- Citizens' feelings about being informed about the euro;
- Levels of satisfaction with the information received from national authorities;
- The usefulness of euro spots, ads and the euro calculator.

The results of the current survey are compared to the last four countries that became members of the euro area: Slovakia in 2009, Malta and Cyprus in January 2008, and Slovenia in January 2007. In each of those countries, at the time of the changeover the Directorate-General Economic and Financial Affairs of the European Commission had conducted a Flash Eurobarometer survey in order to measure citizen's perceptions regarding the new currency and its implementation. (Flash EB 259 in Slovakia, Flash EB 222 in Cyprus, Flash EB 223 in Malta and Flash EB 205 in Slovenia). As the questionnaires were essentially the same and the data collection periods similar in all four surveys, direct comparisons between the results could be made.

In addition, the report presents results broken down by various socio-demographic characteristics of the respondents:

- Sex (male; female)
- Age (15-24; 25-39; 40-54; 55 +)
- Subjective urbanisation (living in an urban area; in the rest of the country)
- Occupation (self-employed; employee; manual worker; not working)

In Estonia 1005 interviews were conducted between the 16<sup>th</sup> and 20<sup>st</sup> of January 2011. In order to compensate for the low coverage of the landline telephone samples, a mobile and a face-to-face subsample was used as well. (For previous studies, fieldwork in Slovakia was completed between the 16<sup>th</sup> and 20<sup>th</sup> of January, 2009, in Malta and Cyprus it took place between February 2 and February 6, 2008 and in Slovenia between the 29<sup>th</sup> of January and the 3<sup>rd</sup> of February, 2007. In each country, approximately 1,000 interviews were conducted.) The national samples were representative of the population aged 15 and over. Smaller discrepancies stemming from sampling procedure were corrected by a weighting procedure called *raking*. The sample was weighted for age, sex, region and economic activity to accurately reflect the parameters of the universe.

## Main findings

### *Success of Changeover*

- **The vast majority (87%) thought that the changeover happened smoothly and efficiently**, while only 8% thought the contrary. About 4 out of 10 respondents thought the changeover had been *very* smooth and efficient (41%).
- **Only a few respondents in Estonia encountered problems when exchanging kroon cash into euros** or when withdrawing the new currency from banks in the first week of January 2011 (4%), while the large majority did not (95%).

### *Familiarity with the euro*

- **While about three-quarters (74%) said that it was easy to distinguish and manipulate euro banknotes, less than half (48%) said the same about coins** – these shares were lower than those measured in Slovakia, Malta, Cyprus and Slovenia shortly after they switched to the euro. However, in these countries too, respondents usually had more difficulty familiarising themselves with the coins than the banknotes of the new currency.
- **Respondents still often referred to the kroon when calculating prices while shopping.** The survey found that, for both special and everyday purchases, an unprecedentedly high proportion of respondents indicated that they still calculated prices in kroon (54% and 48%, respectively). Around 3 in 10 respondents had already mentally switched from krooni to euros when doing everyday purchases (28%) and 19% said they would most often calculate in euros when making special purchases. About 1 in 5 were just as likely to calculate in krooni as in euros when doing any kind of shopping.
- **About 6 out of 10 Estonian respondents found it easy to convert from kroon to euro** (62%), while nearly 3 in 10 thought that this was difficult (29%). Such level of difficulty has not yet been recorded at earlier post-2002 changeovers. Only 20% thought that conversion was *very* easy.
- **The usefulness of the dual display of prices was uncontested** (88% “useful”). Moreover, more than 8 in 10 (83%) respondents said that the dual displays were mostly or always correctly implemented.
- Asked which of the euro’s security features they could cite spontaneously, a significant proportion of Estonian respondents – 3 in 10 (31%) – was unable to name any. **Survey participants were most familiar with the watermark and the security thread**, which were cited by about 4 in 10 (42%) Estonians.

### *Concerns about the changeover*

- **Almost 6 in 10 (59%) Estonian respondents said that price conversions to euros had not been fair** (at least sometimes). The corresponding share for **price roundings** was **62%**.
- **A majority (55%) of Estonians thought that the euro will increase inflation in their country.** In contrast, about 2 in 10 (21%) believed that joining the euro area would help Estonia maintain price stability. A share of 7% expected the adoption of the euro to have no impact on inflation.

### *Information on the euro*

- **A vast majority (87%) felt informed about the new currency**, and a quarter described themselves as *very well* informed. Men and the self-employed were more likely to feel very well informed than women or than other occupational groups.
- Asked about the **source(s) from which they most frequently obtained their information about the euro**, Estonian respondents most often mentioned the **media (91%)**. Commercial banks were named by approximately 1 in 5 (18%) respondents, followed by the government, national or regional authorities (15%) and the National Central Bank (12%).
- **When Estonians were asked which information channel they considered to be the most efficient, half of them mentioned the television**. The Internet and the national information website on the euro (<http://euro.eesti.ee>) came in second place (14%). The radio, print media and publications or brochures were each named by approximately 1 in 10 survey participants (9%-11%).
- When asked which euro-related topics they would like to have more information on, **a significant number of Estonian respondents couldn't identify any further information needs (30%)**. The two most frequently mentioned topics on which Estonians would like to receive more information were the social, economic or political implications of the euro and fair rounding.

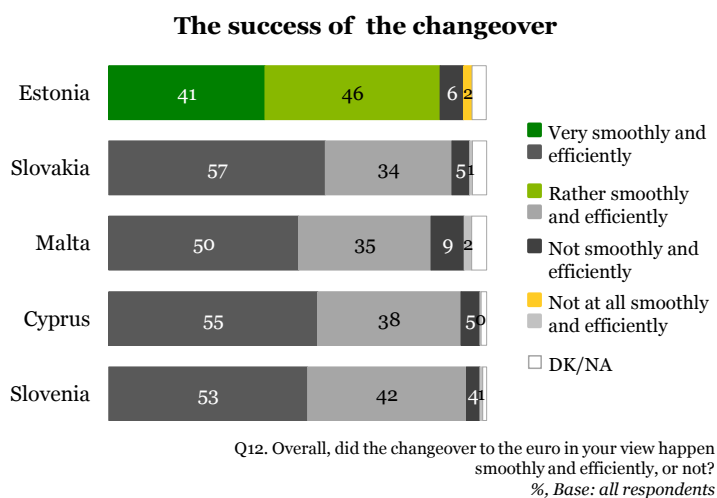
### *Euro mini-kits and the euro calculator*

- **Compared with other post-2002 changeovers, Estonians were the least likely to buy euro coin mini-kits**. Almost three quarters (73%) of Estonian respondents said they had not bought a euro mini-kit before the introduction of the new currency on 1 January 2011, and relatively many who bought such kits did not actually open it to use the coins (only 43% used these coins).
- As there was one **euro calculator** available for each household, nearly all Estonians said they had received one (90%). Over three-quarters found the tool to be useful (78%).

## The Estonian changeover: general assessments

The vast majority (87%) of Estonian respondents thought that the changeover happened smoothly and efficiently, while only 8% thought otherwise. About 4 in 10 respondents even thought

the changeover had been *very* smooth and efficient (41%).



A comparison with the surveys conducted shortly after switching to the euro in Slovakia, Cyprus, Malta and Slovenia shows that Estonians were slightly less likely to say that the changeover went smoothly and efficiently than were Slovaks (91%), Cypriots (93%) and Slovenes (95%). Estonian figures were closer to Maltese ones, where 85% said that the changeover was a success. It should

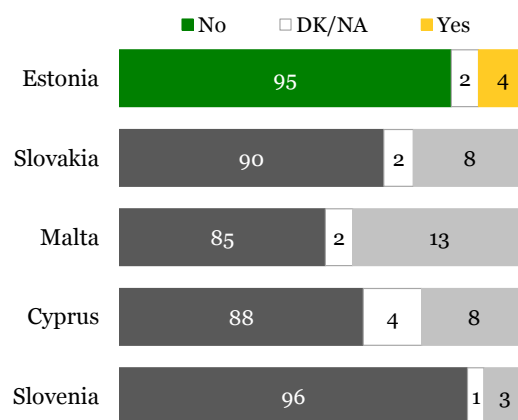
also be noted that Estonians were the least likely to say that the switch went *very* smoothly (41% vs. 50%-57% of others).

**Only a few respondents in Estonia had encountered problems when exchanging kroon cash into euros** or when withdrawing the new currency from banks in the first week of January 2011 (4%), while the large majority had not (95%).

Compared to the other countries where the euro was recently introduced, only Slovenia showed a similarly high share of respondents not experiencing any problems (96%). The numbers of those having problems were equally low: 3% of Slovenes reported problems when changing tolar to euros. In comparison, the currency switch in Malta was more problematic in that 13% of Maltese reported problems exchanging Maltese liri to euros.

About 4 in 10 (39%) Estonians who experienced some problems said that they had to wait in long queues at the bank counters<sup>1</sup>. The second most often mentioned issue was that ATMs (cash dispensers) were (temporarily) out of order; 27% reported this. A share of 17% said that there had been long queues at the ATMs. About 1 in 10 (9%) reported that the ATM still issued Estonian krooni instead of euros. A third of respondents mentioned other problems.

### Problems with currency exchange in the first week of January?

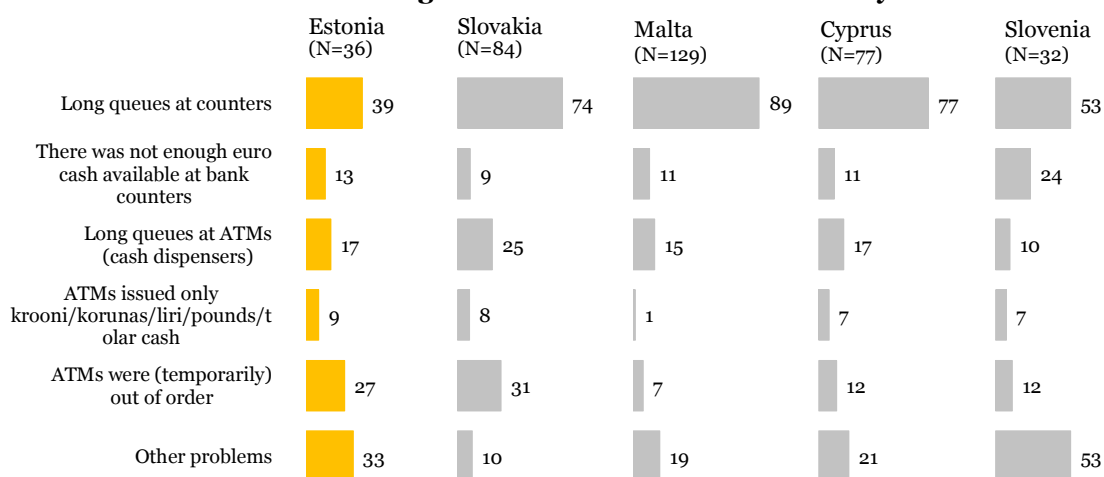


Q10. When you exchanged Estonian kroon cash into euro cash or withdrew euro cash with banks in the first week of January, did you experience any problems?  
%, Base: all respondents

<sup>1</sup> Even though sample sizes for Slovakia, Malta and Cyprus are of a sufficient size to draw valid conclusions, it should be noted the margins of error increases (see analytical report). As in Estonia and Slovenia very few respondents experienced problems when withdrawing or exchanging money (36 and 32), the results shown in the graph can only serve as indications.

During previous changeovers, long queues at counters were always the most reported problem. However, compared to the surveys conducted in the other four countries that joined the euro area, the problem was less pronounced in Estonia. Estonians and Slovaks were more likely to report that ATMs were (temporarily) out of order than were Maltese, Cypriots or Slovenes. Long queues at ATMs were most often reported in Slovakia with Cyprus and Malta's numbers being similar to Estonia.

### Problems experienced when exchanging krooni/korunas/liri/pounds/tolars or withdrawing euros in the first week of January

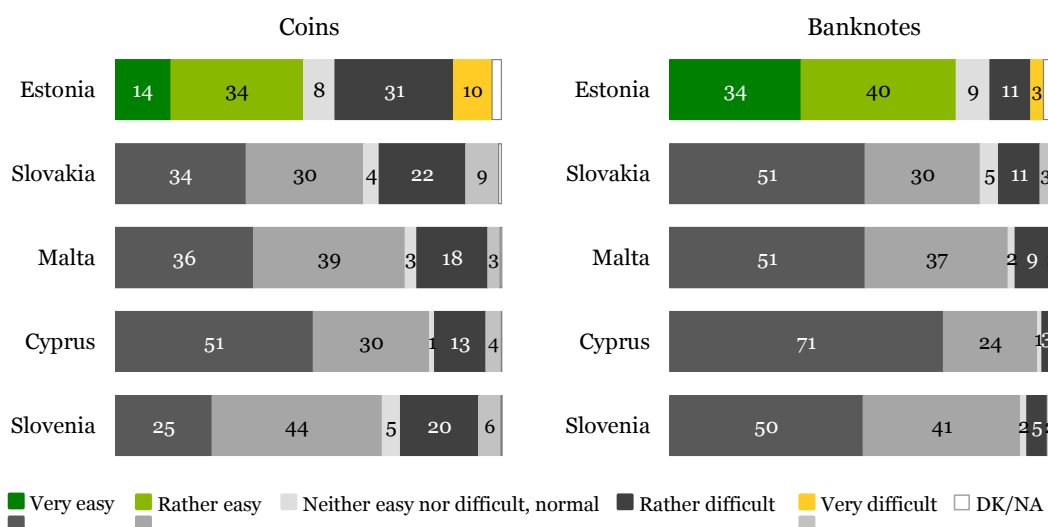


Q11. What kind of problems did you experience?  
%, base: those who experienced any problem, by demography

## Personal experiences with the euro

Right after the changeover, **many Estonian respondents reported difficulties distinguishing between - and manipulating euro banknotes and coins – in fact many more than in earlier changeovers.**

### How easy or difficult is it to distinguish and manipulate euro cash



Q1/Q2. When you pay cash, would you say that it is: very easy, rather easy, rather difficult or very difficult to distinguish and to manipulate euro coins/banknotes?  
%, Base: all respondents

As usual, more respondents felt that banknotes were easier to handle than coins: while about three-quarters (74%) said that it was easy to distinguish and manipulate euro banknotes, while less than half (48%) said the same about coins.

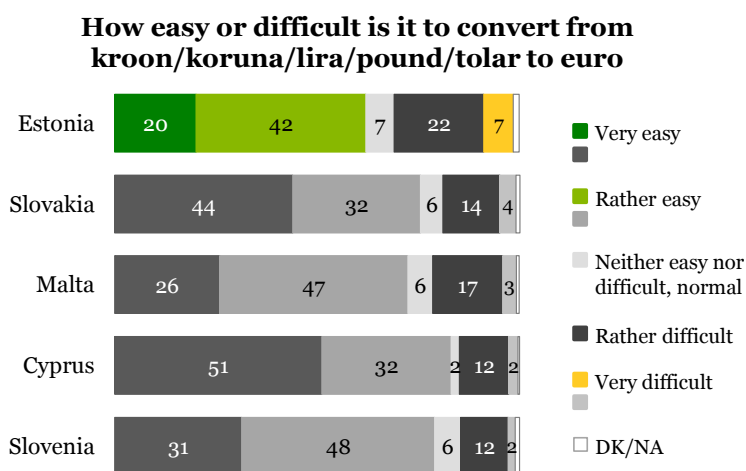
A mere 14% indicated that handling coins was *very* easy, while a third had that opinion about the banknotes (34%) – both figures are a record low considering the post-2002 changeovers. About 4 in 10 (41%) thought that coins were difficult to handle. In detail, 31% said they were *rather* difficult and 10% stated they were *very* difficult to handle. Furthermore, 11% found that the euro banknotes were *rather* difficult to handle and 3% found this *very* difficult.

Asked which of the euro’s **security features** they could cite spontaneously, a significant proportion of Estonian respondents – 3 in 10 (31%) – were unable to name any. **Survey participants were most familiar with the watermark and the security thread**, which were cited by about 4 in 10 (42%) Estonians. After this, approximately a third of respondents named the hologram (35%), while the see-through number was mentioned by 2 in 10. Furthermore, 17% mentioned the colour-changing number and the gold-yellow stripe was familiar to 16%.

## Becoming familiar with euro pricing

### *Conversion from old to new currency*

About 6 out of 10 Estonian respondents found it easy to convert from kroon to euro (62%), while nearly 3 in 10 thought that this was difficult (29%). More people considered it difficult than at any of the other post-2002 changeovers. Only 20% thought that conversion was *very* easy.



Q4. How easy or difficult is for you to convert from [CURRENCY] to euro?  
%, Base: all respondents

These rather unfavourable results (in comparison with other Member States that had recently introduced the euro) are probably not independent of the fact that the Estonian kroon exchange rate was not the ‘easiest’ – the multiplication by 16 is not a trivial task for many people. (Just for comparison: in Slovakia, the fixed SKK/EUR exchange rate of about 30 meant a fairly easy challenge to convert prices). However, exchange rates in the other countries were much less

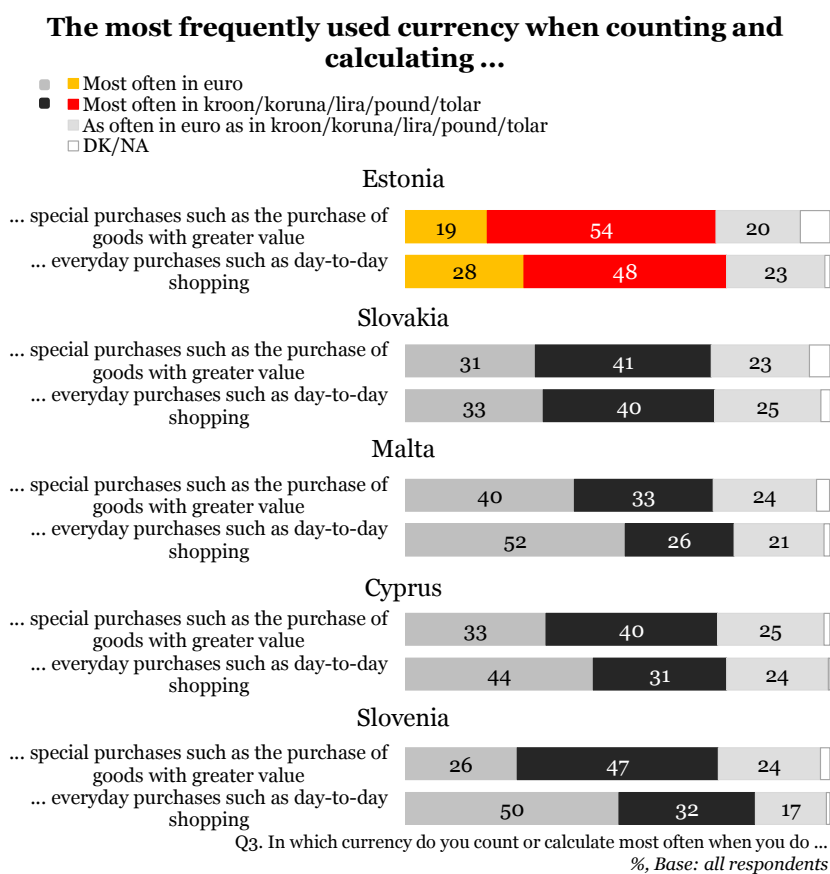
‘convenient<sup>2</sup>’, so the recorded level of difficulty cannot be easily explained by the discomfort with arithmetic itself. In contrast to the current Estonian results, 83% of Cypriots found the conversion to the new currency easy, with over half (51%) thinking that it was *very* easy.

In line with the above findings, **a comparatively low proportion of Estonian respondents had no difficulty understanding the value of a product or a service in the new currency (58%)**; only

<sup>2</sup> Fixed exchange rates, EUR/national currency (rounded to two decimals): SI: 239.64, CY: 0.59, MT: 0.43

about 1 in 5 (18%) thought that understanding a value in euros was *very* easy. On the other hand, a sizable minority of 34% found it difficult to understand how much goods or services cost when priced in euros; 7% found this *very* difficult.

**The survey found that, for both special and everyday purchases, an unprecedentedly high proportion of the respondents indicated that they still calculated prices in kroon (54% and 48%, respectively).** Around 3 in 10 respondents had already mentally switched from kroon to euro when doing everyday purchases (28%) and 19% said they would most often calculate in euros when making special purchases. About 1 in 5 said they would be just as likely to calculate in kroon as in euro when doing their everyday shopping (23%) or when they were purchasing special items (20%).



As the table above shows, Estonians were clearly the most likely to still calculate in their old currency shortly after the currency switch. Maltese were the least likely to continue calculating in their former currency after the changeover.

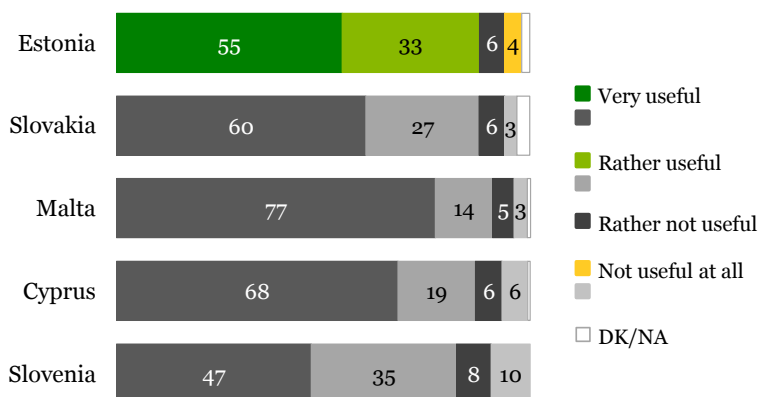
Estonia was similar to Malta, Cyprus and Slovenia in the sense that respondents were more inclined to calculate in euros when making day-to-day purchases than they were to calculate in the new currency when buying goods with greater value. In Slovakia there was hardly any difference concerning these two forms of purchases.

### *The dual displays of prices*

**Almost 9 in 10 (88%) Estonian respondents found the dual display of prices, a tool aimed at facilitating price comparisons, to be useful;** more than half of respondents (55%) thought that this tool was *very* useful. Only 1 in 10 respondents said this was not helpful.

Dual price displays have been widely appreciated facilitators for better understanding the prices in the other four countries as well. Maltese were the most likely to find the dual price displays useful (77% found them *very* useful and 14% found them *rather* useful), while Slovenes were a bit less inclined than others to feel this way (47% found dual price displays *very* useful and 35% found them *rather* useful).

#### Overall usefulness of the dual displays of prices



Q6. Overall, do you find the dual displays of prices useful?  
%, Base: all respondents

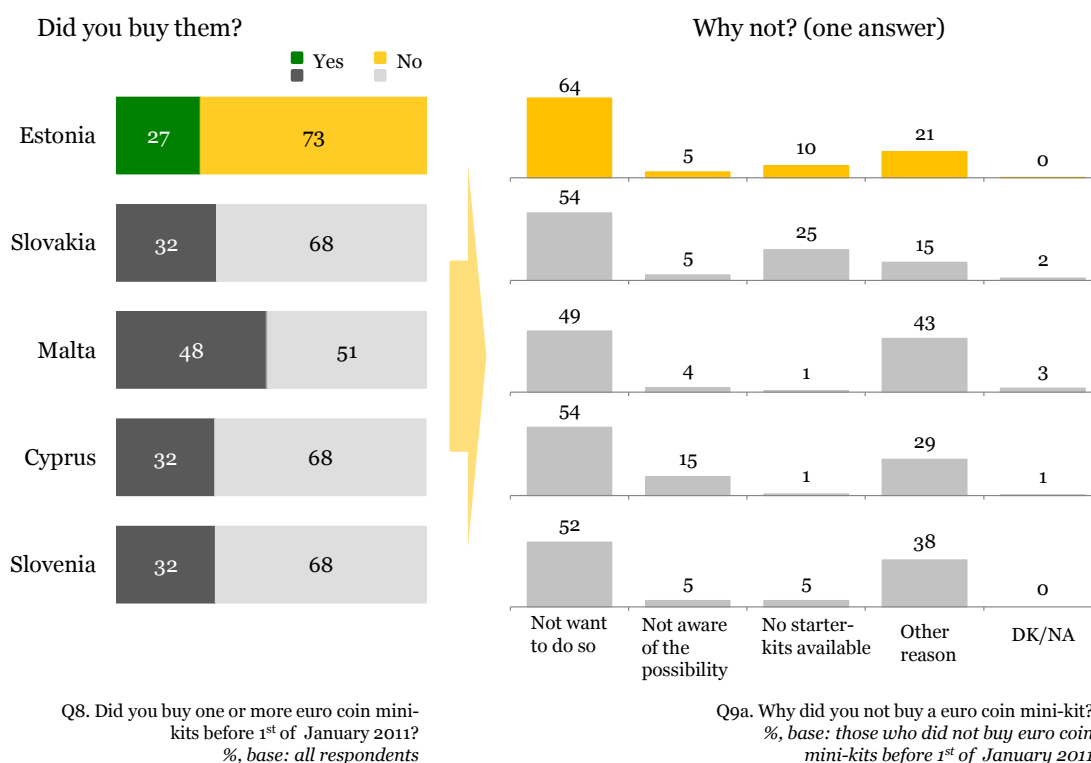
**A third (34%) of Estonian respondents said that the dual price displays were (always) implemented correctly.** About half (49%) of respondents felt that they were *mostly implemented correctly*. Approximately 1 in 10 (11%) said that they were not happy with the implementation. Finally, 6% did not know how to judge the accuracy of the dual price displays or gave no answer.

Compared to the other countries that recently joined the euro area, Estonians were the least inclined to say that the dual price displays were always implemented correctly (34%). In the other countries this share varied from 45% in Cyprus to 55% in Malta.

### The euro coin mini-kits and the euro calculator

Compared with other post-2002 changeovers, Estonians were the least likely to buy euro coin mini-kits. Almost three-quarters (73%) of Estonian respondents said they had not bought a euro mini-kit before the introduction of the new currency on 1 January 2011, consequently, about a quarter said they had done so (27%). A majority of respondents (64%) who had not bought a kit said they had not wanted one. One in 10 of these respondents said they would have liked to buy one, but that they simply were not available. As the graph on the next page shows, among the other countries where the euro was recently introduced, the euro mini-kits had been most popular in Malta, where almost half (48%) of respondents purchased one or more.

#### Buying euro coin mini-kits and reasons for not buying them



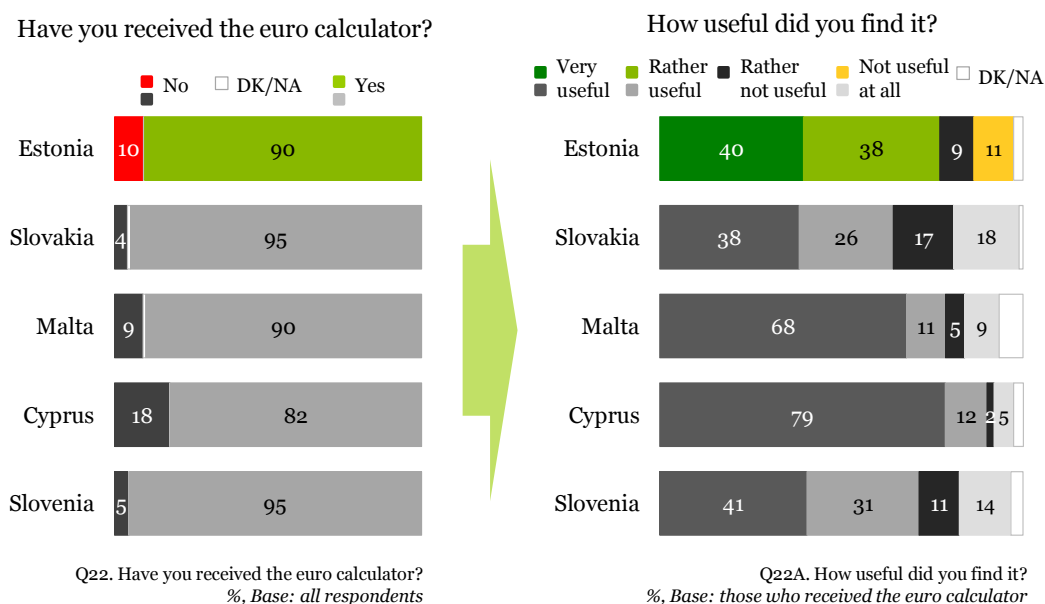
**Six in 10 Estonians who had bought (one or more) euro mini-kit(s) before the official introduction of the euro had made use of the coins.** In detail, a share of 43% of those Estonians had opened the kit and used the coins, while another 17% had bought more than one kit and used only one (or some). Almost 4 in 10 (38%) stated that they left the kit untouched and did not use the coins.

In Estonia, one **euro calculator** was made available for each household. Accordingly, **nearly all Estonian respondents said they had received one** (90%) and over three-quarters found the tool to be useful (78%). Four in 10 respondents even thought it was *very* useful. However, 1 in 5 respondents (20%) did not have the feeling that the euro calculator was useful for them (11% thought it was not useful *at all*).

In general, Estonia was not the only case where the euro calculator was distributed to almost every household in the country. The shares of those who received the tool ranged from 82% in Cyprus to 95% in Slovakia and in Slovenia. Estonians were less enthusiastic about the device than those

interviewed in Malta or Cyprus back in 2008, but were more often satisfied than Slovak or Slovenian respondents.

### The usefulness of the euro calculator



## Concerns about the changeover

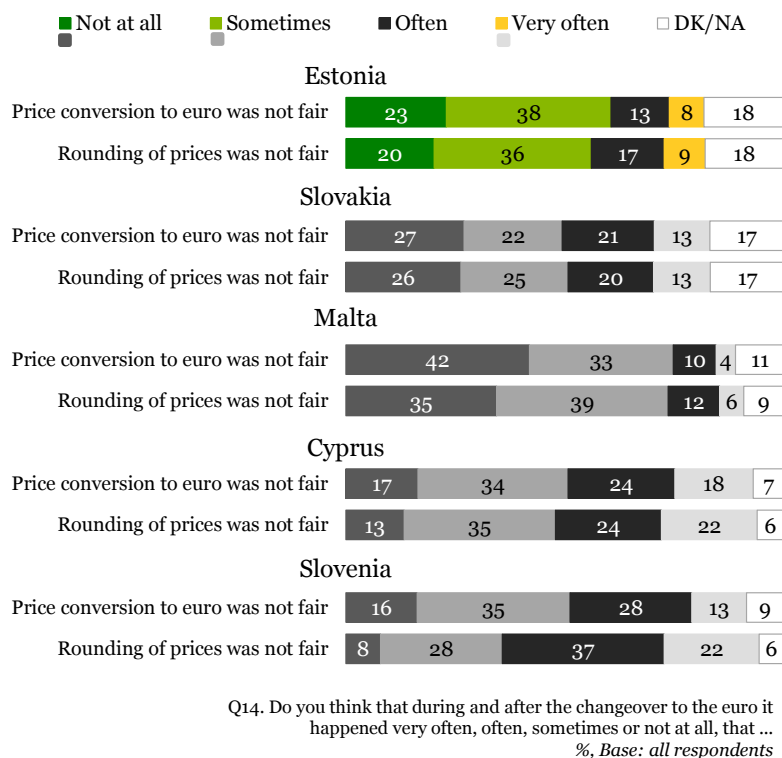
Respondents were asked whether they thought that price conversions and price rounding in euro had been fair. Responses were quite consistent in the sense that most of those who felt that prices were converted to euro in an unfair way also complained about unfair rounding of prices.

**Almost 6 in 10 (59%) Estonian respondents said that price conversions to euros had not been fair (at least occasionally). The corresponding share for price roundings was 62%.**

Compared to the other countries, Estonian respondents were somewhere in the middle between very the critical Slovenes and Cypriots on the one hand and the less critical Maltese on the other.

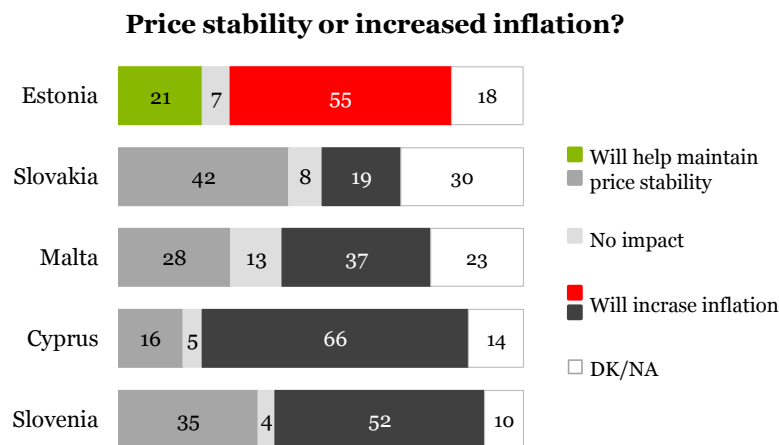
**A majority (55%) of Estonians thought that the**

### Fairness of price conversion to euro and price rounding



**euro would increase inflation in their country.** In contrast, about 2 in 10 (21%) believed that joining the euro area would help Estonia maintain price stability. A share of 7% expected no impact on inflation by adopting the euro. Almost 2 in 10 (18%) did not know how to judge the influence of the euro's introduction on price stability or preferred not to answer this question.

Only the Cypriots were even more pessimistic about the development of price stability after joining the euro area than Estonians. Back then, shortly after adopting the euro, two-thirds of Cypriot respondents thought that the euro would increase inflation, while just 16% believed that it would help maintain price stability in the country. Slovaks were the most optimistic with 42% of respondents expecting a positive impact of the euro on price stability and only 19% fearing inflation.



Q14a. Do you think the euro will help to maintain price stability or, on the contrary, increase inflation in [COUNTRY]?  
%, Base: all respondents

## Information about the euro

**A vast majority (87%) felt informed about the new currency** and a quarter described themselves as being *very* well informed. 12% of respondents said they did not feel well informed. Looking at the combined percentages of those who felt *very* well and *rather* well informed, the Estonian figures were much in line with those in the other four states. However, the share of Estonians who felt *very* well informed (25%) was by far the lowest. While 36% of Slovenes felt *very* well informed about half of Slovaks, Maltese and Cypriots (50%-52%) felt this way.

### Sources of information and their quality

Survey participants were also asked about their most and second most important sources to get informed about the euro – eight specific sources were read out to them. By a wide margin, most Estonians mentioned the media. Indeed, **more than 9 in 10 (91%) respondents thought that the media was an important source of information**, and roughly 8 out of 10 (79%) identified it as the most important information source. Commercial banks were named by approximately 1 in 5 (18%) respondents, followed by the government, national or regional authorities (15%) and the National Central Bank (12%). Public administrations were mentioned by 8% of respondents. Only a handful, however, specified those sources as their major source of information (2%-4%). Few Estonian respondents identified consumer associations (3%), the European Institutions (3%), trade unions (2%) as important sources of information about the euro changeover – and hardly anyone said these were the most important source. One in 10 said they found other organisations, which were not listed, important in this respect.

The results in the other four countries were in line with Estonian figures, vast majorities considered the media to be the most important source of information.

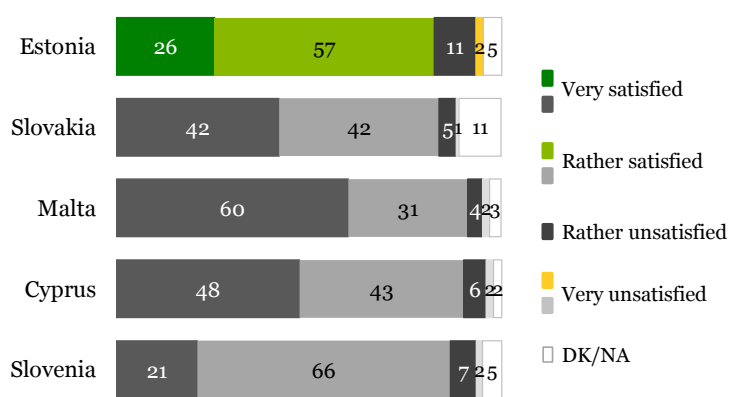
**When Estonians were asked which information channel they considered to be the most efficient, half of them opted for the television.** The Internet and the national information website on the euro (<http://euro.eesti.ee>) came in second place (14%). The radio, print media and publications or brochures were each named by approximately 1 in 10 survey participants (9%-11%). Only a handful of respondents named friends, family and co-workers as the most efficient information sources (3%). Just 1% named the free national euro telephone line. None of the respondents felt that presentations (e.g. in shopping centres, or at fairs) were effective. Finally, 1% stated not to have looked for information or said that they had not received information.

Estonian respondents were in line with the other four countries when considering the TV as the most efficient channel of information, with shares ranging from 49% in Malta to 66% in Slovakia. The Internet also came in second place in Slovakia. Furthermore, similar shares of respondents in most countries preferred publications/brochures or other print media. Only in Malta were publications/brochures particularly popular.

**More than 8 in 10 (83%)** Estonian respondents **were satisfied with the information that the national authorities provided on the euro**, with only 13% being dissatisfied. More specifically, about a quarter (26%) described themselves as being *very* satisfied, while a bit less than 6 in 10 (57%) respondents said they were *rather* satisfied.

When looking at those respondents who were *very* satisfied and *rather* satisfied combined, Estonians were like Slovaks somewhat less satisfied with the information provided by the national authorities than the Maltese, Cypriots and Slovenes had been when the euro was introduced in their countries. In Malta, in particular, the citizens had been especially pleased with the quality of the national authorities' information: 9 in 10 (91%) respondents said they were satisfied.

#### Satisfaction with the information provided by national authorities regarding the euro



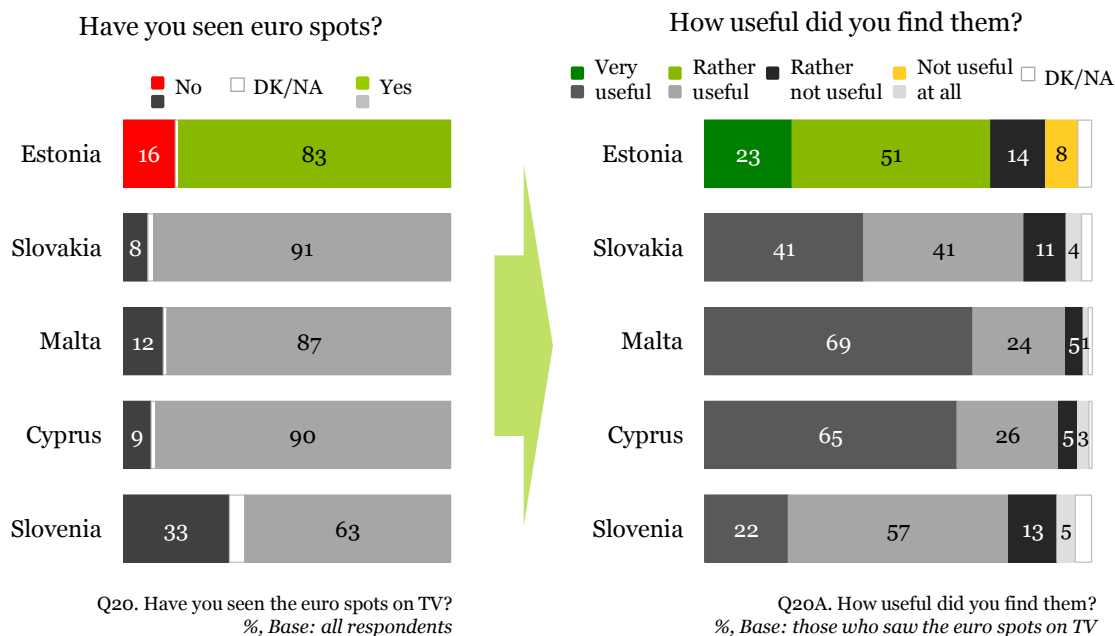
Q19. How satisfied are you with the information provided by the national authorities regarding the euro?  
%, Base: all respondents

The **TV spots** that focused on the euro had high audience rates in Estonia. More than 8 in 10 (83%) respondents had seen those euro spots. Out of those respondents who had seen the spots, a large majority (74%) had found them useful, with 23% even finding them *very* useful. A share of 22% felt that the TV spots on the euro were not useful.

The audience rate of euro spots in Estonia was lower than in Malta, Cyprus and Slovakia (87%-91%), but considerably higher than in Slovenia (63%). Respondents from the other four countries who had

seen these spots more often found them useful, when compared with Estonians. In Malta and Cyprus respondents were particularly liable to say that they found these euro spots useful.

### The usefulness of the euro spots on TV



Although still a majority, fewer Estonian respondents said they had seen the **ads on the euro in magazines and newspapers** (64%) when compared to the audience rates of the euro TV spots. Eight in 10 of those respondents who were aware of the ads in the print media actually found them to be useful as a basis for information on the euro, out of which 2 in 10 (21%) had the impression that they were *very* useful. 16% of Estonians who had seen the ads did not find them useful.

As with the TV spots, Estonians were less likely to have seen ads in print publications than Maltese, Slovaks or Cypriots (69%-72%). The level of awareness was close to that measured in Slovenia (62%), shortly after the euro replaced the tolar. Again, looking at those who said to have seen the ads in the print media, Cypriots and Maltese were most liable to find them useful (both 93%). The Estonian figure was comparable to those found in Slovakia (78%) and Slovenia (79%).

#### Further information needs

**When asked concerning which euro-related topics they would like to have more information on, a significant number of Estonian respondents could not identify any further information needs or did not want to answer (30%).** This is in line with the finding that a large majority of Estonian respondents felt well informed about the euro (87%).

When asked to name a **first priority**, 15% said they would like to get more information on the social, economic or political implications of the euro, this was a second priority for a further 9%. A similar share said they wanted more information on fair rounding (for 13% this was the top priority). One in 5 respondents said they would have liked more information on the euro's security features (12% mentioned this as their first priority). A similar share wanted to get more information on how to avoid being cheated in euro currency conversions (10% said this was their number one priority). Next, 17%

(first and second priority) would appreciate information on practical implications of the euro regarding their salary, and bank account (for 1 in 10 this was the top priority). Further information on the dual display of prices was mentioned by 15% (first priority for 8%). Relatively few Estonians requested more information about the design and denominations of euro banknotes and coins (6%) or on the value of one euro in Estonian kroon (4%).

As in Estonia, more information on fair rounding had also been a priority in the other four countries shortly after they joined the euro area, while further information on the social, economic or political implications of the euro was also often mentioned in Cyprus and Slovenia. Substantial shares of Slovaks, Maltese and Slovenes, like Estonians, wanted to know more about the security features of the euro.