

Global payment preferences for recurring B2B purchases



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Foreword



Duncan Barrigan
Chief Product Officer, GoCardless

Why preference matters for B2B payments

B2B sales cycles can be long and complex. When it comes to getting a potential customer over the line, the last thing you want is the final details getting in the way. The payment methods you offer can have a big impact on conversion – when you give users the payment methods they prefer, you turn what may have been lost opportunities into customers.

These customer payment preferences represent one of what we at GoCardless have identified as the Eight Payment Dimensions - the key elements you can use to assess the effectiveness of a recurring payment method for your business.

For B2B companies with a recurring business model, the conversion impact of catering to preferences can have a significant impact on the growth of your business. However your business operates, preference affects how you should collect payments. By catering to your market's payment preferences, you give your business the best chance of winning new customers, maintaining their satisfaction, and reducing your churn.

In this report, we look at business payer preferences across four different types of recurring purchases and nine different markets.

I'd like to extend my thanks, and the thanks of the team here at GoCardless, to our partners and customers who shared their thoughts on preference – you can find these included throughout the report. We hope you find this report useful, and we welcome any feedback you might have at content@gocardless.com.

The Eight Payment Dimensions

The Eight Payment Dimensions emerged from efforts to improve our product.

For years we asked our customers "what can we do to improve?" and we were surprised when again and again the most common answer was "nothing."

It turns out we weren't asking the right question. When we asked "wouldn't you like payments to be faster?" or "wouldn't you like to increase success rates?", the answers changed. Many of our customers assumed that there were things you just couldn't change about a bank debit scheme.

Well, we plan to change many of them. For us, bank debit schemes are just a means to an end – to take the pain out of getting paid.

Bank debit has its strengths and weaknesses as a mechanism for taking recurring payments, both in its own right and in comparison to other payment options. We're working to develop products that overcome the weaknesses of bank debit, while preserving its advantages. Our vision is to be the best way to take recurring payments, full stop.

As part of this work, we developed the Eight Payment Dimensions. Every payment mechanism and payment product has different strengths and weaknesses. These eight factors provide a tool to analyse how payments impact your business.

The perfect payment method for recurring purchases performs well against all of them, but in reality there are trade-offs between the dimensions. For example, one could carefully vet everyone making payments to ensure maximum success for payment collections, but this would dramatically reduce conversion.

The perfect payment product depends on your business and what you care about. Here at GoCardless we're working to remove as many trade-offs as possible and help businesses make the best decisions for those that remain.

Coverage

A measure of payers that could choose to use the payment method.

Preference

A measure of payers that do choose to use the payment method.

Conversion

A measure of payers that complete the payment process.

Cash flow

A measure of how long it takes to settle a payment, once it becomes a receivable.

Success

A measure of payments that are successfully collected.

Churn

A measure of payers that the merchant is incapable of collecting from, after a given time period.

Cost

A measure of how much the payment method costs to build, operate and process.

Visibility

A measure of how long it takes to receive actionable information about a payment.

Executive summary

How do businesses want to pay for regular bills, invoices, subscriptions and instalments? The answer, as this report reveals, depends on where they live.

Payment preference varies greatly around the world. Though business and the payment systems that support it work on an increasingly international playing field, culturally ingrained preferences about how to pay remain. We've seen this in the B2C space in our previously-released report [Payment preferences for recurring purchases: The consumer payer 2019](#), and the research examined in this report indicates the same is true of the B2B market.

A B2B business looking either to optimise for local markets or expand internationally can't take a one-size-fits-all approach to payments. To maximise conversion and offer the best payer experience, it's essential to adapt to market preferences.

This report, produced with YouGov, polled 4,990 businesses across the UK, France, Germany, Spain, Denmark, Sweden, the USA, Canada and Australia, asking how they prefer to pay for regular business bills, invoices, digital subscriptions and instalments.

Here are some of the key insights from the research:

Bank-to-bank payment methods are the most preferred, globally

Looking across the nine markets and four payment use cases surveyed, bank debit and bank transfer tend to be the two most likely payment methods for businesses to use. Bank debit is the most commonly preferred payment method, being most preferred 42% of the time, with bank transfer at 36%. The global preference for bank-to-bank payment methods reflects ingrained cultural habits – in most of the markets surveyed, bank-to-bank has long been the standard way to pay for recurring payments.

Customers that pay by bank transfer are likely to be open to switching to bank debit

While bank transfer may be seen as the de facto default B2B payment method in many industries, it can have long-term implications for your company. Looking at the four surveyed use cases across all nine markets, bank debit and bank transfer were the top two preferred payment methods 69% of the time. Averaged across these instances, preference for bank debit and bank transfer only differed by 6%, indicating an opportunity for businesses currently selling via bank transfer. These businesses can regain control of their payments, eliminate admin, save time and money, and get better visibility over their payments by making the switch to bank debit, without any appreciable kickback from customers.

Bank debit is the preferred way to pay in the UK, Spain and Denmark

Bank debit mechanisms such as [Bacs](#) (in the UK) and [SEPA](#) (in Europe) are a convenient and flexible way to make recurring payments. Strong preference for the payment method was seen in the UK, Spain and Denmark, with respondents in those markets indicating primary payment preference for bank debit in 75 - 100% of use cases.

Corporate card is not widely chosen in Europe

Corporate card has not achieved wide acceptance as a way to pay recurring bills in most European countries. It's typically the third most preferred way to pay, lagging behind bank-to-bank options. This trend is especially prevalent in Germany and the UK, where some of the lowest preference is seen for the payment method.

But corporate card continues to dominate North America

Both US and Canadian businesses continue to prefer corporate card to other payment options. In the US, half or more of businesses are likely to choose cards in each of the surveyed use cases, and in Canada, this preference tends to creep up several percent higher.

After corporate card, B2B SaaS companies should offer bank debit as their next payment method

A minority but significant segment of the market for digital subscriptions is unlikely to pay by corporate card (16% in the US, 29% in the UK and as much as 33% in mainland Europe). Offering bank debit is key to capturing these segments - it's the second-most commonly offered payment option by the 50 largest public SaaS companies of 2019 (after corporate card), and is preferred by as many as 60% of businesses in various countries around the world.

Digital wallet has a long way to go

Although different markets exhibit different feelings towards using digital wallet to pay for recurring business purchases, in most markets and use cases surveyed (89%), fewest businesses indicated they were likely to choose digital wallets to pay. Spanish businesses exhibited the highest likelihood to pay via digital wallet relative to other markets, however, bank debit still held a significantly stronger preference in every use case. On the other end of the spectrum, UK businesses indicated the lowest preference for paying via digital wallet.

This report offers an insight into how businesses around the globe like to pay for different kinds of recurring purchases right now. Unlike with B2C, businesses in the B2B space are typically faced with fewer, more valuable potential customers - the sales cycles for which can be much longer.

By not offering the payment methods that are preferred in the markets you wish to sell in - even when that preference is only by a few percent - you risk missing out on new opportunities. Armed with the data in this report, you'll be able to optimise the billing experience for your target markets, and boost your conversion rate.

What is bank debit?

Bank debit, also known as Direct Debit in much of Europe, is a bank-to-bank payment mechanism, where the payee's bank pulls funds from the payer's bank whenever those funds are due, under a single, upfront authorisation from the payer.

We use the term 'bank debit' here instead of Direct Debit, to avoid confusion, since in some countries such as Australia, 'Direct Debit' can also refer to collecting regular payments from a credit account, via a credit card.

Bank debit options typically require the payer to enter their bank account number and sort code. (Depending on the country and scheme in question, the required details may instead be known as routing number, bank registration number, BIC, IBAN, or BSB, amongst other names.)



Only two markets prefer credit card for B2B SaaS:
What do you offer the others?



Only two markets prefer credit card for B2B SaaS: What do you offer the others?

Credit cards are synonymous with digital subscriptions. With the ubiquity of the Visa and Mastercard brands, along with the global reach of their networks, it's no surprise B2B SaaS companies instinctively offer credit card as the primary payment method for their customers. Consumers have been trained to expect it through services like Amazon Prime, Netflix, and Spotify, and the appearance of the Visa and Mastercard logos on many e-commerce payment pages too.

And it makes sense. According to a [credit card market study](#) published by the UK's Financial Conduct Authority in July 2016, 60% of UK adults hold at least one credit card. [Creditcards.com suggests](#) multiple studies indicate around 7 in 10 Americans have at least one, as well. And that doesn't account for Visa or Mastercard debit cards, which can often be used interchangeably when paying via credit card. The abundance of consumer credit cards lends itself to the belief that credit cards hold an equally strong footing in the B2B SaaS market.

A glance at the [50 largest public SaaS companies in 2019](#) seems to support this. Of the companies that publicly list the payment methods they accept, all accept credit card. While not all of these companies are US-based, all are listed on US stock exchanges and as such have notable US presences. It follows that, from the research conducted by YouGov and provided in this report, more US businesses exhibit a preference for paying for digital subscriptions by corporate card (54%) than by any other payment method.

However, the research also shows that 16% of US businesses are unlikely to pay for digital subscriptions by corporate card at all. The global picture is more profound. In the UK this number climbs to 29%, and in mainland Europe it's as high as 33%. Offering the right payment methods for each territory is critical to capturing these markets. In another survey conducted in October 2019 by YouGov on behalf of GoCardless, more than 75% of respondent B2B businesses have ambitions to grow internationally in the next five years. Right now, leveraging market payment preferences is an as-yet-unexploited advantage.

[Quandoo](#), the world's fastest-growing restaurant reservation platform, uses GoCardless to offer bank debit to customers in several countries, including the UK, Germany, Austria, and Italy. Diego Passarela, Head of Billing & Payments at Quandoo says "To date, wherever we offer GoCardless, it's the preferred payment option, with 50%-85% adoption."

Siamac Rezaiezadeh, Head of Global Enterprise Sales at GoCardless, said: "For B2B SaaS companies, everyone thinks to offer credit card as their first payment method. And in today's world that can be the right way to go, but there are two big problems to consider. Firstly, payment preference data only supports the credit card-first approach in North America - not in Europe or Australia. Secondly, when these companies look at which payment method to offer next, there's an instinct to go with a digital wallet like PayPal, but again the data doesn't support this."

The results from the research conducted by YouGov show that, in North America, after corporate card, the next most common way businesses prefer to pay for digital subscriptions is bank debit (38% for the US and 44% for Canada). Digital wallet and bank transfer come in after. However, while preference for digital wallet and bank transfer for digital subscriptions are tied in the US, preference against them is a different story. 31% of businesses are unlikely to pay for digital subscriptions by bank transfer, but 44% feel the same for digital wallet. This is in contrast to bank debit, of which only 27% of US businesses indicate they are unlikely to use.

In the UK and mainland Europe, preference to pay for digital subscriptions via bank debit often exceeds that of corporate card. 44% of UK businesses are likely to use bank debit, compared to 35% for corporate card. French, German, Spanish and Danish businesses exhibited as much as 17% greater preference for bank debit over corporate card. Australian businesses follow suit, with most (56%) preferring to pay for digital subscriptions by bank debit - 7% ahead of corporate card, which comes in third behind bank transfer.

Looking at the other end of the spectrum - at payment methods businesses dislike - the data shows a universal dislike of digital wallet across all nine markets surveyed. North America exhibits a stark contrast, with 26% of Canadian businesses unlikely to pay for digital subscriptions with a digital wallet but 44% of US businesses feeling the same way. In mainland Europe, as many as 41% of businesses are unlikely to pay for digital subscriptions with a digital wallet. In the UK it's 52% - the highest globally - and in Australia, 21%.

"Payments are a critical aspect for any business but more so for subscriptions where the recurring nature of the model makes payments an ongoing touchpoint with customers. It's important that businesses understand the importance of offering customers a choice of payment methods and currencies, and use them strategically to drive business growth." - Amy Konary, VP of Business Innovation at Zuora and Chair of the Subscribed Institute

The case against digital wallet as the go-to secondary payment method for B2B SaaS is strengthened when looking again at the 50 largest public SaaS companies of 2019. Of those that publicly list the payment methods they accept, the second-most commonly offered payment method is bank debit, at 57% adoption. Bank transfer follows at 48% and digital wallet at 38%.

Looking at both global business payment preferences and the industry leadership of the largest public SaaS companies, two things are clear. A credit card-first payment strategy is only optimised for North America - companies expanding internationally should focus on bank debit to capture more of the market. And digital wallet isn't the go-to secondary payment method to offer - bank debit is.

From push to pull: Taking control of payments with bank debit



From push to pull: Taking control of payments with bank debit

Much like credit cards being synonymous with digital subscriptions, bank transfer tends to be thought of as the default payment method for many B2B transactions. Unsurprising, as every business has access to a bank account. However, bank transfer is not without its faults, some of which may have long-term implications for your company.

Push payments like bank transfer take away your control

The biggest issue with bank transfer is that it is a 'push' payment method, meaning every payment is initiated by your customer. This takes control over getting paid out of your hands. GoCardless customer [AutoTask](#), for example, has to wait 3.5x longer for push payments than pull payments. This delay significantly limits a business' ability to leverage growth opportunities in an agile way.

Bank transfer is highly manual and creates unnecessary admin cost

The problem with bank transfer doesn't just lie with waiting longer for the money you're owed. Late payments place an unnecessary and costly administrative burden on your business. The [Propel by Deloitte](#) team was able to cut payments administration by 15 hours every month after reducing its reliance on bank transfer. Significant, tangible costs can be reduced - or redirected towards growth-promoting activities - by moving away from bank transfer.

And although bank transfer has relatively low payment failure rates, unlike some other methods, it doesn't provide notification of success or failure, furthering the administrative cost to your business.

Collecting payment via bank transfer by default isn't necessary anymore

Bank transfer doesn't need to be the default for many kinds of B2B payments. Switching to a pull-based mechanism like bank debit is often seen by businesses as unfeasible, with customers being too used to bank transfer to accept change. Payment preference data suggests otherwise.

While as many as 39% of US businesses are likely to use bank transfer in each of the surveyed use cases, 42% are likely to use bank debit. In the UK, preference for bank debit beats bank transfer in 75% of use cases, by an average 8%. Across mainland Europe, bank transfer and bank debit are competitive, with each winning top preference in 50% of cases (with an average 7% difference in preference between the two). It's a similar picture in Australia, with bank transfer and bank debit each being most preferred in half of use cases.

This data suggests that your customers are likely to share an equivalent or greater preference for bank debit - a pull-based payment method which benefits both parties - than bank transfer - a push-based payment method whose only benefit is the comfort of familiarity. With simple acts like suggesting your existing customers switch to paying via bank debit, and promoting bank debit as your primary payment method when onboarding new customers, you can shift your customers away from bank transfer and take control of your payments.

The benefits of a bank debit-first payment strategy

The benefits of switching to a bank debit-first payment strategy over a bank transfer-first strategy can be significant:

- **You get control** - You don't rely on your customers remembering to pay you. It happens on the due date automatically.
- **You save time and money** - Payment via bank transfer carries a heavy administrative burden. With bank debit, you can remove hours of wasted time every month, week, or day. That resource can be reinvested in your business where it matters.
- **You get better visibility over payments** - Unlike with bank transfer, bank debit gives you timely, detailed reasons in the unlikely event payments fail.
- **You give your customers what they want** - Preference for bank debit is high around the world. By providing your customers (and potential customers) the payment methods they prefer, you can improve conversion, increase revenue and maintain longer, more fruitful relationships.

Preference for bank debit is high around the globe

Asking your customers and prospects to pay via bank debit isn't an unusual or unexpected request in many markets today. In the US and Canada, as many as 50% of businesses prefer to pay via bank debit. Across Europe, it's 65%. And in Australia, it's 59%. In many individual use cases, the preference for bank debit exceeds that of all other payment methods surveyed.

Businesses around the world are eager to pay by bank debit, and as a payment method that is mutually beneficial for you and your customers, now is the time to make that change.

The role of payments in the subscription economy

By Amy Konary, VP of Business Innovation at Zuora
and Chair of the Subscribed Institute



The role of payments in the subscription economy

By Amy Konary, VP of Business Innovation at [Zuora](#)
and Chair of the [Subscribed Institute](#)

The world is witnessing the rise of the Subscription Economy. Innovative business models built around recurring payments are emerging in every major industry – from SaaS to retail to more traditional product-centric industries such as construction and manufacturing.

This change is driven by customers who increasingly prefer access to services over ownership of products. High upfront costs, the hassles of ongoing maintenance, and the frustration of technological obsolescence have resulted in product ownership losing the status it once held. Instead, today's customers favor outcomes and unique experiences — access to the latest software, a ride, a place to stay, the latest handbag to accessorise with.

The shift to a customer-centric "as-a-service" business model is the most important change businesses need to make to compete and win in the Subscription Economy. Companies that are responding to changing customer preferences are seeing immense growth.

Subscriptions drive growth

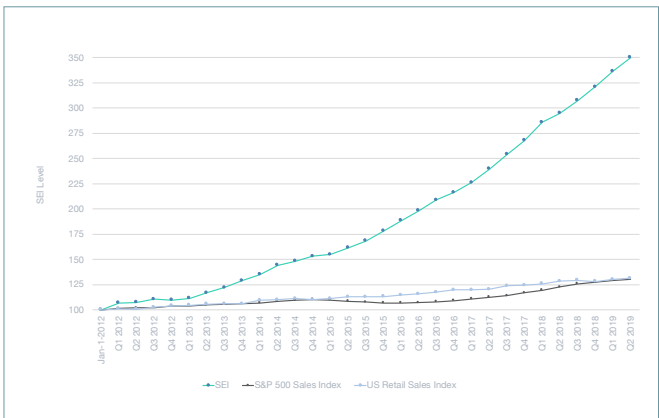
According to Zuora's annual Subscription Economy Index (SEI), subscription companies are consistently and significantly outperforming traditional benchmarks like stock market indices and retail sales.

The SEI reflects the growth metrics of hundreds of companies around the world, and spans a number of industries including SaaS, IoT, manufacturing, publishing, media, telecommunications, and business services.

It is based on anonymized, aggregated, system-generated activity on the Zuora service, a comprehensive platform for subscription-based businesses.

The SEI levels in the graphs below start from a base value of 100 and the percentage increase in each quarter is the average percent growth in sales for the companies who make up the SEI at that time. Comparable growth indices are constructed for the stocks of the S&P 500 and US Retail: Starting from a base value of 100, the index is raised or lowered by each quarter's sales growth rate. Companies included in the index must have been live on the Zuora platform for at least two years. The same methodology is used for the main index, which is comprised of all of the companies that meet the criteria, and for regional indices.

Subscription companies grow faster than S&P 500 company revenues and US retail sales



Source: The Subscribed Institute, Zuora

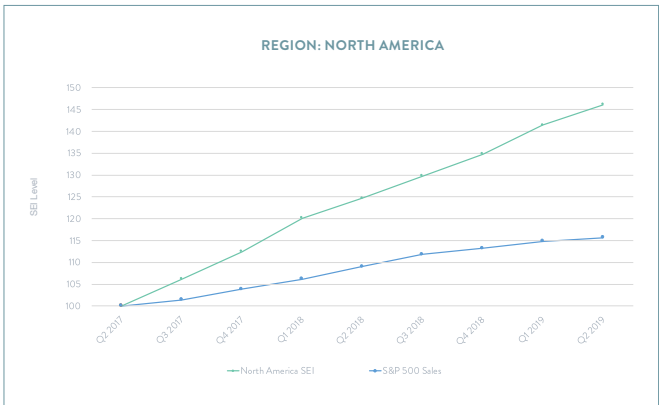
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The SEI shows that, over the past seven years, subscription companies across North America, Europe, and Asia Pacific have seen their sales grow by more than 300%, representing an 18 percent compound annual growth rate (CAGR).

This is substantially faster than two key public benchmarks—S&P 500 Sales and US retail sales. Subscription businesses grew revenues about 5 times faster than S&P 500 company revenues (18.2% versus 3.6%) and US retail sales (18.2% versus 3.7%) from 1 January 2012 to 30 June 2019.

Revenue growth is composed of both customer base growth and ARPA growth.

In North America, subscription companies grow nearly 3x faster than S&P 500 companies

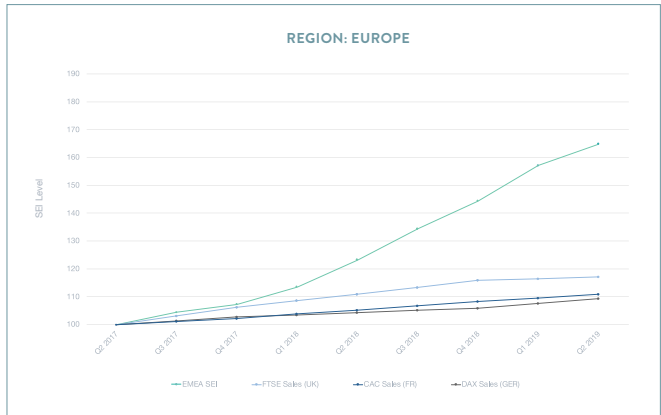


Source: The Subscribed Institute, Zuora

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The growth rate of the Subscription Economy Index in North America continues to significantly outperform the S&P 500 by almost 3x.

European subscription companies have seen the highest revenue growth rate around the globe

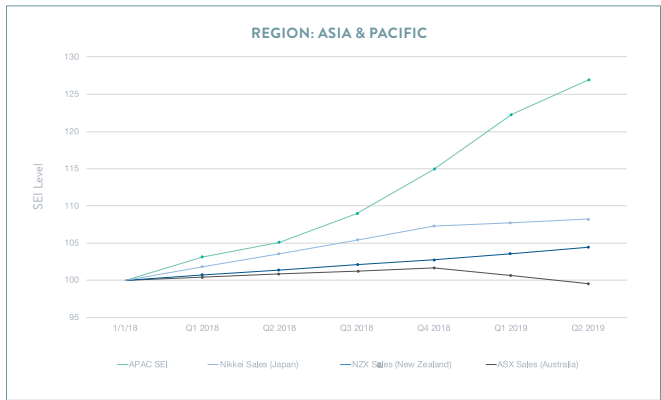


Source: The Subscribed Institute, Zuora

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The Subscription Economy Index in Europe is on the ascent. This is notable because European economic growth rates overall have lagged behind North American growth rates for much of the past decade.

In the Asia Pacific region, subscription revenue growth exceeds sales growth of regional stock indices



Source: The Subscribed Institute, Zuora

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The growth of the Subscription Economy Index in the APAC region was much faster than sales growth for the companies in the major stock market indices in the region such as ASX, NZX, and Nikkei.

Catering to customer payment preference is key

Today's customers expect more than just a great product. They want ongoing services that continually evolve to meet their needs. They are rejecting the traditional "one size fits all" approach and embracing personalised services. They are breaking away from the shackles of product ownership and seeking the freedom to try, buy, upgrade, downgrade, pause, cancel, and rejoin services at their will. Give me what I want, when I want, how I want, is the mandate. They want the freedom to consume on their terms.

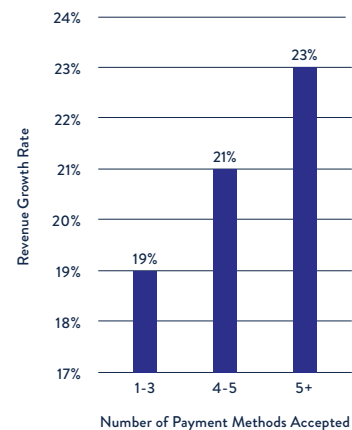
Their need for freedom and choice extends to payments as well.

In an ideal world, you would be able to offer your customers every payment method available, but that's not practical from an operations perspective. In the real world, the best approach is to offer an optimised list of preferred payment methods. And this preference will differ based on factors like industry, geographic market, and customer persona.

Failure to offer the payment methods your customers prefer can not only cause abandonment during sign-up, but also result in churn later on. And with recurring payments, every time you ask your customers to make a payment you face this battle again. Losing potential customers due to your payment experience increases your subscriber acquisition costs and ultimately undermines your marketing and sales efforts.

Research from Zuora's [Subscribed Institute](#) shows that choice of payment methods and currencies have strong correlations with business growth.

Businesses that accept more payment methods grow their revenue faster

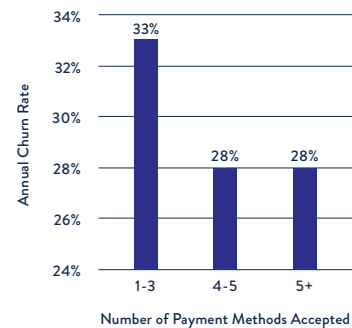


Source: The Subscribed Institute, Zuora

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Catering to different customer payment preferences drives revenue growth. Companies that accept more than five payment methods grow, on average, 4% faster than those that accept three or fewer.

Businesses that accept more payment methods reduce their churn

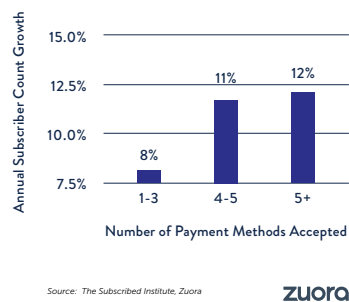


Source: The Subscribed Institute, Zuora

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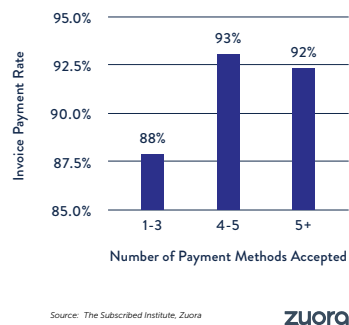
Catering to different customer payment preferences improves retention. Companies that accept more than five payment methods have, on average, a 5% lower churn rate than those that accept three or fewer.

Businesses that accept more payment methods grow their customer base faster



Catering to different customer payment preferences enables businesses to attract a greater customer base. Companies that accept more than five payment methods have, on average, 4% higher subscriber growth than those that accept three or fewer methods.

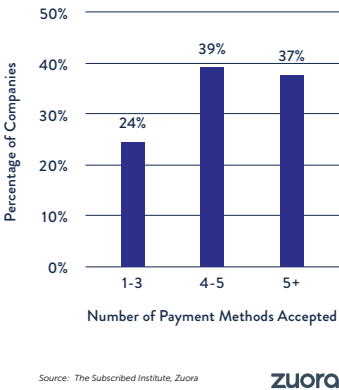
Businesses that accept more payment methods have more effective payment collection



Companies that accept more than five payment methods have, on average, a 4% higher invoice payment rate than those that accept three or fewer methods.

The invoice payment rate is defined as the percentage of the total invoice amount collected, ninety days after the payment due date.

More than three-quarters of Zuora's customers accept 4+ payment methods



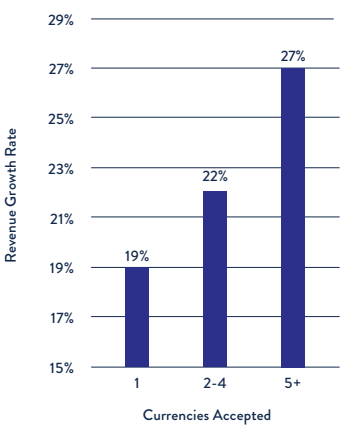
76% of Zuora customers offer four or more payment methods, recognising the importance of catering to customer payment preferences. Only 24% offer less than four payment methods.

Catering to payment preference also includes currency

For businesses to achieve sizeable penetration in new, international markets, it's essential they accept the local currencies in those markets. Requiring customers to pay in your currency of choice, and consequently bear the fees and currency conversion charges, will have a negative impact on acquisition and retention rates.

Research conducted by Zuora's [Subscribed Institute](#) shows that subscription companies which allow their customers to pay in five or more currencies grow at a much higher rate than those that do not.

Businesses that accept more currencies grow revenue faster

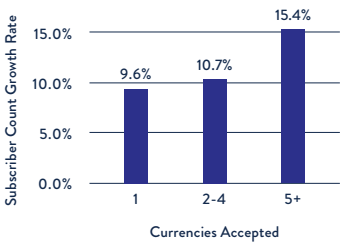


Source: The Subscribed Institute, Zuora

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Catering to different currency payment preferences - namely, by offering local currencies in different markets - can improve the revenue growth rate for subscription businesses. Companies that accept five or more currencies grow, on average, 8% faster than those that only accept one.

Businesses that accept more currencies grow their subscriber base faster



Source: The Subscribed Institute, Zuora

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Catering to different currency payment preferences - namely, by offering local currencies in different markets - can attract a greater subscriber base. Companies that accept five or more currencies have, on average, 5.8% higher subscriber growth than those that only accept one.

Key takeaways

Subscription business models are driving business growth

Subscription companies are growing revenue around five times faster than the S&P 500 and US retail sales. This trend isn't localised to North America. European and Asia Pacific subscription companies are growing faster than their local stock indices.

Payments are integral to subscription success

Payments are a critical aspect for any business but more so for subscriptions since the recurring nature of the model makes payments an ongoing touchpoint with customers. It's important that businesses understand the importance of offering customers a choice of payment methods and currencies, and use them strategically to drive business growth.

Catering to customer payment preference is key

As more and more companies around the world join the Subscription Economy, catering to customers' payment preferences is increasingly playing a critical role in subscriber acquisition and business growth. Subscription companies that cater to their customers' preferences and accept a greater number of payment methods and currencies grow revenue and their subscriber base faster, reduce their churn rate, and collect payments more effectively.

How do businesses prefer to
pay for recurring purchases?



United Kingdom

UK businesses expressed a clear preference for bank-to-bank payment methods. In three of the four use cases surveyed, bank debit was the preferred payment method, with bank transfer the leading preference for invoice payments. 57% of respondents were likely to choose bank debit to pay for regular business bills, 47% for instalments, and 44% for digital subscriptions.

For invoices, bank transfer took the lead in preference.

Corporate card is notably less preferred in the UK, with around one-third or less of businesses likely to use it in each of the surveyed use cases, and the highest active dislike of the payment method compared to all other markets surveyed, at 34%.

Digital wallet is the least preferred, with the UK being least likely to use it out of all nine markets surveyed - more than half of businesses are unlikely to use the payment method in each of the surveyed use cases.

Overall, compared to all other markets surveyed, businesses in the UK tend to hold the strongest negative views of their non-preferred payment methods. In other words, when UK businesses are faced with using a payment method they do not prefer to use, it elicits a greater negative response from them than businesses in any other market surveyed. This arguably makes the UK the market where understanding and catering to payment preference is most essential.

57%

of respondents were likely to choose bank debit to pay regular business bills, compared to 46% who were likely to choose bank transfer, 27% corporate card, and 15% digital wallet.

60%

of respondents were likely to choose bank transfer to pay invoices, followed by 40% likely to choose bank debit, 32% corporate card, and 16% digital wallet.

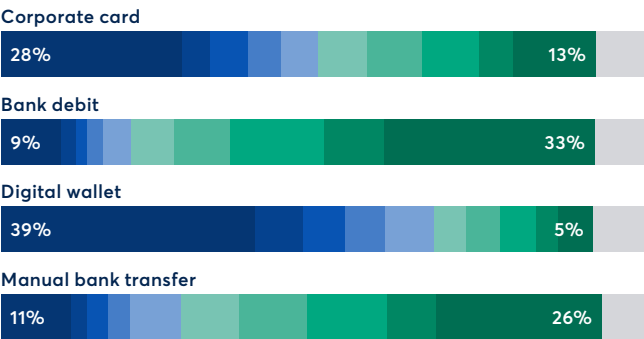


United Kingdom

Payment preference data



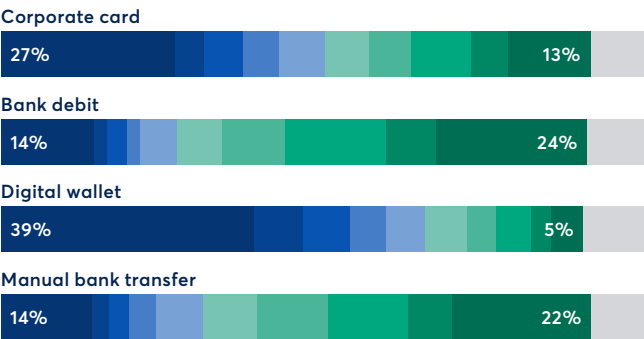
Regular business bills



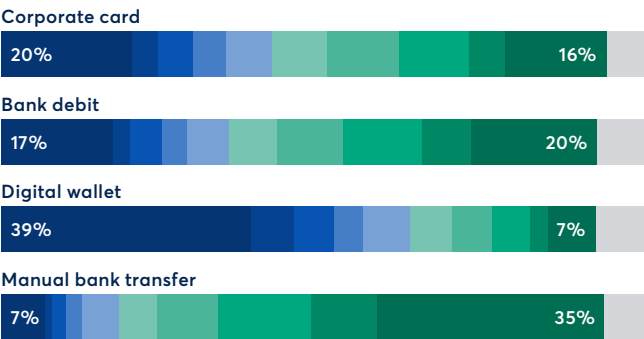
Digital subscriptions



Instalments

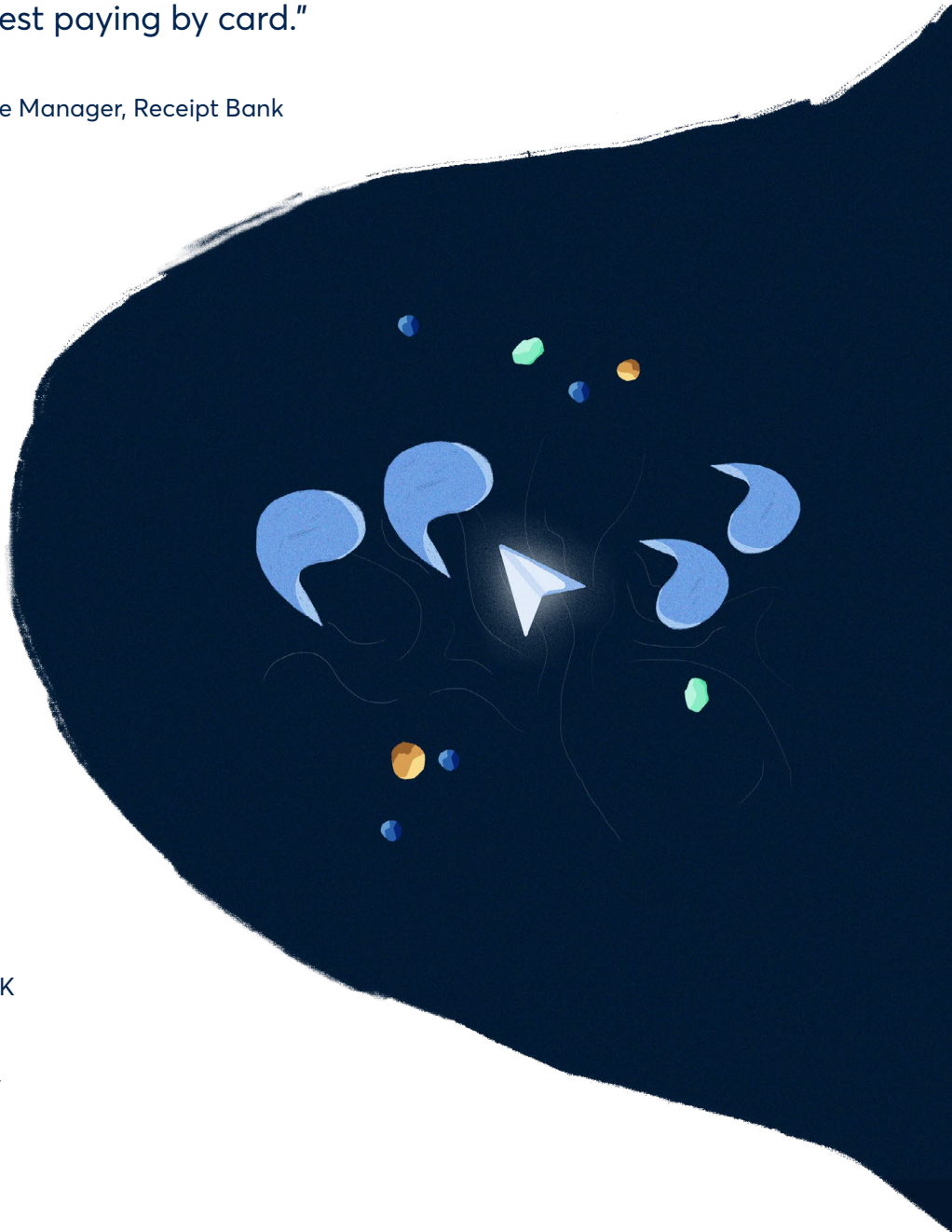


Invoices



"In the UK, we are now almost 100% [bank debit] as we only accept card payments in exceptional circumstances. We find that the businesses using Receipt Bank are more than happy to pay by [bank debit] so rarely request paying by card."

Ju-Vern, Former Commercial Finance Manager, Receipt Bank



Receipt Bank have addressed the UK market's preference for bank debit by offering it as a payment method via GoCardless, and seen extremely high adoption.

Learn more about the success Receipt Bank has seen catering to payment preference and offering bank debit by [reading their story](#).

France

Like the UK, French businesses demonstrate a strong preference for bank-to-bank payment methods. Bank debit is most strongly preferred as a payment method for regular business bills and digital subscriptions, with 58% and 50% of respondents likely to use it in those cases, respectively.

Bank transfer takes the lead for instalments with 52% of respondents likely to use it; and also for invoices, at 60%.

Corporate card sits in third place, with less than half of respondents likely to use it - and around one-fifth of businesses unlikely to use it - in each of the surveyed use cases.

Digital wallet once more trails behind, with a third or less of respondents likely to use it in each of the use cases surveyed, and as many as five times more French businesses unlikely to use it compared to bank debit, depending on the use case.

58%

of respondents were likely to choose bank debit to pay regular business bills, compared to 56% who were likely to choose bank transfer, 42% corporate card, and 31% digital wallet.

61%

of respondents were likely to choose bank transfer to pay invoices, followed by 55% likely to choose bank debit, 47% corporate card, and 32% digital wallet.

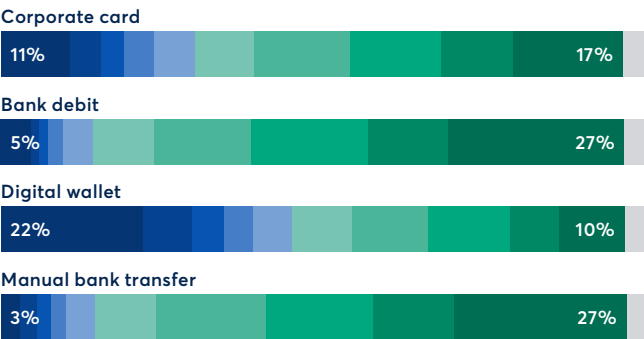


France

Payment preference data



Regular business bills



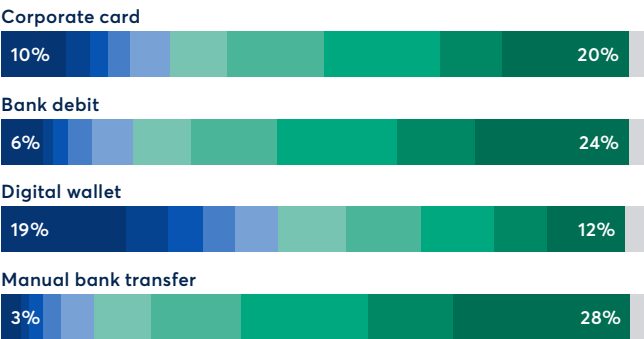
Digital subscriptions



Instalments

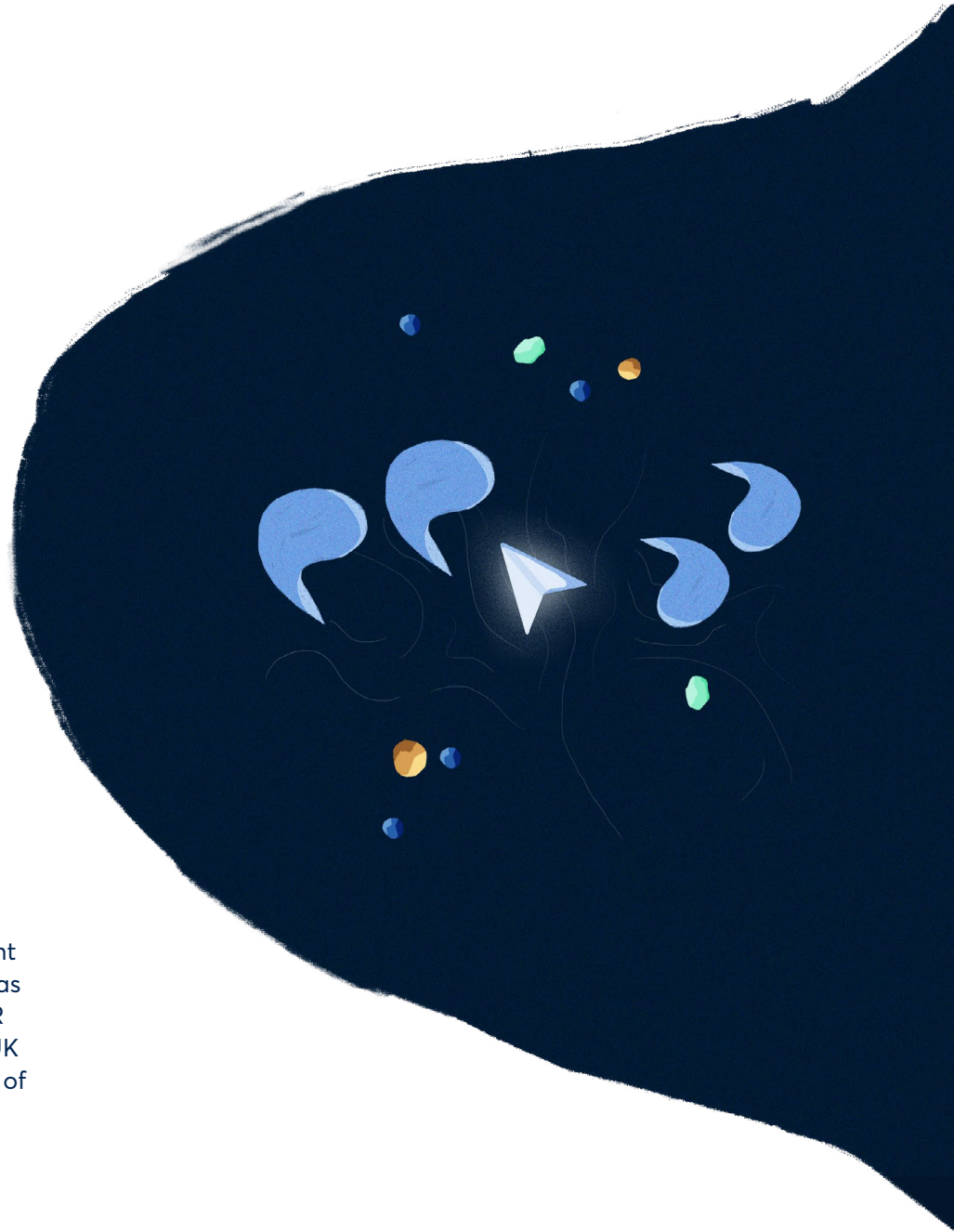


Invoices



"Customers have voted with their feet - today more than 80% have chosen to pay with GoCardless."

David Lester, Chairman, citrusHR



By addressing local market payment preference and adding bank debit as a payment method, citrusHR - a HR consultancy serving thousands of UK businesses - saw significant uptake of the method.

Learn more about the success citrusHR has seen catering to payment preference and offering bank debit by [reading their story](#).

Germany

German businesses show a clear preference for bank transfers in all surveyed use cases. Bank debit holds a close second place, and more than 50% of respondents were likely to use either bank transfer or bank debit as a payment method in any of the use cases surveyed.

Corporate card continues to hold a third place preference in most use cases. However, more than one-third of German businesses are unlikely to use the payment method in each of the surveyed use cases.

Digital wallet holds an approximately equal, but slightly less favoured position in the German market, with around one-third of respondents likely to it in each of the surveyed use cases. Dislike for digital wallet increases over corporate card, by several percent in most use cases.

54%

of respondents were likely to use bank transfer to pay instalments, with 52% likely to use bank debit, 31% digital wallet, and 30% corporate card.

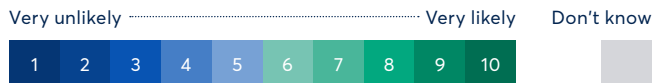
54%

of respondents were likely to use bank transfer to pay for digital subscriptions, with 52% likely to use bank debit, 35% corporate card, and 34% digital wallet.



Germany

Payment preference data



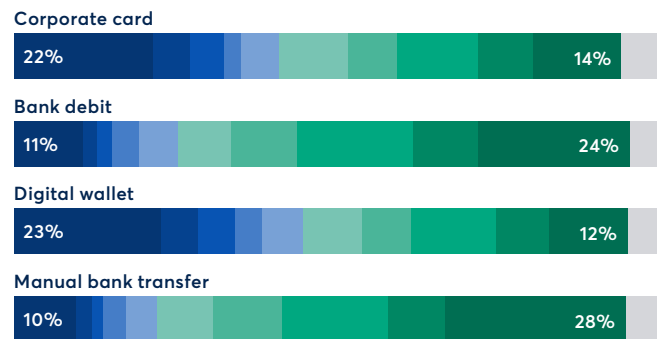
Regular business bills



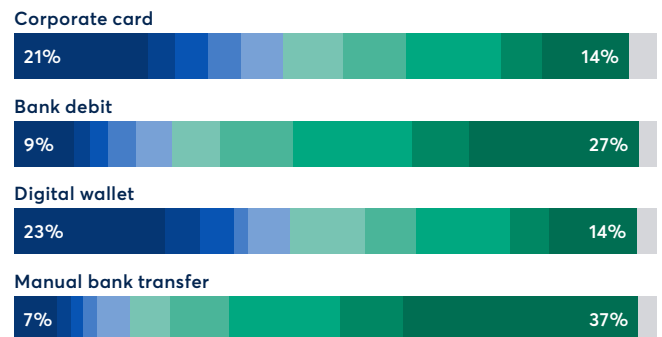
Instalments



Digital subscriptions

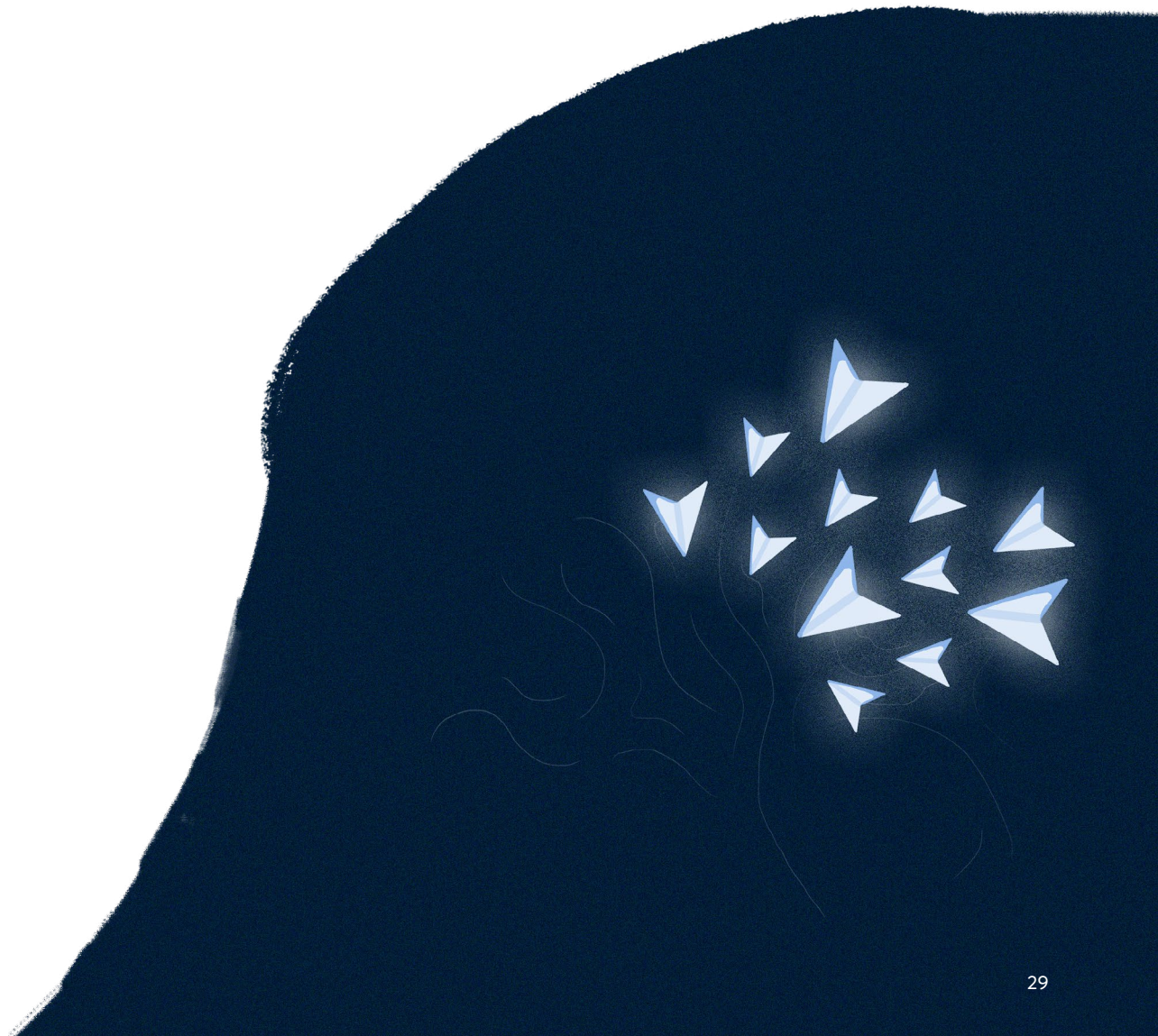


Invoices



Les Mills, the global fitness services provider, has seen high preference for bank debit since offering it as a payment method in Germany and the UK.

Learn more about the success Les Mills has seen catering to payment preference and offering bank debit by [reading their story](#).



Spain

Spanish businesses prefer bank debit as a payment method across the board, with more than 60% of respondents likely to use it to pay in each of the surveyed use cases.

Preference for other payment methods remains relatively high, with half or more of businesses likely to use bank transfer to pay in each of the use cases, and 45% or more of businesses likely to use either corporate card or digital wallet.

In stark contrast to the UK's low preference for digital wallet, the Spanish market shows the highest preference for the payment method compared to all other markets surveyed. However, up to five times as many businesses are unlikely to use the payment method compared to bank debit, depending on the use case.

Also in contrast to the UK market, Spanish businesses tend to hold the least strong negative views of their non-preferred payment methods. That is, when Spanish businesses are faced with using a payment method they do not prefer to use, it elicits a much lesser negative response from them than businesses in other markets surveyed.

65%

of respondents were likely to use bank debit to pay regular business bills, followed by 56% for bank transfer, 49% corporate card, and 48% digital wallet.

60%

of respondents were likely to use bank debit to pay digital subscriptions, with 50% likely to use bank transfer, 50% digital wallet, and 47% corporate card.



Payment preference data



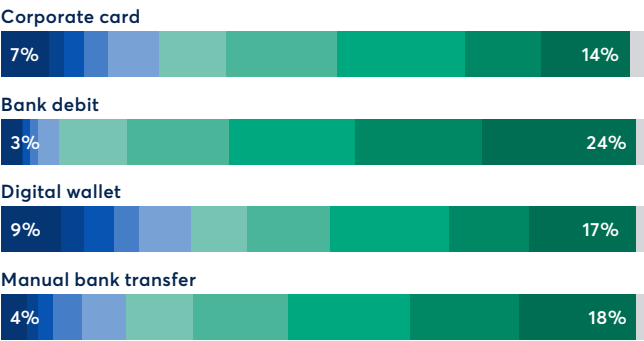
Regular business bills



Digital subscriptions



Instalments

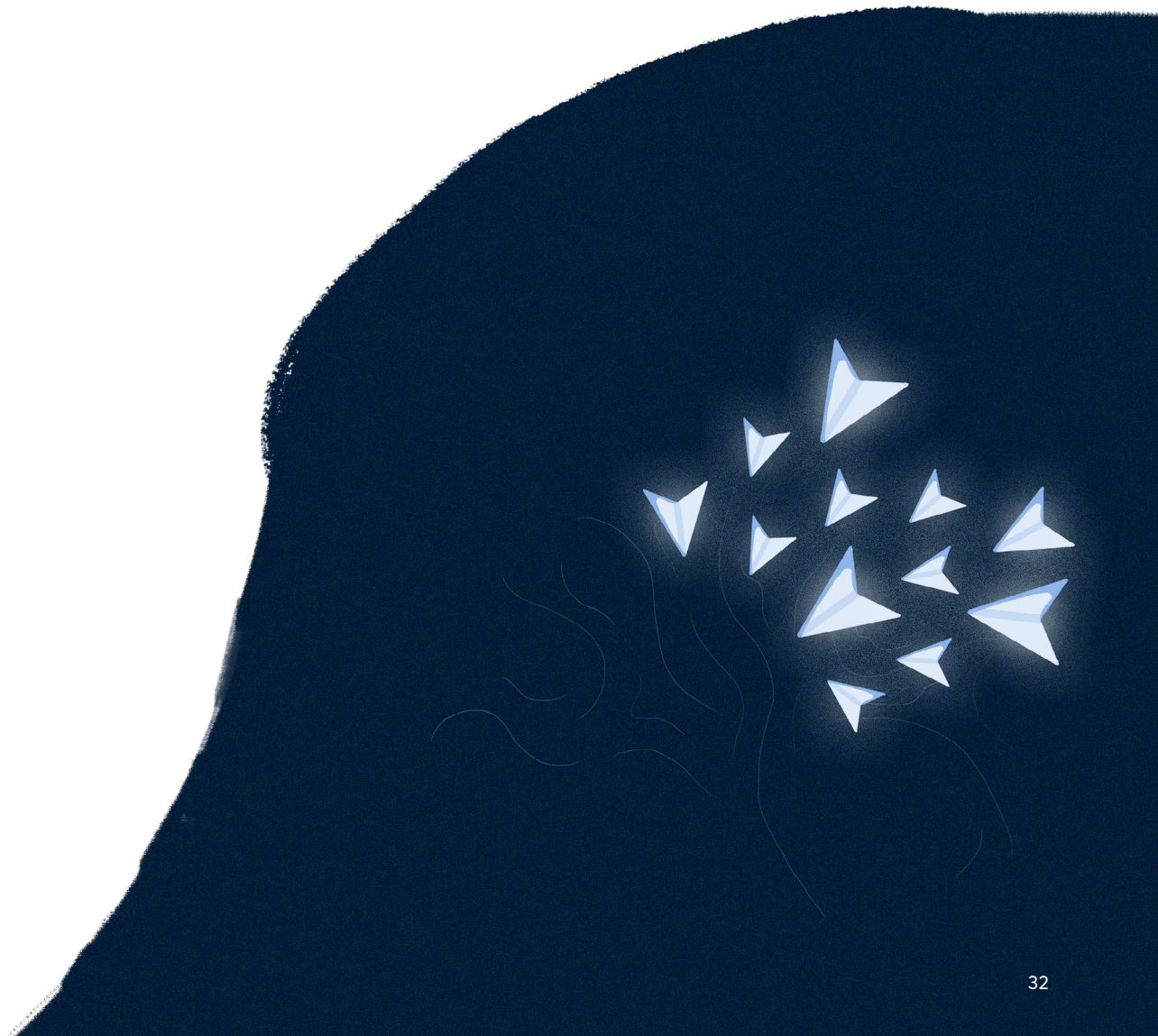


Invoices



After adding bank debit to the payment methods they offer, TravelPerk - the Spanish-based global corporate travel management software providers - saw 30% of its customer base adopt the method.

Learn more about the success TravelPerk has seen catering to payment preference and offering bank debit by [reading their story](#).



Denmark

The Danish market exhibits a strong preference for paying via bank debit, second only to Spain. Across all surveyed use cases, around half of Danish businesses are likely to pay via bank debit - more than any other payment method surveyed.

Bank transfer tends to win out ahead of corporate card when looking for the next most preferred payment method. However, digital wallet lags far behind with less than a quarter of respondents likely to use it in each of the surveyed use cases. Dislike for digital wallet is notably high relative to other payment methods - around double the amount of respondents disliked it compared to corporate card, and in some cases more than triple compared to bank debit.

48%

of respondents were likely to use bank debit to pay instalments, with 41% likely to use bank transfer, 38% corporate card, and 19% digital wallet.

55%

of respondents were likely to use bank debit to pay regular business bills, followed by 46% for bank transfer, 41% corporate card, and 21% digital wallet.

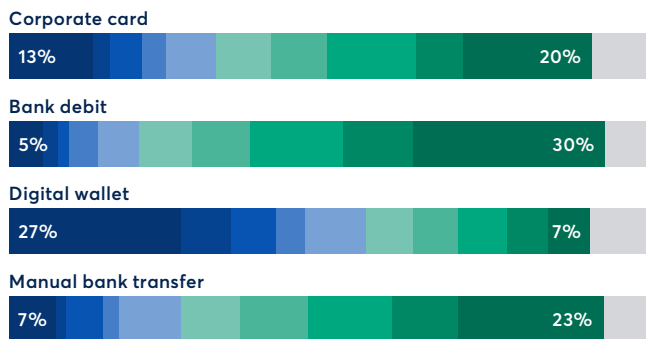


Denmark

Payment preference data



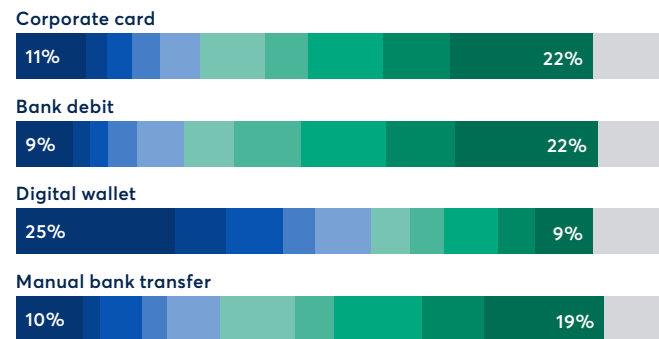
Regular business bills



Instalments



Digital subscriptions

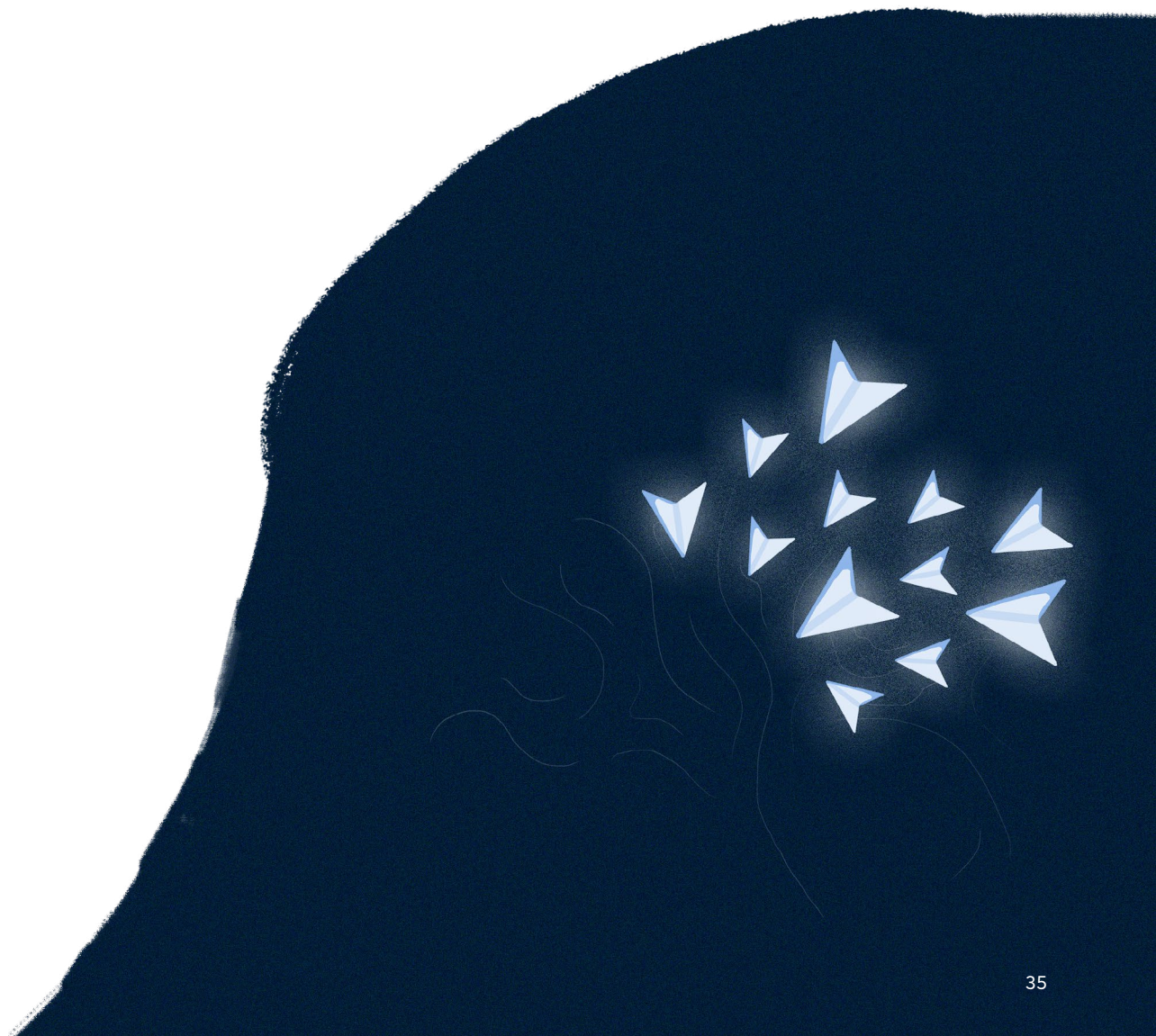


Invoices



Nutmeg, the online wealth manager, saw more than 60% of new customers choose bank debit as their payment method since the company offered it through GoCardless.

Learn more about the success Nutmeg has seen catering to payment preference and offering bank debit by [reading their story](#).



Sweden

Payment preferences for Swedish businesses resemble those of the German market, with bank transfer being the most preferred payment method in all surveyed use cases. Half or more of respondents are likely to choose it for regular business bills (52%) and invoices (50%), and just under half for instalments (47%) and digital subscriptions (44%).

Bank debit and corporate card challenge each other for second place preference. Bank debit wins out for regular business bills (41% of respondents likely to use it) and instalments (36%), while corporate card is more preferred for invoices (39%) and digital subscriptions (40%).

Following the UK and German markets, Swedish businesses hold the next strongest dislike for corporate card, with around one-quarter of respondents unlikely to use them in each of the surveyed use cases.

50%

of respondents were likely to use bank transfer to pay invoices, followed by 39% likely to use corporate card, 38% bank debit, and 23% digital wallet.

47%

of respondents were likely to use bank transfer to pay instalments, with 36% likely to use bank debit, 35% corporate card, and 24% digital wallet.

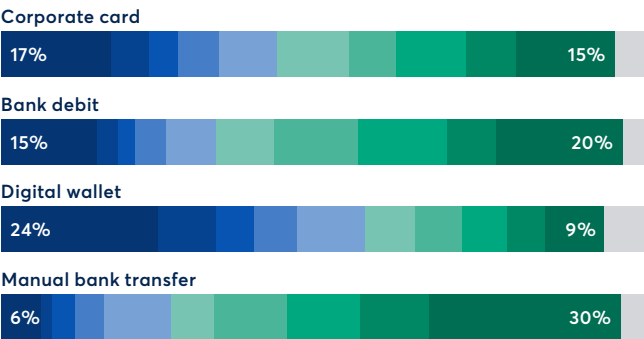


Sweden

Payment preference data



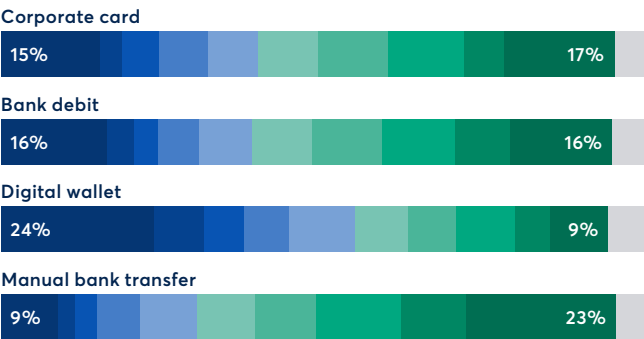
Regular business bills



Digital subscriptions



Instalments



Invoices

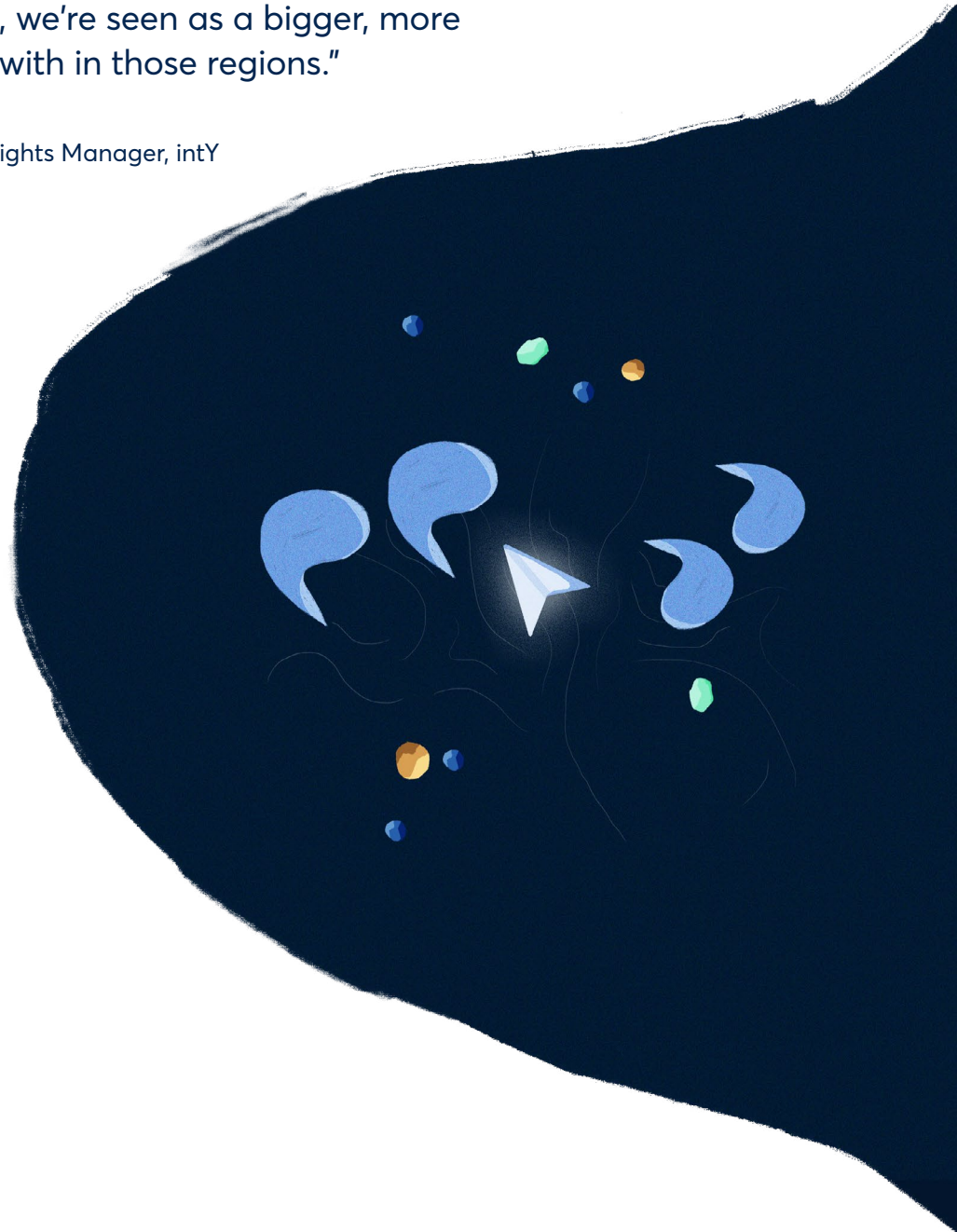


"When we tried to sell into Europe with just credit card or bank transfer as our payment options, we found it difficult, since the companies we were targeting felt more comfortable with SEPA Direct Debit. Now we offer SEPA through GoCardless, we're seen as a bigger, more reliable company to work with in those regions."

Chris Swanson, Data Analytics & Insights Manager, intY

Award-winning cloud services distributor, intY, experienced firsthand the challenges of expanding into new markets without taking into account payment preference. After accounting for the local payment preference for bank debit, they saw much greater success.

Learn more about the success intY has seen catering to payment preference and offering bank debit by [reading their story](#).



USA

The US market demonstrates a stark change from the scene across Europe, with corporate card being the most preferred payment method across all surveyed use cases, and half or more of respondents likely to use it in each case. It's not without opposition, however, with around 15% of US businesses unlikely to use it in each of the use cases.

Bank debit is the second most preferred payment method in all use cases, with around 40% of respondents likely to use it in each case.

Bank transfer lags behind, with as few as 29% of businesses likely to use it. Digital wallet comes in last place, with less than 30% of respondents likely to use it in each of the use cases, and more than 45% of respondents unlikely to use digital wallet in each case.

54%

of respondents were likely to use corporate card to pay digital subscriptions, 38% bank debit, 29% bank transfer, and 29% digital wallet.

52%

of respondents were likely to pay invoices by corporate card, with 42% likely to pay by bank debit, 36% by bank transfer, and 27% by digital wallet.

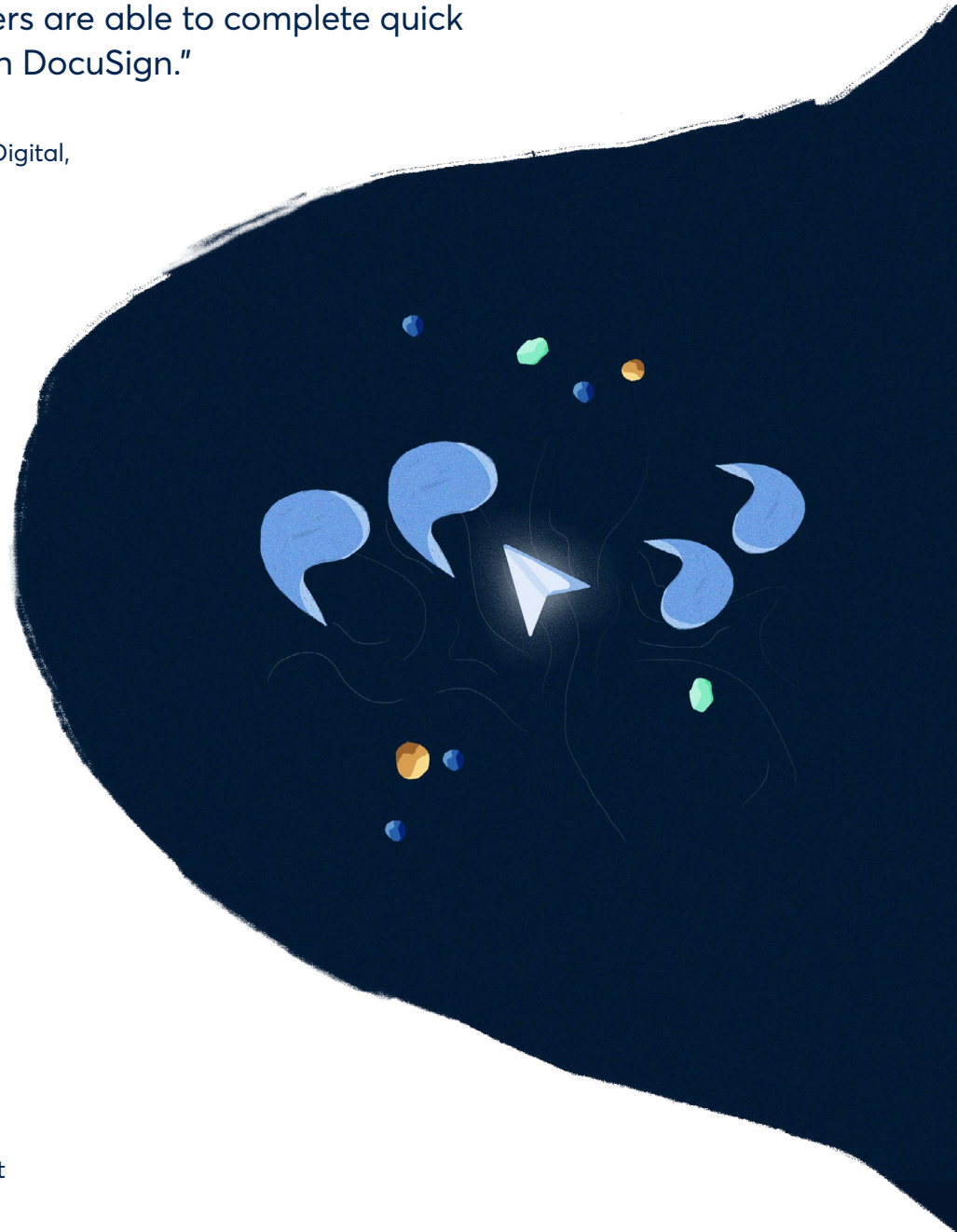


Payment preference data



"We want our global customers to have access to simple and easy payment methods when purchasing DocuSign. We're delighted to be working with GoCardless to offer bank debit as a payment option throughout the UK and Europe, to ensure customers are able to complete quick and easy transactions with DocuSign."

Robin Joy, Senior Vice President of Digital, Demand and Web Sales, DocuSign



Recognising and catering to market payment preferences is essential to optimise conversion and retention.

Learn more about how DocuSign uses GoCardless [here](#).

Canada

Canadian payment preference tracks that of the US. Corporate card leads the way as the most preferred payment method in every use case, with more than half of respondents likely to pay with them (but with around 15% unlikely to use them in each use case).

Preference then moves to bank debit (as many as 50% of businesses likely to use), bank transfer (as many as 47%), and finally digital wallet (as many as 43%). Dislike for digital wallet is significantly lower in Canada compared to the US, with around one-quarter of respondents unlikely to use the payment method in each of the surveyed use cases.

56%

of respondents were likely to use corporate card to pay regular business bills, while 50% were likely to use bank debit, 47% bank transfer, and 38% digital wallet.

55%

of respondents were likely to use corporate card to pay digital subscriptions, followed by 44% for bank debit, 43% digital wallet, and 39% bank transfer.



Canada

Payment preference data



Regular business bills



Digital subscriptions



Instalments



Invoices

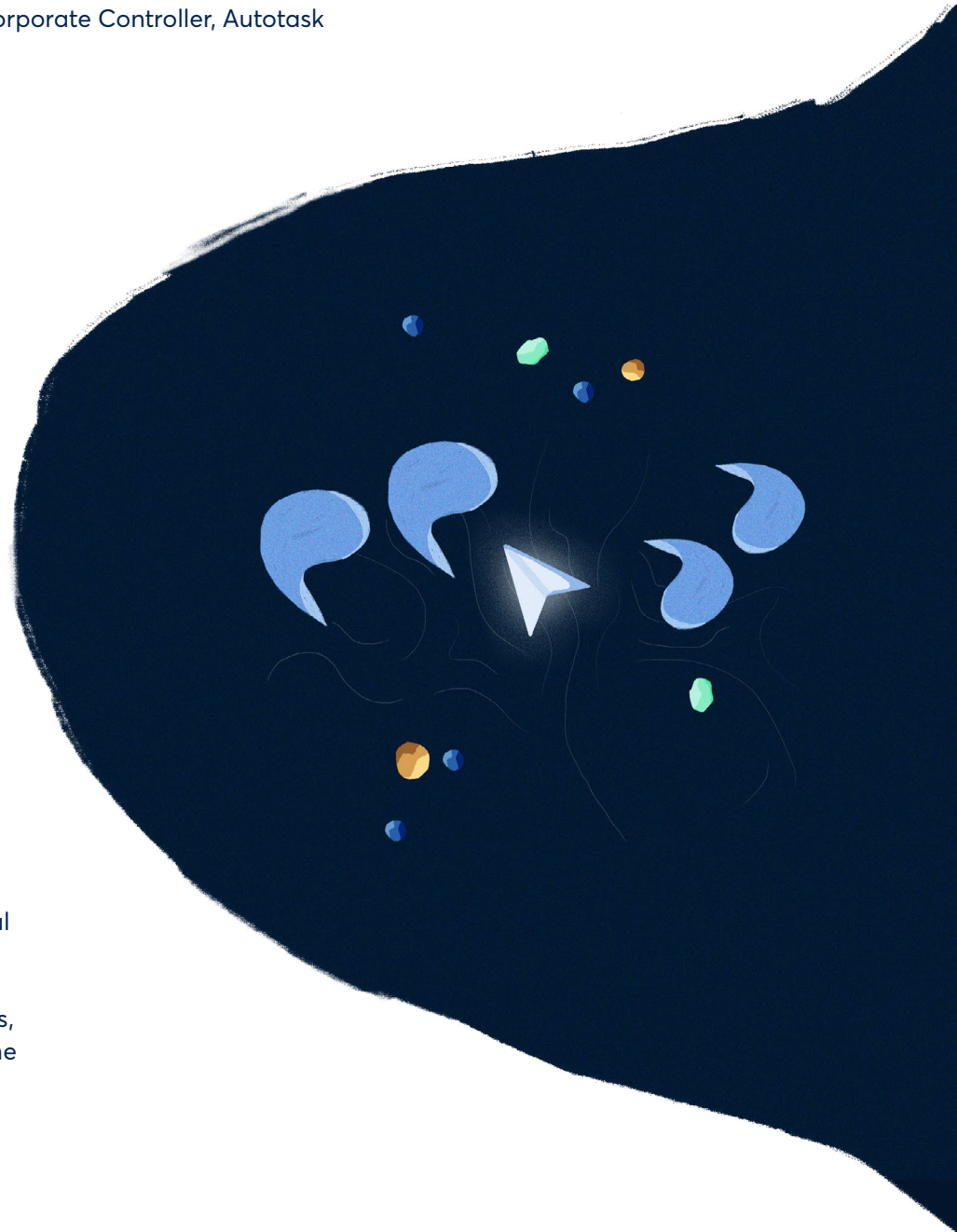


"We knew that [bank debit] was a very popular way to pay in the UK and Europe – our customers there were asking for it."

Patrick Hughes, Former Assistant Corporate Controller, Autotask

With 50% of its business outside the US, IT solutions provider Autotask considered finding the right payments mix for international markets essential. Within the first eight months and no significant effort to switch over their customers, they saw uptake of bank debit to the effect of several hundred thousand dollars worth of transactions.

Learn more about the success Autotask has seen catering to payment preference and offering bank debit by [reading their story](#).



Australia

Payment preferences for Australian businesses resemble that of the UK and France – a clear preference for bank-to-bank payment methods. Bank transfer is preferred for regular business bills and invoices, with more than 60% of respondents likely to use it in each case.

Bank debit is preferred for instalments and digital subscriptions, with more than 50% of businesses likely to use it in each case.

Corporate card holds a lead over digital wallet – in last place – in terms of preference. Around half of respondents were likely to pay via corporate card in each of the four surveyed use cases, with preference for digital wallet trailing a few percentage points behind.

59%

of respondents were likely to pay instalments with bank debit, followed by 57% likely to use bank transfer, 51% corporate card, and 44% digital wallet.

64%

of respondents were likely to pay invoices by bank transfer, while 59% were likely to pay by bank debit, 51% by corporate card, and 44% by digital wallet.

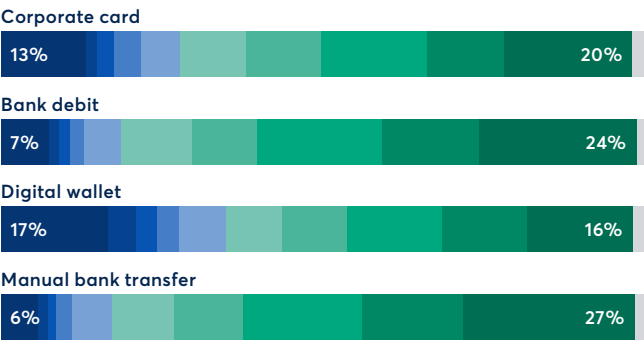


Australia

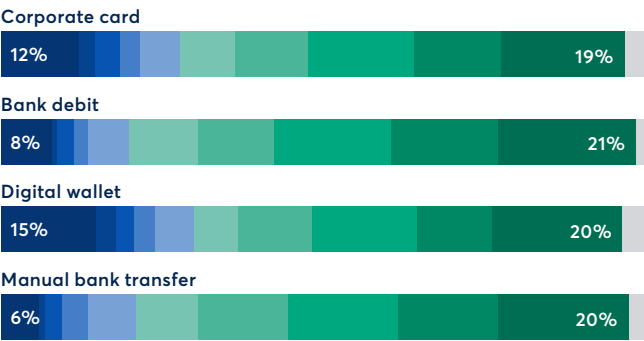
Payment preference data



Regular business bills



Digital subscriptions



Instalments

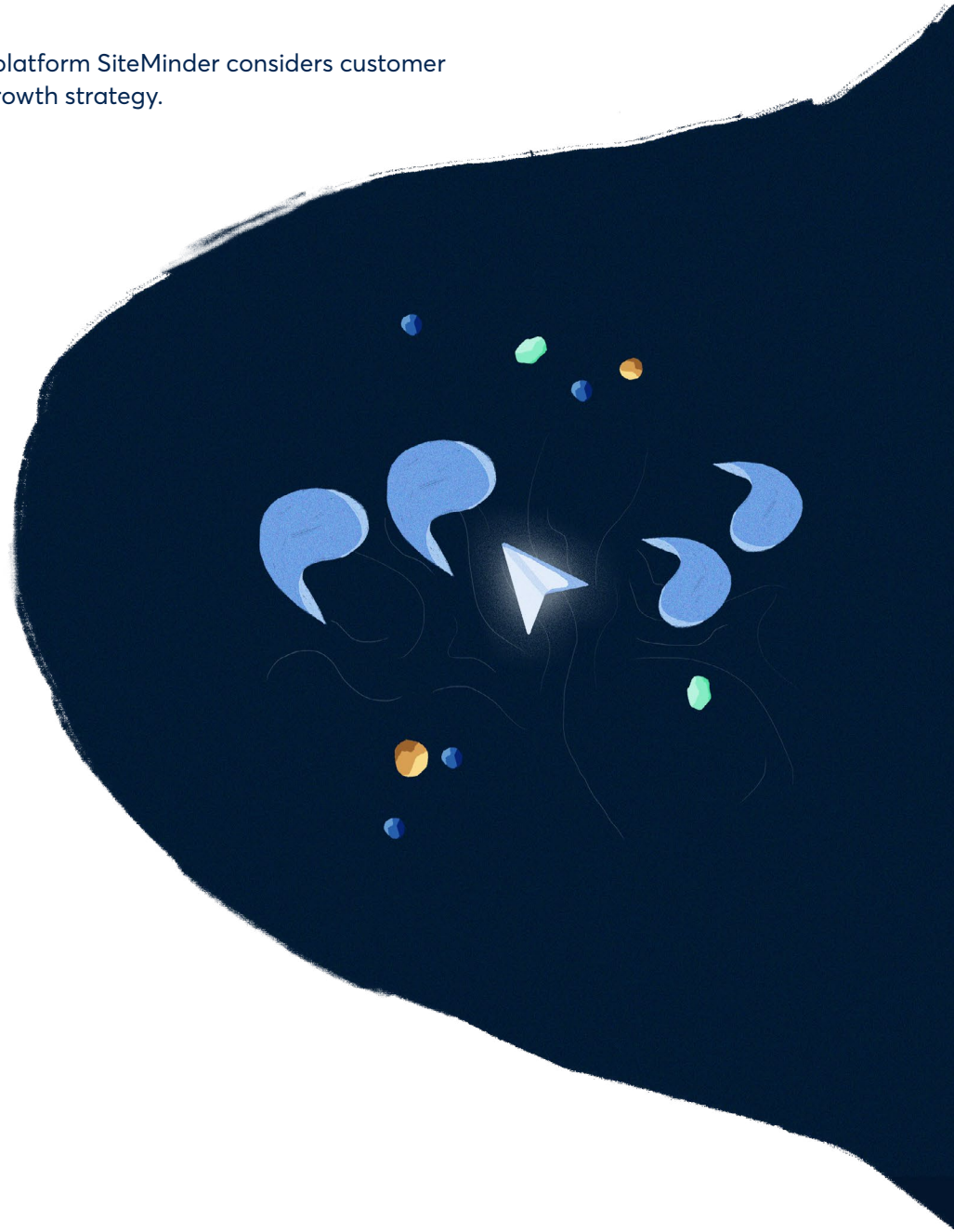


Invoices



"For us, it means we will be able to offer the same great customer experience, as well as the payment method our customers prefer in the US, using GoCardless as we have already in both Australia and New Zealand."

Australian-based hotel technology platform SiteMinder considers customer payment preference as part of its growth strategy.



Final words



Duncan Barrigan
Chief Product Officer, GoCardless

There's never a one-size-fits-all solution when it comes to payments, and the preferences uncovered in this report reflect that. Bank-to-bank payment methods are top of the preference hierarchy in most markets and for most use cases, making them risky to ignore, but that doesn't make them the only methods worth offering.

You should use the findings in this report as a guide to discovering what the best mix of payment methods is for your business and your customers. By keeping a finger on the pulse of payment preferences in the markets you operate in, you can help your business to drive conversion rates and boost growth.

For B2B SaaS businesses, for example, accepting corporate cards appears to currently be the best starting point in the North American market, but accepting bank debit elsewhere is likely to help you acquire more customers than other payment methods.

For businesses that work in industries or markets where bank transfer has been the default payment method, it's empowering to see similar preference for bank debit - a payment method that provides greater benefits to your business as well as taking the pain out of paying for your customers.

While payment preferences do appear to be profoundly influenced by culture and society, that doesn't mean they can't be influenced by you. It's important to offer your customers the options they actively want to use, but this doesn't mean you should ignore the pros and cons of each payment method for you and your business.

When particular payment methods provide benefits to you and your business, consider offering incentives to steer your customers towards them, and away from the option they may default to out of habit. Changing the order in which payment options are shown on your payment page or pre-selecting your preferred option as the default can make all the difference.

Influencing payment preference starts with understanding it. I hope this report helps you on your journey to optimising your payment strategy for preference, so that you can realise the benefits to your conversion and growth.

Further reading

Want the latest advice for solving the challenges of international recurring payments?

We've teamed up with PYMNTS.com to produce *The Global Recurring Payments Tracker* - your resource for tackling the complexities and challenges of the international recurring payments space.

Download the latest copy for free over at gocardless.com/resources.

Has your business mitigated the impact of incoming SCA regulations?

To help you better understand the new requirements SCA brings and how to uncover opportunities that your business can leverage, we've collaborated again with PYMNTS.com. Inside *The SCA Impact Playbook* you'll learn about:

- The looming conversion cliff of SCA
- How Adobe is taking a holistic approach to SCA preparation
- Dealing with the curse of subscriber churn
- A deep-dive into mitigating SCA risk with an 'old-fashioned' approach
- An interview with Marlene Ten Han, the Secretary General of Ecommerce Europe

Download your free copy at gocardless.com/guides/posts/sca-impact-playbook.

Learn the secrets of churn from some of the best

We've collected advice on churn from some of the world's most successful and outspoken investors and SaaS C-suite executives, including Close.io, Notion Capital, Balderton Capital, 500 Startups, Salesforce, Zuora, Gainsight, Matrix Partners, ProfitWell, Baremetrics and GoCardless, for an insight into meeting the churn challenge head-on.

Get your hands on *The Little Book of Churn* for free at gocardless.com/guides/posts/saas-churn-quotes.

Appendix



Payment preference data by use case

Regular business bills

Looking across all nine markets surveyed, bank debit is the leading payment preference for businesses paying regular business bills (most preferred in 4/9 markets), followed by bank transfer (3/9), corporate card (2/9), then digital wallet (0/9). The findings for both bank debit and bank transfer (7/9 markets) suggests that, globally, businesses tend to be most comfortable using bank-to-bank payment methods to pay their bills.

		Very unlikely Very likely										Don't know
		1	2	3	4	5	6	7	8	9	10	
UK	Corporate card	28%	4%	6%	5%	6%	8%	9%	9%	5%	13%	7%
	Bank debit	9%	2%	2%	3%	4%	7%	9%	15%	9%	33%	8%
	Bank transfer	11%	3%	3%	3%	8%	9%	11%	13%	8%	26%	7%
	Digital wallet	39%	8%	7%	6%	8%	5%	5%	6%	3%	5%	8%
France	Corporate card	11%	5%	4%	5%	6%	9%	15%	14%	11%	17%	3%
	Bank debit	5%	1%	1%	2%	5%	9%	15%	18%	12%	27%	3%
	Bank transfer	3%	3%	2%	2%	5%	9%	17%	17%	13%	27%	3%
	Digital wallet	22%	8%	5%	5%	6%	9%	12%	13%	8%	10%	3%
Germany	Corporate card	21%	4%	7%	5%	6%	11%	7%	14%	8%	14%	4%
	Bank debit	9%	2%	3%	4%	6%	8%	10%	18%	11%	27%	3%
	Bank transfer	6%	1%	2%	2%	5%	8%	10%	14%	11%	37%	2%
	Digital wallet	25%	5%	6%	5%	6%	8%	10%	13%	7%	13%	3%
Spain	Corporate card	8%	2%	2%	4%	8%	11%	15%	23%	13%	14%	1%
	Bank debit	2%	1%	1%	1%	7%	10%	14%	20%	19%	26%	1%
	Bank transfer	3%	1%	2%	4%	7%	11%	16%	22%	14%	20%	1%
	Digital wallet	8%	3%	3%	5%	8%	12%	12%	16%	15%	17%	1%
Denmark	Corporate card	13%	3%	5%	4%	8%	9%	9%	14%	7%	20%	9%
	Bank debit	5%	2%	2%	5%	6%	8%	9%	15%	11%	30%	7%
	Bank transfer	7%	2%	6%	3%	10%	9%	11%	13%	10%	23%	8%
	Digital wallet	27%	8%	7%	5%	10%	7%	7%	8%	7%	7%	10%
Sweden	Corporate card	17%	6%	4%	6%	9%	11%	7%	11%	8%	15%	4%
	Bank debit	15%	3%	3%	5%	8%	9%	13%	14%	8%	20%	3%
	Bank transfer	6%	2%	4%	4%	10%	7%	12%	11%	11%	30%	4%
	Digital wallet	24%	9%	6%	7%	10%	8%	7%	7%	6%	9%	6%
USA	Corporate card	9%	4%	3%	3%	7%	8%	9%	12%	9%	31%	7%
	Bank debit	15%	4%	3%	3%	7%	8%	10%	13%	8%	21%	8%
	Bank transfer	16%	5%	4%	4%	7%	8%	10%	10%	9%	19%	9%
	Digital wallet	32%	8%	5%	4%	5%	7%	5%	8%	5%	13%	9%
Canada	Corporate card	10%	2%	2%	2%	5%	8%	11%	17%	14%	25%	3%
	Bank debit	10%	2%	3%	4%	6%	9%	12%	19%	12%	19%	3%
	Bank transfer	9%	3%	4%	5%	8%	10%	12%	17%	12%	18%	3%
	Digital wallet	17%	4%	4%	5%	8%	8%	11%	13%	10%	15%	4%
Australia	Corporate card	13%	2%	3%	4%	6%	10%	12%	17%	12%	20%	2%
	Bank debit	7%	2%	2%	2%	6%	11%	10%	20%	15%	24%	1%
	Bank transfer	6%	2%	1%	2%	6%	10%	11%	19%	16%	27%	1%
	Digital wallet	17%	4%	3%	3%	7%	9%	10%	15%	13%	16%	2%

Payment preference data by use case

Invoices

Across all nine markets surveyed, bank-to-bank payment methods again took the lead in preference for paying invoices. Most respondents indicated they'd be likely to pay invoices via bank transfer (most preferred in 5/9 markets), followed by bank debit (2/9 markets). This resembles the trend seen for regular business bills, with a drop-off in preference to pay via corporate card (although still most preferred in 2/9 markets, representing North America), and a significant dive in preference to pay via digital wallet (most preferred in 0/9 markets).

		Very unlikely ----- Very likely										Don't know
		1	2	3	4	5	6	7	8	9	10	
UK	Corporate card	20%	4%	5%	5%	7%	9%	11%	11%	6%	16%	6%
	Bank debit	17%	3%	5%	4%	6%	8%	10%	12%	8%	20%	7%
	Bank transfer	7%	1%	2%	3%	6%	6%	10%	14%	10%	35%	6%
	Digital wallet	39%	7%	6%	5%	7%	6%	6%	6%	3%	7%	8%
France	Corporate card	10%	4%	3%	3%	6%	9%	15%	18%	10%	20%	2%
	Bank debit	6%	2%	2%	4%	7%	9%	13%	19%	12%	24%	2%
	Bank transfer	3%	1%	2%	3%	5%	9%	14%	20%	13%	28%	2%
	Digital wallet	19%	7%	5%	5%	7%	11%	12%	11%	8%	12%	3%
Germany	Corporate card	21%	4%	5%	5%	7%	9%	10%	15%	6%	14%	4%
	Bank debit	9%	3%	3%	4%	6%	7%	11%	19%	9%	27%	3%
	Bank transfer	7%	2%	2%	2%	5%	6%	9%	17%	10%	37%	3%
	Digital wallet	23%	6%	5%	2%	7%	12%	8%	15%	6%	14%	3%
Spain	Corporate card	6%	2%	3%	4%	8%	11%	16%	20%	13%	15%	1%
	Bank debit	1%	1%	1%	1%	7%	9%	17%	23%	15%	24%	1%
	Bank transfer	3%	1%	2%	2%	7%	10%	18%	20%	18%	18%	1%
	Digital wallet	7%	3%	4%	4%	6%	10%	14%	20%	12%	17%	1%
Denmark	Corporate card	10%	3%	4%	5%	6%	7%	9%	16%	8%	22%	10%
	Bank debit	6%	2%	3%	3%	8%	8%	12%	14%	10%	27%	9%
	Bank transfer	6%	3%	5%	4%	6%	9%	13%	13%	9%	24%	8%
	Digital wallet	26%	7%	6%	4%	10%	6%	6%	10%	5%	8%	11%
Sweden	Corporate card	18%	3%	4%	4%	9%	9%	9%	14%	9%	16%	4%
	Bank debit	15%	5%	4%	5%	8%	10%	10%	14%	8%	16%	5%
	Bank transfer	8%	3%	3%	3%	9%	10%	9%	15%	10%	25%	4%
	Digital wallet	24%	9%	5%	7%	11%	8%	8%	9%	5%	9%	6%
USA	Corporate card	9%	2%	3%	2%	5%	9%	10%	12%	10%	30%	7%
	Bank debit	15%	2%	5%	3%	7%	10%	8%	14%	9%	19%	9%
	Bank transfer	16%	5%	5%	4%	9%	7%	10%	10%	8%	18%	9%
	Digital wallet	32%	7%	5%	3%	7%	4%	6%	8%	6%	13%	10%
Canada	Corporate card	10%	2%	2%	3%	4%	9%	12%	18%	16%	22%	3%
	Bank debit	11%	3%	5%	4%	6%	9%	12%	17%	11%	19%	2%
	Bank transfer	9%	4%	4%	3%	8%	10%	15%	16%	11%	18%	3%
	Digital wallet	17%	5%	7%	4%	7%	8%	12%	13%	10%	14%	4%
Australia	Corporate card	12%	3%	3%	4%	5%	9%	11%	17%	14%	20%	2%
	Bank debit	7%	1%	2%	3%	5%	9%	13%	18%	18%	23%	1%
	Bank transfer	5%	2%	1%	2%	6%	8%	11%	21%	15%	28%	1%
	Digital wallet	16%	5%	3%	4%	8%	8%	12%	16%	12%	16%	2%

Payment preference data by use case

Digital subscriptions

Across all nine markets surveyed, the most preferred method to pay digital subscriptions with is bank debit (most preferred in 5/9 markets). Corporate card follows (2/9 markets), with bank transfers closely behind (also 2/9 markets). Digital wallet continues to be the least preferred payment method (0/9 markets).

		Very unlikely Very likely										Don't know
		1	2	3	4	5	6	7	8	9	10	
UK	Corporate card	21%	3%	4%	4%	8%	7%	9%	13%	7%	14%	8%
	Bank debit	14%	2%	4%	3%	6%	7%	12%	13%	8%	23%	9%
	Bank transfer	14%	3%	5%	5%	7%	9%	11%	13%	5%	20%	7%
	Digital wallet	38%	6%	8%	4%	6%	6%	6%	6%	3%	7%	9%
France	Corporate card	11%	4%	4%	4%	7%	7%	14%	17%	10%	18%	4%
	Bank debit	9%	3%	2%	3%	6%	10%	14%	17%	9%	24%	4%
	Bank transfer	7%	3%	2%	3%	8%	10%	16%	16%	10%	22%	3%
	Digital wallet	20%	8%	3%	5%	9%	8%	11%	11%	9%	13%	4%
Germany	Corporate card	22%	6%	5%	3%	6%	11%	8%	13%	9%	14%	6%
	Bank debit	11%	2%	2%	4%	6%	8%	10%	18%	10%	24%	4%
	Bank transfer	10%	2%	2%	4%	5%	9%	11%	17%	9%	28%	5%
	Digital wallet	23%	6%	6%	4%	6%	9%	8%	13%	8%	12%	5%
Spain	Corporate card	6%	3%	4%	5%	6%	11%	17%	18%	15%	14%	2%
	Bank debit	3%	1%	1%	2%	7%	9%	15%	22%	17%	21%	1%
	Bank transfer	4%	3%	1%	4%	8%	11%	16%	22%	13%	15%	2%
	Digital wallet	6%	5%	3%	3%	8%	9%	14%	18%	14%	18%	2%
Denmark	Corporate card	11%	3%	4%	4%	6%	10%	7%	12%	11%	22%	10%
	Bank debit	9%	3%	3%	5%	7%	8%	10%	13%	11%	22%	10%
	Bank transfer	10%	3%	7%	4%	8%	12%	6%	14%	10%	19%	9%
	Digital wallet	25%	8%	9%	5%	9%	6%	5%	8%	6%	9%	10%
Sweden	Corporate card	13%	5%	4%	4%	9%	10%	9%	13%	8%	20%	5%
	Bank debit	16%	3%	5%	4%	11%	9%	12%	12%	7%	16%	4%
	Bank transfer	10%	3%	4%	5%	10%	9%	10%	13%	9%	23%	4%
	Digital wallet	21%	9%	7%	6%	10%	9%	9%	9%	6%	9%	5%
USA	Corporate card	11%	2%	3%	2%	6%	7%	8%	12%	9%	33%	8%
	Bank debit	18%	4%	5%	4%	7%	6%	9%	11%	8%	19%	10%
	Bank transfer	21%	4%	6%	4%	7%	8%	9%	8%	6%	15%	11%
	Digital wallet	33%	6%	5%	3%	4%	6%	6%	9%	6%	14%	9%
Canada	Corporate card	9%	3%	2%	3%	4%	7%	14%	17%	14%	24%	2%
	Bank debit	13%	4%	5%	4%	6%	10%	13%	16%	10%	17%	2%
	Bank transfer	13%	4%	5%	3%	8%	11%	13%	13%	13%	14%	3%
	Digital wallet	17%	4%	5%	3%	5%	8%	10%	15%	12%	16%	4%
Australia	Corporate card	12%	2%	4%	3%	6%	9%	11%	16%	14%	19%	3%
	Bank debit	8%	1%	3%	2%	6%	11%	12%	18%	17%	21%	1%
	Bank transfer	6%	1%	3%	4%	7%	10%	14%	17%	16%	20%	2%
	Digital wallet	15%	3%	3%	3%	6%	7%	12%	16%	12%	20%	4%

Payment preference data by use case

Instalments

Payment preferences for instalments reflect those seen for regular business bills and invoices – bank-to-bank methods lead the way, with bank debit being the most preferred payment method (most preferred in 4/9 markets), followed by bank transfer (3/9 markets). Corporate card is again less preferred in third place (2/9 markets), and digital wallet falls in last place again (0/9 markets).

		Very unlikely ----- Very likely										Don't know
		1	2	3	4	5	6	7	8	9	10	
UK	Corporate card	27%	5%	6%	6%	7%	7%	6%	9%	6%	13%	8%
	Bank debit	14%	2%	3%	2%	6%	7%	10%	16%	8%	24%	9%
	Bank transfer	14%	3%	3%	4%	7%	8%	11%	12%	7%	22%	8%
	Digital wallet	39%	8%	7%	6%	6%	6%	5%	5%	3%	5%	10%
France	Corporate card	13%	5%	4%	4%	7%	13%	12%	15%	9%	15%	3%
	Bank debit	8%	3%	2%	3%	7%	9%	14%	19%	11%	22%	4%
	Bank transfer	7%	3%	1%	3%	7%	10%	14%	18%	13%	21%	3%
	Digital wallet	21%	7%	6%	6%	6%	9%	10%	14%	7%	11%	3%
Germany	Corporate card	26%	4%	6%	5%	5%	10%	9%	11%	8%	11%	5%
	Bank debit	13%	2%	3%	3%	5%	8%	11%	16%	11%	25%	4%
	Bank transfer	13%	3%	2%	4%	4%	8%	9%	17%	9%	28%	4%
	Digital wallet	27%	5%	7%	5%	6%	9%	7%	12%	6%	13%	4%
Spain	Corporate card	7%	2%	3%	4%	8%	10%	17%	20%	12%	14%	2%
	Bank debit	3%	0%	1%	1%	3%	11%	16%	20%	20%	24%	1%
	Bank transfer	4%	2%	2%	5%	7%	10%	15%	19%	17%	18%	1%
	Digital wallet	9%	4%	5%	4%	8%	9%	13%	18%	13%	17%	1%
Denmark	Corporate card	15%	6%	5%	3%	7%	9%	8%	13%	7%	18%	11%
	Bank debit	10%	4%	4%	3%	6%	8%	9%	13%	10%	25%	9%
	Bank transfer	11%	4%	6%	6%	7%	7%	9%	14%	8%	19%	9%
	Digital wallet	29%	9%	7%	5%	8%	8%	7%	8%	4%	7%	11%
Sweden	Corporate card	15%	3%	6%	8%	8%	9%	11%	12%	6%	17%	4%
	Bank debit	16%	4%	4%	6%	8%	9%	11%	11%	9%	16%	5%
	Bank transfer	9%	3%	3%	7%	9%	9%	10%	13%	10%	23%	4%
	Digital wallet	24%	8%	6%	7%	10%	8%	7%	9%	5%	9%	6%
USA	Corporate card	12%	3%	4%	2%	6%	7%	9%	13%	10%	27%	8%
	Bank debit	18%	3%	3%	4%	7%	9%	8%	11%	9%	18%	10%
	Bank transfer	18%	4%	4%	4%	9%	10%	10%	10%	7%	16%	10%
	Digital wallet	33%	7%	5%	3%	5%	6%	6%	8%	6%	12%	10%
Canada	Corporate card	11%	3%	2%	3%	6%	9%	10%	18%	15%	21%	3%
	Bank debit	11%	3%	4%	4%	8%	8%	14%	16%	11%	18%	3%
	Bank transfer	11%	3%	5%	4%	8%	11%	13%	14%	13%	16%	3%
	Digital wallet	17%	5%	5%	5%	11%	7%	11%	14%	8%	13%	4%
Australia	Corporate card	13%	2%	4%	5%	6%	7%	11%	17%	15%	19%	2%
	Bank debit	8%	2%	1%	4%	5%	9%	12%	19%	16%	24%	1%
	Bank transfer	6%	1%	3%	3%	6%	11%	11%	19%	13%	25%	1%
	Digital wallet	17%	3%	4%	5%	5%	10%	10%	16%	13%	15%	2%

Survey methodology

This report focuses on business payer preference, covering four typical recurring purchase use cases - regular business bills, invoices, digital subscriptions and instalments - and the four payment methods most typically used - corporate card, bank debit, digital wallet and manual bank transfer.

We partnered with YouGov to run this research across nine markets. Total sample size was 4,990 businesses in the UK, France, Germany, Spain, Denmark, Sweden, USA, Canada and Australia. Businesses surveyed were of varying size - from small businesses through to enterprises - and from a range of industries.

We asked: *How likely, if at all, would your business be to use the following payment method when paying for a particular type of recurring purchase at any point in the future?* Respondents were asked to rate each of the payment options on a scale of 1 to 10, with 1 being 'very unlikely' and 10 being 'very likely'.

Fieldwork was undertaken in October 2018, December 2018 and January 2019. The survey was carried out online. All figures, unless otherwise stated, are from YouGov plc. The figures have been weighted and are representative of each individual market's business sizes.

Recurring purchase use cases

This report covers three key use cases for recurring payments:

- **Invoicing** - Variable amounts, at regular or variable intervals, with no fixed end date. For example, utility bills or invoicing for professional services.
- **Subscriptions** - Fixed amounts at fixed intervals, with no fixed end date. For example, digital subscriptions for software as a service (SaaS) products, such as accounting, productivity or cloud storage software.
- **Instalments** - A total product or service cost broken down into fixed amounts at fixed intervals, with a fixed end date. For example, paying off business loans or breaking down high-value transactions.

In conducting this research, we have split 'invoicing' into two types: **regular business bills**, for example utility or insurance bills; and **invoices**, for example invoices from regular suppliers like accountants or marketing agencies.

Payment methods

This report asked businesses to rate their preference for four different payment methods, most typically used for the recurring purchase use cases and markets covered by the research. These are:

- **Corporate card** - i.e. enter credit/debit card number, expiry date and CSC/CVV

- **Bank debit** (e.g. ACH, Bacs, SEPA) - i.e. enter your bank account number and sort code (depending on the country and scheme in question, the required details may instead be known as routing number, bank registration number, BIC, IBAN, BSB, etc.)
- **Bank transfer** - i.e. enter payee account number, sort code and reference (depending on the country and scheme in question, the required details may instead be known as routing number, bank registration number, BIC, IBAN, BSB, etc.)
- **Digital wallet** (e.g. PayPal) - i.e. enter login details for the digital wallet

Notes on the analysis undertaken in this report

Regarding the language in this report, when respondents have given scores of 8, 9 or 10, we indicate they are "likely" to use a given payment method, "prefer" it, or other similar language. When they have given scores of 1, 2 or 3, we indicate they are "unlikely" to use it, "dislike" it, that it is a "non-preferred" payment method, or other similar language.

All percentages have been rounded to the nearest whole percent.