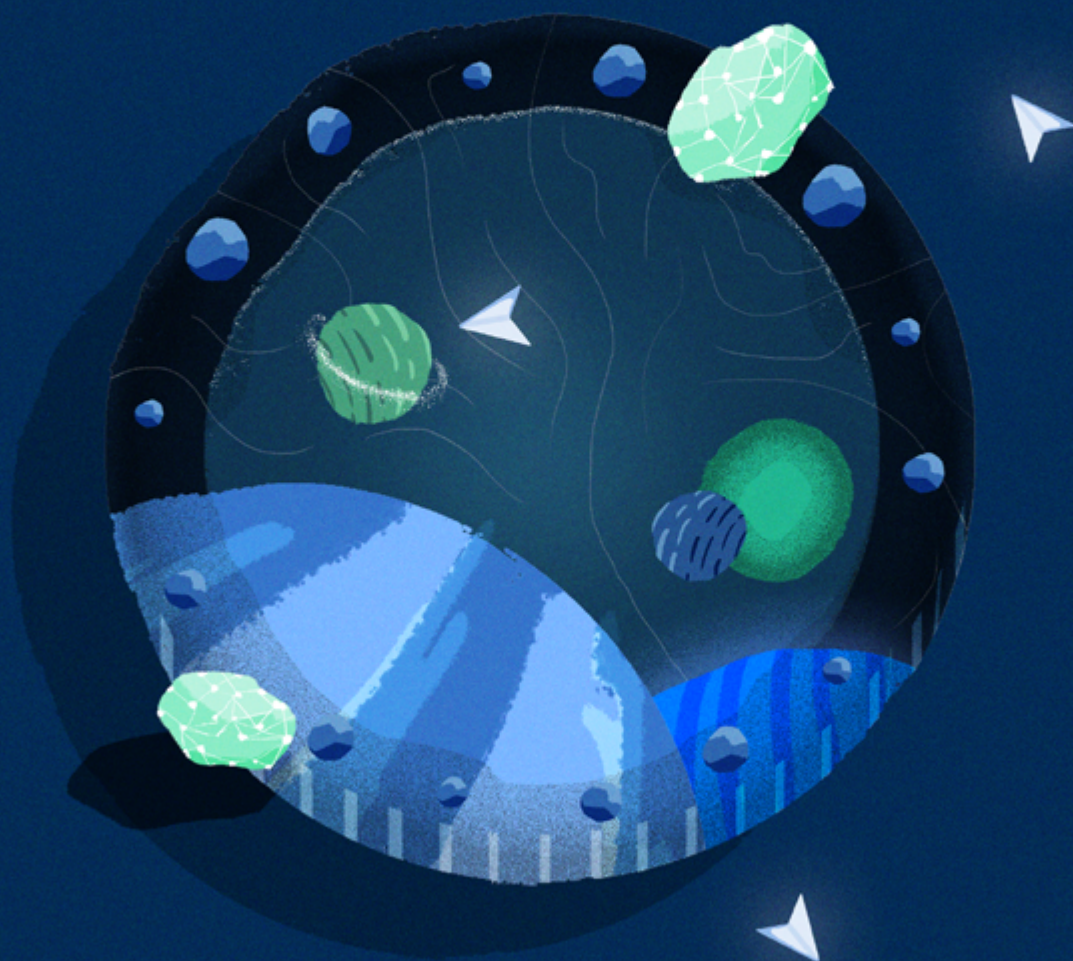


Payment preferences for recurring purchases

The consumer payer 2019



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Foreword



Duncan Barrigan
VP Product, GoCardless

Why Preference matters

Making a payment is the final step in a complex buyer journey; it's the difference between intent and revenue, between lost opportunity and conversion. Understanding which payment methods your buyers can access, and which they feel comfortable with, will impact how many of them you manage to get over the line.

Whether you're billing customers by subscription, through invoices or through instalment plans, Preference matters. Here at GoCardless, we consider it as one of Eight Payment Dimensions that drive your business success, alongside Coverage, Conversion, Churn, Cost, Success, Visibility and Cash flow.

This is the first in a series of reports which look at those Eight Dimensions, how they impact your success – and what you can do to influence them. You can find out more about the Dimensions, and why we think they're important, on the next page.

If you're reading this report, you care about how your customers want to pay you, and which payment options they pick when given a choice. We call this Preference.

If you're a subscription business, Preference can have a huge impact on checkout conversion and therefore how fast your business grows. However your business works, Preference shapes how you should collect payments, as well as affecting customer satisfaction and therefore Churn.

In this report, we'll look at payer Preferences for different types of recurring purchase, across different markets.

A huge thank you to our partners and customers for sharing their thoughts on what Preference means to them, which you'll find spread throughout the report. We hope you find the report useful, and we welcome any feedback you might have (content@gocardless.com).

Introducing the Eight Payment Dimensions

The Eight Payment Dimensions emerged from our efforts to improve the product for GoCardless customers.

For years we asked our customers in NPS surveys: '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. Naturally, many of our customers assumed that there were things you just couldn't change about Direct Debit.

Well, we plan to change many of them. For us, Bank Debit schemes like Direct Debit are just a means to an end – we want 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 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. We could carefully vet everyone making payments to ensure maximum success for our payment collections, but this would dramatically reduce conversion, for example.

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 setup 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.

Methodology

This report focuses on consumer payer Preference, covering four typical recurring purchase use cases: household bills, traditional subscriptions, online subscriptions and instalments.

We partnered with YouGov to run this research across 10 markets. Total sample size was 12,785 adults in the UK, France, Germany, Spain, Denmark, Sweden, USA, Canada, Australia, New Zealand.

We asked: How likely (if at all), would you be to choose the following payment methods, 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 out of 10, with 10 being most likely and 1 least likely.

Fieldwork was undertaken in October 2018. 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 adults (aged 18+).

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 energy bills, or usage-based invoicing.
- **Subscriptions** – fixed amounts at fixed intervals, with no fixed end date. This might include software subscriptions, magazine subscriptions or gym memberships.
- **Instalments** – a total product or service cost broken down into fixed amounts at fixed intervals, with a fixed end date.

In this research, we have split 'subscriptions' into two types: **traditional**, for example gym memberships or subscriptions for physical products like newspapers; and **online**, for example software and digital subscriptions.

To cover the invoicing use case, we asked respondents to think specifically about how they like to pay for household bills.

Finally, for instalments, we presented consumers with examples such as breaking down the lump sum cost of a holiday, car, or other purchase, into smaller amounts.

Payment options

This report asked consumers to rate their Preference for four different payment options, most typically used for the recurring purchase use cases and markets covered:

- Debit cards
- Credit cards
- Bank Debit (e.g. ACH, Bacs, SEPA)
- Digital wallets (e.g. PayPal)

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 (the mandate).

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.



Markets

This report covers consumer payer Preferences for recurring purchases, across 10 markets:

UK, France, Germany, Spain, Denmark, Sweden, USA, Canada, Australia and New Zealand.

We've selected these markets because between them, they represent more than two thirds of the world's recurring payment volume.



How do consumers prefer to
pay for recurring purchases?



Executive summary

How do consumers want to pay for subscriptions, memberships, bills and instalment plans? The answer to that critical question depends, as this report reveals, on where they live.

Money moves as fast as email in many countries. Elsewhere, it can travel as slowly as a letter in the post. That variation has as much to do with culture as technology.

In America, for example, the phrase “the cheque is in the post” still means something. Estimates suggest that a typical American signs [38 cheques a year](#). In contrast, mobile payment transactions in China were [worth \\$41.5trillion in 2018](#).

Willingness to use credit cards for recurring purchases varies immensely between nations: our research found that, on average, 43% of British consumers were ‘very unlikely’ to use them to make any kind of recurring purchase, yet they were the most popular payment method in Canada, with 25% of respondents ‘very likely’ to choose them.

The report, produced with YouGov, polled 12,785 consumers across UK, France, Germany, Spain, Denmark, Sweden, USA, Canada, Australia and New Zealand – collectively, these countries account for two-thirds of the global volume of recurring payments – on how they prefer to pay for household bills, traditional subscriptions, online subscriptions and instalments.

While much has been written about consumer preferences in e-commerce, our research shows that when it comes to committing to a recurring purchase, different forces are at play – and different preferences emerge.

What’s more, as consumer choice increases, our payment preferences have become more varied and more personal. This presents a challenge for the B2C sector because how we want to pay exerts a strong influence on what we buy – and if we buy at all. Here are some of the intriguing differences to emerge:

German consumers don’t like cards...

On average, 40% are ‘very unlikely’ to use credit cards, and 29% feel the same about debit cards. Cash is still king in Germany: Deutsche Bank estimated that it accounted for 79% of payments in 2017. But for the recurring purchases, consumers’ overwhelming preference is to pay via Bank Debit.

... Yet North American consumers do

Canadians are more likely to make recurring payments on their credit cards than any other nationality surveyed: 27% are ‘very likely’ to use them for traditional subscriptions (such as gym memberships) and 26% are for household bills and online subscriptions. Americans are almost as keen – it is their preferred method for traditional and online subscriptions. McKinsey estimates that, in 2018, credit cards comprised more than half of payments in North America, much more than in any other region.

"When it comes to committing to a recurring purchase, different forces are at play – and different preferences emerge"

Most people stick to tried and trusted methods to pay bills

Outside North America, consumers in every country surveyed said they were 'very likely' to pay their household bills the traditional way – by Bank Debit. This was particularly true in Denmark (50%), the UK (47%), Spain (39%) and Germany (38%). British consumers were particularly reluctant to make this kind of purchase with digital wallets – 54% being 'very unlikely' to do so. In Europe and New Zealand, debit cards were the second most popular way of paying bills.

Consumers want alternatives to cards

The global coverage of cards and the ubiquitous use of them in e-commerce transactions has led many global subscription businesses to offer cards as the only way to pay. But this could be a costly mistake for subscription businesses. In 9 out of 10 of the markets surveyed, around a third of consumers said they were likely to choose Bank Debit to pay for online subscriptions. And yet, looking at the top 44 global subscription websites, only 1 offered Bank Debit as a payment option (and only in Germany). The opportunity gap is clear - businesses have the potential to attract new consumers and improve conversion by introducing alternatives to cards.

There is a new digital divide

And it's about consumer attitudes to digital wallets. In Denmark, on average, 44% of consumers were

'very unlikely' to use one to make any kind of recurring purchase, whereas in Spain, an average of 16% were 'very likely' to. There was significantly less antipathy to digital wallets in Australia, France, New Zealand and the USA.

The report offers a snapshot of how consumers like to pay for recurring purchases now, but their preferences, and their options, evolve constantly. In Sweden, businesses can legally refuse to accept cash, South Korea is [aiming to become cashless in 2020](#) and Hasbro has even launched a cashless Monopoly board game.

The critical issue for B2C companies is that consumers, having been given a wider choice of payment methods, are minded to exercise it – and may well go elsewhere if they can't pay in the way they want. Not only is there no 'one size fits all' global offering for recurring payments, there isn't even a single solution that would suit consumers in a particular country, income bracket or age group.

When it comes to the way consumers pay for recurring purchases, this report reflects the observation by the American-Canadian novelist William Gibson that "The future is already here, it is just not evenly distributed."

United Kingdom

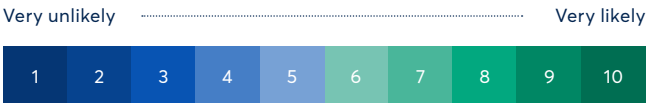
In the UK, Bank Debit was the favoured payment method across all recurring purchase use cases. Almost half of our respondents (48%) were likely to choose Bank Debit to pay for traditional subscriptions, compared to a third (33%) who were likely to choose debit card, and 12% who would opt for digital wallet. While debit cards are often considered the dominant payment option for online subscriptions in the UK, only a third of our respondents (32%) said they were likely to choose it: 45% were likely to choose Bank Debit instead, 19% credit cards and 16% digital wallets.

2/3

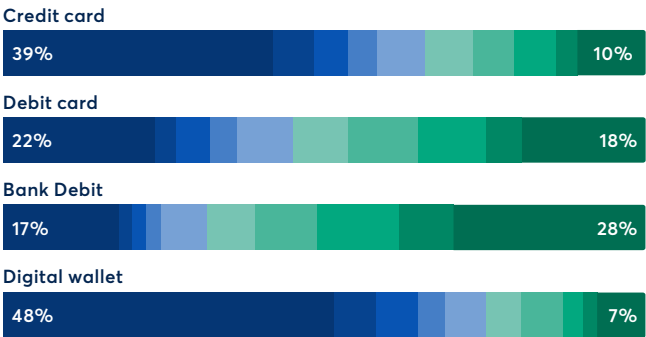
of respondents said they were likely to choose Bank Debit (scores of 8, 9 or 10) to pay for household bills.

52%

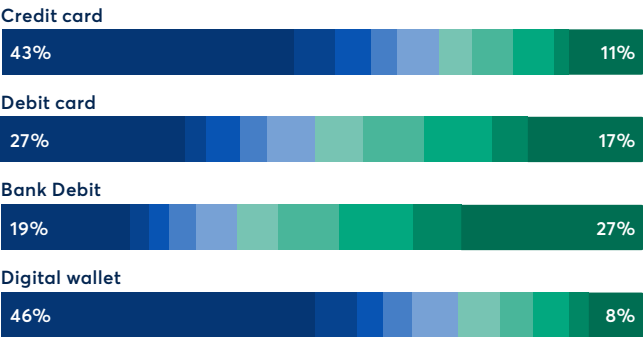
were likely to choose Bank Debit (scores of 8, 9 or 10) when making instalment payments, compared to 32% for debit card, 21% for credit cards and 11% for digital wallets.



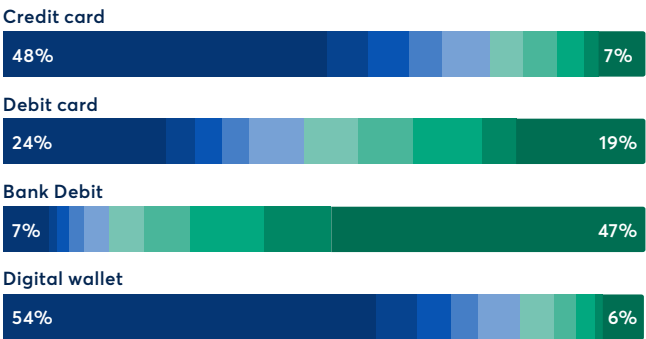
Traditional subscriptions



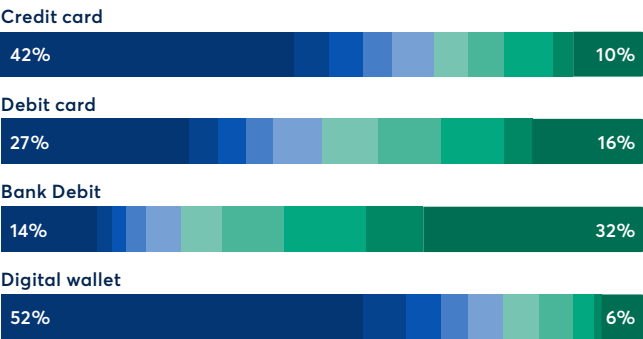
Online subscriptions



Household bills



Instalments



In the UK, the preferred way to pay for online subscriptions is via Bank Debit. Of the 29 biggest subscription websites in the UK, all offer credit/debit card, 62% offer PayPal, and 3% accept mobile payments. None currently offer Bank Debit.*

*Based on an analysis of publicly viewable checkout flows of top international subscription companies which operate in the UK.



0%

France

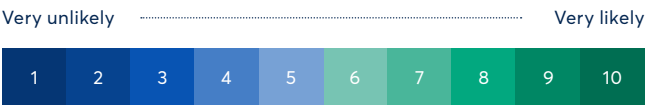
In France, consumers showed a preference to pay by Bank Debit (SEPA) for each of the four recurring purchase use cases. However, the difference in preference between Bank Debit and credit or debit cards was small. For online and traditional subscriptions in particular, consumers preferred to pay by debit card, almost as much as they did Bank Debit. If you compare the results to the UK or Germany, you can see less overall reluctance to use credit and debit cards for recurring purchases (e.g. far fewer consumer who scored their likelihood as 1-3 for cards).

35%

of respondents were likely to choose debit card for online subscriptions (scores of 8, 9 or 10), compared to 37% who would choose Bank Debit.

59%

were likely to choose Bank Debit when paying household bills (scores of 8, 9 or 10), compared to 40% who would choose debit card, 31% who would choose credit card and 30% who would opt for digital wallet.



Traditional subscriptions



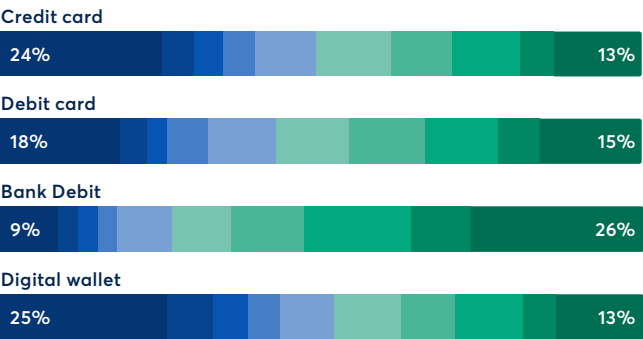
Household bills



Online subscriptions

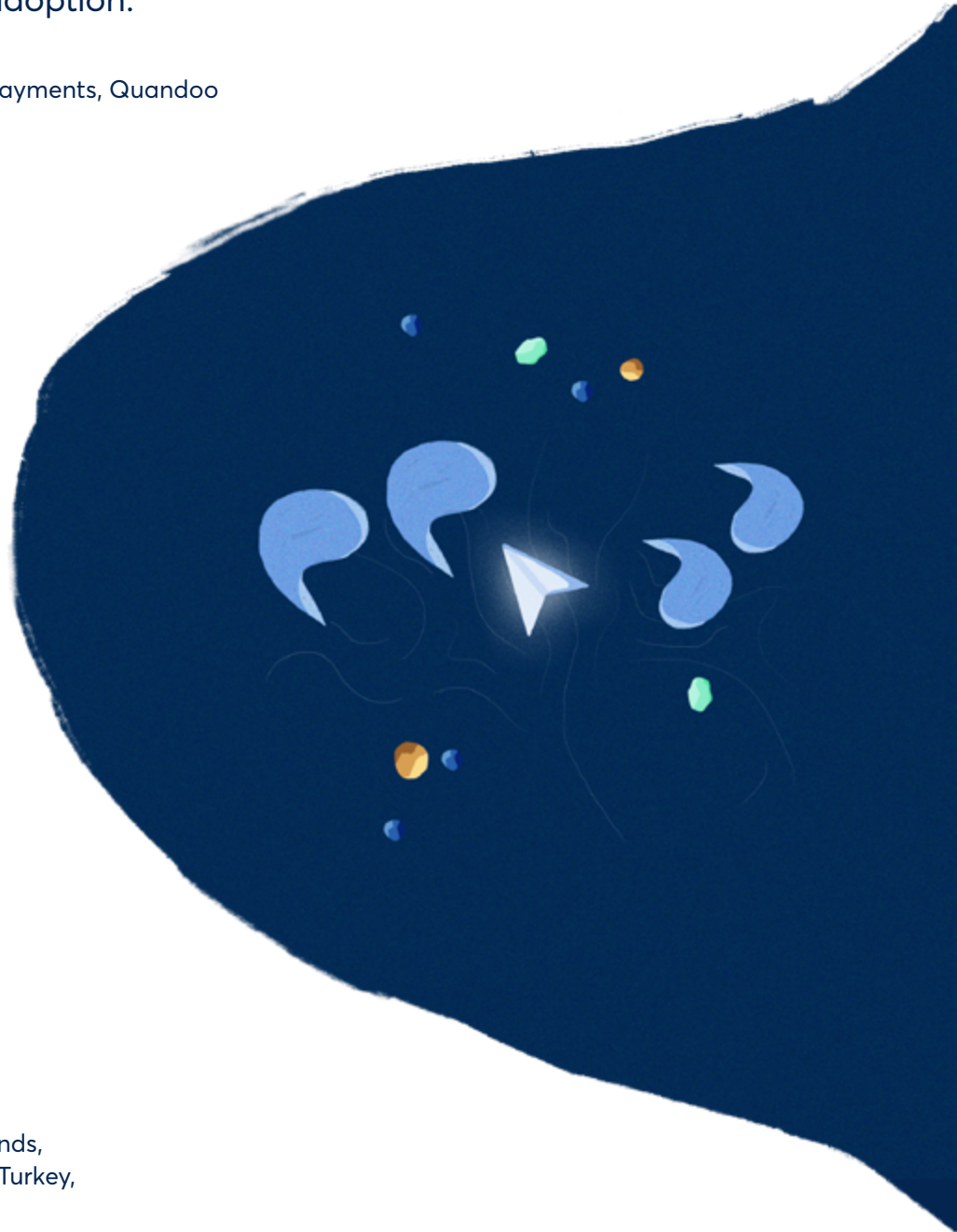


Instalments



"We offer Direct Debit as an alternative to cards in the UK, Germany, Italy and soon Australia. Wherever we offer Direct Debit, it's the preferred payment option for our customers, with 50-85% adoption."

Diego Passarela, Head of Billing & Payments, Quandoo



Use case

Online subscriptions

Markets

Germany, Finland, Austria, Netherlands, Italy, Luxembourg, Switzerland, UK, Turkey, Singapore, Hong Kong, Australia

See how Quandoo uses GoCardless

Read the full story at gocardless.com/stories/quandoo

Germany

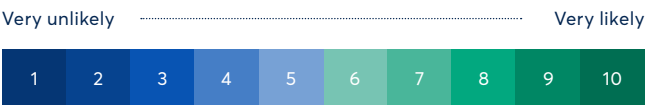
In Germany, consumers were most likely to choose (scores of 8 or above) Bank Debit (SEPA), in all four of the payment use cases tested. Digital wallets performed well for the online subscriptions use case. Credit and debit card were the weakest across all use cases, with the smallest volume of 'very unlikely' and the greatest volume of 'very unlikely' responses (a greater volume of 'unlikely' than in UK for example). This aligns with market payment data, which shows card adoption in Germany is low (source: [European Payments Council](#)).

33%

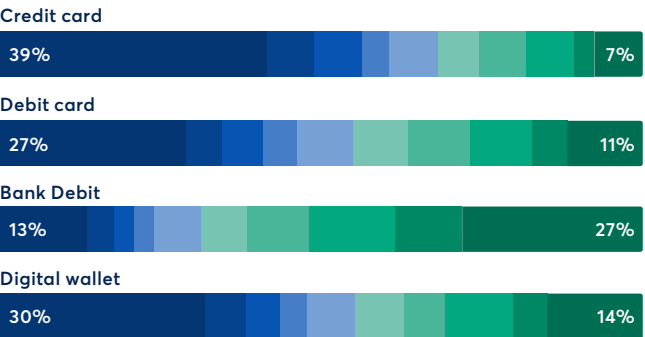
of respondents were likely to choose digital wallets for online subscriptions (scores of 8, 9 or 10), compared to 37% for Bank Debit, 21% for debit card and 19% for credit card.

48%

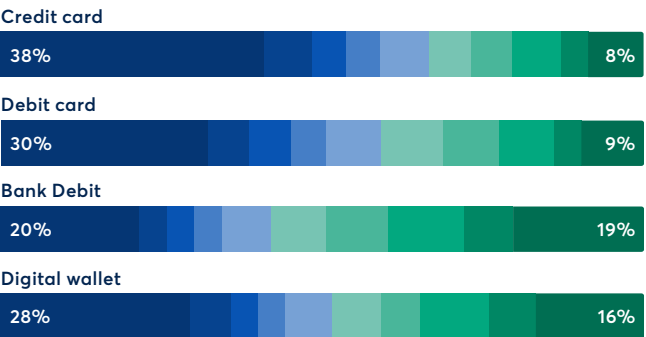
were likely to choose Bank Debit for instalment payments (scores of 8, 9 or 10), compared to a quarter (25%) who would choose digital wallet and 23% who would opt for debit card.



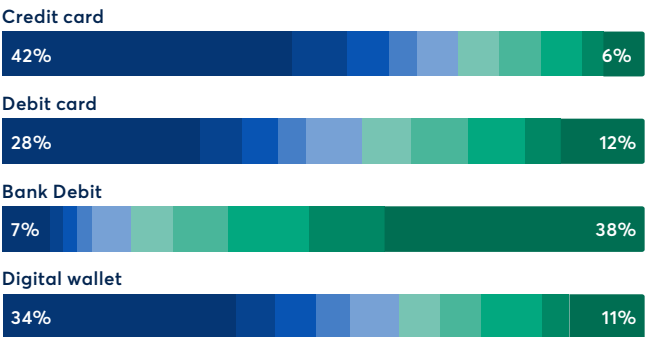
Traditional subscriptions



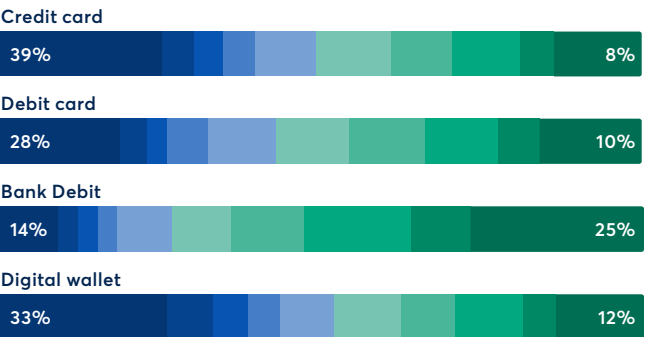
Online subscriptions



Household bills



Instalments



"Subscriptions are in essence relationships that constantly change over time. In recent years, the ability to offer a menu of payment options has increased in importance for both getting new customers in the door and retaining them as the customer/merchant relationship evolves.

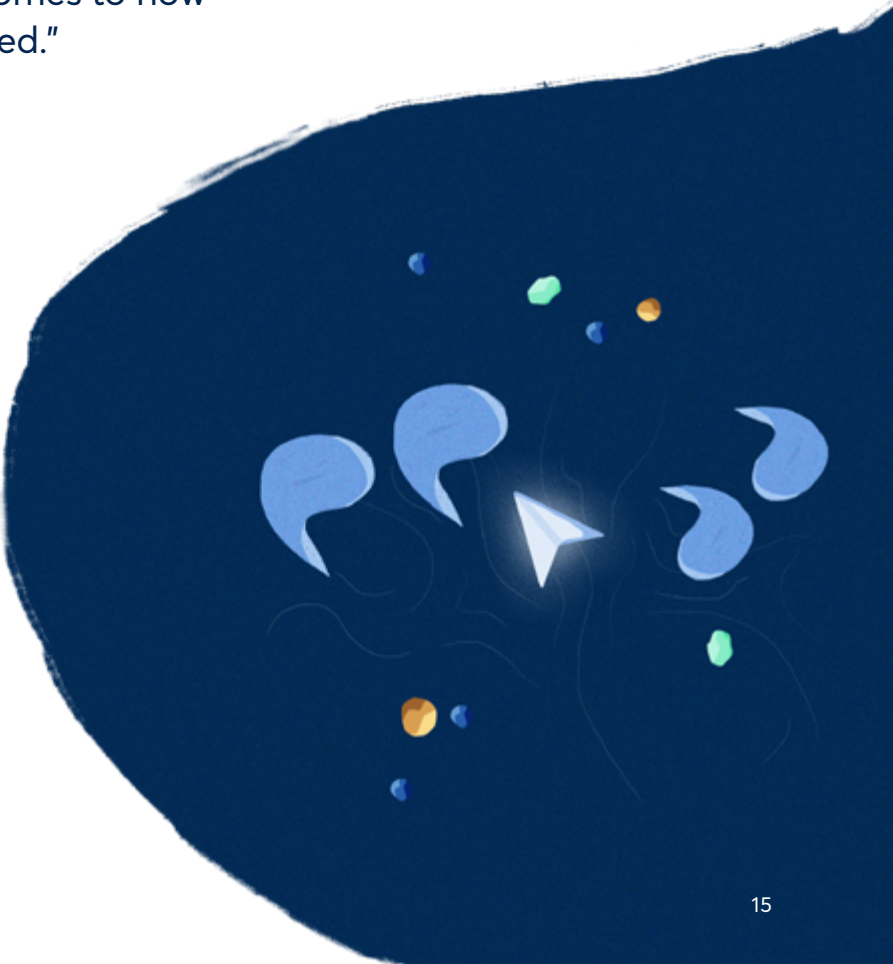
In the US, automated card payments have been the de facto standard for many years, but we've seen an upward trend in revenue processed through ACH payments which increased 112% from 2017 to 2018.

This trend, combined with clear demand signals for Direct Debit payment options from countries like the UK and Australia point to a larger shift in customer preferences when it comes to how automated payments are processed."

Tom Rotem, Chief Executive, Chargify

We're partnered with Chargify

Learn more about how we work with Chargify at gocardless.com/partners/chargify



Spain

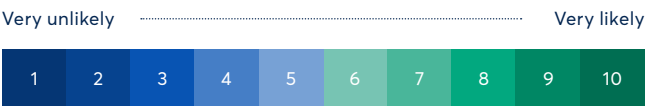
Bank Debit was the preferred option for three uses cases: household bills, traditional subscriptions and instalments. Digital wallets scored consistently higher in Spain than in other markets, across all use cases – but particularly for online subscriptions, where they came out on top, followed closely by Bank Debit and debit card. Unlike other markets, credit and debit card have similar volumes of ‘very likely’ and ‘very unlikely’ across the use cases.

39%

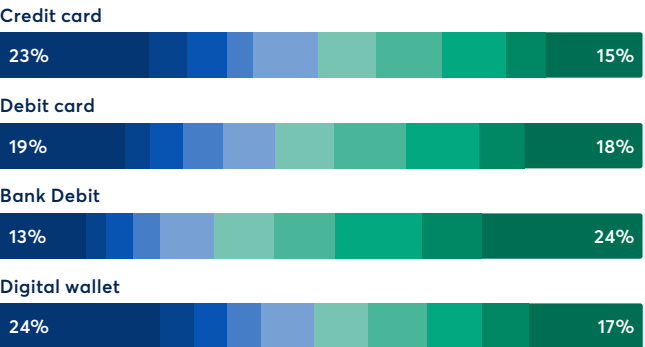
of respondents were likely to choose digital wallet to pay for online subscriptions (scores of 8, 9 or 10), while 37% would opt for Bank Debit and 36% for debit card.

60%

were likely to pay for household bills by Bank Debit (scores of 8, 9 or 10), while 30% were likely to choose debit card.



Traditional subscriptions



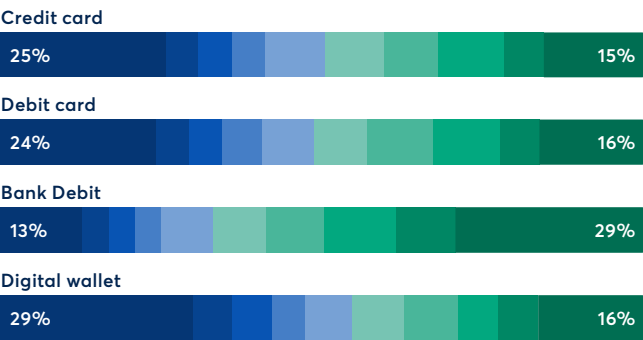
Online subscriptions



Household bills

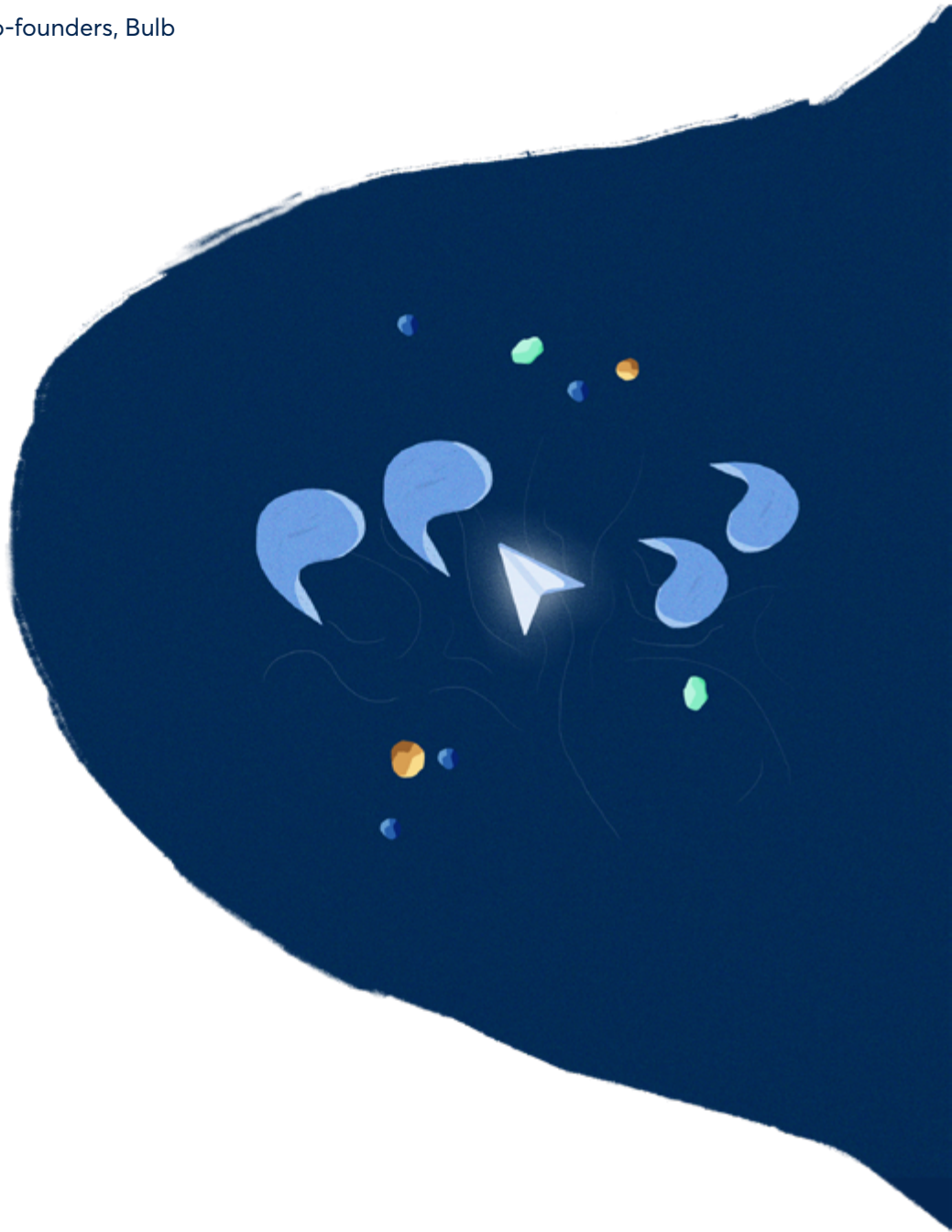


Instalments



"We aim to give our members whatever payment options they trust most and which are the most convenient."

Amit Gudka and Hayden Wood, Co-founders, Bulb



Use case

Household bills (invoicing)

Markets

UK

See how Bulb uses GoCardless

Read the full story at
gocardless.com/stories/bulb

Denmark

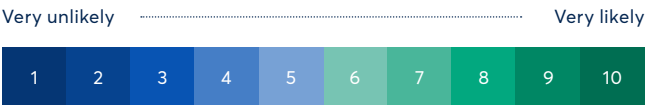
Bank Debit was the preferred payment method across all use cases in Denmark. Almost three quarters of consumers surveyed (72%) were likely to choose it to pay for household bills, while around half (50-55%) were likely to choose it for traditional and online subscriptions, and instalment payments. Credit and debit cards were also popular across all use cases – only surpassed by Canada. Preference for digital wallets in Denmark was one of the lowest across all the markets surveyed.

More than half

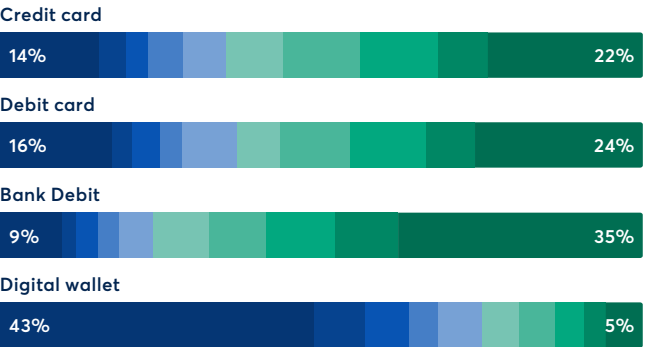
of respondents (54%) were likely to choose Bank Debit to pay for traditional subscriptions (scores of 8, 9 or 10), while only 12% were likely to opt for digital wallet.

56%

were likely to choose Bank Debit when making instalment payments (scores of 8, 9 or 10), 30% credit or debit card and 9% digital wallet.



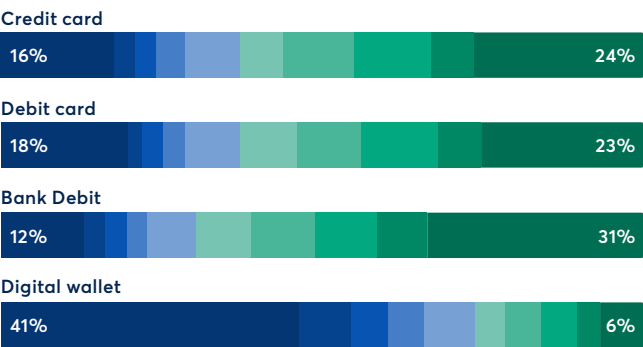
Traditional subscriptions



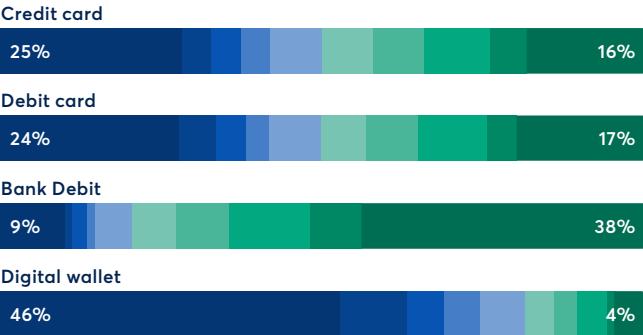
Household bills



Online subscriptions



Instalments



Around one fifth of US consumers said they were likely to pay for an online subscription by Bank Debit. Of the 30 biggest subscription websites in the US, all offer credit/debit card, 53% offer PayPal, and 6% accept other forms of payment. Yet none offer Bank Debit.*

*Based on an analysis of publicly viewable checkout flows of top international subscription companies which operate in the US.



0%

Sweden

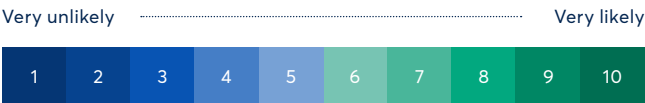
Bank Debit and debit card were the preferred payment methods for traditional and online subscriptions, with credit cards a close third. Swedish consumers showed a high preference for Bank Debit, when paying for household bills. Along with Denmark and UK, Sweden is one of the markets with the lowest scores for digital wallets across all use cases. In fact, all three countries had a high proportion of 'unlikely' scores (1, 2 & 3) on digital wallets.

1 in 2

respondents were likely to choose Bank Debit for household bills (scores of 8, 9 or 10), while around a quarter were likely to pay by credit or debit card (27% and 23%).

38%

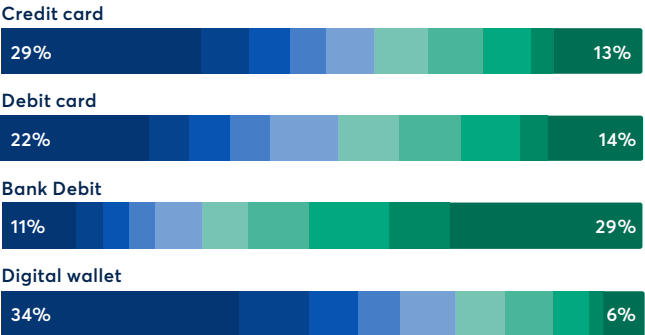
were likely to choose Bank Debit for online subscriptions (scores of 8, 9 or 10), followed by 25% who would choose debit card, 20% credit card and 19% digital wallet.



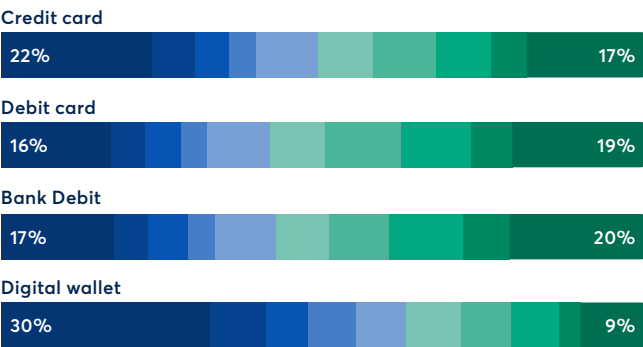
Traditional subscriptions



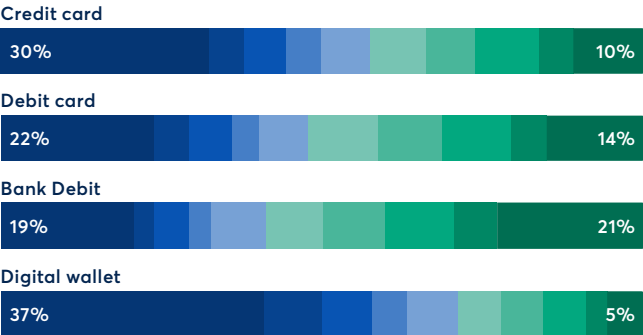
Household bills



Online subscriptions



Instalments

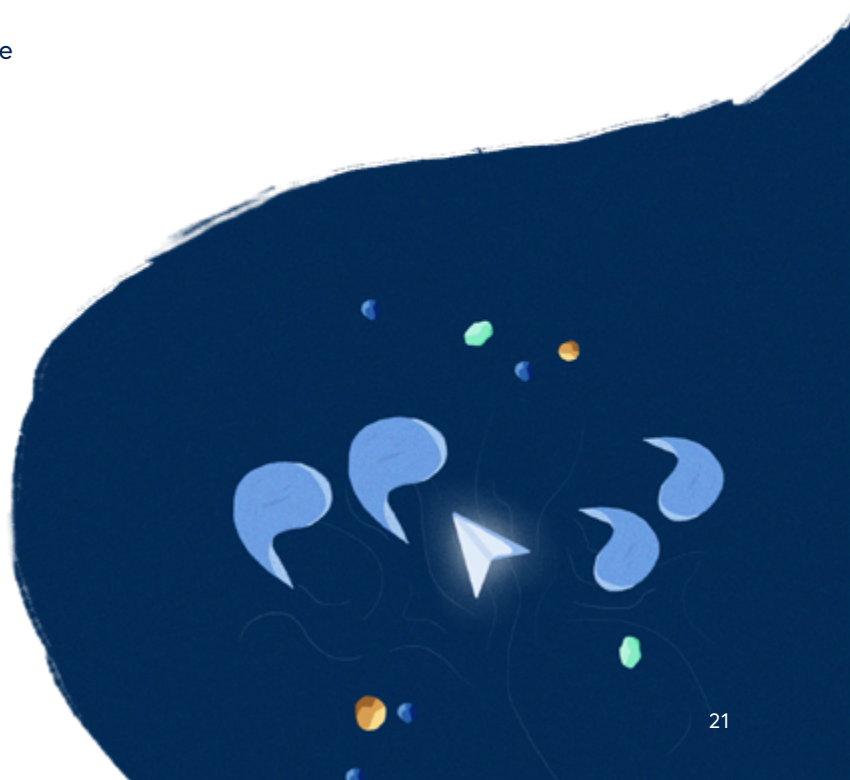


"Unwittingly at first and then by design, the SaaS model, with its singular combination of continuous delivery and seamless consumption has delivered us a great advantage over our peers from the 90s: the ability to serve multiple segments. So just as it's a mistake to think of customer preferences — for payments and everything else — as static, it's also a mistake to isolate them within the constraints of a target segment.

When we're busy optimising our card checkout for SMBs, there's a small team at a mid-market company waiting for us to tell them where to send a cheque. When our software can be used by people at the edges of a segment or an entirely new one, why can't all our systems (including payment methods) be ready for their particular ways of working.

Seeing a brick and mortar store in Melbourne support AliPay with an adjacent segment (visitors from China, a surprising geography, but absolutely obvious users, nonetheless) in mind, I wondered, shouldn't we all, as digital subscription businesses, keep our ears attuned to what's possible on the edges."

Co-Founder & CEO, Krish Subramanian, Chargebee



USA

The US shows a strong preference for credit and debit card across each of the use cases, followed by digital wallets and finally ACH Bank Debit. ACH is stronger than digital wallets in the household bills use case and could be a useful option for business looking to broaden their payment offerings beyond cards and digital wallets. Unusually when compared to European markets, cheque is still a popular payment method when paying regular household bills in the US.

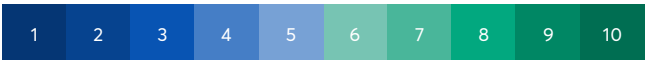
38%

of respondents were likely to choose credit card to pay for online subscriptions (scores of 8, 9 or 10), compared to 34% who would choose debit card, 22% digital wallet and 19% Bank Debit.

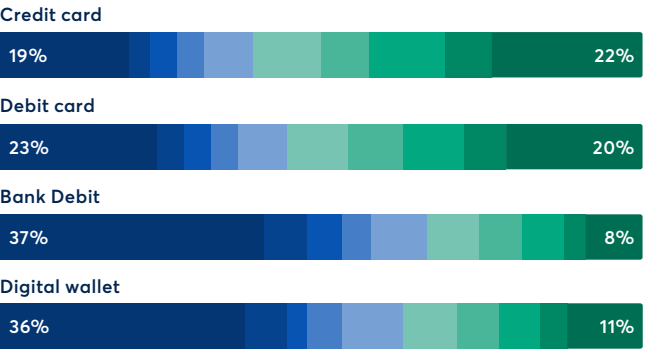
35%

were likely to choose credit card or debit card when making instalment payments (scores of 8, 9 or 10), compared to 22% who were likely to choose Bank Debit and 19% digital wallet.

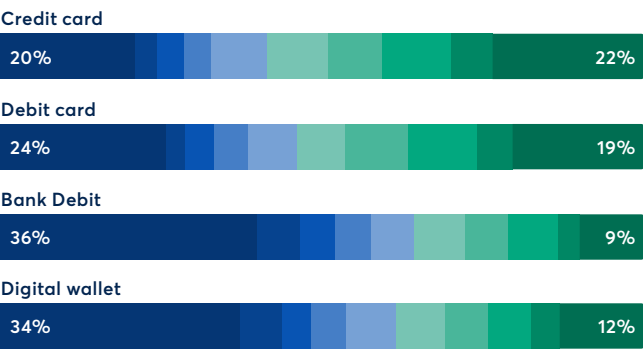
Very unlikely ----- Very likely



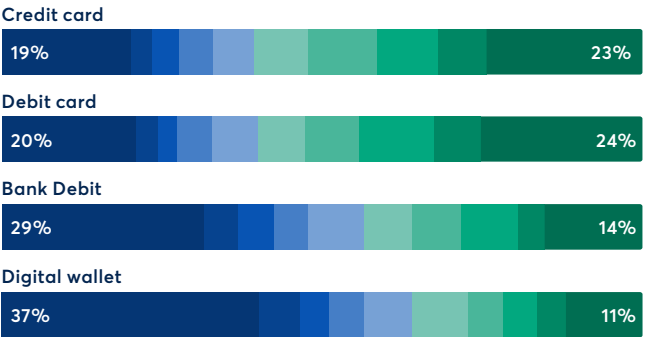
Traditional subscriptions



Online subscriptions



Household bills



Instalments



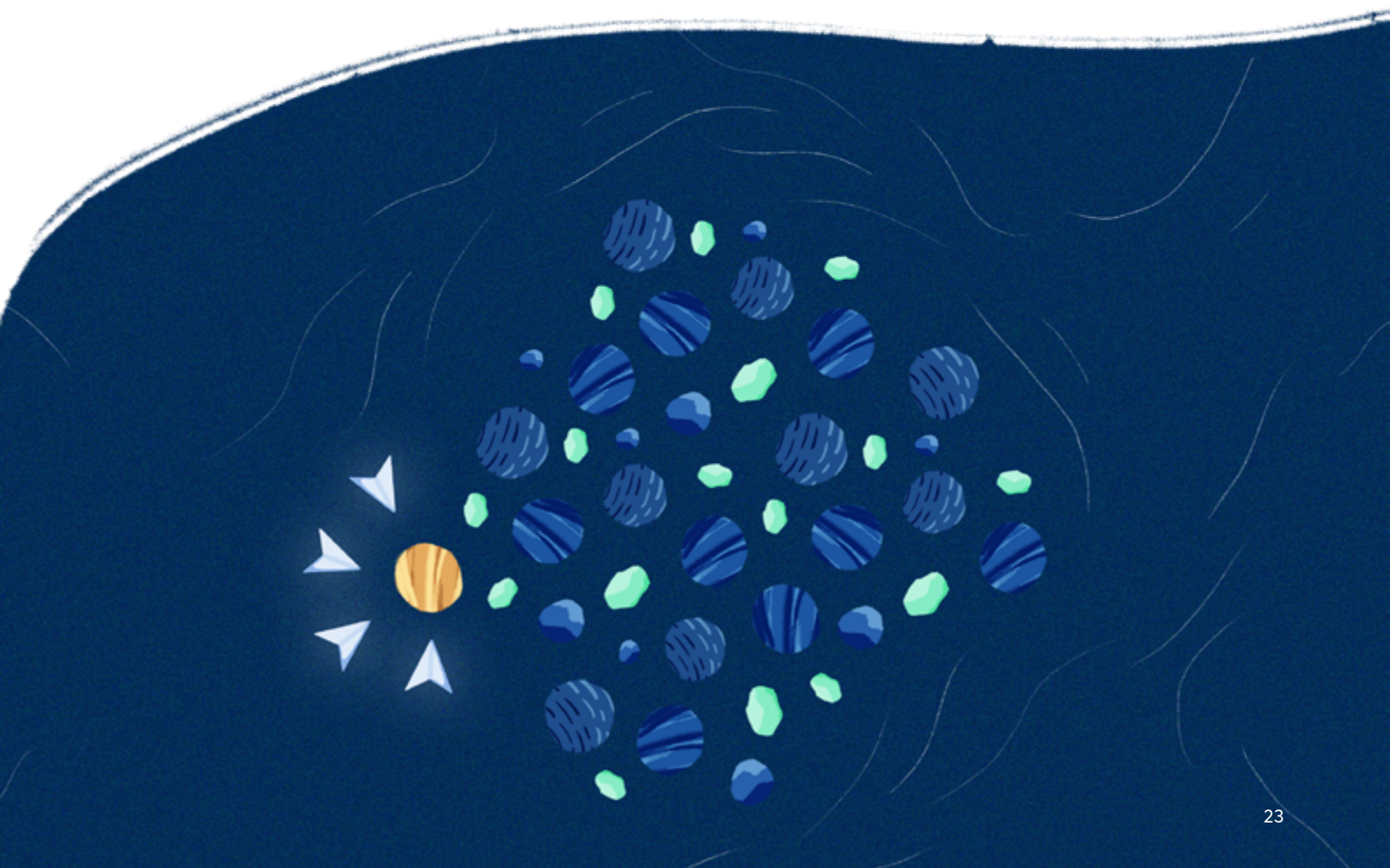
A missed opportunity?

In 9/10 markets we surveyed, at least 30% of consumers were likely to choose Bank Debit/Direct Debit to pay for online subscriptions, with the exception of the USA, where 19% were likely to choose it.

Yet...

1 in 44 top global B2C subscription websites offer Bank Debit/Direct Debit as a payment option – and only in one market, Germany.*

*Based on an analysis of publicly viewable checkout flows of top international subscription companies across the markets in which they operate.



Canada

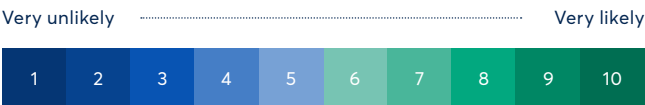
Similar to the US results, Canada has shown a strong preference for credit card (though not debit card) across each of the four use cases, with 48% of consumers likely to pay this way for traditional subscriptions, 47% for online subscriptions, 45% for household bills and 42% for instalment payments. This is in line with a recent [PaymentsCanada](#) report which shows that credit card usage has become so prolific that Canada has become the second largest user of credit cards per capita in the world, behind South Korea, and just ahead of the US. In our survey, Bank Debit comes in second for each of the use cases, again is in line with the PaymentsCanada report, which shows the growth of electronic funds transfers (EFTs), including pre-authorised debit.

47%

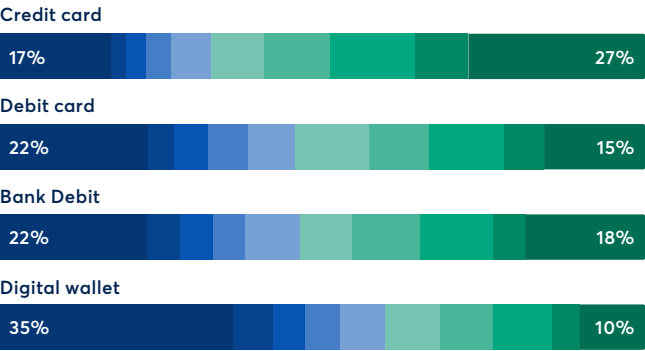
of respondents were likely to choose credit card to pay for an online subscription (scores of 8, 9 or 10), followed by 31% who were likely to choose Bank Debit.

42%

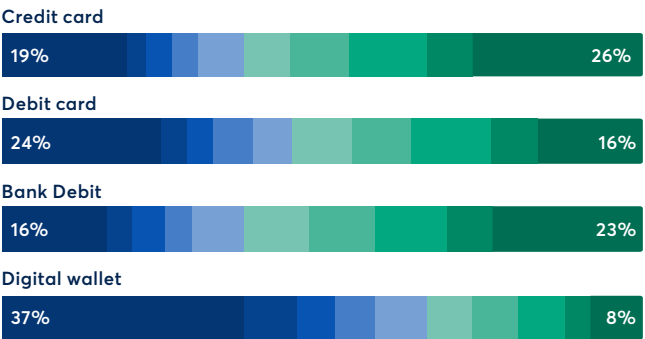
were likely to choose credit card when making instalment payments (scores of 8, 9 or 10), compared to 38% who were likely to opt for Bank Debit.



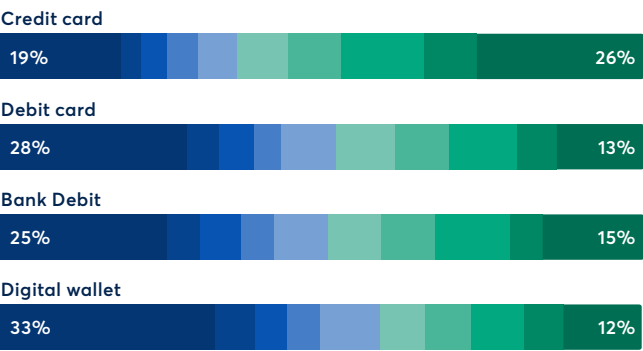
Traditional subscriptions



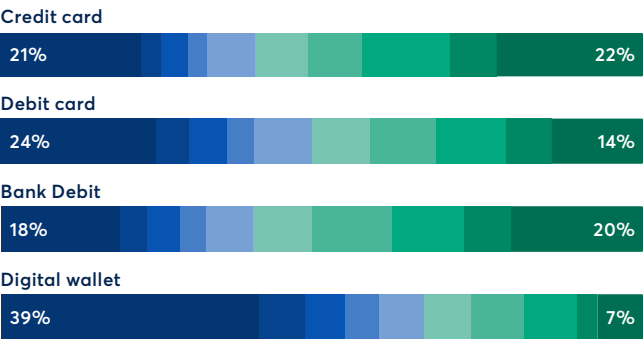
Household bills



Online subscriptions



Instalments



"How consumers shop and pay for things is changing dramatically. Subscription-based services are exploding in popularity because they give us value and flexibility, and you're seeing a similar dynamic at play in personal finance.

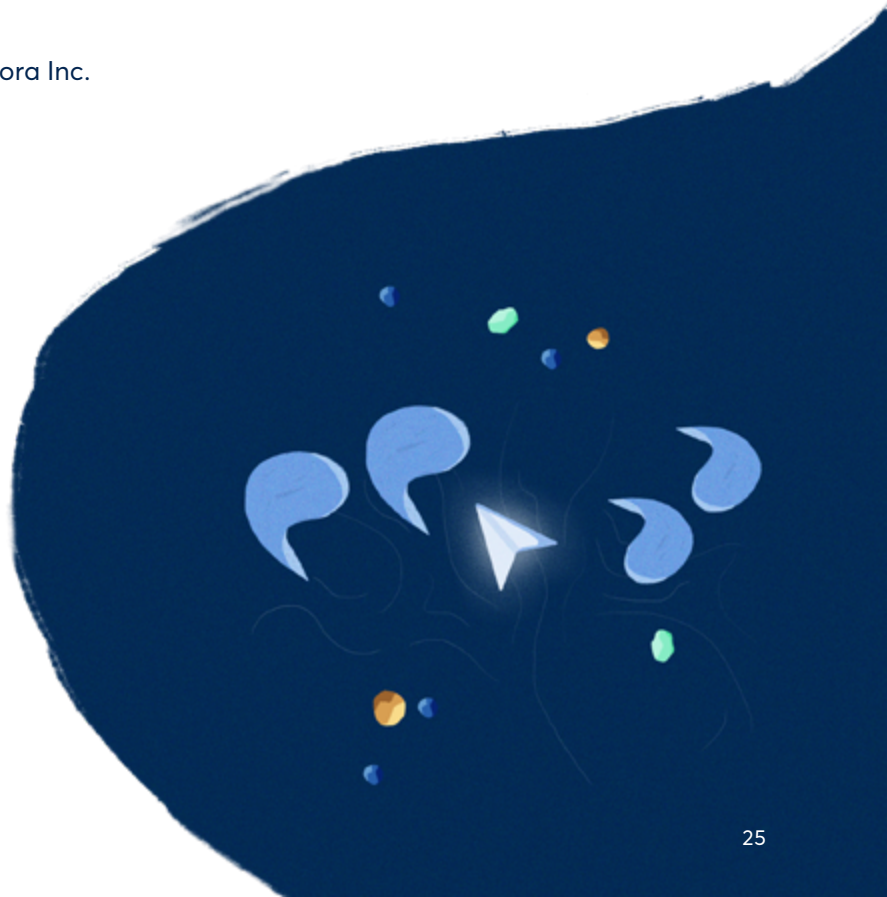
We see more and more consumers using digital wallet services, direct debit, and alternative payment methods like PayPal, Amazon Pay and Venmo because of their ease and convenience.

In a perfect world, businesses would use one payment gateway everywhere to find economies of scale, but in reality, the lack of flexibility would cut their revenue potential short. In order to meet these changing consumer expectations in the Subscription Economy, businesses need to offer convenience and flexibility in how they accept payments."

John Phillips, Managing Director of Europe, Zuora Inc.

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at gocardless.com/zuora



Australia

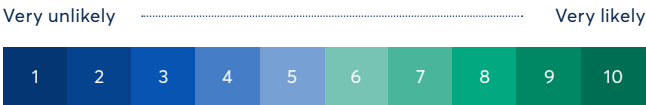
Consumers in Australia were highly likely to choose Bank Debit for household bills and instalment payments (Australia had the highest number of 'very likely' responses for Bank Debit for these use cases out of all our markets). For online and traditional subscriptions, consumers showed slightly higher preference for credit cards, followed closely by Bank Debit and debit cards. Interestingly, credit card and digital wallets had the highest proportion of unlikely scores (1, 2 & 3) across both traditional and online subscription use cases.

46%

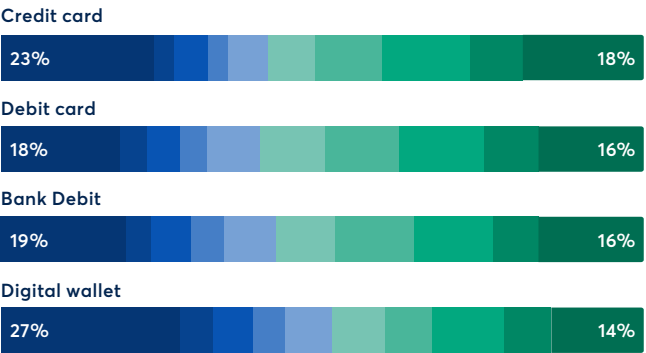
of respondents were likely to choose Bank Debit for household bills (scores of 8, 9 or 10), compared to 43% who were likely to choose debit card.

37%

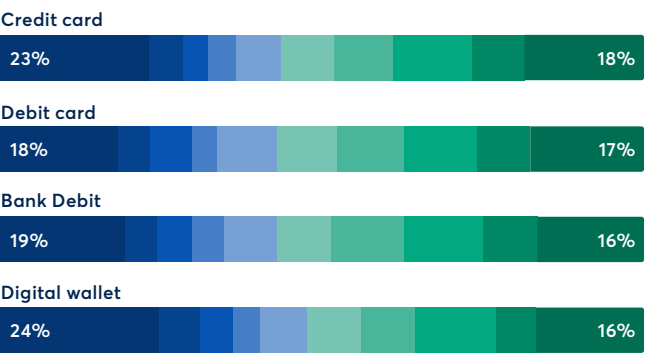
were likely to pay for traditional subscriptions like gym memberships with credit card (scores of 8, 9 or 10), followed by 37% who were likely to pay with debit card and 36% with Bank Debit.



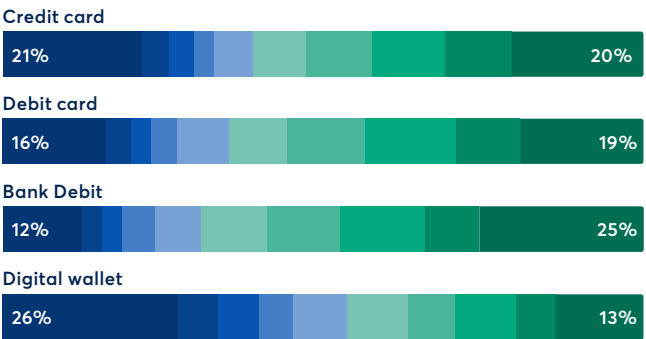
Traditional subscriptions



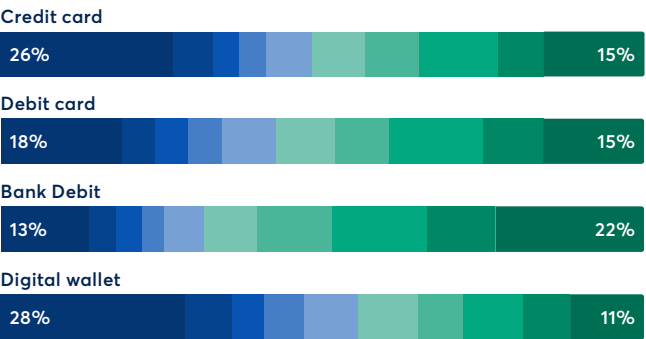
Online subscriptions



Household bills

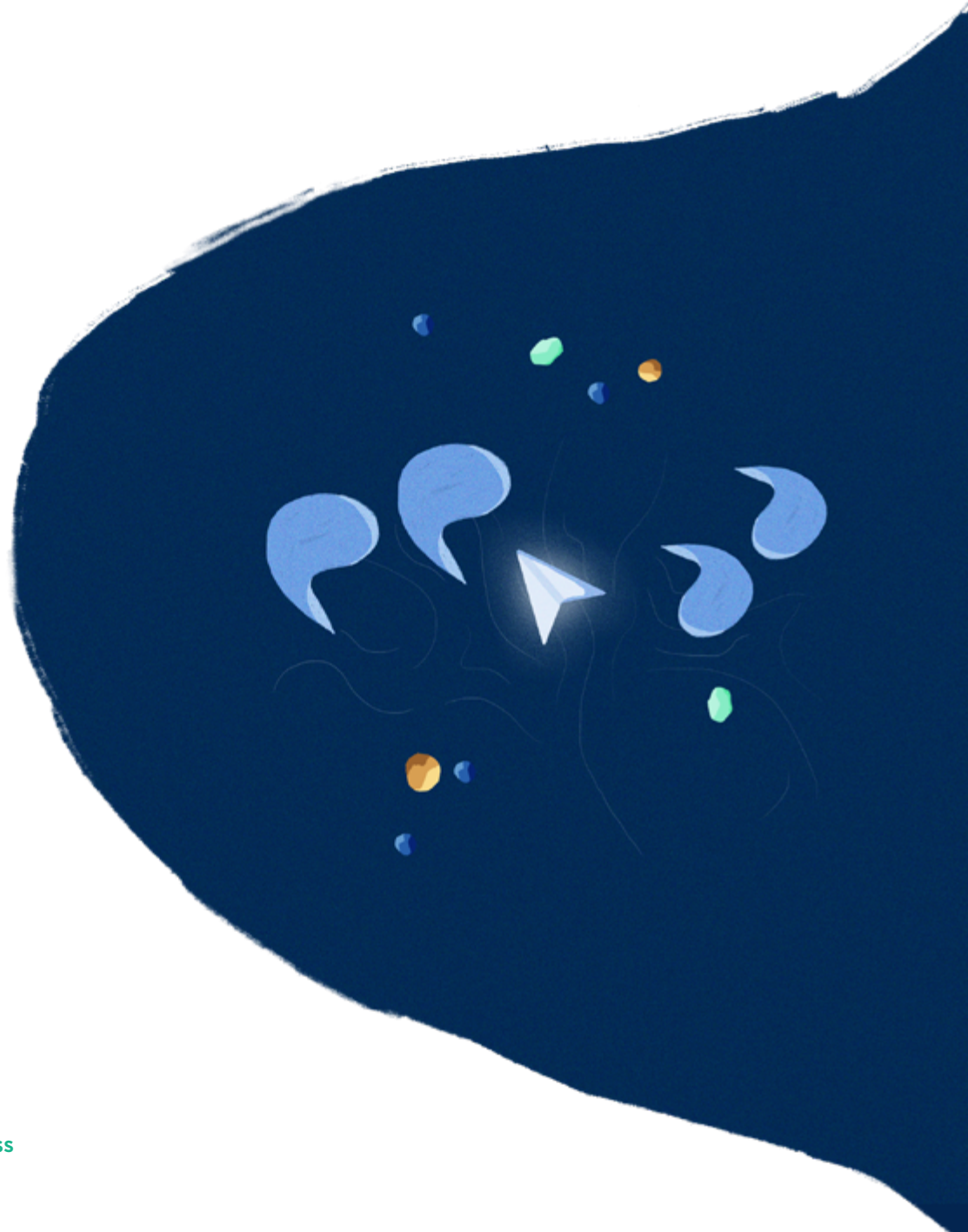


Instalments



"Direct Debit is a method customers know and trust. They fully understand how it works and have an expectation of what agreeing to make payments through this channel involves."

Nicki Harris, Customer Success Manager, Vax



Use case

Instalments

Markets

UK

See how Vax uses GoCardless

Read the full story at
gocardless.com/stories/vax

New Zealand

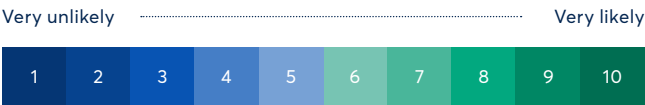
In New Zealand, consumers showed a Preference for Bank Debit when paying by instalment or household bills. Just over half (53%) of respondents said they were 'likely' to pay in this way for household bills in New Zealand, compared to 46% in Australia. Cards achieved the highest percentage of "likely" scores (8,9 & 10) for both online and traditional subscriptions.

49%

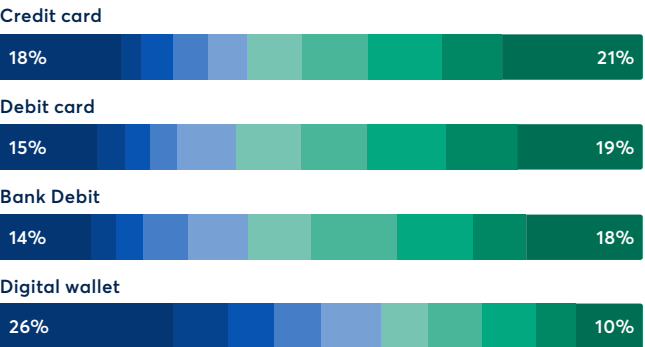
of respondents were likely to choose Bank Debit when making instalment payments (scores of 8, 9 or 10), compared to 37% who were likely to choose debit card and 37% credit card.

42%

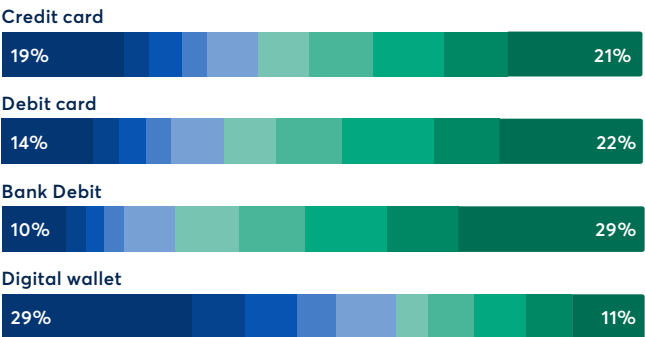
were likely to choose debit card to pay for traditional subscriptions (scores of 8, 9 or 10), followed closely by credit card (41%) and Bank Debit (38%).



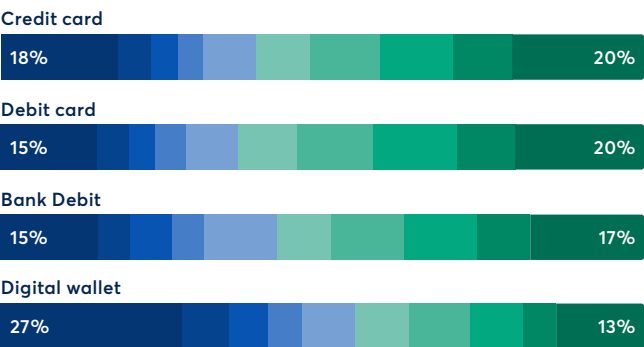
Traditional subscriptions



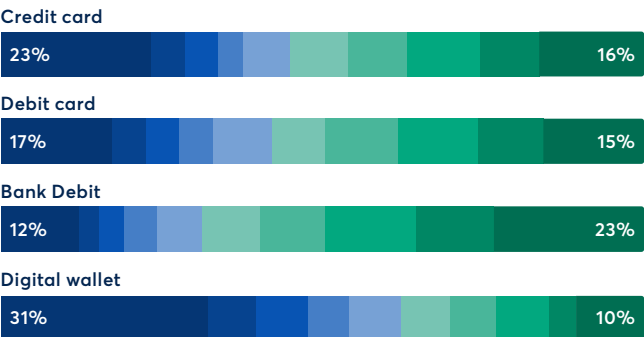
Household bills



Online subscriptions



Instalments



"You need to tailor the way you take payments in accordance with customer preference. We initially started out offering card but realised that, for example, the customers we sell to through British Gas, often want to pay by Direct Debit. There are also clear differences in preferences between markets; initially we took a broad brush approach to going global and thought credit card would work everywhere, but that wasn't the case. You have to give customers options if you're going to crack the recurring payments problem."

Neil Proctor, Global Head of Customer Systems, Hive

Use case

Online subscriptions

Markets

UK, Ireland, Italy, France, USA, Canada



Consumer preference by use case



Traditional subscriptions

We asked 12,785 consumers across 10 markets: how likely would you be to choose the following payment methods, when paying for a traditional subscription such as a gym membership or newspaper subscription. Here are the results in full.

		Very unlikely Very likely									
		1	2	3	4	5	6	7	8	9	10
UK	Credit card	39%	6%	5%	4%	7%	7%	6%	6%	3%	10%
	Debit card	22%	3%	5%	4%	8%	8%	10%	10%	5%	18%
	Bank Debit	17%	2%	2%	2%	7%	7%	9%	12%	8%	28%
	Digital wallet	48%	6%	6%	4%	6%	5%	6%	3%	2%	7%
France	Credit card	21%	6%	4%	5%	10%	8%	10%	11%	6%	14%
	Debit card	16%	4%	4%	3%	9%	8%	12%	14%	8%	18%
	Bank Debit	12%	4%	3%	4%	9%	7%	13%	15%	8%	21%
	Digital wallet	21%	8%	4%	4%	9%	9%	9%	9%	6%	16%
Germany	Credit card	39%	7%	7%	4%	7%	6%	7%	7%	3%	7%
	Debit card	27%	5%	6%	5%	8%	8%	9%	9%	5%	11%
	Bank Debit	13%	4%	3%	3%	7%	7%	9%	13%	10%	27%
	Digital wallet	30%	6%	5%	4%	7%	7%	6%	10%	5%	14%
Spain	Credit card	23%	6%	6%	4%	10%	9%	10%	10%	6%	15%
	Debit card	19%	4%	5%	6%	8%	9%	11%	11%	7%	18%
	Bank Debit	13%	3%	4%	4%	8%	9%	9%	13%	9%	24%
	Digital wallet	24%	5%	5%	5%	8%	8%	9%	8%	7%	17%
Sweden	Credit card	23%	5%	5%	6%	8%	8%	9%	10%	4%	16%
	Debit card	16%	4%	5%	5%	10%	9%	9%	11%	6%	20%
	Bank Debit	16%	5%	5%	4%	7%	10%	9%	10%	7%	21%
	Digital wallet	30%	8%	8%	7%	7%	7%	7%	6%	5%	8%
Denmark	Credit card	14%	4%	3%	5%	6%	8%	11%	11%	7%	22%
	Debit card	16%	3%	4%	3%	8%	6%	10%	11%	7%	24%
	Bank Debit	9%	2%	3%	3%	5%	8%	8%	10%	9%	35%
	Digital wallet	43%	7%	6%	4%	6%	5%	5%	4%	3%	5%
Australia	Credit card	23%	3%	5%	3%	6%	7%	10%	13%	8%	18%
	Debit card	18%	4%	5%	4%	8%	10%	11%	13%	8%	16%
	Bank Debit	19%	4%	6%	5%	8%	9%	12%	12%	7%	16%
	Digital wallet	27%	5%	6%	5%	7%	8%	7%	11%	7%	14%
New Zealand	Credit card	18%	3%	5%	5%	6%	8%	10%	11%	9%	21%
	Debit card	15%	4%	4%	4%	9%	10%	10%	12%	11%	19%
	Bank Debit	14%	4%	4%	7%	9%	10%	13%	12%	8%	18%
	Digital wallet	26%	8%	7%	7%	9%	7%	8%	8%	6%	10%
USA	Credit card	19%	3%	4%	4%	7%	10%	7%	11%	7%	22%
	Debit card	23%	4%	4%	4%	7%	9%	8%	9%	6%	20%
	Bank Debit	37%	6%	5%	4%	8%	7%	6%	6%	3%	8%
	Digital wallet	36%	6%	3%	5%	9%	8%	6%	6%	4%	11%
Canada	Credit card	17%	2%	3%	4%	6%	8%	10%	13%	8%	27%
	Debit card	22%	4%	5%	6%	7%	11%	9%	11%	6%	15%
	Bank Debit	22%	5%	5%	5%	8%	8%	10%	11%	5%	18%
	Digital wallet	35%	6%	5%	5%	7%	8%	8%	9%	4%	10%

Online subscriptions

We asked 12,785 consumers across 10 markets: how likely would you be to choose the following payment methods, when paying for an online subscription? Here are the results in full.

		Very unlikely Very likely									
		1	2	3	4	5	6	7	8	9	10
UK	Credit card	43%	6%	5%	4%	6%	5%	6%	6%	2%	11%
	Debit card	27%	3%	5%	4%	7%	7%	9%	10%	5%	17%
	Bank Debit	19%	3%	3%	4%	6%	6%	9%	11%	7%	27%
	Digital wallet	46%	6%	4%	4%	7%	6%	5%	5%	3%	8%
France	Credit card	23%	6%	5%	6%	9%	9%	9%	10%	5%	12%
	Debit card	17%	5%	4%	4%	9%	10%	10%	11%	6%	18%
	Bank Debit	17%	5%	4%	3%	9%	9%	11%	12%	7%	18%
	Digital wallet	22%	6%	4%	3%	8%	9%	8%	12%	6%	16%
Germany	Credit card	38%	7%	5%	5%	7%	6%	6%	7%	4%	8%
	Debit card	30%	6%	6%	5%	8%	9%	8%	8%	4%	9%
	Bank Debit	20%	4%	4%	4%	7%	8%	9%	11%	7%	19%
	Digital wallet	28%	6%	4%	4%	7%	7%	6%	10%	7%	16%
Spain	Credit card	21%	5%	4%	5%	9%	10%	10%	10%	6%	16%
	Debit card	19%	5%	4%	5%	8%	9%	11%	11%	8%	17%
	Bank Debit	19%	5%	5%	5%	7%	9%	10%	10%	8%	19%
	Digital wallet	21%	6%	4%	4%	7%	8%	8%	10%	7%	22%
Sweden	Credit card	22%	6%	5%	4%	9%	8%	9%	8%	5%	17%
	Debit card	16%	5%	5%	4%	9%	8%	11%	10%	6%	19%
	Bank Debit	17%	5%	6%	4%	9%	8%	9%	11%	7%	20%
	Digital wallet	30%	8%	6%	7%	7%	8%	7%	7%	3%	9%
Denmark	Credit card	16%	3%	3%	4%	8%	6%	10%	11%	6%	24%
	Debit card	18%	2%	3%	3%	8%	8%	9%	11%	6%	23%
	Bank Debit	12%	3%	3%	3%	7%	8%	9%	9%	7%	31%
	Digital wallet	41%	7%	5%	5%	7%	4%	5%	5%	3%	6%
Australia	Credit card	23%	5%	4%	4%	7%	8%	9%	12%	8%	18%
	Debit card	18%	5%	6%	4%	9%	9%	10%	11%	8%	17%
	Bank Debit	19%	5%	5%	5%	8%	8%	11%	12%	8%	16%
	Digital wallet	24%	6%	5%	4%	7%	8%	8%	12%	6%	16%
New Zealand	Credit card	18%	5%	4%	4%	8%	8%	11%	11%	9%	20%
	Debit card	15%	5%	4%	5%	8%	9%	12%	13%	9%	20%
	Bank Debit	15%	5%	6%	5%	11%	8%	11%	11%	8%	17%
	Digital wallet	27%	7%	6%	5%	8%	8%	9%	8%	5%	13%
USA	Credit card	20%	3%	4%	4%	8%	9%	8%	10%	6%	22%
	Debit card	24%	3%	4%	5%	7%	7%	9%	10%	5%	19%
	Bank Debit	36%	6%	5%	5%	6%	7%	6%	7%	3%	9%
	Digital wallet	34%	6%	4%	5%	7%	7%	6%	6%	4%	12%
Canada	Credit card	19%	3%	4%	5%	6%	8%	8%	13%	8%	26%
	Debit card	28%	5%	5%	4%	8%	9%	8%	10%	6%	13%
	Bank Debit	25%	5%	6%	5%	8%	8%	8%	11%	5%	15%
	Digital wallet	33%	6%	5%	5%	9%	7%	7%	8%	6%	12%

Household bills

We asked 12,785 consumers across 10 markets: how likely would you be to choose the following payment methods, when paying for household bills? Here are the results in full.

		Very unlikely Very likely									
		1	2	3	4	5	6	7	8	9	10
UK	Credit card	48%	6%	6%	5%	7%	5%	5%	4%	2%	7%
	Debit card	24%	4%	4%	4%	8%	8%	8%	10%	5%	19%
	Bank debit	7%	1%	2%	2%	4%	5%	7%	11%	10%	47%
	Digital wallet	54%	6%	5%	4%	6%	5%	3%	3%	1%	6%
France	Credit card	21%	6%	5%	6%	8%	8%	11%	11%	6%	14%
	Debit card	16%	3%	4%	4%	11%	9%	9%	15%	6%	19%
	Bank debit	6%	2%	2%	2%	8%	9%	8%	15%	10%	34%
	Digital wallet	23%	7%	5%	5%	9%	9%	9%	9%	6%	15%
Germany	Credit card	42%	8%	6%	4%	6%	6%	6%	6%	3%	6%
	Debit card	28%	6%	5%	4%	8%	7%	8%	8%	5%	12%
	Bank debit	7%	2%	2%	2%	6%	6%	8%	12%	11%	38%
	Digital wallet	34%	6%	6%	5%	7%	6%	6%	9%	4%	11%
Spain	Credit card	27%	5%	6%	5%	9%	8%	9%	9%	6%	14%
	Debit card	24%	6%	4%	4%	10%	8%	10%	9%	5%	16%
	Bank debit	9%	3%	3%	3%	7%	5%	8%	12%	9%	39%
	Digital wallet	30%	5%	7%	6%	7%	6%	6%	7%	6%	14%
Sweden	Credit card	29%	7%	6%	5%	7%	8%	8%	7%	3%	13%
	Debit card	22%	6%	6%	6%	10%	9%	9%	9%	4%	14%
	Bank debit	11%	4%	4%	4%	7%	7%	9%	12%	9%	29%
	Digital wallet	34%	10%	7%	6%	8%	7%	7%	5%	2%	6%
Denmark	Credit card	21%	4%	5%	4%	8%	8%	8%	9%	5%	20%
	Debit card	21%	5%	5%	4%	8%	8%	7%	9%	5%	20%
	Bank debit	4%	1%	1%	2%	4%	5%	6%	10%	12%	50%
	Digital wallet	46%	9%	6%	5%	6%	4%	5%	4%	2%	6%
Australia	Credit card	21%	4%	4%	3%	6%	8%	10%	11%	10%	20%
	Debit card	16%	4%	3%	4%	8%	9%	12%	14%	10%	19%
	Bank debit	12%	3%	3%	5%	7%	10%	11%	13%	8%	25%
	Digital wallet	26%	6%	6%	5%	8%	9%	7%	9%	6%	13%
New Zealand	Credit card	19%	4%	5%	4%	8%	8%	10%	11%	10%	21%
	Debit card	14%	4%	4%	4%	8%	8%	10%	14%	10%	22%
	Bank debit	10%	3%	3%	3%	8%	10%	10%	13%	11%	29%
	Digital wallet	29%	8%	8%	6%	9%	5%	7%	8%	7%	11%
USA	Credit card	27%	5%	6%	5%	9%	8%	9%	9%	6%	14%
	Debit card	24%	6%	4%	4%	10%	8%	10%	9%	5%	16%
	Bank debit	9%	3%	3%	3%	7%	5%	8%	12%	9%	39%
	Digital wallet	30%	5%	7%	6%	7%	6%	6%	7%	6%	14%
Canada	Credit card	19%	3%	4%	4%	7%	7%	9%	12%	7%	26%
	Debit card	24%	4%	4%	6%	6%	9%	9%	12%	7%	16%
	Bank debit	16%	4%	5%	4%	8%	10%	10%	11%	7%	23%
	Digital wallet	37%	8%	6%	6%	8%	7%	7%	7%	4%	8%

Instalments

We asked 12,785 consumers across 10 markets: how likely would you be to choose the following payment methods, when making instalment payments? Here are the results in full.

		Very unlikely Very likely									
		1	2	3	4	5	6	7	8	9	10
UK	Credit card	42%	5%	5%	4%	6%	5%	5%	7%	3%	10%
	Debit card	27%	4%	4%	4%	7%	8%	9%	9%	4%	16%
	Bank Debit	14%	2%	2%	3%	5%	6%	9%	12%	8%	32%
	Digital wallet	52%	6%	5%	4%	5%	5%	5%	3%	1%	6%
France	Credit card	24%	5%	4%	5%	9%	11%	9%	10%	5%	13%
	Debit card	18%	4%	3%	6%	10%	11%	11%	11%	6%	15%
	Bank Debit	9%	3%	3%	3%	8%	9%	11%	16%	9%	26%
	Digital wallet	25%	7%	5%	5%	8%	10%	8%	10%	5%	13%
Germany	Credit card	39%	7%	6%	5%	6%	7%	6%	6%	4%	8%
	Debit card	28%	5%	6%	5%	8%	8%	8%	9%	4%	10%
	Bank Debit	14%	3%	3%	3%	7%	7%	10%	13%	9%	25%
	Digital wallet	33%	6%	5%	4%	7%	7%	6%	8%	5%	12%
Spain	Credit card	25%	5%	5%	5%	9%	9%	8%	10%	6%	15%
	Debit card	24%	5%	5%	6%	8%	8%	10%	10%	6%	16%
	Bank Debit	13%	4%	4%	4%	8%	8%	9%	11%	9%	29%
	Digital wallet	29%	6%	6%	5%	7%	8%	8%	6%	6%	16%
Sweden	Credit card	30%	5%	6%	5%	7%	8%	7%	9%	5%	10%
	Debit card	22%	5%	6%	4%	7%	10%	9%	10%	5%	14%
	Bank Debit	19%	3%	5%	3%	8%	8%	9%	10%	6%	21%
	Digital wallet	37%	8%	7%	5%	7%	6%	6%	6%	3%	5%
Denmark	Credit card	25%	4%	4%	4%	7%	7%	7%	9%	5%	16%
	Debit card	24%	5%	4%	3%	7%	6%	7%	9%	4%	17%
	Bank Debit	9%	1%	2%	1%	5%	6%	7%	11%	7%	38%
	Digital wallet	46%	9%	5%	5%	6%	4%	3%	4%	1%	4%
Australia	Credit card	26%	6%	4%	4%	7%	8%	8%	12%	7%	15%
	Debit card	18%	5%	5%	5%	8%	9%	8%	14%	9%	15%
	Bank Debit	13%	4%	4%	3%	6%	8%	11%	14%	10%	22%
	Digital wallet	28%	7%	5%	6%	8%	9%	7%	9%	7%	11%
New Zealand	Credit card	23%	5%	5%	4%	7%	9%	9%	11%	9%	16%
	Debit card	17%	5%	5%	5%	9%	8%	11%	12%	10%	15%
	Bank Debit	12%	3%	4%	5%	7%	9%	10%	14%	12%	23%
	Digital wallet	31%	7%	8%	6%	8%	7%	7%	8%	4%	10%
USA	Credit card	22%	3%	4%	5%	8%	9%	8%	10%	6%	19%
	Debit card	23%	4%	4%	4%	9%	8%	7%	10%	6%	19%
	Bank Debit	32%	5%	6%	6%	6%	8%	8%	8%	3%	11%
	Digital wallet	36%	6%	5%	5%	7%	8%	6%	6%	3%	10%
Canada	Credit card	21%	3%	4%	3%	7%	8%	8%	13%	7%	22%
	Debit card	24%	5%	6%	4%	9%	9%	10%	11%	7%	14%
	Bank Debit	18%	4%	5%	4%	7%	9%	12%	11%	7%	20%
	Digital wallet	39%	7%	6%	5%	7%	7%	8%	8%	3%	7%

Final words



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Some of the payer preferences uncovered in this report might surprise you; others may not. Since Preference is always evolving, it's important to stay attuned to customer perceptions, to ensure you offer a relevant payment mix that will drive conversion and growth for your business.

There are many factors that influence how customers like to pay – some, deeply cultural. Preference for Bank Debit in Germany for example may, in part, reflect societal attitudes towards debt collection.

That doesn't mean however, that you can't influence Preference. While you need to offer the options that buyers want; how you offer them makes all the difference.

Simple actions like offering incentives to steer buyers towards an option or simply changing the order in which payment options are shown on your payment page or invoice, can make a big impact. And there are many tactics you can consider to help you take Preference into your own hands.

Influencing payer preference of course, starts with understanding it. We hope this report helps you on your journey to optimising your payment strategy for Preference.

Further reading

How Direct Debit can drive key subscription metrics

How can Direct Debit impact the numbers you care about most? Find out as we explain the relationship between Direct Debit and three key subscription metrics [here](#).

Or check out all our guides and tips

We've got a lot to help make payments work for you. Check out our guides, latest features, payment tips, and industry insights over at gocardless.com/guides.