

The bill please!

European companies are on the same page in respect of payment methods: Conventional modes of payment are preferred / Only 29 percent of companies offer digital payment options

Hamburg, 9 October 2018 – Europeans have more in common than generally supposed. As well as cultural similarities and a passion for soccer, Europeans prefer conventional means of payment. So companies are meeting their customers' preferences when they continue to offer traditional payment methods. Overall, they offer on average 4.1 payment options, from the traditional to the modern. At 82 percent, bank transfer is the payment method most frequently offered by European companies. Buying on account (64 percent) plays a leading role above all in Western Europe (73 percent), but much less so in Eastern Europe (59 percent) – although it is the top method in Poland at 90 percent. Germany ranks second with 88 percent. Counter to the principle 'get the goods first then pay for them', payment in advance is possible throughout Europe at just over every second company (52 percent), making it the third most popular option. This is the most common payment method in Russia (76 percent). These are some of the findings of the representative EOS survey 'European Payment Practices' 2018. A total of 3,400 companies from 17 countries took part in the questionnaire conducted in the spring by Kantar TNS (formerly TNS Infratest).

Dominance of conventional payment methods unassailable

Considered collectively, traditional payment methods are currently predominant. At 39 percent of companies in Europe, customers can pay their bills directly using cash. A third of companies offer payment in installments, while 32 percent offer payment by credit card and 26 percent payment by debit card. Currently, only around 29 percent of firms offer payment by digital means. It is interesting that the majority of European companies do not intend to extend the choice of payment methods in the near future. Only five percent of companies offer their customers the option of using mobile payments or e-wallets. Although everyone might be talking about crypto currencies, just one percent of firms accept this as a payment option.

Conservative Germans

In Germany too, traditional methods are popular. German companies mostly offer purchase on account (88 percent) and bank transfer (96 percent) – putting them well above the European average for these methods (64 and 82 percent respectively). They prefer established payment methods: payment in



advance (76 percent), direct debit (66 percent) or cash payments (52 percent) are also offered much more frequently in Germany than elsewhere. By contrast, German companies are almost at the bottom of the European rankings for credit card payments (17 percent), with only Russians behind them (15 percent). Although it's currently hard to imagine Germany without these traditional payment methods, many of the decision-makers responding to the survey did state that they were already offering their customers digital payment options (34 percent). In this context, online transfers via third party providers are the favored method at 23 percent.

Receivables management fosters customer satisfaction

One man's joy is another man's sorrow: For example, the popular purchase on account method is also associated with the greatest risk to companies of payment delay or even default. This results in a certain dilemma for companies, because they need to find a balance between payment methods that satisfy customer preferences on the one hand but increase the risk of payment delays and defaults on the other. Klaus Engberding, CEO of the EOS Group, had this to say: "The mix of payment methods is crucial to a company's success. Potential risks can be minimized through well-functioning receivables management. If this is in place, I can as a company also offer my customers popular payment options like purchase on account and therefore increase customer loyalty and sales."

About the EOS survey 'European Payment Practices' 2018

In conjunction with independent market research institute Kantar TNS (formerly TNS Infratest), EOS conducted a telephone interview in spring 2018 with 3,400 companies in 17 European countries about the payment practices in their respective locations. 200 companies with an annual turnover of more than EUR 5 million in each of the countries Denmark, Germany, UK, Spain, France, Belgium, Switzerland, Romania, Czech Republic, Croatia, Hungary, Bulgaria, Slovakia, Slovenia, Poland, Russia and Greece answered questions about their own payment experiences, economic developments in their countries and issues relating to risk and receivables management. The survey was conducted for the 11th year in succession. For more results from the survey please go to: <https://de.eos-solutions.com/surveys>

The EOS Group

The EOS Group is one of the leading international providers of customized financial services. As a specialist in the evaluation and processing of receivables EOS deploys new technologies to offer its some 20,000 customers in 26 countries financial security through smart services. The company's core business is the purchase of unsecured and secured debt portfolios. Working within an international network of partner companies, the EOS Group has a workforce of around 7,500 and more than 60 subsidiaries, so it can access resources in more than 180 countries. Its key target sectors are banking, utilities, real estate and e-commerce. For more information please visit: www.eos-solutions.com



Contact:

Sabrina Ebeling, Senior Public Relations Consultant
Tel.: +49 40 2850-1480, email: s.ebeling@eos-solutions.com

Marc Heuer, Public Relations Consultant
Tel.: +49 40 2850-2293, email: m.heuer@eos-solutions.com