

Take Direct Debit into consideration before it's too late! Limonetik's Expert view

Clive Williams, Business Dev. Director of Limonetik UK shares his expert point of view on Direct Debit, the increasingly popular alternative payment method

PARIS, FRANCE, February 22, 2016 /EINPresswire.com/ -- Nearly 40% people worldwide use "[Direct debit](#) from bank accounts" as one of their payment methods to pay their transactions, according to recent survey conducted by Nielsen this January, regarding the consumers' payment behavior for the last 6 months. From the percentage of the survey, "Direct debit from bank account" is just behind the payment methods of traditional credit cards (53%), PayPal (43%) and debit cards (39%).

Direct debit has already emerged to be one of the top buzzwords in payment sector. It is mostly used in regular and occasional payments, specifically for low-value or recurring transactions, like utilities, and subscription fees. It is well-recognized that direct debit is an accurate payment method, working as an online recurring payments acquirer.

Compared with traditional cards, direct debit possesses irreplaceable competitive advantages

Due to expensive transactions charges and slow confirmation processing times, traditional cards, cheques and bank transfers have been regarded as the burden for online merchants' further development. According to a report launched by a North American institute*, merchants lose almost 10% of consumers each month because of these factors blocking the way. So there is no wonder that, in some regions, cards have already been not included as the normal necessary payment methods, like Germany, Poland, etc.

On the contrary, direct debit gets rid of these shortcomings, being regarded as an ideal way to replace the declined card transactions.

Direct debit is continually evolving to meet consumers' payment needs

Actually, direct debit is not a brand-new payment methods that has recently emerged, whilst, it has existed in the sector for years. Different from the former situation, direct debit has already been evolved into a more secure, rapid payment method, finishing in real time, with confirmation within few minutes.

According to the data released at the end of 2015 via a PSP corporation, total turnover value of direct debit is estimated to reach \$13 billion by end of 2019, more than 2 times of the one in 2014, \$5 billion.

Direct debit provides added value for both merchants and consumers

Owing to that there is no necessity for consumers to input their sensitive card information while paying



C.Williams, Limonetik

with direct debit, therefore, consumers need not worry about the 'leakage' of their personal card information. Consequently, merchants could enlarge their targeted market with wider customer base. Apart from domestic transactions, direct debit also can be an ideal payment type for cross-border transactions. Consumers don't need to deal with complicated expensive currencies exchange, instead, they could pay with local currencies.

Meanwhile, because of the advantageous features of direct debit for paying regular subscription fees, this alternative payment method could be a useful tool for online merchants and marketplaces to develop their loyalty program and membership management, etc.

* A new payment network for the internet, released on medium.com

About [Limonetik](#):

Limonetik, named as "Cool vendor in digital commerce 2015" by Gartner, is a key expert of international payment methods aggregation and marketplaces payment solution, technically bringing together all required elements like KYC/B, compliance.

Limonetik delivers a "one stop" shopping payment solution (PaaS) that quickly connects all kinds of online and offline payment methods to e-Merchants, PSPs and acquirers. "We simplify and streamline the complex payments arena offering a fully-integrated solution with single MI feed."

As an end to end solution it covers all steps of payment phases from customisation of responsive payment pages to collect and reconciliation.

One of our competences is our marketing approach, which adds value to and galvanizes payment (conditional displays, discounts, gift points, couponing, loyalty, etc.) for a real enriched and multi-channel customer experience.

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