Revenue Recovery Tools for Subscriptions

Datasheet

20%

Revenue Recovery Tools Can Drive up to 20% Revenue Uplift

Maximize Revenues with Authorization and Retention Tools

Fighting involuntary churn is far from a lost battle

Every year, cloud software and online services companies lose millions of dollars in potential recurring revenue to customer churn. While reducing churn is mission one for any subscription-based business, most retention strategies neglect one of the biggest and most recoverable causes of lost recurring revenue: failed payment authorizations.

With more than one out of every six card transactions failing for one reason or another, implementing strategies to reduce and/or recover declined authorizations is one of the best investments any recurring-revenue based business can make. Just as there are many reasons for payments to fail, there are numerous ways to prevent and recover them. The most successful retention strategies use many of these tactics simultaneously, and advanced tracking and analytical tools to monitor and optimize the results.

2Checkout provides recurring-revenue based businesses with a comprehensive suite of Revenue Recovery Tools for fighting involuntary churn, starting even at the acquisition stage, as well as the expertise and guidance to tailor and fine-tune your strategy to achieve industry-high revenue loss prevention and revenue recapture rates.
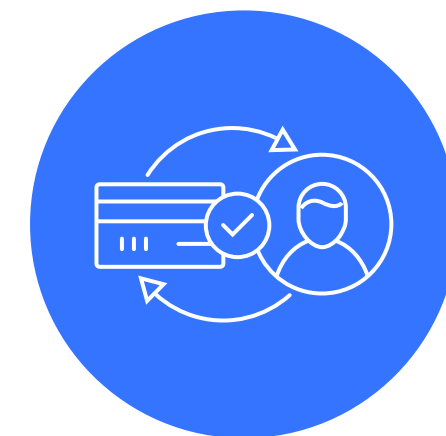
25%

Stage: New Acquisition / Renewal

Authorization
rate uplift: 25%

2Checkout Revenue Recovery

Deep dive into revenue recovery tools & services and their impact on authorization and renewal rates
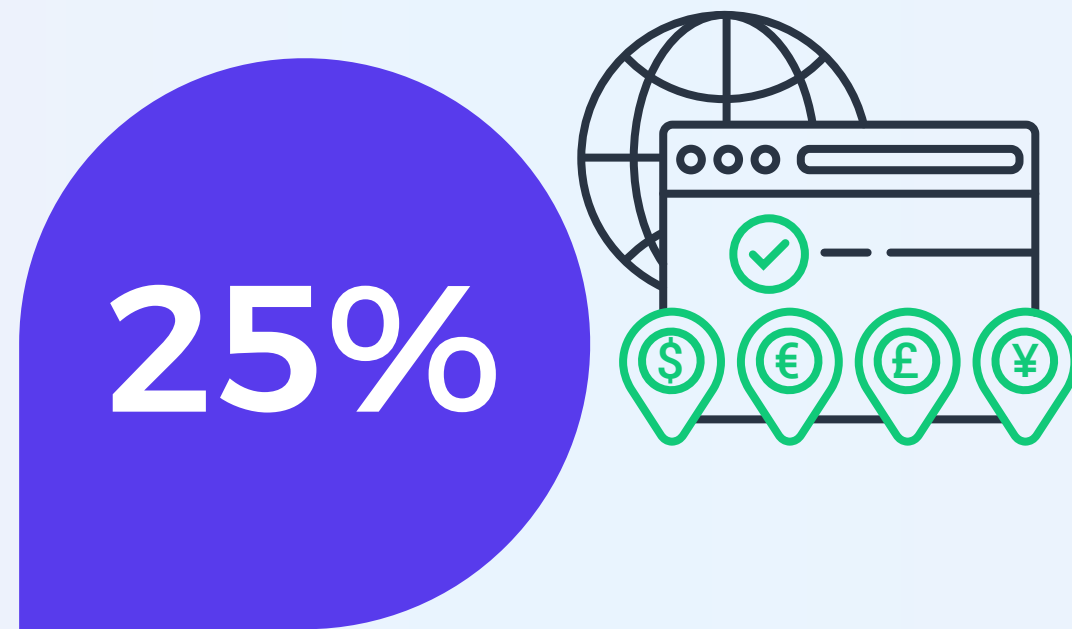
Acccount Updater Service > **Internal Account Updater** > **Advanced Retry Logic** > **Dunning Management**

Multi-currency Management $ € £ ¥

Improves localization and limits cart abandonment

Multi-currency management offers access to local billing currencies:

✓ **Increases authorization rates** by up to 25%

✓ **Limits cart abandonment** & improves customer experience

Intelligent Payment Routing

Prevents payment failures before they happen

Intelligent Payment Routing enables us to match or route card transactions to the payment gateways best equipped to handle them and retry authorizations using a failover or back-up gateway.

2-5% **40%**

Stage: New Acquisition / Renewal

Authorization rate uplift:

- Between 2% and 5% globally

- Up to 40% increase using local payment processors

✓ **IProvides automatic support** for switching between multiple payment processors around the world

✓ **Increases conversion rates**

✓ **Up to 40% increase in authorization rates** using local payment processors in specific markets such as USA, Brazil, Turkey

✓ **Reduces volume of unfinished payments**

Boost in Authorization Rates with Intelligent Payment Routing

● Single Payment Gateway

● Intelligent Payment Routing

70% **89%**

1%
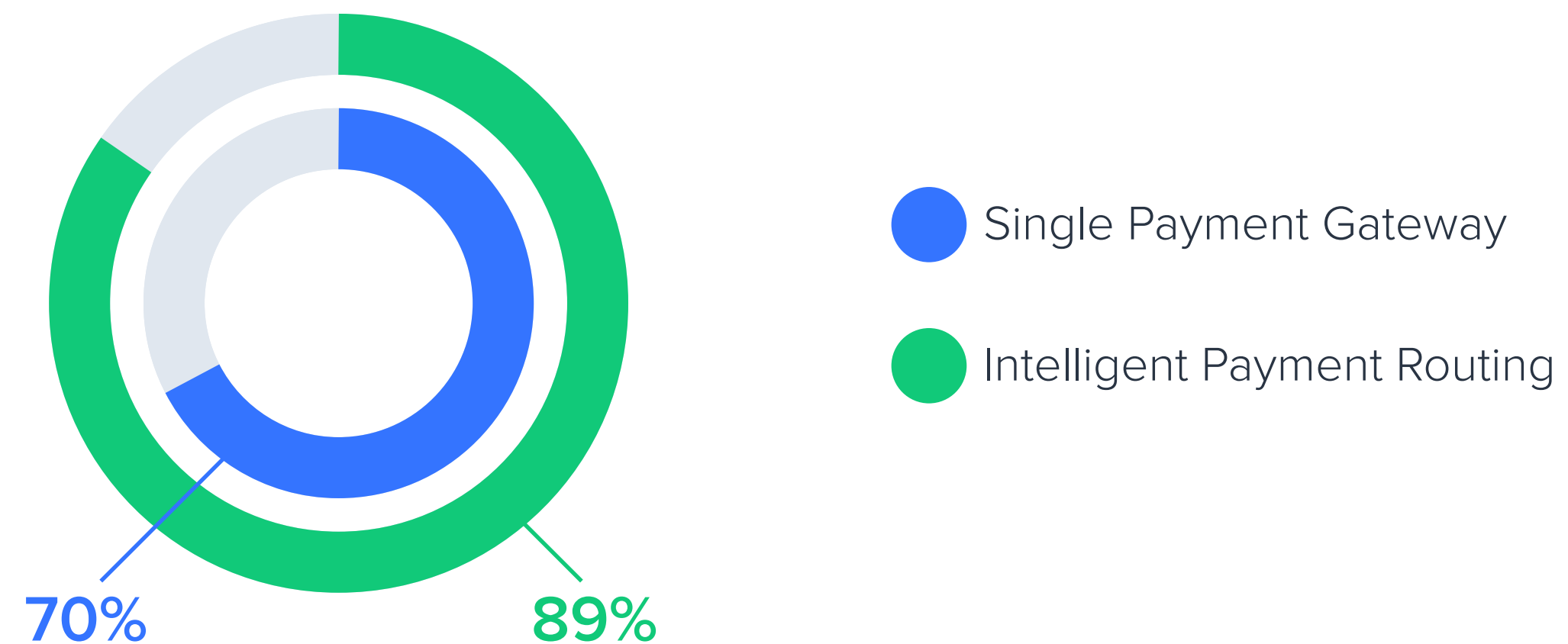
Stage: New Acquisition

Authorization
rate uplift: 1%

Positive impact on fraud
and chargebacks

Dynamic 3D Secure

Achieves a positive impact on authorization in specific countries and mitigates fraud risks

The 3D Secure platform is provided by the credit card schemes, allowing the implementation of an additional layer of security on card-not-present transactions.

3D Secure can have a positive impact on authorization in specific countries. There are also countries – e.g. the US - where it is not recommended to use this service, so based on a set of specific filters and corresponding thresholds, 2Checkout enables or disables 3D Secure in real time for online transactions.
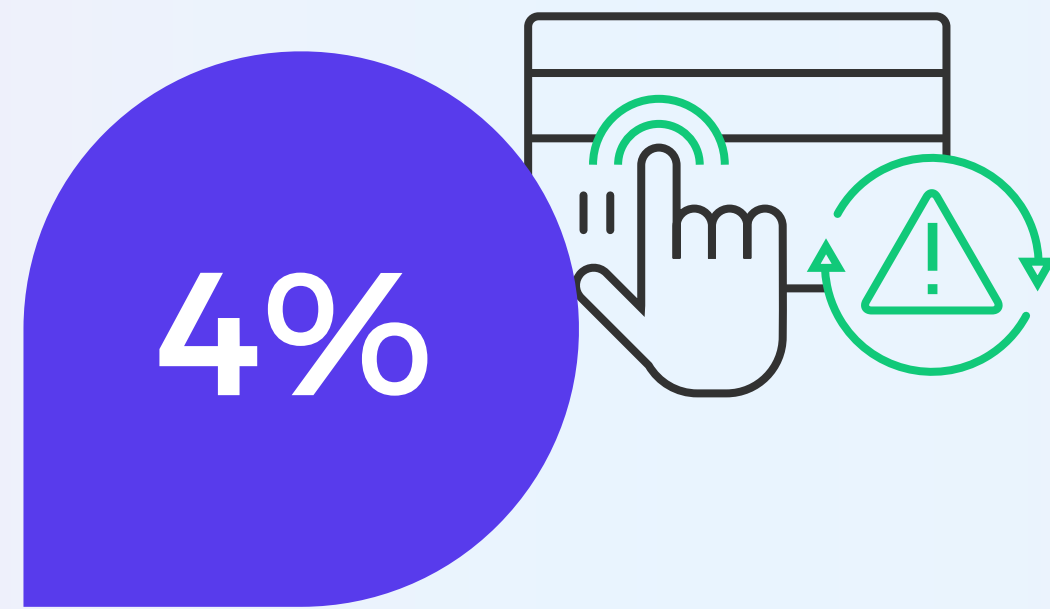
- ✓ **Mitigates fraud risks** - using 3D Secure for risky transactions decreases fraud rate
- ✓ **Less chargebacks** - the use of 3D Secure can reduce the number of chargebacks in situations such as fraudulent or unrecognized transactions

75%

Stage: Renewal

Authorization rate:

· Over 75% for updated cards

4%

Stage: Renewal

Authorization rate uplift: 4%

Account Updater Service

Ensures billing continuity for active subscriptions

Account Updater enables 2Checkout to automatically update subscription customer card data when cardholder information changes or goes out of date.

✓ **Salvages over 90% of otherwise unusable cards** used for recurring billing

✓ **Seamlessly updates stale** (out of date) credit / card accounts

✓ **Increases retention** by up to 40%

Expired Card Handling - Internal Account Updater

Ensures billing continuity for active subscriptions

Expired Card Handling enables 2Checkout to identify and update expired cards in order to increase authorization rates.

✓ **Automatically extends the expiration date** for subscribers' debit and credit cards

✓ **Authorization rate uplift** of 4%

2checkout

Configurable Retry Logic

Enables the automatic recovery of payments for soft declines

Configurable Retry Logic recovers up to 20% of failed transactions due to soft declines. These are temporary authorization failures which may be successful after subsequent attempts: insuffcient funds; card activity limit exceeded; failures due to system, technical or infrastructure issues; expired cards.

- ✓ **Minimizes failures and increases recovery rate**
- ✓ **Combined with Expired Card Handling** achieves 40-50% authorization rates for expired cards

20%
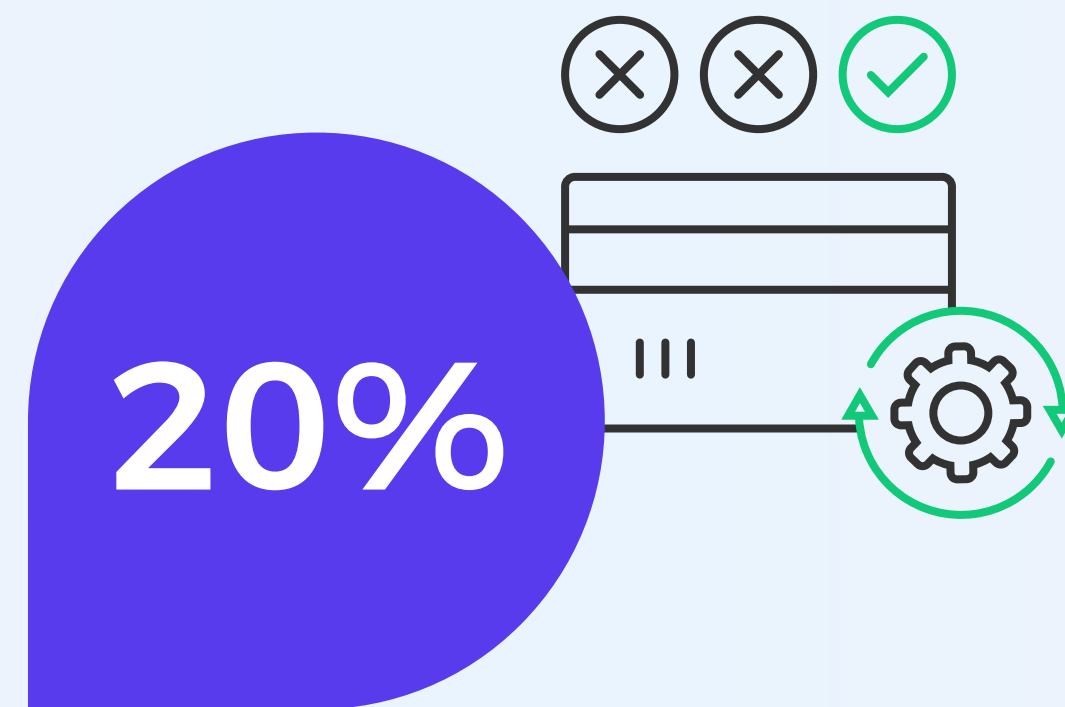
Stage: Renewal

Recovers up to 20% of failed transactions due to soft declines

Dunning Management

Recovers revenue even from hard declines

Dunning is used in the case of hard declines. These are permanent authorization failures that cannot be recovered: stolen or lost cards, invalid credit card data, account closed, and range from 10- 20% of total declines.

The 2Checkout dunning management tools kick-in immediately after a failed automatic authorization attempt made for subscriptions on auto-renewal. As soon as the shoppers update their payment information, 2Checkout automatically attempts to authorize the payment and to renew the subscription.

1%

Stage: Renewal

Authorization
rate uplift: 1%

Industry's 1ˢᵗ Authorization and Revenue Recovery Dashboard

Monitor and optimize retention strategies to recover more revenue

Use the 2Checkout Authorization and Revenue Recovery Dashboard to monitor the impact of your recovery strategies and employ the insight to adjust and optimize your tactics to reduce churn and recapture more revenue

- ✓ **Gain unmatched transparency and visibility** into authorization data to optimize retention strategies
- ✓ **Get granular-level insight** at the subscription level on revenue recovery tools
- ✓ **Take advantage of data portability** to support third-party marketing and retention campaigns
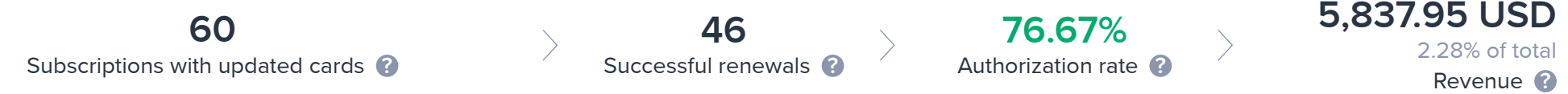
20%

Retain up to 20% more customers, by improving authorization rates

Authorizations overview

91	5,427	5,131	94.55%	232,714.05 USD
Auto-renewals	(7,210 total) Authorization attempts	Successful renewals	Authorization rate	Auto-recurring revenue

Basic revenue recovery tools

Account updater

60	46	76.67%	5,837.95 USD
Subscriptions with updated cards	Successful renewals	Authorization rate	2.28% of total Revenue

Basic retry logic

511	479	139	29.02%	5,837.95 USD
9.18% of total Auto-renewal retries	8.83% of total Retry attempts	Successful renewals	Authorization rate	2.35% of total Revenue

Advanced revenue recovery tools

2Checkout updater

50	28	56.00%	5,833.87 USD
Subscriptions with updated cards	Successful renewals	Authorization rate	2.51% of total Revenue

Advanced retry logic

289	289	91	31.49%	5,837.95 USD
5.19% of total Auto-renewal retries	5.33% of total Retry attempts	Successful renewals	Authorization rate	2.51% of total Revenue

Dunning management

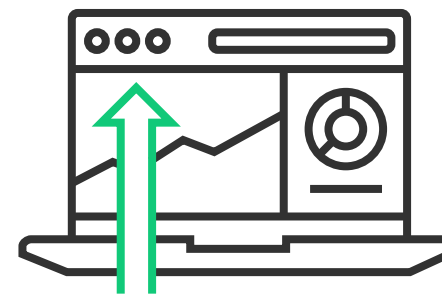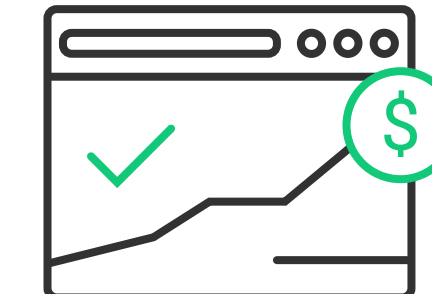| 80	7	7	100.00%	332.25 USD
Hard declines	Updated Card attempts	Successful renewals	Authorization rate	0.14% of total Revenue
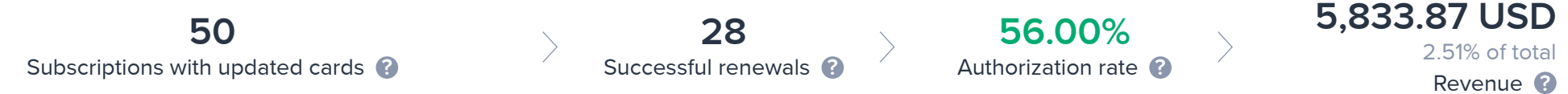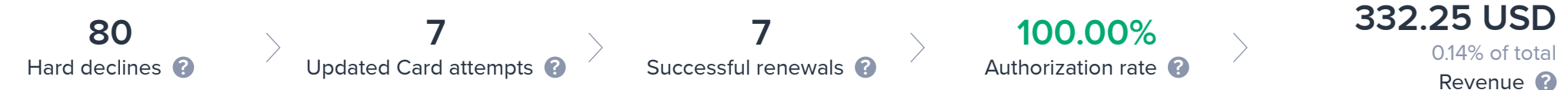
Switch on 2Checkout's Revenue Recovery Tools

Turn Declined Transactions into Revenue and Long Term Relationships

Drive up to 20% Revenue Uplift

Guaranteed results with clear incremental gains

Boost long term profits and customer value

No-risk, pay-for performance model

Sign up for 2Checkout's Avangate Monetization Platform and Maximize Your Recurring Revenue

2checkout

www.2checkout.com

About 2Checkout

2Checkout is the leading all-in-one monetization platform for global businesses. It was built to help clients drive sales growth across channels and increase market share by simplifying the complexities of modern commerce like global payments, subscription billing, merchandising, taxes, compliance, and risk, so they stay focused on innovating their products and delivering exceptional customer experiences.

Get more information at www.2checkout.com

USA HQ

One Alliance Center,

3500 Lenox Road, NE,

Suite 710, Atlanta,

GA 30326-4229, USA

(678) 666-2660

OHIO OFFICE

855 Grandview Avenue,

Suite 110,

Columbus,

OH 43215, USA

(614) 921-2450

EMEA HQ

Prins Hendriklaan 26 II,

1075 BD,

Amsterdam,

The Netherlands,

+31 20 890 8080

OPERATIONAL OFFICE

Blvd. Dimitrie Pompei 10A.

Conect 3 Building, 3rd Floor

020337, Bucharest,

Romania

+40 31 710 1610

2checkout

www.2checkout.com