

# 2Checkout's 2018 Digital Commerce Benchmark Reflects Continuous Upward Trend for Subscription-Based Sales and Regional Variations in Payment Preferences

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Report data reflects the continuous dominance of subscriptions, currently at 76% of transactions. Local payment methods remain prevalent in several markets around the world.

**ATLANTA, GA – June 20, 2018** – 2Checkout (formerly Avangate), a leader in eCommerce, payments and subscription billing solutions, today released its Q1 2018 benchmark report on Digital Commerce Trends in Software & Online Services Sales. The report shows that subscription-based purchases maintain a strong upward trend. Similar to previous years, consumers and businesses continue to prioritize security product purchases.

The company's Digital Commerce Benchmark follows trends in the global consumption of software and digital services, as reflected by purchases via 2Checkout's Avangate digital monetization platform, highlighting fast-growing regions and categories as well as uncovering the most popular payment methods worldwide. Key trends from the report include:

**Subscriptions-model dominates** - The overwhelming shift to subscription commerce is even more evident when comparing data over time. In 2012, only about half (49 percent) of software sales were for subscription-based products and services, while a substantial 76 percent of sales in Q1 2018 have been for recurring-based purchases. The share of subscription-based products has been increasing steadily over the years, with 2017 witnessing a 75% level.

**Average order value stays strong** - The global average order value (AOV) for software, SaaS and online services in the first quarter of 2018 is \$50, a slight increase from \$48 the previous year.

**Regional variations in payment preferences** - Visa and MasterCard continue to dominate in terms of payment methods, accounting for 68 percent of global online sales, followed by PayPal at 19 percent and American Express at 7 percent. This split emerges almost

unchanged from the previous years, at global level and mirrored closely by United States, the largest software market.

Other countries show stronger preferences for local payment methods such as iDEAL in the Netherlands (43 percent), Alipay in China (42 percent), local credit cards in Brazil (28 percent) and Turkey (17 percent), Carte Bancaire in France (at 12 percent) and JCB and Konbini in Japan (with 19.5 and 5 percent, respectively).

**Security stays strong** - Security and privacy products are the leading category in software products sold online, accounting for 38 percent of online sales. This represents a four-percentage point increase compared to 2017 data. Multimedia and design software (including audio-visual tools) follows at 21 percent, and online services, including business and finance follow at 20 percent. Other categories tracked in the report include utilities, marketing tools, web tools, office tools and development tools.

**Movements amongst the top 10 Countries** - The United States continues to lead in global sales of software, SaaS and online services, accounting for half of sales worldwide, followed distantly by the UK and France. Germany claims the fourth spot, closely followed by Canada, similar to the 2017 ranking. Non-English-speaking countries account for a bit over 20 percent of global software sales, on par with 2017 data.

**Revenue uplift sources for software sales** – Continuing to show strength as an additional sales and marketing channel for the software industry, affiliate-generated sales account for 24 percent of revenue for companies connected to 2Checkout’s Avangate affiliate network and actively using it, with promotions touching 33 percent of revenues, cross-selling 5.5 percent and upselling 7 percent. Compared to 2017, promotions are used more intensively, showing this classic marketing tool still yields results.

“We’ve been tracking these digital commerce benchmarks for years now and it’s interesting to notice clear trends – such as the proliferation of subscriptions, the continued preference for local payments in many parts of the world, and the most sought-after software products and online services. As companies continue to expand into international markets, they need to be prepared to sell in the ways their end-customers want to buy, support a broad range of payment methods and business models, and sell through multiple channels and touchpoints in order to deliver exceptional user experiences. Understanding trends and buyer preferences is an important step in this direction,” said Erich Litch, 2Checkout’s Chief Revenue Officer.

The Digital Commerce Benchmark is based on a sample of hundreds of thousands of worldwide transactions moving through 2Checkout’s Avangate platform between January 2017 and March 2018. 2Checkout continuously tracks fluctuations in sales, empowering software and digital goods providers worldwide to make smarter decisions.

For more insight into 2Checkout's Benchmark, please visit the [2018 Q1 Digital Commerce Benchmark Infographic](#).

**About 2Checkout (formerly Avangate)**

2Checkout, a Francisco Partners portfolio company, is the digital commerce & payments provider that helps companies sell their products and services via multiple channels, acquire customers across multiple touch points, increase customer and revenue retention, leverage smarter payment options and subscription billing models, and maximize sales conversion rates. The company's clients include ABBYY, Absolute, Bitdefender, FICO, HP Software, Kaspersky Lab, and many more companies across the globe.

Avangate acquired 2Checkout in March 2017. More information about 2Checkout's Avangate platform and related services can be found on [www.avangate.com](http://www.avangate.com).

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