Increasing Customer Lifetime Value for Software Subscriptions & SaaS

January 19th 2017

Presenter:
Shannon MacLeod, Conversion Optimization Strategist, Avangate
The Software & Services Division of SIIA (SSD) represents the best software companies and products in the world, those companies that develop the applications, services, infrastructure and tools driving the success of today’s high-tech industry.
Our Mission:

- Advocacy, in the United States and around the world
- Intellectual Property Protection
- Education & Training
- Enablement of Professional and Business Development & Sales
- Peer Networking
How to Get Involved in SIIA's Software & Services Division

CODiE Awards
- Nominate
- Judge
- Vote
- Sponsor

Communities
- Advisory boards
  - Program committee
- Resource contribution
- LinkedIn Groups
- Collaborative Projects

Marketing
- Post a job, event, blog or press release
- Social Media engagement
- Provide product or service offer

Events
- Program Committee
- Speak
- Sponsor
- Attend
- Partner
- Host

News & Market Research
- Industry News
- Public Policy Updates
- Publications
- Market Research

Virtual Forums
- Participate
- Facilitate
- Collaborate

Thought Leadership
- Publications
- Executive Spotlights
- Webcasts
- Resources

Boards
- SIIA Board
- Division Board
- Advisory Boards

SSD
# 2017 Events | Software & Services Division

## January 2017
- JAN 18 – Virtual Forum: Revenue Recognition
- JAN 19 – Webinar: Increasing Customer Lifetime Value for Software Subscriptions & SaaS
- JAN 26 - SIIA Boot Camp Series: Digital Marketing – Irvine, CA

## February 2017
- FEB 2 – SSD Customer Success Virtual Forum: Customer Lifecycle: What are the key handoffs and benchmarks?
- FEB 7 – SSD IoT Community Virtual Forum: Deploying IoT Projects
- FEB 9 – Executive Breakfast Series Orange County, CA
- FEB 9 – SSD Marketing Community Virtual Forum: Effective Content Marketing
- FEB 28 or March 1 - Virtual Reality/Augmented Reality Program at Sony Studios – Los Angeles, CA

## March 2017
- MAR 9 – Executive Breakfast Series – Los Angeles, CA
- MAR 9 – SSD Product Management Virtual Forum: Identifying the Right Product Mix
- MAR 15 - Marketing Boot Camp – Chicago, IL
- MAR 21 – Deciphering Customer Success – Denver, CO
- MAR 22 – Deciphering IoT – Denver, CO
- MAR 23 – Deciphering Crowdfunding – Southern California

## April 2017
- APR 6 – Deciphering Finance – Chicago, IL
- APR 12 – Deciphering M&A – Atlanta, GA
- APR 13 – Executive Breakfast Series – Orange County, CA
- APR 19 – SSD Finance Community Virtual Forum: Financial Benchmarking and Metrics
- APR 25 – VentureNet – Long Beach, CA

## May 2017
- MAY 4 – SSD Customer Success Community Virtual Forum: Customer Success Team: Navigating the Unknowns
- MAY 9 – SSD IoT Community Virtual Forum: IoT Security
- MAY 10 – SSD Marketing Community Virtual Forum: Trust Your Data: From Insights to Value
- MAY 11 – SSD Product Management Virtual Forum: UX = Voice of the Customer
- MAY 11 – Executive Breakfast Series Los Angeles; CA
- MAY 16 – CEO Event – Brisbane, CA
- MAY 18 – Deciphering IoT – Southern California

## June 2017
- JUN 5 – Marketing Boot Camp – Washington, DC
- JUN 6 or 8 – Deciphering Finance – New York City, NY
- JUN 6 or 8 – Healthcare – Philadelphia, PA
- JUN 8 – Executive Breakfast Series Orange County, CA
- JUN 20 or 21 – Deciphering Data Security & Privacy – Southern California

## July 2017
- JUL 13 – Executive Breakfast Series Los Angeles, CA
- JUL 20 – Marketing Boot Camp New York City, NY

## August 2017
- AUG 10 – Executive Breakfast Series Orange County, CA

## September 2017
- SEP 14 – Executive Breakfast Series LA
- SEP 19 – Deciphering Finance – Austin
- SEP 20 – Deciphering Customer Success - Austin
- SEP 21 – Deciphering IoT - Houston

## October 2017
- OCT 5 – SSD Customer Success Community Virtual Forum: How Do You Stay in Touch with 1,000 People?
- OCT 11 – SSD Marketing Community Virtual Forum: Scaling Your Demand Generation
- OCT 12 – SSD Product Management Community Virtual Forum: Overcoming Product Management Challenges
- OCT 12 – Executive Breakfast Series OC
- OCT 17 – Deciphering Customer Success – Boston
- OCT 18 – Deciphering Product Management – Boston
- OCT 18 – SSD Finance Community Virtual Forum - Preparing for Financing and Due Diligence
- OCT 19 – Investment Speed Dating – Southern California

## November 2017
- NOV 7 – SSD IoT Community Virtual Forum: IoT Data Analytics
- NOV 8 – Deciphering M&A – Seattle
- NOV 9 – Deciphering Marketing - Seattle
- NOV 9 – Executive Breakfast Series LA

## December 2017
- DEC 6 – TCOSC Annual Charity Event
- DEC 14 – Executive Breakfast Series OC

*Schedule and Locations Subject to change*
How to Become an SIIA Member.....

www.siia.net/ssd

- All Memberships are Corporate
- Rolling Enrollment
- Membership Fees are Sliding Scale Based on Number of Employees
- 5 Minute Membership Application

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jcarl@siia.net  
+1.303.325.3336

Valerie Forbai  
Membership Development & Sales  
vforbai@siia.net  
+1.202.789.4482
Increasing Customer Lifetime Value for Software, Subscriptions and SaaS
Avangate, Digital Commerce Provider
Introductions

Shannon MacLeod
Conversion Optimization Strategist, Avangate

Radu Ionescu
Senior Product Manager, Avangate
How can we increase customer lifetime value?
The Evolution of the Funnel

Acquisition Funnel

SaaS Life Cycle

www.avangate.com
### Details of Your Current Charges

**Current Monthly Services (26-Jul-16 to 25-Aug-16)**

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal TV</td>
<td>$43.00</td>
</tr>
<tr>
<td>Sports 1</td>
<td>$10.00</td>
</tr>
<tr>
<td>Internet 30</td>
<td>$73.00</td>
</tr>
<tr>
<td>Advanced WiFi Modem</td>
<td>$4.84</td>
</tr>
<tr>
<td>Personal Phone 778-351-2570</td>
<td>$19.00</td>
</tr>
<tr>
<td>Rate Adjustment</td>
<td>-$4.00</td>
</tr>
<tr>
<td><strong>Total Current Monthly Services</strong></td>
<td><strong>$145.84</strong></td>
</tr>
</tbody>
</table>

**Taxes**

- **GST (Registration 873690457RT)**: $7.29
- **PST Provincial Tax**: $7.49

**Total Current Charges**: **$160.62**

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THANK YOU FOR CHOOSING SHAW. THANK YOU FOR KEEPING YOUR ACCOUNT CURRENT.
### Details of Your Current Charges

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<td>43.00</td>
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<td>Shows: 1</td>
<td>10.00</td>
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**Cross-sell**

*Shaw On Demand has you covered.*

Watch new releases or catch up on your favourite shows through Shaw On Demand.

Press the On Demand or VOD button on your Shaw Remote.

---

My Cable Bill
My Cable Bill

Details of Your Current Charges

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# My Cable Bill

## Shaw On Demand has you covered.

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Thank you for choosing Shaw. Thank you for keeping your account current.
My Cable Bill

Shaw On Demand has you covered.

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- Sports 1: $10.00
- Internet 30: $73.00
- Advanced WiFi Modem: $4.84
- Personal Phone 778-351-2570: $19.00

Rate Adjustment: $-4.00

Total Current Monthly Services: $145.84

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Total Current Charges: $160.62

THANK YOU FOR CHOOSING SHAW. THANK YOU FOR KEEPING YOUR ACCOUNT CURRENT.
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THANK YOU FOR CHOOSING SHAW. THANK YOU FOR KEEPING YOUR ACCOUNT CURRENT.

339% Increase
CLTV – CPA = Return on Marketing Spend

FREE 49" Toshiba LED HDTV

Sign up for Optik TV® and TELUS Internet for 2 years and get:
- a 49" Toshiba LED HDTV
- 6 months of CraveTV
- Optik TV hardware rental ($25 value per month) and installation included
- Our satisfaction guarantee

TV and Internet bundles starting from:
- I do not have TELUS Home Phone, Internet or TV
- I have TELUS Home Phone, Internet or TV

Order now

$479.99 per month
What is Your CLTV?

Customer Lifetime Value (CLTV)

Q1 Q2 Q3 Q4

$0 $500 $1,000 $1,500 $2,000 $2,500

Renewal
Upgrade
Cross-sell
Upsell
Acquisition

www.avangate.com
Maximizing CLTV with Upsells
Upselling is a sales technique whereby a seller induces the customer to purchase more expensive items in an attempt to make a more profitable sale.

- At point of purchase
- Replace a lower price item with a higher price item in the initial order
Upselling is a sales technique whereby a seller induces the customer to purchase more expensive items in an attempt to make a more profitable sale.

Cross-selling is a sales technique whereby a seller induces the customer to purchase more items in an attempt to increase the AOV.

- At point of purchase
- Replace a lower price item with a higher price item in the initial order
- Add more items to the initial order
**Upsells vs. Upgrades**

**Upselling** is a sales technique whereby a seller induces the customer to purchase more expensive items in an attempt to make a more profitable sale.

- At point of purchase
- Replace a lower price item with a higher price item in the initial order

**Upgrading** is a marketing technique to induce the customer to spend more money in attempt to increase CLTV.

- After point of purchase
- Add more expensive items to the account/subscription
- Replace lower priced product for a higher priced product to get more features or a longer term
Types of Upsell Offers

› Interstitial Page
› Overlay on Checkout Page
› Hybrid Upsell
Interstitial Upsell

Product Page → Interstitial Upsell → Checkout Page
Interstitial Upsell | SEO PowerSuite

In good company. Over 2 million users grew their business with SEO PowerSuite.

One-stop SEO software.

SEO PowerSuite covers every step of an SEO campaign of any caliber, from rankings to on-page to backlinks. With its intuitive UI and a wealth of pro-level features, it’s a perfect fit.
Choose your SEO PowerSuite license

Are you a website owner, a professional SEO, or a large SEO agency? Just pick the license type that fits your business best and hit the “Order now” button.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Pro</th>
<th>Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum number of websites or webpages</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Maximum number of keywords</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Saving projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts extracted search engine related data</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>White-labeling reports for clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exporting client reports in PDF and HTML (for printing, emailing and publishing to the Web)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automatic scheduled report delivery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exporting data in .txt, .html, .csv, .sql</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copying data to clipboard</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Professional: $499  \hspace{1cm} Enterprise: $1199  \hspace{1cm} Professional: $299  \hspace{1cm} Enterprise: $699
Avira Antivirus Pro
Enhanced security. As simple as ever.

1 Device  3 Devices  5 Devices

1 Year
Protect one Device for one year.
Buy US$44.99

2 Years
Save US$21.99
Protect one Device for two years.
Buy US$67.99

3 Years
Save US$43.98
Protect one Device for three years.
Buy US$90.99
Upsell | Overlay on Checkout Page

Product Page → Checkout Page
Upsell | Overlay on Checkout Page

Product Page → Lightbox with Upsell → Checkout Page
Overlay Upsell:

**Current in your cart:**
- Absolute LoJack - Standard, 1 Year Subscription
  - $39.99

**Upgrade to Premium Edition and Save 25%:**
- Absolute LoJack - Premium, 1 Year Subscription
  - $1000 Premium Service Guarantee.
  - If we can’t recover your laptop we’ll pay you up to $1000 to replace it.
  - $44.99

“A few months after we got the laptop, we forgot it on a plane.
LoJack for Laptops worked with the local police was able to locate the laptop and return to the airport where we picked it up. I highly recommend this product.”

Sam - Minnesota

[No Thanks] [Yes, Upgrade My Order]
Overlay Upsell | Therapeutic Research

Pharmacist's Letter

Plan: Gold
- Web Access
- Continuing Education

Plan: Platinum
- Web Access
- Continuing Education
- Live Webinars

Term: 1 Year Subscription
- Save 10%

Term: 2 Year Subscription
- Save 15%

Issue Delivery:
- Go Green Online
  - I will access my issue online
- Online and Mailed
  - I would like to access my issue online AND receive a printed letter in the mail

Total: 129.00 USD

Update cart
Hybrid Upsell | AVG

Shopping cart

AVG Antivirus 2015
Advanced virus & privacy protection
1 computer

Choose a subscription
- 1-year €35,99 €30,99
- 2-year Best Value! €46,99

AVG PC Tuneup
35+ tools to quickly & easily optimize your Windows PC for more speed, disk space, & battery life.

Add to cart €30,99 €24,99

Taxes: €4,00
Total: €34,99
You saved €4,00

Enter your billing information

Protect Your Devices for 2 Years
Save $XX.XX

Get an Extra Year
Maximizing CLTV with Cross-sells
Types of Cross-Sell Offers

› Offer on Checkout Page
› Overlay on Checkout Page
› Post-Checkout Offers
Offer on Checkout Page

Product Page

Checkout Page

Cross-sell Offers
Cross-sells at Checkout
Cross-sell
At Checkout
Cross-sells | Overlay on Checkout Page

Product Page

Checkout Page
Cross-sells | Overlay on Checkout Page
Add CompuClever Antivirus Plus - (1 PC / 1 Year) For Extra Protection

Special Offer
Save 20%

CompuClever Antivirus Plus - (1 PC / 1 Year)

Unparalleled Security Technology Against Malware Threats.

For only CA$ 59.95  CA$ 47.96

NO, THANKS.

YES, PLEASE ADD!
Post-Sale Cross-Sells

Product Page → Checkout Page → Thank You Page
Post-Sale Cross-Sells

Product Page → Checkout Page → Lightbox with Cross-sell
Thank You Page
Post-Sale Cross-sell | AVG

Our customers also bought

- **AVG PC Tuneup**
  35+ tools to quickly & easily optimize your Windows PC for
  more speed, disk space, & battery life.
  
  €30,99  €24,99
  Buy now

- **AVG Express Installation**
  We’ll securely & remotely install, configure, & optimize your
  AVG software for you. Available 24/7, 365 days a year.
  This service is available only in English.
  
  €23,99  €19,99
  Buy now

Thank you for your order (order no. 12345)

Your purchased products

- **AVG Antivirus 2015**
  Total price: €34,99

We have just sent you an order confirmation email at feodor@dostoievski.com
Please check your mailbox (spam/junk folder included).

As soon as your order is approved, you will receive by email your payment receipt.
Cross-sell

Post-Purchase | Thank You page

› Installation
› Training
› Support
› Additional licenses
› 3rd party products

Let us install and configure Bitdefender for you!

Take advantage of 20% OFF Bitdefender Install & SetUp!

Your antivirus needs to be in perfect tune with your computing needs. Install & SetUp eliminates previous antivirus installs and hidden files, and configures your Bitdefender for maximum performance.

- Uninstall previous antivirus software
- Install the new Bitdefender antivirus
- Provide useful tips on using your antivirus
- Call us or start a live chat anytime

BONUS: make hardware recommendations

See the Bitdefender Install & SetUp product page

Bitdefender Install & SetUp (1 intervention)

By clicking Order Now, you accept our Terms of Service and Privacy Policy.

Was: $39.99 | Save $8

$31.99

GET IT NOW

This is a one-time special offer, which will no longer be available once this page is closed. This order will be processed identically to your previous order.

"The reps were extremely helpful, knowledgeable and very polite. I haven’t had a better experience with any other tech support."
— James

96% of customers were very satisfied with this service.
Hi Shannon,

Thank you for purchasing a Telestream product! Below are your order details and some helpful information on how to get started:

**ORDER & ACTIVATION INFORMATION:**

**ScreenFlow 5**

Serial Number: VMSF5001-MGP4-7834Y-M4G0-B1HV-Y8J1
Download: [https://store.telestream.net/?sid=7ec3a3dd9a&clid](https://store.telestream.net/?sid=7ec3a3dd9a&clid)

To activate your license:
1. Open ScreenFlow and from the ScreenFlow dropdown menu, select Preferences > Licenses
2. Click the lock in the lower left of the Licenses menu and enter your Admin Password.
3. Click “Enter Serial Number”, copy and paste the serial number provided above, and click “Activate.”

**Special Promotions**

Congratulations! Your purchase of ScreenFlow automatically qualifies you to receive 20% off the ScreenFlow Total Publishing Solution from Platform Purple! The ScreenFlow Total Publishing Solution provides you a complete, plug-n-play solution for publishing, marketing, selling and syndicating your software training courses! To redeem, visit [http://platformpurple.com/screenflow](http://platformpurple.com/screenflow) and use referral code ScreenflowPublisherSignup20off.
Hi Shannon,

Thank you for purchasing a Telestream product! Below are your order details and some helpful information on how to get started.

ORDER & ACTIVATION INFORMATION:

ScreenFlow 5
Serial Number: VMSF5001-MGP4-734Y-M4G6-E1HV-Y8J1
Download: https://store.telestream.net/?sld=7ec3add9a&dld

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Wirecast. TV Production without the TV budget.
Try all the features of Wirecast with a free trial, or buy now at our online store.

Download Free Trial  Buy starting at $495
Maximizing CLTV with Upgrades & Downgrades
Upgrading is a marketing technique to induce the customer to spend more money in attempt to increase CLTV.

- After point of purchase
- Add more expensive items to the account/subscription
- Replace lower priced product for a higher priced product to get more features or a longer term
Upgrades vs. Downgrades

**Upgrading** is a marketing technique to induce the customer to spend more money in attempt to increase CLTV.

- After point of purchase
- Add more expensive items to the account/subscription
- Replace lower priced product for a higher priced product to get more features or a longer term

**Downgrading** is a marketing technique to prevent cancellation of the order and maximize CLTV.

- After point of purchase
- Apply discounts to items or give free services to prevent customer from cancelling their order/subscription
- Usually delivered by Customer Support Team
Types of Upgrade & Downgrade Offers

› Email Offers
› In-Product Messaging
› Offers in My Account area
› Customer Support
Upgrades
Email Offers

Absolute Software

Recovery Case Story

International collaboration leads to speedy recovery

Location Stolen: Bangalore, India
Details: Theft from Auto
Model: Dell Latitude

Recovery Location: Bangalore, India
Absolute Investigator: Mark K.
Time to Recover: 6 months

REPORT: A Dell laptop was reportedly stolen during a car burglary outside a shopping mall in Bangalore, India. The Absolute investigations team was informed and within one week started tracking the laptop. The suspected user was identified, and the information was forwarded to the local police. After a few months, the local police recovered the laptop and the case is still under investigation. Another happy Absolute LoJack user is reunited with their laptop.

JUST FOR YOU

Save 50% and add a year to your subscription.

Extend your Subscription. Keep your Dell computer protected.

Save 50% off MSRP and enjoy another year of theft recovery, data and device protection.

Content
Extension/Upgrade offer
Upgrades | In-Product Messaging

Modal Window
Upgrades | In-Product Messaging

Add a year of protection
Save 50%

Extend your Absolute LoJack subscription for another year. You can transfer your license to a new computer at any time. Take advantage of this amazing offer now.

Save 50% today and stay protected.

Add a Year >
Upgrades | My Account

ONE TIME ONLY OFFER

WE GET LAPTOPS BACK!

Save 50% on Extra Year of Protection

Save 50%

24/7 Theft Recovery Service for under ₹35 a week

Absolute LOJACK

First Log-in
Downgrades | Churn Prevention
Downgrades

My Account

Next billing amount: 164,51 EUR (VAT/other taxes excluded)
Payment method: Visa

Are you sure you want to cancel?

Take advantage of a discount to continue using the subscription.

Next billing amount: 164,51 EUR  **82,26 EUR** (VAT/other taxes included)
Discount:  **50% off for all billing cycles**

Cancel anyway  Accept discount

Get 50% Off for the next 2 billing cycles [Enable auto-renewal]

Next billing amount: 164,51 EUR (VAT/other taxes excluded)
Downgrades
Survey upon Cancellation

Please give us some feedback

Please share your reason for cancelling the subscription.

Cancellation reason: I wanted a different subscription

Comment

Close  Cancel anyway

Next billing date: July 16, 2015  Align invoice date
Next billing amount: 164,51 EUR (VAT/other taxes excluded)
Payment method: Visa
Update credit card info
Maximizing CLTV with Renewals
Renewals is where the customer can renew their existing license or subscription instead of purchasing a new license or subscription.

› Subscription model vs. perpetual license model
› Higher customer loyalty and lifetime value
› Can use manual renewal or auto-renewal
Auto-Renewals vs. Manual Renewals

**Auto-Renewals** is a billing model where the customer’s credit card is charged automatically without the customer having to take action.

- Typically monthly or annual billing
- Requires notification before/after billing
- Customer can disable auto-billing without cancelling their subscription

**Manual Renewals** require the customer to take action to renew their subscription by placing a renewal order.

- Typically annual or bi-annual billing
- Requires marketing nurture campaigns to deliver offers
- Results in lower renewal rates and CLTV
Types of Manual Renewal Offers

› Email Offers
› In-Product Messaging
› Offers in My Account area
› Customer Support
› Migration Campaigns
Renewal Emails

30 days pre-expiry

Renew and Save 35%

Don't take a chance.

RENEW NOW TO STAY PROTECTED

Renew Now

Hi Parvez,

Your Absolute LoJack subscription ends today. This is it. You must renew your subscription to keep your device, and the data it contains, protected.

The longer you have your device, the more it becomes a part of you, and the more valuable data it contains. Without Absolute LoJack, if it's lost or stolen you will lose more than just your laptop. Renew right now and Save 35%.

Our Theft Recovery Team has had your back all year, in fact they've recovered over 4,600 devices this year. But what about your device? What about tomorrow? Don't risk losing your computer and everything it contains.

Renew now and stay protected.

Best regards,

Absolute LoJack

www.absolutelyjack.com

7 days pre-expiry

Renew Now. Save 50%

The Clock is Ticking!

So is this offer!

Renew Now

Hello Azem,

You only have 7 days left to renew your expired license and ensure your device and your data remain protected.

Renew Today and Save 50%.

Why do I need it?

LoJack for Laptops provides iron-clad security that keeps your information safe, even when your laptop falls into the wrong hands. Absolute's Investigations Team works with police to find the thief and recover your stolen computer.

Is your device getting old?

Did you know your license can be transferred when you buy that new sleek computer that you can't bare to lose?

Renew today, your laptop will thank you.

Best regards,

Absolute LoJack

www.absolutelyjack.com

1 day post-expiry

Your device is not protected. Renew now.

Hurry! Your device is at risk for theft!

Absolute Software

Time has run out.

Your Device is No Longer Protected.

Hurry! Only 1 day left.

Renew Now

Askash,

Your Absolute LoJack subscription has expired but you have a few final days to renew your subscription before the software uninstalls and it is too late.

Renew Now & Save 35%

Why do I need it?

Absolute LoJack provides iron-clad security that keeps your information safe, even when your laptop falls into the wrong hands. Absolute’s Investigations Team averages over 100 customer recoveries per week. But your device won't be one of them if it gets lost or stolen. Go something about it today, renew now.

Renew today, your laptop will thank you.

Best regards,

Absolute LoJack

www.absolutelyjack.com
In-Product Messaging

- System tray pop-up
- Real-time messaging about subscription expiry
- Delivers offers
Renew your current license

Renewing your expiring license has never been easier. To activate your Kaspersky Anti-virus 2015, simply purchase a new license and click 'Activate now'.

Your current license:
- 1 PC
- 1 Year
- Standard Price: $39.95
- Renewal Price: $31.00

Continue with Renewal
Renewals | My Account

180 days pre-expiry

Beat the clock. Renew early.
Renew your subscription early and save 25%.

30 days pre-expiry

Your Subscription Expires Soon.
Keep your Dell protected and save 25%.

post-expiry

CAUTION

Your Dell computer is no longer protected.
Renew today and get our best discount of 75%.
Best Practices
Early Renewal Campaign

Beat the clock! Renew early and save 25%
Renew your subscription early to get another year of protection added at a 25% discount.
Expiration Date:

Renew Now >

Recovery Case Story

Absolute's Investigations Team wouldn't stop until this laptop was returned.

Location Stolen: Nairobi, Kenya
Details: Theft from vehicle
Absolute Investigator: Mickey F.

REPORT: This laptop was stolen during a violent carjacking in Nairobi, Kenya. Once a connection with the laptop was established, the investigators used forensic tools to work and collected information on the location and suspected user. A report was transferred to local law enforcement agents but no real action was taken at that time. After repeated attempts to engage local authorities without success, investigators took matters into their own hands. The suspected user was deemed to be of a professional nature and was contacted by Absolute investigators. The user agreed to return the device and it was then confiscated by an agent for Absolute Software.

JUST FOR YOU

Renew early and keep your Dell protected

Beat the clock! Renew early and save 25%
Renew your subscription early to get another year of protection added at a 25% discount.

RENEW NOW
How Renewal Model Impacts CLTV

Customer Lifetime Value Over 3 Years

LoJack Standard | LoJack Premium

- Manual Renew
- Auto-Renew

www.avangate.com
Renewals | Migration Campaigns

Data Protection Tip
Protect your data – anytime, anywhere!

No one expects their laptop to be stolen, but theft happens every day. You want your personal information and files to be safe no matter what, and installing a data protection system is the surest way to keep prying eyes away from your sensitive files.

With Device Lock, thieves can’t get past the lock screen on your laptop. Your customized “Hands Off!” message protects your files and completely annoys unauthorized users attempting to log on to your machine. In some cases, the locked laptop and warning message prompt the bad guys to give up completely and turn it in to the police. We love it when that happens.

JUST FOR YOU

Save 20% when you turn on Auto Renew for your subscription.

Take one thing off your list. Sign up for Auto Renew, save 20% on your next renewal and your subscription will never accidentally expire.

Take 30 seconds to sign up.

Sign up for automatic renewal and take one thing off your list.

Enroll Now >
Upgrade offer sends subscriber to the cart with auto-billing as default setting.

Results in higher renewal price point next term.
Best Practices for Auto-Renewals
Recurring Revenue Maximizes CLTV

Recurring Revenue Model

Revenue from customers signed in year 5
Revenue from customers signed in year 4
Revenue from customers signed in year 3
Revenue from customers signed in year 2
Revenue from customers signed in year 1

Year 1 | Year 2 | Year 3 | Year 4 | Year 5
Tracking MRR as a Key Performance Indicator

- New Customers: +20%
- Upgrades: +10%
- Downgrades: -5%
- Lost Customers: -10%

15% Net MRR Increase
30% MRR Growth
15% MRR Churn

Beginning MRR

Ending MRR
Segment Messaging Based on Renewal Status

Subscription with Auto Renew
- Welcome Email (Day 1)
- Renewal Notice (Day 330)
- Renewal Confirmation (After card is billed)

Subscription with Manual Renew
- Welcome Email (Day 1)
- Upgrade (Day 30)
- Renew Early (Day 180)
- Renew (Day 330)
- Expiry (Day 0)
- Winback Save 70% (Day 30)

www.avangate.com
Free Upgrade | Auto-Renew Customers

Results in higher auto-renewal price point at next renewal term
6 Questions to Ask Your Payments Provider

› Do you use multiple payment gateways?

› What are our renewal & authorization rates?

› Describe your retry logic

› How do you manage expired credit cards?

› Can customers disable auto-renew without cancelling their subscription?

› Does your Support Team offer downgrades for customers that want to cancel their subscription?
Do you use multiple payment gateways?
Multiple Payment Gateways > Geo-Distribution

› Authorization rates increase with local payment gateways
› Optimize with payment processors for each region
› Increases conversion rates
Multiple Payment Gateways > Routing Logic

› Intelligent payment routing and gateway failover
› Use alternate processor to retry failed payments
› Triggered for specific soft declines with a high potential recovery rate
› Increases conversion rates
Results | Higher Authorization Rates

Single Payment Gateway vs. Intelligent Payment Routing

<table>
<thead>
<tr>
<th></th>
<th>May</th>
<th>June</th>
<th>July</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single payment gateway</td>
<td>73.23%</td>
<td>85.63%</td>
<td>84.65%</td>
</tr>
<tr>
<td>Intelligent Payment Routing</td>
<td>91.23%</td>
<td>90.76%</td>
<td>89.61%</td>
</tr>
</tbody>
</table>
What are your renewal authorization rates?
Renewal & Authorization Rates

- Transparency and visibility of renewals and recurring billing is critical to Marketers
- Use data to optimize marketing and retention campaigns
What type of retry logic do you use?
Retry Logic

- How many attempts are made to process the transaction?
- Some payments vendors have sophisticated retry logic to maximize authorization rates

<table>
<thead>
<tr>
<th>Credit Card Retry Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1 day</td>
</tr>
<tr>
<td>Renewal Date</td>
</tr>
<tr>
<td>1 day</td>
</tr>
<tr>
<td>2.9 days</td>
</tr>
<tr>
<td>5 days</td>
</tr>
<tr>
<td>7.5 days</td>
</tr>
<tr>
<td>10 days</td>
</tr>
<tr>
<td>12.5 days</td>
</tr>
<tr>
<td>-24 hrs.</td>
</tr>
<tr>
<td>0 hrs.</td>
</tr>
<tr>
<td>22 hrs.</td>
</tr>
<tr>
<td>70 hrs.</td>
</tr>
<tr>
<td>120 hrs.</td>
</tr>
<tr>
<td>180 hrs.</td>
</tr>
<tr>
<td>240 hrs.</td>
</tr>
<tr>
<td>300 hrs.</td>
</tr>
</tbody>
</table>
How many attempts are made to process the transaction?

Some payments vendors have sophisticated retry logic to maximize authorization rates.
96.76% of retries are successful on the first retry
1.45% of retries are successful on the second retry
0.17% of retries are successful on the eighth retry
How do you manage expired credit cards?
Data Breaches with Credit Cards

- Target: Dec. 15, 2013
- eBay: May 2014
- Neiman Marcus: Aug 14, 2014
- Home Depot: Nov 14, 2014
- Staples: Dec 19, 2014

Updated Cards:
- January
- February
- March
- April

Yearly Data Breaches:
- 2013
- 2014

Avangate
Updated Cards Increases Authorization Rates

Number of Cards

Jan: Auth Rate 75%
Feb: Auth Rate 79%
March: Auth Rate 85%

Legend:
- Updated cards
- Authorized Cards

www.avangate.com
Can customers disable auto-renew without cancelling their subscription?
Disable Auto-Renew Without Churn
Disable Auto-Renew Without Churn
Disable Auto-Renew Without Churn

Billing Information

Payment Options

Select your method of payment

- Visa
- PayPal

Select other methods

Card number

Month ❘ Year

CVV2/CVC2 code

Card holder name

Place order

30 Day Money Back Guarantee

Cancel your subscription within the first 30 days and receive a full refund.

Your payment is securely processed by our authorized vendor, Avangate®.
Disable Auto-Renew without Churn
Disable Auto-Renew Without Churn
Disable Auto-Renew Without Churn

Manage Auto Renew (Registration Code: Z9HEK29M2R)

Auto Renew ensures your device is always protected, and your subscription is renewed at a discounted rate.

Payment Information
Card Number: XXXX-XXXX-XXXX-5480

Disable Auto Renew
Change Payment Information
Does your Customer Support Team offer upgrades and downgrades?
Customer Support | Upgrades & Downgrades

› Highest success rate
› Upgrades grow CLTV
› Downgrades prevent churn
Summary
Key Take-Aways

› Benchmark and track your CLTV
› Plan campaigns for every phase of the life cycle
› Optimize every micro-conversion
› Reach customers outside of email
› Offer Extensions, Early Renewals & Downgrades
› Live the User Experience
Examine the User Experience: Wall Test
Continue the Conversation

› Blog: www.avangate.com/blog

› Learn More:

   ▪ Shopping Cart Best Practices
   ▪ Customer Acquisition For Digital Goods and Services Companies eBook
   ▪ Global Commerce in Local Markets for Software and SaaS Companies
   ▪ “Conversion with a Big C” eBook

› Connect with Us!
Questions?
Thank You!