



INCREASE CUSTOMER RETENTION WITH OUR REVENUE OPTIMIZATION ENGINE

Fostering lasting relationships with customers is essential to the long-term growth of your subscription business. You have plenty of opportunities to engage customers within the recurring structure of a subscription model, but retaining subscribers has its challenges. If you can keep subscribers happy while controlling unnecessary churn, the sky is the limit. Digital River knows that even a small lift in customer retention can make a big difference, and that is why we offer a robust set of tools to combat churn and optimize your global success.

What causes churn?

Before we look at the set of churn-fighting tools offered by Digital River, let's review what causes customer attrition in the first place:

- **Involuntary churn:** When recurring payments fail due to insufficient funds, card limits, card restrictions, technical failures and other reasons beyond the customer's choosing. Involuntary churn can be curtailed with smart technology and communication tools.
- **Voluntary churn:** When customers choose to opt out of their subscription, typically due to a perceived lack of value. Voluntary churn can be reduced by offering a combination of simple pricing options and excellent customer experiences.

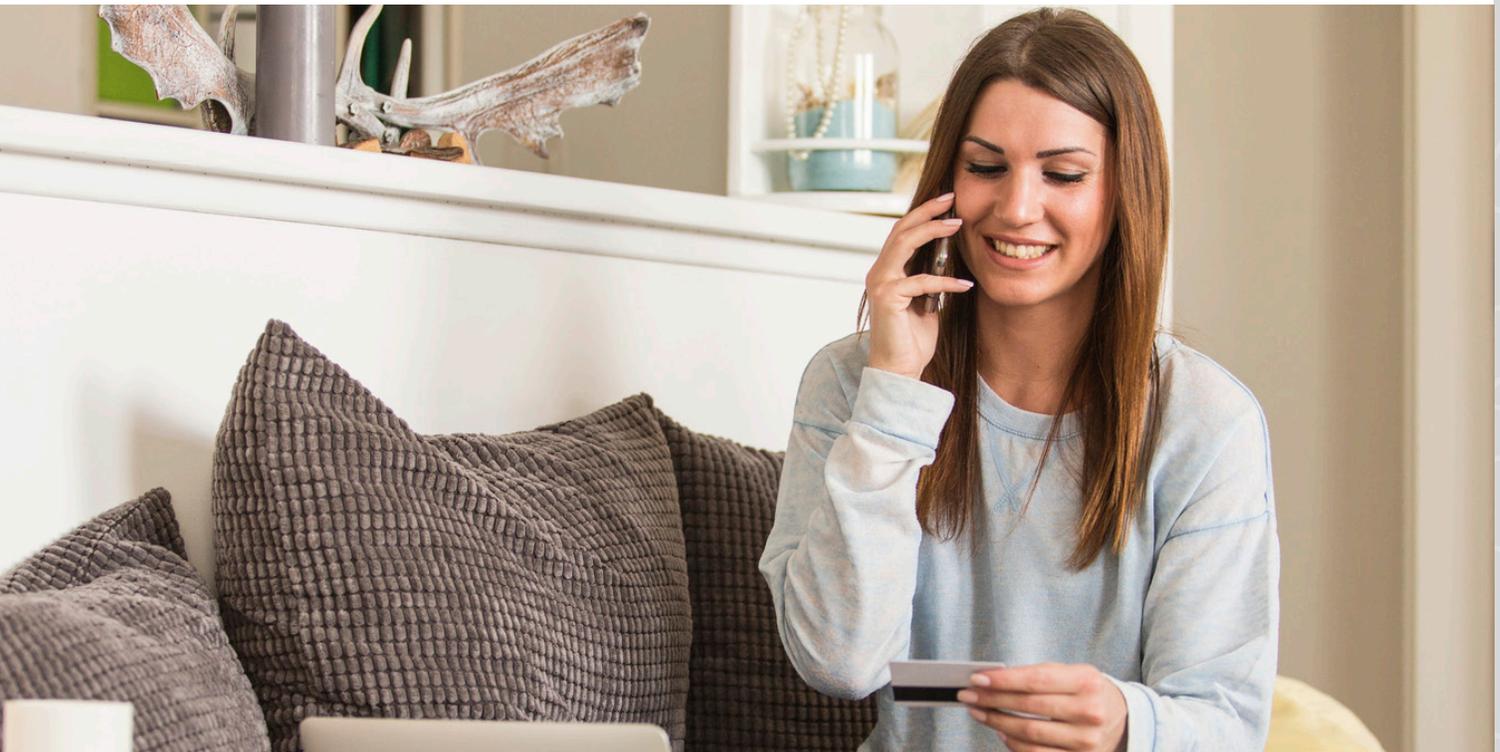
Involuntary churn reduction tools

- **Payment account updater:** To prevent monthly declines, Digital River’s Visa and MasterCard Account Updater service frequently reviews card data and makes automatic updates prior to the renewal date. In cases where a card declines after multiple reviews, communication tools ensure the cardholder keeps their information accurate and up to date. This tool has been effective in recovering as much as 80% of monthly declines and lifting renewal rates up to 4%.
- **Expired card optimization:** In cases where the Account Updater is unable to prevent a decline, Digital River deploys proprietary processes to identify expired cards and automatically extend the expiration date. With this method, we have seen a 50% lift in authorization rates for recurring card payments that would otherwise fail.
- **Retry logic:** When a temporary issue causes a payment to fail, it can usually be resolved by retrying the transaction attempt. Digital River will make multiple retry attempts if necessary—and use our extensive network of global acquirer partnerships to optimize your authorization success.
- **Intelligent payment routing:** Digital River uses smart data and the largest local acquirer network in the industry to find the best possible route to successfully convert your transactions. We have established partnerships with local acquirers in Australia, Brazil, Colombia, Mexico, Peru, China, South Korea, US, UK, Sweden and France.
- **Configurable notification management:** To reduce churn and maintain good customer relations, Digital River offers more than 30 customizable email templates to supplement your customer service efforts, including:
 - o Welcome messages
 - o Renewal reminders
 - o Credit card expiration alerts
 - o Payment failure notifications
 - o “Please come back” messages



Voluntary churn reduction tools

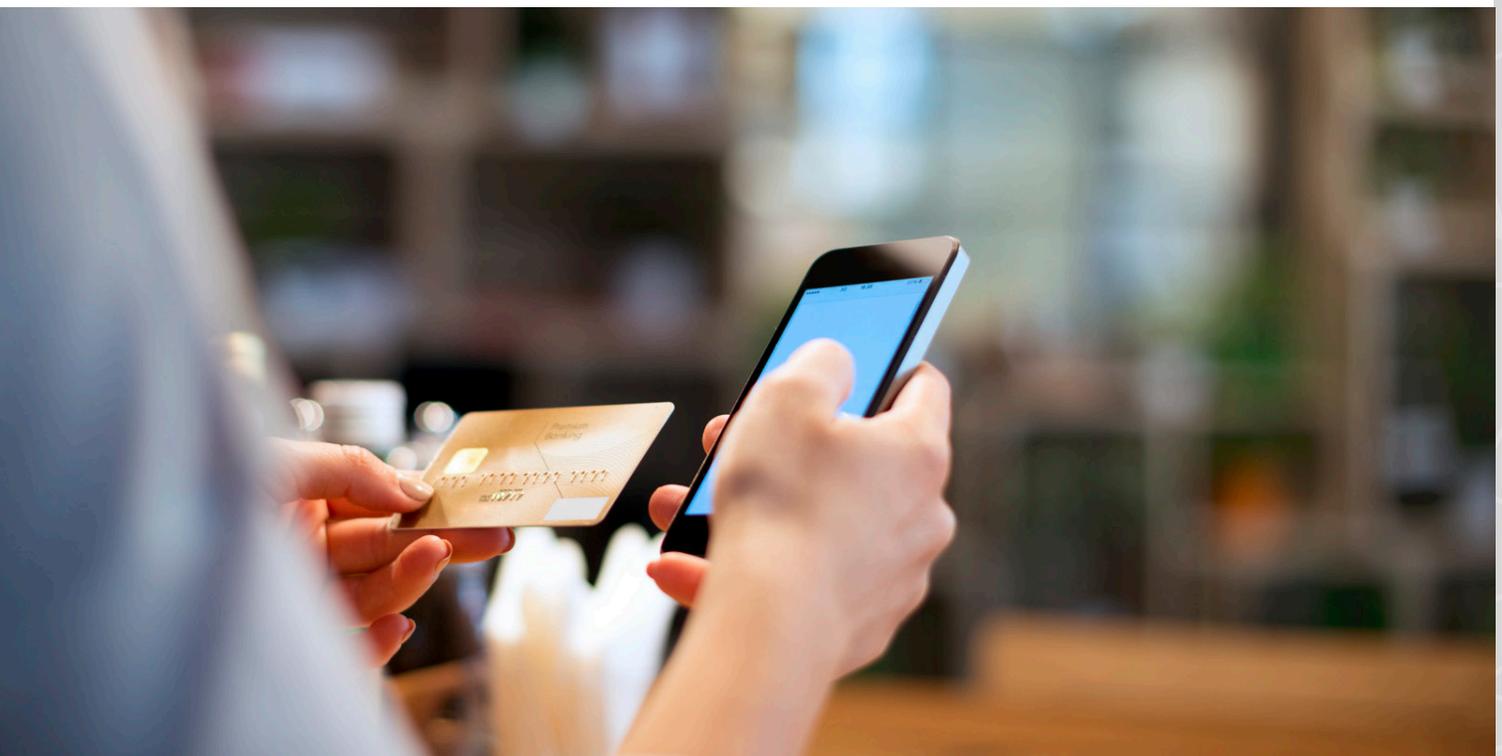
- **Customer self-service:** Empower your subscribers with self-service tools that enable them to update or change credit card billing information, upgrade or downgrade services, adjust the number of subscription products, change the shipping address, stop automatic subscription renewal, review order details and more.
- **Single login & customization:** Simplify the user experience with a single login that seamlessly routes customers to their secure account portal. Digital River customizes the login page to match the look and feel of your website to avoid customer confusion.
- **Cancellation surveys & discounts:** Use proven marketing techniques such as surveys and discounts during the cancellation process to gain valuable insights into what causes voluntary churn and to entice subscribers to reconsider opting out.
- **Grace periods and extensions:** Improve customer retention by implementing grace periods that empower customers to renew and extend their subscriptions when payment is overdue.
- **Chargeback & refund management:** Recover significant revenue by limiting chargebacks and effectively managing customer disputes. Digital River has measures in place to tackle chargebacks head on. We also help you inform customers of recurring charges, use notifications to let customers know of any upcoming charges, personalize descriptors so customers can identify the source of the charge, provide ongoing customer support and manage all refunds on your behalf.



Flexible subscription options for your unique business needs

Digital River's multi-tenant Software-as-a-Service (SaaS) platform provides you with the critical infrastructure and flexibility to scale a global recurring revenue stream. Whatever your business model and product mix, we help you gain and retain subscribers with customizable pricing, free trial management tools and flexible subscription billing models:

- **Simple Renewals:** Enables subscribers to purchase a basic term-based subscription that can be renewed automatically or manually
- **Flexible Term Renewals:** Enables subscribers to purchase a term-based subscription that renews automatically, where they can choose from a variety of billing frequencies
- **Metered Renewals:** Enables subscribers to purchase a monthly consumption-based subscription that can be renewed automatically or manually, where they pay only for what they use



End-to-end capabilities. One powerful partner.

Digital River is more than a subscriptions platform—we are a full-service partner working in concert with your big-picture goals to grow your business in a smart, sustainable way. We're the most experienced provider of subscription solutions in the industry and have a deep roster of world-class clients. As the only cloud-based subscriptions vendor to offer an end-to-end ecommerce solution, Digital River delivers vital back-end support, marketing services and expertise to facilitate your global expansion and sustain long-term success:

- **Platform & hosting:** Beyond powering the back-end billing process with flexible subscription management capabilities, Digital River delivers world-class Commerce-as-a-Service capabilities, including:
 - **Commerce management**—experience-driven capabilities to deliver personalized products, promotions and content
 - **Order management**—support for every step of the order process, from placement to fulfillment
 - **Data management**—seamless data migration in and out of your systems at the right time and in the right place to give you more control
- **Local payments in key global markets:**
 - Optimize conversions with the right mix of locally-preferred payment methods
 - Accept payments from six continents and 244 countries and territories
 - Leverage our 190+ bank connections
- **Tax, fraud and compliance:** Digital River assumes all the risk and manages all the complexities of selling globally. We handle global tax collection and filing, protect against ongoing threats with our proprietary fraud protection system, and maintain compliance with PCI standards and ever-changing regulations around the world.
- **Marketing support:** Digital River's in-house marketing agency, MarketForce, helps you optimize customer retention with A/B testing on cross-selling and messaging.





No additional fees

for recovering your revenue

About Digital River, Inc.

Digital River, the revenue growth expert in global cloud commerce, helps companies of all sizes build and manage their online businesses, maximize online revenue, reduce costs and minimize risk. Founded in 1994, the company is headquartered in Minneapolis, with offices across the United States, Asia and Europe.

Optimize your revenue with Digital River's churn-fighting tools and end-to-end global commerce capabilities.



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