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Drive Subscription Economy With Payment Optimization Strategy

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Agenda

- Payment Optimization Landscape
- Subscription: Payment Optimization Funnel
- Payment Optimizations: Trial Initiation
- Payment Optimizations: Post-trial Conversion & Recurring billing
- Payment Optimization: Failed Payment Retry Process
- Summary & Key Takeaways
- Q&A

Payment Optimization Landscape

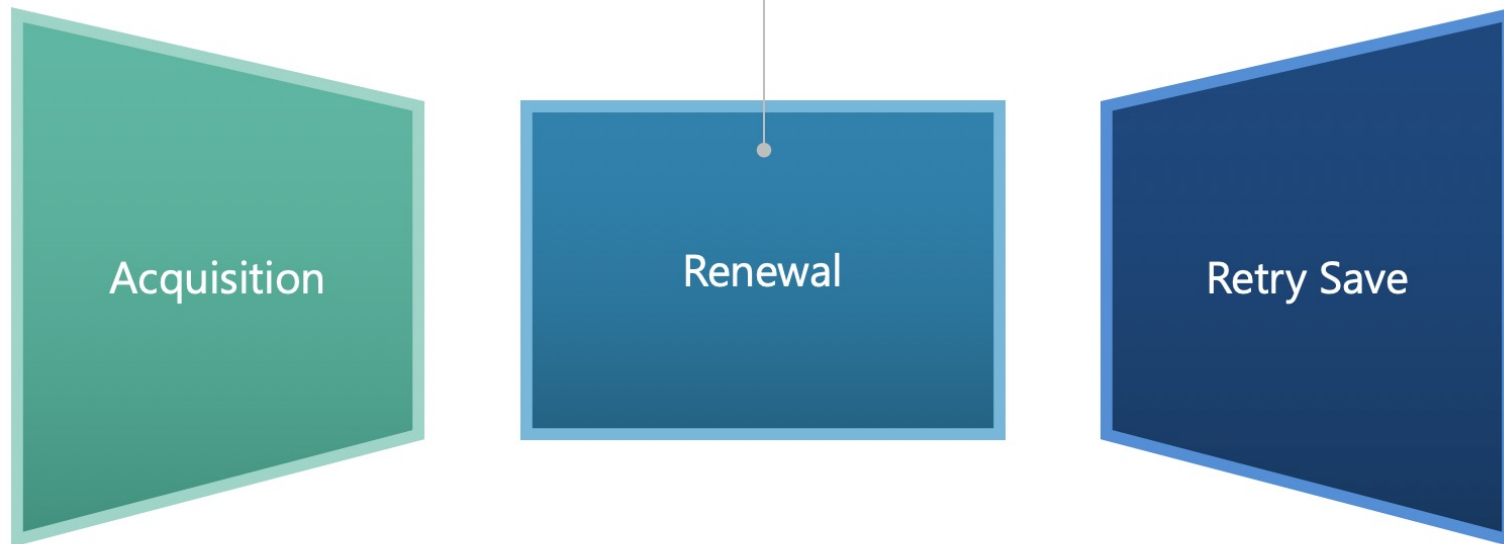
1. Issuer payment declines are up ~5%. This uptick has subsequent implications on our business performance and operations.
2. Roughly 75% of declined customers shift to other merchants. Ensuring successful transactions for key customers is crucial.
3. Customer journey continues to change.
4. Payment declines can occur due to a variety of reasons, Insufficient Funds, Card Expired.

Source: <https://www.pymnts.com/news/payments-innovation/2022/pymnts-intelligence-leveraging-payments-orchestration-to-enhance-success-rates/>

Source: <https://www.pymnts.com/travel-payments/2022/airlines-eye-closed-loop-payments-solutions-to-reduce-payments-costs/>

Subscription: Payment Optimization Checkpoints

- Post Trial Conversion
- Periodic renewal



Payment Optimizations: Trial Initiation

1. Zero Charge vs. Nominal Charge for Card Verification

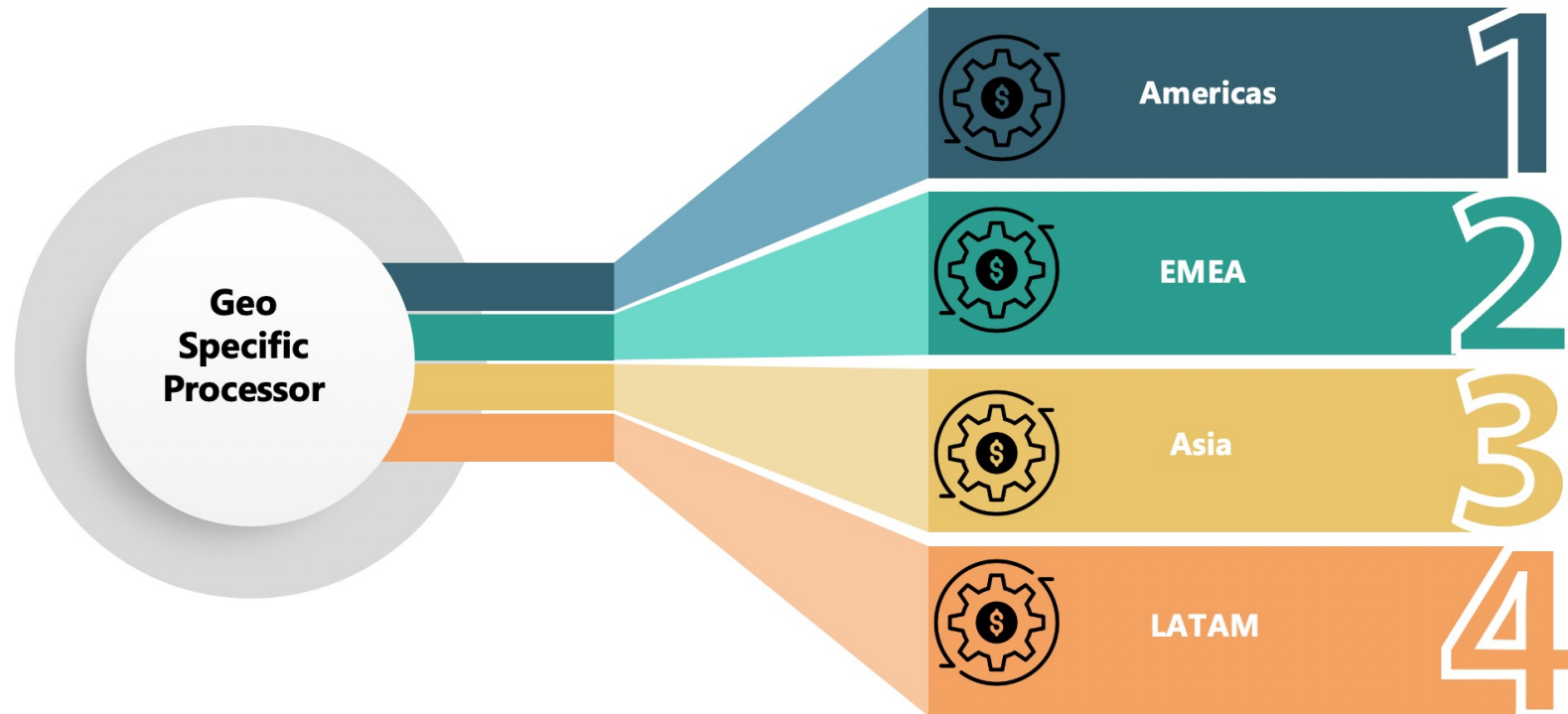
- **KPI:** Trial Customer Acquisition Rate
- What are appropriate use cases and implementation approaches for Zero Charge Vs. Nominal Card Verification ?
- How can smaller merchants test it out ?

2. Pinless Debit

- **KPI:** Trial Customer Acquisition Rate and Retention Rate
- What is it and how can it be utilized as an optimization tool?

Payment Optimizations: Post-trial Conversion & Recurring billing

- Alternative Processor Reattempt



Payment Optimization: Failed Payment Retry Process

1. Strategic Time and Day Specific Retry

- **KPI:** Retry Save Rate
- Time-of-Day, Day-of-week
- Issuing bank level optimization
- Decline code based optimization
- Leverage external vendors

Summary & Key Takeaways

1. Diverse payment optimization strategies are essential at various payment touchpoints.
2. Define key KPI for every step of payment optimization funnel.
3. A/B Test
4. Having multiple payment processors, each tailored to specific geographic regions, provides businesses with flexibility to explore various optimization strategies. This approach allows for targeted optimization.

Thank you

- Q&A
- Don't forget to submit your session evaluation!
- Prerit Uppal, Adobe Inc: Principal Product Manager