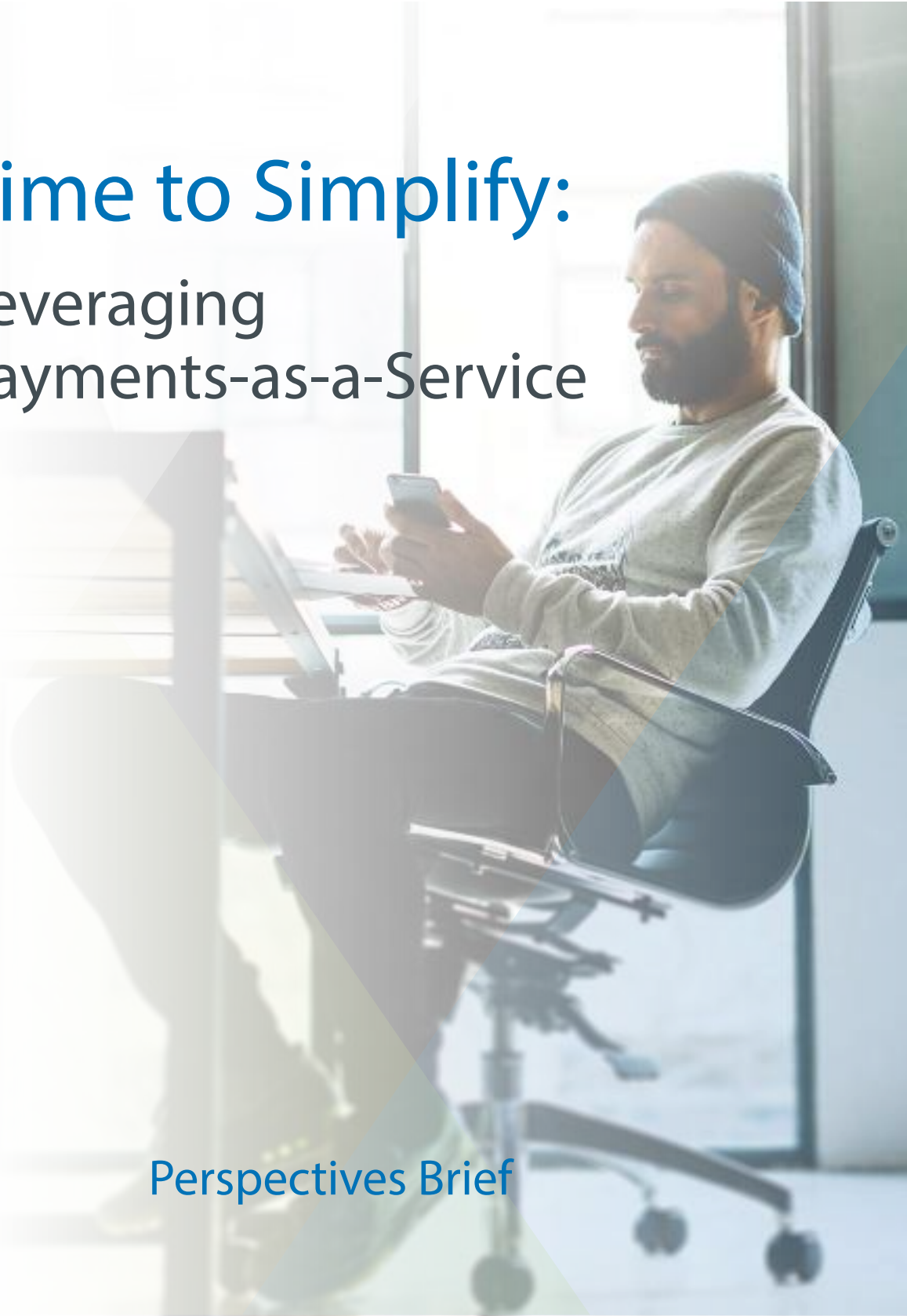


Time to Simplify:

Leveraging Payments-as-a-Service



Perspectives Brief

Introduction

In a competitive global marketplace, online merchants must take advantage of every available opportunity to maximize revenue and minimize costs. In the last few years, more and more merchants have discovered that a single-source Internet Payment Service Provider (IPSP) or what we call a Payments-as-a-Service (PaaS) solution provider can help them do just that.

This may come as a surprise for some. In our work with countless merchants over the years, we have encountered quite a few misperceptions about the IPSP or PaaS model. The primary misunderstanding is that working with a fully-featured payment provider is costlier than merchant accounts and therefore makes it harder to maximize profits. A look at the bigger picture reveals that in fact, the opposite is true. On the whole, the Payments-as-a-Service model makes it easier for merchants to boost their bottom line because they offer revenue and cost-saving opportunities that other payment processors don't.

This paper reveals five ways that a payment facilitator can help you increase your bottom line and gives you a competitive edge in the global online marketplace.

What is a Payments-as-a-Service Provider?

All-in-one payment providers allow merchants to offer their customers multiple methods of payment, such as credit cards, debit methods, and online checks. Rather than establishing separate merchant accounts with individual providers, merchants only have to create a single account with a payment provider. In addition to the simplicity of a single account, payment facilitators also offer value-added services such as support for customer billing, fraud protection, and transaction analytics. In short, a single source payment provider offers a complete, convenient solution to handle all of a merchant's payment needs.

Business Growth Opportunities using Payments-as-a-Service

Regardless of their target niche, merchants need to ensure that all the payment and billing related processes on their website work impeccably. This way, they are able to sell more, establish themselves as credible businesses and scale their growth accordingly. The choice of a trusted payment services provider becomes a strategic decision with the goal of supporting overall business growth. However, lured by false claims and promises of ease, merchants often face challenges finding a provider that integrates all the options they need, while matching their budget needs. Luckily, one of the main payoffs of using an all-in-one payments solution, is having maximum flexibility in terms of acceptable payment methods, APIs and automation tools, as well as integrated traffic tools, all of which enable merchants to instantly scale their growth.

1. Sell more to your current customers

Your current customers should be the easiest ones to sell to. They already have interest in your product, they're familiar with your company, and they have purchased from you before. In fact, some earlier reports have already revealed that the existing consumers are much more valuable for a company than any new lead or buyer. The studies suggest ^[1] that only 5% increase in customer retention can increase company profitability by 75%, while 80% of a company's future revenue is likely to come from only 20% of your existing users. Moreover, attracting a new customer costs 5 times more than keeping an existing customer, which illustrates the value of these strategies for your business.



Growth Support

[1] Source: <http://www.forbes.com/sites/alexlawrence/2012/11/01/five-customer-retention-tips-for-entrepreneurs/#6682ca2917b0>

Unfortunately, merchant accounts don't make it very easy to capture upsells or upgrades (for example, from a "basic" to a "platinum" subscription). Typically, these upgrades would require a separate checkout process and possibly some back-end work to adjust the customer's account details. For consumers, these extra steps are a deterrent that can ultimately lead to lower conversion rates on upsells. For merchants this adds additional steps and additional cost to what should be a simple process.

And as a matter of fact, if you offer content or products across multiple sites with separate merchant accounts, it is illegal to pass personal payment data from one account to another. This also makes it harder to generate cross-sales with existing customers.

With a Payments-as-a-Service provider that specializes in automation and recurring billing, your customer's payment data is retained and available for instant use across any website on your account. This makes it much easier to generate sales with current customers. Up-sells or add-ons can be purchased with a single click from any website covered by your all-in-one CCBill business account. The added advantage of CCBill payments platform is that the payment system is capable of two-way communication with your e-commerce or content management systems. So for example, if a customer purchases an account upgrade, the payment system can automatically trigger an update in your customer's account status on another system.

2. Easily and legally cross-sell with other merchants

Partnering with other merchants for cross-sales or lead referral is a great strategy to increase your income. For example, if you offer content on a subscription basis, you could promote live entertainment on a partner site in return for a portion of the sale, a one-time commission or even a two-way marketing trade.

Unfortunately, under the merchant account model, it is impossible to make these kinds of cross-sales seamlessly because it is prohibited to pass customer payment card data between different merchant accounts.

Payments-as-a-Service helps you get around that roadblock since the solution is able to share customer payment data between merchants within the same payment services provider network. Customer data can be shared instantly and safely between partners, making it possible to offer cross-sales with a single click. It's simple and it's very effective. Plus, with the right platform, revenue-sharing and partner settlements can be automated between merchants using the same platform. Leveraging these kinds of built-in traffic tools over the last few years, we have seen merchants increase revenue by up to ten percent by cross-selling with other CCBill merchants.

3. Save money and time on customer support

Support for customer billing is often overlooked when choosing between various options for payment processing. With merchant accounts, your only choices are to provide support in-house or to pay for an outside support service.

Unfortunately, tackling support on your own can place a significant strain on your resources, making it harder to focus on your business. While outsourcing customer support solves that problem, it comes at a hefty price. Each outsourced support call can cost between 25 cents per transaction up to \$2 per transaction, which can add up quickly. For example, if your business takes 2,000 support calls in a year, these calls would add upwards of \$500 to \$2,000 to your overall support costs. With an experienced Payments-as-a-Service provider like CCBill, comprehensive support services are available at any time and are included with your account at no extra cost. It means that your customers have a single source to turn to for help with transaction issues, billing questions and password management.

In addition to saving you the time and expense of a separate support service, the dedicated customer support of an all-in-one payments platform provides your customers with faster resolution of issues and better overall experience. This means you'll retain customers longer, reduce the impact of chargebacks and enjoy more repeat sales.



Business Automation

4. Analyze all your customer data in one place to uncover revenue opportunities

Customer transaction data is a goldmine of opportunity. By analyzing past purchases you can spot patterns that will improve your marketing efforts and allow you to make highly targeted offers to specific customers. For example, if you notice that many of your customers purchased a subscription, but cancelled shortly thereafter, you can offer a welcome-back discount, or promote a complimentary service that might be of greater interest.

Unfortunately, not all payment providers offer complete access to consumer data in order to generate these insights and take action. And, if your customer data is spread across multiple merchant accounts, it's impossible to get a single view because payment providers restrict the sharing of data across accounts. On the other hand, a Payments-as-a-Service provider such as CCBill gives you cutting-edge tools for reporting and analysis of all your customer transaction data in one place. For example, our FlexStats system offers quick access to data in graphical and summarized formats, helping you take action on immediate opportunities and long-term trends. You can also view your transaction data by payment type, region and conversion rates.

How do reporting tools help you generate more global revenue? As one example, the reporting tool might reveal that conversion rates in certain countries are lower than others. This could indicate that you aren't offering the payment methods preferred by customers in these regions. The solution would be as easy as reconfiguring your all-in-one account settings to offer additional payment options in those regions. Depending on your sales volumes, the resulting boost in conversion rates could generate a significant amount of extra revenue from those regions.

5. Instill confidence in your consumers by working with a trusted solution

Consumers constantly struggle to navigate the minefield that the online marketplace often represents. Whether it's trying to find hidden add-on charges, sneakily written terms and conditions, or determining if a business is trustworthy, it all adds up to a lot of opportunities for a lost sale. Considering the effort spent on driving consumers to your website, it is important to make sure they can feel comfortable purchasing from you. This confidence is built through brand recognition and familiarity, and there's no quick fix to building a brand.

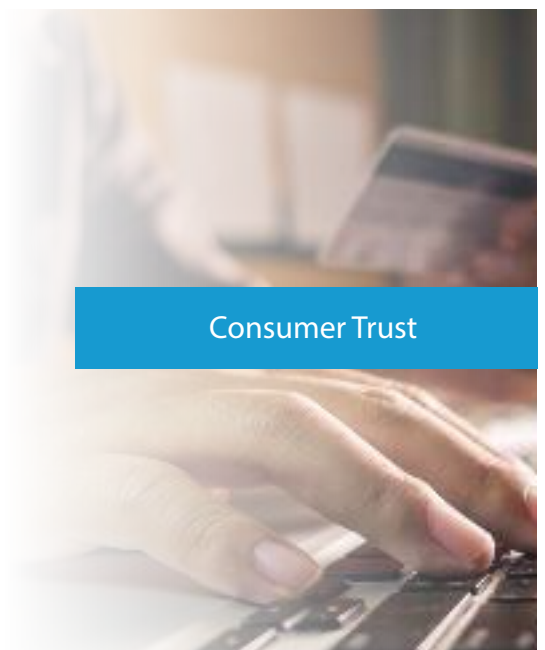
Working with a Payments-as-a-Service provider, such as CCBill, can help alleviate these types of consumer concerns.

Payment facilitators not only understand how consumers want to purchase, but they can also support them before, during, and after the purchase. This type of support can put confidence in the consumers' minds when making a purchase. Easy to use features such as geo-targeting, for example, which display a familiar language and currency provide consumers with a familiar purchase experience. Providing localized payment options tailored to your consumers helps provide a seamless and stress free purchase flow. Ensuring your customers have access to a live representative at any time that can speak in their native language lets them know they're cared for and can always get the help they need. Accreditation with services such as the Better Business Bureau give the consumer the confidence to know they aren't being cheated. Providing a secure way to save their information for use on other sites, streamlines the checkout process, while reaching across mobile platforms from any device. Any one of these items could greatly increase a consumer's confidence, but when combined a truly special purchase experience is created - an experience for which consumers want to return.

Is it Time to Consider Payments-as-a-Service?

It's no surprise that Payments-as-a-Service model is surging in popularity with online merchants. By providing additional revenue and cost-saving opportunities, they are a smart choice for merchants seeking a competitive edge in a competitive global marketplace. Unlike a merchant account, a payment provider is not only easier to obtain setup and manage, which often makes an important difference for merchants, but also when coupled with all the different capabilities discussed above, makes an obvious choice over other available solutions.

Among the global providers, CCBill distinguishes with its almost two decades long history in the payments industry and proven reputation among dozens of thousands of merchants. To give you a picture of how exactly CCBill compares to merchant accounts, the table below outlines some of the key areas that online merchants should consider before choosing their preferred payment processing solution.



At a Glance - How CCBill helps you cut costs and grow revenue:

With Merchant Accounts:	With CCBill:
Merchants are required to maintain multiple accounts with individual financial institutions.	A single CCBill account allows you to accept many different payment types, including all major global credit cards, debit payments, and electronic checks.
Minimal fraud protection.	Sophisticated algorithms protect you from fraud by monitoring transactions in real time.
Processing up-sells and cross-sales is difficult and time-consuming for both the merchant and the customer.	By storing and sharing customer payment data, CCBill allows you to offer seamless up-sells and cross-sales with a single click.
Separate transaction reports for each merchant account make analysis difficult.	Consolidated transaction reports in our FlexStats tool make it easy to spot additional monetization opportunities.
Billing support must be handled in-house or paid for as a separate service.	World-class billing support is included with your CCBill account.
High transaction fees may apply to your entire offering, even if you offer low-risk categories.	Pay lower fees overall by getting the best rates for each individual offering.
The absence of a familiar payment provider makes it difficult to earn the trust of customers.	By aligning with a trusted, industry-leading payment provider, you can instill in your customers greater confidence and increase your conversion rates.

Look Closer

The ability to fully rely on a single payment provider for all your business needs is certainly an option that can allow you to grow your business at the pace you decide. With all the opportunities a reliable payment facilitator can provide, merchants don't need to worry about using different solutions to manage processes such as payments, billing and reporting separately. Instead, they can utilize a single solution to not only simplify business management processes, and easily reach into new markets, but also offer a better payment flexibility to their consumers.

Related Items

- Learn about our [Merchant Connect](#) network and how you can use it to cross-sell with thousands of other merchants.
- Learn how our 24/7 live [billing support](#) center can save you time and money, while keeping your buyers happy.
- [Contact us](#) to learn more.

About CCBill

Much more than a payment processor, CCBill is a payment services platform which provides expert support and empowerment to your expanding relationships. Whether it's through consistent on-time payouts, distinctive affiliate tools, or the comprehensive and proprietary set of automation tools, CCBill understands online business like few others, and has been offering industry-leading solutions since 1998. Processing for more than 30,000 websites worldwide, CCBill launched the exclusive 'log in and pay' feature CCBill Pay, and now anyone on any site with CCBill can make multi-purchases from everywhere, from any device – without pulling out a credit card every time.

To learn more about CCBill's Payments-as-a-Service, visit www.ccbill.com, or contact a member of our team at ccbill@ccbill.com, or toll-free at 1-855-4-CCBill.

