



International Recurring Payments



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Our Path

1. The Basic Issue

Here comes the soapbox

2. Re-Defining Each Term

Everyone can refine this part

Refocus – Redefine – Re-measure

3. The Untapped Resource

Everyone knows and misses the mark on this one

Presenters

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If you have any questions about the presentation, go to our LinkedIn Group (the [Payments Education Forum](#)) and request an invitation (this is a closed group specifically for the payments industry).

The Basic Issue

There are a variety of barriers to a successful International Recurring Payment program. The largest barrier is in this room... It is in the general use of the term...International Recurring Payments...

- ❖ **International**
- ❖ **Recurring**
- ❖ **Payments**

There is a perceptual problem with the creation of this term which is coming to light as entrants into various markets discover their mindset alteration is their most successful tool in sending auto-renewal into the world at large.

Refocus International

International infers Domestic...But *EVERY* payment is domestic *SOMEWHERE!* Think Global Instead!

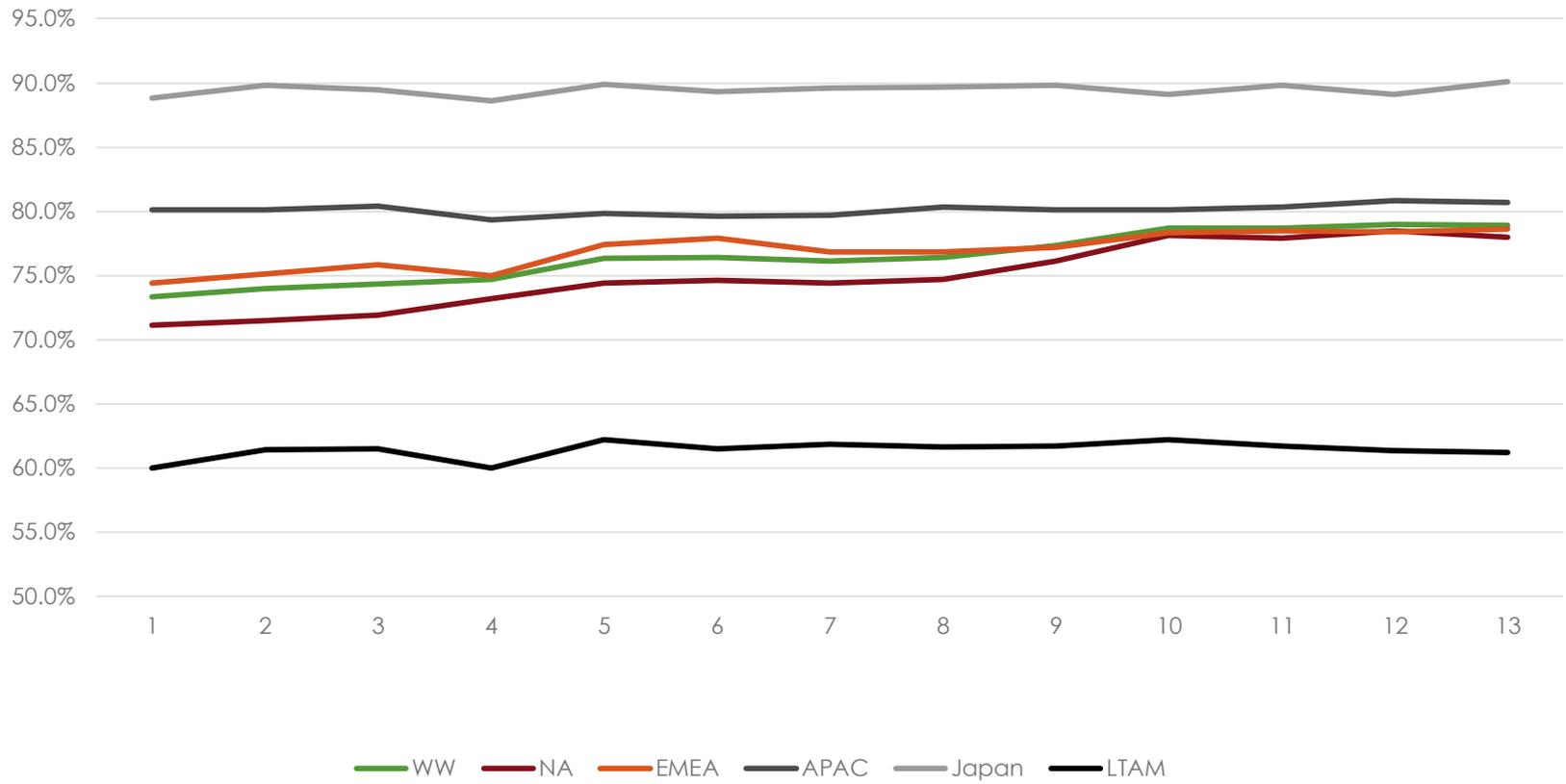
For example...

- Do you measure Auth success against your USD #'s?
- Do you measure CAU success against your USD #'s?
- Do you talk about Credit Cards vs Wallets?
- Do you believe Cash-On-Demand makes the recurring market untenable?
- Do you create buckets such as:
 - US
 - Rest of World, or
 - EU
 - LTAM
 - APAC
 - MEA

What if I Said...

US Recurring is the Worst in the World...or close to it...

AR Success Rate



Redefine Recurring

Recurring is a Behavioral Phenomenon of the US.

Repeating is a Measure of Success.

-Measure your success within the cohort

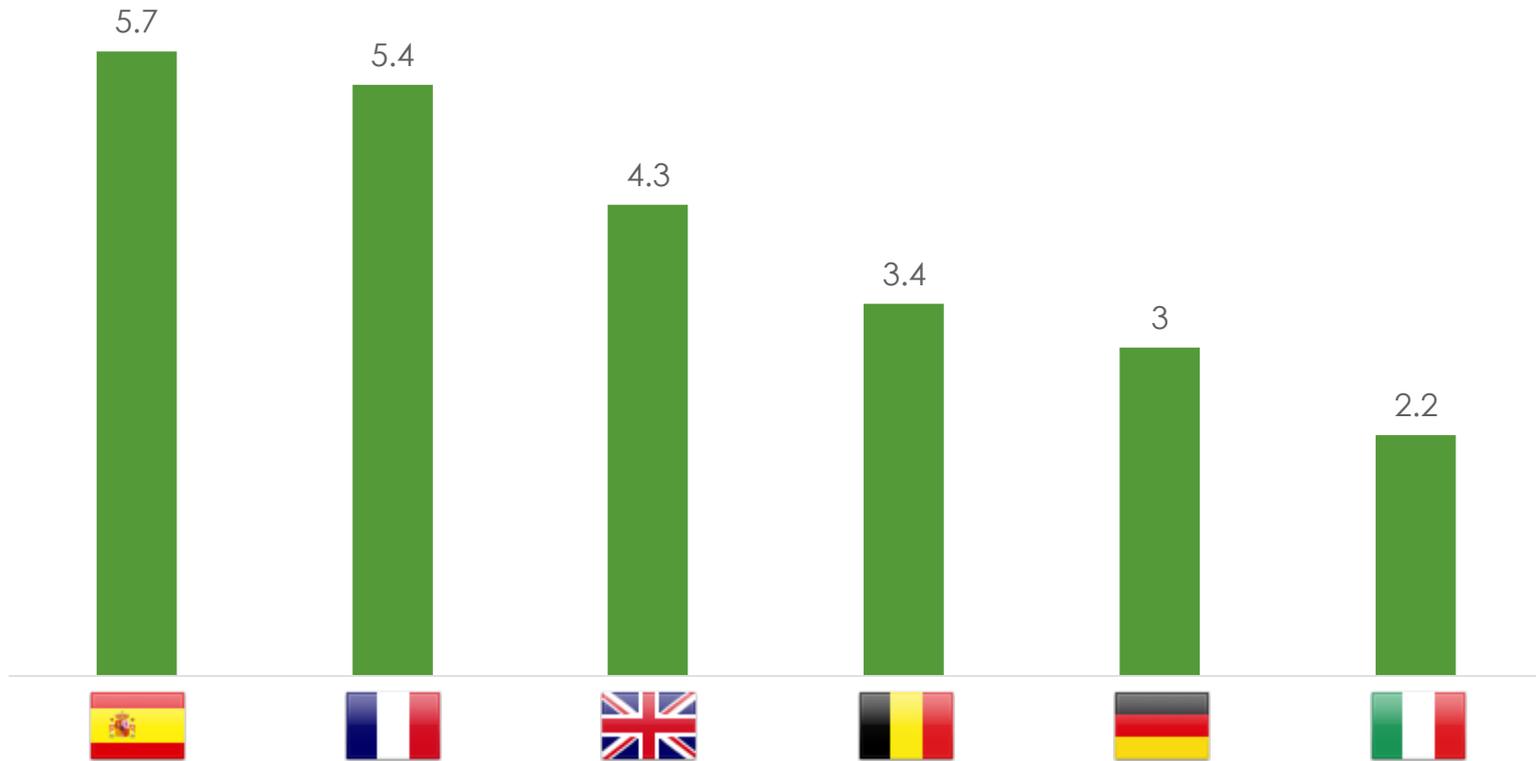
-Measure your success by the determination of buyers

-Early or Self Renewals are not to be counted against your numbers

-Set them free, and if they return...

European landscape for Recurring Payments

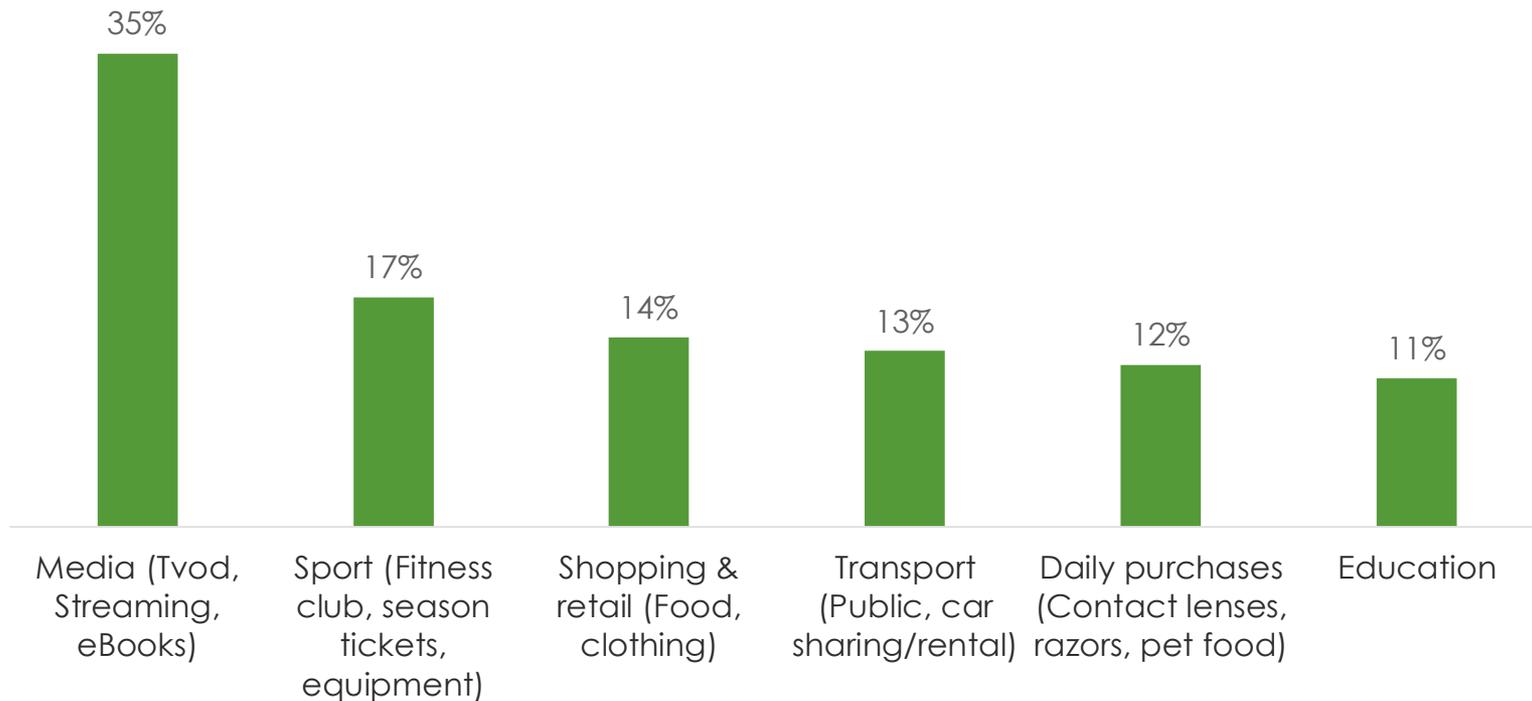
Number of active subscriptions per person



Source: MRC

European landscape for Recurring Payments

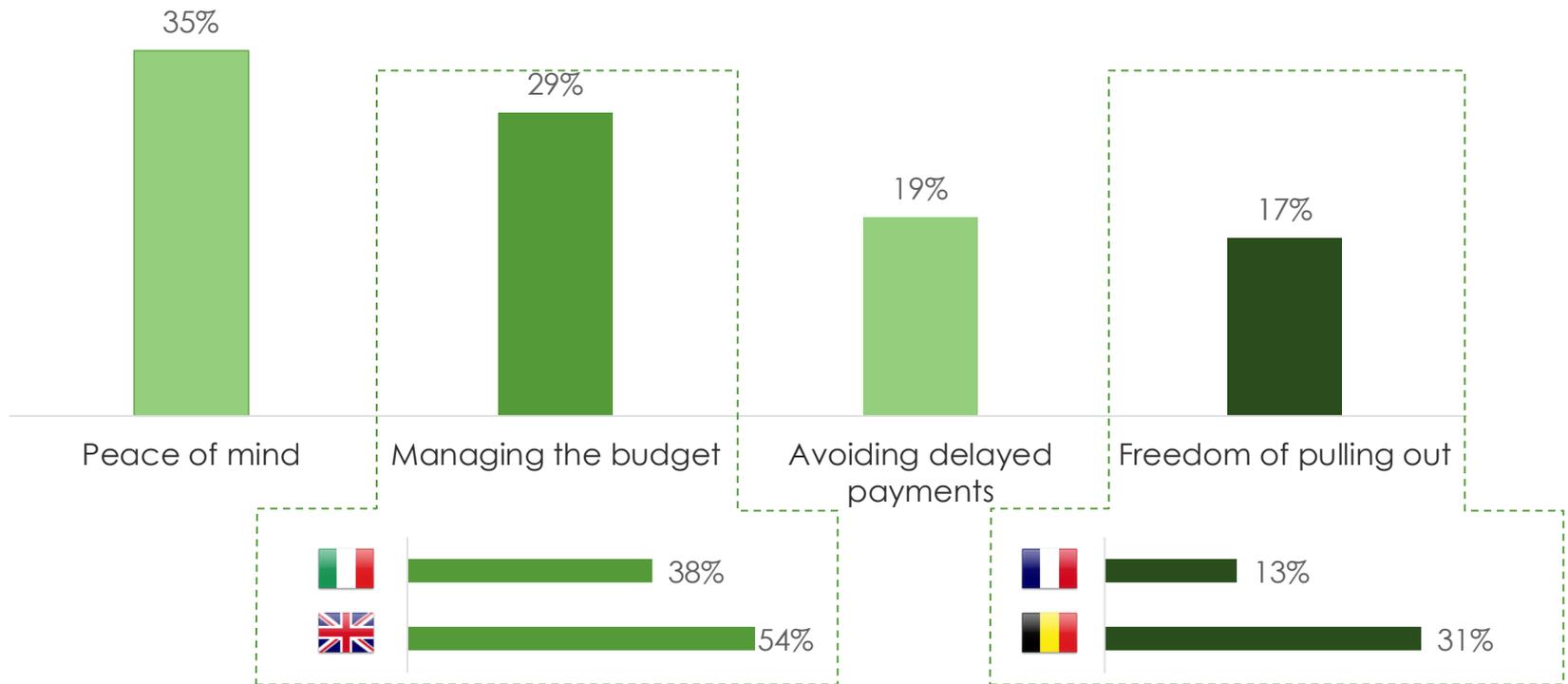
Appetite to consume more via subscription



Source: MRC

European landscape for Recurring Payments

Main benefit of the subscription model

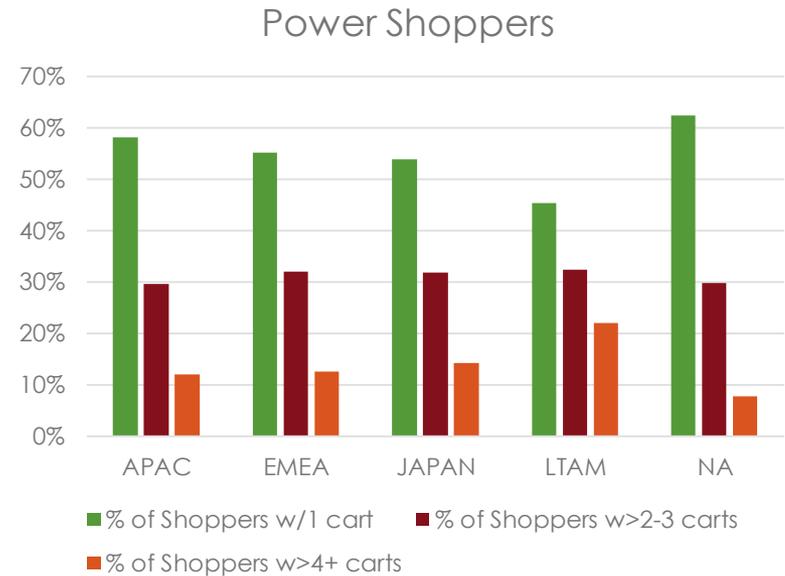


Source: MRC

EU Rebuys – aka Shopping is WAR

Do you see Cart Abandonment as high?

If so, do you see cross-border shoppers as one opportunity or many?



GBP EUR DKK NOK PLN.....Once I had it all!

Some shoppers want the best deal and will literally open a dozen carts to get exactly the best deal....They will even use the FX market against you....But in the end, did they buy?

The thing is, they do this at AR again....7% of Western Europeans will re-shop an AR that they enrolled in...

In Brazil, the trend is the same: increase in online consumption and subscription based offers

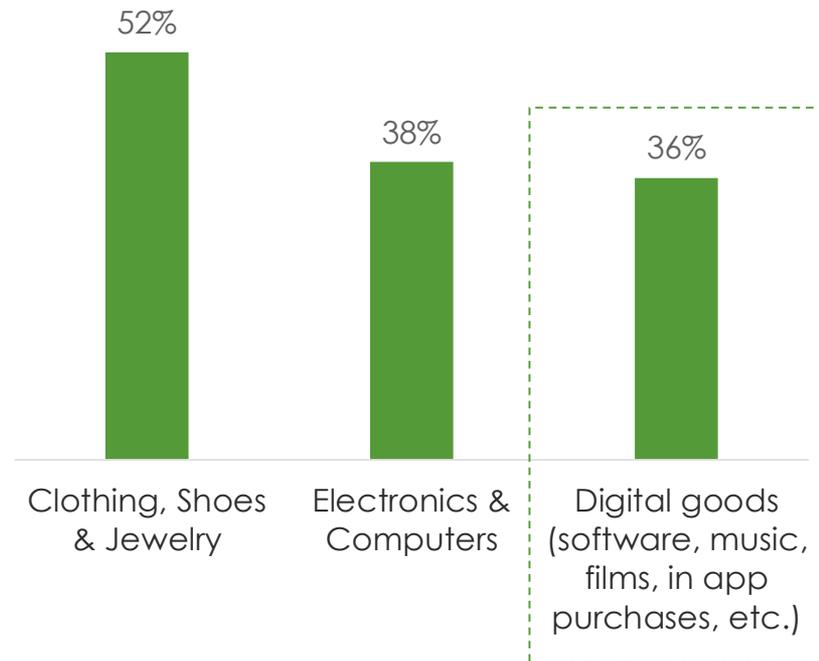
70%

of internet users purchased something online in the last 12 months

49%

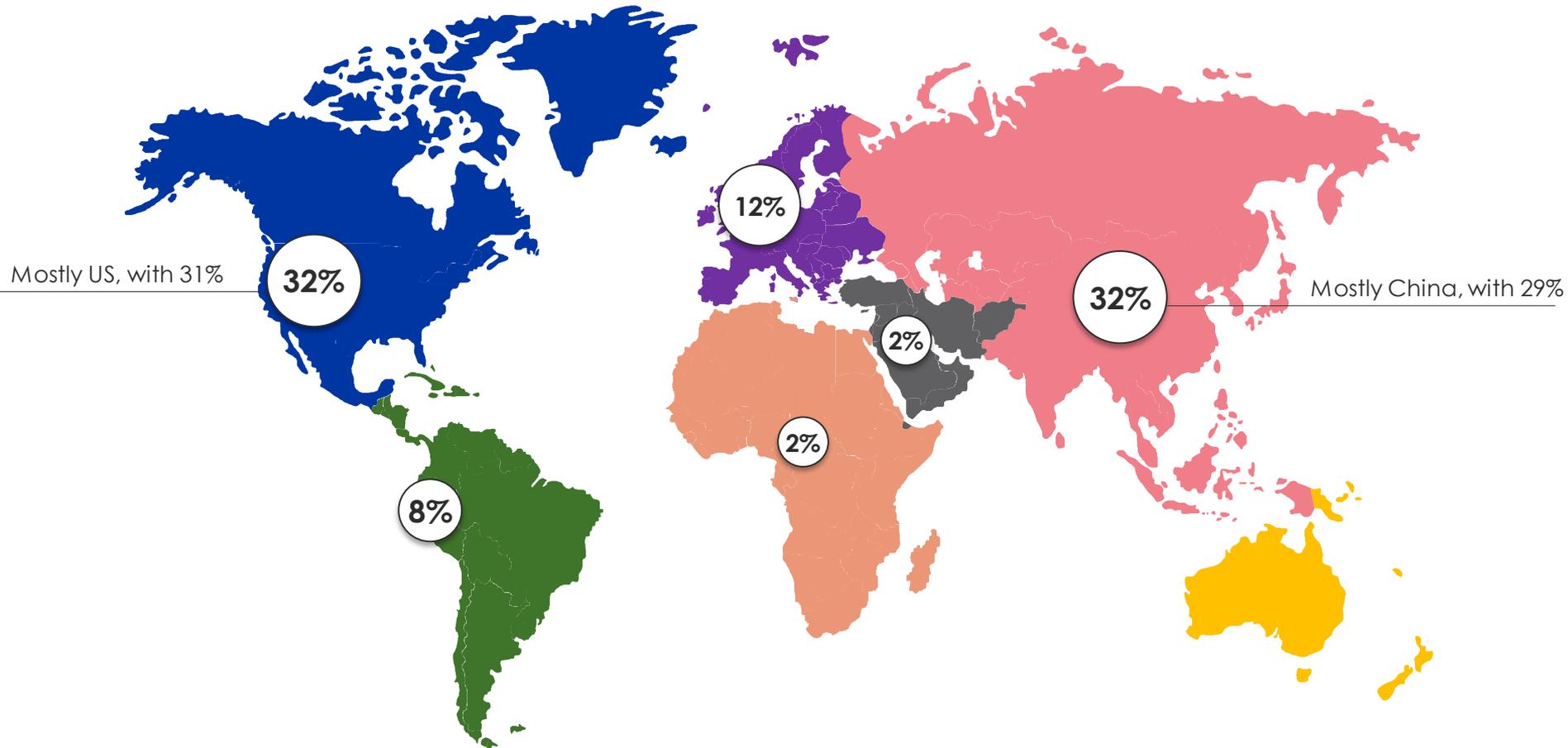
of those buyers made at least one purchase from merchants abroad

Purchases from merchants abroad



Strong relevance of subscription based offers

US and China are the countries with higher presence in this cross border market



Source: E-commerce Brazil and allpago

Brazil's Habits

In some countries, Recurring is a fairly new concept therefore the 'Yes' you get may be more of a 'Perhaps'

Life Cycle of AR in Brazil...

- Sign up for a free trial
- Add Auto-Renewal because it is a requirement
- Chargeback the 1st payment
- Re-enroll for a free trial
- Add Auto-Renewal because it is a requirement
- Sue the company for this second 1st payment because you didn't understand that auto renewal was money -related
- Sign up for a free trial

They want your product but YOU gave them options...

Subscribing to different types of products and services is following the same trend

Local Offers



PLANOS DE ASSINATURA



Global Offers



Customer Retention

What does it really mean – to ‘lose’ a customer



They're Just Not That Into You

Opt outs can seem like passing notes in class because you don't seem to be facing the other party 'in person', but they are breaking up with you – face it...

In APAC you might see opt-out reasons such as 'Family plans missing' and 'No new services'

In Europe, you may see customers departing for a lower price – even if only for a few cents

In the US, your opt-outs are more varied – Starting with 'Price', then proceeding to card changed, moving on with service, or lack of notice for re-charge, then ending again with 'Price'

No matter what, ask!

Re-Measure Payments

Payments are Payments...But make sure your measuring stick is the right one...

- **Restate 'Recurring to Repeating'**
- Measure your true successes:
 - An AR that was refunded Did Not Work
 - An AR that was charged back also Did Not Work
 - An AR that was avoided Did Not Work
- Read returning customers as successes
- Watch for pre-buys....
 - 4-5% of Japan buyers tend to pre-buy but do NOT participate in AR!

Of course, don't forget

- Canada and the EU have CAU
- Brazil has CAU now
- Time of day causes *other* issues

Refunds & CHB by GEO/Culture

Post sale activity nets DOWN your prior success ratios

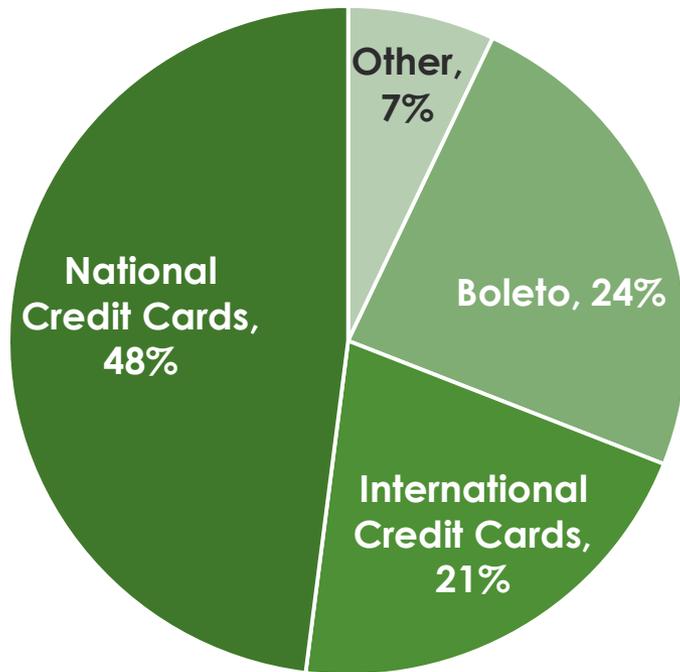
Post-Sale Activity in Select Currencies



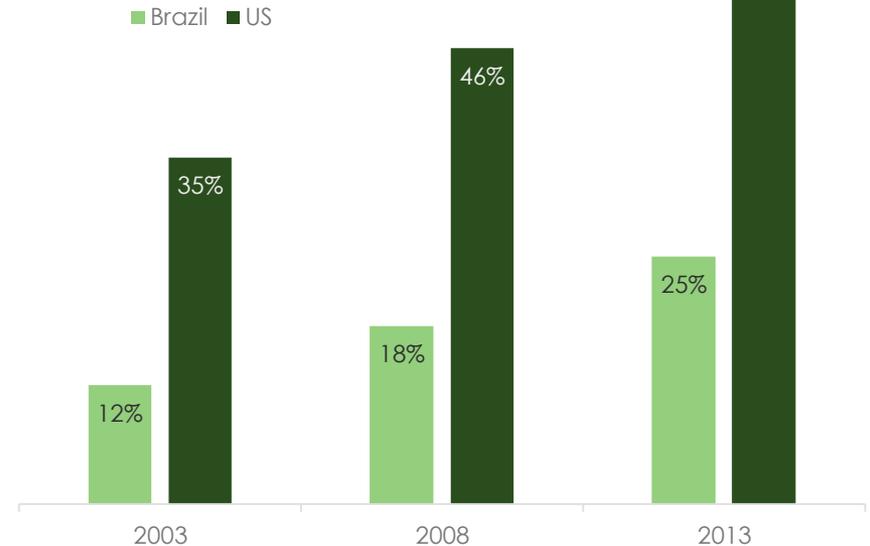
But to be successful in e-commerce subscription, payment methods must be optimized



Payment Method Shares, 2015



Card Penetration Brazil vs. US



Source: eMarketer and allpago

The Boleto Bancario is very country specific and poses different challenges for recurring



Boleto Bancario		RECIBO DO PAGADOR	
Local de Pagamento: PAGAVEL EM QUALQUER BANCO ATÉ O VENCIMENTO		Vencimento: 30/12/2016	
Beneficiário: ALLPAGO SERV PAGTO E COB LTDA CNPJ: 10.930.041/0001-30		Agência/Código Beneficiário: 294608531-6	
Endereço do beneficiário: AL. JOAQUIM EUGENIO DE LIMA 738 C/J 71 E 72 JD PAULISTA SAO PAULO SP 01403-091		Nome Número: 1767/0355628-3	
Data do documento: No. do documento: 20/06/16 70355628		Espécie doc: DM N 20/06/16	
Valor do documento: 1,00		Valor do documento: 1,00	
Instruções de responsabilidade do beneficiário: Qualquer dúvida sobre este boleto contate o beneficiário. NÃO RECEBER APÓS O VENCIMENTO.		Descontos/Abatimento	
7035 5628 9186 BR_Boleto_Bancario_Servicos_yourstore.com - produto description - order number 1234		Mora/Multa	
CLIENTE ITAU/PAGUE NO BANKFONE, BANKLINE OU CAIXAS ELETRONICAS		Valor Cobrado	
PAGADOR - PAULO SOLZA AL. JOAQUIM EUGENIO DE LIMA 738 01403-091 BARRO SAO PAULO SP Beneficiário/Validar:		CNPJ/CPF - 0001234567890	
Autenticação mecânica			



Boleto Bancario		Fiche de Compensação	
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Autenticação Mecânica			



A timely renewal and strong communication are fundamental for subscription offers using this payment method – Oxxo in Mexico or Baloto in Colombia are quite similar

Payment Preference can be seen in Cart Abandonment at Checkout

Have you Accessed?



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2015-16/185
A.P. (DIR Series) Circular No.16

September 24, 2015

To All Category - I Authorised Dealer Banks



Madam / Sir,

EFT

**Processing and settlement of import and export related payments
facilitated by Online Payment Gateway Service Providers**



Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the [A.P. \(DIR Series\) Circular No.109 dated June 11, 2013](#) read with [A.P. \(DIR Series\) Circular No.17 dated November 16, 2010](#) in terms of which AD Category-I banks have been permitted to offer the facility to repatriate export related remittances by entering into standing arrangements with Online Payment Gateway Service Providers (OPGSPs) in respect of export of goods and services.

2. To facilitate e-commerce, it has been decided to permit AD Category-I banks to offer similar facility of payment for imports by entering into standing arrangements with the OPGSPs. The revised consolidated guidelines on such imports and exports are as under:



Have You Considered?

India, Taiwan, and some parts of China prefer COD



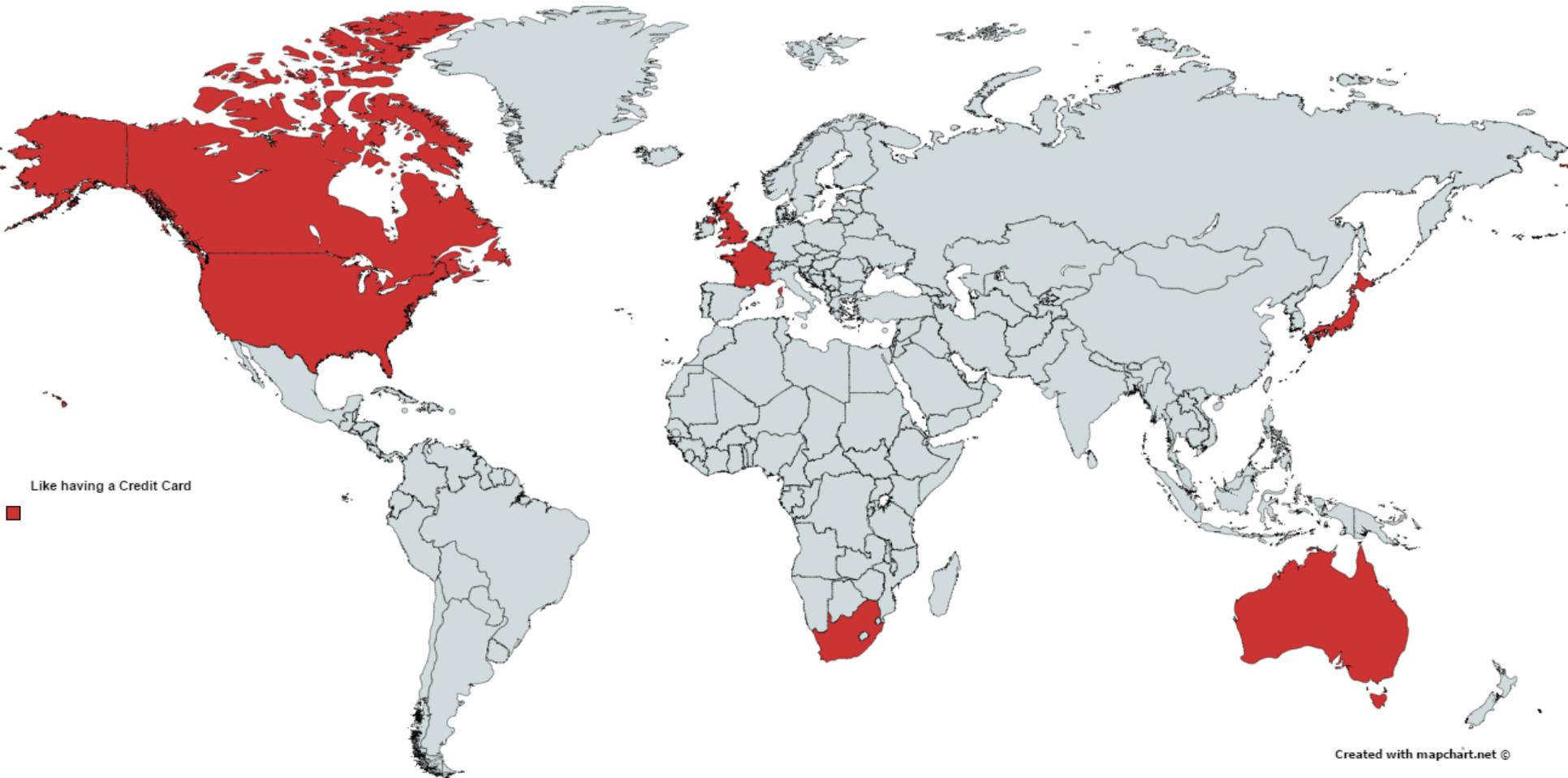
Europe, ME, and some APAC customers prefer to control their own cash



Convenience Stores are more than convenient in some parts of the world

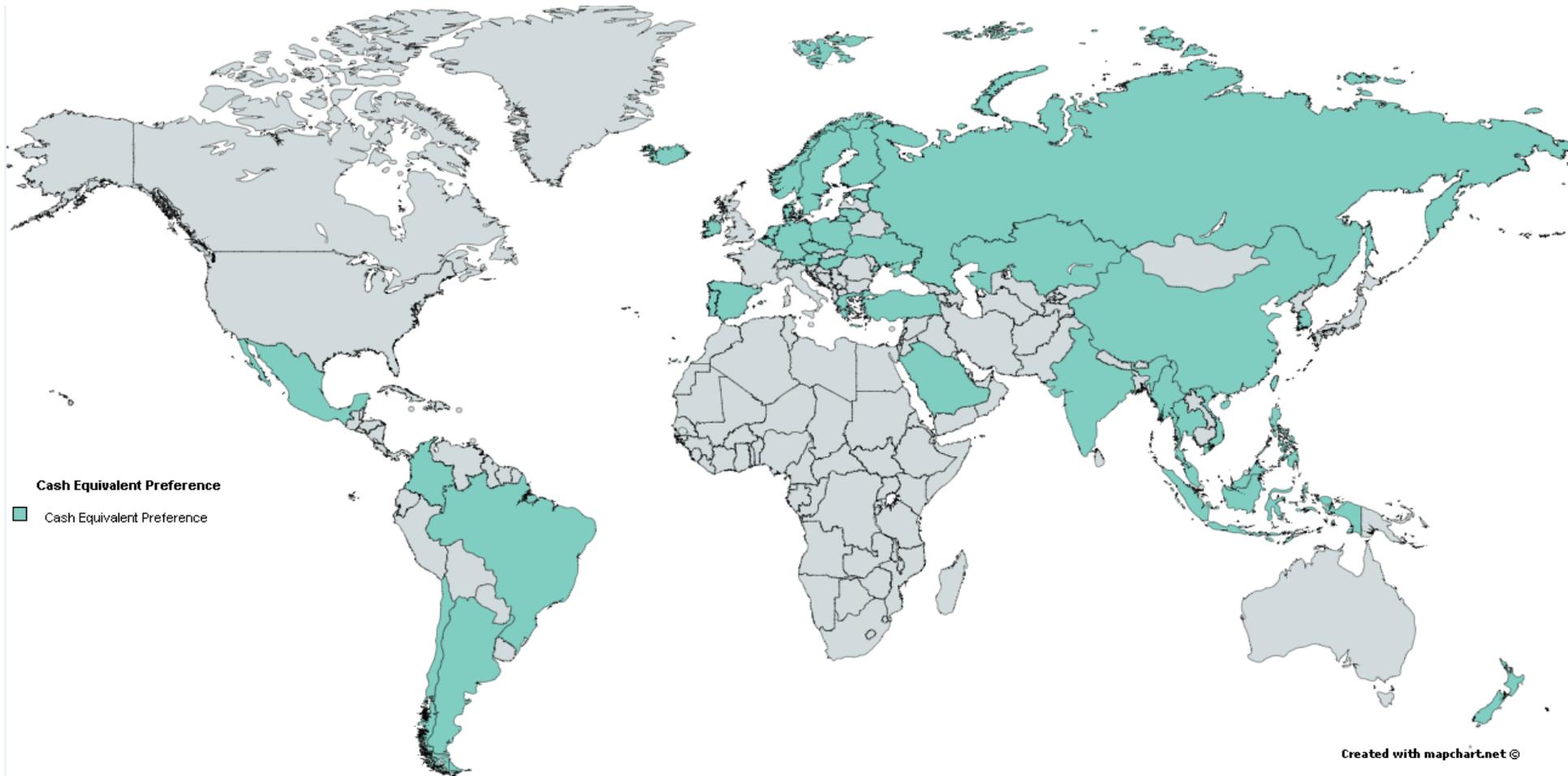


The Vehicle May be the Problem



But Recurring merchants prefer this shame...

Cash may be King....



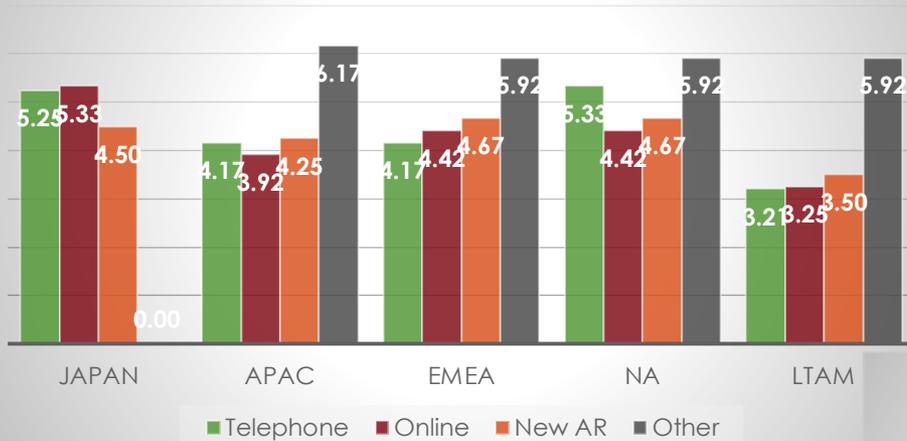
But Cash Equivalents are the entire Royal Family

Name that Pay Type!



Do Not Think that Opt Out is Bad...

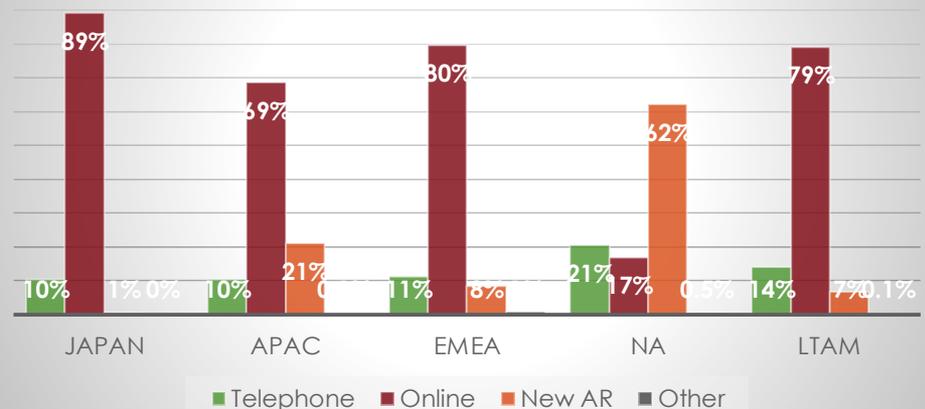
Average AR Cycles



Some customers prefer to own their destiny but remember that opt-out is not goodbye....

But put your Save Desk where it will do the most good...

User Preferences



The Last Best Hope – The Untapped Resource

GEO

Potential Approach

Western Europe

-Are you the best deal?

Japan

-Will you perform as promised?

LTAM

-Because I can, can you?

Eastern Europe

-Caveat Emptor

APAC

-When was the last time you delighted me?

NA

-You are going to make me do what?

Questions?

PaymentsEd FORUM

Thank You!!!

International Recurring Payments

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