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The nexus of active and passive churn

Essential steps to turn the table on churn

Understanding churn

After investing heavily in acquiring customers, you face the biggest enemy of retention: churn. Active or "voluntary" churn happens when subscribers cancel subscriptions on their own accord. Passive or "involuntary" churn happens when payment failures result in cancellation.

Churn rates can make it difficult to grow or even sustain a business. Staying abreast of engagement and retention data is key. Although active and passive churn both deal with recurring renewals, there are major differences in how to resolve them.

To remedy **active churn**, subscription businesses need to continually monitor product usage, target users at risk, and guide subscribers towards content and features that might be of interest to them. This allows you to convert subscribers by addressing gaps in their experiences. Finding out what subscribers are interacting with and how they are deriving value from your service are the keys to unlocking sustained engagement and retention.

When a recurring transaction fails, it can result in **passive churn**. A multitude of issues inside the payment processing ecosystem can trigger a payment failure, such as expired cards, exceeded limits, temporarily blocked cards, and many other reasons. To address what can quickly become passive churn, businesses need to proactively address and avoid any interruption in connection between subscribers and their service and brand.

Industry fact: 10 to 15% of all recurring credit card payments fail each month.

Vindicia with Redfast: A winning answer to churn

Vindicia and Redfast offer subscription businesses an end-to-end approach for scaling the subscription model's necessary emphasis on customer retention. The integrated approach provides the visibility into the "whys" and signs of a possible churn candidate, while also supplying the tools needed to take immediate action.

Redfast quantifies and tracks subscription usage for each individual subscriber and uses variations in an individual's behavior to deliver targeted guidance that results in a double-digit improvement to retention, engagement, and ultimately, churn. Understanding a subscriber's behavior and challenges with your service enables you to develop personalized strategies that ensure that the subscriber is getting the most from their subscription.

Vindicia's Retain solution cuts passive churn by correcting failed credit and debit card payments, resolving up to 30% of transactions previously deemed unsalvageable and immediately boosting top-line revenue by up to 6%. Applying sophisticated retry algorithms from vast data sets, Vindicia Retain unravels the reasons for transaction failure and automatically determines the corrective action to resolve the issue. Retain works within any existing billing platform as a non-invasive, automated solution that is easy to deploy and requires minimal IT involvement.

See your potential gains from Vindicia Retain with our complimentary [ROI Calculator](#).

Redfast benefits

Usage monitoring

- Proactively see and be alerted to changes in a subscriber's usage
- Identify and resolve risk factors
- Make changes to allow subscribers to reap maximum value from the subscription
- Combine knowledge on product, customer service, and interaction to inform retention strategies

Real-time targeting

- Personalize offerings and promotions in real time
- Create retention strategies based on accurate usage and interaction data
- Apply Vindicia's best practices, industry knowledge, and benchmarks for subscriber management

In-app guidance

- Optimize payment flows by providing more ways to engage
- Create payment processing rules to increase conversion
- Connect to Vindicia to create a centralized hub for payments and subscription offerings

About Redfast

Redfast is a data-driven system for subscription businesses that aims to transform churn into retention. Redfast is based in Cupertino, CA, and led by serial entrepreneurs with deep expertise in cloud, devices, subscriptions, and funded by Menlo Ventures. For more information, visit www.redfast.com.

Proven results

- Increase registrations by 150% or more
- Increase monthly to annual upgrades by 30% or more
- Reduce cancellations by 10%
- Convert members in a trial directly to an annual plan
- Increase cross-sell of e-commerce items
- Increase awareness and usage of premium features
- Increase awareness and consumption of premium content

Redfast clients include:



About Vindicia

Vindicia offers comprehensive subscription management solutions that help businesses acquire more customers, retain them longer, and grow. Providing much more than just a billing and payments system, the company's SaaS-based subscription management platform combines subscription intelligence, strategic consulting and proprietary retention technology. Vindicia provides its clients with more recurring revenue, more customer data, better insights, and greater value throughout the entire subscriber lifecycle. To learn more, visit www.vindicia.com.

Vindicia clients include:



DOLLAR SHAVE CLUB

GANNETT

iFIT



SimpliSafe



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US Headquarters

Vindicia, Inc.

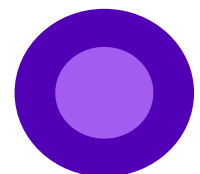
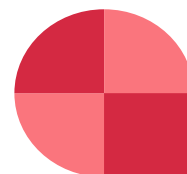
2988 Campus Drive, Suite 300

San Mateo, California 94403-2531

P +1 650 264 4700

F +1 650 264 4701

vindicia.com/contact-us



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