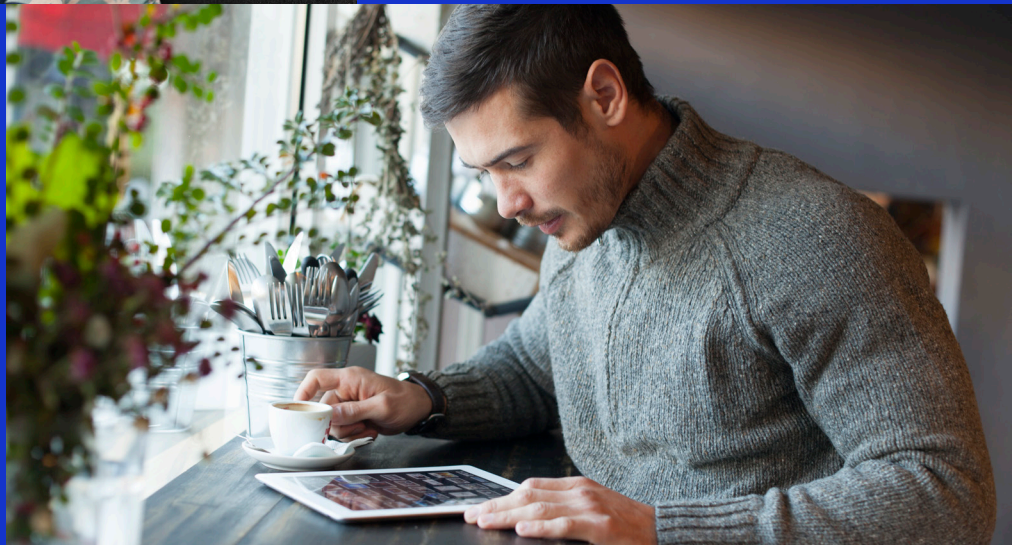


VISA

Become a subscription management superstar

Differentiate your digital experience and build deeper engagement and loyalty by empowering cardholders to better manage their subscriptions.



JUNE 2024

What's inside?

The subscription economy digs in

Too much of a good thing?

Subscription complexity impacts issuers

New opportunities emerge for issuers

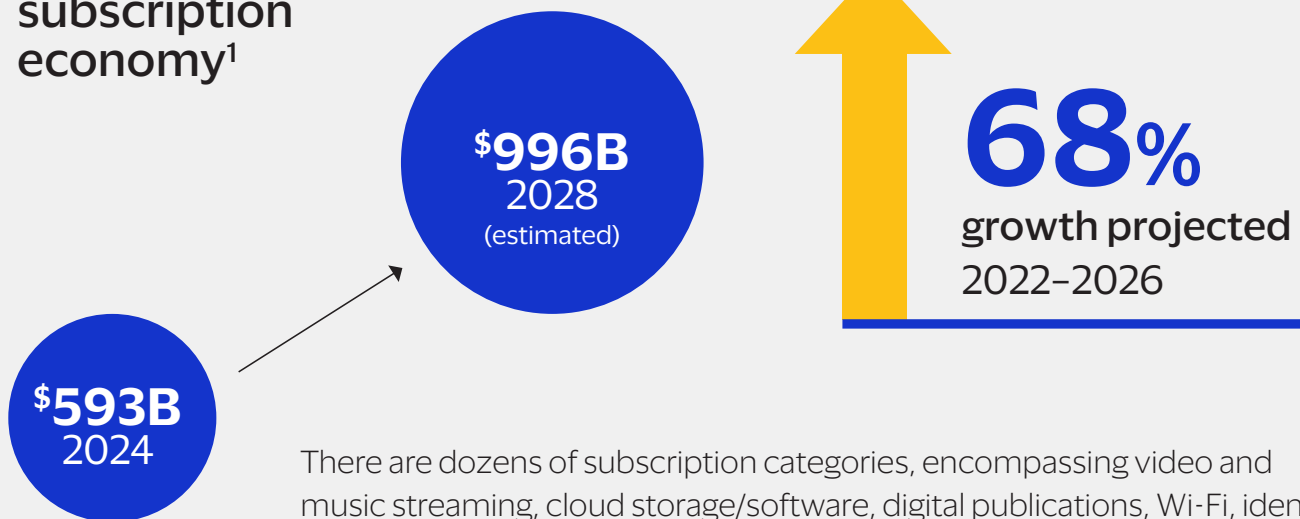
How Visa can help



The subscription economy digs in

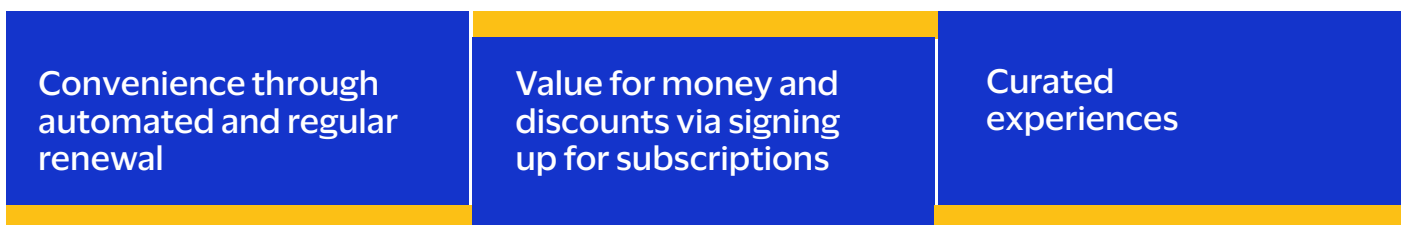
The growth of e-commerce has ushered in a new era—the subscription economy—which continues to grow rapidly and presents new opportunities for merchants and issuers.

Size of
subscription
economy¹



There are dozens of subscription categories, encompassing video and music streaming, cloud storage/software, digital publications, Wi-Fi, identity protection, automotive services and consumer products—from personal care to clothing services to pet care—to name just a few. And the types of merchants offering subscription-based products and services continue to expand.

Subscriptions offer several appealing benefits to customers:



Similarly, businesses offering subscriptions—along with issuers who support them—benefit from recurring revenue, improved projections and greater customer engagement and stickiness.



Too much of a good thing? Consumers and issuers suffer from subscription overload.

The subscription economy has created a paradox. While conceived to add convenience to consumers' lives, subscriptions have also introduced new complexity as their popularity—and the number of subscriptions that consumers hold—has grown. This complexity is largely associated with the struggle to manage multiple plans, trials, offers and terms—all of which have varying fees, renewal schedules and trial periods.

Consumers often lose track of subscriptions that they no longer use and find themselves having to update payment information as cards expire or are replaced. In addition, consumers may find it difficult and tedious to cancel subscriptions they no longer want.

Overwhelmed, underused and forgotten



74%

of surveyed consumers say it's easy to forget about monthly recurring subscription charges²



42%

said that they had forgotten about a recurring monthly subscription that they were still paying for but no longer using³



22%

said they felt overwhelmed by the number of subscriptions they have⁴



Subscription complexity impacts issuers

Even with various legislative initiatives designed to give consumers more control, many still lack a one-stop shop to manage their subscriptions. Instead, they have to resort to checking individual websites or catching email updates as they arrive.

No central hub

48%

check deadlines from time to time but have no centralized overview⁵

87%

have no centralized system to manage subscriptions⁶

42%

had problems with the administration of their subscription at some point⁷

Cardholders often turn to issuers to help them resolve subscription disputes. This, in turn, ties up vital resources and drives up costs for issuers.

In Visa's research in a key European market,⁸ we found that, of the 20 percent of respondents who had issues with the amount debited from their accounts for subscriptions, 67 percent called their bank's call center to attempt to resolve the issue. Forrester also surveyed decisionmakers at retail banks in three key markets and discovered that 75 percent of survey respondents said subscription-related disputes had grown by more than 10 percent during the previous two years, and banks had increased their dispute resolution technology budgets to tackle these problems.⁹

New opportunities emerge for issuers

Digital consumers today demand more financial control and transparency over their subscriptions. Issuers who can help cardholders cut through their subscription complexity have an opportunity to strengthen relationships and drive top-of-wallet status, while reducing costs related to disputes.

How Visa can help

Our Subscription Management Solutions are designed to deliver a powerful proposition for customers and issuers—simplified management of recurring payments for consumers, potentially fewer disputes for issuers and, most importantly, a differentiated digital experience that delights cardholders.

With our digital, self-service tools, issuers can give cardholders the power to easily identify, stop/pause and manage recurring payments from the palm of their hands.

Visa Subscription Management Solutions are designed to:



Deliver a more engaging digital experience



Increase use of mobile and digital channels



Reduce chargebacks and disputes



Reduce call center volume and back-office costs



Build a stronger sense of trust and loyalty



Visa Subscription Management Solutions help give cardholders visibility and control over their recurring payments in several ways:

Identify



Enable cardholders to view all their recurring charges from a mobile app.

- Recognizes recurring transactions and charges instantly
- Identifies merchants who have cards stored on file
- Enables a more transparent view of subscription spends

Stop/pause



Empower cardholders to stop unwanted subscription charges.

- Ensures that the right recurring charges are stopped or paused
- Allows cardholders to continue transacting elsewhere
- Works in real time for both authorization and clearing

Manage



Allow cardholders to resume subscriptions when ready.

- Enables the flexibility to resume paused charges
- Allows cardholders to see where their credentials are stored and used

Issuers can create and deliver the experience cardholders want with Visa's Subscription Management capabilities that:

Enable users to view card-on-file merchants through your online / mobile banking app

Provide merchant identifiers for use in stop instructions

Empower users to add merchant stop instructions and resume payments when ready

Enable search of stop instructions by primary account number (PAN) to facilitate payment pause/stop and re-start



Empowering cardholders is the cornerstone of modern digital experience, and Visa helps issuers go to market faster with flexibility in how they design and deploy our solutions. Visa's flexible consumption models are tailored to your technical capacity, resources and go-to-market preferences.

Design your own experience with APIs



Customize an experience that is tailored to your vision

Estimated production go-live: 6 months

Deploy a pre-built experience with SDKs



Go to market faster with pre-built logic and an optional Visa UI

Estimated production go-live: 2-3 months*

* Estimated 1-2 months for existing SDK clients



Meet Sarah

Age: 29 | Location: New York, NY

- Just moved cities for a new job
- Busy juggling the responsibility of setting up her new life
- Enjoys the gym but had to cancel membership due to moving

* Fictional composite

"I had no idea I was still being charged for a gym membership I thought I'd stopped!"

Identify

Sarah checks her bank's mobile app and sees all her recurring charges in one place.

"With this move, I don't have the time to spend on hold with the call center to stop the charges."

Stop & block

Sarah stops the recurring charge right from her bank's mobile app.

"My gym has location in my city-I'd like to resume membership once I get settled in without having to call."

Manage

Sarah is ready to go back to the gym, so she resumes her paused membership from her app.

Help your cardholders enjoy the benefits of the subscription economy without the hassles. Give them the clarity and control they need to cut through subscription management complexity and, in turn, build stronger cardholder relationships. Visa Subscription Management Solutions can help you get started today.

Visit [Visa.com/issuingsolutions](https://www.visa.com/issuingsolutions) website or contact your Visa account representative or to learn more.



Endnotes

1. Subscription Economy Market Report 2024–28: Size, Share, Growth, Juniper Research, April 2024.
2. Subscription Service Statistics and Costs, C+R Research, 2022.
3. Ibid.
4. Visa Consulting & Analytics (VCA), Visa Market Research, Q4 2021.
5. Ibid.
6. Ibid.
7. Ibid.
8. Ibid.
9. Banks Must Act Now to Avoid Subscription Related Costs, Forrester, January 2002.

