

A MERCHANT'S GUIDE TO

Subscription Management

How to choose the right
solution for your business

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SECTION I

Subscription management essentials

What is subscription management?

In recent years, the ecommerce landscape has shifted in monumental ways. One of our main takeaways: Subscriptions have become an essential part of consumers' daily lives, with dramatic increases in subscriber growth, average order value (AOV), and lifetime value (LTV) across verticals.

Faced with a massive opportunity in an increasingly crowded market, merchants of all kinds are taking note. They're adapting and optimizing their subscriptions in unprecedented ways to create strong customer relationships that stand the test of time.

The key to fostering those relationships? Creating a seamless user experience that meets your customers where they are.

This means that one process has become more essential than ever: subscription management.

To visualize subscription management and the powerful effects it can have on your customer base, let's picture an orchestra. An orchestra contains multiple musical sections composed of different instruments—woodwinds, percussion, strings, brass—each with its own purpose and focus. Each interacts with the others to create rich tones and melodies that compose a symphony.

Just like that orchestra, subscription management is made up of multiple different functions, each with its own role in the overall subscription process.

Each one contains a different focus—subscription billing, merchant tools, shopper tools, analytics tools, and payments tools—that is crucial for making the end result as seamless as possible for your subscribers.

In other words, subscription management is an art.



**Payments
tools**

**Shopper
tools**

Merchant tools

Analytics tools

**Subscription
billing**

Figure 1.1
Elements of subscription management solutions. Businesses can consider these functionalities when deciding which solution to use.

On a basic level, it's the process of handling your customers' subscriptions (including ways you allow them to handle their own subscriptions) to ensure they have a positive experience with your recurring products or services. That might sound straightforward, but it's more than a home-grown fix.

It's curating an assortment of different tools and solutions that work together to create a best-in-class customer experience.

That experience marks the start of a relationship with your brand—one that starts the moment customers visit your website, and doesn't necessarily end. Even when they cancel, customers still have an opportunity to re-engage with you. A memorable customer experience can increase the likelihood they'll return or recommend a friend to your brand.

Some aspects of subscriptions, such as recurring billing, are automated—but other actions, requiring more flexibility and control, can't be scheduled.

Subscription management intertwines these types of automated and manual actions, ultimately empowering merchants to build long-term relationships with their subscribers by creating a frictionless experience.

Subscription management needs vary depending on your business, product offerings, and customer base—**so there is no one-size-fits-all solution** for every subscription business. Regardless of where you're at in your journey, we want you to be able to strike the right balance for your brand. Use this guide to dig deep into subscription management opportunities for your business and visualize what future success can look like.

Once you strike that perfect balance for your business, your subscription management solution acts just like our metaphorical orchestra. When every aspect of your subscriptions works together in harmony, your customers get a seamless subscription experience.

And as the conductor of this scenario, responsible for guiding each piece into place, no one knows your audience better than you.

“Choosing a tech stack that can handle a seamless subscription experience is crucial. You're looking for tax, shipping, loyalty, etc. partners that can scale with your business to deliver a great experience for your customers, whether you have 10 subscribers or 10,000.”

—**Jack Swift, Marketing Manager at Irish Titan**



Figure 1.2

Building a cohesive assortment of tools and solutions creates seamless customer experiences.

Tech stack needs for subscription merchants

The world of subscription management solutions is vast and varied, containing functions of all kinds. It includes everything from a seamless subscription checkout to tax technology to order confirmation emails—and everything in between.

Facilitating product swaps? Capturing customer data for product optimization? Implementing security measures to protect your subscribers' payment information? All three are subscription management.

No one solution is objectively "better" than the others—it's all about finding the best balance for your business, your customers, and your unique needs. And in order to achieve that balance, it's essential to know your options.

TYPES OF SUBSCRIPTION MANAGEMENT SOLUTIONS

Subscription management solutions typically handle multiple different functions. While their focus is on recurring payments, functions may vary based on the solution type.

Often, brands that are new to subscriptions but selling products online will already have other ecommerce solution providers for certain needs (i.e. email, shipping, customer service, etc.). They'll then choose a subscription management solution that fits into that larger ecosystem.

When comparing solution options for your brand, consider the following:

- Your integration needs: *Does this solution fit into your overall tech stack?*
- Your product roadmap: *Does implementing a solution fit in with your future plans and direction for your products?*
- Confidence in the solution: *Is it listed in the app store of your ecommerce platform, and are the reviews positive? If unlisted, has it passed the requirements of your platform?*
- Your launch timeline: *When do you plan to implement subscriptions, if you haven't already?*

- Your goals for scalability: *How many subscribers do you want to gain, and by when?*
- Your product type (physical vs. digital): *Which products will you offer on subscription, and what are their logistics requirements?*
- Your business resources: *Do you have the infrastructure and people in place to give your new solution a focus?*
- Your levels of ecommerce expertise: *What is your level of confidence?*

Out-of-the-box-only solutions

Best for: *small businesses prioritizing a speedy launch*
May not be a good fit for: *brands looking to scale*

WHAT THEY DO WELL Solutions that prioritize out-of-the-box functionality allow merchants to set up recurring billing functionality relatively quickly and easily.

This can make them a preferred choice for very small businesses, especially those who are just getting their subscriptions up and running.

You may be able to spot these solutions by their "changing the game" messaging. They often position themselves as "better" and "faster" than other solutions—and they are relatively newer to the market.

WHERE THEY STRUGGLE Often, out-of-the-box-only solutions are not built or tested at scale. Because of this, they may struggle to support businesses who are looking for a solution that will grow with them.

Additionally, they often lack development tools and support documentation, potentially limiting the development process for businesses and requiring more manual upkeep.

While they excel at their core features, they can be outpaced by competitors in terms of innovation. Finally, their new school, "changing the game" mentality may carry platform risk—the longevity of these solutions is unknown.

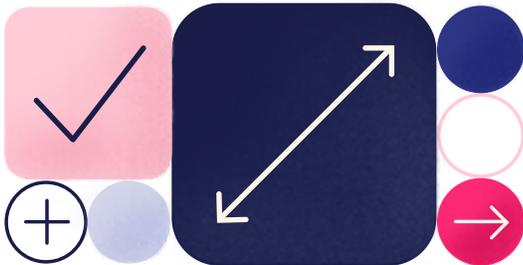
API-only solutions

Best for: *maximum customization; businesses with ample resources*

May not be a good fit for: *brands on a budget; businesses looking for ecommerce expertise*

WHAT THEY DO WELL If you're looking for a highly-customized, "build-your-own" subscriptions option, an API-only solution is well worth considering for your brand. The stars of these solutions are their APIs, which, combined with a strong development team, can enable custom subscription use cases for merchants.

Businesses with these priorities can focus their development resources on a provider with a broad suite of APIs. A development team can also build strong integrations with other core ecommerce features and enable brands to build out their ideal tech stack.



WHERE THEY STRUGGLE API-only solutions typically have a high cost of overhead and maintenance for internal development, operations, and customer experience. Because of this, these solutions are typically a better fit for larger, more established businesses with a generous budget.

Merchants may also incur additional costs with API-only solutions as their products evolve and their business scales. These solutions cannot independently deploy specialized use cases, and often, merchants will have to rely on external agencies for deployment. If your business lacks internal expertise or a reliable development partner, this solution type may not be able to provide the relevant ecommerce expertise to help grow your business.

Custom-built solutions

Best for: *maximum customization; ecommerce expertise; businesses with ample resources*

May not be a good fit for: *brands on a budget; those prioritizing a speedy launch*

WHAT THEY DO WELL Custom-built apps are another option for brands looking for a customized solution. This solution type is similar to an API-only solution, but is built with the help of an agency or development partner, who can combine custom software with in-depth knowledge of the ecommerce space to set businesses up for success.

Like API-only solutions, custom-built apps can be highly flexible. Their added benefit: a knowledgeable development partner, who likes to say "yes" to everything merchants want to offer. Custom-built apps typically offer a white-glove support structure, which is an attractive draw for those with complicated builds.

WHERE THEY STRUGGLE Custom-built apps typically come with high upfront costs and maintenance fees, as well as a long development timeline. Businesses who choose this solution may also risk having a one-off build that requires a dedicated, specialized developer for upkeep.

The endless customization of this option comes with a more limited pace of innovation on their core products, as well as difficulties with scaling. Changes for this solution are made strictly via additional project engagements, which can further increase cost and limit pacing.

SaaS subscriptions—first solutions

Best for: *B2B software companies*

May not be a good fit for: *businesses with physical subscription products*

WHAT THEY DO WELL For software as a service (SaaS) companies, this solution type is built specifically for their

digital products and core functions. Because software subscriptions have been around longer than other subscription types, these solutions also tend to be more established and mature than their competitors.

SaaS subscriptions-first solutions empower businesses to integrate into a wide range of payment processors, making payment options highly accessible for customers.

WHERE THEY STRUGGLE If your business specializes in physical products, you may find that SaaS subscriptions-first solutions lack the product capabilities you need. These options are not tied into the ecommerce product catalog or technologies, such as shipping, tax, and related logistics capabilities.

Additionally, SaaS subscriptions-first solutions are not on the cutting edge of research and development in the ecommerce space. If your business is looking for a solution that will provide expertise around physical product-related ecommerce, these options may not be a fit.

Holistic solutions

Best for: *physical subscription businesses*

May not be a good fit for: *B2B software companies*

WHAT THEY DO WELL A holistic subscription management solution, like Recharge, balances an out-of-the-box approach with an API-first foundation. A vast array of subscription box businesses utilize this solution type, as it enables them to launch physical product subscriptions quickly and powers integrations with a variety of other systems.

Holistic solutions offer out-of-the-box integrations with shipping, taxes, and inventory management systems. They can easily handle recurring purchases, one-time purchases, and mixed carts with both purchase types.

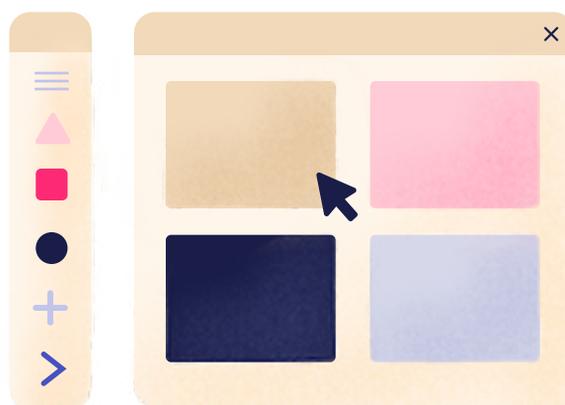
Additionally, this solution type enables businesses to offer their subscribers flexible checkout and delivery options, such as options to skip a delivery or swap products.

These strategies can help reduce churn and increase LTV.

Since they're built on an API-first foundation, holistic solutions can easily be customized for brands as they continue to grow their business.

Whether it's custom design, scalable architecture, or completely customized deployment, holistic solutions are able to maintain pace with fast-growing merchants.

If done well, the APIs of a holistic solution are also built with specialized use cases in mind, which empower development teams to be more creative.



WHERE THEY STRUGGLE Due to their emphasis on supporting brands at all stages of their growth, some players in the holistic solutions space may be outpaced by the competition in terms of support for niche use cases or new platform adoption. Additionally, holistic solutions require innovation at an API level while maintaining overall product stability. Therefore, solutions aiming to be holistic often require mature development teams, documentation, and processes to consistently deliver value.

INTEGRATION & COMPATIBILITY WITH ECOMMERCE TOOLS

Typically, brands will integrate their subscription management solution with various ecommerce tools—like their marketing platform, or cross-sell and upsell applications—to enhance their subscription product capabilities. Like subscription management solutions, these ecommerce tools all center around creating a more seamless experience for your customers, but they have more specialized focuses.

"With how quickly the ecommerce sector is changing, it is more important than ever for subscription merchants to leverage the power of ecommerce tools. Investing upfront in these systems empowers business owners to focus on other areas of the business while having the peace of mind that their systems are communicating effectively. Setting up a good workflow from the onset will allow for greater success down the road."

—Josh Garellek, Co-Founder & CEO at Arctic Leaf

As with subscription management solutions, there is no one-size-fits-all approach for your ecommerce tool integrations—there's only the perfect balance for your business. This all depends on your business maturity, product type, and customer base, as well as your existing tech stack. Below, we break down the different types of key ecommerce tools, as well as their respective focuses.

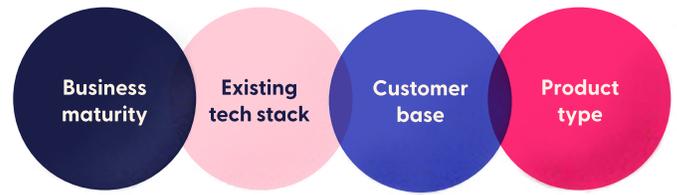


Figure 1.3

Business factors to consider when evaluating your approach to ecommerce tool integrations.

Types of ecommerce tools

Tax solutions

offer tax calculation and returns remittance for merchants.

Shipping solutions

typically involve an aggregator that will integrate with popular shipping services like UPS, USPS, FedEx, etc.

Fraud and intelligence solutions

help facilitate the approval of orders and avoid chargebacks.

Retention solutions

are loyalty and referral programs that result in better customer experiences and increased customer loyalty.

Customer service solutions

allow merchants to manage customer support for their subscriptions.

Acquisition solutions

drive sales by leveraging subscriber data, and keep customers informed through relevant communication.

Analytics solutions

capture customer data and turn those insights into actionable tactics.

Cross-sell and upsell solutions

use customer feedback and data to help merchants make targeted product recommendations.

Payments solutions

ensure that all revenue from a merchant's subscription business is easily and securely processed, and make payments accessible

for customers. Payment providers can also help merchants integrate Apple Pay, SEPA, and iDEAL, creating a streamlined customer experience that could lead to increased conversions.

Elements of a subscription management solution

To zoom in closer on subscription management solutions, let's return to our orchestra:

An orchestra contains different instrumental sections, each with a different musical purpose—keeping the tempo, creating harmonies, carrying the melody. But we can break those sections down a bit further: Each one is made up of multiple instruments, with their own ranges and tones, that work together to create a cohesive sound.

In this vein, we can break down the subscription management into five main sections: subscription billing, merchant tools, shopper tools, analytics tools, and payments tools. Each of those sections is then made up of several key functions that work together to create a smooth customer experience.

Some solutions may also offer additional elements beyond those described above that make their solution more robust, like an email marketing tool. No matter which solution you choose, make sure that it offers the functions that matter most to you and your customers, or that it can integrate with other ecommerce tools that do.



Figure 1.4

Core functionalities of subscription management solutions, which together create a cohesive subscription experience.

01 Subscription billing

Subscription billing is the heart and core product of a subscription management solution. First and foremost, subscription billing tools should include a recurring billing engine to automate the payments process. This also includes options to customize pricing, like the ability to enable discounts for your customers.

Base-level tax and shipping capabilities also fall under the subscription billing umbrella, and are particularly important for businesses offering physical products.

However, depending on your business, you may need additional functionality for these categories from other ecommerce solutions, like Avalara.

02 Merchant tools

These administrative tools are only seen internally, by the merchant—not by the customer. One essential merchant feature is an admin portal (also referred to as a merchant portal), which allows for behind-the-scenes subscription management and built-in customer support. Additionally, these tools include a suite of platform-independent APIs and documentation, as well as the ability to create workflows for a variety of user scenarios.

03 Shopper tools

These tools are used by the customer to manage their subscriptions. Within this category, the customer portal is a crucial tool that allows customers to manage their own

subscriptions, view their order history, and more. This reduces both friction for subscribers and support needs on the business end.

Another crucial shopper tool is the ability to manage subscriptions via transactional SMS. This empowers customers to update and manage their orders straight from their mobile device, giving them ultimate flexibility and control while strengthening their relationships with a merchant.

Other shopper tools include the ability for customers to add on one-time products to their subscriptions (cross-selling capabilities), the ability for customers to skip, swap, or reschedule a delivery, and additional communication features, such as the ability to enable email notifications.

04 Analytics tools

Perhaps some of the most important facets of a subscriptions payments solution, these internal, merchant-facing tools are used to measure success and return on investment for your business, ultimately informing your overall business strategy. Specific analytics tools vary from solution to solution, but frequently include an overview of your revenue, including revenue planning tools and a breakdown of your key performance indicators (KPIs).

Other analytics tools include an overview of your customer base, which may include breakdowns by different customer cohorts and insights into your customer retention. They can involve a breakdown of your product SKUs and variants to facilitate more accurate and seamless inventory management.

They can also feature industry benchmarks that help you stack up your business performance against your competitors'.

Customer actions tracking tools are another important type of analytics tool. These can give you the ability to see how your customers are interacting with their subscriptions, which may include swapping products, skipping an order, using transactional SMS to manage their orders, and more.

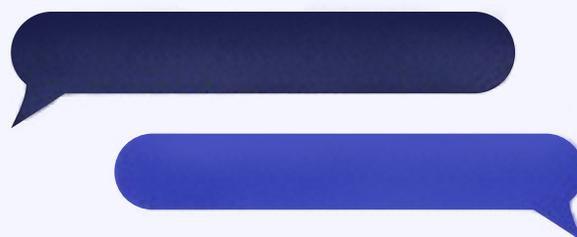
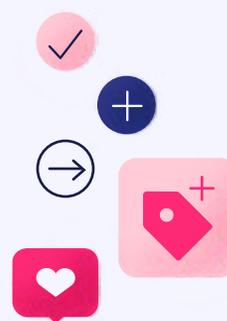
Finally, media attributions capabilities can provide a breakdown of your customer engagement across different media channels so you can more effectively target your efforts.

05 Payments tools

Payments tools center around security, payment processing, and logistics. These are all vital operations for any business, but particularly for those who are looking to launch trusting, lasting relationships with their subscribers.

Payments tools make sure things are running smoothly behind the scenes. This can include payment processor support and payment method support to make sure your payment options are accessible and seamless for your customers. Security measures, such as secure payment vaulting, also fall under this umbrella.

Additionally, payment tools can include measures to prevent involuntary churn. This can include dunning efforts like sending customers notifications when credit cards expire, as well as retrying failed payments behind the scenes. They can also include pre-authorizations of transactions to facilitate more seamless subscription billing.



Create seamless customer experiences

By consolidating and streamlining several aspects of the subscription management process, **a subscription management solution can offer a competitive edge to any brand at any stage.** These tools not only automate crucial business processes, like recurring billing—they also lay the groundwork for trusting customer relationships by creating seamless shopping experiences. The bottom line: When chosen correctly, a subscription management solution can help your business anticipate and meet your customers' needs more effectively than ever.

The key words here? "When chosen correctly." One of the biggest challenges to subscription management solutions is in choosing the one that best matches your specific business needs, and what works best for your competitor may not work best for your brand.

This all depends on several factors, including where you're at in your growth journey and whether or not you're already offering subscriptions. We'll dive into all of those in the next section.

"The subscription ecommerce market has grown by more than 100% in the last five years, and there is no sign of it slowing down anytime soon. Not all products fit the subscription model, however, so it's important to test the waters first using a subscription management solution. This way, your business has all the tools to quickly launch subscriptions—without the significant investment some early adopters had to raise to custom-build the tech."

—James Holding, Managing Director at Little Vitamin



SECTION II

Choosing a solution & optimizing your business

How does your growth stage impact solution choices?

Optimized subscription management has the power to streamline your business at any stage of development.

However, depending on your growth phase, you may have vastly different needs from your subscription management solution.

Before moving forward with a provider—and to help narrow down your list of top candidates—it's important to ensure that your chosen solution can meet those needs.

For example, let's take a new business who is looking to launch subscriptions for the first time. They're just beginning to build out their recurring revenue stream, and they require a provider who will assist them with a fast rollout and acquiring new customers.

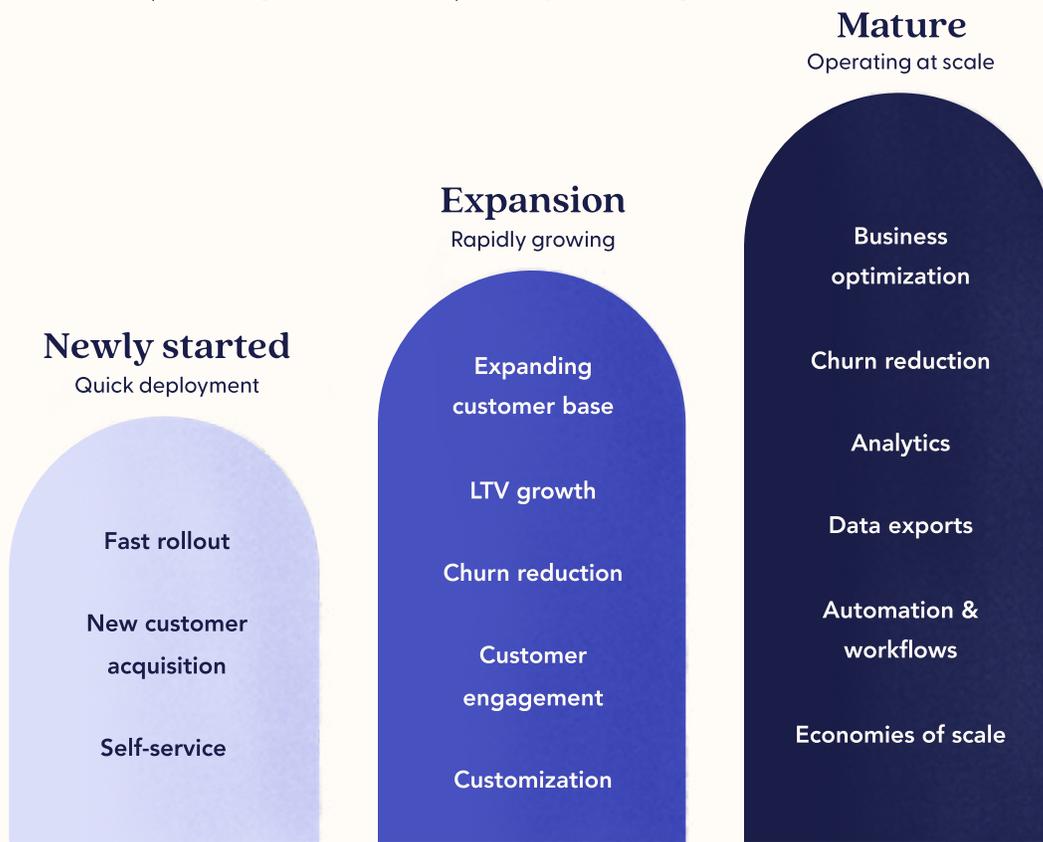
Meanwhile, a mature business who is operating at scale may be more focused on automating certain aspects of their business to give their customers additional flexibility and free up support needs. In this case, they'll require a provider who can empower them with custom workflows.

Beyond the benefits, there are different challenges your business may face depending on whether you're new to subscriptions or migrating your subscriptions. To set yourself up for success, it's important to address those challenges prior to moving forward with your chosen provider.

In the next section, **we'll navigate the key benefits, risks, and considerations for choosing a subscription management solution**—starting with businesses that are new to subscriptions. If you're already offering subscriptions on your site and looking to migrate to a different solution, skip ahead to "[Migrating your subscriptions](#)" on page 17.

Figure 2.1

Benefits and focuses of subscription management solutions, separated by business stage.



New to subscriptions

If you're already offering subscriptions and looking to migrate your subscription management solution, skip to page 17.

For new ecommerce businesses or those who have never offered subscriptions before, a **subscription management solution is the perfect launch tool**. By consolidating multiple essential business functions around recurring orders, these solutions jumpstart the launch process so you can tap into the power of recurring payments more quickly and effectively.

Key benefit: building and optimizing a recurring revenue stream

Recurring revenue is the lifeblood of subscription brands: It not only allows for easier and more accurate forecasting, but also facilitates long-term relationships with your customers rather than one-time transactions. If you're new to subscriptions, choosing the right subscription management

solution better equips you to meet these goals while also increasing your retention and customer LTV.

Figure 2.2

On average, merchants who offer subscriptions more than double their LTV. For certain verticals, this number is closer to 4–6x LTV.



With a well-chosen subscription management solution, you can:

- Launch subscriptions more quickly and easily—whether you choose an out-of-the-box-only or API-driven solution.
- Empower your customers to make changes to their subscriptions, such as swaps, skips, and add-ons.
- Focus on acquiring new customers and building a loyal subscriber base, setting your brand up for higher retention and customer LTV.

What's more, choosing a subscription management solution allows you to build out your subscriptions with the future in mind. You can set up your offerings to ensure your customers can manage their own subscriptions from day one so they have ultimate flexibility—a **more seamless subscription experience that will set you up for long-term success.**

Key risks & considerations before enabling subscriptions

To make sure your subscriptions are set up for future success, there's important groundwork to be done. This process takes time, research, and careful planning to make sure all the pieces fit together—but once they do, the recurring revenue stream and loyal customers you gain are well worth the effort.

Below, we dive deeper into key areas for consideration to help your brand determine if you've created an environment where your subscriptions can flourish.

1. Optimize your business before enabling subscriptions

Before launching your subscriptions, it's crucial to optimize your business from a variety of different angles.

To optimize your product market fit:

- Consider which of your products are typically purchased more than one time by the same customers.
- Think about whether replenishment, curation, or access subscriptions are best suited for your business.

- Choose one or two products for your subscription launch—you can always expand later once you've honed your process.

To optimize your customer experience:

- Prioritize providers that make it easy for your customers to manage their own subscriptions.
- Investigate whether the providers on your list allow you to offer your customers options to skip or swap products, change delivery dates, and other flexible options.
- Assess how effectively your customer service team will be able to step in and provide extra assistance when needed.

To optimize your subscription priorities:

- Determine your ideal launch date, as well as which subscription management providers will be able to meet it.
- Assess which providers are best able to meet your customization and security needs.
- Determine your budget, allocate your resources, and plan out your launch timeline. If possible, pinpoint your ideal launch date.
- Identify the provider that will be able to grow with you to set yourself up for long-term success.

2. Set up your logistics for future success

No matter how fantastic your products are, your subscriptions can fall flat if your logistics aren't optimized—key areas of focus here are shipping and tax logistics.

SET UP YOUR SHIPPING

For businesses who sell physical products, considering your shipping is a crucial first step. To evaluate your shipping needs:

- Identify how you're currently fulfilling your orders.
- Identify the ideal carrier rates for your business.
- Determine how your shipping rates may be applied depending on your chosen subscription management solution.

Types of subscriptions



REPLENISHMENT

Replenishment subscriptions provide regular deliveries of the same consumable products.



CURATION

Curation subscriptions provide deliveries of collections of products organized around a certain theme.



ACCESS

Access subscriptions function as memberships where subscribers pay for access to discounts, early releases, gated content, and more.

DETERMINE YOUR TAX NEEDS

Because it can vary greatly, your tax liability is one of the most important logistics areas to focus on before launching subscriptions. Merchants should always consult with a local tax expert to ensure they're charging customers the correct sales tax.

To evaluate if you have tax liability or tax nexus:

- Consider whether you have warehouses or distribution centers in a state. If so, you very likely have sales tax nexus in that state.
- Consider the states in which you have sales transactions. Depending on the state, county, and district regulations, you may have certain tax liabilities if you meet the threshold.
- Take stock of the products or services that you sell. For example, digital downloads or goods can have complex nexus rules that vary state to state.

- Determine any U.S. states with which your business has physical or economic connections. For these states, you will likely need to charge sales tax.
- Determine if your business needs to charge tax outside of the United States.

3. Ensure you have the analytics capabilities to effectively measure your success

To take your business to the next level, it's important to know where you currently stand in terms of metrics. This will give you concrete areas to focus on as you look for subscription management solutions and build out your business strategy.

Measure your baseline metrics (LTV, AOV, churn rate), then determine which specific metrics you'd like to improve through a subscription business model. If you aren't able to capture your baseline performance in your current setup, consider a subscription management solution that will help you gain this context for your business.

From there, ensure that your subscription management solution (or another relevant ecommerce tool, if applicable) is able to help you track those key performance indicators over time. Your chosen solution should also be able to address any other relevant analytics needs for your business, such as cohort tracking.



Migrating your subscriptions

If you're already offering subscriptions on your site—either with your own DIY solution or via a subscription management solution—there's always room for growth. In these situations, it might be time to reassess your needs and consider a migration so both your business and your customers can get the most out of your subscriptions.

Key benefit: improving subscriber loyalty

If you're currently offering subscriptions on your site, you're already tapped into the power of recurring revenue for your store. However, by optimizing your subscriptions, you can improve your subscriber loyalty, building long-term customer relationships that can take your business to the next level. After all, **acquiring a new customer can cost five to ten times more than retaining an existing customer**—but optimized subscriptions are uniquely primed for increasing brand loyalty.

Cost of retaining an existing customer



Cost of acquiring a new customer



By migrating to a well-chosen subscription management solution, you can:

- Gain a stronger pulse on your customers through more robust data capabilities.
- Save time with automated workflows.
- Empower your customers to manage their own subscriptions.
- Increase brand awareness.
- Reduce churn.
- Increase AOV and LTV.

No matter your business model or product offerings, it's important to keep the customer experience top-of-mind as you build out a short list of subscription management solution providers. In doing so, you'll invest in the lasting customer relationships that build retention and set top-tier businesses apart from the rest.

Key risks & considerations before migrating your subscriptions

A successful migration requires thoughtful planning and consideration. After all, you're not only thinking about what your business will gain through changing subscription management solution providers—you're also thinking about **how to preserve the customer experience for your existing subscribers during the migration process.**

Below, we explore key areas for consideration so you can ensure your business is set up for a successful migration.

1. Ensure a clean customer experience during migration

Because subscriptions are all about relationships with your customers, the customer experience should be top-of-mind as you plan out your migration. To keep things running smoothly and maintain a top-tier customer experience:

- Identify any areas of your subscriptions that you'd like to customize. Confirm that your chosen provider will empower you to make these **customizations**—this lessens the chance that you'll need to migrate again down the road.
- Request **migration success stories** from the vendor you are considering. These can help you determine if your potential vendor is well-versed in the unique challenges of your particular business model and product offerings.
- Consider **potential pain points** in your migration from your customers' point of view (i.e. increased pricing, site downtime, etc). From there, be sure that your communication effectively manages customers' expectations about these changes.
- Identify any ecommerce tools you're already using, or would like to begin using. Ensure that your vendors offer **robust integrations** so all your tools work together in harmony.
- Determine whether you anticipate needing **additional support** from your subscription management solution, then ensure that your chosen vendor will assist you through the process during the migration.

2. Deep dive into your subscription metrics

Before migrating, it's essential to establish a baseline for your business. This will help you identify how you're currently performing and potential areas for improvement. Down the road, it will also help you assess the effectiveness of the migration. To gain this context:

- Conduct analysis on your metrics for retention, churn rate, and LTV, as well as any others that are important to your business.

- Think about your current process for predicting and managing your churn, and how this could be handled with your new potential provider.
- Consider which metrics you want to improve through optimizing your subscriptions.
- Investigate trends in your customer feedback—particularly regarding their ease in managing their own subscriptions, as well as the reasons they're cancelling.

Foster long-term customer relationships

Subscription management is more than just your recurring payments technology. It's the way that you fit together all of the pieces of your subscription business to create one cohesive experience for your subscribers. **What's more, subscription management has the power to help you build thriving, long-term relationships with your customers.**

Whether you're new to subscriptions or looking to migrate, there's lots to consider and reflect on when selecting a subscription management solution—particularly one that will grow with you. But auditing your business in this way is a direct investment in your future success that will benefit nearly every aspect of your business.

"To future-proof the subscription experience, it is critically important that brands choose a long-term subscription management partner that they won't outgrow, but that will grow and scale with them. Best-in-class subscription solutions have their eyes set on supporting changing customer, brand, and business needs."

—Mick McCarthy, Chief Design Officer at Zehner

Using our vendor evaluation worksheet on the following pages, you can reflect thoughtfully and methodically to determine the ideal solution for your brand. Think of this work as an important reflection and intention-setting exercise that will help you ensure you have all the right players represented. By laying the groundwork in this way, you can customize your perfect tech stack to create a seamless experience for your customers.

In the end, the results—a reliable source of recurring revenue, increased retention and LTV, and stronger, deeper customer relationships—will speak for themselves.



SECTION III

Vendor evaluation worksheet

FOR SUBSCRIPTION MANAGEMENT

Choosing the best solution for your business

The purpose of this worksheet is to help you determine which elements of a subscription management solution are most important for your business so you can select a provider that best meets your unique needs.

There is no one-size-fits-all approach to subscription management. Every provider has different specialties, and every business has different goals.

What's more, every subscription offering has a unique customer base with its own needs and preferences—one that is directly impacted by the provider you choose.

It's important to work methodically and thoroughly when choosing your subscription management solution.

Whether you're new to subscriptions or looking to migrate, this approach will help set up your business up for long-term success and form lasting customer relationships. This tool can help facilitate the process for your business.

Vendor evaluation worksheet for subscription management

Analytics

Importance

High, medium, or low

VENDOR #1

VENDOR #2

VENDOR #3

Revenue overview and planning

Analytics dashboard

Customer overview

Subscription overview

Industry benchmarks

Customer actions

Revenue KPIs

Product dashboard

Media attributions

Ease of use

Exports

Out-of-the-box subscriptions solution

Ability to make changes at any time

Migration support

Integrations

Shopify platform integration

Magento platform integration

BigCommerce platform integration

Tax partner integration

Retention tools integration

Upsell integration

Headless frontend integration

Payment processor integration

Customer service integration

Analytics integration

Shipping integration

Fraud integration

Email/marketing integration

Gifting integration

Inventory management integration

Loyalty integration

Referrals and affiliate integration

Subscription workflows integration

Innovation & development

Reputable list of existing customers

Customer references and proof points

Funding and/or revenue invested back into the growth of the company

Product roadmap

Publicly listed uptime stats

Merchant tools

Importance
High, medium, or low

VENDOR #1

VENDOR #2

VENDOR #3

Out-of-the-box discount solutions

Out-of-the-box tax solutions

Out-of-the-box shipping engines

Out-of-the-box email notifications

Out-of-the-box customer retention strategies

Merchant admin portal

Robust and flexible APIs

SMS workflows

Custom checkout domain

Payments

Payment processor support (Stripe, Authorize.net, and Braintree)

Payment method support (credit card, Apple Pay, Google Pay, PayPal SEPA, and iDEAL)

Secure payment vaulting

Ability to automatically notify customers when their credit cards expire

Ability to retry failed payments (custom interval)

Ability to pre-authorize transactions

Quality of support

Dedicated account manager

Access to documentation

Guaranteed same-day response

Email support

Phone support

Dedicated launch partner

Introductions and partnerships with agencies

Annual industry conference

Slack support channel

High customer satisfaction rating

Ability to start migration immediately

Customer tools

Customer portal

Ability for customers to add one-time products to a subscription order

Ability for customers to reschedule or skip deliveries

Ability for customers to swap products

Shopper SMS notifications

Customizable shopper portal

Ability to enable one-click upsells from email, SMS, and shopper portal

Additional features

Fill in other features that are important to your business needs



We help you turn transactions into relationships.

Recharge is the leading subscription management solution, helping ecommerce merchants of all sizes launch and scale subscription offerings by increasing revenue and LTV and reducing churn. Today, Recharge powers subscriptions for more than 35 million subscribers across 15,000 merchants, including fast-growing brands such as Billie, LOLA, Harry's, Oatly, OLIPOP, and Hubble.

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