

Arranging online-sales of your product: travel guide passing repeated mistakes

avangate

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About the Speaker

Olesya Chedleeva

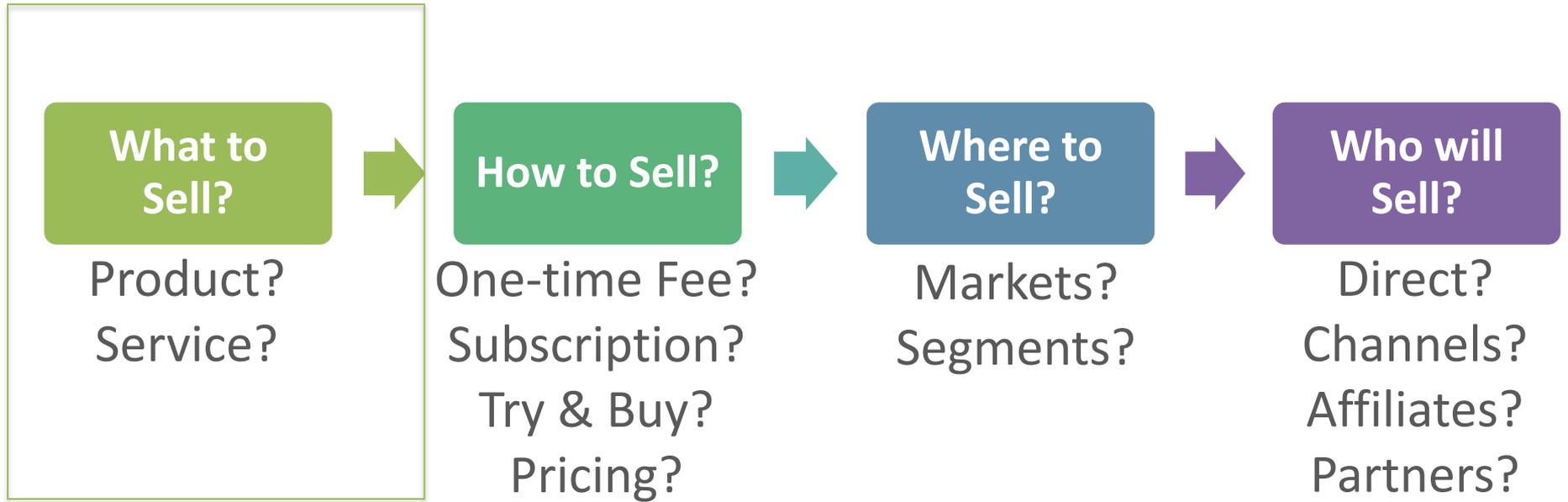


Olesya Chedleeva, CIS Business Consultant, Avangate B.V.

Basing on my 10 years experience of being project leader as well as web-marketing and business consultant for tens of companies in online sales of digital goods, I will share solutions to solve some of your company's biggest. My solutions may not work for all problems, but they may bring you interesting ideas.

Challenges to Selling Online

What are the questions? What are the steps?

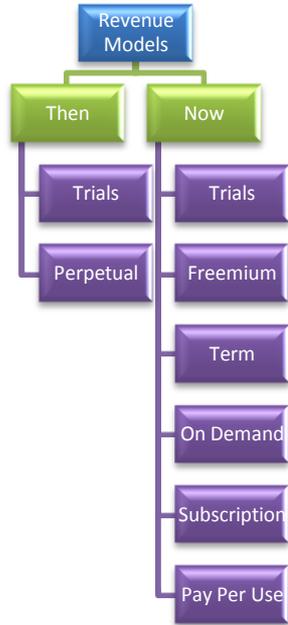


How to Sell



What is the Mix of Models?

New Models



New Channels

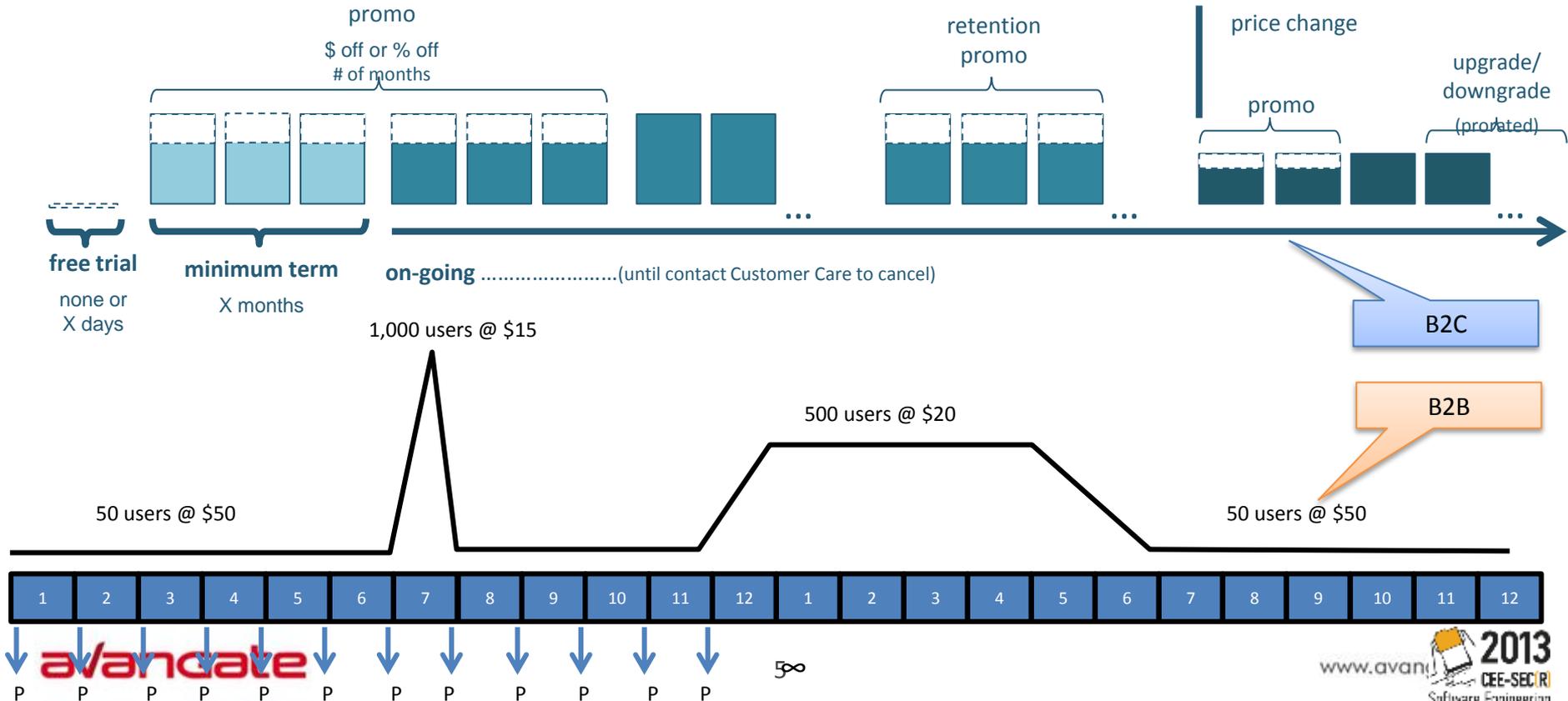
- Setup Fees
- Integration Fees
- Subscription Fees
- Services Fees
- Usage Fees



New Markets

Subscriptions Aren't Easy

From One-Time to Continuous Relationships





Reezaa (Traditional -> Subscriptions)

Reezaa Media is a software development company whose flagship products include Multimedia/PDF Converters. Other products include multimedia rippers, encoders, cutters, splitters, and joiners

Certified By



Embracing New Subscription Model ...

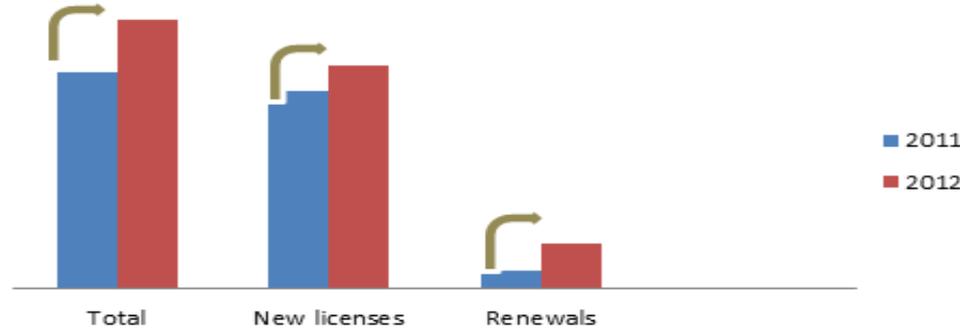
... With Traditional Download Product Sold to Consumers



- **Pricing:** switch from perpetual to to subscription licensing.
- **Product:** No change, except providing updated versions.
- **Operations / Support:** Subscription billing, expanded account management, notifications

Total Net Income Up 25% Due To 162% Increase In Renewals

Reeza Sales Split - New Licenses vs. Renewals



- **11% %** of Renewals of sales
- **24% %** of Renewals of sales today (May'12)

Traditional Delivery Model (ESD) still makes sense, even as customers shift from Pay Up Front to Pay As You Go models

How to Sell – Tips and Best Practices

Pricing is an Art

- ✓ Test price points by segment – one price does not fit all
- ✓ Promotional pricing
 - Holidays – Thanksgiving, Christmas, Back-to-School
 - Special Occasions
- ✓ Channel Pricing
 - Avoid Channel conflict – different prices reflect different value

Success Indicators

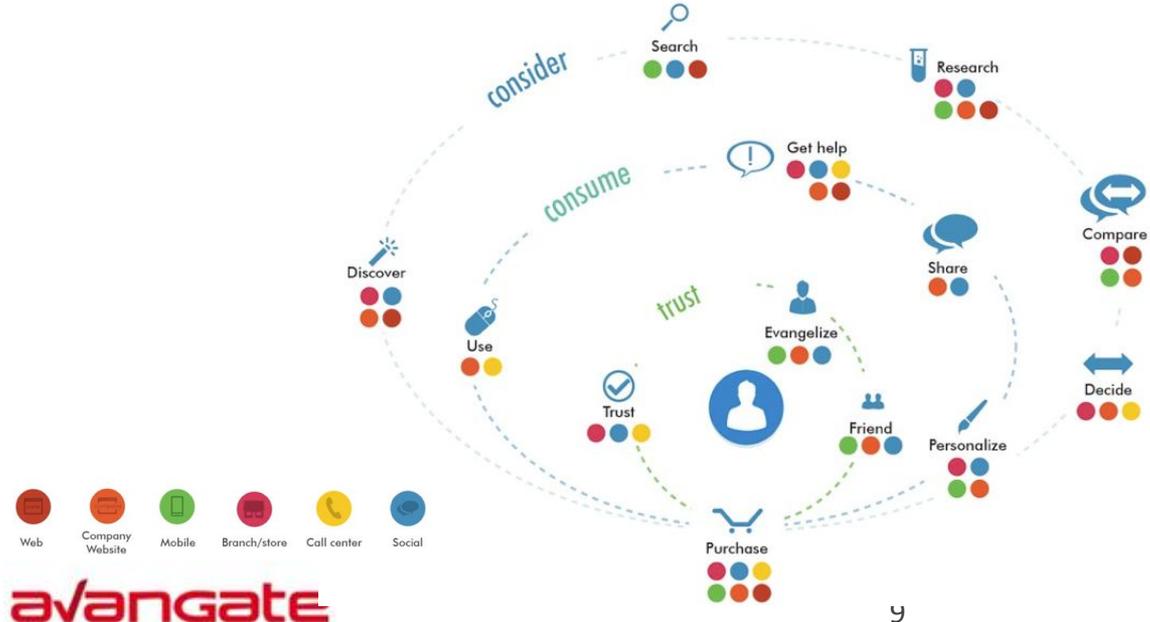
- More Conversions
- Inc. Renewal Rates
- Affiliate Sales



Where to Sell?

Choice of Markets and Distribution

- ✓ Where are your customers today?
- ✓ Communication with end-users is various



Issues:

- Multi-lingual Support
- Currency Conversion
- VAT/Tax Implications
- Merchant Accounts
- Fraud/Risk Management

Where to Sell – Tips and Best Practices

Distribution is King

- ✓ Look for Niche Markets where price sensitivity is low
- ✓ Gain the biggest distribution via affiliate networks – focused on your specific product type
- ✓ Recruit channel partners (VARs) in global markets with local language, and sales reach

Success Indicators

- Affiliate Sales
- International Sales
- Increased Market Share



Who Will Sell?



Why Affiliate Marketing?

FORRESTER
Affiliate programs
are the 3rd largest
marketing budget
behind PPC and
email ...

Merchants on average see **20% of total online sales** coming from the affiliate channel – *Affiliate Benchmarks*

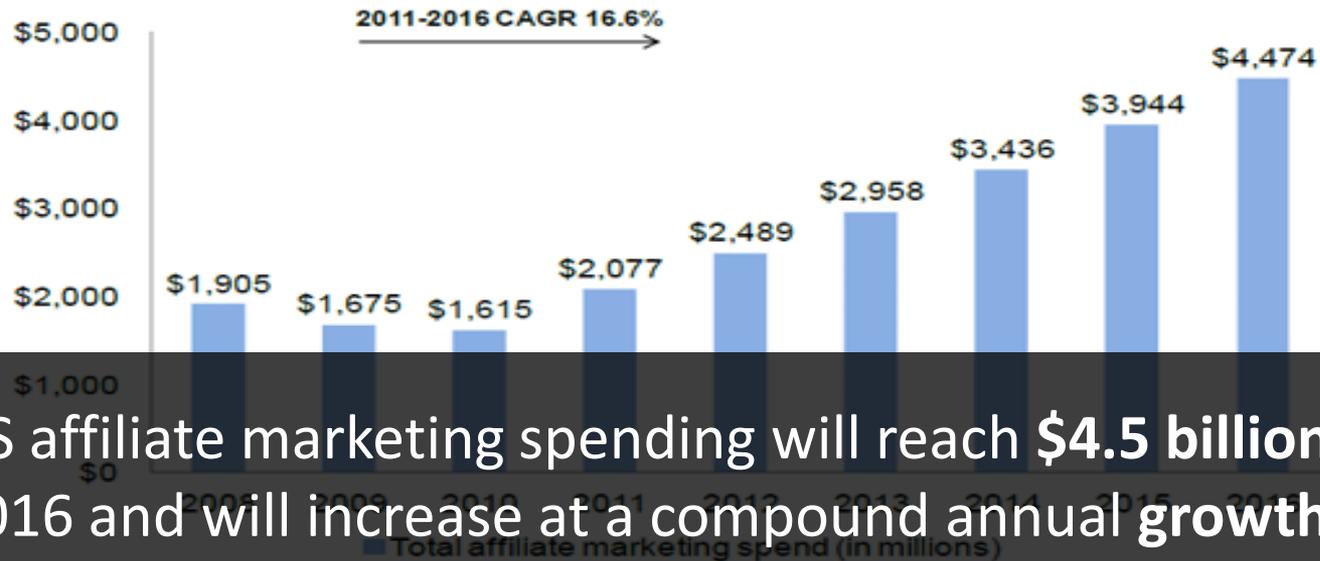
The average shopper uses **more than 10 sources** ... to make a decision – *Google ZMOT*

Who Will Sell?



Why Affiliate Marketing?

Affiliate Marketing Spend Forecast



US affiliate marketing spending will reach **\$4.5 billion** by 2016 and will increase at a compound annual growth rate of **17%** from 2011 through 2016

Source: A commissioned forecast conducted by Forrester Consulting on behalf of Rakuten LinkShare, April 2012

Who Will Sell?

Soft32 Affiliate case study



The Challenge

- ✓ Find best converting products
- ✓ Implement successful promotion strategies



The Results

- **40% increase** in orders numbers in just one month
- **5 fold growth** in Avangate affiliate network sales within 6 months
- **83% increase** in affiliate conversion rates
- **300% increase** in online sales for software vendors being promoted by soft32

CRM – What Can Go Wrong?

Telestream – Any device video sharing company
Integrate and scale systems to accelerate future growth



Results:

Add multiple payments methods and streamline reporting across all business activities.

Integrate and automate systems and processes. Support localization for global selling.

Context

Reel story: The ability to capture, edit and share video with anyone on any device is a defining characteristic of the online experience.

Objective: Integrate legacy and acquired systems and processes into one scalable platform. Flexibility to manage subscriptions and customers now and into the future.

Challenge

Rapid organic growth and recent acquisitions had outpaced the capabilities of legacy billing, partner management, reporting, CRM and other systems

Needed to localized payments, currency, etc. to support global expansion strategy. Wanted to expand beyond the 30-40% of business it was doing outside of the U.S. borders.

Wanted to diversify its pricing models. Growth strategy called for the ability to offer multiple license models for freemium, perpetual license, subscription, etc.

Solution

“The flexibility of the platform and the assistance, knowledge and expertise of the Avangate team have all been key contributors to our increased revenue growth.” - **Barbara Dehart, VP Marketing, Telestream**

Integrated eCommerce Platform. Integration of all internal systems, gives them a scalable management and real-time reporting capability for each aspect of its business.

Flexible Business Models, Pricing and Product Catalog. Telestream can now offer and experiment with a variety of pricing models for its products and markets.

Multiple Cross Functional Integrations -- including license key and order management, financial reporting, store tracking and analytics and more.

Billing – What Can Go Wrong?

Total Defense – Multi-device security company

Optimize product catalog and ordering; improve customer experience



Results:

Increase Revenues by 20%.
33% increase in cart conversions.

Test, optimize, scale globally and bring products quickly to market.

Context

Total Security: Multiple devices means multiple threats. Total Defense provides security for all of their customers' devices through one solution.

Objective: Transition a part of the business to SaaS while strengthening traditional software sales. Reach and grow new markets.

Challenge

Needed to support their shifting business and revenue models. Innovative business strategy required a move to a hybrid model that could support both SaaS and software sales and everything in between.

Had an outdated and independent ordering system for each channel. Inefficiency and inconsistency across channels were limiting customer growth and retention.

Inefficient buying process. Was losing revenue through purchase flow and cart abandonment.

Solution

"Avangate was a clear choice because of their flexibility, end-customer focus, and ability to rapidly deploy on our systems. Vice President, Client, Consumer Services Division.

Integrated and Scalable Ecommerce Platform. By outsourcing their ecommerce to Avangate, the client can now focus on improving and developing new products, not infrastructure.

Purchase Flow That Can Accommodate the Client's Unique Business Rules. Avangate was able to customize the platform to include the ability to instantly approve or decline (and refund) customer purchases based on the client's specific criteria.

Outsourced Customer Support. With Avangate's assistance, the client is now able to handle renewals, pro-rations, and downgrades through customer service.

Each Touch Point – What Can Go Wrong?

Genie9 – Leading back-up and recovery solution

Accelerate customer revenue and retention; grow global presence via affiliates



Results:

11% increase in cart conversion rate over 6 months period

Introduction of in-app purchasing, mobile and cart optimizations for increased revenue and CRM.

Context

Serious Backup:

Commercial developer of backup, archiving and security software for the B2B and B2C market.

Objective: Accelerate customer revenues and increase conversions. Grow globally through improved affiliate outreach and sales.

Challenge

Sell with any model. Introduce SaaS alongside its traditional on-premises products.

Enable in-app purchases and upgrades. Customers expect to be able to upgrade or add features while in the app; sending them out to a cart for purchase reduced retention and incremental revenue.

Improve the mobile buying experience. Shopping carts weren't optimized for mobile devices and tablets, resulting in fewer conversions and sales.

Build a better affiliate network. Affiliates were underperforming due to limited in-house resources and expertise, and reduced reach and visibility.

Solution

*"As always, Avangate proves to be a strategic partner for us and helps us push the needle further with in-app purchasing and mobile commerce. **Genie9***

Ecommerce Platform. Launch and integrate subscription products and manage lifecycle alongside traditional products.

Mobile Shopping Cart. Introduction of optimized any-device mobile cart increases conversions. New express check-out for PayPal increases conversions further by simplifying flow for buyers.

Avangate API 2.0. Advanced API enables one-click in-app purchasing for upgrades, add-ons and additional licenses and modules, increasing revenues and customer retention.

Managed Affiliate Network. Best practices/tools for affiliate growth and management, including comprehensive affiliate dashboard, communications and tactics.

Marketing – What Can Go Wrong?

lobit– Multi-platform performance and security company
Optimize online selling and improve customer experience

IObit

Results:

Increase online revenues by 30%
over 6 month period

Introduction of multivariate A/B testing,
improved order flow and automated selling tools.

Context

Super Utility: lobit's award-winning solutions keeps the world computers running smoothly.

Objective: Optimize online sales channel and reach new markets with localized support.

Challenge

Maximize online conversions for B2B and B2C customers. Internal testing was insufficiently complex for the dual audience. Manual processes also required too much time and development resources.

Increase revenue and order value without increasing marketing expenditures. Didn't have the required marketing tools to relativize offers and effectively up and cross sell at checkout.

Provide customers with a better online experience without completely redeveloping the online store. Improve look and increase speed and flow while leaving the fundamental framework in place.

Solution

*We really like the way in which we receive constant feedback and proactive advice. We have Avangate to thank for helping us improve online sales results. **Hugo Dong, CEO, lobit***

Multivariate A/B Cart and Process Testing. Avangate ran a number of tests to determine the best layout and combination of elements for both B2B and B2C buyers.

Increased Revenues by 30% and Cart Conversions by 12%. With the optimal cart and process, B2B and B2C customer now self identify at checkout, and receive relevant cross- and up-sell offers.

Increased Trust and Faster Load Times. Avangate's optimization included easy to implement design and code changes that make buyers feel more secure and provide them with a better overall experience.

Channels – What Can Go Wrong?

TechLiveConnect (TLC) – Premium tech support provider

Introduce and optimize new models; grow strategic relationships



Results:

Drove \$2.4 million USD in new revenue through platform.

Seamless transition to new platform; test and switch models on the fly.

Context

Total Support: TLC provides sales enabled (or monetized) tech support to its partners' 3 million+ B2B and B2C customers.

Objective: Expand global partner network; introduce more creative and flexible payment models.

Challenge

Test, adopt new models on the fly. Customer preferences vary by channel and can change overnight.

Partner revenue forecasting and optimization. Transparent and real-time reporting for the acceleration of indirect channel revenues.

Expand base of affiliate and software vendor traffic. Secure strategic partnerships for future growth.

Solution

*The capabilities of the Avangate platform plus their commitment to customer success made them the logical choice. The flexibility they provide helps us achieve our goals now and into the future. **Brian Cotter, CEO, Tech Live Connect***

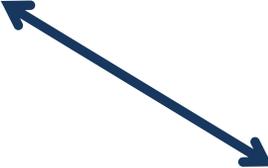
Optimize Business Models. TLC now tests and optimizes models on a regular basis, resulting in increased revenue across all channels.

Channels. The Avangate Partner Portal provides TLC partners with real-time reporting and powerful analytical and forecasting tools. Grow strategic network of ISV partners.

Avangate Affiliate Network. Outreach and access has helped TLC expand its network affiliate partners—and grow revenues.



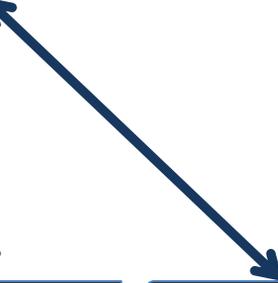
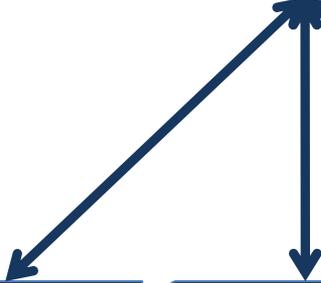
Website



Shopping Cart



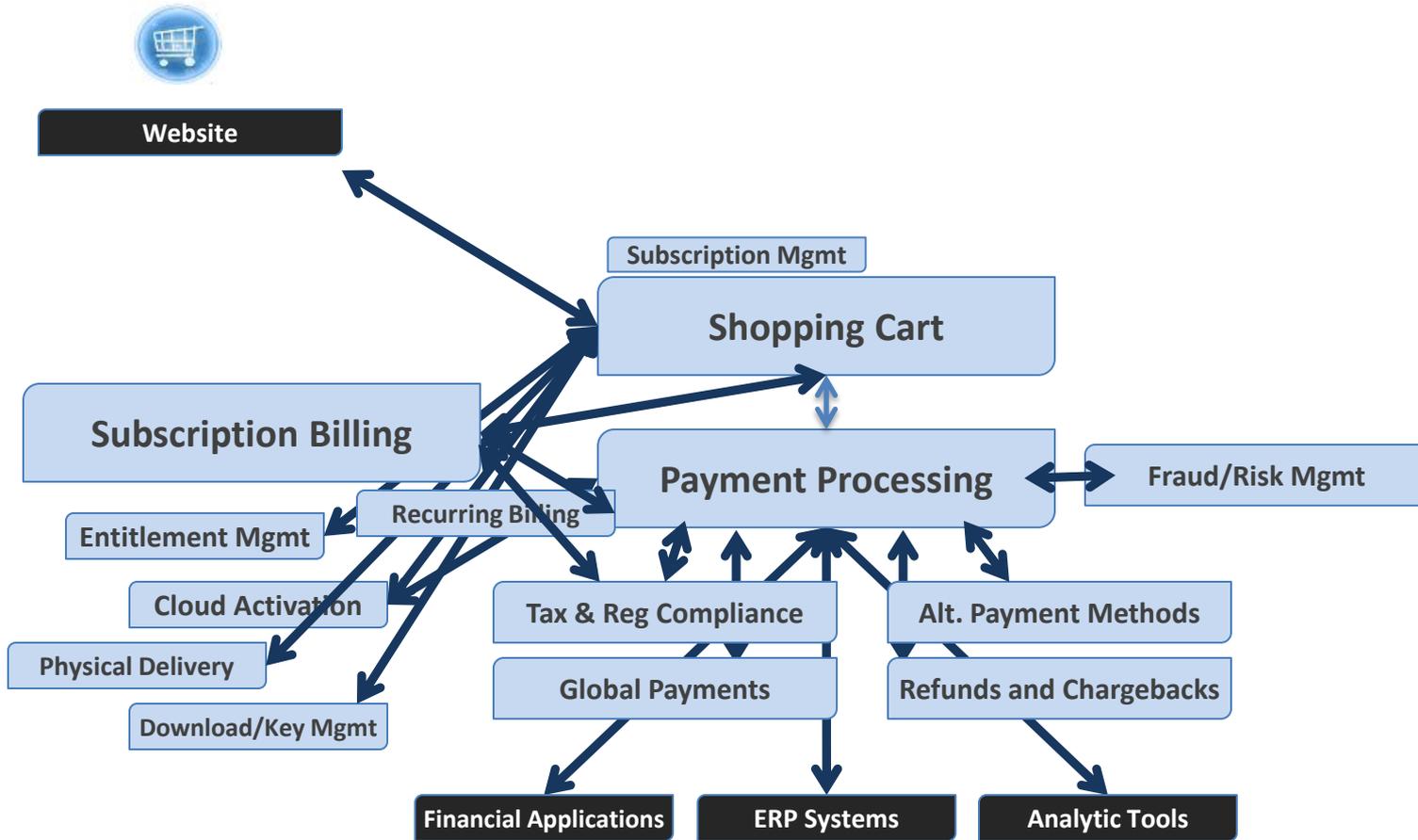
Payment Processing

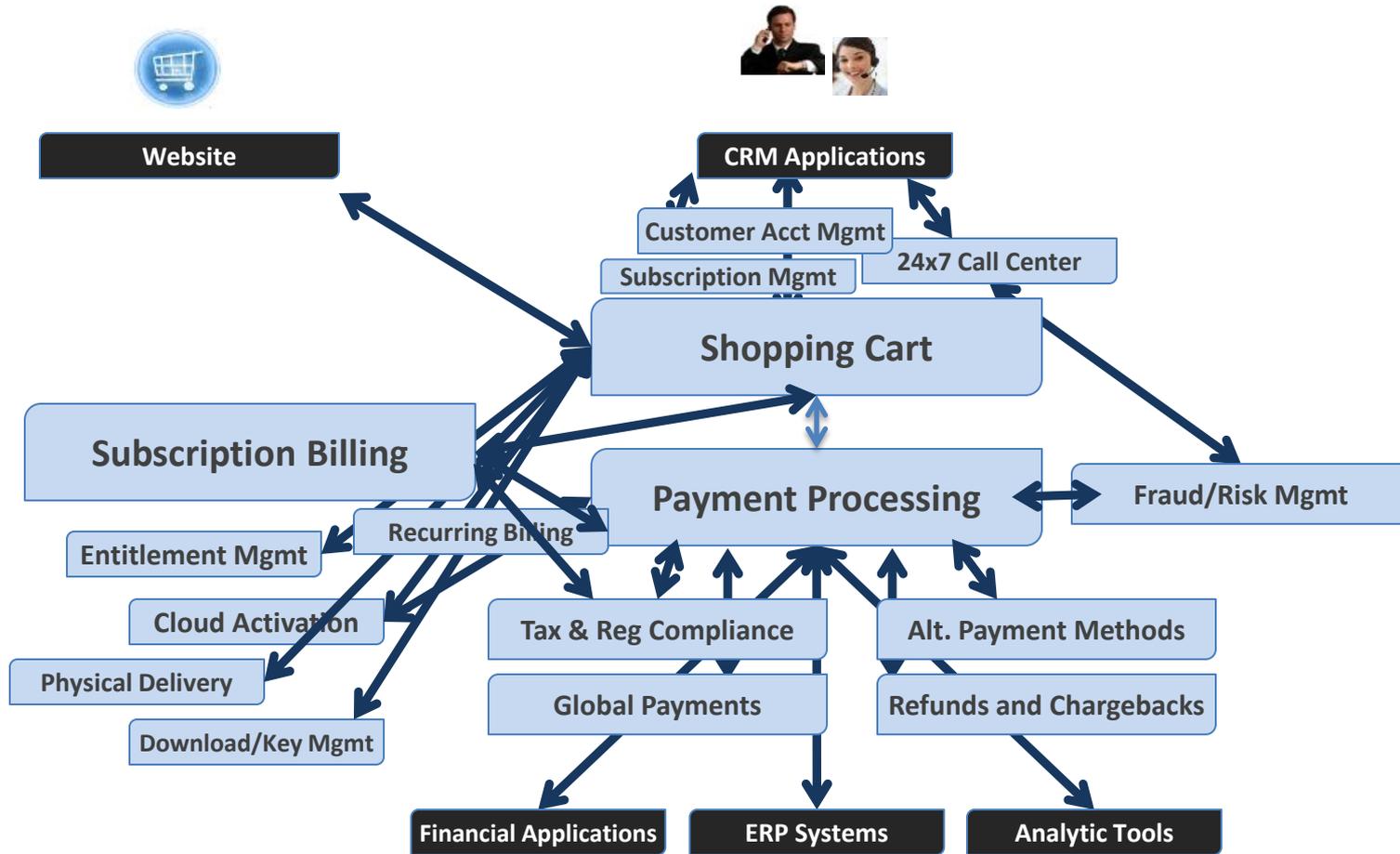


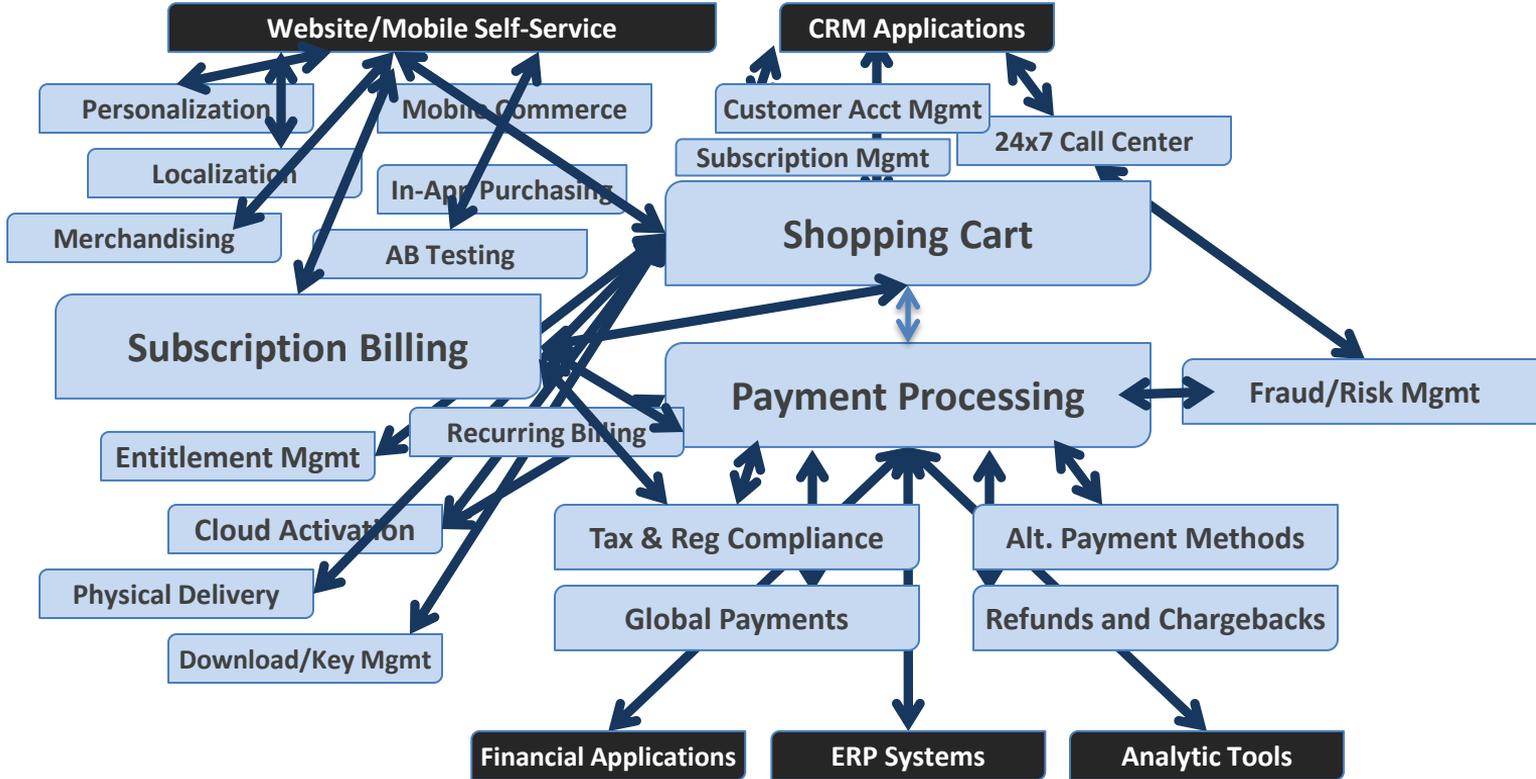
Financial Applications

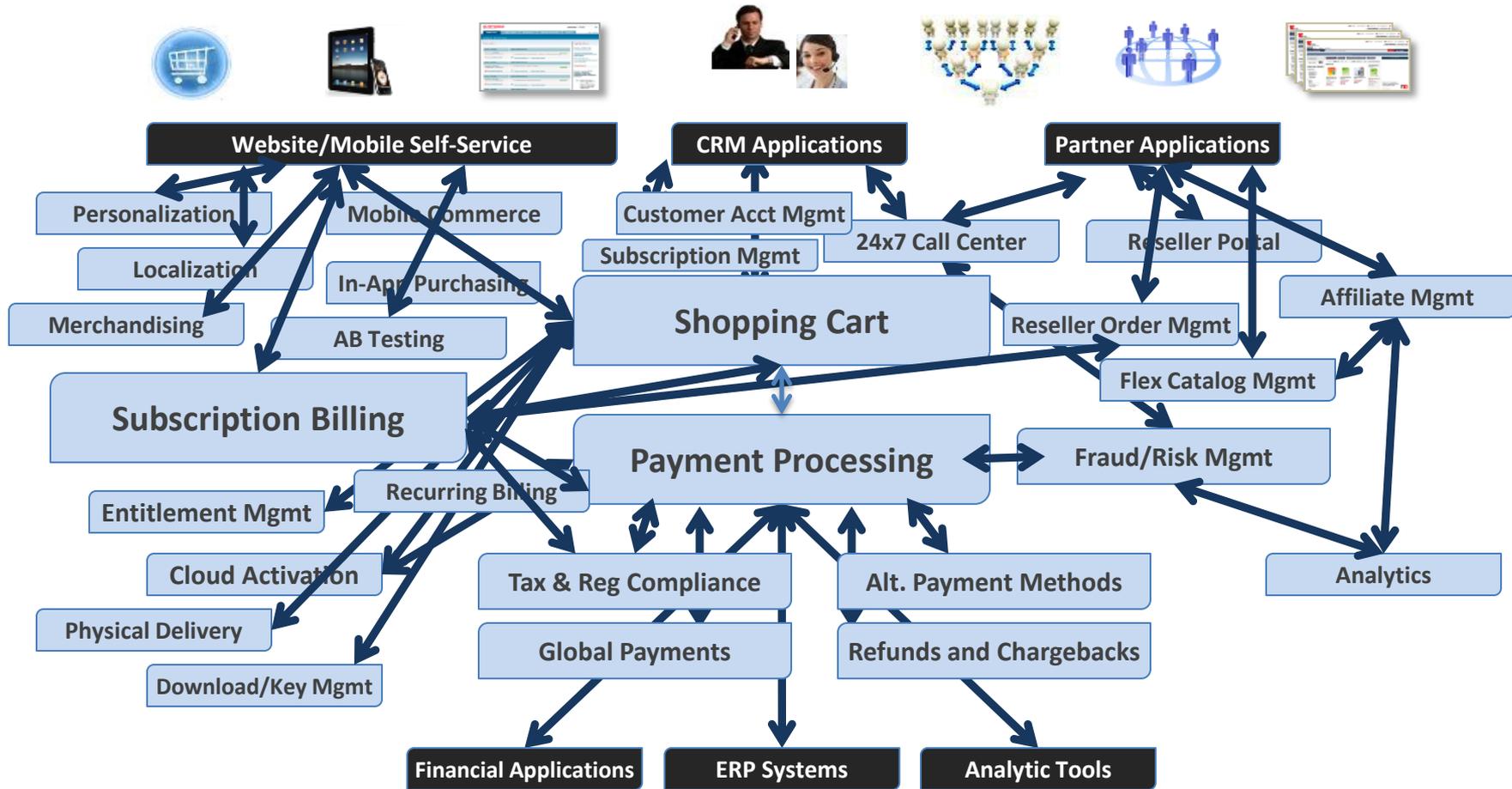
ERP Systems

Analytic Tools







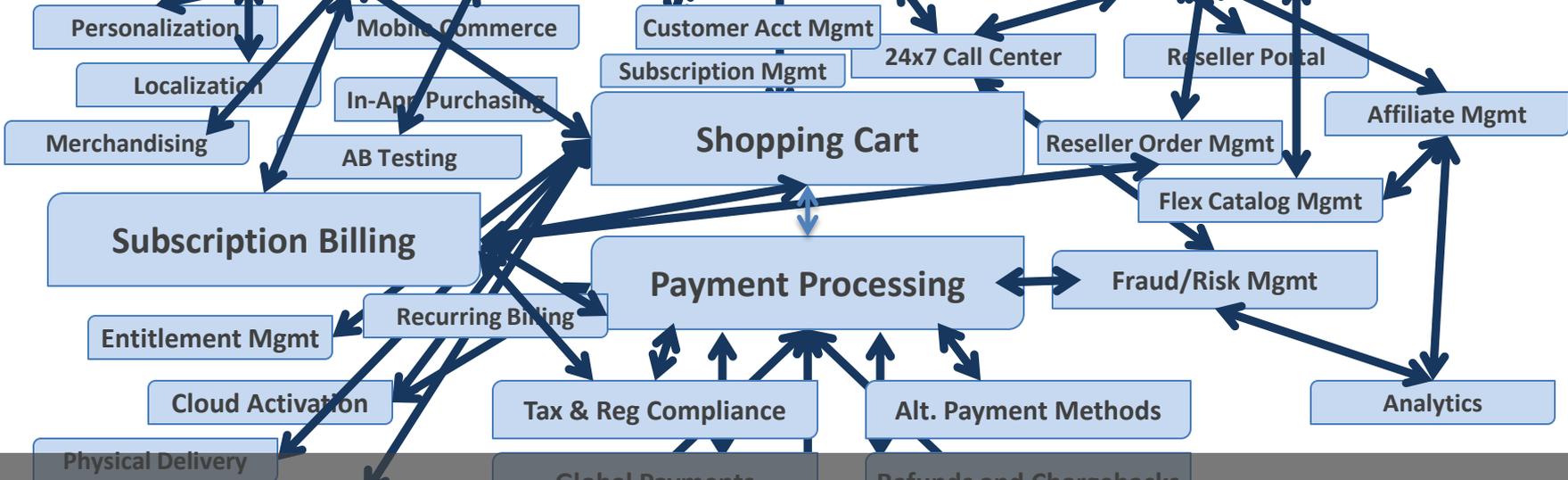




Website/Mobile Self-Service

CRM Applications

Partner Applications



The Commerce Hairball

Financial Applications

ERP Systems

Analytic Tools

Customer Success Case Studies

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Kaspersky Lab – Leading online security co.

Accelerate global sales and increase conversion rates

Kaspersky selected Avangate as its “2012 Emerging Market Best Partner of the Year.”



Results:

Increased revenues by 14%.

Ability to quickly create and launch new localized e-stores and optimize the shopper’s experience.

Context

Peace of mind pays: Global consumers and businesses spent more than \$19 billion USD in 2012 to secure their computers from malware and other virtual dangers.

Objective: Quickly penetrate new markets and expand global sales while maintaining brand consistency across all channels and customer touch points.

Challenge

Lengthy development and launch cycle for each new e-store deployment — was not keeping up with demand and aggressive global expansion strategy.

Had specific localization requirements — with respect to product selection, pricing, support, payment methods, etc. — that needed to be met for each e-store.

Wanted to create a consistent shopping experience and improve conversion rates across all deployments.

Solution

“What other providers could have offered in six months, Avangate delivered in just weeks, allowing us to bring localized e-stores to the market swiftly and improve conversion rates...” **Pavel Korolev, Head of Online Sales, Emerging Markets, Kaspersky LAB**

Global Sales. Localization. Fully localized e-stores adapted to individual markets, including currencies, payment methods, languages, support numbers, taxation, and invoicing regulations.

eCommerce. Marketing and Selling Tools. Developed B2B marketplace targeted to SMB markets in Europe, the Middle East and Africa. Development to deployment was completed within one month.

Multiple Cross Functional Integrations -- including license key and order management, financial reporting, store tracking and analytics and more.

AVS4You – Bundled multimedia solutions company

Localized pricing and affiliate sales for accelerated global revenues



Results:

Increased global sales by 40%.

Localization and optimization. Acquisition and management of top-performing affiliates.

Challenge

High abandonment rates due to complex ordering flow. Errors and a lack of continuity between the flow pages were causing a disproportionate number of buyers to drop off before completing the purchase process.

Prices weren't being made relevant for local audiences. While the product details were being translated into several local languages, the prices for all countries were being displayed in USD, causing confusion for many buyers.

Lacked the resources and expertise to recruit and acquire relevant affiliates. All meaningful metrics for affiliates – number in network, orders, AOV – were lower than expected.

Solution

"Avangate was able to give us a more efficient ecommerce strategy, which turned into concrete results. We are thrilled to have Avangate as partner." **AVS4You, CEO**

Localization and Optimization. Introduction of localized pricing and improvements to the shopping cart and purchase flow led to increased conversions and revenue -- **40% increase in software sales**

Affiliate Network. Aggressive recruitment of new affiliates combined with a number of new marketing campaigns led to an increase in affiliate orders and sales -- **37% increase in affiliate sales.**

Context

Media Player: AVS4You audio and video software are used by millions of people worldwide.

Objective: Accelerate global revenues by increasing online conversions and growing affiliate network

metaio – The leader in augmented reality

Sell online globally via multiple channels, multiple models

metaio



Results:

Increased global online sales by 300%.

Experiment with new business and revenue models, on the fly.

Context

It's Cool: Augmented Reality is one of the Top 10 strategic IT tech of our time.

Objective: Reach new markets; establish global network of developers to create commercial AR solutions.

Challenge

Expand sales from strategic consumer brands to developer community. Enable broader use of the augmented reality platform – Target developers through self-service sales and automation.

Scale/time to market/operational commerce & billing automation. Small company with big aspirations. Reach new markets. Experiment with new revenue/business models. Handle marketing & finance. All without adding overhead.

Maintain flexibility to future-proof systems. Quickly adapt to new platforms, alternative customer acquisition and management models.

Solution

*"With **Avangate**, we've expanded sales from a handful to 1,000-plus strategic consumer groups, as well to over 50,000 developers. They are key to taking our product sales across channels," **Thomas Alt, CEO, Metaio***

Channels/Business Models. Offer and experiment with different revenue/business models across channels -- Multiple subscription licensing plans, subscription management, future flexibility.

Affiliate Network/Selling Tools. Affiliates amplify marketing to niche developer communities. Merchandising tools for promotions, A/B testing, upsells & cross sells. Grew sales to 50,000+ developers.

Integrated eCommerce Platform: Expanded into 100+ countries with localized selling and payments. Accelerated by marketing and back-office support. Optimized strategy for future disruptive platforms.

Thank You.

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