

J.P.Morgan

MAKE MORE MONEY ON SUBSCRIPTIONS

# Put Business on Repeat



# Optimize recurring payments

**Subscriptions are everywhere.** Customers now buy all kinds of goods and services with subscriptions – music, razors, coffee, even heated car seats. Some movie theaters, sandwich shops and airlines have gone further – offering unlimited monthly passes with pricing tiers based on redemption rules.

If you offer subscriptions, you probably need additional support from your merchant services team. You might even need a new merchant services team. There's a world of difference between traditional and recurring payments, which add new complexities to back-end processes and new liabilities.



## Traditional payments

One-time payments are straightforward. Customers initiate each transaction and control use of their payment cards. Your merchant acquirer typically provides back-office support by handling any disputes and chargebacks.



## Subscription payments

Recurring payments are complicated. You get a customer's permission to charge their card in the future. You need to securely store card credentials and handle chargebacks. And if you charge someone after they cancel a subscription, you need to manage any dispute.

As subscription offerings have boomed, payments systems and networks have responded with best practice guidelines. Visa and Mastercard networks, for example, have established a stored credential framework that requires merchants to identify where they store payment details for future payments and how they will use the details. By following network guidelines, merchants can help increase authorizations when a pre-authorized card is later used.

# How to win with recurring payments

Three best practices work together to help you win with recurring payments.

## Work within a stored credential framework

Compliance with the various credential storage requirements is essential. But there's a lot more to do to conform to framework guidelines: Obtain customer permission to store credentials. Process transactions securely. Establish a cancellation policy and honor the details. Be prepared to keep more customer information than you typically would and enter additional details during transactions, such as a reason code.



*Merchants can dramatically minimize compliance issues when they avoid storing, transmitting, and receiving sensitive data without the right technology. Customer Profile Management, a J.P. Morgan service, enables you to store data in a secure, external database that you update and control.*

*An add-on service, Managed Billing, processes transactions using a unique profile ID for each customer to minimize exposing card data. The product enables you to set rules that automate recurring payments for each profile.*

## Keep accounts up to date

Card details can change faster than many subscriptions. Expiration dates adjust; cardholders change names or close accounts; and banks issue new cards if accounts are lost, stolen, or hacked. This means some recurring transactions will fail without up-to-date credentials. For customers, this means an interruption to the flow of products and services they expect. For you, it means unrealized revenue.

Credit card companies offer automated update services either directly or through merchant acquirers like J.P. Morgan. These services can help you keep stored credentials current.



*J.P. Morgan offers Account Updater, available as a tool or fully managed service with J.P. Morgan's Orbital Gateway. Account Updater helps merchants retain loyal customers and reduce churn by updating Visa and MasterCard cards-on-file. The process is fully transparent to customers, who no longer need to update card details in numerous online profiles. Merchants can increase revenue potential and help reduce costs associated with manual update or collection processes.*

## Incorporate tokens to support recurring payments

Tokens have gained traction with the growth of subscriptions and rise in security breaches. Secure tokens replace stored payment data and improve the checkout experience. Tokens can be part of an overall strategy to reduce PCI scope.

Your merchant acquirer can configure network tokenization to protect payment account information in transit and at rest, minimizing exposure and chargeback risk. Additional benefits include authorization optimization and interchange savings.



*Merchants can supplement network tokens - since not all card brands and issuers participate - with acquirer tokens. J.P. Morgan offers a turnkey token solution to its clients that is fully integrated into your payments process. No external database, hardware, software, or licensing needed.*

# Stay ahead of evolving industry standards

**Where to start?** Expect the industry to continue to evolve when it comes to recurring payments. J.P. Morgan offers a spectrum of options to help you find the right solution and keep you aligned with industry changes.

The right approach starts with your priorities – we can help you build a strategy to meet your goals with recurring payments.

- Maximizing control
- Optimizing the customer experience
- Reducing costs

Options range from a fully managed solution to tools and data you can use to optimize authorizations and control costs – plus a range of options in between.



## Fully managed for maximum simplicity

Do you prioritize the customer experience?

Managed technology from J.P. Morgan helps reduce payment overhead and allows you to focus on what you do best – serving customers.

Small regional bakeries and chains have added simple subscription services – unlimited coffee or daily soup – to keep customers coming back. Back-office teams have no time to store credentials, keep payment details up to date, or manage tokens.



## Fully customizable for maximum control

Can you support high payments volume with people capable of managing compliance issues and complexity?

Combining J.P. Morgan tools and services helps you optimize authorizations and control costs on your terms.

Large telcos and streaming services manage huge volumes of subscriptions, including monthly phone and mobile plan payments for customers, while accommodating ad hoc add-ons.

# The J.P. Morgan difference

Keeping up with recurring payments requires new services to help you manage new complexity. With J.P. Morgan, merchants can conduct business confidently, knowing that a trusted industry leader is in control of their vital payment ecosystem.

Optimize your recurring payments with J.P. Morgan:

- Single point of contact
- Experts who can match solutions to your business needs and resources
- Operational insight
- Authorization optimization framework and tools
- Support for disputes and chargebacks with recurring payments

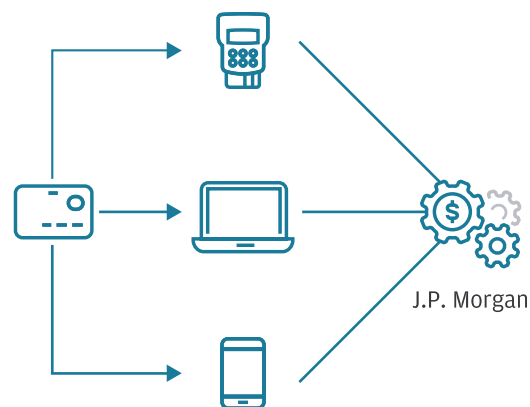
1. Talk to us if you offer subscriptions.
2. Help us understand your business goals.
3. Let us recommend the right solution.

**Get started.**

**Talk to your J.P. Morgan representative.**

## Solutions

- Acquirer
- Processor
- Card issuer



**J.P. Morgan offers a wholly owned payment infrastructure.**



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