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10 Common

Recurring Billing Challenges

And How to Overcome Them



Do you have a problem managing your SaaS customers? Does your billing solution provide an integrated all-in-one solution of managing, communicating, and accepting payments from your users in the most efficient way?

Recurring billings solutions come in a various types that can be applied to different models of business. Web 2.0 apps start-ups and other businesses that deal with recurrent subscriptions face a number of challenges including billing users, maintaining subscriptions records, messaging customers, supporting users from different territories, among others.

Recurrent subscription businesses have to look for solutions that address the majority of their problems in an easy and cost-effective manner. Below are some of the common recurring billing problems your company may face and how you can overcome them.

1. Customer Management

SaaS delivery businesses usually have a large number of users. The companies need effective ways to manage their users through keeping track and records of customers who sign up for their services. A recurring billing solution that offers an effective way of categorizing sign-ups, activations, trials, upgrades and downgrades will go a long way in improving the efficiency of a company.

2. Flexible Billing Frequency

Businesses with a recurring billing model need an effective subscription billing solution that will enable them to receive recurring payments, reconcile and manage them at any frequency. And you will need added flexibility to offer different prices for different terms. The solution should be able to manage payments on a monthly basis, quarterly, semi-annually, annually or as required by the company.

3. Automatic Invoicing

With potentially hundreds to thousands of customers likely to sign up for your start-up's services, invoicing can be a headache. The situation is even more complicated if you are offering different levels of service or customers sign up at different periods. To solve this headache, look for a solution that can send automatic invoices to customers when purchasing subscription for the first time, during renewals and after making cancellations.

4. Secure Payments

Customers must be confident that their credit card data will be handled securely when they make payments at your website. Therefore, you should ensure a secure connection is available between the customer's browser and your company's web server. On the other hand, you need a billing solution that is PCI-compliant to ensure the safety of your customers' credit card information.

5. Pricing Plans Management

SaaS start-ups are likely to have different plans for their customers based on the features they provide. Having different plans is a good business strategy as it makes your service affordable to a wide range of users with diverse business needs. Multiple tiers of pricing plan therefore may be inevitable and to manage the complexity, you need easy-to-use recurring billing software that can help you make pricing changes with ease.

6. Failed transaction Management

Recognizing failed transactions and providing a way to automatically inform users of them helps to save time and makes a business more efficient. With many users subscribing for your service, it will be inefficient to go through transactions manually to approve or review them.

This will waste a lot of valuable time and human capital resources that can be used elsewhere to grow the business. A recurring billing system can automatically manage your customers' failed transactions and automatically provide email notifications to them.

On the backend, you should be able to track the number of invalid payments. Get a billing system that will do the hard work for you and let you concentrate on your core business of providing awesome products or services.

7. Discounts and Promotions Management

To grow your business, you have to get new customers or get your paying customers upgrade their subscriptions. A recurring billing system that enables you to create, manage and track discounts and promotions for your services can help you get new signups and upgrades, and thus improve your revenues. Having an all-in-one system that can help you track the number of discounts redeemed and new signups is important in helping you track the performance of your company and make sense of the user numbers.

8. Customer Messaging for Billing and Errors Handling

Messaging customers for billing and errors can be challenging when your Web 2.0 apps company gets a sizeable amount of users. Billing problems have to be handled securely to ensure confidential customer data does not land into the wrong hands. Your recurring billing system should have in-built capability to identify invalid or errors in user transactions and send a message to the users.

9. Multi-Currency and Multi-Language Support

If you anticipate users from different parts of the world to sign up your services, you should think of supporting multiple languages and currencies. Users are more comfortable paying for services using the currency that they are familiar with i.e. their home currency.

While the US\$ is the standard used by many companies in the US, users in Europe are more comfortable paying through Euros (€). Your billing system should have options where customers can choose and pay for services using the currency they prefer. The system should also support multiple languages to cater for users from countries whose primary language is not English.

10. Main Payment Gateways Support and Shopping Carts Integration

The recurring billing system you choose should support integration of the shopping cart used at your website. Apart from this, it should support multiple payment gateways. Customers have various preferences when it comes to paying online. Make sure your recurring billing supports the major credit cards and payments gateways such as PayPal, Authorize.net, among others. Otherwise, you will be locking out customers who prefer other methods of payments that are not supported by your billing system.

The efficiency, ease of use and the features of a recurring billing system can make or break the operations of a business. Get a system that will help you to manage your customers' subscriptions, offer support, keep costs low and increase efficiency.

The above are some of the challenges that SaaS delivery companies and other technology start-ups have to think when looking for a recurring billing solution for their businesses.

Find out if you have the **TOP 10 Signs**

DOWNLOAD THIS CHECKLIST to see if you have any of these signs. If you do, then you definitely need a Subscription Billing System!



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