Grow revenues and profits while securing online subscription accounts
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Executive Summary

The online subscription business is very competitive. Sustained financial health is dependent on increasing the value of the customer experience for every subscriber. VASCO protects the integrity of subscribers’ accounts against unauthorized access to help online subscription businesses focus on enhancing services and increasing revenues.

Key points

- **Revenue growth**: Eliminate/reduce account sharing and dilution of subscriber data integrity for analytics
- **Profit protection**: Eliminate/reduce password reset and reputation repair costs

Wide-ranging online subscription market

Your customers’ identities are as safe as you want them to be. Most people have many online accounts, but don’t spend much thought or time on managing the security of the logins information and passwords.

<table>
<thead>
<tr>
<th>Digital subscribers (in millions)</th>
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<tbody>
<tr>
<td>Netflix</td>
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<tr>
<td>Spotify</td>
</tr>
<tr>
<td>Hulu</td>
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<tr>
<td>MLB App</td>
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<td>WSJ.Com</td>
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<td>NYT Co</td>
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<td>Gannett</td>
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Sources: eCommerce.com and company filings

Online subscription businesses want to maximize the value they both provide to and receive from each subscription in order to maintain and help grow their businesses.

Business models vary, including freemium, premium and hybrid subscriptions. But, one thing is certain – online subscription businesses want to maximize the value they both provide to and receive from each subscription in order to maintain and help grow their businesses.
Revenue leakage

The online subscription market is very competitive. The cost for subscribers to switch services is relatively low. It’s imperative for online subscription businesses to maximize revenue from current subscribers.

A growing trend impacting online subscription revenue is account sharing where a single account is accessed by multiple subscribers. Account sharing is perceived as a back-end security problem. But for companies that rely on online subscriptions as a primary revenue stream, account sharing can mean significant income loss.

About 33% of subscription accounts are shared (Source: AdmitOne). Consider an online subscription service with 1 million users and a $5 per month per user fee. The direct estimated lost income due to account sharing can be upwards of $20M per year.

Account sharing also dilutes subscriber data integrity. A single account shared by different people, such as a 40-year-old father, his 25-year-old sister, and his 8-year-old son, is demographically polluted. Analysis of subscriber behavior is skewed because it’s difficult to understand the behavior of account holders. How do you correlate the subscriber preferences of individuals and groups to customer experience, buying habits, up-sell/cross-sell patterns, and other variables when multiple people contribute to one account profile? Account sharing can result in lower advertising revenues and subscriber churn due to weak understanding of subscriber behaviors.

Cost avoidance

Resetting passwords is an inevitable task with which all companies deal, especially online subscription services. Gartner Research estimates that up to 50% of all help desk calls are related to password resets.

Many companies are hacked. It results in unexpected IT costs – time, people, money – to require their user bases to repeatedly reset their passwords. Recent hacking-related news includes LinkedIn exposing 6 million accounts and Twitter hackers posting fake news about the bombing of the White House resulting in the Dow Jones dropping 100 points. According to Forrester Research, the average help desk labor cost for a single password reset is $70.
An online subscription cloud productivity business that was recently hacked offered their subscribers free credit monitoring for an entire year. To quantify this, a typical credit monitoring service is $15 per month. For an online subscription business with 1 million users, fees could reach upwards of $180M annually. Even if the monthly fee is lower or only a portion of users accept the offer, the financial impact to the business is significant.

Protect the business by protecting users

VASCO helps online subscription businesses by preventing account sharing and avoiding post-security breach costs. VASCO offers a portfolio of authentication solutions to address different business models and the device preferences of the user community.

Authentication can be completed with smartphones, secure chipsets, or traditional hardware authenticators.

Cloud-based secure login platform

VASCO focuses on authentication so online subscription businesses can concentrate on enhancing the value of their services. VASCO has a full portfolio of authentication solutions with different back-end infrastructures and various one-time password (OTP) devices. VASCO can help you balance the three key variables in protecting your online subscription business: security, ease of use, and cost.

Whether your online subscription business involves one or many websites, VASCO can help protect all of your online assets. MYDIGIPASS.COM is our secure authentication platform that leverages the value of a cloud infrastructure.

MYDIGIPASS.COM is an end-to-end authentication solution that includes the functions of web SSO, federation, Operations, Administration and Management (OA&M) and authentication verification. The cloud infrastructure is operated and managed by VASCO. The platform can be deployed, whether it is for a single sign-on application or multiple applications.
MYDIGIPASS.COM offers different options for one-time password (OTP) devices for online subscribers:

- MYDIGIPASS.COM mobile device software application with human-readable OTP and QR code scanner
- DIGIPASS Embedded System Solution, such as Intel Intelligent Protection Technology (IPT) where the OTP is generated directly from the secure chipset on the PC
- DIGIPASS hardware authenticator

Traditional client-server

VASCO also offers traditional client-server authentication solutions should online subscription business find the need to integrate VASCO’s field-proven authentication engine within an existing environment.

VACMAN Controller is the authentication engine that verifies all login requests from authorized DIGIPASS users. It is the back-end portion of the solution that verifies the OTP generated by the DIGIPASS client. VACMAN Controller is a library that integrates into an existing environment.
IDENTIKEY Authentication Server is the complete server solution that provides the operations, administration and management (OA&M) and provisioning component of the solution. The authentication engine of IDENTIKEY Authentication Server is the VACMAN Controller. The IDENTIKEY Server software runs on Microsoft Server operating systems and Linux enterprise operating system software.
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Allow us to help you make the right decision

VASCO is the leading supplier of strong authentication and e-signature solutions and services specializing in Internet Security applications and transactions. We also offer Professional Services to help speed your implementation and leverage our expertise to aid online subscription companies in their go-to-market plans to roll out authentication to their user base. Contact us for any questions and allow us to help you make the right decision that balances security, ease-of-use and cost for your business and your valuable customers.

You can visit us at www.vasco.com for more information or contact us directly at sales@vasco.com.

About VASCO

VASCO designs, develops, markets and supports MYDIGIPASS.COM™, DIGIPASS®, DIGIPASS PLUS™, VACMAN®, IDENTIKEY® and aXsGUARD® authentication products for the financial world, remote access, e-business and e-commerce. With tens of millions of products sold, VASCO has established itself as the world leader in Strong User Authentication for e-Banking and Enterprise Security for blue-chip corporations and governments worldwide.

www.vasco.com

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