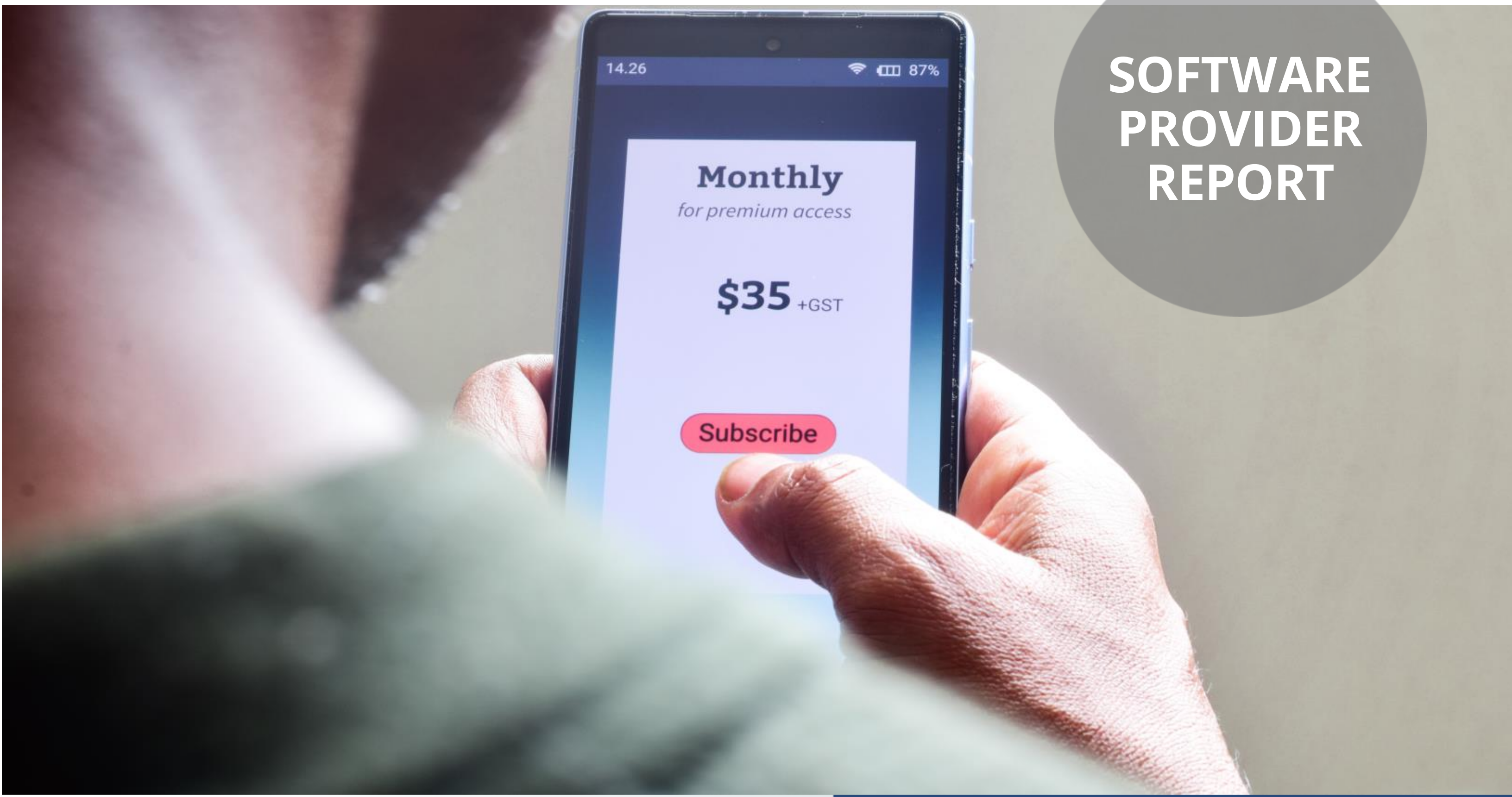
B2C Subscription Management Buyers Guide

Software Provider and Product Assessment



SOFTWARE PROVIDER REPORT

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Bend, Oregon

June 2024

The information contained in this Ventana Research Buyers Guide provides a baseline of knowledge that enterprises can use to evaluate the sophistication of software providers and products in the area of B2C subscription management. Our findings are drawn from thorough, research-based analysis of product and customer experience categories that best represent how an enterprise should evaluate software providers.

Nothing in this report or our research is intended to imply that one software provider or product is the right choice for any one particular enterprise. Rather, our goal is to provide an objective rating of software providers and products related to the topic of this Buyers Guide using our research methodology and blueprint for successful evaluation and selection. We performed this research independent of any external influence, charged no fees for any software provider to participate in the research and invited all relevant providers that met our inclusion criteria. This report includes products generally available as of May 31, 2024.

The complete Buyers Guide report and research is available to be licensed for use across an enterprise or the internet. We provide insights on the technology industry, software categories and providers related to this Buyers Guide to enterprises through our Ventana On-Demand research and advisory service. We also offer assessment services using this research to help discover and provide guidance on software provider selection.

We certify that Ventana Research performed this research to the best of our ability, that the analysis is a faithful representation of our knowledge of software providers and products, and that the ratings are our own.

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B2C Subscription Management

The era of subscriptions has transformed the way businesses operate and consumers engage with services across every industry. Enterprises are increasingly adopting both a digital approach to selling as well as offering digital products and services that complement physical products., Customers now have the option to purchase through periodic subscription or consumption-based pricing rather than traditional one-time ownership. Add to this an increasing desire for customers to purchase when, how and where they want—whether via digital commerce, self-service portals or by voice and text—and the landscape looks very different from even just five years ago.

> **For the vendor, subscription revenue can create a more predictable revenue stream. Subscribers pay on a predetermined periodic basis over the lifetime of the engagement or contract.**

At Ventana Research, we define subscription management broadly to cover all aspects of monetization. This includes flat-fee subscription business models, usage and milestone methods as well as traditional, one-time sales. We assess how providers support all types of industries and sizes of enterprises that may be using self-contained systems or integrating with third-party ERP, billing, digital commerce and custom systems. In addition, we uniquely gauge providers' ability to collect payments with invoiced transactions and allocate them to originators, royalty holders or other partners and owners of assets. Effective account receivables and cash flow also require dunning and collections capability.

Subscriptions themselves are not new. Newspapers and magazines were early in this process many decades ago, while Netflix started out mailing DVDs paid for via a flat monthly fee. Digital products and services, such as software as a service and mobile applications, were at the forefront of subscription pricing adoption. HBO, Netflix, Spotify and iTunes are examples of subscriptions in the business-to-consumer market. Today, subscriptions are common for any number of products or services with a duration established by the provider.

We have all become familiar with the subscription model in our everyday lives, both as individual consumers and at work. This has created an acceptance of and an appetite for subscriptions as a pricing model. Subscriptions enable consumers to spread the expense over time rather than making a one-time upfront payment. In business, extending cost across the lifetime of product usage shifts risk more evenly between buyer and seller. For the vendor, subscriptions enable a more predictable revenue stream paid on a predetermined basis over the course of an engagement or contract.

For enterprises based on a subscription model or using this approach extensively and those primarily involved with B2C business, the predominant technology and process challenge is to provide a direct method for customers to initiate and modify service plans and orders. Complexity arises in the need to scale the number of subscribers. Contrast that with business-to-business enterprises with far fewer customers but more complex, multiple product and service orders and individually negotiated prices.

With enterprises for whom subscription pricing is new, and in addition to a predominately one-time sale, it is important to ensure that new subscription models are incorporated in such a way that it appears seamless to the subscriber, avoiding duplicate bills and payments, or different ways to purchase depending on the product or service.

Subscription management is the process for a subscriber as an existing or new customer to be engaged with a seamless experience from the selection, configuration, order, contract, billing, payments and fulfillment. It supports an organizational need for managing subscription revenue and the recognition of the subscription, but also the operations and life cycle, including the automation and workflow, analytics and reporting, integration with other systems, management of the data, loyalty and incentives and the pricing of those programs.

> **Effective subscription management needs to support a variety of business models and use cases.**

Effective subscription management systems must support a variety of business models and use cases, either with functional capabilities of their own or with the ability to integrate with existing systems, or additional third-party providers. For enterprises who are not digitally native (those enterprises that started or have been using subscription pricing for much of the time) existing ERP and customer relationship management systems will have been implemented to handle the existing one-time sales transaction. Adding subscription models will require additional systems and processes that must work in conjunction with the current systems. The complexity of the underlying systems should not be seen by the customer who expects a seamless subscriber experience. Systems must interoperate with existing systems, whether a new system becomes the consolidated subscription management or billing system or whether that system generates the necessary information for an existing system to handle the process. This extends to customer and product master data that is either synchronized against an external system or managed within the new system.

One-time sales models change relatively infrequently, especially when it comes to the price to be charged. Likewise, product lists and listings are somewhat static. However, the subscription model and digital products lend themselves to frequent changes in price and to product and services, especially around combination bundles requiring subscription catalogs that need flexibility and simplicity in how they are managed.

Effective subscription pricing changes must go beyond the traditional repeating flat-fee model and consider incorporating usage- or consumption-based pricing for optimal subscription management. In this model, the eventual cost charged is dependent on how much was consumed in the preceding period. The price is decided using a formula for whatever is being measured, such as the number of transactions to derive what will be billed for that period.

Depending on the product or service being purchased, this pricing model can further redress the balance of risk between buyer and seller, with the buyer only paying for what was used. Pricing formulas for usage models can be quite complex dealing with pricing tiers that are invoked when certain volume levels are reached, either incrementally or on the accumulated total. In addition, multiple attribute pricing can consider several factors associated with the transaction: what time of year, month, week or day, what geographic location, buyer characteristics or what combination of products and services.

By 2026, increased adoption of the subscription business model will lead to more complex pricing, rating and billing and if not successfully addressed, will diminish the customer experience and restrict growth.

Usage pricing may seem the most consumer friendly, but neither the buyer nor the seller can predict the charges for a particular period. The usage charges themselves could be transactions from an IoT sensor, a credit card swipe or a cloud data storage device. Traditionally, telecom providers have been some of the most onerous users of usage charging, with every call and leg of a call recorded and priced. It is one reason why many telecom providers in the U.S. moved to unlimited minutes or block pricing models, though the calls and legs are still recorded; they are visible on a bill, and they may be used to calculate third-party carrier cross charges.

Data mediation is often needed for usage transactions. Raw usage data comes from a variety of sources and in potentially different formats. As part of the mediation process, data is normalized and aggregated to the required level to price. When volumes are large, it may make sense to pre-aggregate and price on a rolling basis, then be ready to reprice if the formula is based on different pricing levels dependent on a periodic or cumulative threshold having been met. It is also sometimes necessary to pre-price outside of the system and tag the usage transactions to not be priced at all. These variations are use cases seen in real life.

Usage pricing also puts an added onus on the ability to project or forecast usage to give some idea to both consumer and provider as to what future charges may be. Unlike a flat fee repeating each period, usage pricing is variable. A needed feature, though not often offered as part of most subscription management systems, is the capability to forecast usage. This usage projection has multiple uses: as part of revenue forecasting, used to validate whether periodic invoices are similar to the expected amount or not and therefore need auditing, as part of customer churn predictions, and as part of customers being able to track expense against budget, especially the cumulative trend.

> **One often-unrecognized need when adopting subscription management is a way to effectively account for revenue that is owed to partners.**

An often-unrecognized need when adopting subscription management is a process to effectively account for revenue that is owed to partners who are either providing a complementary service or product as part of the overall subscribed offering. Historically, partnerships have described a reseller arrangement, but for a growing number of industries, there is a trend for enterprises to develop deeper relationships within a partner ecosystem. These partner ecosystems can take different forms, but enterprises are beginning to recognize that to compete for and to retain customers, offering complementary products and services can enable smaller businesses to compete with larger ones by bundling products and services without having to necessarily build or buy every aspect. The mantra “build or buy” is now extended to “build, buy or partner.”

Partner ecosystems offer unique accounting challenges, such as calculating a commission or markup from cost or parsing costs for bundles that include products, services or offers originating from third parties. In the consumer world, this could be a nutrition service or vitamin products to go alongside a gym membership. Or it could be a rental car company that doesn’t own all its cars and leases them from a third party. That same rental car company pays out commissions on rental reservations originated from partners such as airlines, hotels and travel sites.

For many enterprises, existing processes for accounting for third-party relationships are thought of as accounts payable or back-office functions. But, as third-party partnerships and ecosystems deepen, more complex formulas for revenue allocation will be developed and will need to be linked to the same complex pricing models that are used to calculate customer charges.

For a more efficient approach and one that lends itself to a better understanding of performance and profitability, revenue allocations to third parties should be treated as the other side of payments received. To handle this, the system should have the concept of contracts that not only describe the terms of the purchase of products and services but also the terms of any revenues to be allocated to a third party. This accommodates any business where there are royalties or other payments due from third-party licensing arrangements.

Contract management is an important component of subscription management. Whether the contract life cycle is managed within the system or, more likely, is digitally represented within, any changes to orders, subscription plans or contract terms should be seamlessly executed so that proration, adjustments or refunds are processed when the change occurs.

The impact subscription-based pricing has on revenue recognition is significant as most of the revenue occurs in the future and is not realized until a qualifying event occurs. This could be upon delivery, when a payment is made or in the event of services when delivery milestones are met. Although it is feasible to deal with this entire process as part of typical ERP financial accounting, the events that drive recognition are more closely linked to those that are captured and managed in a subscription management system. More advanced applications have the capabilities to compute the accounting adjustments from data and events, utilizing a sub ledger to generate the necessary journal adjustments to be transferred to the primary general ledger.

> **The impact subscription-based pricing has on revenue recognition is significant as most of the revenue occurs in the future and is not realized until a qualifying event occurs.**

Contemporary subscription management applications require extensive capabilities to integrate data and processes with existing customer systems. Master data for customers, products, pricing and vendors, if not managed within the application, must be synchronized with minimum latency. This also applies to contract and order information to ensure that customer amendments are reflected in the billing process within the billing period that the changes occurred. Entries need to be integrated into accounts receivables, payables and the general ledger for revenue recognition purposes. Bill presentment, payment processing and collections are areas that also require integration. And integration should be intelligent, with notifications and alerts made available for any errors or issues that may occur and with functionality that supports remote manual remediation if automatic remediation is not possible. Integration and automation go hand-in-hand, with the aim of as much through processing as possible to remove the need for manual intervention, the result of which is routine processes that can run remotely, affording subscribers a frictionless experience.

While the aim is to automate future processes as much as possible, reporting what has already happened is still useful for auditing purposes. There are two types of reporting needs: operational and analytical. Operational reporting is at the detail- and transaction-level and is used for the purpose of validation and audit rather than analytics. Most commonly, reporting comes directly from the stored data with limited filtering or aggregation. Reports can be scheduled with delivery either to be printed or as a comma-separated values file to view via a spreadsheet or other personal productivity tool. Analytic reporting is for the purpose of understanding customer behavior and staff performance. Filtered, aggregated and cross-tabbed, this data is either presented as dashboards or drillable tables from within the application or through common business intelligence tools via a customer's own data warehouse or a third-party cloud-based analytic data warehouse offering.

> **Integration and automation go hand-in-hand, with the aim of as much through processing as possible to remove the need for manual intervention.**

Software providers in the subscription management market space are now including more advanced analytic and predictive capabilities that utilize artificial intelligence (AI) techniques such as machine learning (ML). Suggested collection strategies for overdue and delinquent accounts or detection of passive churn events such as an out-of-date credit card on file or invalid address are examples of these capabilities. Software providers have been slow to roll out value-added offerings that can recommend additional monetization opportunities, such as pricing optimization or plan and bundle options.

Overall, software providers recognized that non-digitally native companies want to supplement core one-time sales business with additional pricing and revenue models such as subscription and usage with complementary products and services. Even some digitally native customers are investigating adding physical goods to complement digital products.

While subscription management is used in the title of this survey and report, for most enterprises, it is no longer just about subscription management. Instead, enterprises are considering all the different types of modern pricing and revenue strategies available beyond flat-fee subscriptions. For many industries, this is about developing additional monetization opportunities and generating revenue streams that complement a core business. A past example is a well-known German car manufacturer's announcement of offering heated seats on a subscription basis; the capability exists in every seat, and a consumer chooses when they wish to take advantage of it via a monthly payment.

In our view, the real focus is mixed pricing and revenue models. For enterprises new to mixed pricing, support is in the context of existing business models and systems. Enterprises have the option to use current billing systems that are typically part of the accounting and finance tech stack, customer relationship management system, homegrown systems, a mixture of manual processes and personal productivity tools, or can look to the software providers covered in this report.

Although our methodology is to assess only software provider's current products and roadmap, as the buyer, enterprises should ensure that any application being considered is capable of not just satisfying the needs of today and the future. One technology area that many providers are actively investigating is how predictive and generative AI can enhance internal operations to support a better customer experience. Examples of early AI use include employing AI to create effective strategies to deal with overdue payments to minimize expensive manual recovery operations. More generally, new assistant and co-pilot capabilities reframe how to interact with applications to improve personal productivity.

How the new subscription system integrates with existing systems and processes is key as it is essential to have a unified subscriber experience across the subscription, order, selection and billing processes. Regardless of how product lines are organized internally, the process should never be visible to the subscriber. As such, it may be beneficial to continue utilizing existing invoicing and payment collections while feeding in additional billing lines from new pricing models. This can be reversed over time, as the proportion of overall business represented by newer pricing shifts grows. Most modern systems can efficiently deal with all types of pricing and revenue models at scale, unlike typical finance and accounting systems.

How the new subscription system integrates with existing systems and processes is key as it is essential to have a unified subscriber experience across the subscription, order, selection and billing processes.

Enterprises should also consider whether the business could benefit from deepening partner relationships to offer customers additional and complementary products and services to customers to encourage more sustained engagement. If this is the case, ensure the applications being investigated have these capabilities as part of the standard offering and not as a work-around.

When it comes to data and analytics, enterprises should understand how a software provider delivers capabilities to not just update and automate existing processes, but also how providers use the data generated from these processes to better identify options to improve and enhance the customer experience. Assess whether providers offer any advanced techniques to aid in predicting churn and projecting revenue, including usage, and how these capabilities are presented. Do providers have capabilities to help enterprises test new products and services, and if successful, to then easily operationalize and incorporate those offerings for a broader market?

The right application that fits not just early forays into new revenue models but also scales with an enterprise's ambitions will enable that enterprise to continually meet customer expectations while ensuring financial integrity and compliance, and to continue to build and grow a sustained, profitable business.

As part of this Buyers Guide, we have evaluated the capabilities of the Subscription Management providers against the following major capability sections:

1. The Subscriber Experience
2. Managing Subscriptions
3. Loyalty and Rebates
4. Data Mediation
5. Pricing and Rating Methods
6. Revenue Allocation Computation for Third Parties
7. Payments In—Billing
8. Payments Out—Revenue Allocation
9. Payment Accepting Systems
10. Contract/Order Management and Adjustment
11. Dunning and Collections
12. Bulk Updates
13. Revenue Recognition
14. Automation and Error Handling
15. Operational Reporting
16. Analytical Reporting

To be considered, providers should have a minimal ability to satisfy 11 out of these 16 subcategories. Whether focused on B2B, B2C or support both, there are some basic expectations for functionality to support today's business. Many enterprises need more than standard subscription management support, but also support for other pricing models such as one time, usage and milestone-based projects.

	Key Characteristics	
	B2B	B2C
Subscriber Experience	As part of mixed pricing and negotiated contracts	Completely self-service, free trials, freemium
Pricing	Individually negotiated, multi-year	Standard list and month-to-month
Pricing Options	Multi-attribute, tiers, usage	Basic
Contract or Plan	Contract/Order	Plan
Invoicing/Billing Frequency	Invoice - batch and continuous billing	Payment at order/transaction
Dunning/Collections	Major focus	Automated recovery
Scalability Axis	Complex pricing/products	Volume of subscribers
Partner Payments	Partner revenue allocation	
Usage	Data mediation including aggregation and pass-through	
Integration	A/R, A/P, other billing systems, CPQ, CRM	
Revenue Recognition	Complex - aggregations, obligations	Related to simpler pricing models
Payments	Through AR process	Payment accepting systems at POS

This Buyers Guide evaluates the following software providers that offer products that address key elements of B2C Subscription Management as we define it: Chargebee, Cleverbridge, Conga, FastSpring, Kibo, LogiSense, Oracle, Ordergroove, Paddle, PayPro Global, Recurly, Salesforce, sticky.io, Stripe, VeriFone, Zoho and Zuora.

Buyers Guide Overview

For over two decades, Ventana Research has conducted market research in a spectrum of areas across business applications, tools and technologies. We have designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of the business requirements in any enterprise. Utilization of our research methodology and decades of experience enables our Buyers Guide to be an effective method to assess and select software providers and products. The findings of this research undertaking contribute to our comprehensive approach to rating software providers in a manner that is based on the assessments completed by an enterprise.

> **Ventana Research has designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of business requirements in any enterprise.**

This Ventana Research Buyers Guide: B2C Subscription Management is the distillation of over a year of market and product research efforts. It is an assessment of how well software providers' offerings address enterprises' requirements for B2C subscription management software. The index is structured to support a request for information (RFI) that could be used in the request for proposal (RFP) process by incorporating all criteria needed to evaluate, select, utilize and maintain relationships with software providers. An effective product and customer experience with a provider can ensure the best long-term relationship and value achieved from a resource and financial investment.

In this Buyers Guide, Ventana Research evaluates the software in seven key categories that are weighted to reflect buyers' needs based on our expertise and research. Five are product-experience related: Adaptability, Capability, Manageability, Reliability, and Usability. In addition, we consider two customer-experience categories: Validation, and Total Cost of Ownership/Return on Investment (TCO/ROI). To assess functionality, one of the components of Capability, we applied the Ventana Research Value Index methodology and blueprint, which links the personas and processes for B2C subscription management to an enterprise's requirements.

The structure of the research reflects our understanding that the effective evaluation of software providers and products involves far more than just examining product features, potential revenue or customers generated from a provider's marketing and sales efforts. We believe it is important to take a comprehensive, research-based approach, since making the wrong choice of B2C subscription management technology can raise the total cost of ownership, lower the return on investment and hamper an enterprise's ability to reach its full performance potential. In addition, this approach can reduce the project's development and deployment time and eliminate the risk of relying on a short list of software providers that does not represent a best fit for your enterprise.

Ventana Research believes that an objective review of software providers and products is a critical business strategy for the adoption and implementation of B2C subscription management software and applications. An enterprise's review should include a thorough analysis of both what is possible and what is relevant. We urge enterprises to do a thorough job of evaluating B2C subscription management systems and tools and offer this Buyers Guide as both the results of our in-depth analysis of these providers and as an evaluation methodology.

How To Use This Buyers Guide

Evaluating Software Providers: The Process

We recommend using the Buyers Guide to assess and evaluate new or existing software providers for your enterprise. The market research can be used as an evaluation framework to establish a formal request for information from providers on products and customer experience and will shorten the cycle time when creating an RFI. The steps listed below provide a process that can facilitate best possible outcomes.

1. Define the business case and goals.

   Define the mission and business case for investment and the expected outcomes from your organizational and technological efforts.
2. Specify the business needs.

   Defining the business requirements helps identify what specific capabilities are required with respect to people, processes, information and technology.
3. Assess the required roles and responsibilities.

   Identify the individuals required for success at every level of the enterprise, from executives to frontline workers, and determine the needs of each.
4. Outline the project's critical path.

   What needs to be done, in what order and who will do it? This outline should make clear the prior dependencies at each step of the project plan.
5. Ascertain the technology approach.

   Determine the business and technology approach that most closely aligns to your enterprise's requirements.
6. Establish software provider evaluation criteria.

   Utilize the product experience: Adaptability, Capability, Manageability, Reliability and Usability, and the customer experience in TCO/ROI and Validation.
7. Evaluate and select the technology properly.

   Weight the categories in the technology evaluation criteria to reflect your enterprise's priorities to determine the short list of software providers and products.
8. Establish the business initiative team to start the project.

   Identify who will lead the project and the members of the team needed to plan and execute it, with timelines, priorities and resources.

The Findings

All of the products we evaluated are feature-rich, but not all the capabilities offered by a software provider are equally valuable to types of workers or support everything needed to manage products on a continuous basis. Moreover, the existence of too many capabilities may be a negative factor for an enterprise if it introduces unnecessary complexity. Nonetheless, you may decide that a larger number of features in the product is a plus, especially if some of them match your enterprise's established practices or support an initiative that is driving the purchase of new software.

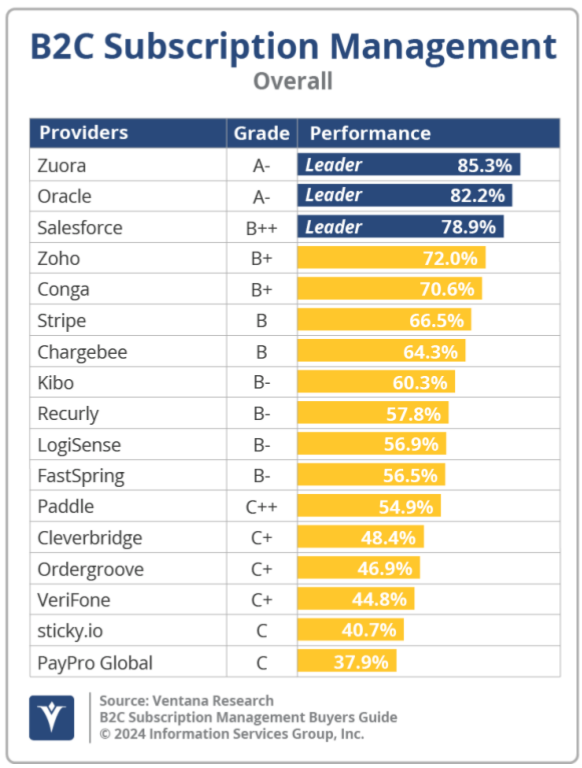
Factors beyond features and functions or software provider assessments may become a deciding factor. For example, an enterprise may face budget constraints such that the TCO evaluation can tip the balance to one provider or another. This is where the Value Index methodology and the appropriate category weighting can be applied to determine the best fit of software providers and products to your specific needs.

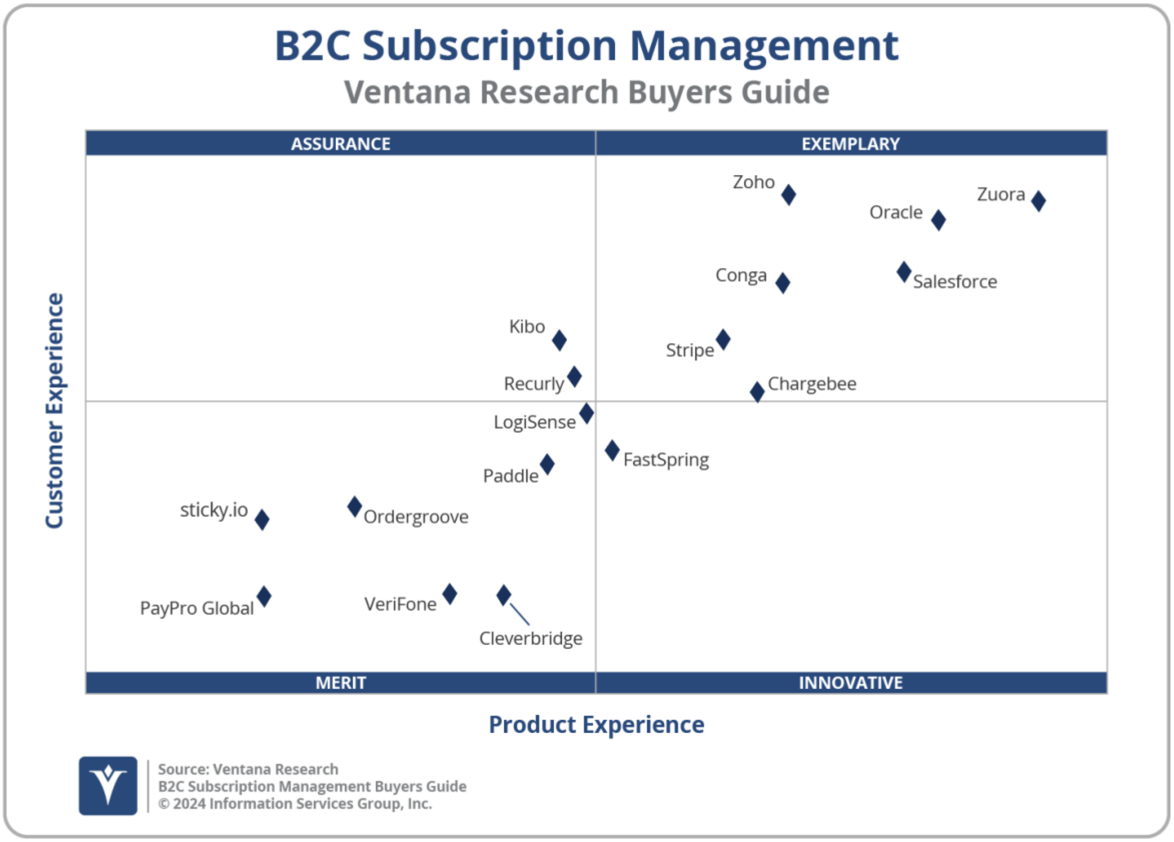
Overall Scoring of Software Providers Across Categories

The research finds Zuora atop the list, followed by Oracle and Salesforce. Companies that place in the top three of a category earn the designation of Leader. Zuora has done so in all seven categories; Oracle in six; Salesforce in four; Zoho in two; and Kibo and Stripe in one category.

The overall representation of the research below places the rating of the Product Experience and Customer Experience on the *x* and *y* axes, respectively, to provide a visual representation and classification of the software providers. Those providers whose Product Experience have a higher weighted performance to the axis in aggregate of the five product categories place farther to the right, while the performance and weighting for the two Customer Experience categories determines placement on the vertical axis. In short, software providers that place closer to the upper-right on this chart performed better than those closer to the lower-left.

The research places software providers into one of four overall categories: Assurance, Exemplary, Merit or Innovative. This representation classifies providers' overall weighted performance.





Exemplary: The categorization and placement of software providers in Exemplary (upper right) represent those that performed the best in meeting the overall Product and Customer Experience requirements. The providers rated Exemplary are: Chargebee, Conga, Oracle, Salesforce, Stripe, Zoho and Zuora.

Innovative: The categorization and placement of software providers in Innovative (lower right) represent those that performed the best in meeting the overall Product Experience requirements but did not achieve the highest levels of requirements in Customer Experience. The provider rated Innovative is FastSpring.

Assurance: The categorization and placement of software providers in Assurance (upper left) represent those that achieved the highest levels in the overall Customer Experience requirements but did not achieve the highest levels of Product Experience. The provider rated Assurance are Kibo and Recurly.

Merit: The categorization of software providers in Merit (lower left) represents those that did not exceed the median of performance in Customer or Product Experience or surpass the threshold for the other three categories. The providers rated Merit are: Cleverbridge, LogiSense, Ordergroove, Paddle, PayPro Global, sticky.io and VeriFone.

We warn that close provider placement proximity should not be taken to imply that the packages evaluated are functionally identical or equally well suited for use by every enterprise or for a specific process. Although there is a high degree of commonality in how enterprises handle B2C subscription management, there are many idiosyncrasies and differences in how they do these functions that can make one software provider's offering a better fit than another's for a particular enterprise's needs.

We advise enterprises to assess and evaluate software providers based on organizational requirements and use this research as a supplement to internal evaluation of a provider and products.

Product Experience

The process of researching products to address an enterprise's needs should be comprehensive. Our Value Index methodology examines Product Experience and how it aligns with an enterprise's life cycle of onboarding, configuration, operations, usage and maintenance. Too often, software providers are not evaluated for the entirety of the product; instead, they are evaluated on market execution and vision of the future, which are flawed since they do not represent an enterprise's requirements but how the provider operates. As more software providers orient to a complete product experience, evaluations will be more robust.

B2C Subscription Management
Product Experience

Providers	Grade	Performance
Zuora	A-	Leader 67.0%
Oracle	B++	Leader 63.4%
Salesforce	B++	Leader 62.5%
Zoho	B	53.4%
Conga	B	53.2%
Chargebee	B	51.2%
Stripe	B	50.4%
FastSpring	C++	44.5%
LogiSense	C++	43.6%
Recurly	C++	43.3%
Kibo	C++	43.0%
Paddle	C++	41.9%
Cleverbridge	C++	39.5%
VeriFone	C+	37.3%
Ordergroove	C+	33.1%
sticky.io	C-	28.2%
PayPro Global	C-	28.2%

Source: Ventana Research
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The research results in Product Experience are ranked at 80%, or four-fifths, of the overall rating using the specific underlying weighted category performance. Importance was placed on the categories as follows: Usability (20%), Capability (25%), Reliability (15%), Adaptability (10%) and Manageability (10%). This weighting impacted the resulting overall ratings in this research. Zuora, Oracle and Salesforce were designated Product Experience Leaders.

Many enterprises will only evaluate capabilities for workers in IT or administration, but the research identified the criticality of Usability (20% weighting) across a broader set of usage personas that should participate in B2C subscription management.

Capability of the Product

The Capability criteria is designed to assess the products and features across a broad range of B2C subscription management capabilities that support integration and automated straight-through processing. In addition, the criteria for self-service for customer access of data is assessed using industry standards. The Capability support for business, operations, IT and customers was also assessed.

Ventana Research evaluated more than 114 different function points in 19 sections to assess the full scope of B2C subscription management capabilities. It also examined the investment by the software provider in resources and improvements.

B2C Subscription Management
Capability

Providers	Grade	Performance
Zuora	B++	Leader 78.0%
Oracle	B	Leader 67.7%
Salesforce	B	Leader 63.2%
Zoho	B-	58.6%
Conga	B-	58.2%
Chargebee	B-	57.7%
Cleverbridge	C++	54.8%
LogiSense	C++	51.5%
Recurly	C+	49.8%
Kibo	C+	47.4%
FastSpring	C+	46.9%
Stripe	C+	45.3%
Paddle	C+	44.8%
VeriFone	C	42.3%
sticky.io	D	31.3%
PayPro Global	D	30.5%
Ordergroove	D	25.0%

Source: Ventana Research
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The research weights Capability at 25% of the overall rating. Zuora, Oracle and Salesforce are the Leaders in this category. Thirteen of the 16 providers achieved under 60% performance, demonstrating the wide separation of sophistication among software providers and products.

The significant, in-depth Capability evaluation framework for B2C subscription management provides a more substantive challenge for many software providers. The research largely focuses on how providers apply B2C subscription management and the specific processes in which some specialize, such as primarily consumer subscriptions, compared to other broader pricing models aimed at the small, medium business (SMB) market. Software providers that have more breadth and depth and support the entire set of needs fared better. Providers who specialize in only subscriptions and focus more on the consumer did not perform as well. The specialization of B2C subscription management and the capabilities for business are found across the majority of software providers, giving enterprises a significant choice in the products they use.

Manageability of the Product

Manageability is evaluated by how well the products can be managed technologically and by business, and governed, secured, licensed and supported in a service level agreement (SLA). Also important is the flexibility of the privacy and security provisions built into the technology with respect to user identity, role and access, how effective that security is, to what extent it supports auditing and compliance, and what licensing or subscription is available from the software provider. It also examines the investment by the provider in resources and improvements.

B2C Subscription Management
Manageability

Providers	Grade	Performance
Zuora	A	Leader 93.6%
Oracle	A	Leader 91.0%
Salesforce	A-	Leader 84.5%
Conga	B++	80.9%
Stripe	B+	73.9%
Paddle	B+	70.9%
Zoho	B+	68.9%
Kibo	B	63.6%
Chargebee	B-	61.7%
Ordergroove	C++	56.1%
LogiSense	C++	52.1%
Cleverbridge	C++	51.3%
PayPro Global	C+	48.5%
FastSpring	C+	48.2%
VeriFone	C+	45.0%
Recurly	C+	45.0%
sticky.io	C+	44.6%

Source: Ventana Research
B2C Subscription Management Buyers Guide

The research weights Manageability at 10% of the overall rating. Zuora, Oracle and Salesforce are the Leaders in this category.

Manageability is an essential evaluation metric to indicate whether the software provider's product can be administrated and supported throughout its life cycle in the enterprise. It also ensures the overall efficiency, compliance and security of the enterprise software.

The software providers' performance in the Manageability evaluation criteria was especially critical when examining business and technology administration. In addition, several providers had challenges with administrative functions, more specifically notifications to authorized personnel of certain administration issues. The significance of information security cannot be overstated as the insights and knowledge of an enterprise are present in the data. The growing importance of simplifying Manageability is critical and should be a priority for all software provider evaluations.

Reliability of the Product

For B2C subscription management processes to operate efficiently and for workers to engage the applications, the software on which they run must reliably deliver the necessary performance and scalability using the existing architecture operating across the enterprise and cloud computing environments. The criteria include depth in the performance and scalability of a software provider's products and architecture, including the metrics to ensure operations and configurability across data, users, instances, activities and tasks. It also examines the investment by the provider in resources and improvements.

B2C Subscription Management
Reliability

Providers	Grade	Performance
Zuora	A	Leader 91.3%
Salesforce	A-	Leader 87.0%
Oracle	A-	Leader 86.4%
FastSpring	B++	75.3%
LogiSense	B+	73.1%
Chargebee	B+	72.3%
Recurly	B+	70.9%
Zoho	B	67.8%
Conga	B	64.2%
VeriFone	B-	60.8%
Stripe	B-	58.5%
Kibo	C++	55.6%
Paddle	C++	52.5%
Cleverbridge	C+	46.7%
Ordergroove	C	42.1%
sticky.io	C	38.4%
PayPro Global	C-	33.8%

Source: Ventana Research
B2C Subscription Management Buyers Guide
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The research weights Reliability at 15% of the overall rating. Zuora, Salesforce and Oracle are the Leaders in this category, providing the highest level of confidence that they can operate at any level of reliability, 24 hours a day.

Reliability is an essential evaluation metric as it indicates the product's ability to perform and scale to the defined enterprise requirements and how well it supports the continuous processing required for business continuity and operational resilience today and into the future.

Evaluating the performance and scalability readiness of B2C subscription management software is not always easy, however, as it depends on the type of product information and the volume at which the data is being updated and used by processes and systems. Several of the software providers we evaluated lack the readiness to provide this level of information at any depth, even though it is necessary to establish the confidence required for provider selection.

Customer Experience

The importance of a customer relationship with a software provider is essential to the actual success of the products and technology. The advancement of the Customer Experience and the entire life cycle an enterprise has with its software provider is critical for ensuring satisfaction in working with that provider. Technology providers that have chief customer officers are more likely to have greater investments in the customer relationship and focus more on their success. These leaders also need to take responsibility for ensuring this commitment is made abundantly clear on the website and in the buying process and customer journey.

B2C Subscription Management
Customer Experience

Providers	Grade	Performance
Zoho	A	Leader 17.6%
Zuora	A-	Leader 17.3%
Oracle	A-	Leader 17.0%
Salesforce	B++	16.1%
Conga	B++	15.6%
Kibo	B+	14.3%
Stripe	B+	14.3%
Recurly	B	13.6%
Chargebee	B	13.0%
LogiSense	B	12.8%
FastSpring	B-	12.2%
Paddle	B-	11.9%
Ordergroove	C++	11.0%
sticky.io	C++	10.5%
VeriFone	C	8.2%
Cleverbridge	C	8.1%
PayPro Global	C	8.1%

Source: Ventana Research
B2C Subscription Management Buyers Guide
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The research results in Customer Experience are ranked at 20%, or one-fifth, using the specific underlying weighted category performance as it relates to the framework of commitment and value to the software provider-customer relationship. The two evaluation categories are Validation (10%) and TCO/ROI (10%), which are weighted to represent their importance to the overall research.

The software providers that evaluated the highest overall in the aggregated and weighted Customer Experience categories are Zoho, Zuora and Oracle. These category Leaders best communicate commitment and dedication to customer needs.

Several software providers we evaluated did not have sufficient information available through their website and presentations. While many have customer case studies to promote success, others lack depth in articulating their commitment to customer experience and an enterprise's B2C subscription management journey. As the commitment to a software provider is a continuous investment, the importance of supporting customer experience in a holistic evaluation should be included and not underestimated.

Zuora

Company and Product Profile

Zuora Billing, Revenue, Zephr, released May 2024

"The purpose-built Zuora Monetization Suite offers flexible software solutions spanning pricing and packaging, billing, payments, and revenue accounting — all designed to help you build, run, and grow a modern business rooted in recurring relationships." – Zuora

Summary

Our analysis classified Zuora as Exemplary, receiving an overall grade of A- with an 85.3% performance. Zuora was designated as an overall Leader, based on being a leader in the Product and Customer Experience categories. Zuora's best grouped results came in Customer Experience with an 86.5% performance and an A- grade, due in part to its A in Validation. In Product Experience, Zuora received an A- grade with an 84.9% performance due to its 93.6% performance in Manageability. Zuora was designated a Leader in all seven sub-categories: Adaptability, Capability, Manageability, Reliability, Usability, TCO/ROI and Validation.

B2C Subscription Management

Zuora

Category	Performance		Grade
Overall	Leader	85.3%	**A-**
Product	Leader	84.9%	**A-**
Adaptability	Leader	85.0%	A-
Capability	Leader	78.0%	B++
Manageability	Leader	93.6%	A
Reliability	Leader	91.3%	A
Usability	Leader	79.6%	B++
Customer	Leader	86.5%	**A-**
TCO/ROI	Leader	84.5%	A-
Validation	Leader	88.5%	A

Source: Ventana Research
B2C Subscription Management Buyers Guide

Challenges

Zuora's A- grade in Product Experience was impacted by its B++ in Capability, where it could better document and articulate to customers the investments it has made in improving overall capabilities including support for managing the application within the larger customers. Customer Experience was impacted by its A- in TCO/ROI, where it could also better articulate the value and savings it can provide to customers and prospects.

Strengths

Zuora performed best in Customer Experience with an A- grade, notably in Validation, receiving an A due to beneficial development in all aspects of the product and support services. Zuora received an A- grade in Product Experience, notably in Manageability, receiving an A due to its excellent technology administration that includes capabilities for non-IT personas.

Appendix: Software Provider Inclusion

For inclusion in the Ventana Research B2C Subscription Management Buyers Guide for 2024, a software provider must be in good standing financially and ethically, have at least $10 million in annual or projected revenue verified using independent sources, sell products and provide support on at least two continents, and have at least 20 customers. The principal source of the relevant business unit's revenue must be software-related and there must have been at least one major software release in the last 18 months.

The research is designed to be independent of the specifics of software provider packaging and pricing. To represent the real-world environment in which businesses operate, we include providers that offer suites or packages of products that may include relevant individual modules or applications. If a software provider is actively marketing, selling and developing a product for the general market and it is reflected on the provider's website that the product is within the scope of the research, that provider is automatically evaluated for inclusion.

All software providers that offer relevant B2C subscription management products and meet the inclusion requirements were invited to participate in the evaluation process at no cost to them.

Software providers that meet our inclusion criteria but did not completely participate in our Buyers Guide were assessed solely on publicly available information. As this could have a significant impact on classification and ratings, we recommend additional scrutiny when evaluating those providers.

Products Evaluated

Provider	Product Names	Version	Release Month/Year
Chargebee	Chargebee Billing	n/a	May 2024
Cleverbridge	Cleverbridge	n/a	May 2024
Conga	Conga CPQ, Billing Management	2.1.65, 10.396	Feb 2024
FastSpring	FastSpring Subscription Management	n/a	April 2024
Kibo	Kibo Subscription Commerce	1.242	May 2024
LogiSense	LogiSense Billing	10.7	May 2024
Oracle	Oracle Subscription Management	24B	April 2024
Ordergroove	Ordergroove	n/a	May 2024
Paddle	Paddle	n/a	May 2024
PayPro Global	PayPro Global Subscription Billing & Management	n/a	May 2024
Recurly	Recurly Subscriber Management	n/a	May 2024
Salesforce	Salesforce Revenue Cloud	Summer '24	May 2024
sticky.io	sticky.io	n/a	Jan 2024
Stripe	Stripe Billing	n/a	May 2024
VeriFone	VeriFone Subscription Billing	n/a	May 2024
Zoho	Zoho Subscriptions	n/a	April 2024
Zuora	Zuora Billing, Revenue, Zephr	n/a	May 2024

Providers of Promise

We did not include software providers that, as a result of our research and analysis, did not satisfy the criteria for inclusion in this Buyers Guide. These are listed below as "Providers of Promise."

Provider	Product	Revenue	20 Customers	Product Capabilities	Range of Verticals
CloudSense	CloudSense	Yes	Yes	No	No
Ordway Labs	Ordway	No	Yes	Yes	Yes
SubscriptionFlow	SubscriptionFlow	No	Yes	Yes	Yes
Billsby	Billsby	No	Yes	Yes	Yes
Stax	Stax Bill	No	Yes	Yes	Yes
Younium	Younium	No	Yes	Yes	Yes

About Ventana Research

Ventana Research, now part of Information Services Group, provides authoritative market research and coverage on the business and IT aspects of the software industry. We distribute research and insights daily through the Ventana Research community, and we provide a portfolio of consulting, advisory, research and education services for enterprises, software and service providers, and investment firms. Our premiere service, Ventana On-Demand (VOD), provides structured education and advisory support with subject-matter expertise and experience in the software industry. Ventana Research Buyers Guides support the RFI/RFP process and help enterprises assess, evaluate and select software providers through tailored Assessment Services and our Value Index methodology. Visit www.ventanaresearch.com to sign up for free community membership with access to our research and insights.

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