

Avangate Reports New Global Digital Commerce Trends: Subscription-based Services Dominate; Alternative Payments Gaining Ground

Submitted by: Avangate

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Benchmark Data Showcases Buyer Behavior and Market Health for Software and Digital Goods Sales in 2016

ATLANTA, GA — September 29, 2016 — Avangate, the global eCommerce and subscription billing platform that maximizes revenue for software, SaaS and digital solutions, today released its 2016 yearly benchmark report on Digital Commerce Trends in Software & Online Services Sales, showing that consumers of software, SaaS and online services are getting smarter by putting security and convenience first.

The 'Digital Commerce Benchmark (<http://www.avangate.com/>)' tracks the global consumption of software and digital/ online services to identify regions with the fastest growth or greatest contraction, most popular products, preferred payment methods and provides actionable insight for software companies and digital services providers to help direct their efforts towards faster revenue growth.

Key trends revealed in the data include:

- **Safety First.** Security and privacy concerns remain top of mind, reflected by the popularity of these purchases. Seven out of 10 of the leading countries, including the US, UK, Canada, France and Italy, show security and privacy technologies, such as classic endpoint security and identity protection, as most popular.
- **Rising Sales.** Consumers and businesses continue to buy security & privacy and utilities/maintenance software. These categories are on an upward trend compared to the previous year, with a 10% and 16% increase in sales respectively.
- **Growers vs. Slowers.** The U.S. remains the undisputed leader in software sales followed by the UK, but one of the largest market growth is reported in Argentina (+42%), followed by the Czech Republic (+37%) who are both experiencing economic upturns. The largest declines were reported in Columbia (-17%), despite its timid growing economy, and Malaysia, which has experienced political and economic turmoil (-7%).
- **Subscribe Me Up.** Worldwide, the average order value (AOV) is actually decreasing by six percent (6%) as consumers and businesses migrate to subscription-based models. Nearly three-quarters (72%) of sales volume in the period Aug 2015 to July 2016 are subscription-based compared to 63% in the previous 12 months, Aug 2014 to July 2015.

"Digital products and services continue to grow to support the continuum of demand - as evidenced by our benchmark data. It is clear that businesses need to brace themselves for rapid shifts caused by economic factors or buying trends at a global, market or country level. These changes – such as the growth in subscription models and alternative payments - require the capability to be nimble," said Erich Litch, Avangate's Chief Revenue Officer. "The tools and insights we provide help our clients quickly streamline and optimize ecommerce processes and make it easy for their end-customers to avoid a

disruption in service; all factors that play heavily into a brands' success.”

According to the benchmark, it is not just what buyers are purchasing; it's how. The data shows alternative payment methods are on the rise. Worldwide, PayPal has increased in popularity over the last 12 months, from 14.5% of all transaction volumes in 2015 to 15.7% in 2016[1]. PayPal continues to be ahead of American Express across the globe. Visa/MasterCard remain the top choice claiming more than 70% of all online sales, but specialized local payment methods, such as iDEAL in the Netherlands (+36%), or Alipay in China (+53%) are showing significant gains in their respective markets.

“This data gives digital goods companies the opportunity to tweak their offerings based on local market trends,” continued Litch. “Consumption patterns evolve and businesses need to know when and where to shift resources so they can gain competitive advantage.”

For more insight into Avangate's Digital Commerce Benchmark, please visit the Avangate's 2016 Yearly Digital Commerce Benchmark infographic.

The Digital Commerce Benchmark is based on a sample of hundreds of thousands of worldwide transactions moving through the Avangate platform between Aug 2014 and July 2016.

About Avangate

Avangate, a Francisco Partners portfolio company, is the digital commerce provider that helps Software, SaaS and digital goods companies to sell their products and services via multiple channels, to acquire customers across multiple touch points, to increase customer and revenue retention, to leverage smarter payment options, and to maximize sales conversion rates. Avangate's clients include ABBYY, Absolute, Bitdefender, Brocade, FICO, HP Software, Kaspersky Lab, Telestream and many more companies across the globe.

More information can be found on www.avangate.com (<http://www.avangate.com/>).

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