Vindicia's roadmap assists D2C platforms in creating multifaceted, personalized monetization avenues

Ovum view

Summary

Ovum's *ICT Enterprise Insights 2018/19 – Global: ICT Drivers and Technology Prioritie*s survey highlights that for more than half (51–55%) of direct-to-consumer (D2C) platform owners, the top three business priorities in the next 18 months are building hybrid monetization avenues, tightly integrated local online goods and services, and multiplatform personalized engagement to increase average revenue per user (ARPU).

The convergence of telecoms, media, and IT is driving rapid change in consumer demographics, purchasing patterns, access points, and competitive environments. The rapid evolution of this platform economy paradigm is introducing higher complexities into the digital user lifecycle management. Thus, as the legacy digital value chain is broken, continuous new goods and services consumption and omnidistribution channels emerge, pushing D2C platform owners to build highly personalized local services-embedded monetization avenues to retain each digital user on a long-term basis.

In 2018, Vindicia, an SaaS-based subscription billing platform, highlighted its three-year technology and business roadmap, woven around cognitive artificial intelligence (AI) services, predictive analytics, workflow orchestration, and enablement services. Ovum believes that transformation of monetization and engagement workflows will be essential for long-term sustainability across the platform economy.

Unified predictive analytics integrated into subscription billing lowers business and market risks

Internet, smartphone, and the cloud are the three core drivers for increased adoption of D2C services in today's platform economy. Furthermore, with the aggressive shift of digital user preferences from ownership toward accessing or sharing goods and services, it is becoming essential for D2C platform owners to build tightly integrated, multifaceted monetization avenues such as subscription, rental, barter, and exchange. As ARPU and incremental lifetime value (ILV) become the vital KPIs, the majority of D2C platforms will build a highly personalized local services portfolio with monetization capabilities anywhere and everywhere to differentiate their value proposition. These changing market dynamics and business priorities pave the way for embracing next-generation subscription, billing, and user experience workflows to both accelerate local and regional market positioning, and also safeguard profitability. Vindicia's value propositions for D2C platform owners in the platform economy today and tomorrow are as follows:

- **Streamlining subscriber relationship management.** Predictive pricing, payment, churn, and purchasing behavior with tight third-party data, and information repositories integration to reduce complexity of digital user multiple-subscription relationships (homegrown, and third party) and improve retention rates (lifetime).

- **Unified omnimonetization workflow.** Multipayment, both traditional (credit/debit, wallets, bank, and cash), and new-age currency (engagement via social, partner, and service

utilization) support to create a highly contextual location-based monetization avenue including pricing of local and regional goods and services on a real-time basis.

- **Converged platform managing multiple UX touchpoints.** Modular, scalable, and single platform, meeting diverse business priorities for all D2C platforms including pure-play, business operations of tier-1 and tier-2 digital service providers, and so on. Building predictive single digital user profiles, and reporting functionalities to enhance ARPU and ILV.

- **Develop a highly flexible, orchestrated, and personal workflow.** Personalized one-stop engagement experience in collaboration with recommendation engine, and a highly agile back-office competency (converged BSS, CRM, self-service, ordering, inventory management, and e-commerce workflows), enabling enterprises to create an optimized, simple, and adaptive subscription platform.

- **Predictive analytics-led subscriber lifecycle engagement.** Building digital user engagement touchpoints via leveraging predictive intelligence, enabling enterprises to enhance their recurring revenue mix in the long run. Pre-integrated tailored discounting, and promotional campaign plug-ins to improve digital user retention rates.

- **Enhancing operational productivity.** Horizontally and vertically integrated value proposition such as AIML, consulting services, and managed services to build a unified upstream and downstream subscription billing platform with strategic partners such as Amex, iStreamPlanet, Vubiquity, UXP systems, and Softrax.

Vindicia's three-year roadmap is well-positioned to meet the changing requirements of enterprises currently prioritizing investment in the fragmented platform economy. Entertainment, sports franchises, TV and video, and publishing remain the leading markets, but digital-first enterprises such as Beachbody and Aaptiv are the fastest-emerging customer segment. With the increase in local and regional goods and services migrating to digital platforms, enterprises need to reengineer their subscription billing solutions to develop quicker recurring revenue streams to maintain their cashflow margins.

Appendix

Further reading

*ICT Enterprise Insights 2018/19 – Global: ICT Drivers and Technology Prioritie*s, PT0141-000002 (October 2018)

2019 ICT Enterprise Insights in Omnichannel Digital Transformation, INT001-000115 (December 2018)

"The Critical Role of the Customer Engagement Platform for Growth," INT001-000113 (December 2018)

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We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

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