

# SMART DUNNING TRADITIONAL DUNNING

## How subscription merchants can use AI to master payment recovery

Every business faces failed payments, but one industry in particular struggles with decline-fueled revenue loss: subscriptions. In fact, subscription merchants lose 9% of revenue each year to transaction declines.

While one-time buyers are ready and able to try again after a payment fails the first time, subscribers are often unaware of the failure, and merchants may struggle to track them down to fix the issue. A payment that's approved one month may be declined the next for numerous reasons, causing involuntary churn and invoking the question: What did we do wrong?

Here's the short answer: nothing! While subscriptions have grown tenfold in the past five years, the banking industry is struggling to keep up with new billing methods. This has led to banks being overly cautious when approving payments, and thus declining many valid transactions for minor details such as when or where the payment is being processed. The only way to overcome these inevitable declines is to adopt a dunning process.

Almost every subscription business has some type of dunning strategy – whether it's email dunning, customer service outreach or automated retries – but the most effective dunning methods avoid relying on the customer for help, and instead rely on expert technology to reattempt the payments for you.

While it may be automated, traditional interval-based dunning uses guesswork and is far from intelligent when it comes to salvaging declined payments. **That's why we developed Smart Dunning, an automated, hyper-accurate dunning tool built to salvage sales and save customer relationships.**

# HOW SMART DUNNING STACKS UP AGAINST TRADITIONAL DUNNING

**Interval-based dunning** methods, like reattempting payments every X days up to Y times, are less precise than Smart Dunning at gaining approvals and result in unnecessary declines. This method has no real strategy and relies solely on guesswork to retry payments – leading to high rebill fees and oftentimes putting your merchant account at risk of revocation.



**Smart Dunning** is a machine learning tool that has millions of analyzed rebill scenarios under its belt. It combines that historical data with real-time factors to make informed decisions on rebill timing, resulting in more approved payments on the initial retry and fewer threats to your merchant account.



See how much revenue you'll save with Smart Dunning

## Let's take a closer look at how Smart Dunning beats interval-based dunning:

SMART DUNNING	VS	TRADITIONAL DUNNING
✓ Artificial Intelligence uses real-time and historical data to choose a rebill time		✗ Relies on your guesswork to retry declines
✓ Develops an individual strategy for each scenario		✗ Interval-based, uninformed strategy
✓ Uses Machine Learning to improve its decision making as it processes payments		✗ Doesn't improve over time
✓ Protects MID health by minimizing unnecessary declines		✗ May lead to excessive declines that raise merchant account risk score

### So, why switch to Smart Dunning?

#### MORE IMPACTFUL

Recovers up to **27%** more revenue from declined subscriptions than traditional recovery strategies.

#### MORE COST-EFFECTIVE

Up to **51%** more successful on first attempts than interval-based dunning, so you can save on rebill and decline fees.

#### MORE EFFICIENT

Recovers up to **75%** of failed subscription rebills.

Start saving with Smart Dunning

# FREQUENTLY ASKED QUESTIONS

## What's the impact of Smart Dunning on CLTV?

For every subscriber saved by Smart Dunning, merchants process an additional 3.5 transactions on average. This means you're not just saving one sale – you're salvaging four.

## How much time should I expect to spend managing the service?

Smart Dunning is designed to be hands-off for your team. Once integrated, it operates autonomously, determining optimal retry times without requiring constant attention. It's a zero maintenance solution.

## Can I use this alongside my current decline recovery strategy?

Smart Dunning can get more of your transactions approved on the first or second retry. If you choose to keep your traditional dunning strategy alongside Smart Dunning, you'll likely continue to see long strings of declines. Your processor will charge you fees for each transaction attempt, even if the transaction is declined. These fees will eat into your profitability over time.

Our pricing model means you'll pay just cents for additional attempts, but your likelihood of having one of those approved is always going to be higher with Smart Dunning than with a traditional strategy. All in all, you'll see the most benefits if you enact Smart Dunning across all of your declined recurring transactions.

## What makes your algorithm better than other solutions?

Our machine learning algorithm has analyzed millions of transactions and gotten smarter with each rebill. Not only is it highly accurate, it's also much easier to integrate than other options. Smart Dunning can be fully implemented through API calls, making it compatible with any ecommerce platform or tool you can imagine.

**Ready to start reaping the benefits?**

**SAVE WITH SMART DUNNING**