FreedomPop uses the flexibility of Vindicia Subscribe to help fuel explosive growth

Getting subscription billing right

FreedomPop is on a mission. The company plans to transform the way you and everyone around you receive mobile services. Offering free and fast mobile phone and wireless internet service, FreedomPop attracted hundreds of thousands of users in its first two years, and it expects to serve more than one million. The company provides a basic mobile phone service for free, but many users love the service so much that they subscribe to premium voice, text, and data usage plans. Vindicia Subscribe (formerly CashBox) manages billing for all of FreedomPop's credit card subscribers, keeping them connected and allowing the company to stay focused on its mission.

From its launch, FreedomPop has relied on Vindicia's subscription expertise along with Vindicia Subscribe. "We know that effective subscription billing can be complex," says Steven Sesar, co-founder and COO of FreedomPop. "It's critical to get all the nuances right, and that's why we chose to work with Vindicia. We look to Vindicia to make sure our billing processes help us retain customers."

Avoiding limitations

The founders of FreedomPop were all too familiar with what can go wrong with the wrong platform for subscription billing. Prior to FreedomPop, they had started a subscription-based video social network that used a billing solution poorly suited to subscription and recurring billing. The video social network's staff found itself overwhelmed by the need to manage many types of billing issues manually. For instance, the solution didn't help prevent and manage chargebacks. And with recurring billing, minor issues can cause transactions to temporarily fail. The solution lacked logic to retry transactions, which inconvenienced customers by leading to unwanted service interruptions. As a consequence, staffers wasted significant time trying to resolve issues, and customer dissatisfaction with billing processes reduced the company's retention rates.

The founders of FreedomPop were determined to avoid the problems that come with a limited billing platform. They believed that effective recurring billing required expertise and knowledge of best practices that its team did not have time to acquire.

"Having experienced a tool that couldn't do much more than manage straightforward transactions, we wanted a flexible billing platform that could save our team time and help us retain customers," says Sesar. "Our business is built around a disruptive value proposition and lower ARPU (average revenue per user) than our competitors. So we recognized that to ensure great operational margins our billing practices needed to be more efficient, drive customer satisfaction, and maximize revenue."

All the essentials and more

FreedomPop approached its search for a billing platform with a list of must-have capabilities, such as built-in chargeback management, retry rule logic, and flexible pre-paid subscription plan support. Flexible subscription retention support was also near the top of the list. FreedomPop saw product catalogue flexibility as essential for testing different offers; the team identified the ability to easily create and manage products and

Challenge
- FreedomPop needed a flexible billing platform to help it maximize revenue as it transformed the mobile services market.

Solution
- Vindicia Subscribe delivered go-to-market agility to help drive customer acquisition along with retention support to keep customers happy.

Result
- FreedomPop is seeing real revenue uplift thanks to Vindicia's subscription expertise.

Monster Revenue

the associated pricing as key. For retention, the team wanted a platform with proven retry logic. Beyond technology, FreedomPop preferred to work with a provider that could help the company understand and adopt subscription billing best practices from the beginning.

The FreedomPop team evaluated multiple vendors, eventually focusing on four that provided some support for recurring billing. One was quickly eliminated because it required too much in-house customization. Another fell short for limited retention flexibility. That left Vindicia and one other option. FreedomPop chose Vindicia because of its deep support for all of FreedomPop's must-have features, as well as its expertise with consumer-focused subscription billing. "Vindicia did more than just let us tick off all the checkboxes on our list," says Sesar. "We wanted flexibility, and Vindicia didn't have any peers when it came to flexibility. Their team was also geared towards sharing best practices for consumer subscription billing, and helping us make sure we were maximizing revenue from the beginning."

Ready for launch

FreedomPop began its implementation of Vindicia Subscribe as it readied its mobile service offerings for launch. The flexibility of Vindicia Subscribe meant that FreedomPop had numerous choices to make as it set up its new billing platform. Vindicia worked with the FreedomPop team to help them understand their options and best practices.

"The implementation process was really a dialogue," explains Sesar. "Vindicia would ask us what we wanted and how we were building our internal processes—and we didn't always know the answer." This led to some very productive conversations about internal processes and how the company wanted Vindicia Subscribe set up. "We appreciated the team-oriented approach and the ability to talk through our options with people who understood what we wanted to achieve. Working with Vindicia helped us get to market quicker, and we're very happy about that," says Sesar.

Attracting and retaining customers

FreedomPop has succeeded in winning hundreds of thousands of users quickly. That's in part because the company offers plans to suit just about everyone. With everything from one-month, multi-month, and annual options to prepaid recurring billing, FreedomPop creates, tests, and refines plans constantly. After customers get started, Vindicia Subscribe helps retain them by making it easy to keep accounts current and helping to automatically resolve issues. Vindicia's advanced retry logic has helped to cut involuntary churn rates by nearly 50 percent, leading to increased retention and extending customer lifetimes.

"We're literally coming up with product and offer combinations every day," says Sesar. "Support for our product mix is good. It comes down to the platform's flexibility." But retention and the retry logic are what make Sesar think of Vindicia Subscribe as "the Tesla of subscription billing." Sesar states that, "Every month we're seeing revenue uplift thanks to high retention levels."

Support for rapid growth—and a small team

With its sights set on doubling its user base in about a year, FreedomPop sees Vindicia Subscribe playing a critical role. According to Sesar, "When you offer a subscription service, how you manage every aspect of billing can add momentum to your business. We've been able to grow rapidly while keeping our team small in part because we're not devoting resources to figuring out billing. Vindicia is thinking about the nuts and bolts of billing and how billing practices affect revenue. And that means our team can focus on what we do best."
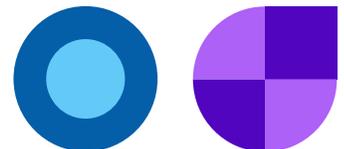
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