

CASE STUDY - FINANCIAL TIMES

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It would make no sense to develop new contractual relationships on an individual basis between FT and each new payment method like iDeal or PayPal.

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FINANCIAL TIMES

The Customer

The Financial Times (FT) is one of the world's leading business news and information organisations. They are recognised globally for our authority, integrity and accuracy. The Financial Times provides a broad range of essential services, including news, comment, data and analysis, to the growing audience of internationally minded business people.

The Challenge – International expansion and subscriptions

The challenge for the FT and the FT Group was to take two major changes into their business models:

- A major shift towards digital services (includes providing intelligence, valuations and indices through Merger market, FTSE and Interactive Data)
- An equally major shift from advertising to subscription revenues

As part of this increasing focus on subscription, The Financial Times wanted to achieve two objectives related to payments:

- Provide its new and existing subscribers with a broad range of convenient and preferred forms of payment for each key country
- While not increasing the internal costs driven by this broad range of local forms of payment.



The requirement

Financial Times Limited (FT's newspaper business) selected GlobalCollect to handle its payment processing across Europe in order to support its international expansion and its migration towards a subscription business model. As part of this increasing focus on subscription, The Financial Times wanted to achieve two objectives related to payments:

- 1. Provide its new and existing subscribers with a broad range of convenient and preferred forms of payment for each key country**
- 2. While not increasing the internal costs driven by this broad range of local forms of payment**

The solution

Financial Times Limited (FT's newspaper business) selected GlobalCollect to handle its payment processing across Europe in order to support its international expansion and its migration towards a subscription business model.

Form of payment	Countries
Credit cards (American Express, MasterCard, Visa)	All
Local cards	Carte Bleue (France), Dankort (Denmark), and CartaSi (Italy)
Direct debits	Austria, Denmark, Netherlands and Spain
Bank transfer	European countries

With its scalable single-interface payment platform WebCollect, GlobalCollect has provided FT with an ideal and customized solution.

The benefits

Edgar, Dunn & Company interviewed FT representatives to estimate the major benefits generated by GlobalCollect. GlobalCollect has enabled acceptance of cards, checks, direct debit and bank transfers for FT's newspaper subscriptions since 2003. The major benefits are listed:

- 1. Lower IT costs driven by a single IT interface with GlobalCollect**
Using a ballpark estimate of 20 person days required to develop each new connection, FT believes that the upfront cost savings (excluding any maintenance costs) is likely to exceed £10,000 (assuming £500 per person day) per connection.
- 2. Lower back-office costs thanks to automated full service payment processing including reconciliation and reporting**

A major benefit provided by GlobalCollect is the streamlining and automation of accounting processes related to payment acceptance. Instead of completing multiple manual processes in order to reconcile new subscriptions and renewals with received payments, FT can complete most reconciliations automatically. This has resulted in an on-going cost savings equivalent to 3 FTEs.

The benefits

3. Offering wide range of locally preferred forms of payment supports high renewal rates

FT wanted to provide a wide range of forms of payment to its subscribers in order to provide a more convenient buying experience and to support paper-to-online migration for all customer communications.

FT had not yet quantified the actual uplift in renewal rates driven by the wider choice of forms of payment, but it believes that providing the appropriate mix of payment methods will generate higher renewal rates.

FT quantified the cost savings associated with the migration from paper-based to online communications sent to subscribers at time of renewal. Currently, the combined cost of sending renewal letters and paper bills corresponds to about £5 per subscriber contract. And offering the relevant forms of payment has contributed to this "paper to online communications" migration.

The future

Payments will play a role in supporting FT's international development plans. In order to support its overall business strategy, FT is considering a number of future initiatives that will have a payment dimension, including:

- **Addition of new currencies, including local currencies across Asia-Pacific**
- **New forms of payment**

About GlobalCollect

GlobalCollect, part of Ingenico Group (Euronext: FR0000125346 - ING), is the most knowledgeable global Payment Service Provider in the world.

The company processes international eCommerce payments for more than 600 of the world's most recognized eCommerce brands in the digital goods and services, travel, retail and video gaming industries, among many others.

With two decades of payments experience, we enable our clients to efficiently and securely accept payments from more than 170 countries in more than 150 currencies. We offer in excess of 150 local payment methods, including all major credit cards, debit cards and alternative payment methods, giving unparalleled coverage throughout all global regions. Our robust and redundant systems guarantee our customers high availability and reliability.

GlobalCollect's business intelligence tools, Managed Fraud Services and more than 400 payments experts help our clients elevate their payment strategies to become a strategic asset to their companies.

GlobalCollect is a 100% subsidiary of Ingenico Group, global leader in seamless payment. Headquartered in Amsterdam, GlobalCollect has regional offices in North America, Asia Pacific, South America and the EU focused on bringing local presence with global reach and services to our clients. For more information please visit: www.globalcollect.com or www.ingenico.com