stripe

Guide to enterprise reinvention

Introduction

Economic change is accelerating. From on-demand delivery to subscription services to online marketplaces, consumers have more choice than ever over how they shop. As leading brands continue raising the bar on customer experience, old ways of doing business—reliance on heavy infrastructure, brick-and-mortar stores, long supply chains—are becoming increasingly antiquated.

The current economic climate has only raised the stakes for enterprises to adapt or become obsolete. Faced with slowing demand (**71% of consumers** plan to buy less or trade down) and the pressure to reduce costs, it's now more important than ever for enterprises to focus valuable time and resources on winning and retaining customers.

While payments has traditionally been viewed as a cost center, the new way of looking at payments is as a competitive differentiator allowing you to offer better customer experiences and increase efficiency. A decade ago, the best thing a payments provider could be expected to do is not cause issues: no outages, routing errors, or false declines. Today, payments should be considered the lifeblood of your company. Your payments infrastructure enables other critical business functions: accounting, reporting, customer experience, taxes, billing, invoicing, fraud detection, and geographic expansion, to name a few. A robust payments provider should handle all the complexities of money movement so that your teams can reallocate time and resources to focus on innovation.

At Stripe, we've helped enterprises transform fundamental components of their business model to meet changing customer needs and market pressures. Not only have these companies unlocked new avenues for growth, but by streamlining their payments-related systems and processes, they're able to focus on innovating in an increasingly competitive market.

In this guide, we will look at five ways in which enterprises are leveraging payments to reinvent the way they do business.

Contents

1. Going direct to consumers

A decade of ecommerce growth was compressed into months as consumers shifted the bulk of their spending online at the outset of the pandemic. The rise of ecommerce has impacted almost every industry, including manufacturers that have traditionally relied on a distribution or franchise model to get their products into the hands of consumers. These companies are building ecommerce experiences to form tighter relationships with their end customers, distributors, and partners.

The biggest gain for brands in adopting a direct-to-consumer model is having full visibility into their customers' purchase behavior across channels. Knowing which SKUs are selling and how customers are paying for them enables companies to build better products and optimize their ecommerce flow to improve conversion. By digitizing the purchase experience, these companies can then continue to engage with end customers throughout their lifecycle, creating more touchpoints to extend the relationship and increase customer lifetime value and brand loyalty.

Because goods and services are delivered after the payment is submitted, best-in-class ecommerce experiences start with a frictionless checkout flow to avoid losing a potential customer forever. The right set of payment methods not only offers payment flexibility and convenience to maximize conversion, but also reduces fraud and increases transaction speed.

Key outcomes:

1. Optimize conversions.

2. Deliver seamless customer experiences.

3. Build customer loyalty and increase lifetime value.

Ford chooses Stripe to power payments for an always-on relationship with customers

Henry Ford transformed industrial manufacturing over 100 years ago. Today, as his namesake company designs, manufactures, markets, and services a full line of connected, increasingly electrified vehicles, it also is evolving to focus on services and experiences, delivered through software.

Challenge

Ford is transforming from a traditional "build and sell" model to a new, always-on relationship with customers. Advancements in automotive technologies give Ford more options for improving the overall experience throughout the customer lifecycle, from how customers make an initial purchase to how they maximize their in-car experience. But enabling these new offerings, such as entertainment subscriptions or EV charging, requires Ford to create new ways for customers to purchase and pay for products and services.

> " We chose Stripe based on three criteria: reliability, making sure the system is always on; user experience, for fast, efficient checkouts; and time-to-market, so as we come up with cool new use cases like subscriptions and others, we can move really fast.
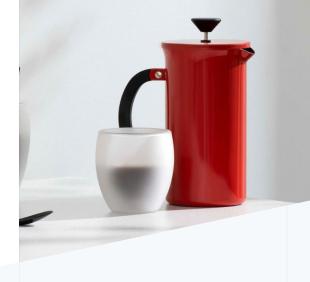
Julien Jacquet
Former Chief Product Officer
Ford Credit

Solution

Ford wanted a partner to help create an entirely
new purchasing and ownership experience for
customers. The reliability, intuitive design, and
speed that Stripe offers gave Ford the confidence
that Stripe, as its premier payments platform, would
deliver the best experience for its customers.

![bodum logo]

Bodum expands globally by leveraging local payment methods with Stripe

Bodum is a kitchenware manufacturer producing high-quality coffee and tea solutions and household accessories.

Challenge

Bodum saw a boost in ecommerce sales due to COVID-19, as online ordering increased globally and more people were home with the desire to make their own high-quality coffee. However, Bodum recognized the checkout process was often frustrating for customers, especially if their preferred payment method wasn't available.

With the majority of customers ordering from a mobile device, Bodum was looking to build a seamless online customer experience for both desktop and mobile.

> " As retail continues to shift online, you need to be able to react quickly. Stripe enables us to be much more flexible.

Peter Bodum
Ecommerce Manager
Bodum

Solution

Bodum localized its checkout experience with Stripe to scale its online business to 23 countries across Europe, America, Australia, and Asia. With Stripe Elements, Bodum can now turn on any new payment methods that become available, directly from the Dashboard with no additional engineering required.

"Mobile checkout is the future, but the distraction rate is very high. If a customer is buying something through a mobile site and they get another notification, the risk of losing that purchase is high," says Peter Bodum, ecommerce manager. "Local payment methods are really important to help customers complete their purchase as quickly as possible."

Partnering with Stripe improved Bodum's conversion rates, minimized developer resources, and allowed flexibility and efficiency when launching into new markets.

2. Building a marketplace

More than **40% of all online spending globally** is taking place on marketplaces. From auto to travel to retail, enterprises across industries are building multi-sided marketplaces to accelerate revenue growth and increase stickiness. These companies are finding an unmet need among their customer base and solving for that need by enabling them to buy additional products and services on their platform, thereby deepening the relationship with their customers.

The power of a marketplace is in its network effects. The more users participate in a marketplace, the more valuable it becomes. Because sellers are incentivized to spread the word about the marketplace, marketplaces have a built-in viral loop that generates free, organic traffic. Many marketplaces are built to solve a supply problem or to maximize the utility of certain items. For example, when unoccupied homes are turned into short-term rentals, their utility is maximized for both owners and guests. From peer-to-peer lending to on-demand delivery to coworking spaces, the marketplace boom has given rise to both the sharing economy and the gig economy.

What makes marketplaces particularly attractive as a business model is their stickiness. As a16z general partner **Andrew Chen** explains, "You want at least one side [of the marketplace] to be sticky. It's not always the demand or supply side, but it must be one of them at any point. That way, you can always lower prices on the supply side, which will make it less sticky for them, but grow usage and frequency on the demand side."

Key outcomes:

1. Accelerate revenue growth.

2. Increase customer retention and stickiness.

3. Attract a new type of customer.

![Toyota logo]

Toyota launches a platform to assist auto mechanics and promote sustainability

Founded in 1937, Toyota has weathered many changes in the auto industry. It saw an opportunity to create a platform that allows local repair shops to buy and sell specialized equipment from each other as well as consult with specialist service providers on the assessment and purchase of equipment.

Challenge

The challenge for the automotive industry, and the many local mechanics that support it, is that it's a lot more complicated to service a car than it used to be. The computerization of vehicles, along with the switch from internal combustion engines to hybrid or all-electric motors, has greatly expanded the range of repairs mechanics need to be able to perform. Many require specialized, expensive equipment, dramatically upping the capital costs of outfitting a shop.

In response to these challenges, Toyota decided to launch a platform called Mechacomi (the name blends "mechanics" and "communication"). It allows

> Mechacomi is an important new initiative in Toyota's transformation into a mobility company. We need to continuously improve in order to eliminate customer dissatisfaction and ensure that our customers are satisfied with the service they receive. Stripe is a very reliable partner because they provide a service that allows us to introduce various payment patterns easily and quickly, and because of their extensive support.

Tomoaki Nakatani
Customer First Management Office
Toyota

used equipment and tools to be traded among auto repair shops, reducing their costs and contributing to carbon neutrality.

But connecting buyers and sellers is not enough by itself to make the platform work. Sales of used equipment are high-value transactions that can result in complex processes, including escrow and seller deposits, which limit systemic risk at the cost of increased transactional complexity.

Solution

Toyota needed to figure out how to remove all this financial friction—and it decided to use Stripe because of its ability to support a platform business requiring many-to-many sales and money flow management.

With Stripe, Toyota was able to quickly set up the necessary escrow services and seller deposits. Toyota has also been able to easily develop bank transfer and credit card payment options to support the buying and selling preferences of its different user segments. Stripe assists Toyota in improving customer satisfaction with a dedicated support manager who conducts regular analysis and issues resolution assistance.

Califrais

Rungis and Califrais launch a robust direct-to-consumer platform in 10 days

Rungis is the largest wholesale food market in the world and a vital provider for restaurants. **Califrais** offers a digital platform by which restaurants can order food sourced entirely from Rungis's suppliers. This has modernized Rungis's supply chain and made it easier for restaurants to directly obtain fresh, quality, eco-responsible goods.

Challenge

When Califrais launched, 207,000 restaurants, cafes, and caterers in France could instantly order food selected from Rungis's suppliers. But with the onset of COVID-19, demand came to a halt. "Overnight, restaurants were closed and didn't order anymore," said Pierre Levy, CEO of Califrais. Meanwhile, consumers—now confined—were looking for a way to order fresh items to eat at home. In response, Rungis and Califrais needed a partner that could urgently support them in building a platform that allowed end consumers to purchase Rungis-sourced products using payment methods adapted for a business-to-consumer model.

> We knew we needed a new business model, and we needed it fast. The technical set-up, interface, and service offered by Stripe were ultra-simple. This allowed our lead developer to implement everything we needed in only 10 days.

Simon Bussy
Co-founder
Califrais

Solution

Califrais created a platform called Foodufrais and used Stripe to offer an intuitive buying experience for end consumers. In addition, Stripe enabled Califrais to offer payment methods adapted to end consumers (versus restaurants). Offering payment methods that consumers recognize and trust, such as credit cards, is critical for conversion.

Not only could shoppers order fruits and vegetables with just a few clicks, but the entire Foodufrais deployment only took 10 days. According to Simon Bussy, co-founder of Califrais, the speed of integration was vital in getting the project up and running. Foodufrais is making nearly 1,200 deliveries per day in Paris. One month after the service was launched, the average basket size has grown to €110, and some 40% of customers regularly return to the platform to restock on fresh groceries from Rungis's suppliers.

3. Offering a subscription service

Over the past decade, subscription revenues have consistently grown nearly five times faster than the S&P 500. Many enterprises are expanding into subscriptions to generate recurring revenue and increase customer retention and loyalty. This trend is particularly prevalent in the media industry, with a wave of publications shifting from transactional print sales to digital-only or print-and-digital bundled subscriptions. From razor blades and cosmetics to car washes and haircuts, nearly any good or ongoing service can be sold as a subscription. During the current economic slowdown, businesses from airlines to convenience stores are launching membership programs to encourage repeat purchases and reward customer loyalty.

The economics of subscription businesses are much more attractive than a transactional model. Revenue from subscriptions is recurring, generating predictable cash flows. Subscriptions are also stickier, as they lock a user into a product or service for a length of time, and automatic renewals reduce churn.

An effective billing system should be designed for scale, helping a business expand into new markets and meet complex financial reporting and compliance needs. As the subscription business grows, the billing system will need to be flexible enough to allow for experimentation with new pricing models and support of a variety of payment methods.

Key outcomes:

1. Grow recurring revenue (MRR, ARR).

2. Increase customer retention.

3. Reduce churn.

The Atlantic

The Atlantic manages over 800K digital subscribers with Stripe

Though it only launched digital subscriptions in 2019, *The Atlantic*'s multi-digital publishing platform has evolved from its original magazine, *The Atlantic Monthly*, which was first published in 1857. Today, TheAtlantic.com serves as a hub for reporting, analysis, and commentary as well as original literary works from leading writers.

Challenge

The Atlantic had a goal: build deeper and more continuous relationships with its readers. As *The Atlantic*'s largely US-based readership was moving increasingly toward digital media, the company decided to make a significant shift by launching a digital subscription model for its readers. In preparing for this pivot, *The Atlantic* knew it needed to rethink its payment strategy. The company was still reliant on a payment provider tied with its traditional print magazine but recognized this wouldn't scale with the new digital offering.

> Stripe's developer support and robust APIs were key to our decision. We knew we would be well supported as our company grew and needs evolved.

Alaina Browne
Former Executive Director of Product, Subscriber Growth
The Atlantic

Solution

While *The Atlantic* considered several subscription management providers, including ones that cater specifically to publishers, it ultimately found Stripe to be the right platform to grow with its digital infrastructure.

The Atlantic enlisted Stripe to handle payments for its new digital subscription offerings, including both digital-only signups as well as bundled digital and print subscriptions. This required Stripe to funnel subscription data to *The Atlantic*'s existing print fulfillment provider, which *The Atlantic* was able to accomplish due to the flexibility of the Stripe platform. In just three months, *The Atlantic* had implemented Stripe Payments and Stripe Billing to support the launch of its brand-new digital sub-scription offerings.

After a seamless launch of its new digital subscrip-tion, *The Atlantic* has added over 800,000 new subscribers. Armed with billing recovery tools and long-term commitments to its subscription service, *The Atlantic* is equipped to continue its growth trajectory.

ANA Group builds a next-generation mileage program

All Nippon Airways (ANA), one of Japan's preeminent airlines, wanted to build a new mileage program based on insights learned during the travel disruptions of the COVID-19 pandemic.

Challenge

Mileage programs are an important financial hedge for airlines. They help offset the cyclicality of business travel by subsidizing leisure travel, which is generally more consistent. Mileage programs also help enhance the loyalty of an airline's best customers. The pandemic made the need for this type of stability even more acute by greatly depressing demand for air travel within Japan and globally.

ANA was heavily affected by the pandemic and quickly made changes to their loyalty offerings in response. In particular, they wanted to enrich their customers' daily lives and engage with them beyond the activities of flying and traveling. To do that, they decided to create ANA Pocket, a mobile-

" Simple things like ensuring that monthly subscription payments are stress-free, secure, and reliable go a long way in letting our customers know how much we value them. We look forward to working together with Stripe to continually improve our service in the best possible way for our customers.

Rina Hirooka
Business Development
ANA Group

based membership experience that allows users to earn points and miles based on the distance of their daily movement through activities like walking and cycling as well as taking cabs or trains, which they can redeem for ANA flights and travel products.

Solution

ANA Group knew that they wanted to create a premium offering for members and needed a payments platform that could support it. With that in mind, they chose Stripe Billing, which makes it easy to implement and manage subscription payments.

ANA Group built momentum for the subscription service through first-month-free promotions as well as outreach across a variety of marketing channels. Using the Stripe Dashboard, ANA Group was able to quickly build an operational flow that could respond to billing errors and enhance fraud prevention. This, in turn, allowed them to provide loyal customers with the seamless experience those customers expected.

4. Streamlining financial operations

Some businesses built their own homegrown solutions or invested in multiple third-party tools to process payments and manage revenue. As they grew, they realized that the heavy engineering work of stitching together disparate systems and ongoing maintenance costs were slowing them down, leading them to streamline processes like accounting, reconciliation, billing, invoicing, taxes, and reporting.

Disjointed internal systems can result in long settlement times and lead to a poor customer experience. Additionally, the ability to market to customers is hamstrung by the lack of reliable customer purchase data as a result of disparate data sources. A unified financial platform can provide full visibility into customer purchase behavior, reduce complexity, and make teams nimbler, resulting in improved workforce efficiency. This allows resources to be redeployed to core areas of the business.
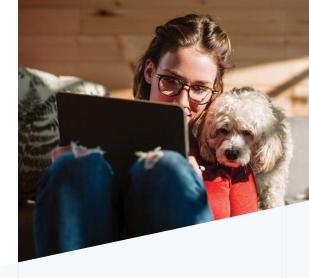
During a time of economic uncertainty, the health of your business matters more than ever. The ability to move quickly and focus on revenue-driving business priorities rather than the undifferentiated, resource-intensive work of maintaining dozens of fragmented systems can mean the difference between growth and stagnation.

Key outcomes:

1. Increase workforce efficiency.
2. Improve data reliability.
3. Reduce costs.

AJ Bell speeds up transactions with Stripe

A member of the FTSE 250 on the London Stock Exchange, **AJ Bell**'s investment platform gives financial advisors and direct retail investors access to an extensive range of shares, funds, bonds, and accounts, as well as their own investment products.

Challenge

For over 25 years, AJ Bell has provided award-winning products and services to make investing easy and affordable. But with its previous payment provider, the company had to set up separate payment processing accounts and merchant arrangements that resulted in fragmented user experiences, especially for investors and advisors using mobile. AJ Bell set out to find a new provider that would enable the company to offer a better mobile experience for its customers, reduce settlement times, and automate payment reconciliation more effectively.

> " The Stripe APIs and developer tools are widely regarded as being the best in the industry. We benefited from the ability to rapidly enforce Strong Customer Authentication requirements and also integrate Apple Pay and Google Pay with just a few extra lines of code.

Tim Huckle
Director of Digital Strategy
AJ Bell

Solution

AJ Bell chose to leverage Stripe for its payments expertise and suite of APIs to deploy an enterprise-ready payments platform. Using Stripe, AJ Bell had the ability to settle funds automatically into different accounts, ultimately reducing friction for their mobile customers.

The integration took only a few weeks, after which AJ Bell's 432,000 customers benefited from a faster, better mobile experience that allowed them to move money into their accounts in a matter of seconds. Additionally, its team had streamlined internal processes to make handoffs between the engineering and sales teams smoother than ever. Today, the company has managed over £68 billion in assets on their revamped platform with Stripe.

Nextech

Nextech launches secure healthcare payments platform with Stripe

Founded in 1997, Nextech is a leading provider of healthcare technology solutions for specialty physician practices. Nextech sought to launch an integrated payments solution to make it easy for physician practices to accept both in-office and online payments and ultimately chose to partner with Stripe to reduce the time to market for the new offering without compromised flexibility.

Challenge

Nextech supports more than 11,000 specialty providers and 4,000 practices. When COVID-19 changed how patients interact with their medical practitioners, Nextech saw the need to create a secure location for offering payments both in the office and online. By partnering with a payments platform like Stripe, Nextech could build a solution that would not only improve the patient payment experience, but also allow Nextech to grow new revenue streams through payments without the burden of maintaining PCI compliance.

" We're happy that we can build multiple platforms under the Nextech umbrella with Stripe. The multiplatform capability allows us to account for each payment type uniquely, and as we grow, provide the flexibility for us to structure our business as needed. It meets our long-term goal of having full control over our portfolio.

Chuck Danner
General Manager of Payments
Nextech

Solution

Nextech selected Stripe for its launch of Nextech Payments. Nextech implemented Stripe to create a safe and easy-to-use integrated payments solution that accepts multiple payment methods across all devices and practice management solutions. With a flexible API from Stripe, Nextech was able to build its product set and fully control the user experience.

When Nextech first launched a beta version of its payments solution, it was able to pull data and reporting from the Stripe Dashboard for customers while continuing to build the full integration. Nextech integrated their solution across several Stripe accounts to easily differentiate payments volume from its monthly fees and core payment processing business. Its accounting and reconciliation process has become much more streamlined since moving to Stripe.

Protecting patient payment data is critical, so Nextech leverages key security features from Stripe to avoid any potential loss of cardholder data—encryption via Stripe Terminal devices, PCI compliance via Stripe Elements, and tokenization for secure storage of PAN numbers. The combination of these three security features inherent in the Stripe product offering helps eliminate all card data from Nextech, which eases the company's burden of protecting cardholder data and maintaining PCI compliance for their practices.

5. Expanding globally

There are many reasons to expand globally: increasing your total addressable market by reaching new audiences, building your brand in more markets, and meeting existing customer demand in other countries. But international expansion requires navigating the complexity of launching local payment methods; localizing languages, currencies, dynamic fields, and error messages; and staying abreast of regulatory requirements in each country. In fact, in a study published by Stripe and B2B International, only 33% of businesses selling into the EU are confident that they comply with regulatory standards.

Local payment methods alone can make or break your ability to sell into a new market. According to Stripe data, cards only drive 40% of global ecommerce. But accepting additional payment methods can require months of legal, operations, and engineering work and create ongoing overhead.

Modern, unified financial infrastructure can simplify international expansion and enable companies to launch in new markets quickly by turning on local payment methods with little to no engineering investment. Furthermore, by consolidating your entire payments and financial stack, it reduces the need to rely on disparate systems, saving costs and dramatically increasing your speed to market. The best providers have the data to help you determine which payment methods would result in the greatest conversion uplift in each country and the expertise to ensure your business stays ahead of new tax and regulatory requirements.

Key outcomes:

1. Expand total addressable market.

2. Capture existing demand in other countries.

3. Build brand presence in more markets.

amazon

Amazon simplifies cross-border payments with Stripe

Amazon, one of the most innovative companies in the world, is guided by four keys to success: customer obsession, passion for invention, commitment to operational excellence, and long-term thinking. With these principles in mind, Amazon set out to build a payments infrastructure that not only delivers an innovative and personalized checkout experience, but also a set of payments services that power Amazon's portfolio of products and businesses around the world.

Challenge

As Amazon expanded into new geographies, it sought to bring a new level of simplicity to international payments. Ben Volk, director of global payment acceptance and customer experience, explains, "We've really been on a pretty fun international expansion journey over the past six or seven years, thinking about innovations around how we get money to a seller that's selling cross border, how do we make that currency conversion process trivially easy for them, and how do we make sure they get paid as expected and on time. There's a lot of complexity in that."

> One of the things we really valued about Stripe is it got us into a lot of different countries quickly and helped lower the barrier of entry for us.

Ben Volk
Director of Global Payment Acceptance and Customer Experience
Amazon

Solution

Amazon partnered with Stripe to streamline global payments experiences, particularly as the company looked to launch in new countries quickly. For example, when Amazon expanded into Poland, the team worked with Stripe to optimize the checkout experience with BLIK, a popular local payment method in the region.

Because Stripe natively supports over 40 payment methods and 135 currencies, Amazon has been able to unlock speed to market and collaborate with Stripe to ensure the payment experience for customers is seamless and tailored to their purchasing preferences.

![MAERSK logo]

Maersk simplifies its supply chain with Stripe

Logistics giant Maersk was founded in Svendborg, Denmark, in 1904, and over the course of the twentieth century, it grew to become one of the most valuable publicly traded companies in the world. Today, its vast logistics network spans 130 countries and moves tens of billions of dollars' worth of goods around the world each year.

Challenge

On any given day, 85 million packages and documents are delivered globally, and 80% of total trade volume moves by sea. Faced with such a large (and increasing) workload, two-thirds of logistics companies acknowledge they still need to transform their operations to keep up. But Maersk recognized early the need to revamp its infrastructure.

"We started on this journey a few years back because we knew it was the future, and we wanted to modernize and serve our customers better. We had to make it simple for people to ship and track their orders from one end of the world to the other

" We knew that customers wanted to work with us, when they wanted, and where they wanted. Creating a payments system that allowed this flexibility was an essential piece of the puzzle. We found that Stripe had the right modern infrastructure, and was the right global partner, to help us get there.

Navneet Kapoor
Executive Vice President and Chief Technology and Information Officer Maersk

with a click of a button," said Navneet Kapoor, executive vice president and chief technology and information officer at Maersk.

As part of its modernization strategy, Maersk needed to find the right partner for a critical element of its operations: international payments. The company's global business is intrinsically complex, with banking requirements, currencies, and preferred payment methods all varying from region to region. A one-size-fits-all approach was not going to work, which is why Maersk turned to Stripe.

Solution

Prior to partnering with Stripe, Maersk's payments operations were fragmented across multiple providers: one for tokenization, another for payments processing, and a third for managing security authentication. Juggling several solutions that were not always interoperable introduced needless friction into an already complicated setting.

With Stripe, Maersk combined these disparate systems into a single agile payments portal. Maersk customers are now able to pay seamlessly through an intuitive dashboard that supports payment methods that Maersk previously could not accept, such as credit cards. The portal also adapts to regional banking requirements and provides inter-national customers with localized point-of-sale experiences.

Conclusion

At Stripe, we've seen centuries-old enterprises adapt to economic change, rewriting the script for how they engage with customers, suppliers, distributors, and other partners. In the current economic downturn, it's not enough to look to your payments provider to optimize authorization rates and costs. Businesses with a micro focus on cost and **authorization optimization** will miss the bigger opportunity to reinvent the way they do business and deepen their relationship with their customers—ultimately winning market share and expanding their total addressable market. To embark on this journey, a reassessment of your business model and supporting infrastructure is required, and that's where Stripe can help.

Request a **demo >**

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