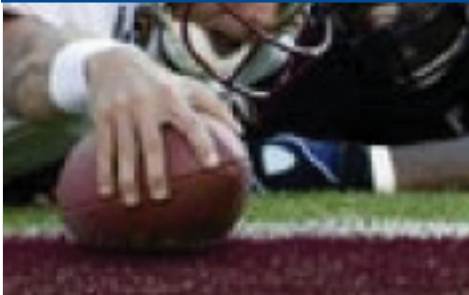




<http://www.paypal.com>

Customer Case Study | RotoWire.com



Product

Information service for fantasy sports

Challenge

To find a secure means to accept subscription payments and manage renewals.

Solution

PayPal

Results

- **Higher sales.** PayPal's automated renewal process has improved the subscription conversion rate.
- **Protection from fraud.** PayPal's industry-leading security measures remove the need for additional investment for online security.
- **Seamless integration.** Instant Payment Notification enables automated access to subscriptions.

“For online payments, PayPal is definitely the way to go.”

— Tim Schuler,
RotoWire.com

Headquartered in Los Angeles, RotoWire.com is a subscription service that provides news, articles and statistics for fantasy sports fans.

The Challenge: An online publisher needed a secure means to accept subscription payments and renewals.

In 1997, the company was launched as the first fantasy sports content company on the Internet. Over the first several years, this free website gained a large following as fantasy sports gained traction among millions of enthusiastic fans. Revenue for the site was generated primarily through advertising sales.

By 2001, however, rapid declines in advertising revenues were hurting web publishers everywhere. According to Tim Schuler, Chief Operating Officer of the company, it was time to change the business model. “We had such a large user base and our writers had reached a [quality level] where it all just fit together – allowing us to make the switch to a subscription-based service.”

To make this transition work, Tim needed to find an online payment method that handled subscriptions, automated the renewal process, and provided a high level of security. Armed with those requirements, the company set out to evaluate payment processing methods for their new subscription-only site.

The Solution: PayPal

After spending considerable time researching their options, Tim and the rest of RotoWire.com's senior management team selected PayPal as their online payment solution.

Managing security and lowering risk

RotoWire.com's Chief Technology Officer had insisted throughout the evaluation process that he did not want to take the risk of storing customers' credit card information. PayPal was the best choice for securely collecting and storing all customer information. “The biggest factor for us was the fact that PayPal was one of the few companies who would take the security completely off of our shoulders, and more importantly, protect every one of our customers.”

Because PayPal utilizes industry-leading fraud prevention tools and techniques and never shares credit card numbers with RotoWire.com, the company did not have to invest in expensive security measures. “PayPal basically stores everything ... they protect the customers for us, which eliminates a major risk.”

Powerful back-end integration

Using PayPal's Instant Payment Notification feature, RotoWire.com created an automated system that updates their customer database once payment is received. This allows RotoWire.com to seamlessly track subscriptions and give customers access to subscriptions immediately.

“When a customer on our site chooses to make a payment, PayPal processes their order, approves their card, and sends them right back to RotoWire.com. The customer has instant access ... everything is taken care of and they can start using the service right away. Additionally, for seasonal subscribers, PayPal gives Rotowire customers the option to make one-time purchases.”

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“PayPal has been great to us. I’d strongly recommend them to anyone wanting to do business online.”

—Tim Schuler,
RotoWire.com

An automated renewal system

With PayPal’s subscription payments process, which gives subscribers the option to automatically renew, RotoWire.com has been able to retain customers. When a subscription is set to expire, PayPal sends an automated email to RotoWire.com subscribers, letting them know about the pending subscription expiration and giving them a means to renew with just a few clicks. This convenient feature has already helped RotoWire.com achieve significantly higher renewal rates.

“PayPal works really well for our diehards. It’s like their cable bill ... they just get the email, renew and they’re very happy. Seasonal subscribers are happy with the service and there’s no hassle when their subscription comes to an end. Just a ‘thank you.’”

Monthly sales tracking

By accepting payments through PayPal, RotoWire.com is in the enviable position of never having to wait for outstanding receivables. However, it’s still crucial for Tim to follow the overall sales trends and review historical data. “I use PayPal’s Merchant Sales Report at the end of each month so I’m able to account for everything going on.” Additionally, Tim downloads each month’s transaction data into his desktop software to create custom reports with PayPal’s Monthly Account Statements.

Attentive customer support

Over the years, RotoWire.com’s staff has been impressed with PayPal’s customer support center. “Whenever we have a transaction that’s in dispute, they call us right back and give us all the information we need. And when an upgrade or other charge is around the corner, PayPal is really good about letting us know what’s coming and what’s involved.”

The Results: A successful relaunch and a profitable model

Since transitioning to a subscription-based service, RotoWire.com has converted a large percentage of their user base into paid subscribers – 80% of which are making online payments through PayPal. Next year, Tim projects that the company’s revenues will exceed \$1 million for the first time.

PayPal is making a significant difference to RotoWire.com’s bottom line in other ways. For instance, Tim feels that PayPal’s automatic renewal feature has improved his conversion rate on subscriptions by as much as 15%. And through PayPal’s buyer complaint process, Tim claims that he can address chargebacks and customer concerns in a fraction of the time required by his merchant account.

To Tim, PayPal stands out as a company willing to listen to merchants and make improvements. “As big as PayPal has become, they’ve always been open to suggestions. We’ve given PayPal a lot of ideas over the years and they actually look into them and, quite often, develop them. Their attitude seems to be ‘If this [improvement] will help your company, it’s bound to help our other customers.’ PayPal has been great to us. I’d strongly recommend them to anyone wanting to do business online.”



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