paddle

Staying in the fast lane

The web monetization playbook
for resilient revenue growth in 2026

Building sustainable revenue on the web in 2026

For many top app teams, web monetization has become a meaningful lever for growth.

It can increase revenue margins, widen your audience, boost working capital cycle speed, unlock pricing flexibility, increase Life Time Value (LTV) and create space to experiment across acquisition, conversion, and retention.

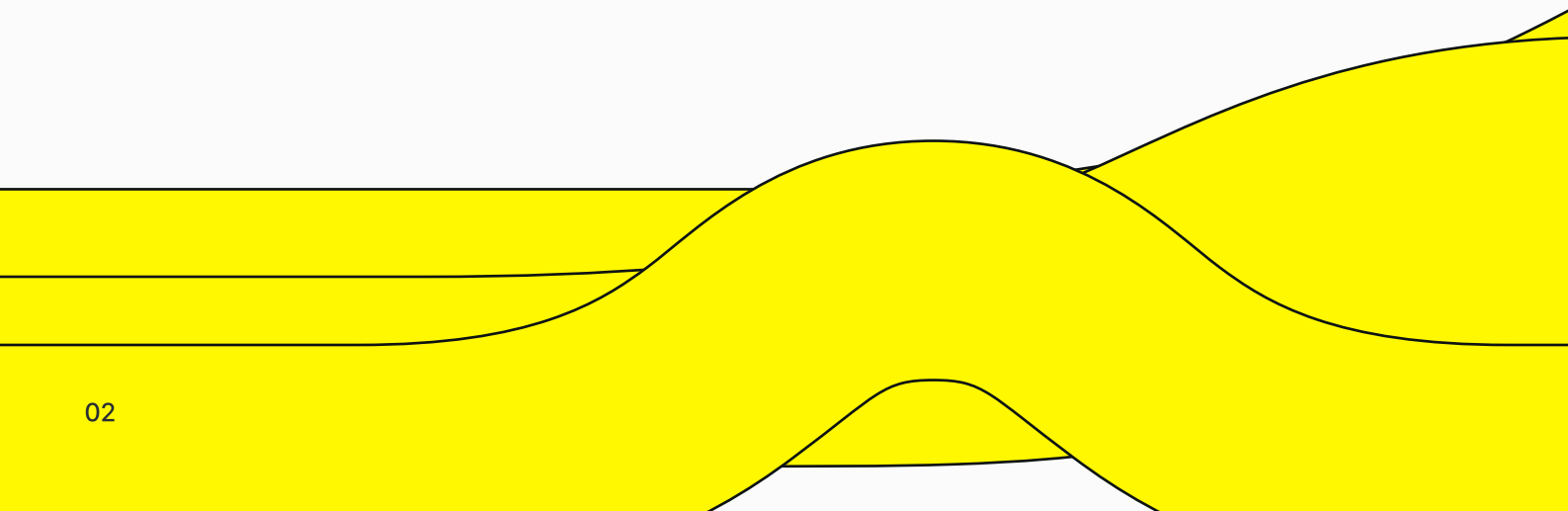
The 2025 Apple vs Epic ruling accelerated this shift in the US, and momentum is building. But it's not a magic switch.

As more users are routed to web checkout, small failures compound into material growth constraints. With web payments comes new responsibility for teams: checkout, payment acceptance, renewals, churn recovery, disputes, tax and compliance all become part of the core revenue infrastructure.

Beyond explaining 'the why' behind web monetization, this playbook shows how leading app teams turn complexity into a competitive advantage.

From pricing and web-checkout to compliance and conversion, it's a practical guide to building reliable web revenue systems designed for scale.

Drawing from app growth experts **Phil Carter**, **Steve Young**, and top apps like **Netflix** and **Runna (Strava)**, it highlights how best-in-class subscription apps are strengthening their web payment systems to scale their global revenue faster in 2026.



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5 challenges limiting your apps growth in 2026

1 A fast market that will never be this slow again

Even for top brands across the ecosystem, AI-enhanced fast apps with agile, lean teams pose a real threat to market share.

2 Fragile user expectations

High user expectations mean even small issues in checkout, pricing, or renewals quickly erode ARR and distort metrics.

3 Churn is harder than ever to calculate

Voluntary and involuntary churn mix, payments fail, and regional differences fragment visibility. This makes LTV and ARR declines harder to fix.

4 Chargebacks and disputes grow with scale

As apps continue their transition to the web, expanding regions and payment methods can drive more disputes, higher costs, operational friction and scrutiny from providers through exposure to errors, fraud, and regulatory differences.

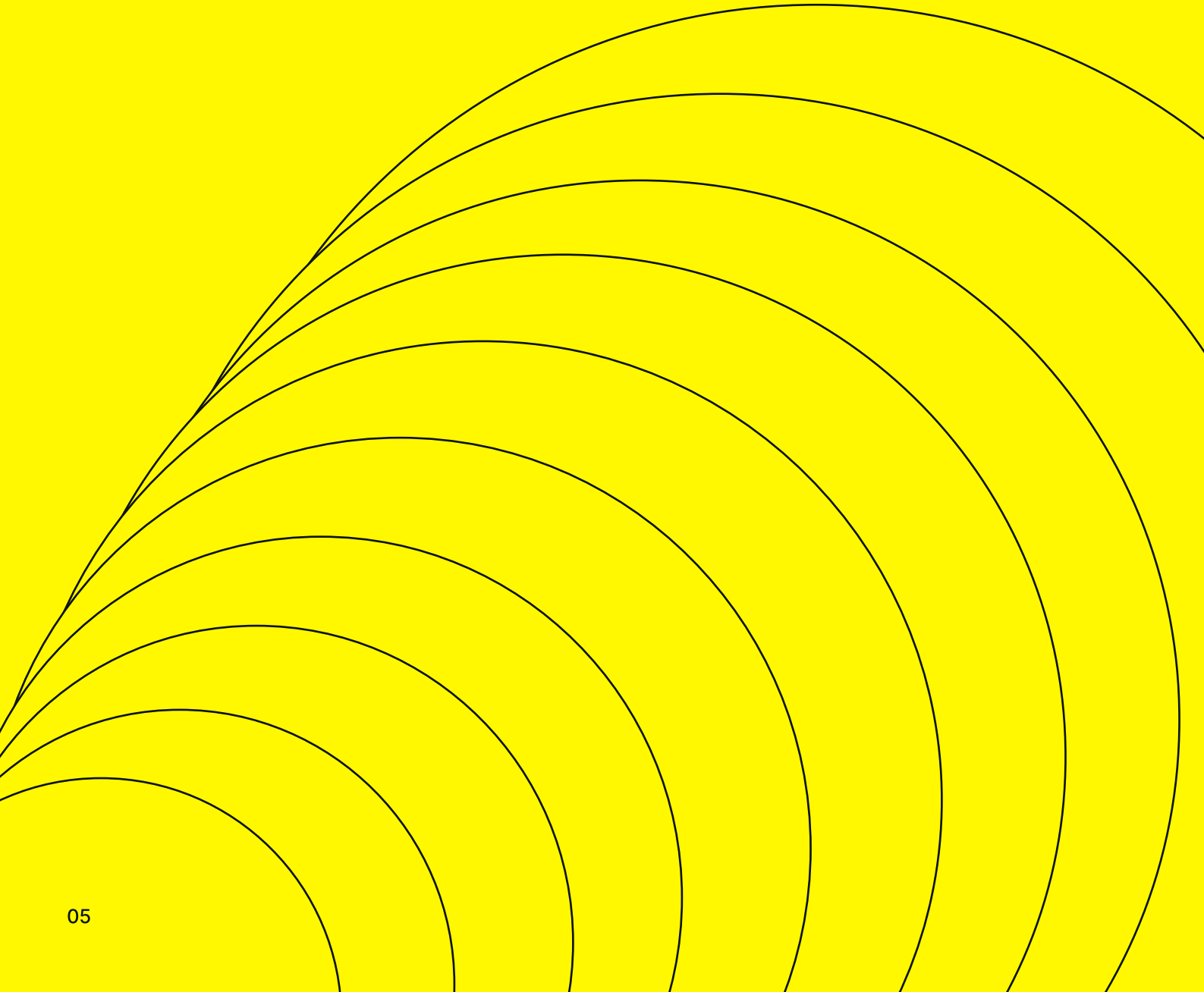
5 Lean teams, rising complexity

Growth targets rise, but teams aren't scaling. Subscriptions on the web add responsibilities like tax, payments, disputes, and support that used to be handled by the app stores. That's added pressure for lean teams and a trade-off between speed and margin.

The key question when it comes to resilient revenue growth:
How do I overcome these challenges?

Fast lane 1

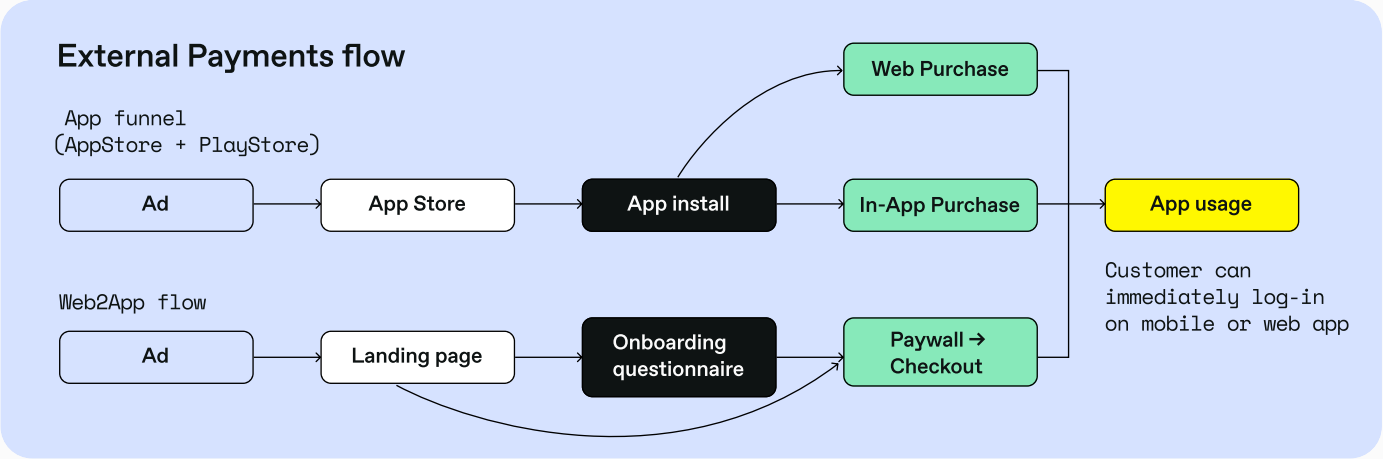
How leading apps maximize revenue with web monetization



The rules have changed for leading subscription apps

For most category-leading apps, monetization on the web has become a central growth lever.

Whether through Web2App or External Payments, teams are monetizing on the web because it unlocks higher revenue margins, faster cash-flow, pricing flexibility, higher Life Time Value (LTV) and the space to experiment across acquisition, conversion, and retention.



External Payments in the US

In April 2025, the Apple vs. Epic ruling unlocked External Payments in the US, allowing subscription apps to bypass the 15 to 30 percent app store commission without giving up App Store distribution.

But for many app-first teams, uncertainty about scope is the biggest blocker. The perceived impact feels larger than the reality.

10 months on from the landmark ruling, here's how the teams we speak to already using External Payment flows describe the change.

What changes for apps?

→ **Checkout moves to mobile web.** Users are routed from an in-app paywall to a browser-based checkout.

→ **You control pricing and payment methods.** Discounts, bundles, refunds, and trials are no longer constrained by App Store rules.

→ **You take on the responsibility Apple used to handle.** Tax, compliance, fraud, billing support.

What doesn't change for apps ?

→ **Distribution and discovery.** App Store presence, ASO, and Features remain unchanged.

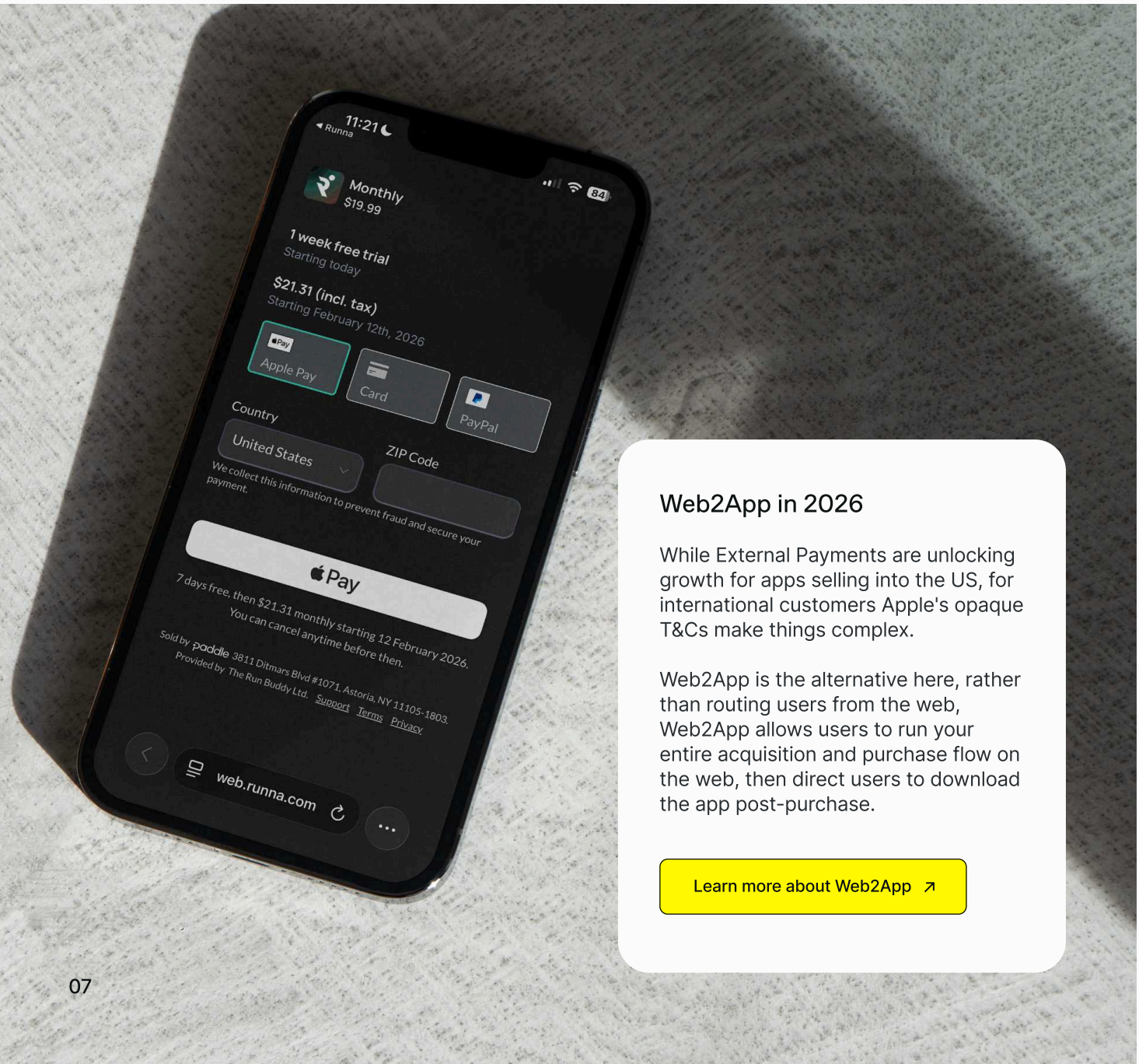
→ **Core product experience.** The app remains the primary place users engage and convert.

→ **Entitlement logic.** Purchases still map cleanly back to in-app access.

→ **In-app purchases.** Most teams continue to offer IAP alongside web checkout.

> "I'm a lawyer by education, I moved into tech later. When I saw the ruling, I knew how clear it was. Apple cannot prohibit any interaction with alternative payment methods...We made the jump to External Payments immediately"

Erkmen Erakkus,
Co-Founder and CEO, Stoikk



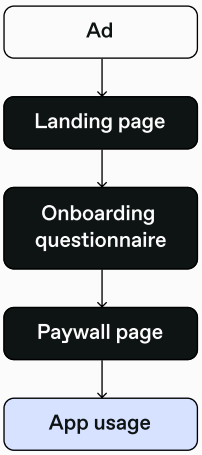
Web2App in 2026

While External Payments are unlocking growth for apps selling into the US, for international customers Apple's opaque T&Cs make things complex.

Web2App is the alternative here, rather than routing users from the web, Web2App allows users to run your entire acquisition and purchase flow on the web, then direct users to download the app post-purchase.

Learn more about Web2App ↗

Web2App acquisition funnel



A user is targeted with an ad for your app (on social platforms + Google)

They click the ad which brings them to a branded landing page

On this page, the user is taken through an onboarding questionnaire or quiz

The user is then taken to the paywall page where they are shown an offer to sign up and purchase the app (this is powered by 3rd-party payments platforms). By directing users to purchase here, you avoid the app stores' fees

The user is directed to the app to sign in and begin using the app

> With Web2App, you have way more flexibility in how you monetize and how you offer subscriptions, it's not surprising to see it's becoming the fastest growing channel for distribution after the app stores."
>
> Steve Young, Founder App Masters

Web2App at a glance

- → Lower fees (up to 6% vs 30%)
- → Better ad attribution (no SKAN or ATT limitations)
- → Experiment freely with billing models, pricing and offers
- → Own the user relationship
- → Audience expansion: Web users often show minimal overlap (as low as 15%) with App Store users
- → Improved cash flow with faster payouts

Best for:

- → Paid acquisition campaigns
- → High-LTV audiences
- → Global expansion with localized pricing

Web brings a new challenge but what's the fix?

Once you take purchases to the web, you inherit a lot of what the app stores used to handle: tax and invoicing, compliance changes, chargebacks and disputes, fraud risk, billing support, and keeping payment performance high across markets.

At scale, that isn't admin work, it becomes a source of revenue leakage and a drag on speed.

A Merchant of Record is the operating model that stops this becoming your team's problem. It lets you run web monetisation globally without building a payments and compliance function in-house, so you can stay focused on what matters, building and growing a product your customers truly love.

As a Merchant of Record, Paddle takes on the hard parts that quietly cap growth if you do them yourself: payment orchestration, tax and compliance, disputes and chargebacks and billing support. All while giving growth teams a checkout and billing system that can drive performance.

The outcome: higher conversion, an increase in retention, the removal of risk and time back for your lean teams.

How Stoikk capitalized on the App Store ruling

Turkey-based Stoikk builds apps across wellness, AI, and consumer tech.

STOIKK

Following the Epic vs Apple ruling, it was determined to bypass platform fees and maximize its revenue as quickly as possible.

With Paddle, it was able to create a web checkout in days. The paywall offered two options: "Use Apple Pay for 25% extra discount" or "Continue in-app," prioritizing Apple Pay for familiarity and trust. A branded loading screen reinforced confidence before checkout.

Backend complexity like chargebacks, churn mitigation and global compliance are all on autopilot while the Stoikk team accelerate their growth.

No drop in conversions

25%

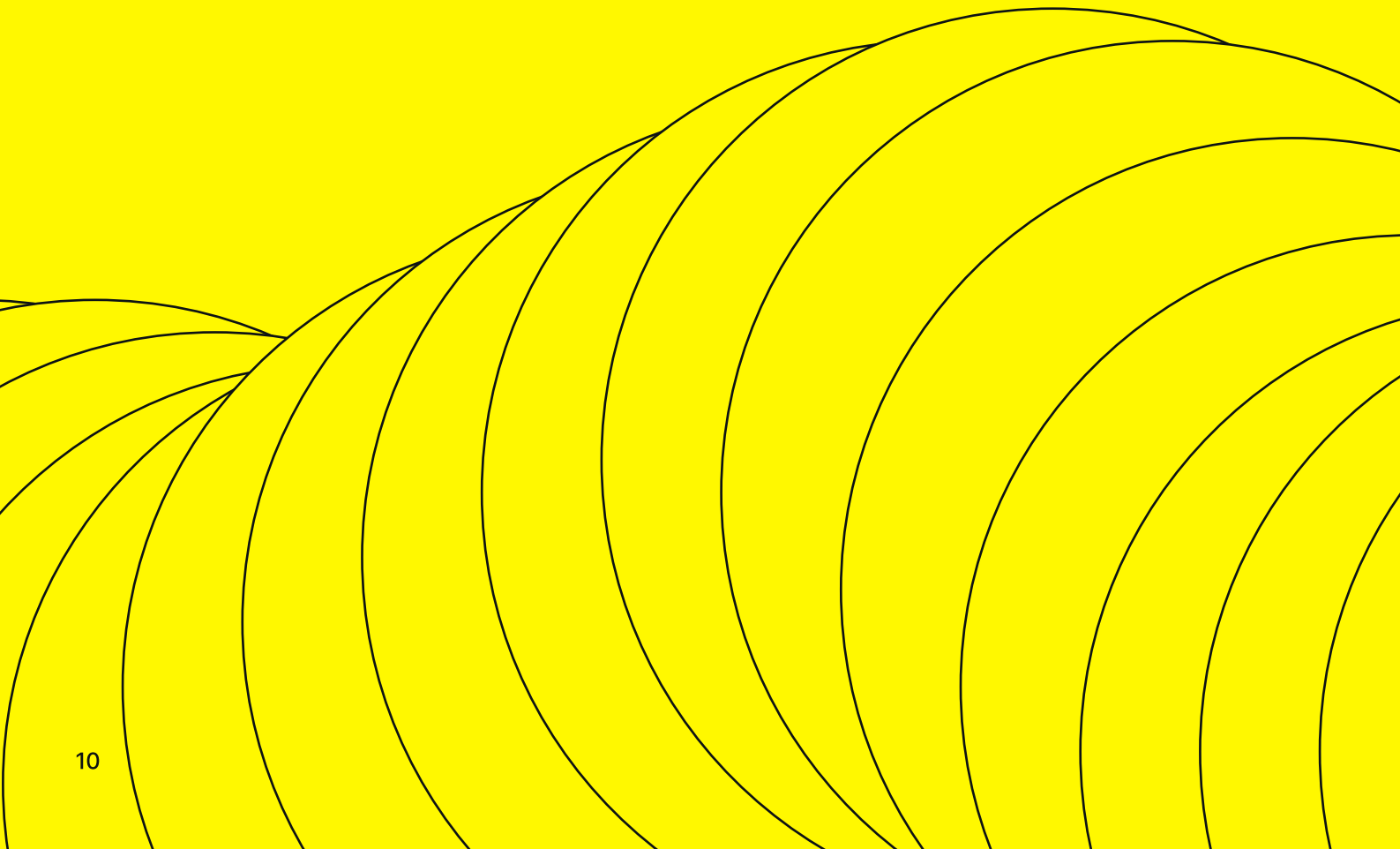
Revenue boost (estimated)

15%

Increase in LTV for web-customers.

Fast lane 2

Turning pricing into a growth lever with Phil Carter



Pricing decisions quietly cap Lifetime Value

When subscription apps launch, pricing decisions are often made for speed and simplicity. At first, using foreign exchange (FX) based pricing or simple free/paid tiers may seem enough, but at scale these early decisions become structural constraints.

Currency fluctuations, changing economic conditions, new market players, and local market maturity all impact local willingness to pay, so a US$9.99 subscription may feel cheap in one market, but expensive in another.

Freemium can drive acquisition, but without a clear upgrade path, users may never convert. Discounting can boost short-term ARPU but hurt long-term LTV. Ultimately, one-size-fits-all pricing limits growth and undermines retention.

Failing to adjust prices regularly results in lower real-terms ARPU.

Pricing flexibility on the web

The web gives subscription apps unmatched flexibility to optimize pricing for growth. Unlike app stores, teams can experiment across markets, currencies, and subscription models.

Prices can be localized, freemium conversions tested, and tiered or usage-based plans offered. Here's how to ensure your pricing functions as a key lever for growth in 2026.

> "In a lot of northern European countries like the Nordics, for example, willingness to pay is 20-30% higher than the US. In South America it's 20-30% lower. If you adjust pricing accordingly, then you aren't leaving money on the table."
>
> Lucas Lovell, VP of Product at Paddle

How pricing limits growth at scale

More than half of all digital product companies don't localize their pricing. The impact shows up everywhere:

- **Conversion drops in price-sensitive markets, FX-based pricing erodes conversion or retention**
  FX-based pricing makes products feel expensive where purchasing power is lower and upside is capped in higher willingness-to-pay markets.
- **Freemium never converts**
  Users adopt the product but never reach a compelling moment to convert, inflating MAUs while ARR and LTV stagnate.
- **Discounts replace strategy**
  Promotions are used to force conversion, creating short-term ARPU spikes at the expense of long-term retention and predictable revenue.
- **Operations get messy**
  Manual price changes, regional exceptions, and ad hoc fixes introduce billing errors, internal friction, and inconsistent customer experiences as the business scales.

The result is a mismatch between user demand and captured revenue: there's strong acquisition, high engagement, and millions of users - but ARR and lifetime value fall well below the app's true potential.

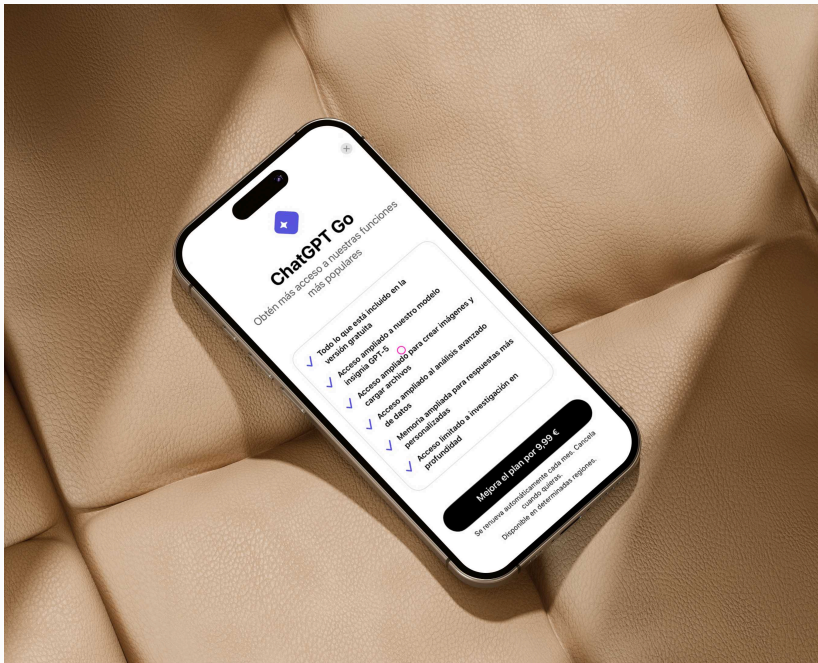
How best-in-class apps price for growth

Leading subscription apps treat pricing as a growth lever, not just a launch decision. Here's how they do it:

1 Localize prices based on what users will actually pay

Audit your last five enterprise deals. **Canva** has shown how powerful this can be. "Localized pricing adjustments had the most significant impact on our overall success," said Zain Abiddin, Canva's first Subscriptions Project Manager. "In some markets, reducing prices by 20 to 30 percent led to a surge in new subscribers."

Netflix follows the same logic, charging $21.48 per month in Switzerland and $2.82 in Pakistan.



2 Use freemium to qualify users, not just acquire

Leading apps use freemium as a retention and qualification tool. Users convert once they understand the product's value, improving engagement and long-term LTV.

Dating app Tinder, for example, uses freemium and tiered pricing to qualify users and capture value without undermining the core experience.

Meanwhile, by offering a key feature - period tracking - for free, women's health app Flo has been able to drive organic user acquisition and then monetize features for different use cases like conception, pregnancy, and perimenopause. It is achieving category-leading long-term retention rates as a result.

3 Align pricing across product, growth and marketing

Value positioning stays consistent across regions, channels, and upgrade paths, avoiding fragmented or conflicting offers.

The results speak for themselves:

Paddle found that companies adjusting to price sensitivity can realize a revenue increase of up to:

30%

4 Optimize for lifetime value, not short-term returns

Leading apps like AllTrails focus on compounding value rather than immediate gains.

"We found setting our pricing at $15 or $30 behaved pretty similarly, but $15 margins were so lean that we had no room for maneuverability," said Ron Schneiderman, AllTrails' former CEO. We could never discount it, we could never do any offers or anything, so we went with $30."

Dmitry Gurski, Flo's Co-Founder and CEO reinforces the long view. "Some users use the app for years without paying, and then, when the right moment comes, they convert," he said.

5 Offer flexible pricing without operational chaos

Modern buyers expect flexible pricing (subscription, usage-based, hybrid), which manual management complicates, leading to errors and revenue loss.

Leading apps offload this complexity, including global billing and compliance (taxes, regulations, payments), to a Merchant of Record like Paddle.

Regional pricing with Paddle

Leverage regional differences in willingness-to-pay to drive additional revenue and unlock new customers with powerful advanced payment options.

Learn more ↗

How Tinder has used freemium to capture US$1B in revenue

Dating app Tinder uses freemium and tiered pricing to qualify users and capture value, without undermining the core user experience.

tinder

Tinder layers multiple subscription tiers (Plus, Gold, and Platinum) alongside in-app purchases like Boosts and Super Likes to lift limitations, not block access. Each paid-for feature is designed to accelerate matches and conversations, creating more value for users while keeping the free experience intact.

By aligning premium features with real user goals - and ensuring they complement rather than compete with each other - **Tinder** captures more revenue from high-intent users without slowing engagement.

Increase revenue and decrease risk with flexible pricing and unified revenue visibility with Paddle

With a single system for subscriptions, billing, and revenue reporting, product and growth teams can confidently experiment with pricing, bundles, and freemium upgrades.

Finance teams gain a clear, real-time view of ARR, LTV, churn, and cashflow across regions, while leadership can track performance and ensure pricing decisions protect long-term value.

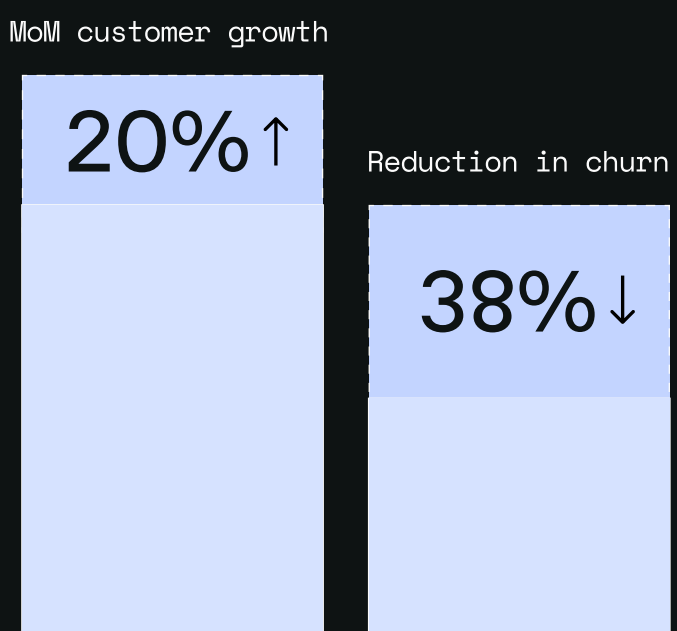
How Kaleido (now part of Canva) used Paddle to nail their pricing experiments

Kaleido (now part of Canva) used Paddle's single payment setup to support highly flexible billing, from one-time credit packs to large enterprise contracts.

kaleido

Kaleido (now part of Canva) used Paddle's single payment setup to support highly flexible billing, from one-time credit packs to large enterprise contracts.

With Paddle handling compliance and billing, the team rapidly scaled **from zero to 4,800 paying customers** in 119 countries in six months, and to 43,000 customers across 181 countries within 18 months.



Pricing your subscription app in 2026 with Phil Carter

Phil Carter has spent the last decade as a VC and product leader, helping companies like Faire, Quizlet, and ElevenLabs build world-class products and accelerate their growth. Here Phil breaks down the top insights for pricing and packaging success in 2026.



Going into 2026, subscription pricing and packaging decisions are more important than ever, because AI is changing how subscription apps approach monetization. This is a direct result of the non-trivial underlying costs of supporting AI-powered features.

Before AI, it cost most digital subscription apps nearly nothing to serve a marginal subscriber. In fact, freemium apps like **Spotify**, **Duolingo**, **Strava**, and **Calm** can even afford to give away free versions of their product to non-subscribers, because the marginal costs of supporting these users is virtually nothing so long as they aren't using AI features. With AI, this is no longer the case, because subscription apps have non-trivial compute costs they have to pay to LLM providers to support AI features. This has profoundly changed how AI apps approach their monetization strategies.

Below, I outline four proven techniques consumer subscription businesses can use to optimize pricing and packaging.

I then highlight four specific tactics AI apps can use to improve monetization by better aligning consumer prices with the underlying costs of AI feature usage.

Optimize your pricing and packaging with these four frameworks:

While there are many techniques for optimizing pricing and packaging, four of the best include:

1 Van Westendorp

Ask respondents what price is “too cheap,” “cheap,” “expensive,” and “too expensive” to get an Acceptable Price Range (APR) and Optimal Price Point (OPP).

Approach: Ask four questions that establish Acceptable Price Range (APR) Optimal Price Point).

Pros:

- Simple to implement
- Smallest sample (150–200)
- Directional insights into acceptable price ranges

Cons:

- Results can be biased (users understate WTP)
- No feature-specific ratings or marginal WTP

Outputs:

- Price Sensitivity Meter (with APR and OPP)

2 Gabor-Granger

Ask respondents directly if they would purchase the product at $X, and continue iterating up and down until you identify the highest price they are willing to pay.

Approach: Ask respondents directly if they’d purchase at $X.

Pros:

- Simple to implement
- Gives clear demand curve
- Captures maximum WTP
- Smaller sample (150–250)

Cons:

- Can overstate purchase intent (“yes-saying” bias)
- No feature-specific ratings or marginal WTP

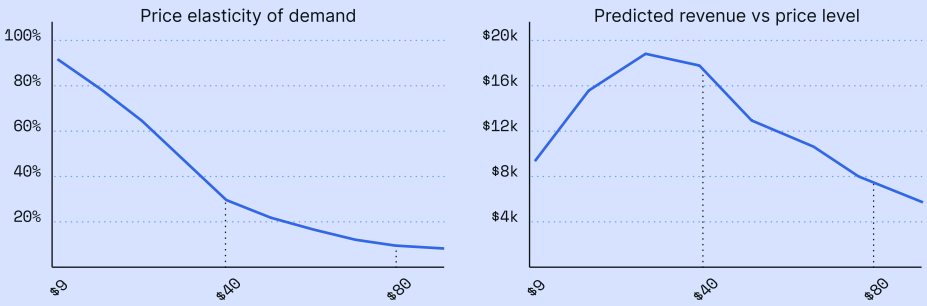
Outputs:

- Price Elasticity Curve
- Price vs. Revenue Chart

5.6%
would not buy this product at all

8.5%
would buy this product, but pay only below the tested price range

$29.99
revenue-maximising price level



3 MaxDiff (Best-Worst Scaling)

Show respondents sets of 3-4 product features across several rounds, and for each round, ask them which feature is most and least important to them.

Approach: Ask which features are most vs. least important.

Pros:

- Best method for feature prioritization
- Produces clear utility scores and rank orderings

Cons:

- Doesn't measure WTP
- Medium sample (200–300)
- Risks survey fatigue

Outputs:

- Ranked List of Features
- Relative Feature Values

4 Conjoint

Show respondents sets of 2-3 full packages of prices and product features, and for each round, ask them which package they would select.

Approach: Ask respondents to pick from different plans.

Pros:

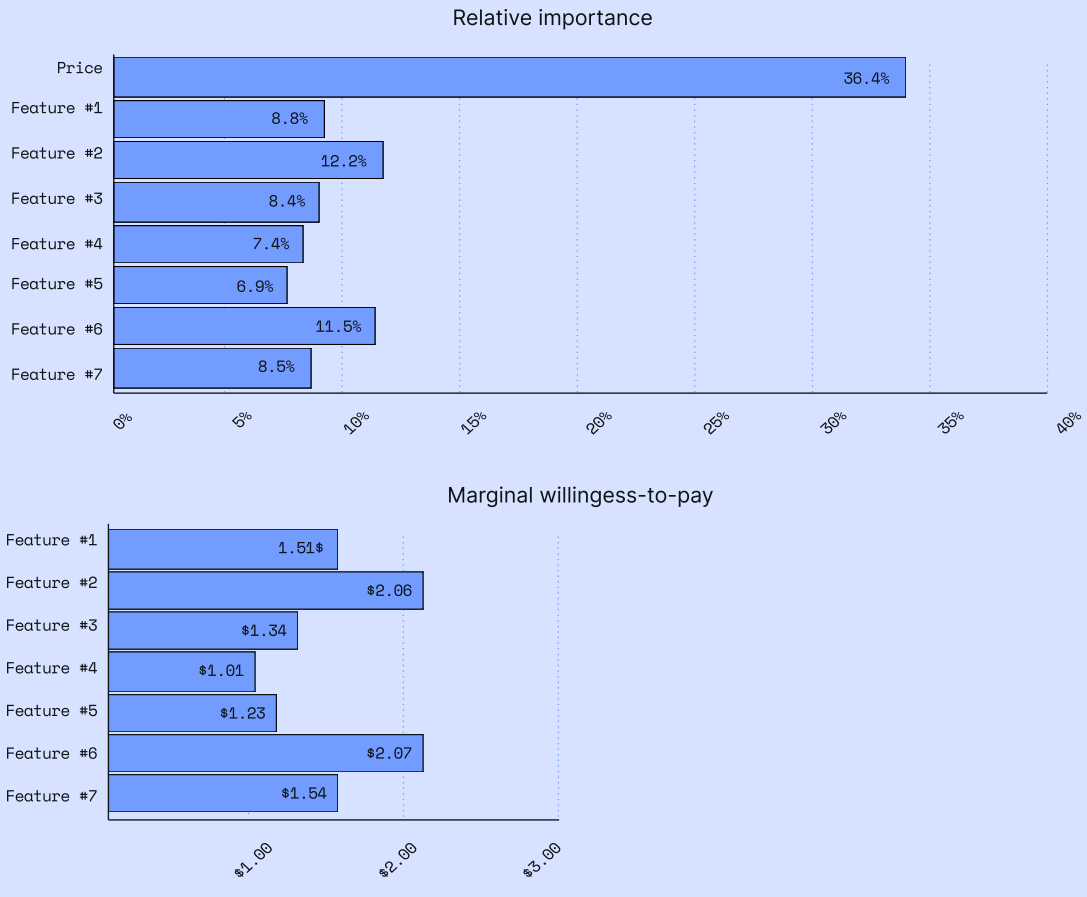
- Most realistic: Simulates real purchase decisions
- Measures relative feature value and marginal WTP

Cons:

- Most complex and costly
- Largest sample (300–500)
- Risks survey fatigue
- Requires advanced design

Outputs:

- Ranked List of Features
- Relative Feature Values
- Marginal WTP per Feature



I've outlined the pros and cons of each technique below.

If you want to read more about each of these techniques, tools like Qualtrics, SurveyMonkey, and Conjointly offer great resources.

	Van Westendorp	Gabor-Granger	MaxDiff	Conjoint
Approach	Ask four questions that establish APR and OPP	Ask respondents directly if they'd purchase at $X	Ask which features are most vs. least important	Ask respondents to pick from different plans
Pros	Simple to implement Smallest sample (150–200) Directional insights into acceptable price ranges	Simple to implement Gives clear demand curve Captures maximum WTP Smaller sample (150–250)	Best method for feature prioritization Produces clear utility scores and rank orderings	Most realistic: Simulates real purchase decisions Measures relative feature value and marginal WTP
Cons	Results can be biased (users understate WTP) No feature-specific ratings or marginal WTP	Can overstate purchase intent ("yes-saying" bias) No feature-specific ratings or marginal WTP	Doesn't measure WTP Medium sample (200–300) Risks survey fatigue	Most complex and costly Largest sample (300–500) Risks survey fatigue Requires advanced design
Outputs	Price Sensitivity Meter (with APR and OPP)	Price Elasticity Curve Price vs. Revenue Chart	Ranked List of Features Relative Feature Values	Ranked List of Features Relative Feature Values Marginal WTP per Feature

Align your Monetization with your AI Costs

While techniques like Van Westendorp, Gabor-Granger, MaxDiff, and Conjoint are great for optimizing subscription pricing and packaging, they leave out a very important variable: cost.

With more and more consumer subscription apps using LLMs to offer AI-powered features, it's becoming increasingly important to evaluate the marginal cost of serving additional users and subscribers and then align pricing with these costs to support healthy unit economics.

Here are four specific tactics that AI subscription apps can use to improve their monetization:

1 Use cheaper, faster LLMs when their performance is good enough

Target metrics:

- Subscription Gross Margin
- Trial Start Rate
- Trial Conversion Rate
- Subscriber Conversion Rate

Specific tips:

- Test multiple LLMs to find the best one for your use case (Tip: Use LM Studio)
- Experiment with open source models
- Depending on your use case, try trading off performance for speed and/or cost

2 Offer multiple subscription tiers with "basic" vs. "AI-powered" features

Target metrics:

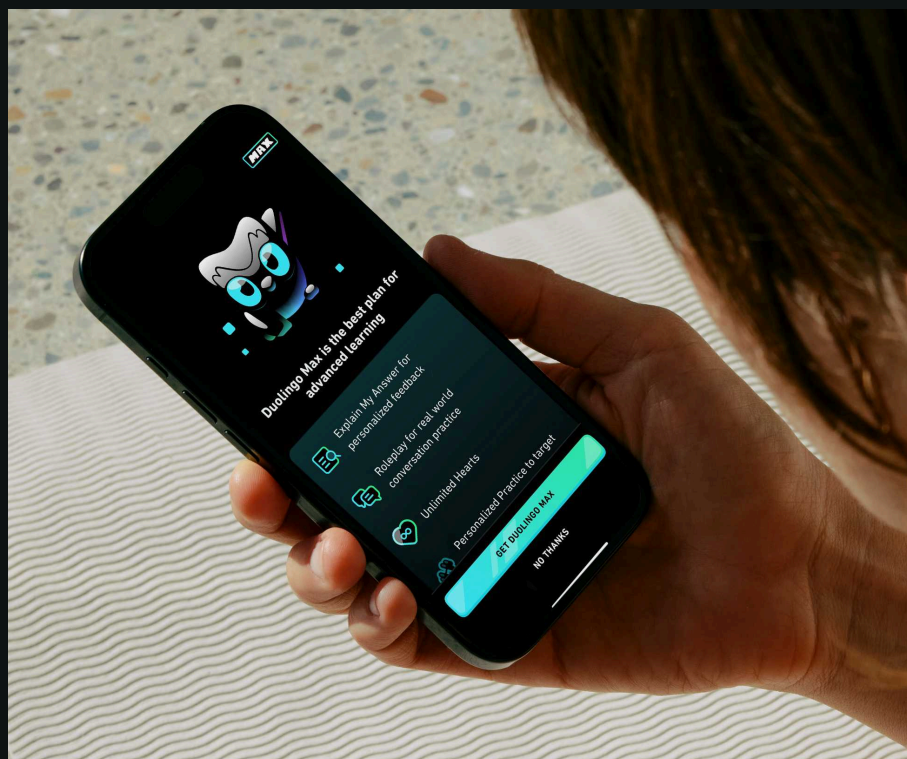
- Subscription Gross Margin
- Subscriber LTV

Specific tips:

- Conduct subscription pricing/packaging analysis (Van Westendorp, Gabor-Granger, and/or MaxDiff)
- Identify features with highest popularity and WTP
- Offer two subscription tiers at different prices
- Package AI features into higher-priced tier along with other features with the highest WTP

Example:

duolingo



3 Limit free trial lengths and freemium offerings to keep AI costs under control

Target Metrics:

- Subscription Gross Margin
- Trial Start Rate
- Trial Conversion Rate
- Subscriber Conversion Rate

Specific Tips:

- Consider 3-day vs. 7-day free trials
- Tightly restrict free product experience
- Put usage caps on AI features, even for premium subscribers who are power users
- Sell additional AI credits as IAPs
- Test multiple LLMs to find the best one for your use case (Tip: Use LM Studio)
- Experiment with open source models
- Depending on your use case, try trading off performance for speed and/or cost

4 Charge subscribers for additional AI credits beyond a certain usage cap

Target Metrics:

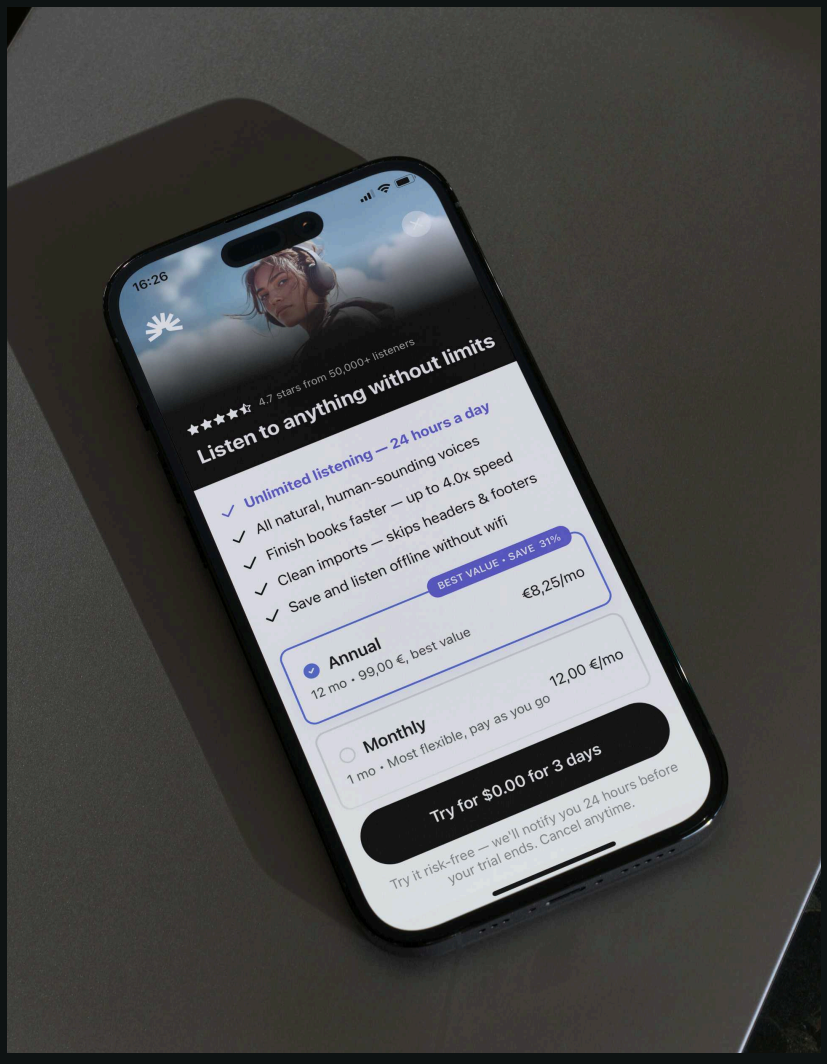
- Subscription Gross Margin
- Subscriber LTV

Specific Tips:

- Offer multiple subscription plans with varying amounts of AI feature usage
- Allow users to purchase AI credits a la carte if they exceed their cap
- Set prices to cover costs while nudging users towards subscriptions vs. IAPs over time

Example:

ElevenReader



Your fast lane checklist for pricing

- [x] Research willingness to pay by market - and refresh every six months.
- [x] Use freemium as a tool to qualify users and boost retention – but limit free AI usage to control costs.
- [x] Charge subscribers for additional AI credits beyond usage caps.
- [x] Align pricing across product, growth, marketing, and finance to support healthy unit economics.
- [x] Test price changes incrementally to measure impact without harming conversion.
- [x] Localize prices where it lifts conversion and protects LTV – and factor in regional AI costs.
- [x] Offer multiple subscription tiers to separate basic vs. AI-powered features.
- [x] Evaluate cheaper or faster LLMs when performance is acceptable.
- [x] Centralize billing and compliance to avoid revenue leakage.
- [x] Use feature-based add-ons or bundles to maximize perceived value and profitability.

Fast lane 3

Fix the bottleneck: Conversion, checkout & acceptance with Steve Young

Fix the bottleneck: Conversion, checkout & payment acceptance

As more high-intent traffic is routed to the web, systems for conversion have to be dialled in.

Pricing can be right and demand can be strong but if users hesitate, drop, or fail to complete their first action, revenue never reaches checkout in the first place.



Steve Young, founder of AppMasters, has worked with hundreds of subscription apps to strengthen their conversion. His insight is simple: roughly half of demand is lost before users even engage.

The teams that win don't treat conversion as a single screen or experiment, they design it as a system starting with the very first page, carrying intent through guided flows and paywalls, and only then handing off to checkout and payment acceptance.

The following tactics outline how leading teams turn interest into commitment, before payment performance even comes into play.

Converting on the web - 3 tactics with Steve Young

1 Win the first page, or lose half your demand

Winning teams don't lead with features or screenshots. They lead with outcomes.

The first page exists to do one thing: get the user to start. Often that means beginning a quiz, assessment, or guided flow that reframes the product around their goal, not your roadmap.

Clear language, a single action, and repetition of the core value as users scroll consistently outperform dense or overly clever layouts.

If conversion friction isn't removed here, no amount of downstream optimization will recover it.

> "50 percent of users drop before taking a single action after they hit your ad."
>
> Steve Young

2 Use freemium to qualify users, not just acquire

Quizzes aren't a gimmick. They're a commitment engine.

Multi-step onboarding flows work because each answer increases psychological investment. Users who start a quiz are far more likely to finish it, and far more likely to convert at the end - especially when their answers are reflected back to them.

Best-in-class teams follow a few consistent rules:

- ⟶ One question per screen
- ⟶ Heavy use of visuals and simple language
- ⟶ Clear progress and reassurance throughout
- ⟶ Questions that surface motivation, not just demographics

By the time users reach the paywall, they're no longer evaluating a product.

They're evaluating a plan that feels tailored to them.

3 Long paywalls outperform short ones on the web

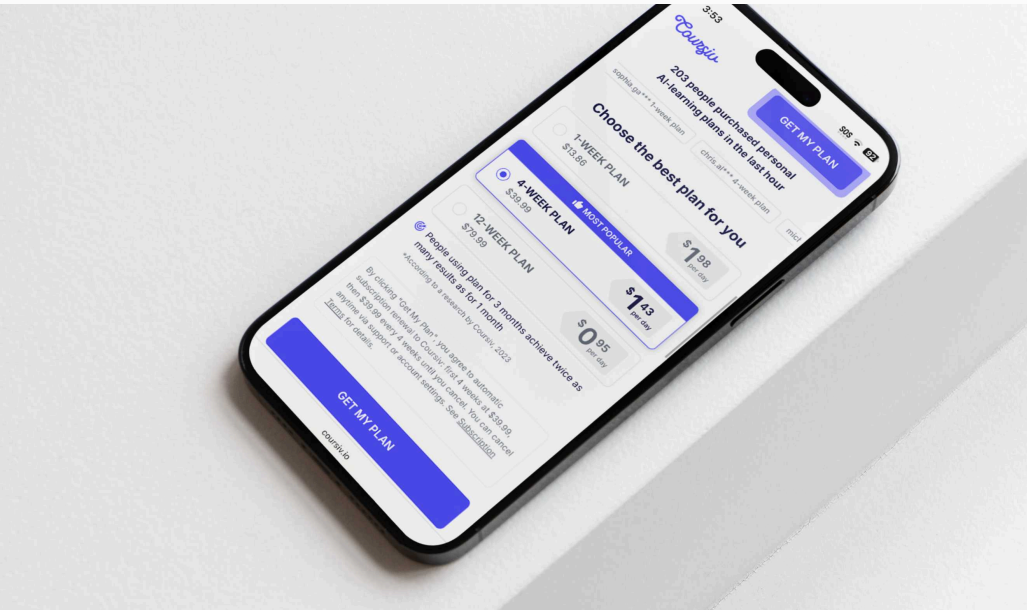
Counterintuitively, long paywalls often convert better than short ones in web flows.

Rather than rushing users to a price point, high-performing paywalls take time to do three things:

- ⟶ Reinforce the outcome the user is buying
- ⟶ Address objections before they surface
- ⟶ Build confidence through repeated social proof

Longer paywalls give teams room to explain value, clarify renewal terms, and reduce anxiety all of which increase conversion without relying on dark patterns. On the web, clarity consistently beats brevity.

> "Longer paywalls work better on the web. They're long for a reason - they answer the questions users haven't asked yet."
>
> Steve Young



Won or lost revenue starts at checkout

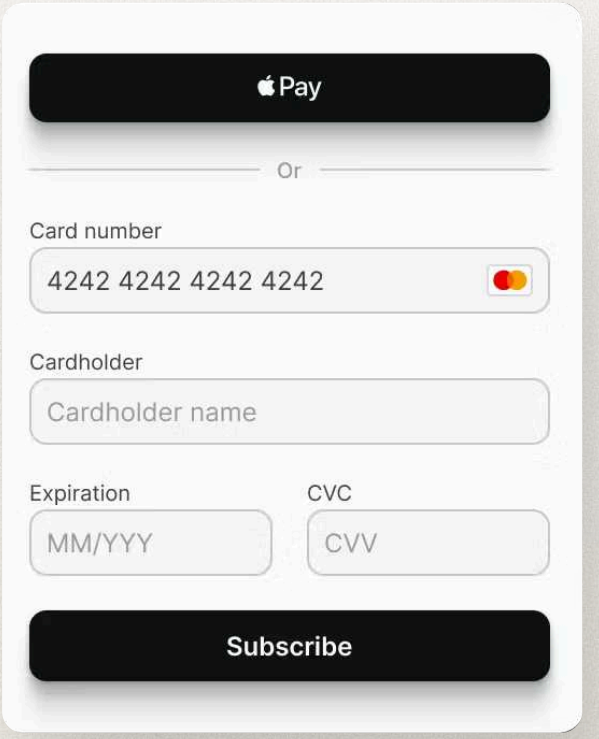
If your checkout experience and global payment acceptance aren't rock-solid, no amount of acquisition, pricing, or retention work can make up for it.

Checkout performance often fails subtly.
A few percentage points lost to friction, failed authorizations, or missing payment methods may not register as a crisis, but at scale, those losses compound into material gaps in ARR and LTV.

That's why checkout reliability has become one of the most under-optimized growth levers in the revenue stack.

Conversion on the web vs External Payments

Web External Payments may slightly reduce initial conversion compared to Apple's native flow. However, by unlocking pricing control, better retention, and lower platform fees, LTV grows substantially.



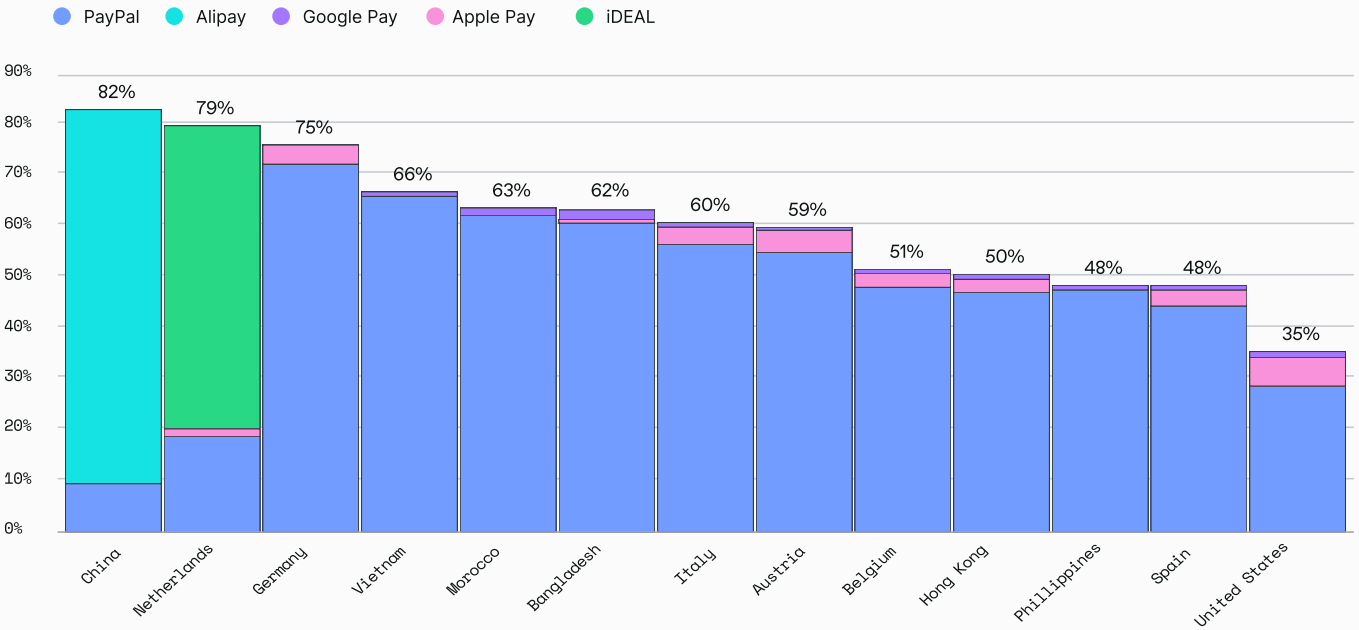
Why checkout breaks as apps scale

As subscription apps expand globally, customer expectations change - and so do the rules of payment acceptance.

Users expect to pay the way they do everywhere else. Customers want familiar, local payment methods - like Pix in Brazil, BLIK in Poland, and Alipay in China. They also expect local currency and language. When those expectations aren't met, even high-intent buyers drop out.

Regions with most non-card payment method

Share of revenue from non-card payments among Paddle Billing vendors with multiple payment methods.



Authorization adds another layer of complexity. Different banks apply varying risk models across regions. Without localized routing, retries, and payment coverage, legitimate transactions fail - and revenue leaks before it's even booked.

> Our inability to offer payment localization or alternative payment methods was negatively impacting conversions"
>
> Kaan Ortabas,
> co-founder at HubX

How to tell checkout is slowing your revenue

You're likely stuck in the slow lane if you see:

1. Strong traffic but weaker-than-expected first-time conversion.
2. Conversion rates that vary widely by country or region.
3. High card declines in international markets with no clear explanation.
4. Customers dropping out because their preferred payment method isn't available.

How leading apps fix it

Top-performing apps localize by region to show users they care. They show this by:

- → Offering the payment methods users expect in each market
- → Optimizing authorization flows for local banks
- → Making web checkout feel as familiar and trustworthy as in-app purchases

Paddle checkout localisation at a glance

Payment methods

130+

Currencies

17

Languages

Powered by Paddle, Stoikk focused on making web checkout feel indistinguishable from an in-app purchase.

STOIKK

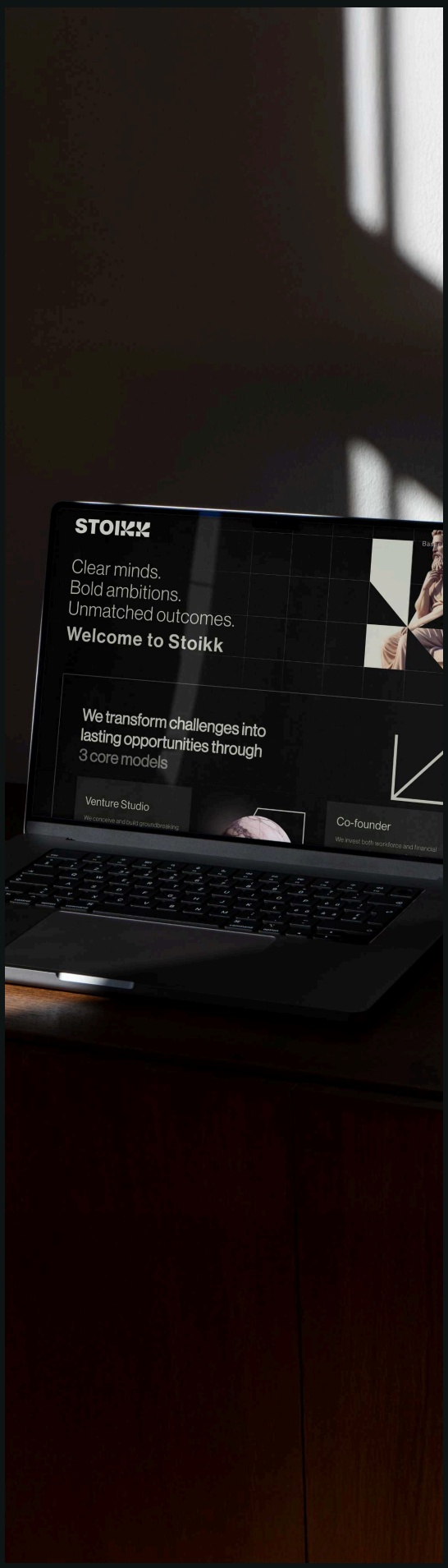
"The web-based checkout flow feels almost identical to an in-app purchase, and so far, we've seen no conversion drop at all," said Erkmen Erakkus, Stoikk's Co-Founder and CEO.

Beyond UX, the best teams monitor acceptance benchmarks by region and treat checkout as a growth engine, every improvement in payment acceptance delivers measurable revenue impact without extra acquisition spend.

Paddle helps teams turn checkout into a global revenue engine.

With Paddle Billing, apps can:

- → Support local payment methods, currencies, and languages out of the box
- → Optimize authorization and routing across regions
- → Keep brand and experience consistent while scaling globally.



How HubX scaled web revenue across 160+ countries.

By using Paddle's payments infrastructure, HubX now offers multiple payment methods, local currencies, and smart routing increasing its payment acceptance globally to over 90%.

HUBX

100 million customers

200 million users

160 countries

> "Now we have the confidence to launch and learn in new markets. If we knew we would only have 50% payment acceptance in one country and we didn't offer local payment methods then it wasn't worth it before. The Paddle infrastructure makes it really easy for us to do that without having to invest significant time or resources."
>
> Kaan Ortabas, co-founder of HubX

The proof is in the numbers

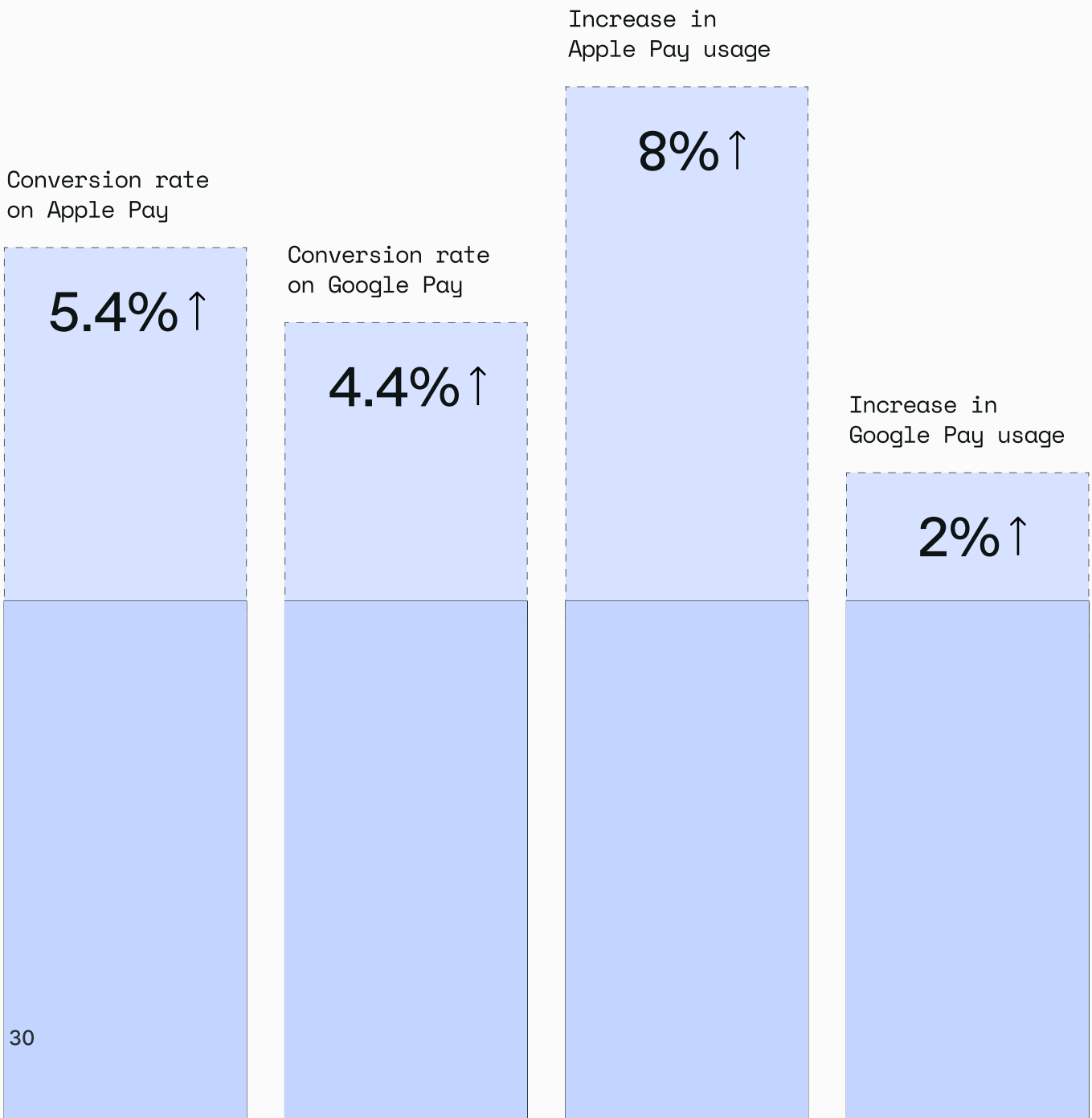
- → Companies offering at least one alternative payment method grow 21.8% faster
- → Companies with 25+ currencies see 24.8% higher growth
- → Companies with two currencies on offer grew 12.7% faster than those with only one

Boost conversions with Paddle ↗

Mobile native payment options key to conversion

If you're running external payments, Apple and Google pay are critical to conversion performance.

Apple Pay and Google Pay are now prioritized on Paddle's mobile checkout, and the conversion stats from a 2025 experiment speak volumes:



Nailing checkout

Your fast lane checklist for checkout success:

- [x] Prioritise Apple Pay and Google Pay for one-tap purchasing.
- [x] A/B test checkout flows to maximize trust and conversion.
- [x] Minimize form fields and extra clicks.
- [x] Ensure the checkout experience feels familiar and trustworthy
- [x] Map your top growth markets. Ensure appropriate language, currency, and payment methods are provided.
- [x] Track authorization and acceptance rates as core growth metrics.

Fast lane 4

Build retention that scales



Building customer retention on the web

On the web, retention isn't boxed in by platform rules. You control the full lifecycle: onboarding, billing, cancellations, reactivations, and win-back flows. That flexibility matters. When users churn, web-first teams can respond in real time with pauses, downgrades, targeted offers, or messaging that reflects why someone is leaving.

The web also gives you cleaner data. You can see failed payments, recovery attempts, reactivations, and long-term engagement in one place, rather than losing visibility behind App Store abstractions. That makes retention measurable, repeatable, and improvable at scale.

Most importantly, web retention compounds. Every recovered user increases LTV, funds better acquisition, and creates a feedback loop the app stores simply don't allow. Here's how to optimize your global retention strategies as you scale.

Paddle customers see up to

15%

increase in LTV
on the web vs
on the app stores

Copy and paste retention strategies don't work

A retention tactic that succeeds in one product or region rarely succeeds everywhere. Even top subscription apps can struggle, not because of lack of effort.

Many teams implement retention flows, win-back campaigns, and onboarding improvements, yet scaling these strategies often expose hidden gaps:

- ⟶ **Fragmented standards:** Local teams override global principles, creating inconsistent experiences.
- ⟶ **Drift in cancellation and reactivation flows:** Without consistent design, friction rises, reactivation drops, and churn inflates.
- ⟶ **No shared definition of healthy retention:** Churn rate alone misses the bigger picture - recovery potential, lifetime value, and engagement durability.

At scale, these issues compound, making retention uneven and growth unpredictable.

Where retention leaks hide

**Retention doesn't usually fail in dramatic ways.
It erodes through small, compounding inconsistencies.**

Even minor misalignments multiply as your business scales, quietly capping ARR and LTV:

- ⟶ Cancellation flows that feel punitive in some regions and supportive in others
- ⟶ Win-back campaigns mistimed or mismatched to user intent
- ⟶ Experiments that can't be repeated because every product behaves differently
- ⟶ Metrics that track churn but miss recoverable revenue and long-term LTV

How leading apps make retention durable

Retention at scale isn't just about preventing churn. It's about building durable, recoverable, and predictable revenue streams. Leading subscription apps do the following:

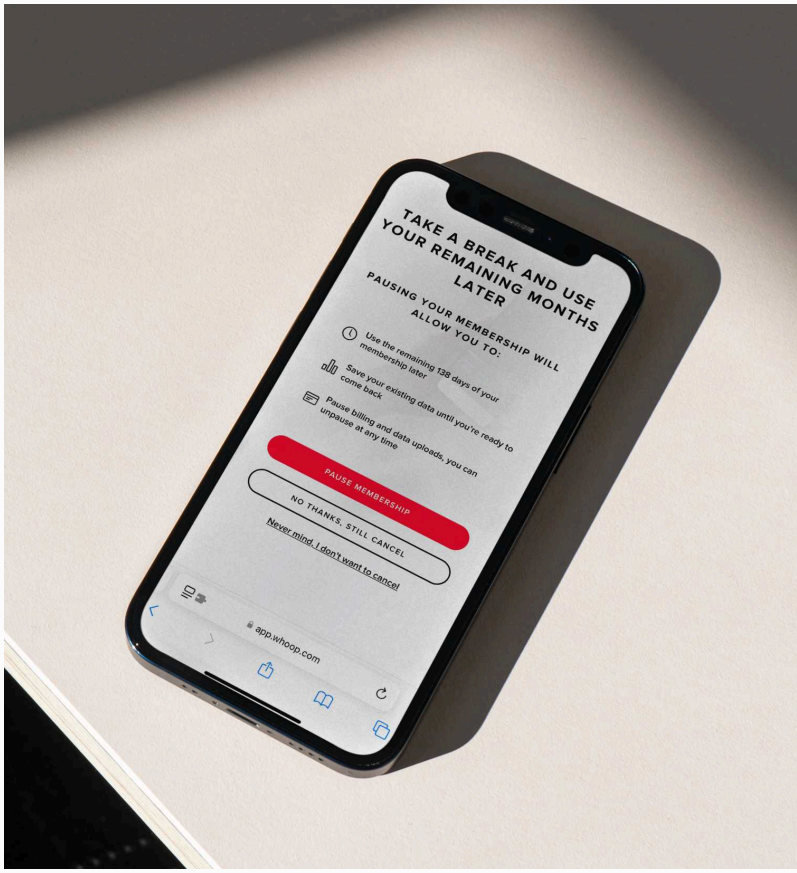
1 Define retention principles

Rather than optimizing retention piecemeal, leaders establish a clear framework that every product and region operates within

2 Design exits for reactivation, not punishment

Cancellation and exit flows should leave the door open for recovery and reactivation.

Leading apps understand why a customer is leaving and offer targeted salvage options, such as discounts, pauses, or downgrades, to keep them engaged.



3 Measure retention durability, not just churn

Rather than focusing on short-term churn, leaders look at retention trends over years. They track how users return, engage, and reactivate over long periods.

4 Move fast without breaking consistency

Teams like the Women's health app Flo run thousands of experiments to optimize retention, accepting that many will fail. By using a consistent framework for retention principles, they can iterate quickly without fragmenting the system.

Paddle helps apps turn retention into a predictable revenue engine.

With Paddle Retain, leading apps automatically recover 25–30% of churn by:

- → Retrying failed payments
- → Triggering dunning and win-back flows
- → Treating involuntary churn as recoverable revenue

Renewals, disputes, cancellations, and recovery workflows are standardized across regions - giving teams global consistency with local flexibility.

Speak to the team ↗

How Paddle helped **Runna** build a thriving web revenue stream and improve retention by 15%

Running coaching app Runna chose Paddle as its web monetization partner.

Runna

By establishing an improved onboarding process and a more sufficient marketing funnel toolset, **Runna** has seen a major boost in retention and conversion rates.

Customers who subscribe through the web have a 15% higher retention rate compared to those who subscribe in-app. This translates directly to increased customer lifetime value, providing more resources for customer acquisition and product development.

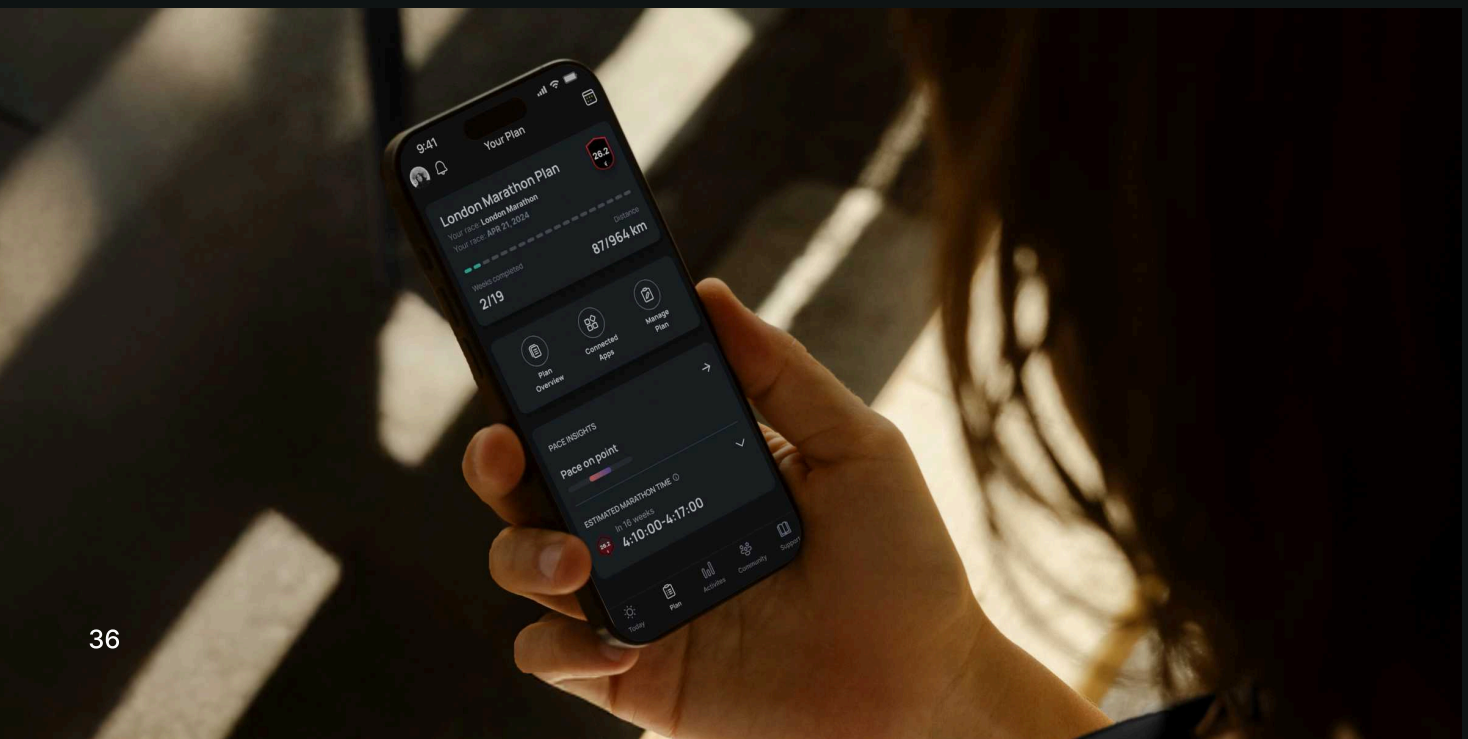
Runna has also implemented sophisticated win-back campaigns and intervention strategies to minimize churn, an option not possible within the App Store.

Acquired by Strava

130+ countries compliantly served

1M+ monthly active users

Reduce churn by up to 30% with Paddle Retain

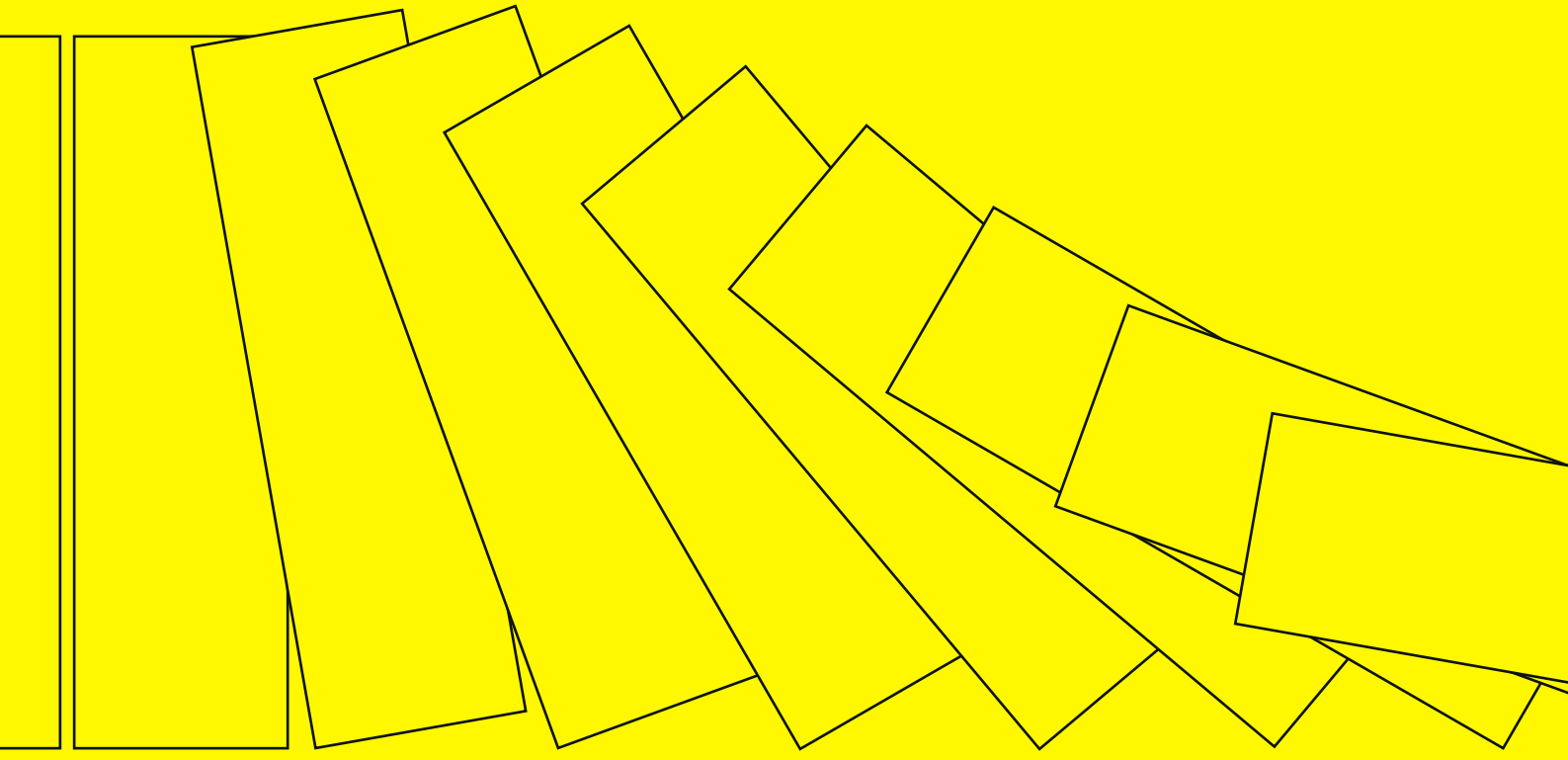


Your fast lane checklist for scaling retention

- [x] Define retention principles centrally.
- [x] Audit cancellation and reactivation flows across regions and products.
- [x] Give local teams flexibility to adapt messaging and timing, not core logic.
- [x] Measure retention durability, not just churn.
- [x] Track reactivation impact on LTV to quantify growth potential.
- [x] Ship improvements quickly while monitoring consistency across regions.

Fast lane 5

Stop losing revenue because of failed payments and chargebacks



Revenue doesn’t stop leaking after conversion

You’ve won the customer. The payment goes through. ARR is booked.
But that doesn’t mean the revenue is secure.

For many subscription apps, the biggest leaks aren’t customers choosing to leave. They’re involuntary: failed payments, expired cards, or payment issues quietly drive churn.

Chargebacks add another hidden drain, occurring when app users dispute a payment, often due to forgotten renewals, unclear subscription terms, or billing confusion.

At scale, these post-conversion losses are more than a payments problem. They are a business risk that silently erodes growth.

20-40%

of churn is involuntary

Close to

10%

of revenue is lost by subscription businesses from failed payments alone.

Why revenue leakage becomes dangerous at scale

Post-conversion failures tend to hide in plain sight:

- → **Failed payments inflate churn metrics**
  Users who didn’t intend to cancel are recorded as churn, masking true retention performance and misguiding strategy.
- → **Disputes create cross-app risk exposure**
  Chargebacks don’t just affect a single product. One app’s dispute rate can threaten the entire merchant account, putting global revenue at risk.
- → **Losses compound quietly**
  Small failure rates, multiplied across regions, payment methods, and products, can cap ARR and LTV long before teams notice the impact.

What leading apps do differently

1 They treat involuntary churn as recoverable revenue

Rather than viewing failed payments as inevitable loss, top teams like those at Canva explicitly track involuntary churn as revenue leakage.

They separate it from user intent and measure how much ARR can realistically be recovered.

2 They standardize recovery and dispute prevention globally

Rather than reinventing recovery flows by region or product, proven strategies are reused across the business. This creates consistency, predictability, and scale.

Successful strategies include dunning emails, in-product notifications, optimized retry logic, localized recovery messaging, and smart payment retries.

3 They reduce disputes through clarity and trust

While disputes aren't always preventable, many are avoidable when users understand what they're being charged, when, and why. Clear renewal communication, easy access to billing details, and transparent subscription messaging reduce confusion - and with it, unnecessary disputes.

By increasing communication surrounding billing, language-learning app Master English was able to cut its chargeback rate by 50% in just two months.

4 They choose the right infrastructure for chargebacks and support

Leading apps centralize chargeback management and recovery with platforms like Paddle, reducing operational load and protecting revenue across the business.

Paddle offloads risk and gives back time to your support & finance teams

Paddle takes billing support and chargeback management off your hands:

- ⟶ Automates refunds, cancellations, proration, and compliant tax invoices.
- ⟶ Handle chargeback disputes directly as your Merchant of Record.
- ⟶ Recover failed payments with smart retries and Retain.

Your support team spends less time firefighting billing issues and more time helping learners succeed.

Speak to the team ↗

How Codeway recovered $500,000 in failed payments with Paddle

Codeway, a subscription app with a global user base, identified involuntary churn and disputes as a growing drag on ARR.

300m users

60+ products in portfolio

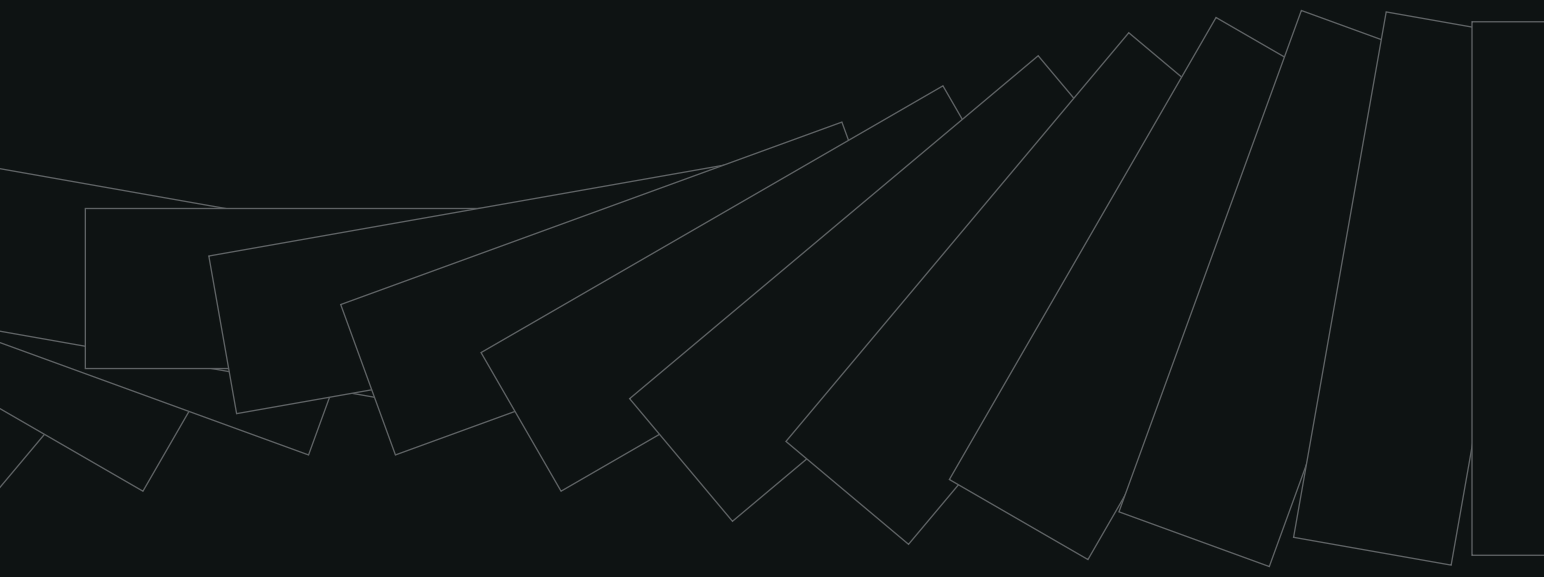
By centralizing payment recovery, standardizing retry logic across regions, and automating dispute handling with Paddle, **Codeway** has recovered over $500,000 in lost revenue, reduced chargeback exposure across products, and gained clear visibility into where and why revenue leakage was occurring. What was once a hidden loss became a repeatable, measurable growth lever.

Reduce chargebacks and failed payments with Paddle



Your fast lane checklist to stop post-conversion revenue leakage

- [x] Separate involuntary churn from voluntary churn.
- [x] Treat failed payments as recoverable revenue.
- [x] Localize checkout to reduce failures at the source.
- [x] Implement systematic retry and recovery flows.
- [x] Optimize billing and renewal communication.
- [x] Track recovered revenue as a core growth metric.



Fast lane 6

Overcome the compliance hurdle and scale with ease



Your revenue isn’t secure without consistent compliance

On the App Store and Google Play Store, compliance is handled automatically. But if you sell on the web, this compliance burden falls squarely on your shoulders.

For apps trying to manage these requirements themselves, the workload quickly multiplies across your business and the constraints on your team can become overwhelming.

That means adhering to digital sales tax rules globally, keeping on top of international billing complexities, and complying with ever-changing data regulations, subscription rules, and consumer protection laws.

If you fail to register, reconcile, and remit sales tax correctly for each app in each jurisdiction, you’re not only risking non-compliance fines but also reputational damage, fundraising complications, and even jail time.

Take the burden of tax and compliance away from your team with Paddle

As a Merchant of Record, Paddle takes on the heavy lifting of running a category-leading enterprise business: global payments, billing, global tax registrations and filings, chargebacks, compliance updates, billing support, refund management - all built into one platform.

The Merchant of Record model gives app builders, studios and portfolios leaner operations, faster launches, and cleaner reporting.

Support teams aren’t stuck handling billing queries, finance has cleaner reporting and product/engineering stay focused on shipping features. You’re set up on a solid foundation to grow anywhere.

How Letterboxd harnessed web monetization without the tax headache

Letterboxd, a social networking app for film lovers, was struggling to navigate the maze of global sales tax regulations that came from its web subscriptions.



By choosing Paddle's Merchant of Record model, the company has offloaded the burden. Instead of tracking tax obligations across 175+ countries,

Letterboxd can now focus entirely on growing its platform and serving their community.

> ‘It’s about what we’re not having to do, remitting sales tax and cobbling together billing logic with sales tax, with registration, and third-party integrations.”
>
> Catherine Buchanan, COO, Letterboxd

How to turn compliance into your competitive advantage

- ⟶ Define compliance standards centrally across regions and products.
- ⟶ Automate tax calculation, invoicing, and filings before entering new markets.
- ⟶ Standardize billing, refunds, and cancellation policies to prevent regional drift.
- ⟶ Monitor disputes and compliance errors as leading indicators of revenue risk.
- ⟶ Remove tax and billing logic from product and engineering roadmaps.
- ⟶ Expand into new markets with confidence, not legal or operational drag.

Your partner for resilient revenue growth

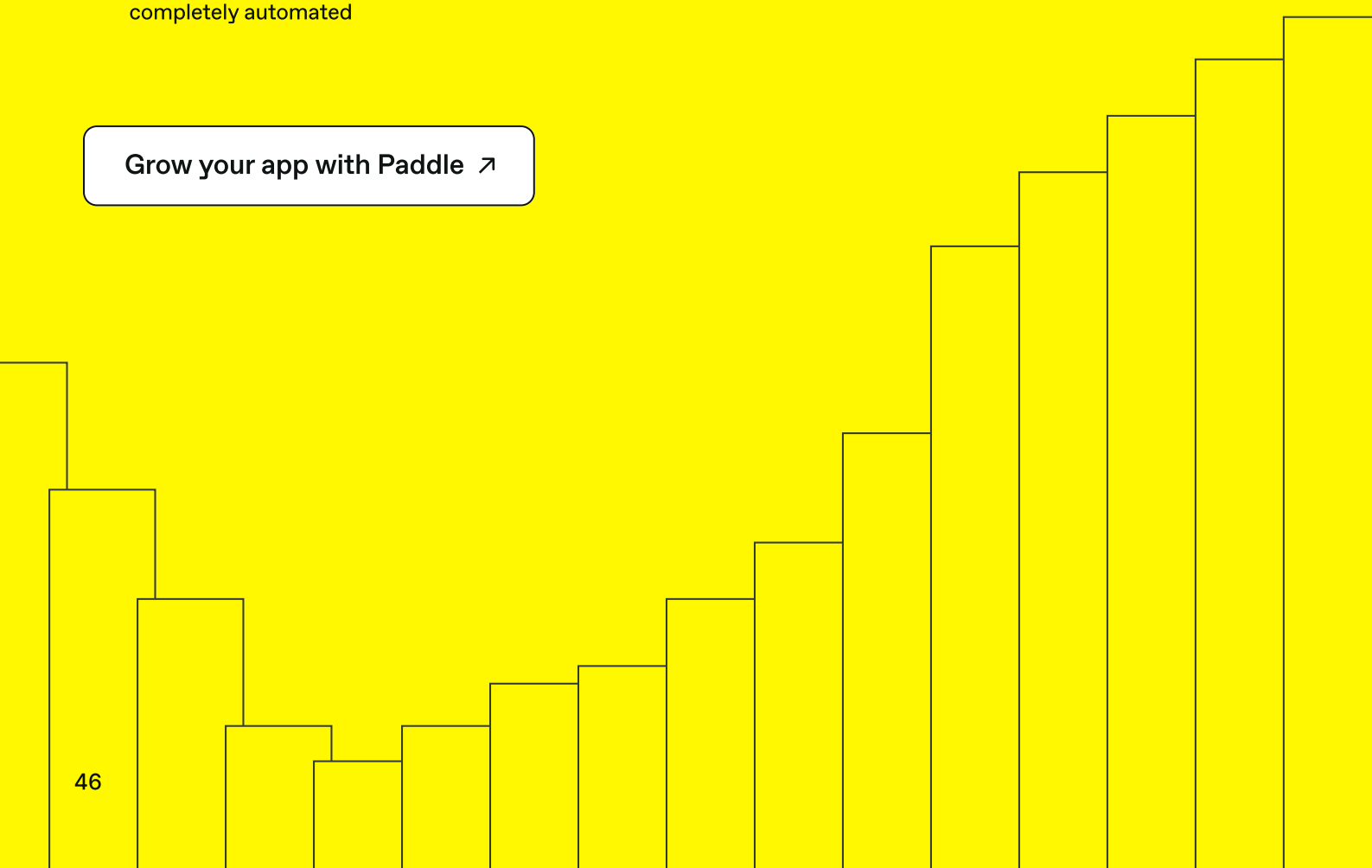
As an all-in-one web payment solution, Paddle helps your revenue stay as fit and healthy as your customers.

With Paddle as your Merchant of Record, you can:

- → Accept payments in 130+ currencies and 30+ local methods
- → Increase conversions with a checkout always true to your brand
- → Leverage flexible billing and retention tools
- → Reduce churn with smart retries and cancellation flows
- → Unify app and web revenue thanks to integration with RevenueCat
- → Grow everywhere with tax and compliance completely automated

> “Having the possibility to diversify our revenue streams and reduce costs has made us even stronger as a business. With Paddle, we can better support price-sensitive students as well as other users, right around the world. That’s pretty amazing.”
>
> Patrick Yip, Goodnotes

Grow your app with Paddle ↗



paddle

Paddle helps over 6,000 SaaS, app and AI companies companies operate and grow, automatically. As a Merchant of Record (MoR), Paddle manages the complexity of global payments and currencies, refunds, and sales tax compliance on your behalf.

We give you insight into your revenue metrics, benchmark your performance and provide the tools and expert advice to accelerate your growth. We're backed by world-class investors including KKR, FTV Capital, Kindred, Notion, and 83North, and have raised almost $300m in financing.

Learn more at Paddle.com

HUBX codeway Runna

Goodnotes NIBY Speak