

# Subscription Business Models May Raise Revenue, But Also Holds Privacy And Security Risks

By: David Tetzlaff, Esq.

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These days everyone subscribes to something. Whether you're a consumer or a business, the goods and services you depend on or enjoy on a regular basis are often available by subscription.

Subscribers prefer the low up-front cost of a subscription, the manageable monthly or periodic payments, and the clear understanding of the goods, services, and support options available, which also simplifies the process of renewing, upgrading or downgrading your subscription.

Businesses benefit from subscriptions, enjoying predictable monthly or periodic revenue, the brand loyalty that comes with a continuing customer relationship, the simplicity of selling renewals, and the ease of adding new goods or services to subscription plans.

Small businesses can take advantage of the subscription model as easily as large businesses have, like Amazon, Netflix and PayPal. In fact, changing from a single point of sale model to a subscription model may result in increased sales and sustained long term, foreseeable revenue for a company.

But subscription models are not without risk. Primary among these are privacy and security issues that arise in connection with storing customer financial data, which is necessary when collecting recurring payments.

As noted in a recent [article](#), most states and the Federal Trade Commission have laws and regulations for handling customer data, especially financial data, including bank account and credit card information. Complying with the myriad of laws that exist in this area require that you work closely with an attorney.

In addition, security concerns related to customer data stored on company computers require the adoption of security measures, including software to monitor and protect such data from hacking and unauthorized access.

Still, a subscription model may be a wise choice for your business, a crucial component of re-engineering your sales program, one that allows for revenue growth without deviation from core business competencies.

But privacy and security issues demand that you proceed cautiously. Working with an attorney at the early stages of any strategic plan that involves subscription sales is advisable.

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