Operator
Good morning. My name is Alyssa, and I will be your conference operator today. At this time, I would like to welcome everyone to the Wix.com 2019 Second Quarter Financial Results Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers’ remarks, there will be a question-and-answer session. To ask a question, you may press star, then one on your touch tone phone. To withdraw your question, please press star, then two. For those who are webcast, you may submit your question throughout the event by typing in the submit a question box on your screen.

I will now hand it over to Maggie O’Donnell, Director of Investor Relations.

Maggie O’Donnell
Good morning, everyone. Welcome to Wix’s second quarter 2019 earnings call. Joining me today to discuss our results are Avishai Abrahami, CEO and Co-founder; Nir Zohar, President and COO; and Lior Shemesh, CFO. During this call, we may make forward-looking statements, and these statements are based on current expectations and assumptions. Please consider the risk factors included in our press release and most recent form 20-F that could cause our actual results to differ materially from these forward-looking statements.

We do not undertake any obligation to update these forward-looking statements. In addition, we will comment on non-GAAP financial results. You can find all reconciliations between our GAAP and non-GAAP results in our press release, presentation slides, shareholder update, and our interactive analyst center on the Investor Relations section of our website, investors.wix.com.

Now, I will hand it over to Avishai Abrahami, who is going to say a couple of quick words about the quarter. Avishai?

Avishai Abrahami
Good morning, everyone. We had another great quarter at Wix. Both collection and revenues were above our guidance, and we grew free cash flow by almost 30%. We continue to improve our overall offering and expand our reach into new markets and products. These results demonstrate the success we have had this year. A little more than a year ago at the Analyst Day we talked about how Corvid would expand our addressable market by attracting more professionals to Wix.

Today, I am happy to say that we clearly see this is happening. The professional segment on Wix is growing faster than ever before. Not only growing, but we also see new kinds of professionals using Wix, like developers and large agencies. Corvid and the professional market are just a couple of initiatives that I believe will drive growth for us next year and in the future. And as you probably expect, we have more that we will announce next year. I’m very excited for the second half of this year and for what is to come next year and beyond.

Thank you for joining our call today. And now, I will turn it back to Maggie.

Maggie O’Donnell
Thank you. Please limit yourself to one question so that everyone gets a chance to ask a question. Can we have the first question, please?
QUESTION AND ANSWER

Operator
Your first question today comes from Zachary Schwartzman with RBC Capital Markets. Please go ahead.

Zachary Schwartzman
Great. Thank you. On the net sub additions, can you talk about those results and your new sub guidance for the year? Was this solely related to pricing, and why do you expect this to reaccelerate in 2020? Thank you.

Lior Shemesh
Hi, Zach. This is Lior, sure. On February, we spoke about the overall evolution of our business and focus on maximizing the cohort lifetime value, and what happened this quarter is actually a continuation to that, and I will try to explain. In the last few years, our products have improved dramatically, and we have added many, many new products. For example, the many features within the ADI and the Editor, a lot of more robust vertical applications, Ascend, third-party apps, and, obviously, much more functionality coming from the Corvid. So, what we’ve decided to do -- and that was back last year -- we decided to increase the pricing to match those added product value, but we also increase pricing as part of the overall strategy to evolving our brand to the professional market, which we see a huge opportunity for us in the coming few years, and we spoke about it a lot.

So, actually we had to have two phases. The first one started back in August 2018 where we removed the Connect domain and raised our prices. And the second one was recently on May when we raised prices again, obviously, after testing many months, the results and how the impact on the overall value of the cohort. And that was the most recent price change and, obviously, it caused us to update the net sub adds guidance, but that was also expected.

We understand that we lost along the way those premium subscription that usually choose the less priced packages. By the way, we don’t know exactly what will be the behavior in the future. They might join Wix or pay Wix in a later stage, but at the same time, we actually increased the value of the cohort, and we provided few graphs in order to show that. For example, the average collection per new sub was increased by 29%, and the first half cohort collection by 9%. So, that was actually anticipated and -- but we believe that after this evolution that we went through, in next year, we believe that net premiums will be accelerated again.

Maggie O'Donnell
Great. Thanks for your question, Zach. Can we have the next question, please?

Operator
The next question comes from Deepak Mathivanan with Barclays. Please go ahead.

Deepak Mathivanan
Hi, guys. Thanks for taking the question. So, the first one, I wanted to ask a little bit about the agency partner efforts. Avishai talked about it briefly, as well. So, you announced the initiative two quarters ago. Is the team fully built out now? What were the expenses associated with this in the first half?
And then, how are you thinking about the revenue expectations in your guide from these folks in the back half of the year? Trying to kind of understand the near term ROI of this program. And then a quick one on gross margin, it delevered by over 400 basis points, as we kind of expected. Can you parse out the impact from customer experience build out, Google Suite, and then potentially payments contribution during 2Q? Thank you.

Lior Shemesh
Yes, so with regard to the stuff about the agencies, I will start by saying that most of it was already implemented. Obviously, the cost is according to track, and, you know, we started—we have a few more people to recruit, but most of the team are there, and they are working. And we actually started to see them on the monetization of it already this quarter, and we anticipate that it will continue in the second half of the year. And that was part of the fact that we beat and raised for the full year. Obviously, we expect that the results of it will be much more significant in the coming two years, but everything is according to track, actually. We have really, really good results coming from this team.

With regard to the gross margin, so, first of all, it's according to what we've expected. We had some savings this quarter, some one-time savings. But the recruitment of the agents was according to the plan. So, I expect that the yearly gross margin will be according to what we provided. But, again, we had some saving, which is also, always a good surprise to have.

Deepak Mathivanan
Okay. Thanks Lior.

Maggie O'Donnell
Thanks, Deepak. Can we have the next question, please?

Operator
The next question comes from Brent Thill with Jefferies. Please go ahead.

Brent Thill
Thanks. Just back to the new premium subs, I think there's a concern that you're focusing more higher end, and you're abandoning the low end and causing some concern that that customer base may not be as attractive to you. I'm not sure that's correct, but I'm just curious if you could just comment about how you think about the shift to the high end, but also making sure you're taking care of those—the lower end and entry level customers.

Avishai Abrahami
So, hi, this is Avishai. I think what you're seeing is the results of two different things. The first one, of course, is as the product became more evolved and more mature and add functionality and fast functionality, like I said in Corvid. We have the potential of going toward, of course, a higher—a customer—paying customer base and more sophisticated professionals. On the other hand, we made a decision last year to remove the cheaper package that we had and—which was connected domain. And we did that mostly because we felt that customer that got it didn't get the same kind of experience it was expecting from Wix. And the result was that overall it kind of hurt our branding and the customer experience. By having our brand on it and lot of the functionality not available, it created an impression that the product is lacking. So, the result was that we said -- Okay, we might leave a tiny bit of the money on the table, but long term it's very important for our brand. So, you're seeing both of those things happening almost at the same time, not exactly the same time, right, because with the first one actually happened last year.
So—and we are very happy with this change. As you can see, the changes actually increased our revenues per cohort, which is why we started to provide a graph that shows the cohort value themselves, and we still had—almost 2.5 million free users every month and still nearly about 6 million, right, users this quarter.

So, we feel that we address 95% or 97% of the market now, however, when we do it with a much better product and the result is that the future would be—the branding effect of that for our customers and the customers for this section is much higher.

**Brent Thill**
And just a quick follow-up on Corvid, you mentioned excitement. When you think about kind of exiting late stage beta to follow general availability, when—are you still targeting the back half of this year?

**Operator**
[Technical Issues] Pardon me, ladies and gentlemen. It appears we have lost our connection to our speaker line. Please stand by while we reconnect. Pardon me. This is the operator. Thank you for your patience. We have reconnected with the speakers, and we'll continue the conference.

Brent, you may begin your question.

**Brent Thill**
Thanks for having us back. Just on Corvid, I know you mentioned recently you were late stage beta. Are you still on track in the second half for GA and Corvid?

**Avishai Abrahami**
Sorry. I missed the first part of the question.

**Brent Thill**
Just as it relates to Corvid, I think you mentioned that you were exiting—you are in late stage beta. Are you still on track for the second half of the year to go generally available in Corvid?

**Avishai Abrahami**
Yes, I think so. I do believe so. I think that the block is actually—as you can see from the results, right, one million users and about 200,000 professionals that are really heavy engaged with the product. So, I think we are in a very good place. It is a super sophisticated product. We expect a bit—and testing to be very, very complex, and we're happy to see that we're actually advancing a bit ahead of what we expected.

**Brent Thill**
Okay, thanks.

**Maggie O'Donnell**
Great, thanks for your question, Brent. And we apologize again for the interruption here. Can we have the next question please?

**Operator**
The next question comes from Naved Khan with SunTrust. Please go ahead.
**Naved Khan**

Hi, thanks a lot. I have a question on the extended customer support. It seems like it's off to a good start. What kind of contribution should we be assuming from this effort this year? I think you--for next year, you already talked about around 500 basis point or so. How should we think about 2019?

**Nir Zohar**

Hey, Naved. It’s Nir. I will let Lior jump in to the contribution answer in a second. I just want to say that generally, I think operationally we are very happy with the progress here. We’ve reached the current headcount that we were interested in, and we also already see great results, simply by the fact that we now manage to currently deliver 24/7, follow-the-sun customer service, which is something that we always wanted to do, and it took us a while to get there. We also really see amazing results in terms of the SLA, as to how fast they callback--the call goes back to a customer, which is now a matter of seconds. So, in that aspect, we’re very happy, and then following to that, we are expanding our testing around the more innovative, personalized customer service that we believe can have a great impact going into next year, and I’ll let Lior to talk more about the contribution.

**Lior Shemesh**

Yes, since we are still in the testing mode and trying to understand, what will be the best monetization for us to use there--so, I didn’t take it into consideration into this year guidance. Obviously, if that happened, it would be a great upside. Certainly, we are still in line with what we’ve provided for next year.

**Naved Khan**

Thank you.

**Maggie O'Donnell**

Thanks, Naved. Can we have the next question, please?

**Operator**

The next question comes from Ron Josey with JMP Securities. Please go ahead.

**Ron Josey**

Great, thanks for taking the question. I want to ask about--two questions, please. I want to ask about pricing first, and, you know, we see the strength in the U.S. ACPS with the 29% growth this quarter, and with the U.S. accounting for about 50% plus of the business and post all the pricing changes, I just wanted to understand when we might start seeing average quarterly collections per subscriber, see that flow through. We saw that maybe a little bit in 2Q. Just wanted to get your thoughts on overall pricing increase, how we see that flow through the model for the rest of the year and into 2020.

And then on sales and marketing, it continues to be a source of leverage here. Just wondering if your philosophy around sales and marketing is changing, given the rise at Corvid, the focus on more call it S&M businesses, if you will, versus micro businesses and launch of 24 by 7 support. I am just wondering if there are new avenues or partnerships that you might explore, given you have all these new products, and you also mentioned higher quality users, so, one on pricing and two on just sales and marketing philosophy. Thank you.
Lior Shemesh
Hi, Ron. This is Lior. So, first of all, with regard to pricing and the average ARPU based on revenue--so, the 29%, it's great, great results, and I think that it just emphasizes that this evolution and the changes that we've made with the pricing are actually working. Remember that when you calculate the ARPU based on revenue, you have two impacts, which you need to take into account. The 29% is calculated on users and newcomers, while the ARPU is based on revenue, but also about all these historical cohorts and users that we have.

So, it will take a while until you actually see the impact of it, meaning that every quarter you will see improvements in the ARPU, and I assume that it will actually continue for several years, because the fact is that you have all of the historical users there, but it will continue to increase slowly but steady.

Nir Zohar
Hey, Ron. It's Nir. I'll take the second part of your question about the sales and marketing. So, I think, generally, when you think about our marketing and our strategy, I would say it has not changed. If you remember on our last Analyst Day about a year ago, Omer, our CMO, spoke about his kind of a goal to become one of the top 100 brands in the globe. And we definitely think that we are--we have a shot at the title, so to speak. So, I think that in that aspect the--you haven't--we're not changing the philosophy. We are exploring more avenues all the time, testing and experimenting with other sources of traffic, some of which are--can be more relevant for a more professional crowd, and that's definitely something that's definitely something that we're interested to understand.

I would say that the one area where you are doing in a kind of maybe a little bit different than the regular TROI perspective is our investment into the partners initiative, the one that we spoke about and explained the investment, as well as the build-up of the--of the team in New York.

And there, obviously, we want to find the best way to work with these people in order to deliver value to them so they can deliver value for their own customers. And that's definitely something that we are strong believers is going to keep on expanding and have an impact on how we do further marketing, but it's not going to change the core philosophy. It's going to be an add-on to it.

Ron Josey
Thank you. And any like recent updates around the partnerships or anything around there would be helpful. Thank you very much.

Nir Zohar
So, I think we cover most of it in what we spoke about before. We have tens of thousands of partners already using Wix. I think that a large part of the success we're having there--and it's very clear to us now that we are doing a much better job in talking to them and understanding their needs and helping them to succeed--achieve success is, obviously, Corvid. Clearly, I think that without Corvid if we tried to do the same thing two years ago, we would be very limited in our ability to really help these guys be successful. And I think that’s in large part why we’re so excited about Corvid, because it helps us expand our TAM significantly.

Ron Josey
Thank you.

Maggie O'Donnell
Great. Thanks, Ron. Can we have the next question, please?

Operator
The next question comes from Jason Helfstein with Oppenheimer. Please go ahead.

Jason Helfstein
Hi, guys. How are you? I’m going to ask two questions. So, now that you’re targeting agencies with a 70-person team, how should we think about CAC/LTV for those clients -- just given that I would imagine it’s a different calculation versus your typical SMB, the way you’ve historically measured marketing. And I think one other thing that’s notable is marketing, I think, came in meaningfully less than, I think, the Street was expecting in the quarter. So, maybe just talk about that and how it ties to marketing. And then, if you can give us some more color on gross adds versus churn for SMB following the price increase. I know you don’t want to give specifics, but did you see greater movement in kind of one versus the other? Meaning growth adds versus churn in the quarter. Thanks.

Nir Zohar
Hey, Jason. Nir here. I'll start with the first question, and then I'll hand it over to Lior for the second part. So, I would say that in terms of currently in terms of the partners, it’s over two million registered users a month. We don’t really, at this point at least, we don’t have really need to go after them. They come to us, and it’s more about our ability to recognize them and understand their needs and then help them down the line to become very successful. You know, I would assume that over time, as we learn and we improve on it, then and we’ll monitor the data. We’ll be able to have a better calculation of their additional value that they bring to the cohorts, which is obviously much higher than the regular DIY user that to we absorb in. So, actually, on the size of the CAC, it’s probably not really changing, at least not at this stage. But the value is going to be tremendously higher.

Lior Shemesh
Lior, you want to take the second.

Lior Shemesh
Yes, with regard to the growth in churn--so, Jason, you know, that we provide this information based on based on the cohort. And we also recently introduced the new KPI. We’re talking about the cohort value, and, obviously, we see that it increased, but I want to emphasize something that--I’m happy that you’re asking, because, as part of the evolution, we said that that we, you know, we changed the prices, we increase prices, and it in a way on the account of some customers, but most of them, obviously, are low-income customers with the lower priced packages that used to be previously. So, I do expect, obviously, that those customers traditionally came with a higher churn. So, I, obviously expect medium and long term that we’re going to see improvement over there. And we actually already started to see that, but I think that it will be more significant in the future, and that was also part of the reason why we see increase in the lifetime value of our cohorts.

Jason Helfstein
And just why marketing was lower maybe, than people expected or?

Lior Shemesh
No, so, marketing this quarter--by the way, it’s in a way it was a similar pattern to last year’s. Q1 was significantly better than or stronger. And usually this is what’s happening. It’s you know the seasonality that Q1 is a very strong quarter. So, if you compare Q2 to Q1, obviously there are differences, but nothing happened beside of that. You can see it, by the way, by the number of our
users that we managed to bring in. We are according to the same KPI with the same TROI. So, nothing changed there.

Maggie O'Donnell
Great. Thanks, Jason. Can we have the next question, please?

Operator
The next question comes from Ygal Arounian with Wedbush Securities. Please go ahead.

Ygal Arounian
Hi, guys. Thanks for taking the question. So, on the agency partners, you’ve noted having tens of thousands of agency partners. I think you’ve noted agency partners in the thousands previously, as well. Can you help us understand how the pace of the adds has changed since you started the marketing effort, rolled out Corvid, kind of stepped into this a little bit--a little bit more. Are you--is there any way to parse out how much of--how much you contributed this quarter? How much you’re expecting to contribute next year? The key KPIs for us to look for--for investors to look for? Ostensibly, if agencies are driving multiple subs per agency--and they’re coming in with higher intent, that should translate to better conversion, again, over time, and acceleration to sub growth -- is that the right way to think about it?

And then real quickly on pricing, I just wanted to be clear, was this a planned two-part price increase rollout? What did you see that made you confident to raise prices again? And how do you think about raising prices again in the future? What’s the right way to think about that? Thanks.

Lior Shemesh
Yes, so, I will start with the first question about the agencies. We don’t provide the information about how many agencies and what is the addition, but, obviously, we’ve added many, many new agencies, and we already start to see the contribution. Now, bear in mind that--and this is traditionally what’s happened with our business. Most of the impact you actually can see in the following years. Because even if you have an agency, who will build a few thousands of premiums, obviously, it’s a small amount compared to the overall premiums that we have, and, therefore, you don’t see much of an impact in the short term. But based on the first results--based on the initial results and based on the discussion and the engaged discussions that we have with those guys, I do expect it to be significantly higher in the next coming years, and we are very, very optimistic about it.

Now, with regard to the second question was about the price increase. Right now, I mean--look, at any point in time there is a test about price, about features, and we always take decision based on those results. So, it’s hard for me right now to commit if we not or if we will or not. But bear in mind that the last price increase was the most optimized one that we actually tested. So, I don’t anticipate any more significant price increase in the near future, but, then again, it’s hard to comment for the longer term, because it really depends on the offering. It’s based on the test that we are doing, how we will do in the future. But again, for this--for the short term, for this coming year, I don’t anticipate any more significant price increase.

Maggie O'Donnell
Thanks, Ygal. Can we have the next question please?

Operator
The next question comes from Nat Schindler with Bank of America Merrill Lynch. Please go ahead.
Nat Schindler
Yes. Hi, guys. Just a quick question. For the last several years, you have been growing fairly consistently fastest in the most--the U.S., your most penetrated market. Are there any particular dynamics of the U.S. that make it more amenable to your services and make it harder to---and are there things about, let's say, Europe, a similar-sized market and similar economics that make it difficult to penetrate? Additionally, as you move with Asia, which has also not been able to hold its own versus the U.S., do you expect to see any significant change in that--in how your geographic distribution is going to look as you've opened offices in Japan?

Avishai Abrahami
So, this is Avishai. I think that-- a lot of the reason that we've been growing in, in reality it's English speaking countries, I think that's the best definition, because we had more resources dedicated to that. There's no real reason why we cannot expand to other countries. Obviously, the size, the growth of the economy, and the size of small businesses, medium-sized businesses, and tiny businesses, as part of that economy is a huge contributor to our success in growing there. And the thing that we are doing in Japan is an example for how--that we believe that by focusing more, we can get much better results.

We've shown that in the past by, for example, in South America. So, I think that this would be an incredible test. We already do see a very similar results in quality in the Asia countries that we've been addressing. So, hopefully it will be as good as the U.S. or even better.

But most of it is about focus dedicated resources, getting the right people in place--getting the right translated help, agents that speak that language. We just opened a Dublin office so we can get more people in the European, that will be able to work in a European languages and supporting, and translating content to our users. So, this is pretty much a focus that -- we're more focus this year on that than ever before.

Maggie O'Donnell
Thank you, Nat. Can we have the next question, please?

Operator
The next question comes from Lloyd Walmsley with Deutsche Bank. Please go ahead.

Lloyd Walmsley
Thanks. I'm wondering on the payment side, you're now in a dozen countries. Can you give us a sense for just something like an attach rate on new subscriptions or what kind of market share you're getting on payments for sites that are building in some sort of payments functionality or kind of volume you're processing? Anything to give us a sense for how this is launching, and then how to think about 2020? And then just a follow up on Corvid. Can you give us any more clarity on the revenue model and how you guys--as it moves out of beta, how you guys are going to be charging for it next year?

Nir Zohar
So, hey, Lloyd. It's Nir. I'll take the first part about payments. So, you know, we don't want to start breaking out numbers here, but I can share that given the attach rate, if you look at the new users that need some form of payments to some kind of activity, whether it's stores or bookings or restaurants or anything, the vast majority are choosing Wix payments, which we think is great and
encouraging. And our goal is to both bring that number up as well as to keep on expanding it to more territories. As time progresses, we’re not at the stage of breaking out volume or GMV too early. I have to say that GMV grows with the combination of adoption, as well as the growth of the businesses themselves. And, obviously, our goal is to both expand this product while talking to our users, understanding their needs, and helping them solve issues and problems in order for them to be more successful and, obviously contribute even higher, and contribute even more to the GMV to the Wix business.

Avishai Abrahami
In regards to Corvid, so I think that the Corvid monetization it’s, from our perspective, built into two parts. The first part, as we said in our Analyst Day, is the ability for us to extend our TAM beyond just do it yourself, also to more of professionals and partners. This is a market that is probably 10x the market that we’ve been addressing in the past, and the revenue is also higher per sub. So, we can see that Corvid is doing that for us now. And, with Corvid, we’re able to do all the initiatives that we are doing in part-- for the bigger partners that we are now starting to accumulate, and I think that’s, just by itself, is a fantastic value that we get out of it, and it’s happening.

The other side of it is that we do believe that Corvid in essence can also provide much more advanced packages that we can sell--much more expensive subscriptions. We believe that we’ll be ready at some point next year to do that. We also believe that’ll be mostly based on functionality and not on any other model. So, that will be meaning that there will be some additional functionality that will be available for somebody who is getting the higher paid packages. So, that is currently our plan, but, at this stage, obviously, I’ve gotta say I’m really feeling happy about what we already do get from Corvid today, which is the really the ability to go after developers and much more sophisticated partners.

Maggie O'Donnell
Thanks, Lloyd. Can we have the next question please?

Operator
The next question comes from Sterling Auty with J.P. Morgan. Please go ahead.

Sterling Auty
Yes, thanks. Hi, guys. On customer support personnel, I think there is this description that the total headcount does not include the third party companies that you’re using for customer support. Can you just give us a sense, how many of those customer support personnel are going to be on the Wix' payroll versus hiring third party indirect customer support people?

Lior Shemesh
Yes, so, right now, the model is to grow through our indirect. I’m talking only about the addition. It doesn’t take into account, obviously, you know the, some of the support that we have establishing in Japan that would be direct, or in Dublin is also direct. But most of the additions--and we say that it’s kind of a low price areas, this one goes through third parties, and we already have engaged with a few hundreds. We didn’t expose the right amount of people, but, basically, we’re talking about hundreds that already started to work for Wix, through our third party.

Sterling Auty
All right, great. And then one follow up just on CapEx, it popped up a few million this quarter. Is that just the Japan office, or is there something increasing in terms of investments to support Corvid or something else?

**Lior Shemesh**
So, actually, it’s not Japan. It’s actually some of the expansions that we did to our New York office specifically and Dublin. So, that was something that we took into consideration. Obviously, every time as we expand the business, and we establish a new operation. So, it's mostly about that. I do believe that in the second half, we’re going to meet the overall guidance that we provided, but that was the main reason for that.

**Sterling Auty**
Thank you.

**Maggie O'Donnell**
Thanks, Sterling. Can we have the next question, please?

**Operator**
The next question comes from Mark Grant with Goldman Sachs. Please go ahead.

**Mark Grant**
Thanks. As we try and profile these agencies that are coming in, as you keep bringing more and more on board through Corvid, I think we all appreciate the agency MJ example that you gave, which was very helpful, but can you give us a sense? Is that agency indicative of the new agencies that are coming on board now or is that one that’s been a paying subscriber for some time?

And then, additionally, can you give us a sense of what the annual contribution to collections is, whether from agency MJ specifically or an agency like it?

**Avishai Abrahami**
I can answer the first part, and Lior can talk the second part. But I think that, this is kind of an average case. It’s not the largest or one of the largest. I think it’s definitely not the smallest. So--and that’s why we provided it. I would say it’s somewhere in the median, the amount of websites that agencies can have. Obviously, the value of that, if you multiply the active subscriptions by the amount of the average ARPU in Wix, that’s what you’re going to get in terms of a contribution from one of those agencies.

The biggest value of those agencies is that if in the past we would do marketing and acquire one user, and that user would do one or two subscriptions. On average 1.4, if I remember. Then this time we have something different. We will do marketing. We get an agency, and they do one, then they do another, then they do another, and then they do another. Those customers that an agency has tend to be ones that will consume the more expensive products in Wix. And a lot of it is just because they have somebody to guide them and how to use those products. And we see things like Ascend being used more often. And--and so--and of course, the support from our side is lower. So, long term--and as Lior mentioned before, we are a subscription company, and those things tend to accumulate over time. It’s not starting with a high value, but long term, I think it will have a significant contribution to our efficiency as a company and to our customer satisfaction.

**Lior Shemesh**
We don’t break down the collection between agencies and other customers. It might make sense to do it in the future, but not right now. So, I cannot provide any information about it.

Mark Grant
Okay. Appreciate the color. Thank you.

Maggie O'Donnell
Great, thank you. Can we have the next question, please?

Operator
The next question comes from Ken Wong with Guggenheim Securities. Please go ahead.

Ken Wong
Great. Thanks for taking my question, guys. When we think about improved monetization this quarter, can you help rank the drivers of ARPU across the price increase, attach, and mix? And as we look ahead, does this dynamic change?

Lior Shemesh
Sure. So, in the last few quarters, most of the impact, I’m talking about, the ACPS, the average collection in the U.S. because this is more relevant to the price increase. So, obviously, in the last few quarters the price increase was one of the main reasons. This quarter, we started to feel some increase coming from adoption of new products that we’ve launched like Payments, like Ascend and so on. You certainly—I certainly expect to see a continuation of this increase, but that would be mainly from adoption of new products.

Ken Wong
Got it. Great. Thanks a lot, guys.

Lior Shemesh
Okay.

Maggie O'Donnell
Thanks, Ken. Can we have the next question, please?

Operator
The next question comes from Matt Pfau with William Blair. Please go ahead.

Matt Pfau
Hey, guys. Thanks for taking my questions. Just wanted to ask a follow-up on ARPU, so, the 29% increase in average collections per new U.S. subscription. How would that compare to the rest of the world? And is there anything such as pricing, that’s having an outsized impact in the U.S. relative to your other geographies?

Lior Shemesh
So, obviously, most of the price changes that we’ve made was actually in the U.S., and naturally there is price differences, because of what’s happening to the currency in the last two years. So, there is quite a big change. By the way, you can see that by some of it by comparing the average or the ARPU based on revenue that you see in the graph, meaning the 171 compared to the 228. So the 171 take into account all the regions, not just the U.S., but also it doesn’t reflect the last price
changes, because it’s based on revenue. Again, as I mentioned before, we were always in every point of time, we do some kind of testing also outside of the U.S., but you can imagine that what fits for one country doesn’t make sense to another country. So what we are trying to do, obviously, is try to optimize the pricing for each and every one of the countries that we are working.

**Matt**
Great. Thanks, guys.

**Maggie O'Donnell**
Thank you, Matt. Thanks, Matt. I think we have time for just one more question.

**Operator**
Our last question comes from Nick Jones with Citi. Please go ahead.

**Nick Jones**
Thanks for taking the question. Just one on the relationship with agencies. Today, how are agencies using Wix? It seems like a lot of focus on Corvid, but there might be a use case, and maybe use some of the easier to use products on Wix, if it’s the agency’s focus is just to get a site up quickly and then maybe deploy, with SEO Wiz. So, is there any color you can give and how the agencies are using the platform today? Is it really Corvid focus or is it more of a kind of holistic platform to maybe replace some of the tech they’re using?

**Avishai Abrahami**
So, obvious--thank you for the question. And obviously, not all the projects that--as you said, not all projects are using Corvid. Right? Those will be only for the more sophisticated projects. But when we approach it, and an agency approaches us, and they want to validate if they could do most of their projects with Wix, Corvid becomes very important. I would estimate--and this is my estimation from talking and not a statistic that we did--that probably about 25% of the projects that they’re doing actually use Corvid. And so 75% are probably not, and the thing is that most agencies prefer to work with one platform obviously so they have one training set for the customers. And then we provide a lot of benefits also for the 75% like, for example, security. If you had Wordpress you need to work insanely hard in order to maintain the site to be secure. With Wix this is automatic, right? That’s just one example. If you want to add or be able to change stuff, on Wordpress you need a developer, and on Wix any designer can do that.

So, we do a lot of added value there. But if a regular agency would find that for a lot of their projects, they need to go to different platform. It would make them, it’s harder for them to pick Wix. To get with Corvid, we’ve pretty much removed that from the equation, because now everything you can do in Wix, and Corvid is actually much easier than the other development platforms. So, you can do it faster and more stable and more secure now on Wix than on WordPress, Drupal, or any of the other platforms. So, I think this is pretty much how to use it, and they will build anything from a simple landing page, which, of course, doesn’t--don’t use Corvid to super sophisticated portals, which, of course, are mostly based on Corvid.

**Nick Jones**
Thanks.

**Maggie O'Donnell**
Thanks, Nick. And thanks everyone for joining today. Have a good day.
Operator
The conference is now concluded. Thank you for attending today’s presentation. You may now disconnect.