

THE RISE OF THE SUBSCRIPTION ECONOMY

WHY YOU NEED TO REIMAGINE YOUR BUSINESS MODEL



68% of adults today no longer value possessions and do not believe that ownership defines them.¹

Consumers no longer take pride in owning things. Instead, they desire gratifying experiences that add value to their lives, which has led to the rise of the subscription economy.

SUBSCRIPTION-BASED BUSINESS MODELS ARE BOOMING

The opportunities in the subscription economy are estimated to be worth **\$1.5 trillion by 2025**

435%

Growth in subscription economy in the last 9 years

70%

Business leaders saying subscription business models being key to their prospects in the years ahead

5-8x

Faster Growth of subscription business than traditional businesses

78%

of Adults have opted for Subscription Services Globally

Fastest Growing Sub-sector
E-commerce subscriptions

Other Growing Sub-Sectors
OTT, Music, and SAAS subscriptions

Source: Subscription Industry Sees More than 400% Increase in Revenue Growth | Blog - SUBTA

WHY ARE COMPANIES MAKING THE TRANSITION TO SUBSCRIPTION BUSINESS MODELS?

Opportunities for better relationships with customers - Customer Loyalty and Engagement

Reduced cost of acquiring new customers

Lower spend on retention marketing

Better financial forecasting

Better inventory management

DIFFERENT TYPES OF PRICING MODELS IN SUBSCRIPTION



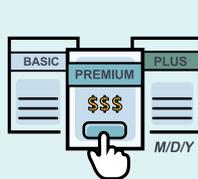
Field Usage Subscription

e.g. SAAS



Unlimited Usage Subscription

e.g. OTT



Pay-as-you-go subscription

e.g. Subscription Boxes



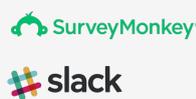
Freemium Model

e.g. Music Streaming

POPULAR SUBSCRIPTION-BASED BUSINESSES AND EXAMPLES

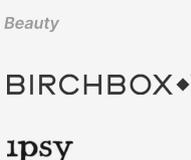
Software as a Subscription

SaaS companies relying on subscriptions as their business model



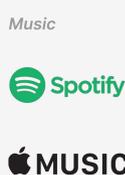
Subscription Box

Group of physical products delivered to customers on a regular, recurring schedule



Accessibility

Gives access to content and products



KEY TAKEAWAYS FOR BUSINESSES ENTERING/IN THE SUBSCRIPTION COMMERCE SPACE

62% of subscribers feel value for money (right pricing & offerings) is the most important reason for a subscription **sign up**

48% of subscribers feel consistent high quality, a varied offerings, and the originality of services keep them **engaged**

Lack of satisfactory customer experience and different pricing options are among the top reasons for **cancellation** of subscriptions