



SUBTA
Subscription Trade Association



2021

State of the Subscription Commerce Economy

ANNUAL REPORT

Shaping the Future

“Subscriptions are the future of commerce, and the brands that focus on building an experience will win in the end.”
— SUBTA Co-Founder and Chairman Chris George

This industry is reshaping the e-commerce and retail landscape, and brands must be able to adapt in order to evolve within this new marketplace.



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EXECUTIVE SUMMARY

SUBSCRIPTIONS: STRENGTHENING THE RELATIONSHIP BETWEEN CONSUMERS AND BRANDS

Our world has shifted, and with it, our desire for ease and consistency. We've become accustomed to the predictability of digital content, the connectivity of memberships and the thrill of an unopened package waiting outside our front door.

[Nearly 48% say](#) it's easier to sign up for a subscription plan than to shop in a store. And [more than 80% of U.S. consumers](#) are active subscribers, with subscriptions accounting for [20% or more of half of e-commerce stores' total sales](#).

"In the past several years, the subscription industry has seen significant growth that continues to accelerate," says SUBTA CEO and Co-Founder Paul Chambers. "What once was a narrow landscape of discovery, delight and necessities has now expanded to allow consumers to subscribe to almost all aspects of their daily lives."

Subscriptions are an integral part of the present and future of e-commerce. And for businesses, recurring revenue streams are no longer optional in this [new era of usership](#). Over the past couple of years, the pandemic has guided consumers to shift to more convenient methods of buying.

SUBTA analyzed and documented the subscription industry's growth over the course of the last 12 months to get a better understanding of what this means for the near future. In this report, you'll find data and key insights on each of the six segments represented across the industry.

"What used to be two completely distinct industries, the retail industry and the online commerce industry, are now just the commerce industry," says [Tobi Lütke, Shopify's CEO](#).

THE SIX SEGMENTS AT A GLANCE

MEDIA & PUBLICATION

One in every five U.S. consumers subscribes to at least one news source online, according to [Reuters Institute Digital News Report](#).

SUBSCRIBE & SAVE

27% of consumers used auto-replenishment in Q2 2021, up 10% year over year (YoY), according to [Jabil](#).

STREAMING (VIDEO/MUSIC)

The average American household spends \$47 per month on streaming services.



MEMBERSHIP

Amazon has more than 200 million Prime members worldwide.



SUBSCRIPTION BOX

Expected to hit \$15 billion in sales this year.



DIGITAL/SOFTWARE

Nearly 40% of SaaS companies now charge based on usage.



ABOUT SUBTA

THE LEADING VOICE FOR THE GLOBAL SUBSCRIPTION INDUSTRY.

SUBTA is a growing community of innovators, entrepreneurs, dedicated teams and thought leaders who are scaling their businesses and catalyzing the future of the subscription industry.

The mission of SUBTA is to provide a comprehensive and reputable library of news, knowledge and resources. SUBTA cultivates a supportive community through virtual and in-person experiences. We represent and support subscriptions in all six segments of the industry:

SUBSCRIPTION BOX

From replenishment to discovery and delight, subscription boxes are a medium for consumers to be introduced to and engaged with a recurring delivery of niche products as part of a marketing strategy and a method of product distribution. Subscription boxes are used by subscription-based e-commerce businesses, which follow a subscription business model.

SUBSCRIBE & SAVE

Subscribe and Save businesses give customers both a one-time purchase option and the option to subscribe to a specific product, receiving it weekly, monthly, quarterly or even semi-annually, in a specified quantity. Usually, the subscription feature comes with a discount per product, so consumers are incentivized to subscribe.

MEDIA & PUBLICATION

The original subscription service is the main means of mass communication (broadcasting, publishing and the Internet) regarded collectively. This includes digital media subscriptions as well as print subscriptions.

MEMBERSHIP

The membership business model invites individuals to pay a recurring fee to access the value an organization creates. It provides the design for different membership levels, revenue sources, marketing activities, events and conferences, and finances.

DIGITAL/SOFTWARE

Digital subscription businesses provide access to products and technology from a computer or device. Software as a Services (SaaS) also falls into this category. Digital businesses use technology to create new value in business models, customer experiences and the internal capabilities that support its core operations. The term includes both digital-only brands and traditional players that are transforming their businesses with digital technologies.

STREAMING (VIDEO/MUSIC)

Video and music streaming, one of the largest consumers of downstream internet traffic, is a mainstay of most American households today. Streaming subscriptions allow providers to offer on-demand and live viewing/listening capabilities across a multitude of devices and platforms.





SUBSCRIPTION BOX

UNBOXING THE FUTURE

Between Q4 of last year and Q2 of 2021, the subscription box trend has been rising. Around [20% of U.S. consumers](#) subscribed to a box during COVID-19: More than half (51%) wanted to try new products, and 39% said they enjoyed having products come to their doorstep.

Twenty-seven percent of consumers used auto-replenishment in Q2 2021, up 10% YoY, [according to Jabil](#). A few top-performing brands in this domain are BarkBox, IPSY and HelloFresh.

VERTICAL GROWTHS BY SECTOR:

PETS & ANIMALS

147%
INCREASE
in subscribers.

1%
INCREASE
in LTV.

BarkBox

- [1.8+ million subscribers](#).
- Total revenue went up by 57.2% to \$117.6 million in FY22, compared to \$74.8 million in FY21.
- Quarterly subscriptions up 52.4% to 3.6 million, YoY.
- BarkBox expects a total revenue of \$122 million in FY22.

BEAUTY & PERSONAL CARE

120%
INCREASE
in subscribers.

30%
INCREASE
in LTV.

IPSY

- [Acquired BoxyCharm for \\$500M](#) to form a powerhouse.
- [3+ million](#) subscribers and \$1 billion in revenue in 2020.

FOOD & BEVERAGE

100%
INCREASE
in subscribers.

8.8%
DECREASE
in LTV.

HelloFresh

- Has a total of 7.68 million active customers so far in 2021, an 83.7% increase YoY.
- ~\$1.82 billion in revenue in Q2 2021, a 60% increase YoY.
- ~31 million orders in Q2 2021, a 71.2% increase YoY.



Consumer preferences have shifted to having meaningful relationships with brands. In 2020, 64% of consumers felt closer to companies they had direct connections with, [according to Zuora](#).

Furthermore, new-age consumers want to do business with companies that have a purpose. In fact, these consumers are four to six times more likely to engage with purposeful companies, [according to the Strength of Purpose Study by Zeno](#). While 94% of consumers say purpose is important, less than 40% believe existing companies have one.

A few of these impactful subscription boxes are:

- **BlackLIT:** Founded by Nia-Taylor Clark in 2019, BlackLIT is dedicated to making a difference in the Black community by consciously highlighting classroom literature that was misrepresented.
- **Black Girl MATHgic:** Founded by Brittany Rhodes in 2019, this subscription box is focused on providing the right resources for girls of all ethnicities, and specifically Black girls, to succeed in today's classrooms and society.
- **TinkerTots Boxes:** Founded by Katie Romant in 2019, TinkerTots Boxes aims to make life a little easier for moms through fun, educational activities they can do with their toddlers. This business also has [Fundraiser Boxes](#) for customers to choose from and give back to local schools and communities.

Subscription boxes became a [popular way to shop for parents](#) working from home during the pandemic.

75%
purchase
HOUSEHOLD ITEMS
through subscriptions.

47%
more likely to use
FOOD AND BEVERAGE
subscriptions.

37%
more likely to purchase
HOME CARE GOODS
subscriptions.

24%
more likely to use
PERSONAL CARE PRODUCT
subscriptions.



SUBSCRIBE & SAVE

FIERCE COMPETITION FOR A VIRTUAL GOLD MINE

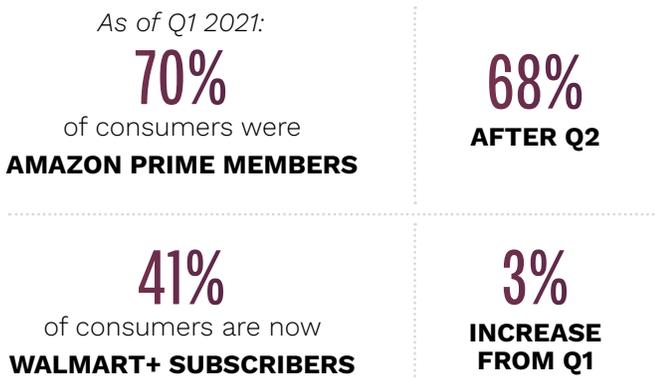
The Subscribe & Save segment—also known as replenishment—represents close to [one-third of the subscription economy](#). Providing convenience is no longer a luxurious asset for online retailers—it’s an expected added value.

With the availability of free shipping and reliable delivery times, modern consumers are no longer interested in wasting time at the store. And most say that replenishment products [help prevent “running-out” emergencies](#).

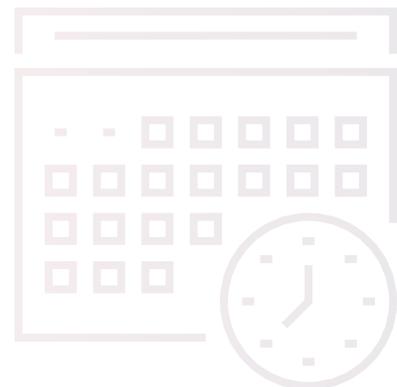
This segment is still in a transitional period, as are most of its counterparts. While [more than one-third of millennials](#) rely on this type of service, less than 15% of baby boomers are comfortable with it.

However, Walmart is not currently focused on increasing its acquisition rate. “We don’t want to get ahead of ourselves and go sell too many Walmart+ memberships and have a customer experience that is less than our expectation, or their expectation,” says Doug McMillon, CEO of Walmart, at the investment meeting.

While Amazon and Walmart are competing to be [the leader in e-commerce grocery sales](#), it might be time to invest in other sectors. Home, personal- and pet-care products, alongside medical goods, are all high priorities for consumers in 2021. As they look for affordability, convenience and, most of all, reliability based on their needs, [families and pet owners](#) have the potential to be a virtual gold mine for Subscribe & Save companies.



Walmart’s [e-commerce sales increased 103%](#) in the last two years and the company expects to reach \$75 billion by the end of the year. Its membership revenue alone now makes up [nearly \\$1.2 billion](#) of its Q2 2021 net sales.







MEDIA & PUBLICATION

EXPANDING A CRUCIAL ROLE ON A GLOBAL SCALE

The digital age is overtaking traditional media. Since the start of 2020, online news has played a crucial role at the local, national and global level.

Unique visits on news sites are increasing, according to [Pew Research's Newspaper Facts Sheet](#). More than [85% of Americans](#) use their tablets, phones or computers to get news.

And more than one in five U.S. consumers pay for online news, ranking third in the world behind Swedish and Norwegian consumers, according to [Reuters Institute Digital News Report](#).

SOCIAL MEDIA

Social media platforms are also keeping U.S. consumers up to date in 2021. [Thirty-six percent of Americans](#) get their news through Facebook. However, news engagement is the highest on Twitter, where nearly [60% of adult users](#) on the site obtain news.

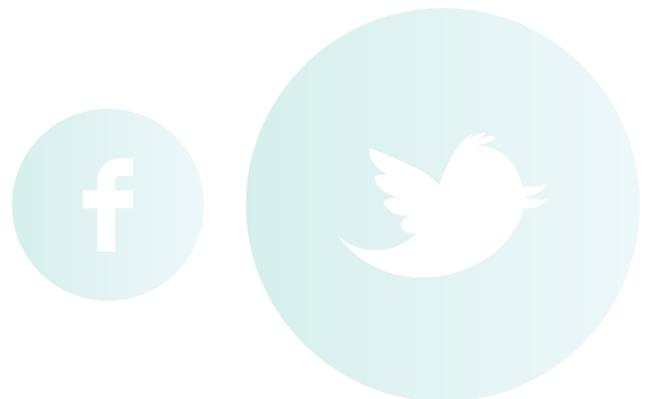
However, Americans' interest in news has [declined 11% YoY](#). For reference, only [40% of Chinese adults](#) and [only 16% of U.S. adults](#) are interested in news subscriptions. This is due in part to a general distrust of news-media sources—[less than 30%](#) of U.S. consumers trust media.

THE BIG THREE

A select-few news outlets are largely preferred. Nearly half of U.S. digital news consumers currently own subscriptions to the "Big Three," The New York Times, The Wall Street Journal or The Washington Post, according to [Reuters Institute Digital News Report](#).

36%
of Americans
get news through
FACEBOOK

60%
of adult users
get news on
TWITTER



Sources for [Facebook](#) and [Twitter](#) statistics.

THE BIG THREE:

1

The New York Times

7.9 MILLION Print + Digital Subscribers in Q2

5.3 MILLION Digital News Subscribers in Q2

2

THE WALL STREET JOURNAL.

DIGITAL SUBSCRIPTIONS

UP 28% TO 2.5M

on average in Q2

DID YOU KNOW?

DIGITAL SUBS

account for

3/4 OF ALL

WSJ subscriptions?

3

The Washington Post

Q2: ATTRACTED

82.5 MILLION SITE VISITORS

16.5 MINUTES

average time spent on site,

UP 25% YOY

according to its report

“The second quarter of fiscal 2021 was the most profitable quarter since the new News Corp was launched more than seven years ago, reflecting the ongoing digital transformation of the business,” says Robert Thomson, Chief Executive of News Corps.

NY Times ended Q2 with these stats, [according to the company](#):

7.9M
PRINT AND DIGITAL
SUBSCRIBERS



5.3M
DIGITAL NEWS
SUBSCRIBERS

7.1M
FOR DIGITAL NEWS
OR ONLINE APPS

Plans to reach
10 MILLION
SUBSCRIBERS BY 2025
[according to the company's Q1 report](#)

“We now have more than 8 million paid subscriptions across our digital and print products—a testament to the success of our strategy, the strength of the market for paid digital journalism and our unique opportunity to meet that demand,” says Meredith Kopit Levien, President and Chief Executive Officer of The New York Times Company.

ENCOURAGING EXPANSION

The U.S. citizens who do subscribe to digital news are spending [less time](#) on these sites. News outlets must find ways to retain customers through unique offerings. A great example of this is The New York Times, which leveraged its cooking and games subscriptions to entice users to its site. The company added [65,000 more cooking and games subscriptions in Q2](#).

“We grew very quickly from a user perspective and just the sheer volume of people coming to the site. We quickly realised that we weren’t just relying on The New York Times to drive traffic to us,” [says Amanda Rottier](#), the General Manager of New York Times Cooking.

When media subscriptions know their audience and provide an accessible experience, they can retain subscribers and convert new visitors into paying subscribers. At the end of 2020, “Flexible, customizable subscription options helped media companies defend against churn,” according to [Zuora's Subscription Economy Index](#).

The recent success experienced by subscription media companies is encouraging others to expand their offerings as well. Earlier this year, the BBC launched [BBC Select](#), a documentary-based streaming service. Due to hitting records in its [site traffic](#), CNN also plans to introduce [streaming in 2022](#) as a way to convert organic viewers into paid subscribers.

“We think, given our brand reach; given our credibility; given our trust; given the fact that we reach 290 million across linear and digital platforms globally, that there's a really substantial audience opportunity for us,” says Andrew Morse, CNN’s Chief Digital Officer.

Conversion Rates

Stats pulled from [Piano's Subscription Performance Benchmark Report](#):

10X HIGHER
CONVERSION
RATES

for hard paywalls
than soft paywalls.

86.1%

FIRST-MONTH RETENTION
for monthly offers without trials,

82.1%

PAID TRIALS
converting to full price

46%

OF MONTHLY
SUBSCRIBERS AND

74%

OF YEARLY
SUBSCRIBERS

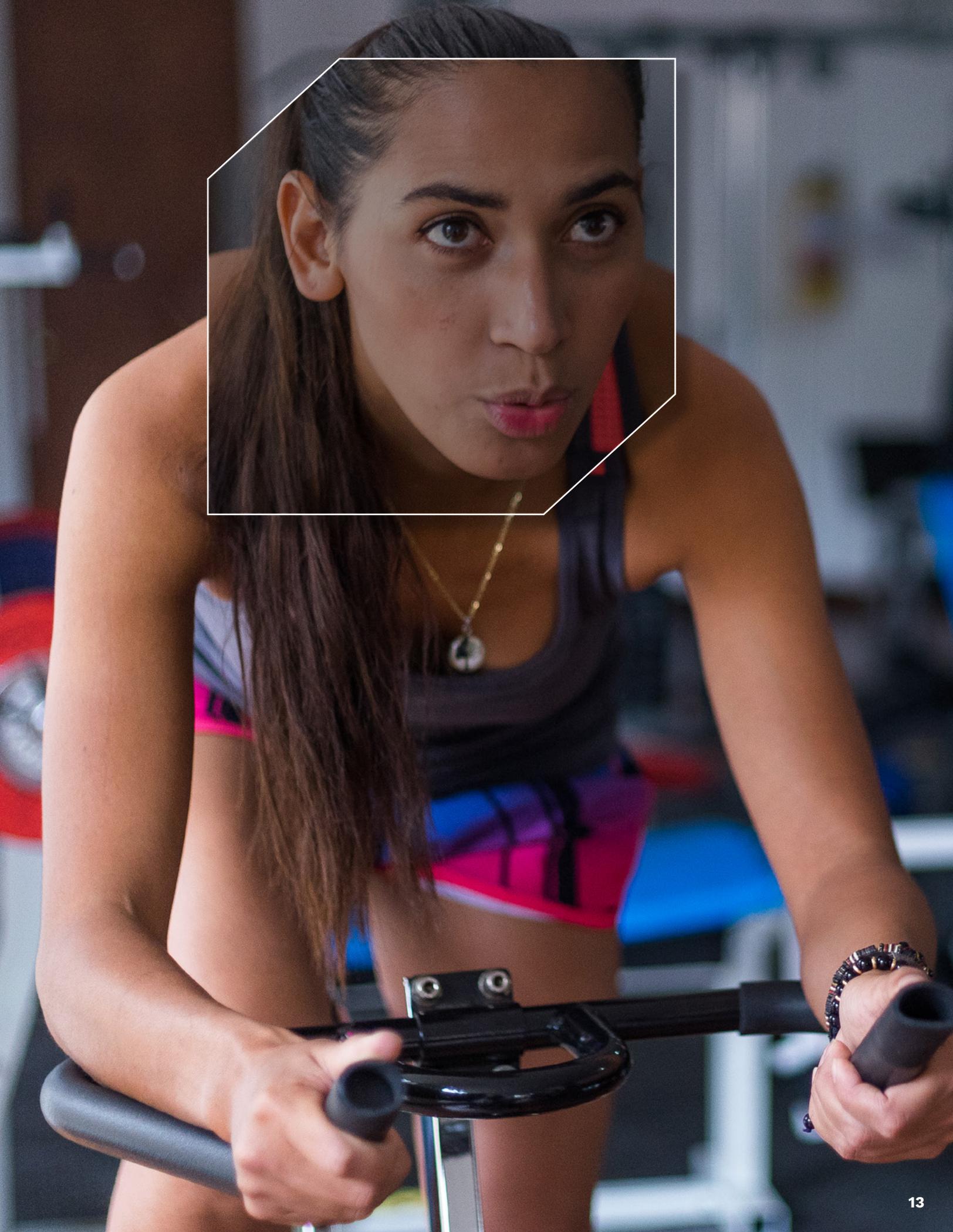
stay after a
company's first year

61.7%

FREE TRIALS
converting to full price

40%

INACTIVE SUBSCRIBERS,
those who haven't been
on the site in the past
month, aka “Sleepers.”





MEMBERSHIP

THE TRUE POWER OF EXCLUSIVITY

Consumers looked to memberships during the global health crisis to stay engaged with others at a time when in-person social interaction was discouraged.

FITNESS

Home fitness found an opportunity to dominate the market when [46.67% of all global gym members](#) decided to workout remotely last year. The industry was already on the rise prior to the pandemic—sales had an average monthly growth rate of [30%](#) YoY in 2019, compared to 6% for traditional gym memberships.

In 2020, home-fitness businesses witnessed a [194% average](#) increase YoY. This growth slowed near the end of 2020, but as of March 2021, sales were still up by 73% YoY, [according to Second Measure](#).

Peloton was one of the most popular brands consumers turned to during this shift. The company's membership offers at-home workouts via a bike or treadmill.

Peloton:

TOTAL REVENUE IN Q4

**GREW 172%
TO \$607.1M**

TOTAL MEMBERS

GREW TO ~3.1M
in Q4 2020

AS OF MARCH 31, 2021:

Total number of members:

5.4+M

in Q4 2020

Total Q3 2021 revenue:

\$1.26B

Total Q3 2021 workouts:

149.5M

CLOTHING

Membership perks are also becoming more valuable for fashion lovers. Companies like Rent the Runway are experiencing great success with clothing rentals because people are ready to dress up once again after weeks—or months—spent in quarantine. [Technavio analysts](#) anticipate the clothing rental market to experience a 9.66% growth rate by 2024, reaching \$990 million.

CLOSE TO EVERYTHING, FAST

Amazon Prime memberships have increased exponentially to [more than 200 million](#) Prime members worldwide. Seventy-four percent of Prime members start their product searches on Amazon.com instead of Google or any other domain, versus 29% of non-members, [according to a Civic Science survey](#). The company's subscription services reached a [36% increase YoY in Q1 2021—more than \\$7.5 billion](#).

As the world slowly tries to get back to normal, membership subscription providers should identify ways to continue to add value in a post-Covid world.

While Peloton's YoY growth is undeniable, the company suffered a nearly 26% drop in revenue from Q3 to Q4 of FY 2021. This was partly due to several serious accidents on the Tread+ and a user data breach.



DIGITAL/SOFTWARE

THE FUTURE OF CONNECTIVITY

The Software as a Service market has been one of the most successful subscription segments over the past few years. The future is likely to tell the same story—the SaaS market is expected to be worth more than [\\$145 billion in 2021](#).

Salesforce, [Google Cloud](#), Amazon and Shopify are all experiencing significant growth through their SaaS offerings. And they're not the only ones:

SaaS COMPANIES

in the Subscription Economy Index experienced

A 24% INCREASE

[in revenue growth rate in 2020.](#)

The cloud is a key to success in this ever-changing market. [Amazon](#) experienced a 34% growth in net sales through its subscription services in Q1 2021, followed by a [28% growth in Q2](#). This success can be attributed in part to Amazon Web Services (AWS).

"We've seen AWS growth reaccelerate as more companies bring forward plans to transform their businesses and move to the cloud," says Amazon CEO Andy Jassy.

Shopify is also experiencing unprecedented success this year. The subscription platform reached [more than \\$1 billion in revenue for the first time ever](#) in Q2 2021, a 57% increase YoY.

Understanding consumer behaviors is crucial to seeing profits in the Digital/Software segment. Not all SaaS businesses stay on top of the trends, though, as [less than half of companies \(40%\)](#) charge based on consumer usage now.

2020 helped SaaS companies like Zoom, Google and Microsoft grow at an incredible rate. 2021 could do the same, as the fight against Covid-19 continues and remote work is the new norm for the foreseeable future. Executives plan to reduce office space by 30% on average, according to a recent [McKinsey survey](#). Furthermore, more than 20% of the workforce could be working remotely between three to five days a week and still be just as productive as it would in an office setting, [per McKinsey's analysis](#).

Overall, the future looks promising for the SaaS segment, with or without the pandemic. The industry is expected to [grow by nearly \\$100 billion in the next 4 years](#).

"The future of SaaS will be defined by doing more with less," [says Chris Makkreel, Head of Technology at Salesforce](#). "Today, technology is proactive but tomorrow technology will be predictive. Interestingly, 90% of all data has been generated in the past two years. I like to think about artificial intelligence and machine learning, not as a product, but as electricity that will power future tech."





STREAMING (VIDEO & MUSIC)

ARE YOU NOT ENTERTAINED?

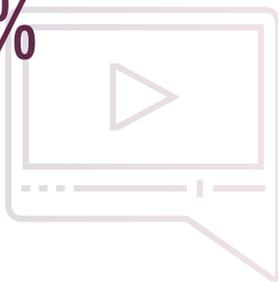
Globally, streaming is the preferred subscription service for adults, according to Zuora's [The End of Ownership report](#). Subscription video on demand [is projected to surpass 1 billion global users by the end of 2021](#).

The average American household spends [\\$47 per month on streaming services](#)—\$9 per month more than at the beginning of the pandemic.

NEARLY 60%

OF ALL U.S. ADULTS OVER THE AGE OF 25

viewed TV and video on demand (VOD) as their primary entertainment source



VIDEO ON DEMAND

As far as TV and movie streaming goes, in Q4 2020, straight-to-VOD movie premiers have tripled YoY, according to [ReelGood's 2021 VOD Catalogue Insights Report](#). Since Q4 2020, Disney has released five titles on Premiere Access for Disney+, a premium service where consumers can find new titles in lieu of going to a movie theater.

In bypassing the exclusive theatrical release for *Black Widow*, Disney [faced a lawsuit](#) regarding a lack of streaming compensation for its lead actress, Scarlett Johansson.

Streaming has also encapsulated other forms of entertainment, including NBC's broadcast of the [2020 Olympics](#).

IMPACT OF 2020 TOKYO OLYMPIC GAMES ON PEACOCK:

54M

TOTAL
SIGNUPS

50% GROWTH

FROM Q1 TO Q2, ACCORDING TO
a Comcast investor call on [July 29](#)

As of Q1 2021, there are 340 million U.S. over-the-top (OTT) subscriptions, equaling roughly one subscription per person, [according to Ampere Markets - Operators data](#). Globally, there will be roughly 2 billion OTT subscriptions in 2025, according to [projections from Juniper Research](#). However, only 20% of those who subscribe to on-demand streaming services are confident they will stay with their provider, according to [Interpret's 2021 report](#).

This churn happens for a variety of reasons, according to the Deloitte Digital Media Trends Survey:

Content

- 66% of people were frustrated when content they wanted to watch was removed from a service.

Consumer Fatigue

- 53% were frustrated by having to subscribe to multiple services to access the content they want.

Curation

- 49% were frustrated if a service failed to provide them with good recommendations.



BIG PLAYERS:

NETFLIX

209 MILLION SUBSCRIBERS
 According to the company's
Q2 2021 report.

HBO MAX

Launched May 2020
47 MILLION U.S. SUBSCRIBERS
67.5 MILLION TOTAL SUBSCRIBERS
Expecting 70–73 million global subscribers by the end of 2021.

AMAZON PRIME

175 MILLION MEMBERS
Streamed VOD in 2020,
a 70% increase YoY.

HULU

42 MILLION SUBSCRIBERS

DISNEY

173+ MILLION SUBSCRIBERS

ESPN+

15 MILLION SUBSCRIBERS

DISNEY+

116 MILLION SUBSCRIBERS



Globally, nearly 70% of adults would subscribe to a service if it provided them exclusive content/products/services, according to [Zuora's Financial Services report](#).

This has pushed streaming services to create content that's only available on their platform. Disney+ [currently leads the way](#) with 89% of its catalogue being exclusive content, followed by Netflix (83%), HBO Max (72%), Hulu (40%) and Amazon Prime Video (38%). Disney [predicts](#) its content spending budget in 2024 will amount to \$8-9 billion.

"In just over a year, Disney+ has cemented its reputation as a singular destination for premium branded content," says Rebecca Campbell, Disney's Chairman of International and Direct-to-Consumer Operations.

Disney leads in exclusive content, but Amazon Prime Video holds the most bang for the consumer's buck, providing more than [2,100 movie titles per dollar spent](#). The next closest competitor, Netflix, has more than 400 titles per dollar spent.

GAMING

Twenty-six percent of Generation Z choose video games over other entertainment sources, and 14% primarily listen to music, according to a [Deloitte Digital Media Trends Survey](#).

Mobile gaming also dominates the industry. Each month, there are 150 million mobile gamers making up nearly 90% of the digital gaming market, according to [Insider Intelligence](#). Many companies are getting in on this trend, [including Verizon](#), which now offers Google Play Pass and Apple Arcade in select phone plans. Netflix is also [preparing to launch](#) its own mobile gaming service, and Peloton is debuting [in-app gaming](#) in the near future.

AUDIO STREAMING

The audio medium is becoming [increasingly popular](#), with YoY global streaming up by more than 27% and domestic streaming up by just under 11%. As a byproduct of this, the industry's biggest competitors are adding to their tallies.

SPOTIFY STATS:

365M
TOTAL USERS

165M
PREMIUM USERS

SPOTIFY:	APPLE MUSIC:	AMAZON:	TENCENT:
32%	16%	13%	13%

• of the subscriber market share •

Thirty-seven percent of Americans listen to podcasts at least once a month, according to a [study by Reuters](#). Of podcast consumers, more than [half](#) are weekly listeners and three-quarters listen to more than one show per week.

Nielsen [also reports](#) that podcast consumers are more diverse than the U.S. population. Each ethnic group has different podcasting preferences and habits. For example, Black and Hispanic podcast listeners [are more likely than other groups](#) to engage with podcast advertisements.



SHAPING THE FUTURE

A LOOK AHEAD TO THE NEW E-COMMERCE LANDSCAPE

All of the subscription industry segments are going through a transitional period.

“We’re going to see more and more brands pivot to or add a subscription/membership model to their business,” says SUBTA Co-Founder and Chairman Chris George. “Exclusive content and experiences will separate them from typical e-commerce.”

According to CEO and Founder of Zuora, Tien Tzuo, we are in the age of usership. Now more than ever, today’s consumers expect speed, reliability and convenience when purchasing any item—whether it’s for necessity or pleasure.

The industry as a whole is expected to [hit the \\$1.5 trillion mark by 2025](#).

And the average consumer subscribes to six streaming services. These concerns enabled wealth-management companies like TrueBill to grow at a great pace in the last few years. As of June 2021, TrueBill has raised [85 million dollars](#) and [helped roughly seven million people](#) manage their finances.

“Automatic bill pay seems like a perfect solution—it’s dependable, and it saves time while abolishing stress. But it’s all too easy to forget the risky realities that come along with it,” [said TrueBill in 2017](#).

Subscription brands must prioritize ethics and the well-being of their consumers. In this age and industry, building a successful brand lies within building a trusting and lasting relationship with your subscribers.

Subscription brands must prioritize ethics and the well-being of their consumers. In this age and industry, building a successful brand lies within building a trusting and lasting relationship with your subscribers.

The future looks promising for the industry. After the tumultuous challenges encountered in 2020 and 2021, subscription businesses are once again poised to have a record-breaking holiday season. E-commerce sales are expected to account for [nearly 19% of the upcoming season’s retail sales](#).

To be fair, the industry is also dealing with its share of challenges. Subscriptions can be overwhelming for consumers, especially for those paying for several subscriptions at once.

“The brands that will be the most successful into the future will be those that listen to and build relationships with their customers,” says Chambers. “By leveraging AI, new means of communication, personalization and listening to their consumers’s needs, DTC subscriptions can empower their customers to feel less like a subscriber and more like a valued partner to that brand’s success.”

BEST SUBSCRIPTION PRACTICES TO ADOPT FOR Q4 2021 & BEYOND:

- Add opt-in text messages as part of the customer journey.
- Take advantage of TikTok's popularity to market your subscription.
- Use new technology for churn, upselling, data and more.
- Establish strategic partnerships.
- Use first-party data to better understand your consumers' behaviors.
- Optimize your content creation.
- Use your data to personalize your subscription offering. The more personal you get, the more memorable the subscriber's experience will be and the greater your LTV will become.
- Give more power to your consumers when it comes to managing their subscriptions. Voice and SMS should be leveraged.
- Focus on retaining your current subscribers. It costs less than acquiring new customers and helps increase your LTV.

"Technology is making it easier and easier for you to acquire new customers and make better decisions for your business moving forward," says SUBTA's Chris George.

22 SUBSCRIPTION BRANDS TO FOLLOW IN 2022

PREDICTIONS FOR SUBSCRIPTION'S FUTURE
FROM SUBTA CO-FOUNDER PAUL CHAMBERS.



SUBSCRIPTION BOX

1 [IPSY](#)

IPSY's growth continues to prove its ability to adapt and tailor its offerings to consumers. With the recent acquisition of Boxycharm and its millions of current subscribers, the company will be one of the biggest contributors in the Beauty & Personal Care sector.

2 [BarkBox](#)

Since going public in 2021, BarkBox has solidified itself as a brand that has bite. Pet Care has become a huge niche market for subscription services—consumers want a reliable brand that will tailor to their needs. With close to 2 million subscribers, it's safe to say that BarkBox is on track to have a prolific 2022.

3 [Splendies](#)

This underwear subscription identified a niche and established itself as a trustworthy, reliable company that cares for its customer base. The company relies on loyalty and a supportive community, which will carry a lot of weight in their growing success in 2022.

4 [HelloFresh](#)

HelloFresh took off in 2020 by providing convenience and safety to its customers. In 2021, the company experienced even more success YoY due to its easy sign-up process and its unique offering. With or without the pandemic, HelloFresh has all the ingredients to be successful in 2022.

SUBSCRIBE & SAVE

5 [Chewy](#)

The pet subscription's replenishment options empower customers. From flexible delivery frequencies to exclusive access, Chewy is an all-encompassing subscription that understands its customers, which will ultimately pay off in the year to come.

6 [Stitch Fix](#)

Because 2022 could be the beginning of the end for Covid-19, and you might need something to wear when you go out. With a growing customer base and various offerings to give more control to its subscribers, Stitch Fix could see its best year yet.

MULTI-SEGMENT

7 [Amazon](#)

There's no one segment to put Amazon in because it's in almost every single one. From its subscription box offerings to its famous Subscribe & Save and powerful Prime membership base, Amazon offers it all. 2022 could be the year Amazon continues to stand out in its streaming service as well. Without a doubt, Amazon is one to watch!

MEDIA & PUBLICATION

8 [The Hustle and Trends.co](#)

The acquisition by HubSpot in 2021 will give The Hustle and Trends an even bigger reach and more firepower from a capital side. The unique content approach of these platforms offers subscribers a break from the traditional media outlets.

9 [Benzinga](#)

Micro niches are popular in the subscription industry. The space is not a one-size-fits-all, and that's especially true when it comes to content consumption. Benzinga is focused on the "individual investor" and created its entire content curation around that target audience. With the power to invest now at everyone's fingertips, the company's stock could grow tremendously in 2022.

10 [Game Informer](#)

The online video game magazine is the [fourth most popular](#) digital news subscription in the world. In its 30th year of business, Game Informer has a community of more than 6 million gamers. Gaming interest [spiked in 2020](#), and experts are seeing [slower growth](#) in the first half of 2021. It'll be interesting to see how the site's traffic fluctuates in the upcoming year.

MEMBERSHIP

11 [FightCamp](#)

In June of 2021, FightCamp raised an additional \$90 million in a Series B round, which included some notable names like Mike Tyson and Floyd Mayweather. Currently only running on iOS and in limited countries, FightCamp's opportunity for growth in the successful home-fitness space is tremendous.

12 [Peloton](#)

After [supply chain issues were addressed](#), the company ended March 2021 with more than [5.4 million members](#). A partnership with [pop culture television](#) and in-app video [game developments](#) indicate that Peloton is getting ready for the future of virtual fitness.

13 [Planet Fitness](#)

Home fitness is extremely popular across the globe, so what will happen with gym franchises? Planet Fitness reported a [12.1% decrease in revenue in Q1 2021](#) YoY, but the company [bounced back in Q2](#), reporting a 241.1% increase in revenue YoY, and 98% of its stores opened globally. While they do have competition, Planet Fitness' offerings and amenities prove to be appealing to health enthusiasts.

14 [Walmart+](#)

The service has only been active for a year, almost to the day, and it's already attracted more than 60 million members. For context, it took Amazon Prime four years to get 2 million.

DIGITAL/SOFTWARE

15 [TrueBill](#)

As more consumers turn to subscriptions, they also look for help in managing them. TrueBill does this and assists in tracking personal finance. The platform has the tools in place to understand each consumer's financial habits and can help with credit, creating a budget and much more. TrueBill found a way to become an all-in-one wealth management platform, and that strategy is paying off.

16 [Zoom](#)

We're beginning to see that more than 20% of the workforce could maintain productivity and efficiency while working remotely, [according to a McKinsey analysis](#).

However, the pandemic could be over by 2022, and the company will have to expand its offering if it wants to continue to grow.

17 [Calm](#)

Since the start of the pandemic, people are more aware of their mental health than ever. In 2020, nearly 80% of antidepressant and other medications of the sort [were new prescriptions](#) during the week of March 15. Covid-19 took a toll, and the current uncertainties surrounding the virus could do more harm in the near future. Calm is [the leading U.S. brand](#) in the mindfulness market and will stay at the top based on the current circumstances.

STREAMING (VIDEO & MUSIC)

18 [Netflix](#)

Our eyes have been on Netflix since its humble beginnings, but this is a make it or break it year for the company, as it needs to diversify into other categories. The upcoming launch of video games will be a true test of the brand's potential for growth.

19 [Peacock](#)

While NBC has been able to successfully launch Peacock and draw the eyeballs of subscribers through archival content, its original programming will need to continue to be strong in 2022 if they want to attract new viewers.

20 [Apple TV+](#)

Similar to Peacock, Apple TV+ has an even bigger challenge in continuing to roll out original content. Its advantage, though, is Apple's extremely loyal consumers that can help carry it to success. The challenge will lie in its ability to reach outside of its core user base for growth and diversification.

21 [Spotify](#)

Both [Spotify](#) and [Apple](#) launched podcast subscriptions in 2021. Spotify is projected to [overtake Apple's podcast listenership](#) for the first time this year, due in part to its more affordable "Spotify for Podcasters" platform. The company is also investing heavily into [AI speech recognition](#)—could this be the future path of audio streaming?

22 [Roku](#)

[Nearly doubling your revenue](#) YoY should be acknowledged. Roku's offering is convenient and all-encompassing. From the Roku Channel—which is [the biggest ad-supported video-on-demand service](#) in the country—to [advertisement deals](#), the platform could see its best year yet despite the growing competition in the streaming industry.

SOURCES

Alphabet
Amazon
Ampere Analysis
Apple
Attest
AT&T
BarkBox
BBC
Billboard
Bloomberg Second Measure
BlueCart
Bold Commerce
Business of Apps
Business Wire
CivicScience
CNN
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Deadline

Deloitte
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Express Scripts
Fusebill
Glossy
HelloFresh
Insider Intelligence
Interpret
IPSY
Jabil
J.D. Power
Jungle Scout
Juniper Research
McKinsey
MIDiA
Motley Fool
MRC Data
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Netflix
News Corporation
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