

Primenesia

Primenesia is the condition of not remembering what you ordered from Amazon

Primenesia

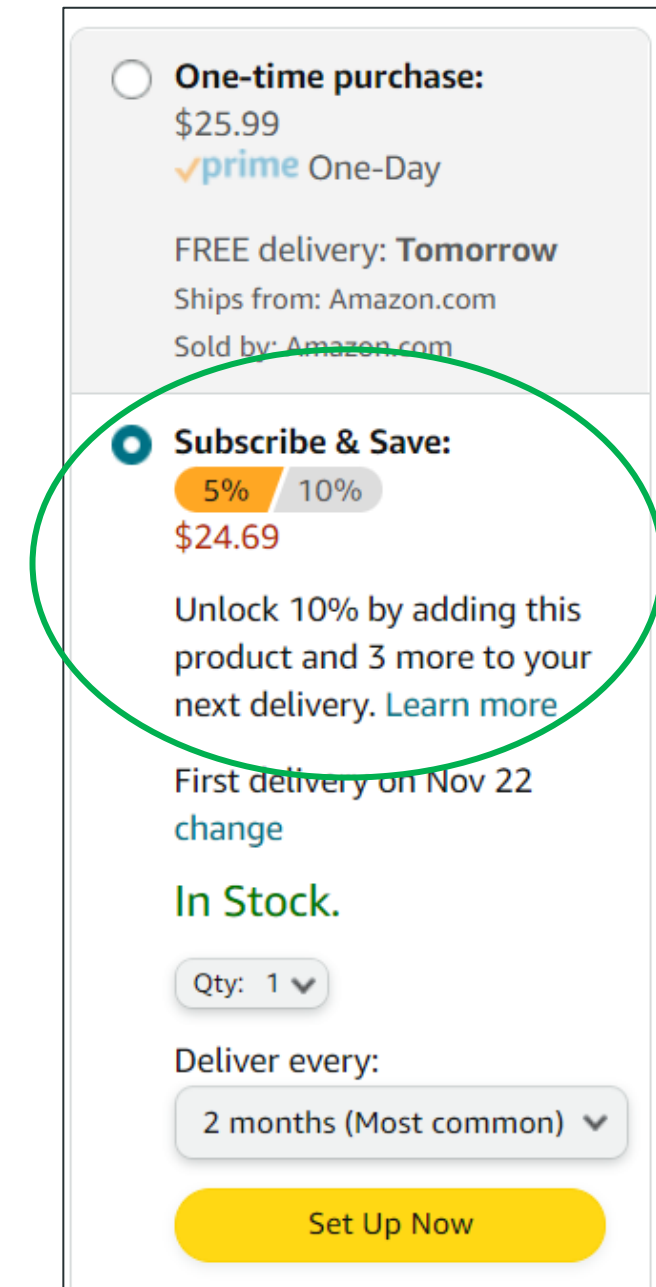
Primenesia is the condition of not remembering what you ordered from Amazon

Ok, so how many of you have experienced Primenesia?

Primenesia

Primenesia is the condition of not remembering what you ordered from Amazon

Ok, so how many of you have experienced Primenesia?



One-time purchase:
\$25.99
✓prime One-Day

FREE delivery: **Tomorrow**
Ships from: Amazon.com
Sold by: Amazon.com

Subscribe & Save:
5% 10%
\$24.69

Unlock 10% by adding this product and 3 more to your next delivery. [Learn more](#)

First delivery on Nov 22
change

In Stock.

Qty: 1 ▾

Deliver every:
2 months (Most common) ▾

Set Up Now

Rise of the Subscription Lifestyle

Insights about emerging
consumer behavior

TMRE

November 2021

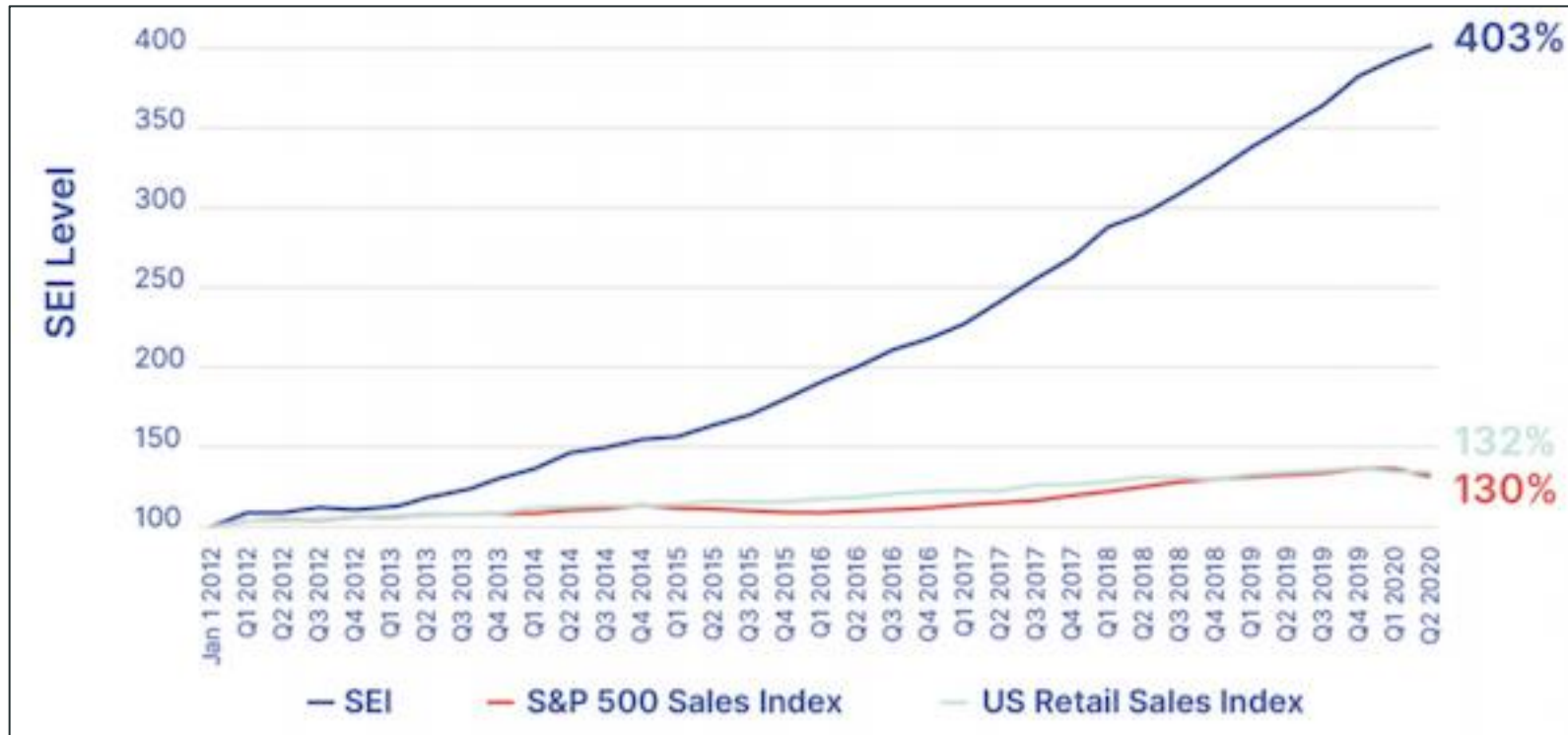


SKIM

decision behavior experts

The B2C subscription economy is exploding

The Subscription Economy Index™ (SEI¹) vs S&P 500 & U.S. Retail Sales



1. Zuora's SEI index through Q2, 2020

The B2C subscription economy is exploding





What will we cover today?

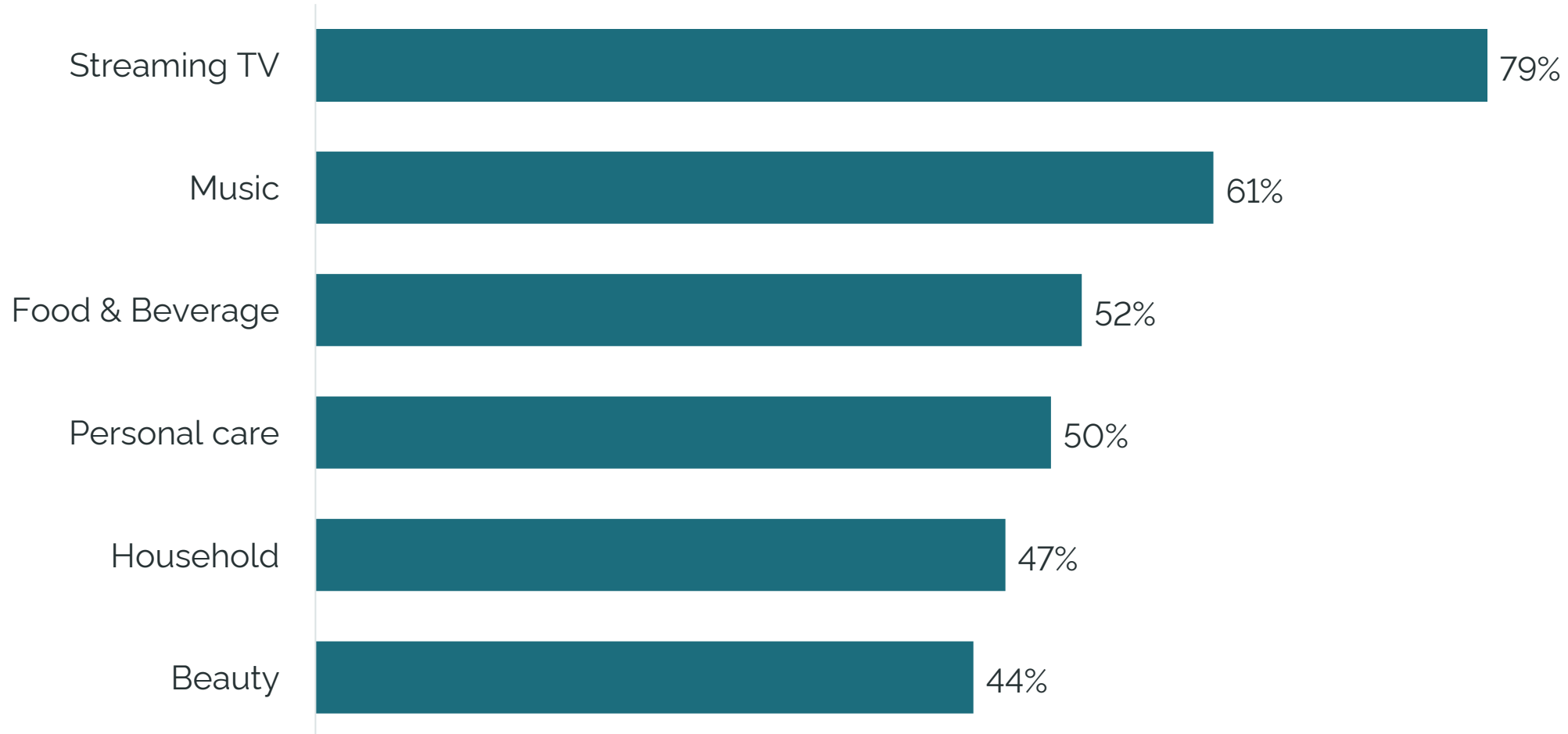
1. Who we talked to
2. What are consumers subscribing to?
3. What do you think of subscriptions? – Attitudes, perceptions
4. No thanks – Barriers to sign up
5. I'll take another one – Willingness to buy
6. The more you have, the more you want – Willingness to try
7. Why do you want one? – Reasons to sign up
8. I quit! – Reasons for canceling
9. Money talks – Attitudes about value and price
10. Subscription hopping – a new consumer behavior
11. What does it mean? – Nuances abound, agility required

Who did we talk to and who did we NOT talk to



Streaming TV tops the list of current subscriptions

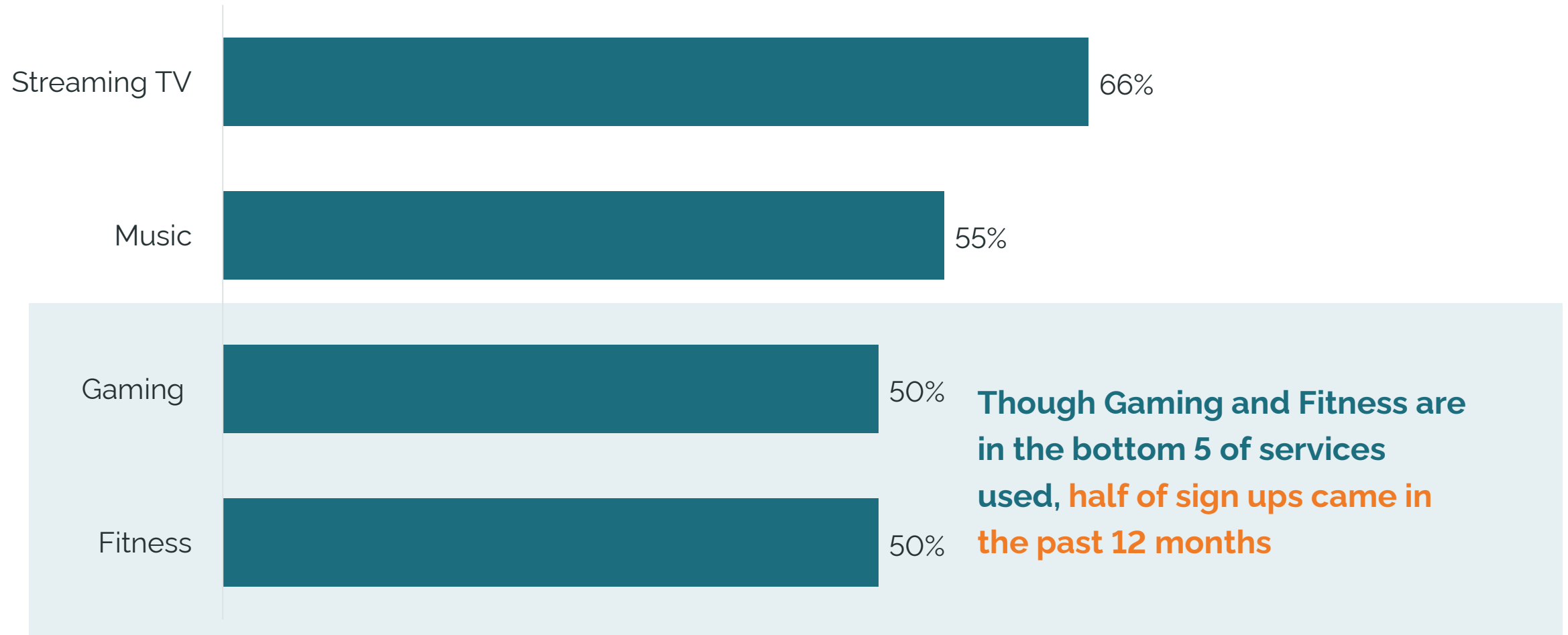
Subscription Usage*



* Total, N=4254

And subscribers continue to add to their list

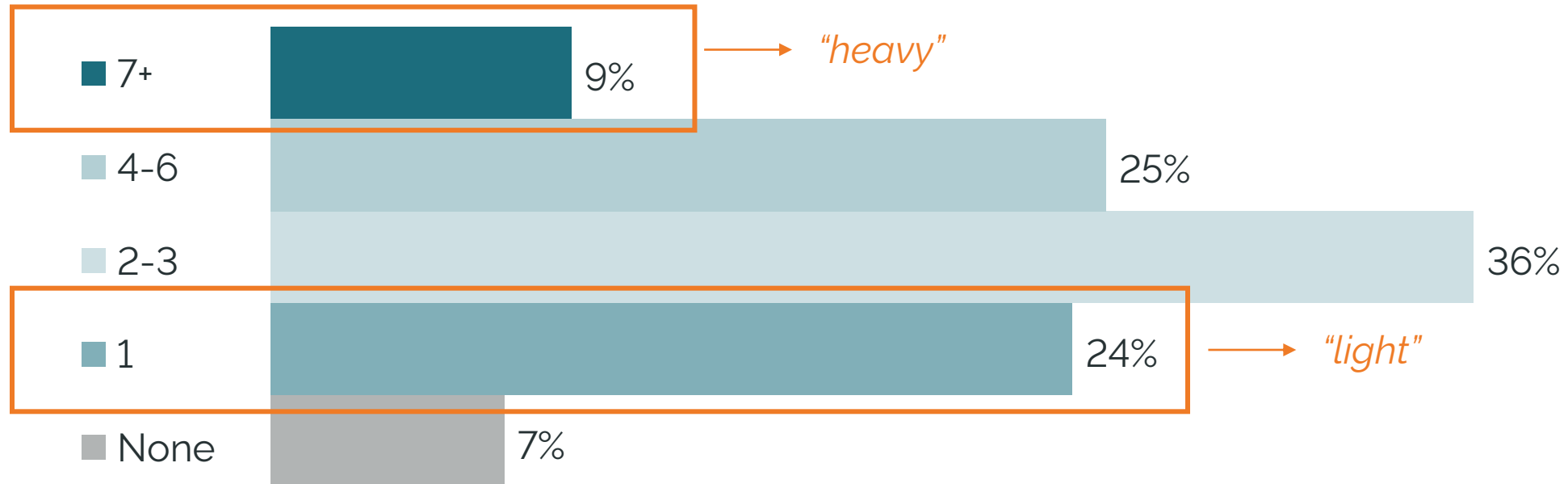
Signed Up in Past Year*



* Among current user of category, base sizes vary

For most of this presentation, we focus on subscribers with 1 subscription versus those with 7+

Number of Current Subscriptions*



* Total, N=4254

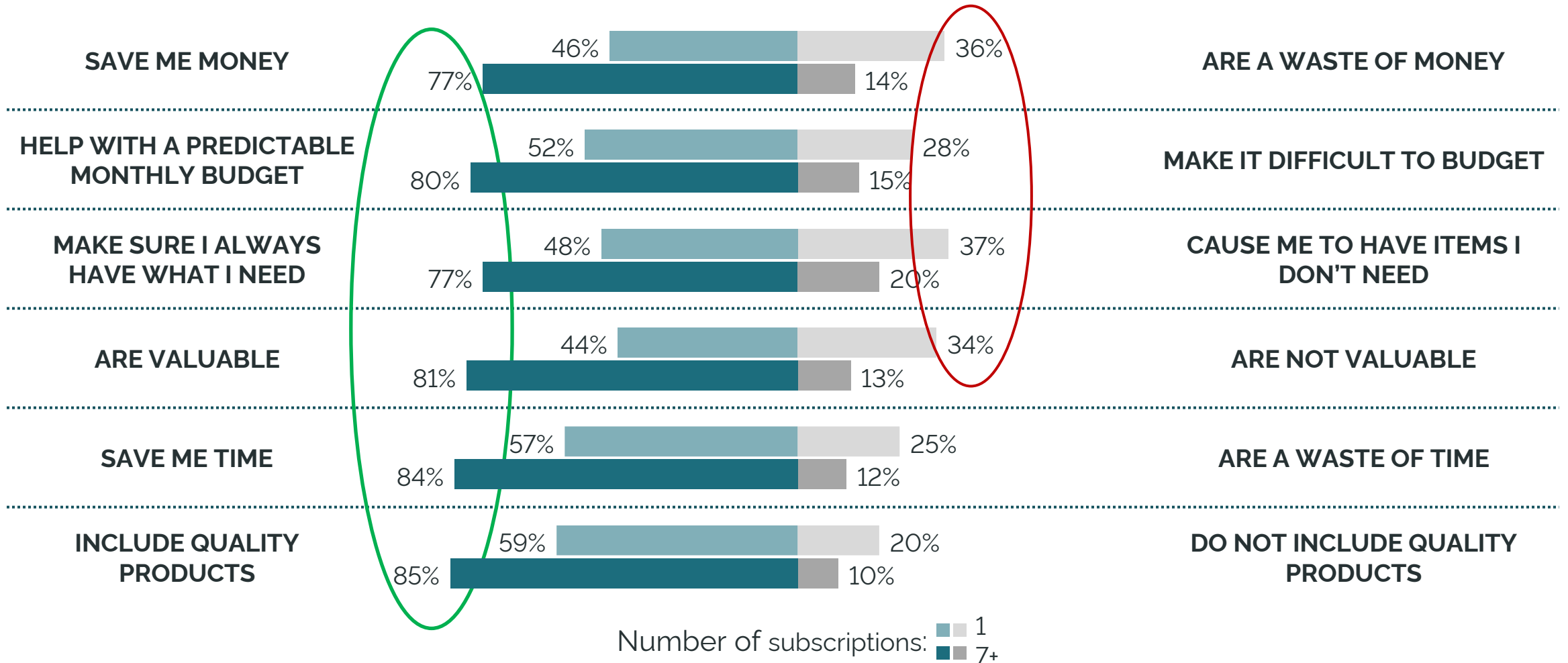
A young woman with dark, curly hair and glasses is looking down at her smartphone. She is smiling slightly. The background is a solid teal color.

**Are subscriptions
worth it?**

**Subscription attitudes and
perceptions**

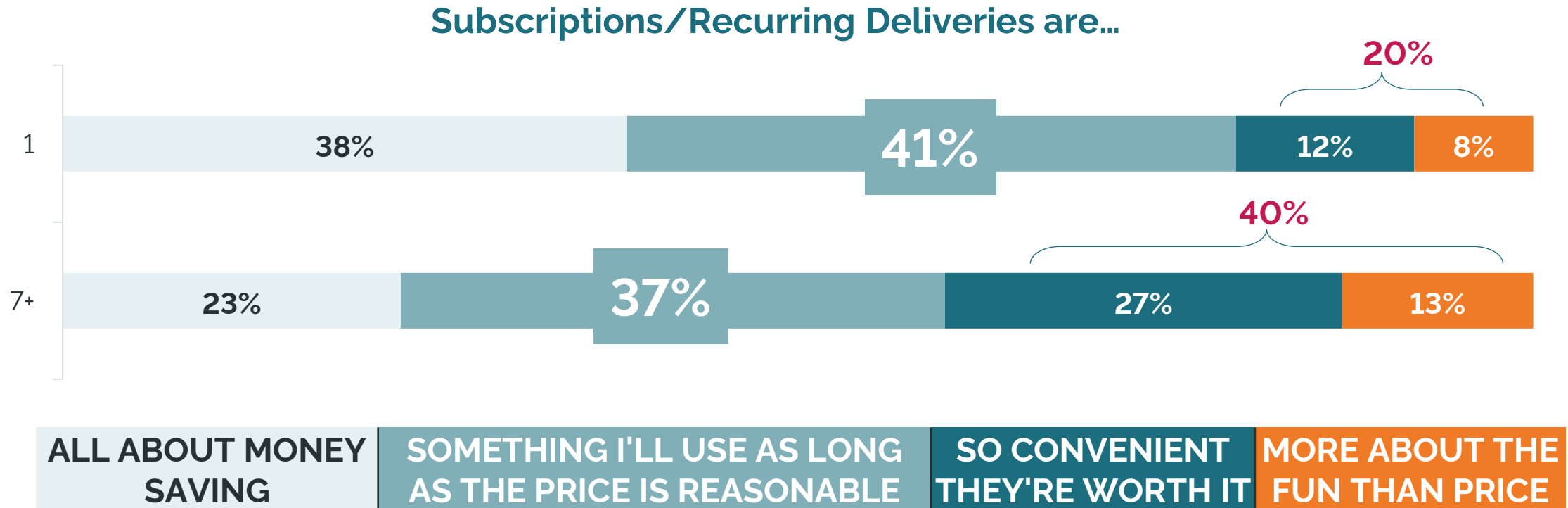
Heavy users clearly see benefits

Perceptions*



* Completely or somewhat agree with statement, 1 Subscription, N=1,021 | 7+, N=391

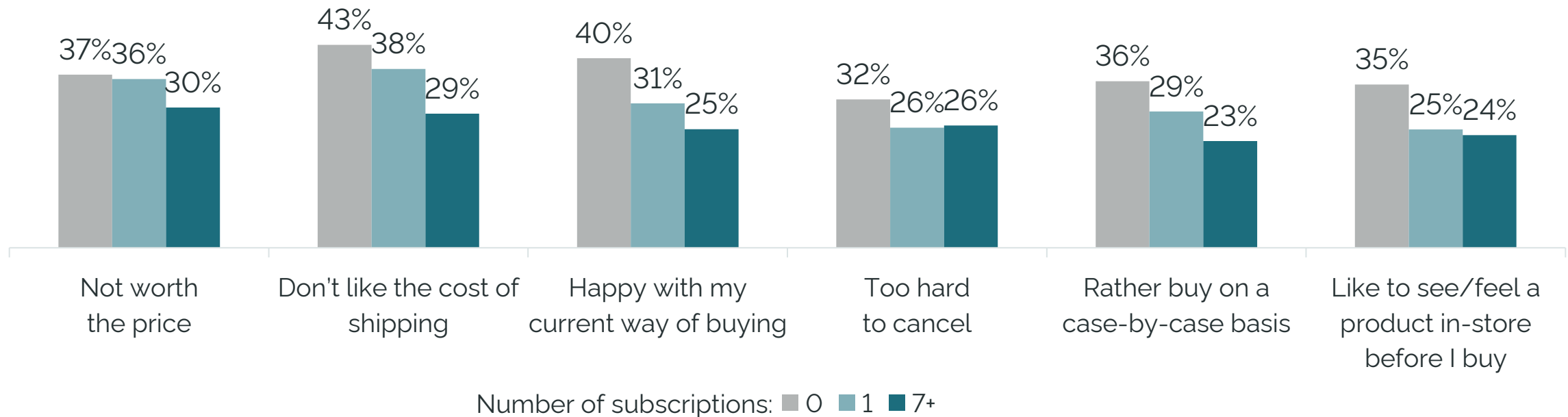
Heavy users see the convenience and even fun



* Total, N=4254 | 1 Subscription, N=1021 | 7+, N=391

Key barriers should be addressed in order to introduce a successful product or grow market share

Barriers to Sign-Up*



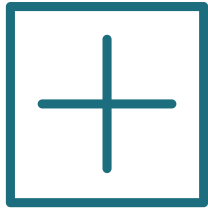
* No Current Subscriptions, N=284 | 1, N=1,012 | 7+, N=391



I'll take another one

Willingness to Buy

I'll take another one



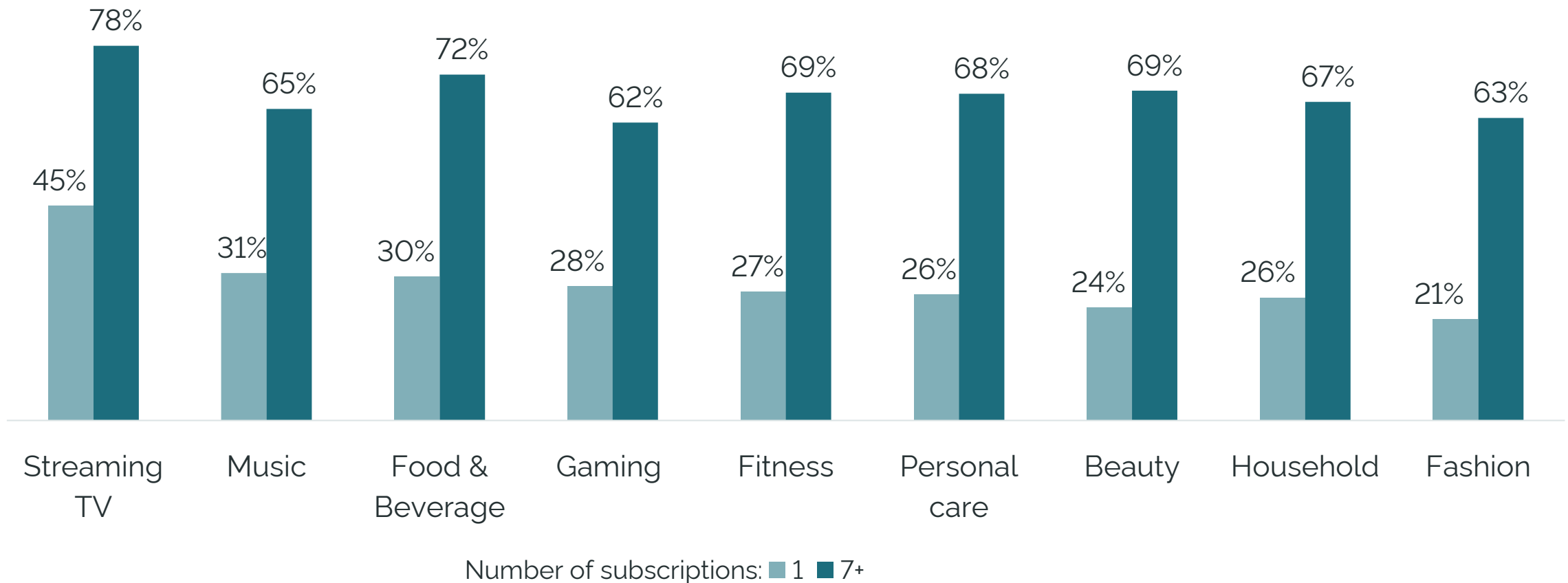
One would think that the fewer subscriptions one has, the more room there is for adding another.



One would be wrong.

The “packages” keep piling up

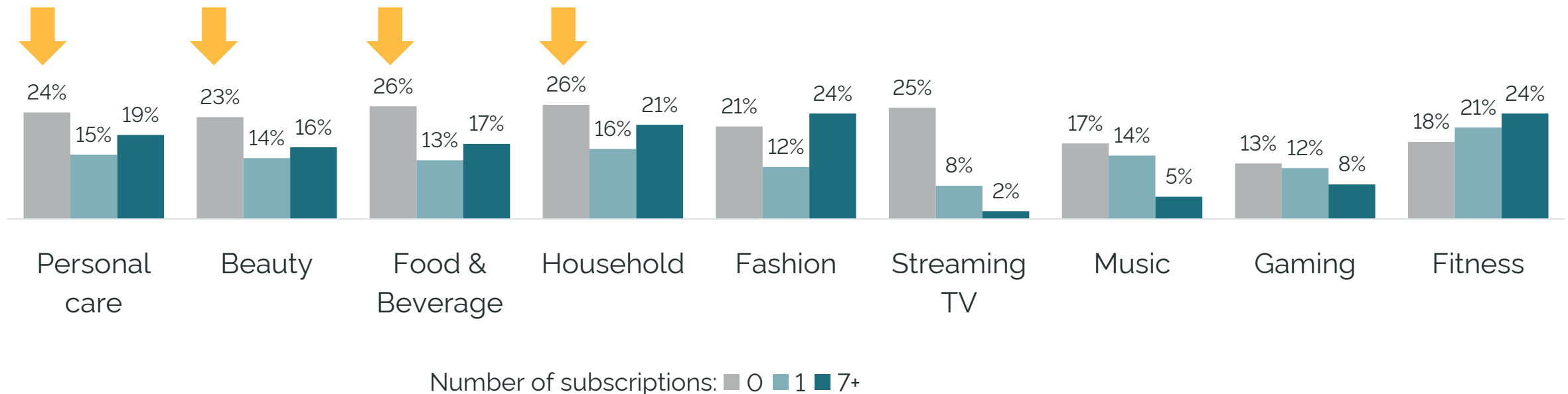
Past Year Sign-Up*



* Among current user of category, base sizes vary

The more you have, the more you want

Openness to Subscriptions*



* No Current Subscriptions, N=284 | 1, N=1,012 | 7+, N=391

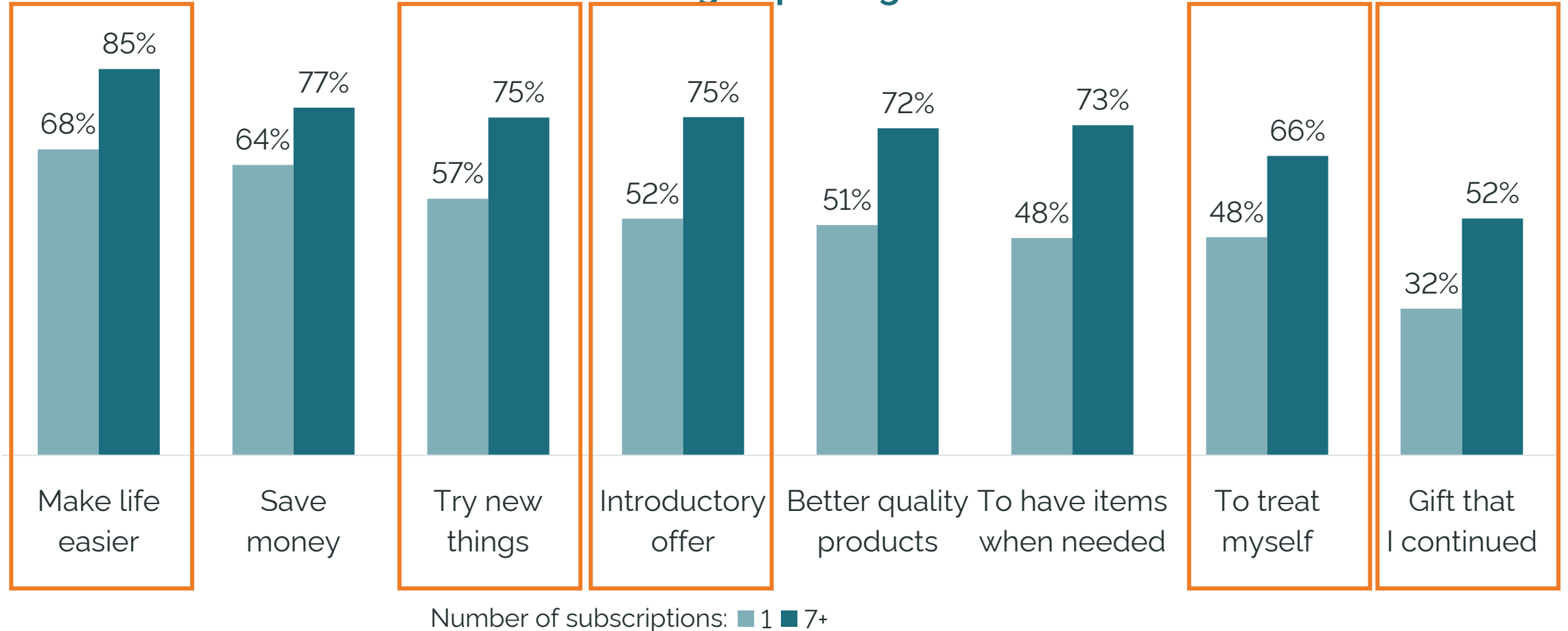
A person is holding a rectangular gift box wrapped in light-colored paper. The box is decorated with a red and white striped ribbon that is tied in a bow on top. The background is a soft, out-of-focus image of the person's hands and torso, overlaid with a semi-transparent teal color. The overall mood is warm and festive.

Why do I want one?

**Reasons for signing up:
Make my life easier!
Gifting works!**

There are two key entry points for brands

Reasons for Sign Up (Tangible Goods)*



* Strongly or somewhat influenced, Consumers with at least one tangible good, N=2901

I quit!



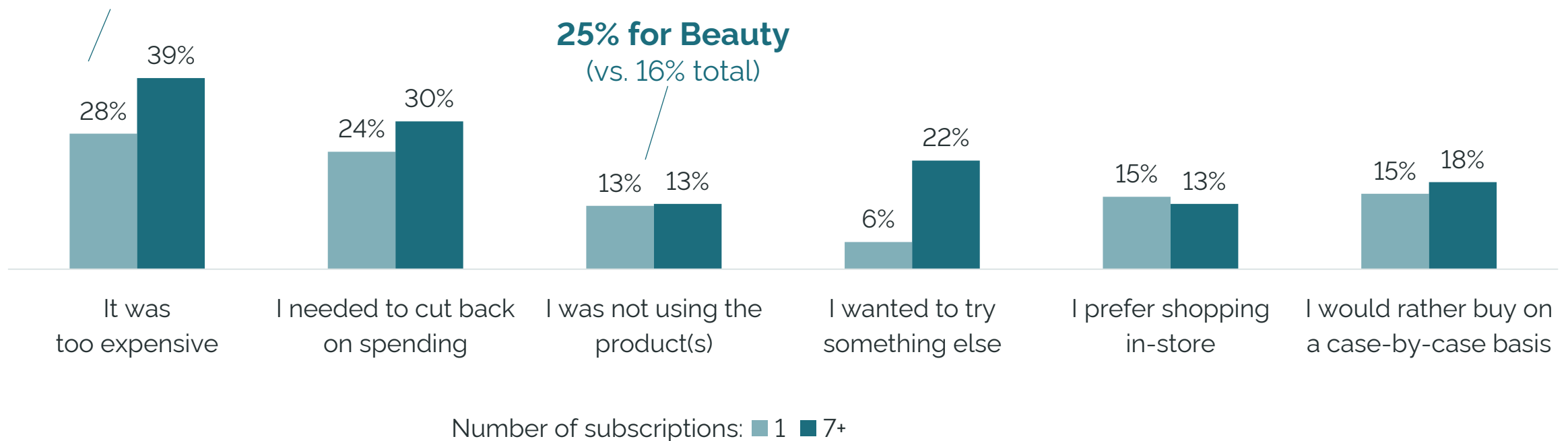
41% for Food & Beverage

(vs. 32% total)



25% for Beauty

(vs. 16% total)



* Consumers who canceled tangible good, 1 Subscription, N=163 | 7+, N=113



Money talks

Attitudes about value and price

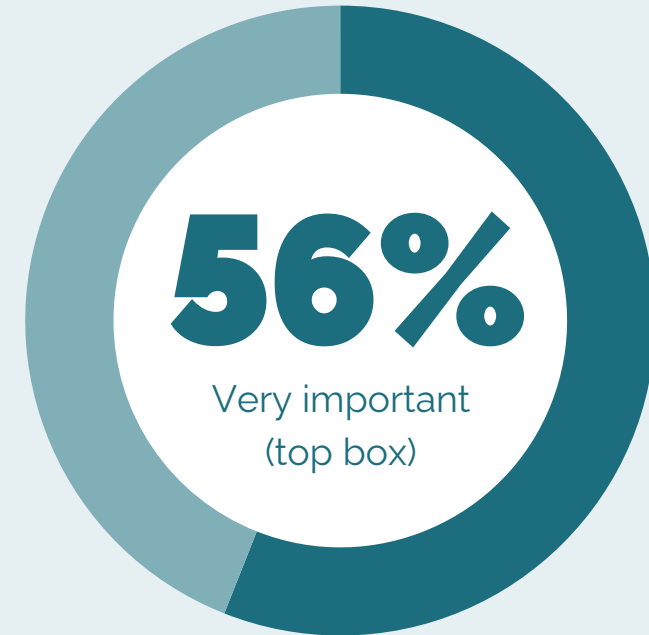
Price is important, but it's more nuanced than that

81%

give a top two box rating for the
importance of pricing

* Total, N=4254 | 0 Subscriptions, N=284 | 1, N=1021 | 7+, N=391

Importance of Pricing*



This is consistent for users with 2 or more, but

- **61%** among those with just 1
- **65%** among those no current subscriptions

Money impacts every decision touchpoint

Should I sign up?

Waste of money

Not worth the price



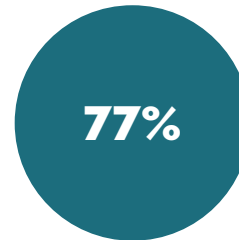
non-users



Save me money



light users



heavy users

Why did I sign up?

■ Light users ■ Heavy users



Why did I cancel?



Too expensive



Needed to cut back



Call to Action

How to talk to your targets about price, cost and value

Develop differentiated price strategies for each user group

Work on introductory offers and gifting mechanisms

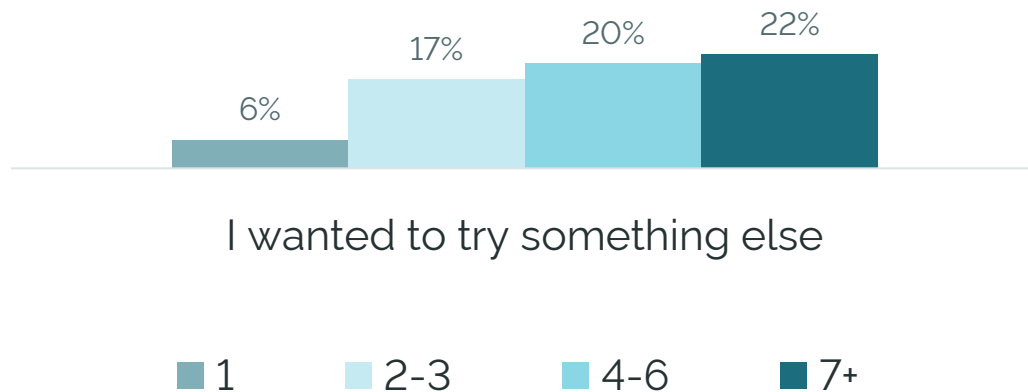
Reduce the friction of changing and canceling

One more thing



Subscription Hopping: product shifting is a new consumer behavior

Reasons for Canceling



KEY QUESTIONS

- 1 *Where does a journey start?*
- 2 *How does “I wanted to try something else” affect your NPD, marketing, and pricing strategy?*
- 3 *Is your strategy subscriber-centric or product-centric?*



What does it mean?

What does it mean? Nuances abound, agility required



Who to target

7+ subscribers will continue to grow in numbers and subscriptions.

Millennials, nearly half have 4 or more subscriptions. After that, **Gen X**.

Subscription hoppers



How to target

Develop products for the "I'd like to try something else" group.

Gifting subscriptions and **introductory offers** are valuable and part of the most important influencers – Friends and family.

Journey mapping is almost unknown so far but will be very important for maximizing CLV.

Figure out the **cost/value algorithm**. It is complex.



Prime growth areas

There is a lot of **movement**.

Almost 30% are open to **fitness subscriptions** and 25% **Household** products and **Fashion**.

The group with the biggest interest in trying something else are the **heavy users**.



The future

We aren't done – We're fielding this in the EU (Poland, Germany, France, UK) this month.

Digital and hybrid services is fielding this month in the US.

Thanks for attending our session

Want more SKIMspiration?

Come chat with us

Booth #214

Speaking of subscriptions...

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Contact us

Mike Mabey - VP, Client Solutions

Brady Silva - Manager, Subscription Practice Lead

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At SKIM, we deliver a local 'boutique' service, with global capabilities and expertise



SKIM is a global agency with nine offices, serving our clients for more than 40 years, with a highly trained and enthusiastic team of more than 200.

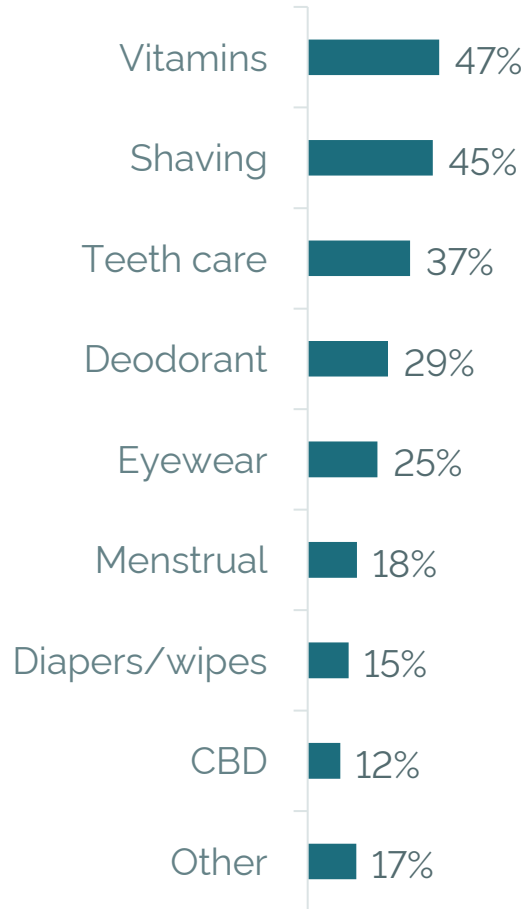


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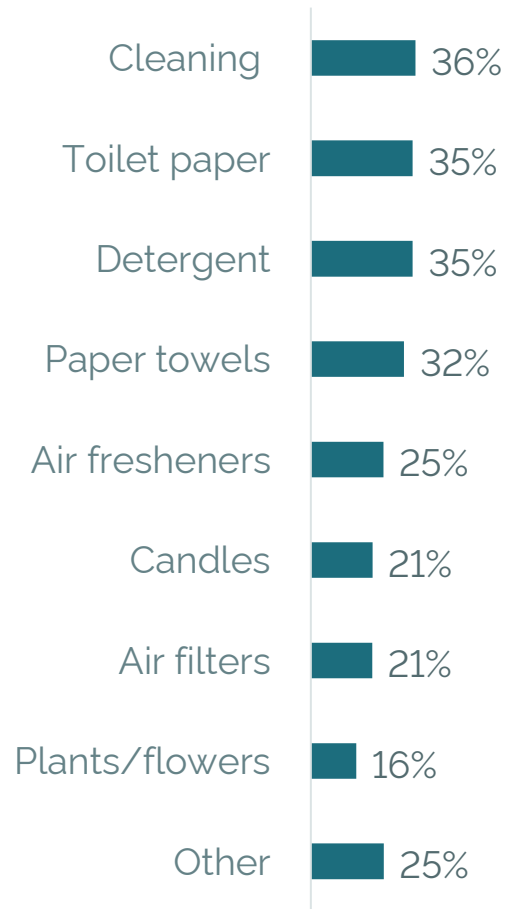
decision behavior experts

What types of products make up these tangible goods?

Personal Care



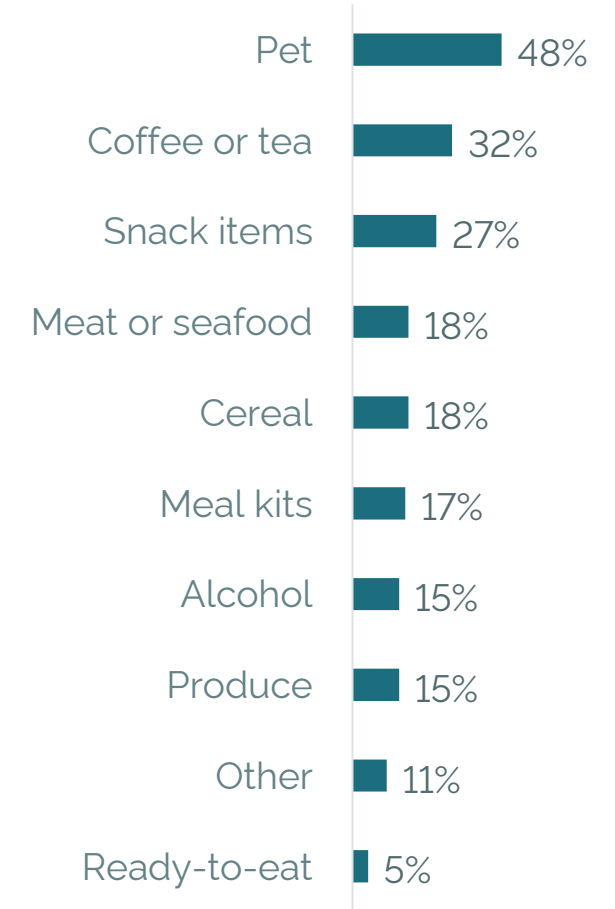
Household



Beauty

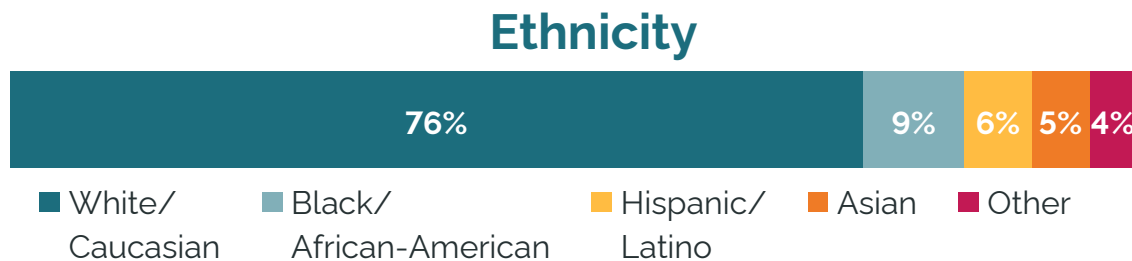
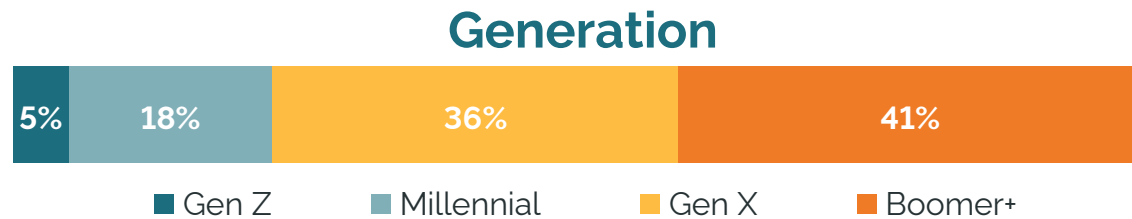
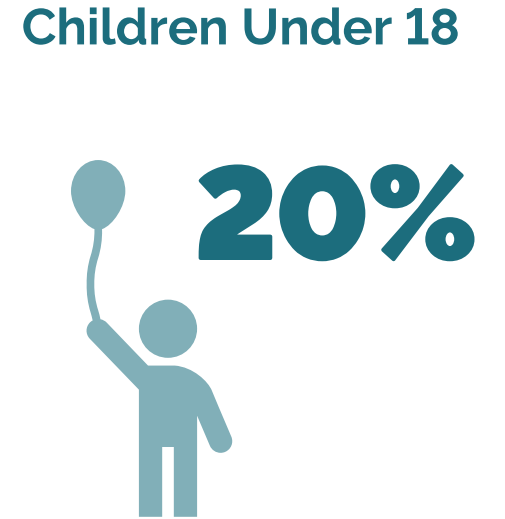
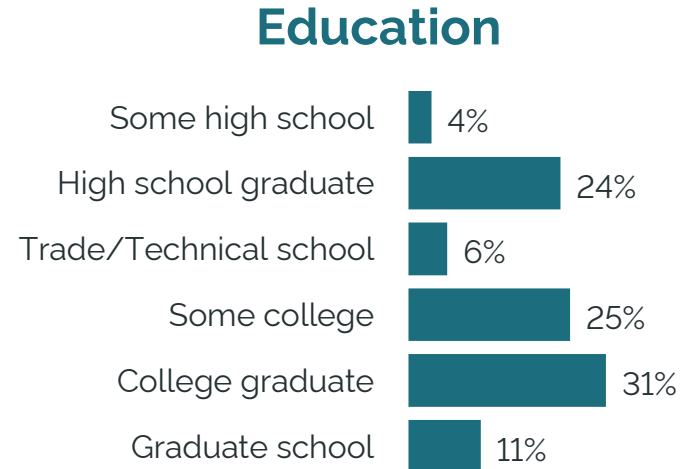
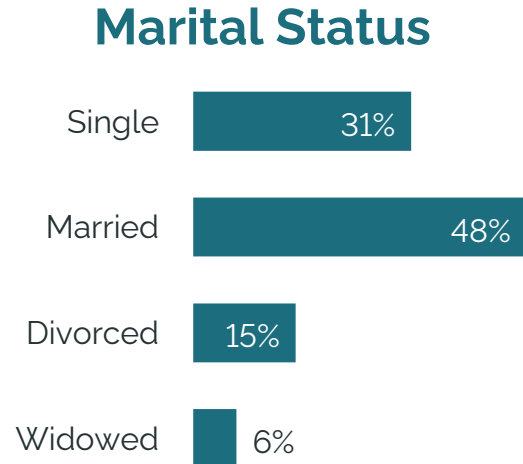
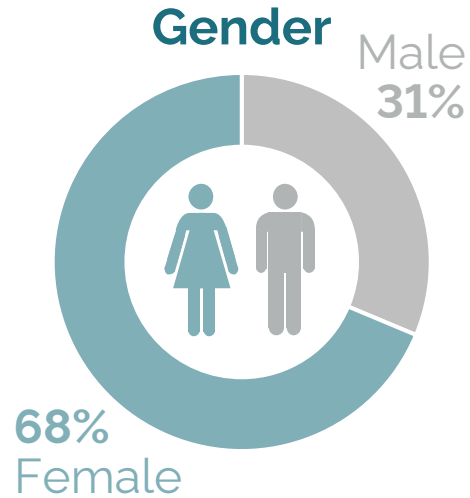


Food & Beverage



* Personal Care, N=697 | Household, N=726 | Beauty, N=716 | Food & Beverage, N=762

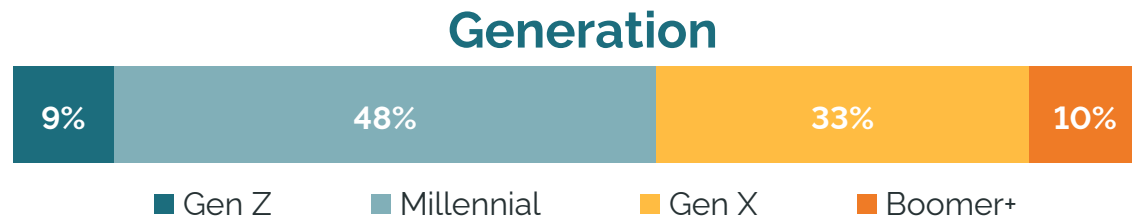
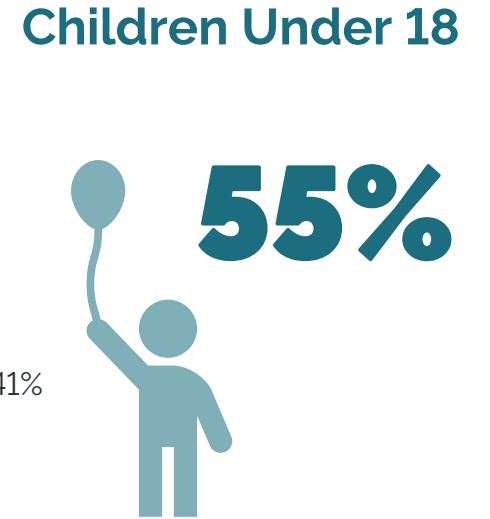
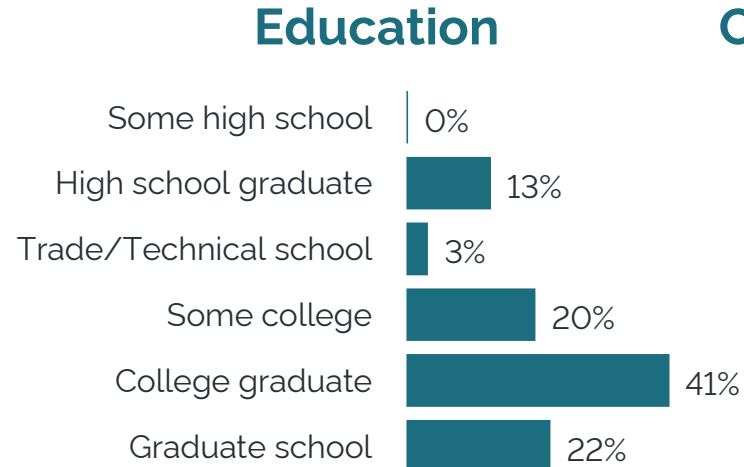
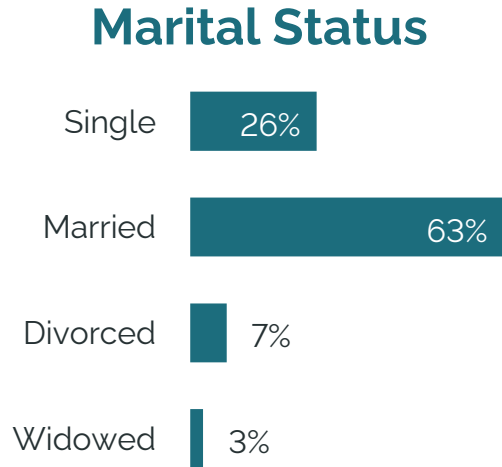
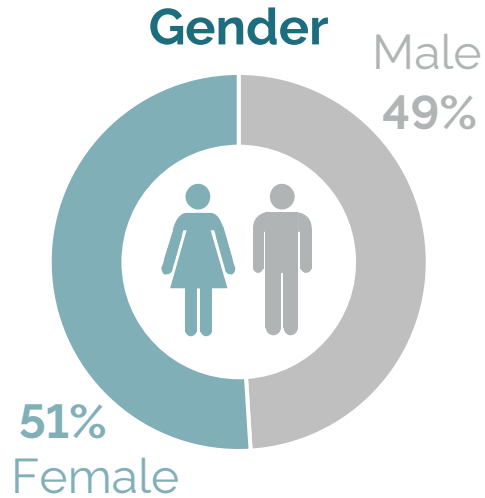
Profile: 1 Subscription



What do they think about subscription services?

- **57%** agree they *help save time*
- **38%** *don't like the cost involved to ship*
- **29%** *would rather buy on a case-by-case basis*

Profile: 7+ Subscriptions



What do they think about subscription services?

- **85%** agree they are *valuable*
- **84%** agree they *help save time*
- **55%** feel they are a *fun way to receive products*
- **19%** say there *aren't options for other products they would like to receive this way*