Consumer Insights on the Subscription Services Market

Centercode Research 2019



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Introduction

Centercode commissioned its tester network, Betabound, to complete two surveys on consumer attitudes surrounding subscription services. The goal of the research was to surface subscription and purchasing trends.

This report provides insight into customer satisfaction, the number of subscriptions consumers typically have and the limits consumers set for themselves when looking to purchase additional services.

The online surveys were completed by 7,582 respondents during the months of September and October 2019.

About the Respondents



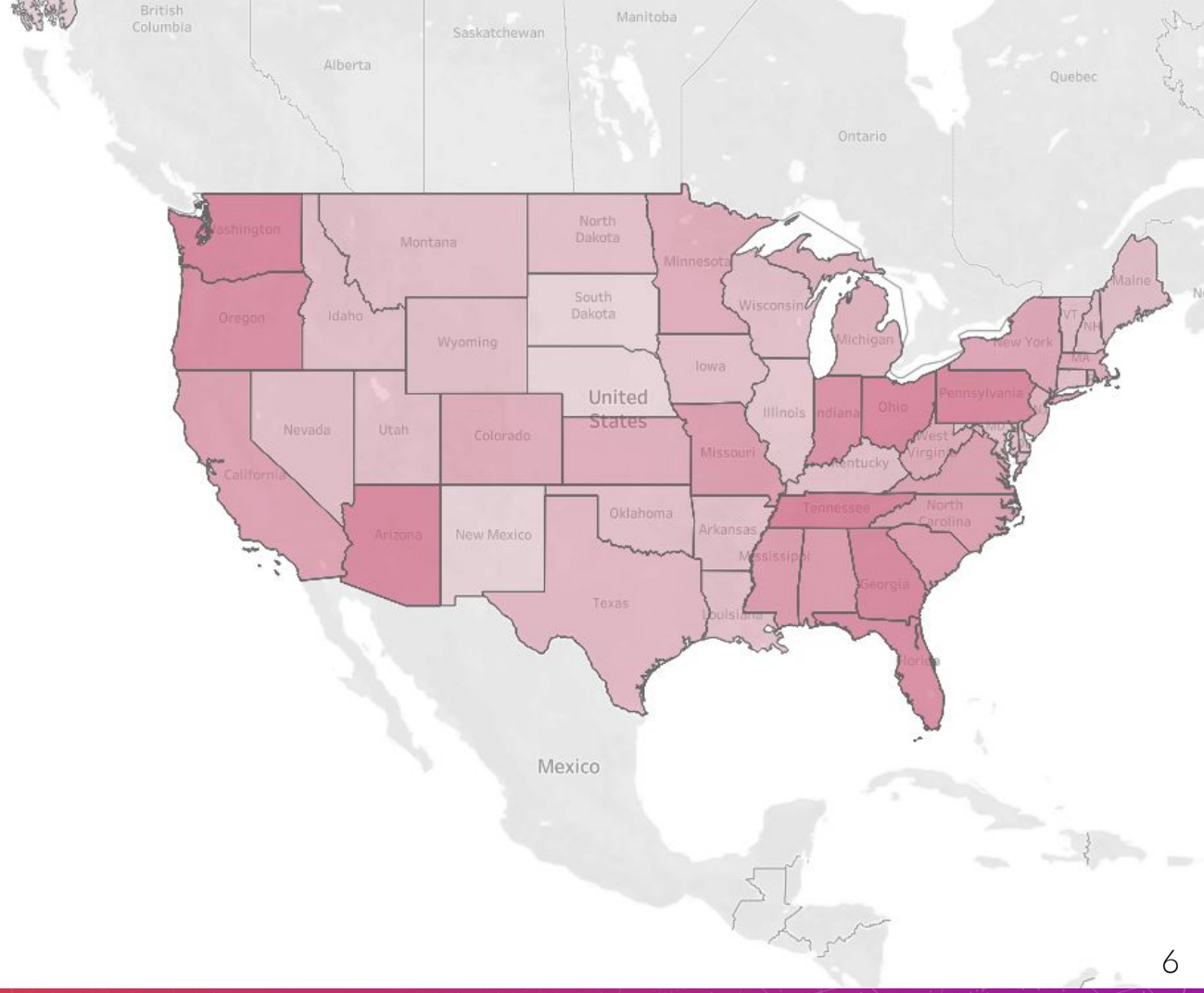
7,582

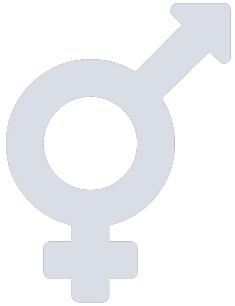
respondents from around the world

89%

from the U.S.

Canada	3%
United Kingdom	3%
Other	5%





Gender by age group

Age (group)	Female	Male	**Total**
18-25	1%	3%	5%
26-35	9%	15%	23%
36-45	13%	24%	37%
46-55	8%	14%	22%
56-65	4%	5%	9%
66+	1%	3%	4%
Grand Total	**36%**	**64%**	**100%**



Gender by household income

Household income	Female	Male	Total
Rather not say	2%	6%	8%
Less than $25K	6%	4%	10%
$25K to $49K	9%	8%	17%
$50K to $74K	7%	10%	17%
$75K to $99K	5%	10%	15%
$100K to $124K	3%	9%	12%
$125K to $149K	1%	6%	7%
$150K to $174K	1%	4%	5%
$175K to $199K	0%	2%	3%
More than $200K	1%	4%	5%
Grand Total	**36%**	**64%**	**100%**

Key Trends and Insights

1. While most consumers are highly satisfied with the number of streaming services they currently have, they also have not set a limit to how many additional services they are willing to purchase.

2. Consumers who are not willing to subscribe to more services may be limiting themselves due to income constraints or to a general lack of subscription service adoption.

3. Video subscription services dominate in popularity and satisfaction over other categories, with half of video streaming service users planning to subscribe to an additional video service in the future.

Subscription Services Market Growth

According to Mckinsey & Company, the subscription e-commerce market has grown by over 100% each year for the past five years. More and more consumers are looking to subscription services to save time and money, gain access to exclusive memberships, and receive personalized selections of various products.

However, with such high growth and competition, consumers are overwhelmed with the variety of subscription services available to them. Do consumers have a limit to the number of subscriptions they're willing to purchase?

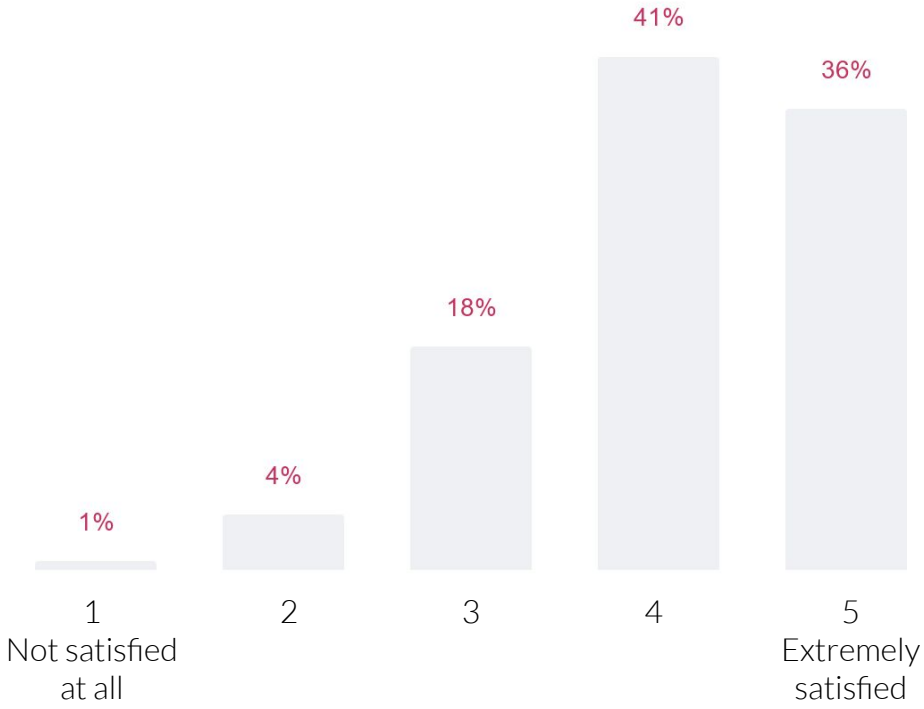


On average, consumers are satisfied with their subscription services

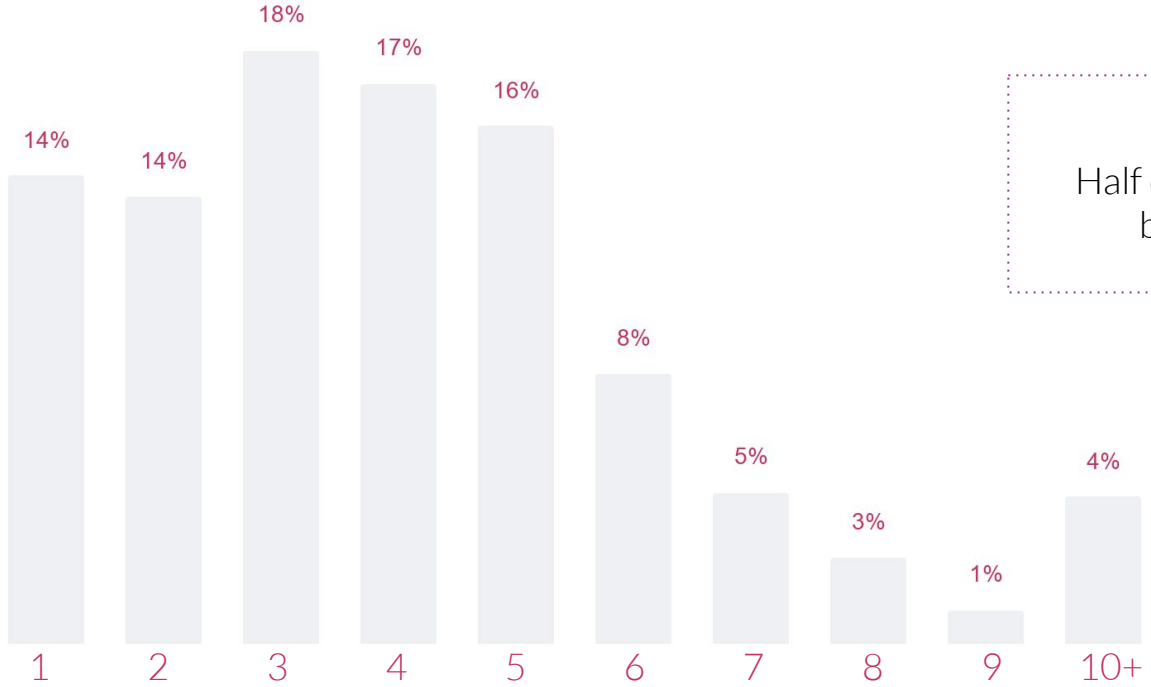
Key Facts

Music and video subscriptions had the highest overall satisfaction rating at **84%**

Apparel had the lowest overall satisfaction rating at **70%**

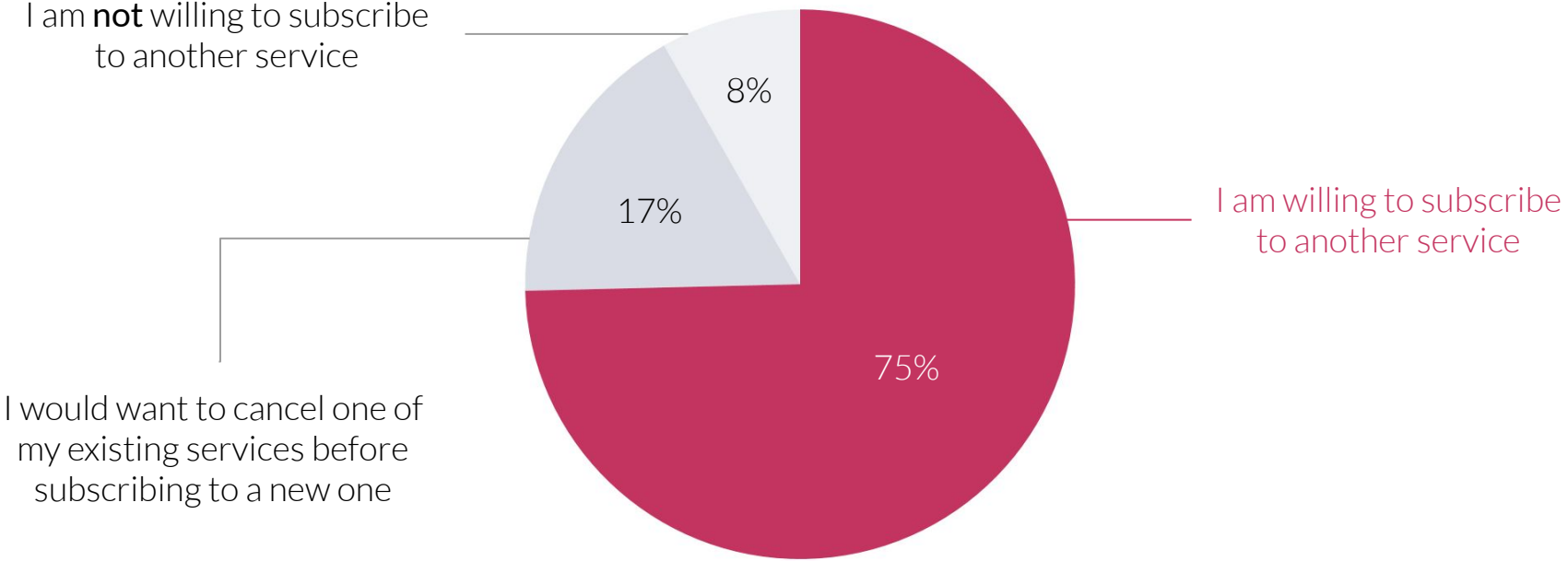


Today's consumers are currently using multiple subscription services



Half of consumers subscribe to between 3 - 5 services.

Most consumers show interest in subscribing to an additional subscription service



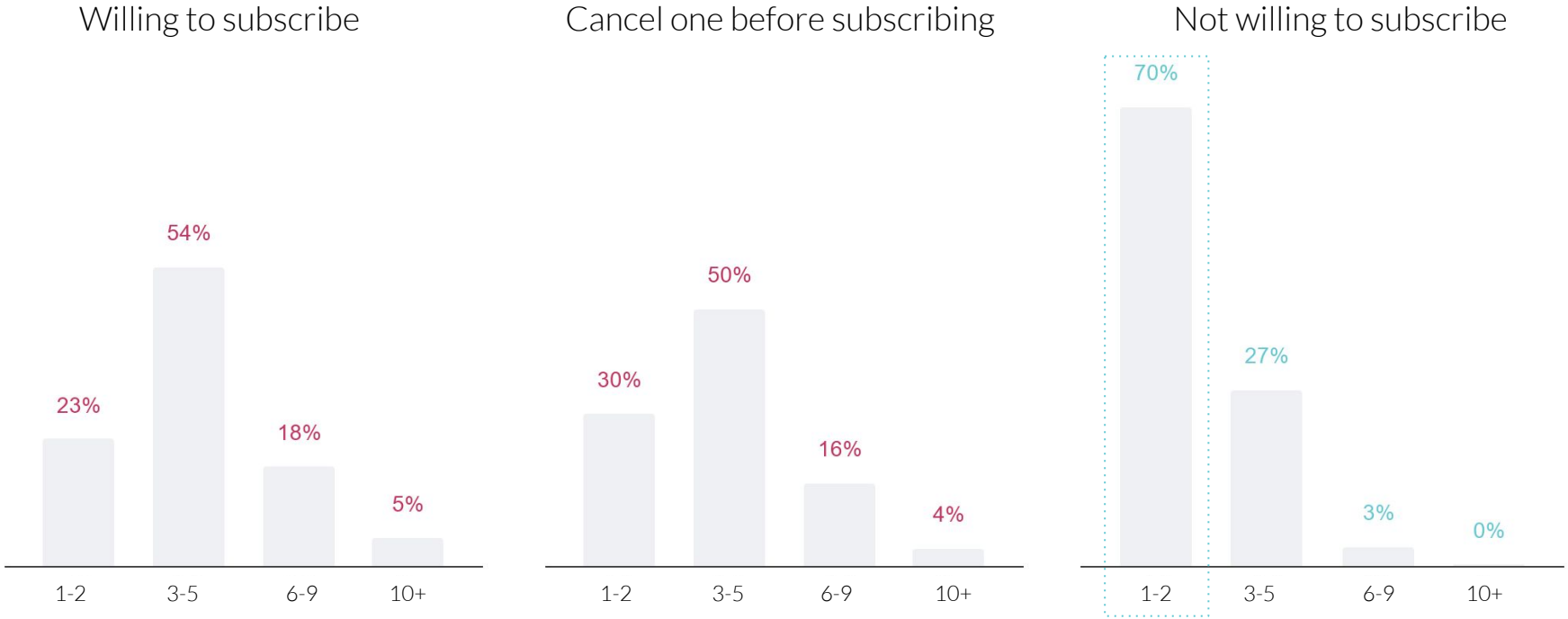
Consumers who say they have “just the right number” of services are also willing to subscribe to more

Attitude toward number of current subscriptions	Willing to subscribe	Cancel one before subscribing	Not willing to subscribe
I could use more	34%	8%	8%
I have just the right number	57%	61%	73%
I have too many	10%	31%	19%

57% of those who are willing to subscribe to an additional service also indicated that they currently have “just the right number” of services.

This tells us that while most consumers are content with the number of services they have, they are open to purchasing more subscriptions in the future.

Most consumers who are "not willing to subscribe" to additional services also use fewer to begin with



Consumers in lower salary brackets have fewer subscriptions services and may see them as a luxury expense

Household income	Not willing to subscribe	Average of sample	Difference from average
Rather not say	16%	9%	+7% ▲
Less than $25K	21%	11%	+10% ▲
$25K to $49K	18%	17%	+1% ▲
$50K to $74K	16%	17%	-1% ▼
$75K to $99K	10%	15%	-5% ▼
$100K to $124K	9%	12%	-3% ▼
$125K to $149K	3%	7%	-4% ▼
$150K to $174K	4%	5%	-1% ▼
$175K to $199K	2%	3%	-1% ▼
More than $200K	3%	5%	-2% ▼

Age may also play a factor in lower subscription service rates

Age (group)	Not willing to subscribe	Average of sample	Difference from average
18-25	7%	5%	+2% ▲
26-35	15%	23%	-8% ▼
36-45	28%	37%	-9% ▼
46-55	26%	22%	+4% ▲
56-65	17%	9%	+8% ▲
66+	7%	4%	+3% ▲

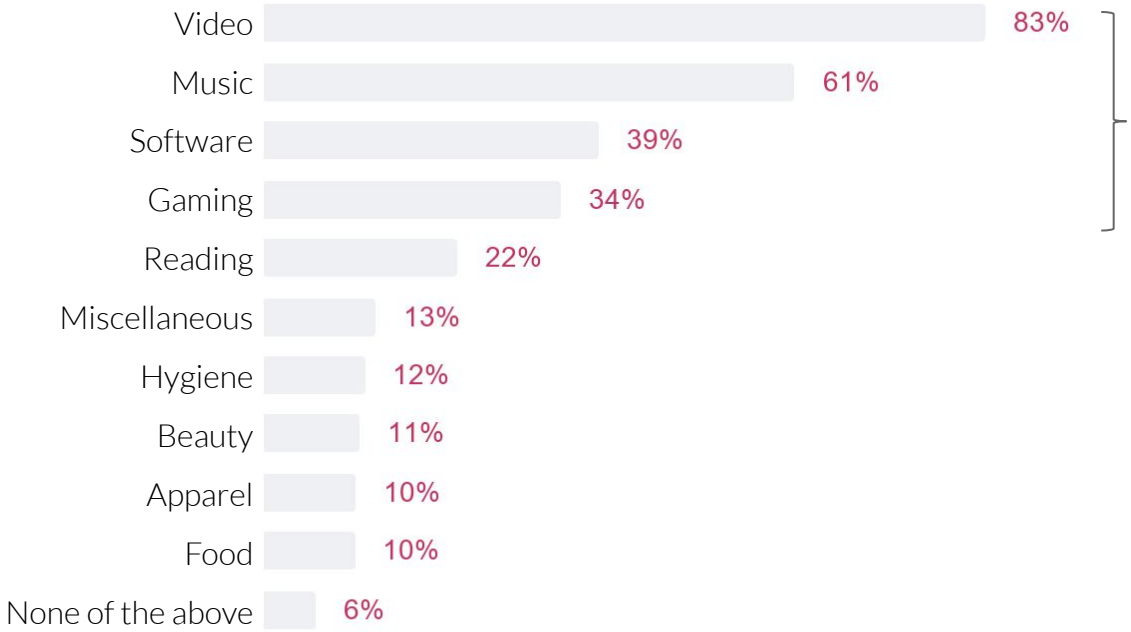


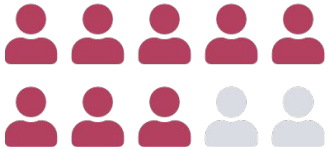
Older audiences are less willing to adopt additional subscription services.

A Deep Dive into Video Subscription Services



Which types of subscription services are the most popular among consumers?

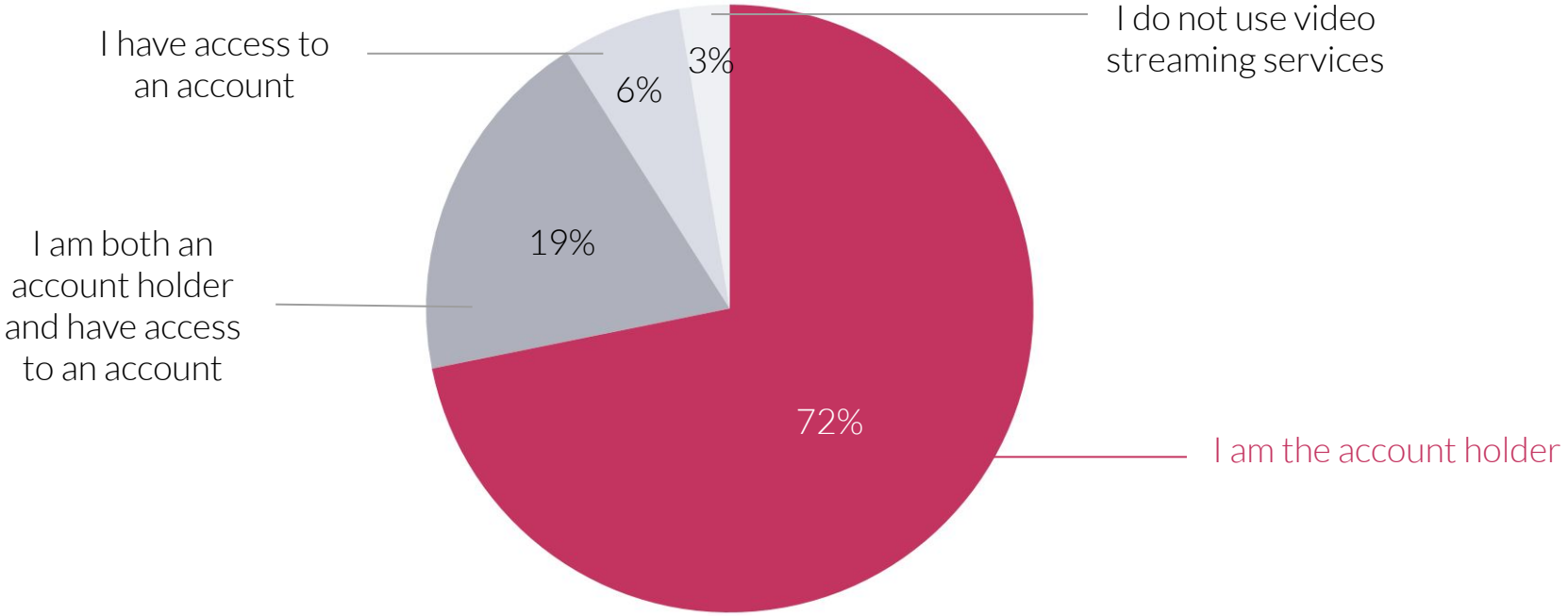




8 out of 10

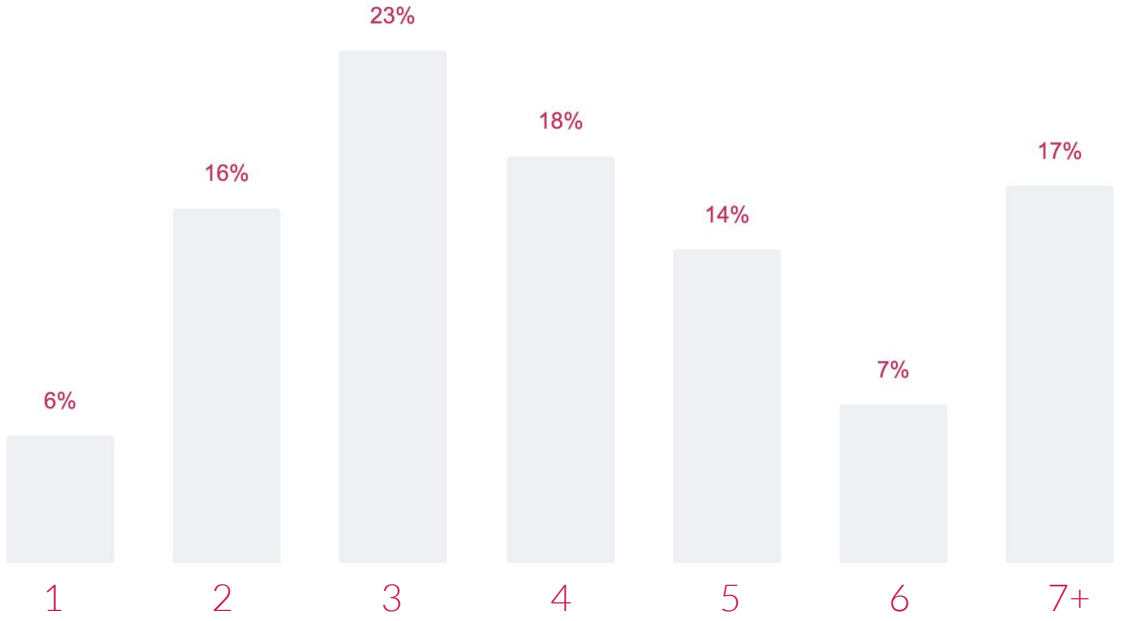
consumers subscribe to at least one media streaming service.

The majority of those consumers pay for their own video streaming accounts



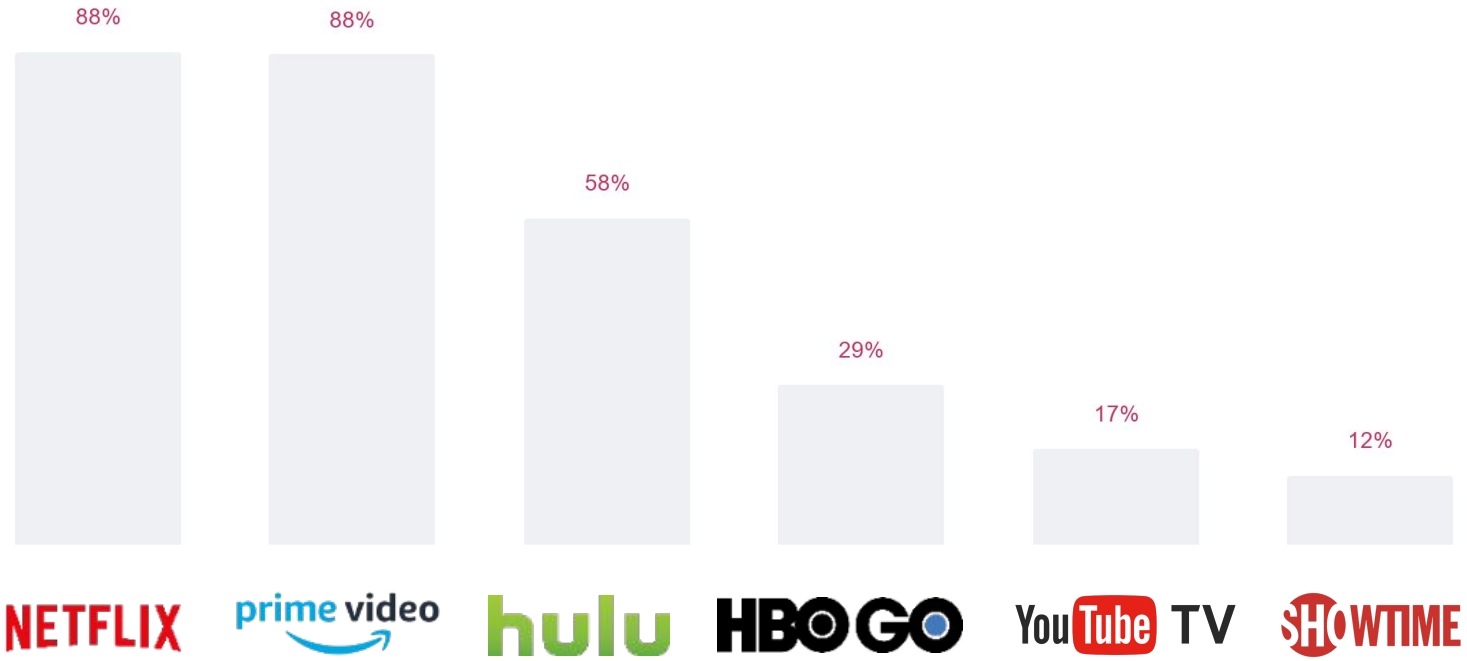
Most consumers have access to three or more video streaming services

Based on those who use video streaming services

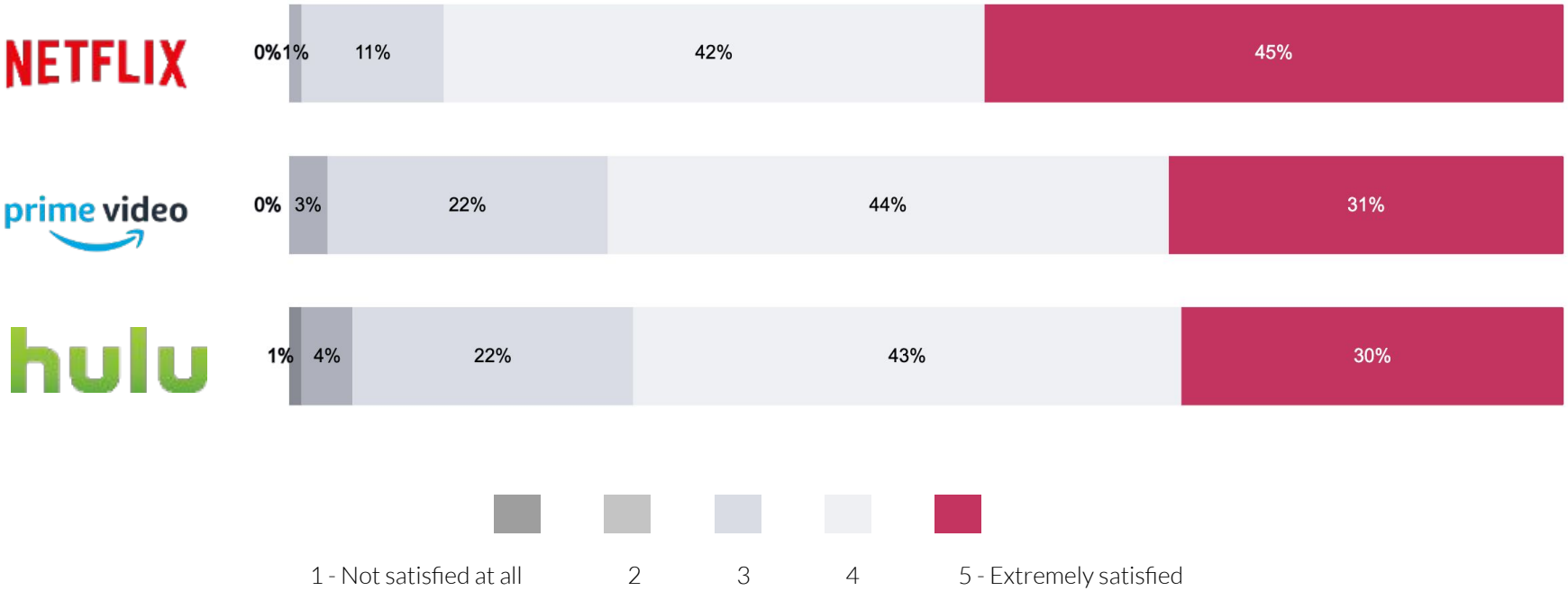


Netflix and Prime Video lead the pack with subscriptions from 9 out of 10 consumers

Based on those who use video streaming services

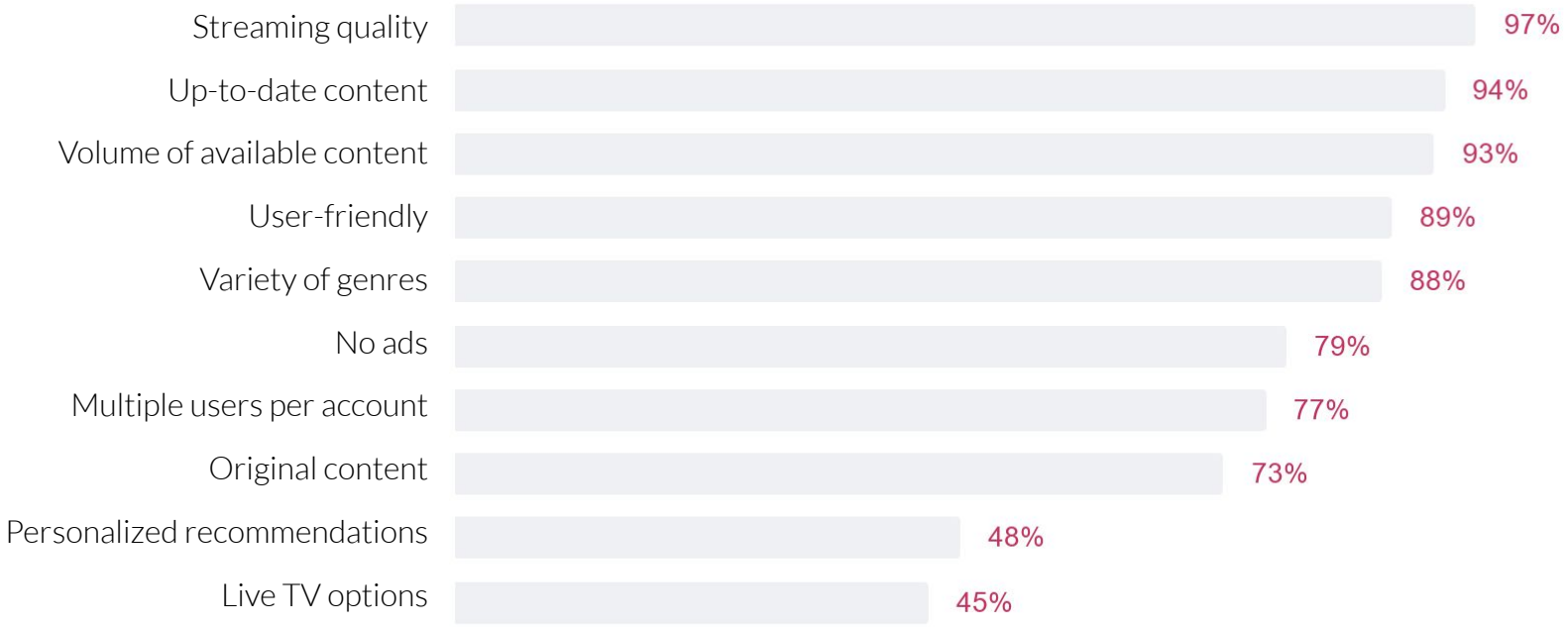


The top 3 platforms - Netflix, Prime Video, and Hulu - have the highest user satisfaction ratings



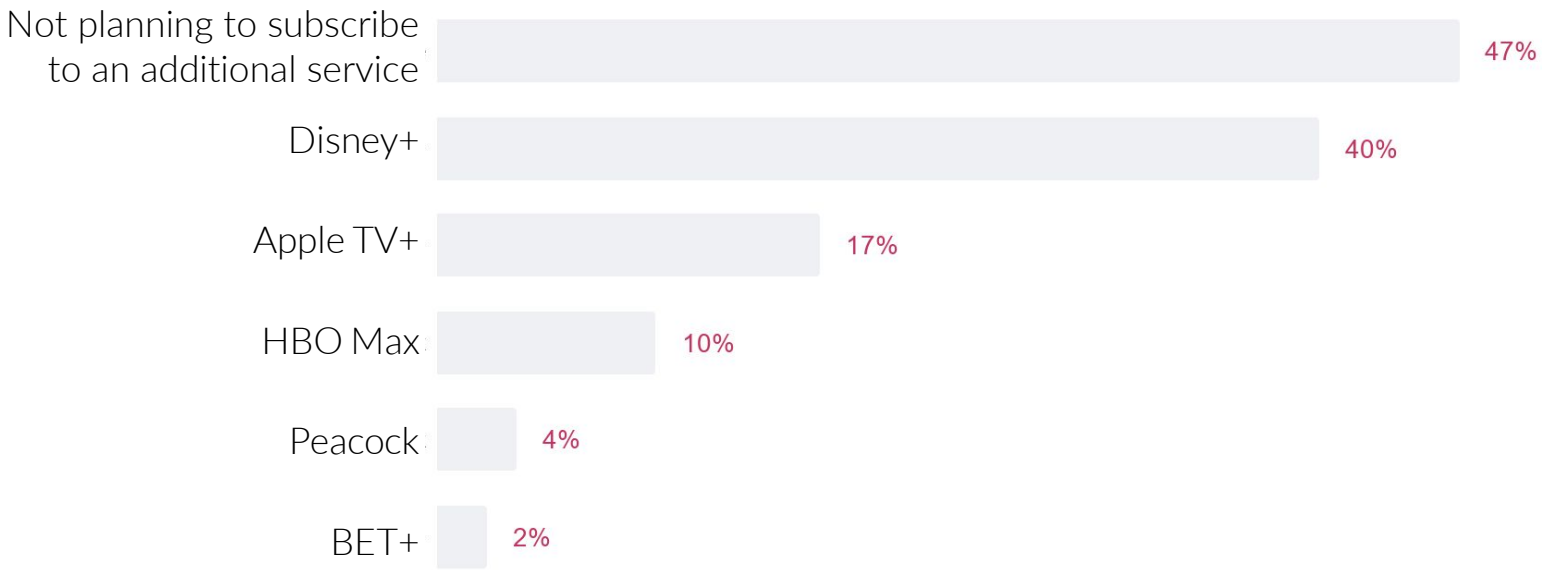
Streaming quality, up-to-date content, and content volume are very important to subscribers

Based on those who use video streaming services



Over half of respondents are planning to subscribe to an additional video streaming service

Based on those who use video streaming services



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Delta Testing Solutions

WHY CENTERCODE?

Increase Revenue
½ ☆ INCREASE
in product ratings

Release Sooner
50% FASTER
test cycles

Gain Participation
75% INCREASE
in tester engagement

Save Time
40%+ DECREASE
in time managing tests



The Centercode Platform equips you with the automation and best practices you need to get actionable user insights for any use case.

PRODUCT LAUNCH

Engage your **Target Market** to successfully bring new products and services to market

USE CASES:

- Beta Tests
- User Acceptance Tests
- Field Tests

PRODUCT GROWTH

Recruit **Existing Customers** to continuously mature live products and services

USE CASES:

- Progressive Delivery
- Early Access
- Customer Advisory Boards

CUSTOMER ZERO

Gather **Employee** feedback to enhance your products while fostering a product culture

USE CASES:

- Alpha Tests
- Dogfooding
- Employee Tests

COMPETITIVE EDGE

Enlist **Competitors' Customers** to rapidly gain actionable intel about their products

USE CASES:

- Competitive Intelligence
- Market Testing
- Comparative Research