

# THE SUB- SCRIPTION CONVICTION.

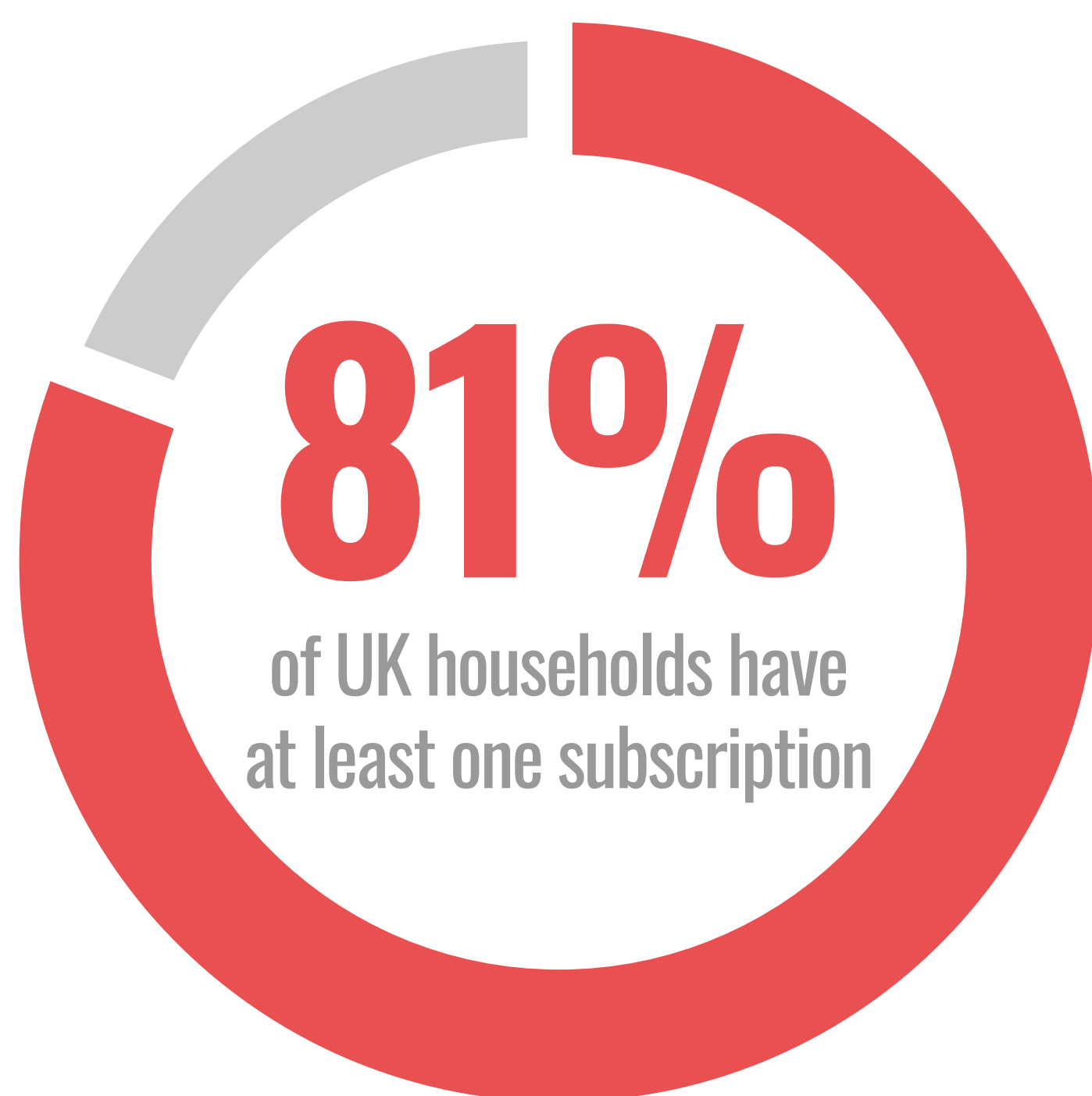
IS IT TIME YOU SIGNED UP?

INDUSTRY RESEARCH POWERED BY **horizon**

ONLY  
**THE**  
BRAVE.

# As a nation, we love our subscriptions. The UK subscription market is currently worth more than £2 billion a year – and still growing.<sup>1</sup>

With 81% of households signed up to at least one subscription, the average Brit spends £620 on subscription services a year.<sup>2</sup>



We're not just talking Netflix and Spotify. From fresh flowers, pet essentials to hair loss medication,

the subscription-based economy is booming, fuelled by a simple philosophy. It's great for brands and great for customers.

Brands can tap into a new way to generate and maintain income. And for customers, the ease and convenience tick all the boxes too. What's not to love?

But before you jump in and sign yourself up, how do you make sure you get it right? What are consumers thinking about the brands they buy subscriptions from? What are they really looking for in exchange for their monthly DD? Who gets it right? And who doesn't?

**We know. Because we've been listening.**

We've geared up Horizon, which combines our teams and tech to listen to the real customer conversations going on right now to find out all you need to know about the world of subscriptions.

**And here it is...**

<sup>1</sup> Finder.com [UK subscription service statistics](#) Dec 23, 2021

<sup>2</sup> Barclaycard ['Subscription Society'](#) July, 2021

# The big picture.

Subscriptions are a hot topic. In just a month's snapshot across the digital landscape<sup>3</sup>, we've seen:

**63.2K**  
posts

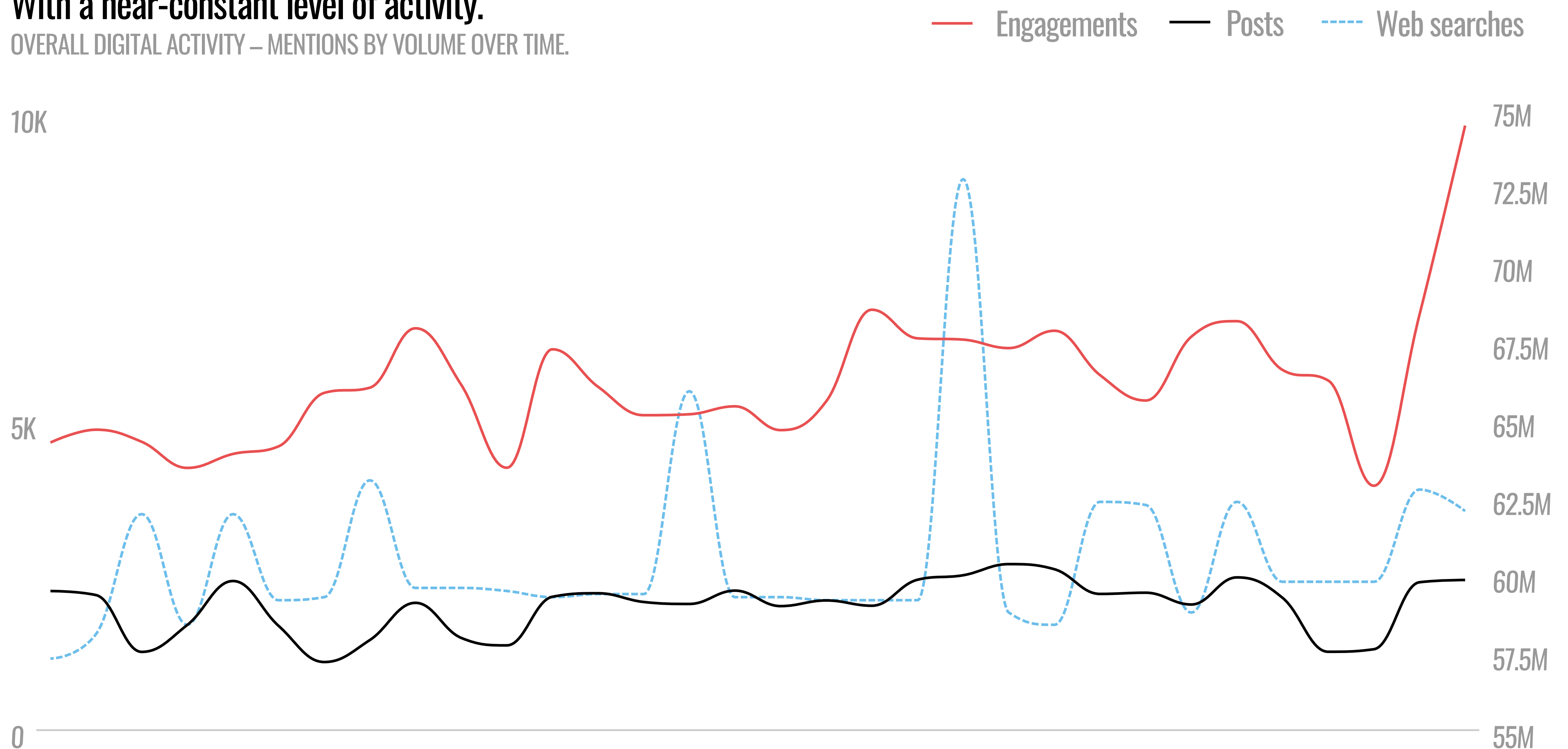
**181K**  
engagements

**46.7B**  
impressions

**60.6M**  
avg web searches

## With a near-constant level of activity.

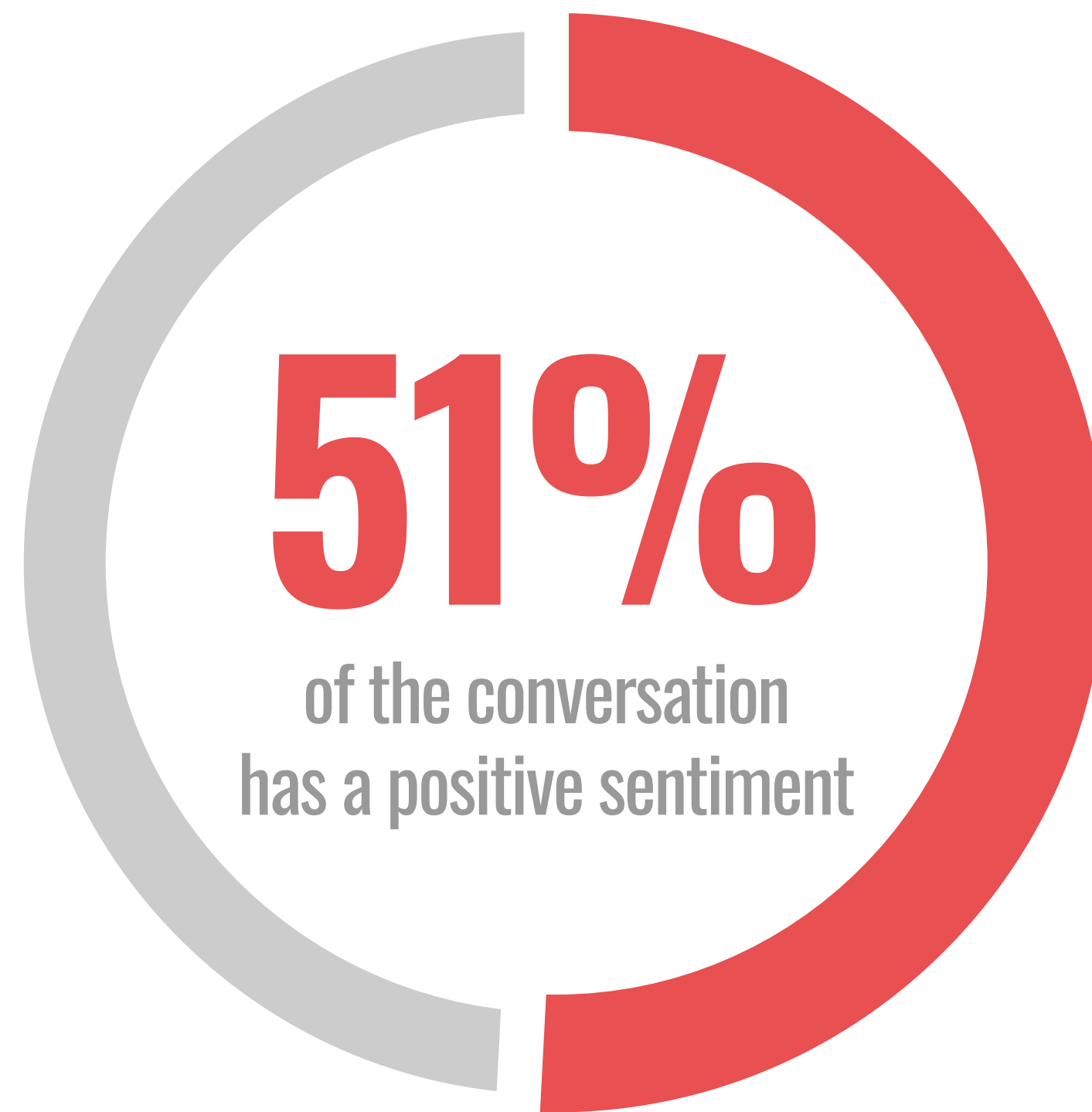
OVERALL DIGITAL ACTIVITY – MENTIONS BY VOLUME OVER TIME.



<sup>3</sup> Platforms: Twitter, Facebook, Instagram, Reddit, Reviews (Amazon). Web Search.



**Encouragingly,  
51% of the  
overall tone is  
positive.**



**And guess what? Subscription affection is a real thing.**

Far from being a sterile interaction, people get quite emotionally involved in their subscriptions. They love sharing it with everyone.

“...when that comes through the letterbox, my kiddo’s face is the picture of pure elation. Best subscription ever 😍”

*“I personally choose a subscription box because I love the surprise! Ngl that sometimes life is getting way rough than it’s expected, so I need something “sweet” and “surprising” in my life... my sister introduced me to one Japanese subs box called TokyoTreat. Once I received it, I reallyyyy liked it!! All of my regrets have been washed away perfectly!!”*

“My gfs dog thinks all packages are for him because she got him a BarkBox subscription for a bit. They know the joy. 😂”

“I love Eve. No game has held my attention for as long as this one. I don’t have an exact number for my hours played, but I suspect it’s a 5-digit number ... you can play for free ... Or you can pay a flat, monthly or yearly subscription and enjoy all of this ongoing universe.”

“Any investment in your health is worth it. I bought a spin bike and I pay for the subscription. It’s a great motivator and I use it regularly, and they offer a ton of classes beyond just cycle. It’s one of my more expensive subscriptions, but it is worth it.”

“I signed kiddo up to a subscription of weekly comics. Let me tell you, on a Friday when that comes through our letterbox, my kiddo’s face is the picture of pure elation. Best subscription ever 😍 I thoroughly recommend spending a tenner a month on this for your kids!”

# And it's the gift that keeps on giving.

Easy to sign up and with maximum Brownie points, no surprise we've seen the trend in gifting subscriptions continue too.

## People are getting savvy with their subscriptions too.

Interestingly, we found out in the world of retail subscriptions re-gifting is trending. It looks like subscribers are doing this to justify the continuation of subscriptions when they might not like/need every item they receive.

## Instead of ignoring this – maybe brands should embrace this.

**'Don't need this month's box? Treat someone you love.'**

OK, not one for erectile dysfunction treatments, but you get the idea.

### BEST GIFT THAT YOUR SO GOT YOU?

"This year my husband subscribed to Paramount Plus for me. I LOVE real world/ the challenge... I was so excited! I've been watching nonstop and I think he's regretting signing up for it 😂"

"One of my friends gifted me with a subscription for @NationalTheatre at home for my birthday – highly recommend it for anyone you know – I can't wait to watch all the plays!"

"Someone bought me a Japanese snack subscription box (best present ever?) and these plum flavour potato chips are actually so GOOD!"

"Check out Highlights magazine. We were gifted a subscription and it's been one of our favourite things to get something new every few weeks. It's simple and educational."



"I would keep the subscriptions. Then you can use the products as birthday gifts/stocking stuffers for your friends throughout the year. Or see what you can donate to your local shelter."

"Meh keep FFF man I love that box 😂 if you use it right it can actually save you money because of not buying items you need & gifts."

"I also gave away a lot of the extra stuff I didn't use or knew I didn't like for myself."





# It's time to open the box on subscription, everything.

Wherever we look, one thing's crystal clear. Subscription boxes are where the serious growth is at.

With the subscription box industry set to grow by 77% in 2022, and be worth over £1 billion in its own right<sup>4</sup>, it's a huge opportunity not to be missed.

And when we delved deeper, people loved them for all kinds of reasons.

*"Treated myself to a monthly perfume subscription box and it's the first subscription box I've ever signed up for and I sense this revelation may about to become a problem."*

*"I really struggled with not having anything to look forward to last time I attempted cancelling my subscription boxes."*

*"I have 5 subscription boxes now. 3 are monthly and 2 are seasonal. They are fun and give me something to look forward to."*

*"I had Ipsy for a while and I completely agree with the eventual realization that most of the allure was just getting that package in the mail every month"*

*"I just panicked when I went to cancel my fabfitfun and tried to figure out a loophole. I have a problem 😞😞😞"*

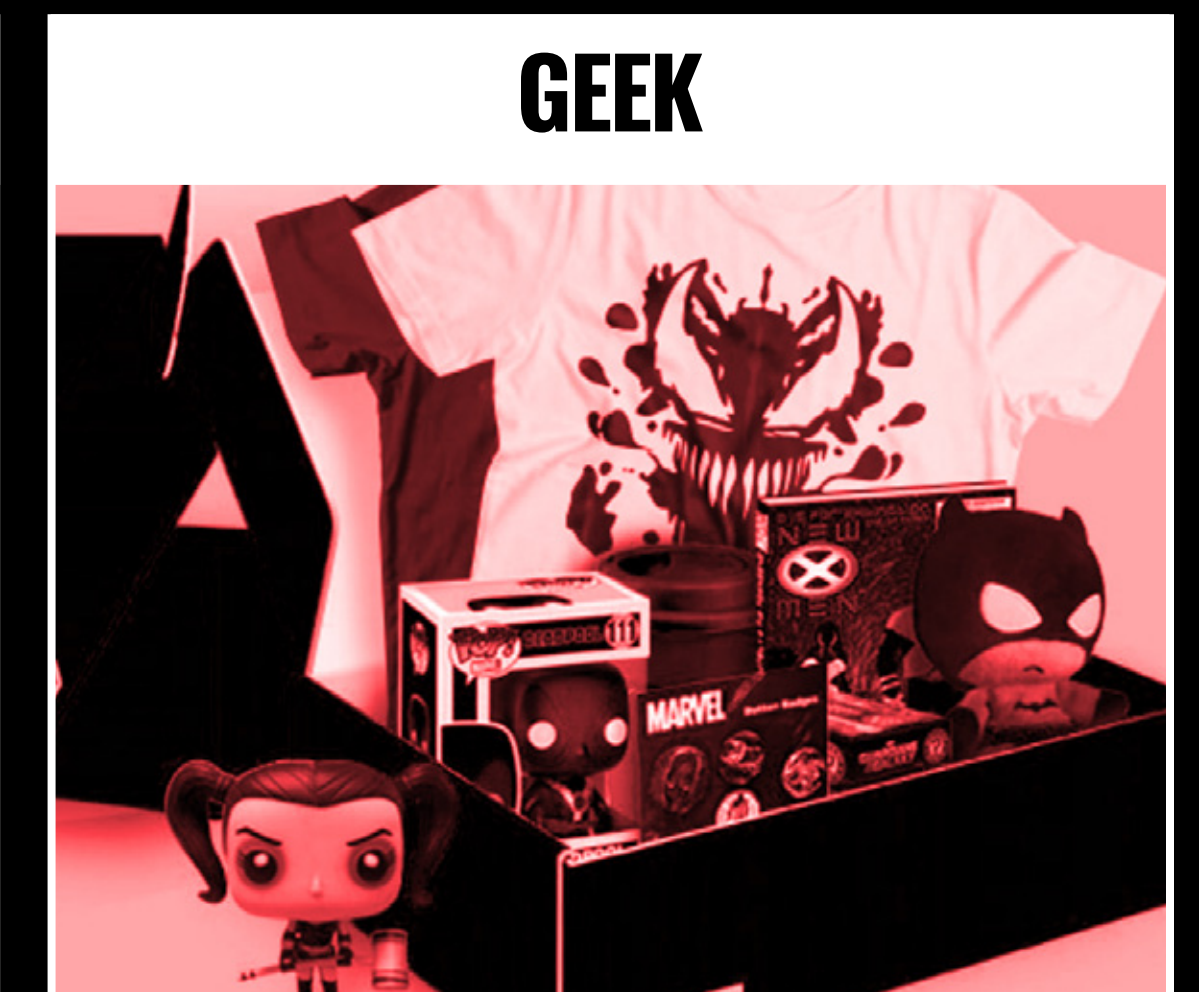
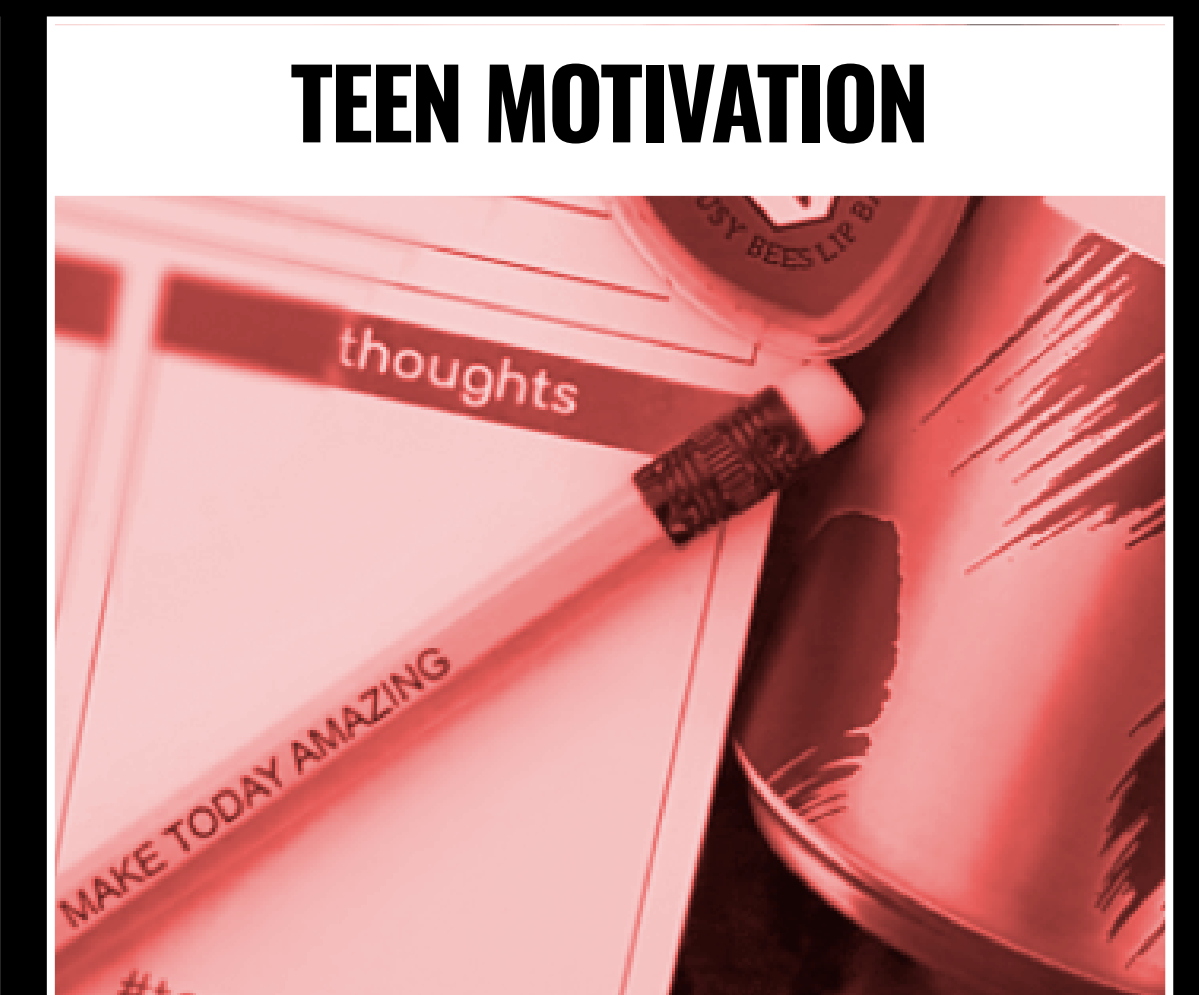
<sup>4</sup> Finder.com [UK subscription service statistics](#) Dec 23, 2021



# The top four types of subscription boxes in the UK are probably no great surprise (food, razor and shaving, clothing, contact lenses)<sup>5</sup>, but the world of boxes reaches much further than you might think...

Pet boxes. Including reptiles and rodents ...and knitted hats!

Stationery, treats, beauty products, activities, accessories.



Irish, for example. Themed snacks, ornaments, books, accessories.

Venue décor, hen party items, beauty and honeymoon essentials.

Four surprise gadgets worth over £100 every three months.

A surprise assortment of "cool figures, collectibles, quirky gifts".

Tapping into the joys of subscription-based income could be exactly what your brand needs right now. But a word of warning. **There's a lot of competition out there.**

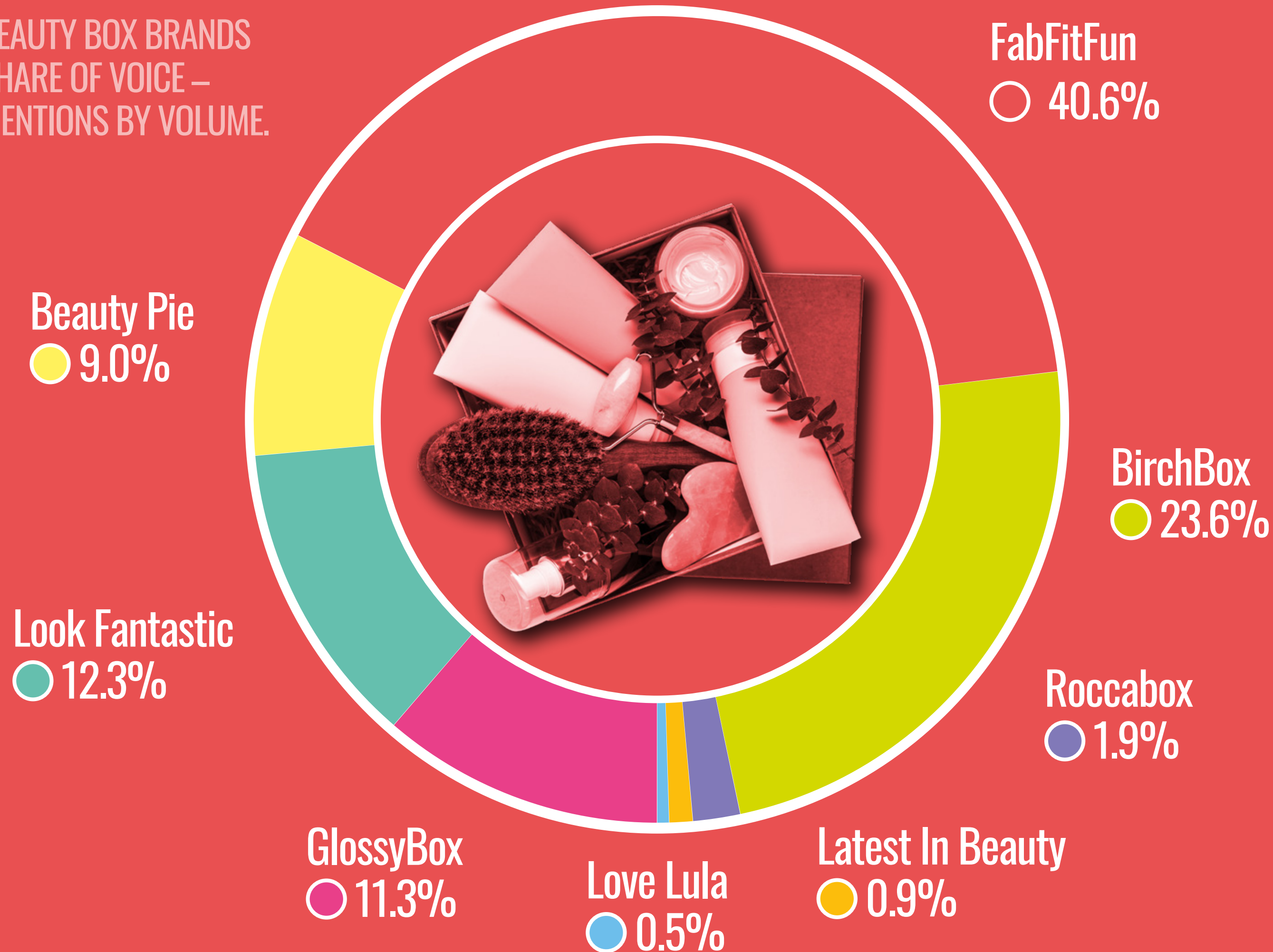
<sup>5</sup> Finder.com UK subscription service statistics Dec 23, 2021



# Take Beauty Boxes for example.

Here are just eight of the UK's Beauty Box brands battling it out for a share of voice (and there are a lot more than eight).

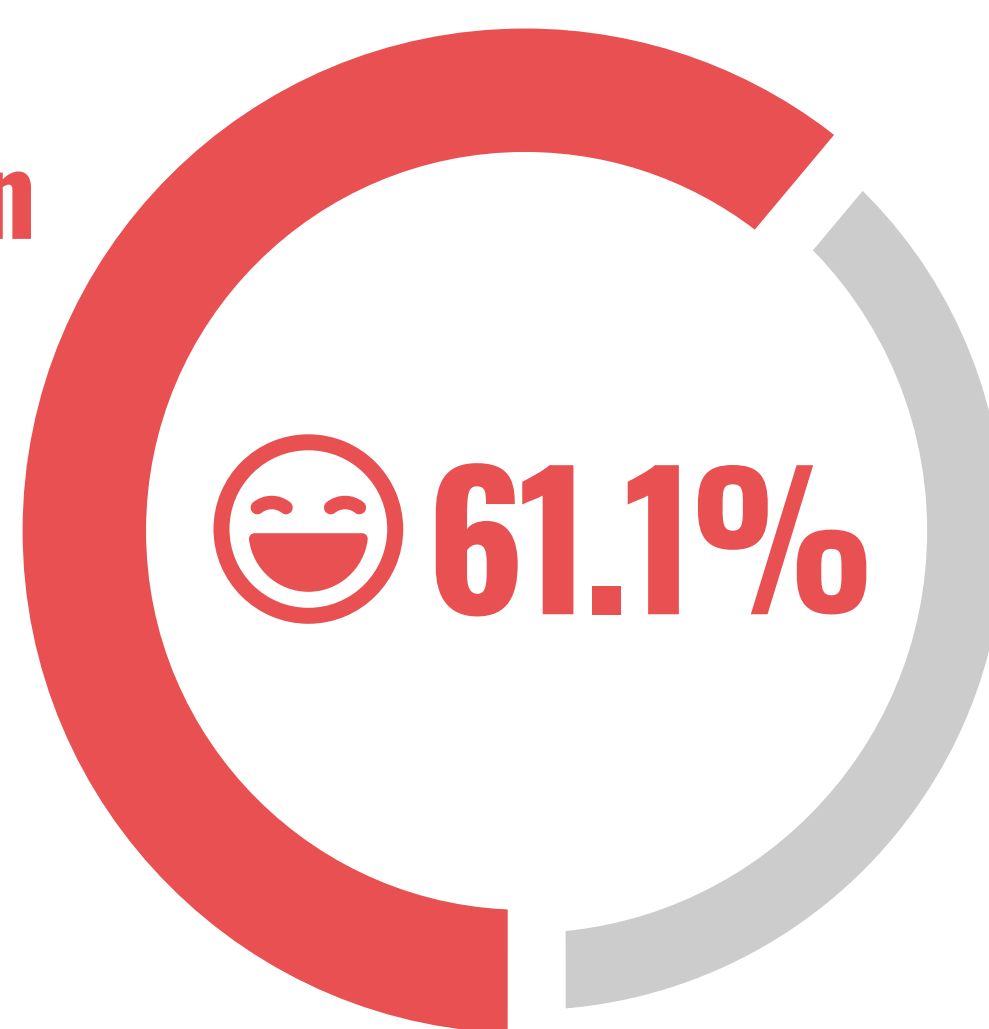
BEAUTY BOX BRANDS SHARE OF VOICE – MENTIONS BY VOLUME.



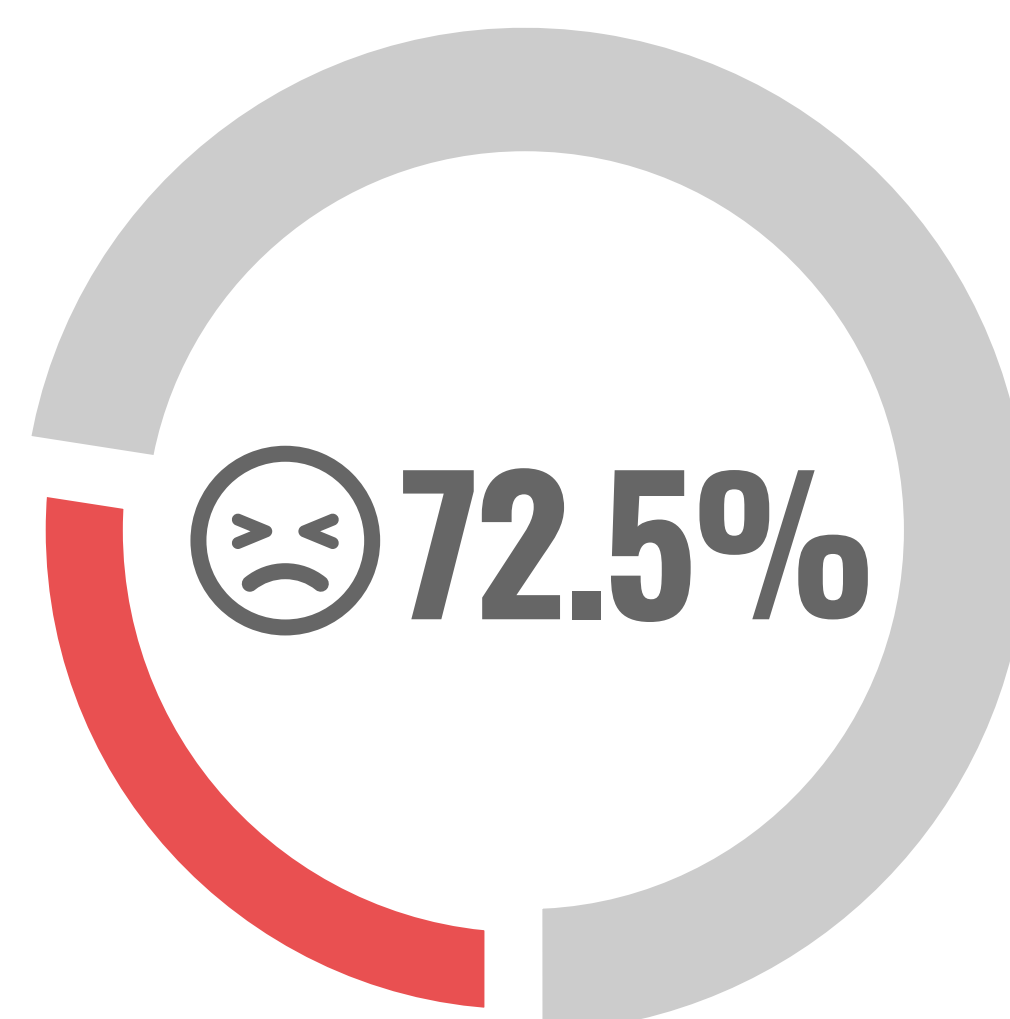
FabFitFun not only have the largest share of voice in the market, but Horizon also discovered they also have a larger positive vs negative sentiment in that conversation. Which really starts to tell you about their customer satisfaction, compared to Netflix.

Guess the subscription world is changing. And although not many of us are rushing to cancel Netflix, using subscriptions to constantly delight is the real opportunity.

FabFitFun



Netflix



SENTIMENT – MENTIONS BY VOLUME.

**So before you sign up - a word on the dreaded subscription fatigue.**

We are all savvier, more choosy, more demanding. And with the power of social influence, what we think, feel and say can have direct effects on brand perceptions, loyalty, sign-ups and cancellations.



# Combating cancel culture

With one in five people paying more than £200 a year for subscriptions, they don't even use<sup>6</sup>, and the overwhelming desire we've seen demonstrated by people wanting to keep receiving retail boxes – what are the drivers that make consumers cancel?

But knowing what makes people cancel allows you to act before you're sacked. **The top three trending topics around cancelling subscriptions are:**



## Decrease in value for money



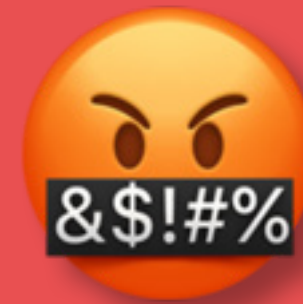
"I've subscribed for 4-5 years. The past year I've not been enjoying the subscription box as much. I feel like there are fewer items and the quality is not as new/exciting/calibre it was. Before they were brands and items I'd heard of. Now not so much."

*"I cancelled Netflix a few years back when they got rid of half of the shows and increased the price"*

"When the same items kept showing up I ended up stopping. Not worth it when you're getting the same products that you don't like."

*"... it was great at first. I actually had the highest of boxes you could get but eventually they started being bought out. Started getting a bunch of junk makeup."*

## Negative user experiences



*"Just cancelled NowTV too. The gall to make me watch ads before shows and having to pay for shows and movies separately plus having the \*worst\* app ever. Oh and charging extra for HD in 2022?! Jeez. Fuck them."*

"Good content, terrible service. I couldn't log in for a month. They credited me for my lost time but still. Now I'm struggling to use it on a fire stick. When it does play it stutters and skips for the first 5 minutes or so."

*"I had this problem, uniquely with Amazon Music, on my phone and my Echo devices. All the way up until the point that I cancelled my subscription. 😞"*

"Purely based on my own experience today – the delivery service from Yodel has been so diabolical that I've decided to cancel my subscription"

## A desire to cut down



"I cancelled all but one of mine and I think that's going on the chopping block too. My goal is to reduce spending, waste, and clutter, and increase savings for experiences. Depends on your ultimate goals I guess."

*"I can't decide if keeping the subscriptions (which I carried over in my general yearly budget from last year) will violate the spirit of my no-buy year or if they will be a way to keep me from impulse buying at a relatively low cost."*

<sup>6</sup> Comparethemarket.com [1 in 5 spending more than £200 a year on unused subscriptions](#) Jun 18, 2021



# Subscription – what not to do.

We can all learn something from those who've tried and failed. Miserably.

Take Toyota and Pret A Manger. Both recently found themselves at the centre of a negative social storm for a less than well-thought out subscription service.

Toyota made some of their key fobs' functionalities only available with a subscription service – even after purchasing a car.

And Pret A Manger launched its drink subscription to great uptake, only for customers to discover the service couldn't be fulfilled. Smoothies and other favourite drinks were regularly unavailable. In some cases, staff were falsely claiming a lack of availability of certain drinks as the offer made their manual workload unsustainable.



## Toyota 'Reviewing' Key Fob Remote Start Subscription Plan After Massive Blowback

<https://www.thedrive.com/> Dec 9, 2021

“If owners of certain models aren't actively enrolled in a larger Toyota connected services plan, the proximity remote start function on the fob—that is, when you press the lock button three times to start the car while outside of it—will not work.”



## Pret A Manger customers complain over drinks subscription deal.

<https://www.bbc.co.uk/news/> Dec 20, 2021

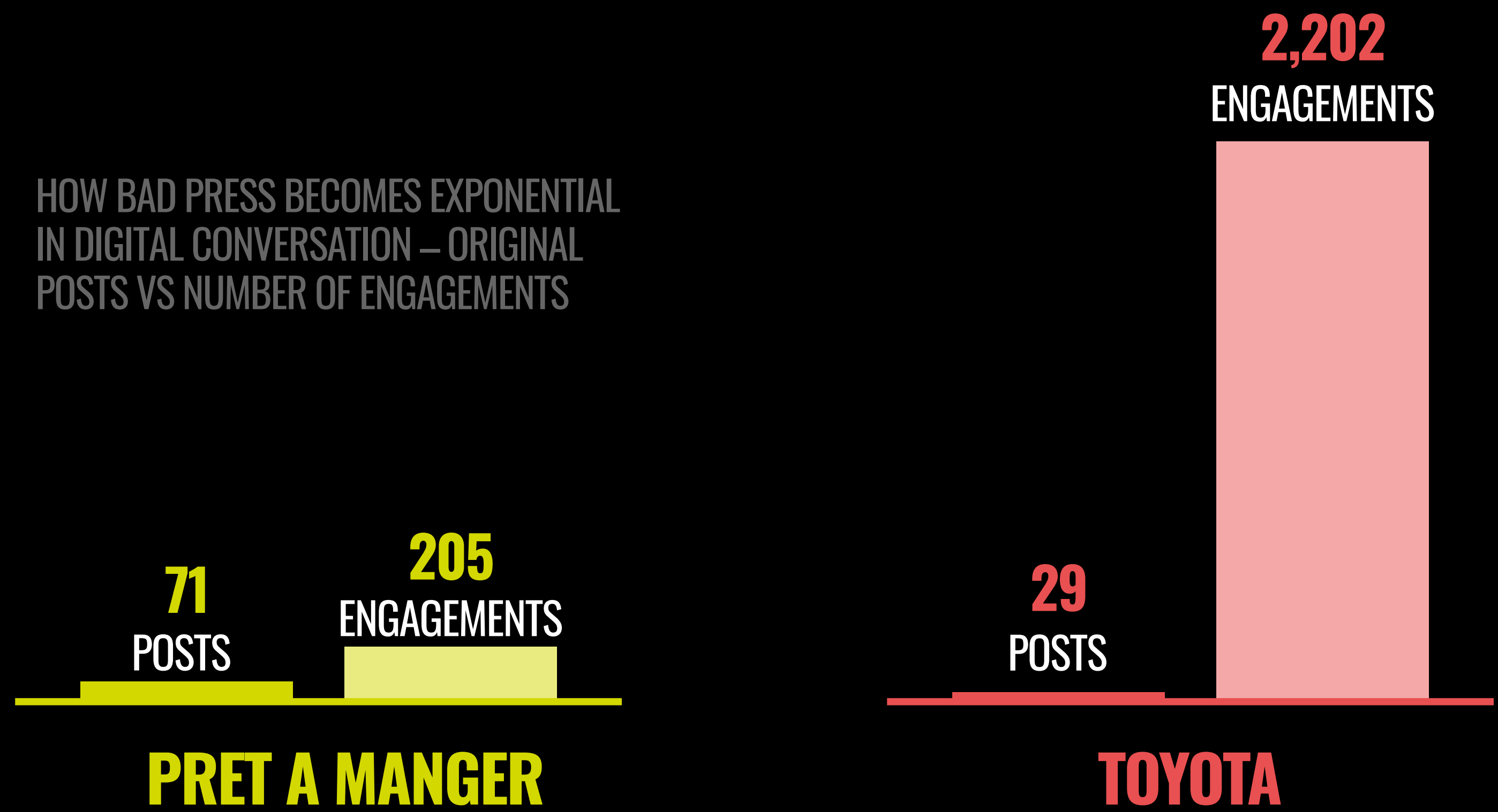
## Pret a Manger told to rethink subscription ads after 5,000 complaints.

<https://www.theguardian.com/> Dec 20, 2021



Both these scenarios demonstrate how a relatively small number of posts – such as news articles – spread like wildfire across the digital landscape, fuelled by the engagements of equally cheesed-off consumers.

HOW BAD PRESS BECOMES EXPONENTIAL IN DIGITAL CONVERSATION – ORIGINAL POSTS VS NUMBER OF ENGAGEMENTS



BBC News (UK) 1,430,372

pret manger customers complain over drinks subscription deal  
<http://t.co/qZ5wCjx3h5>

December 20, 2021

The Guardian 1,106,864

pret manger told to rethink ads for drinks subscription service  
<http://t.co/YoKu423RyD>

December 20, 2021

Andrew Elison 1,045

has anyone experienced any problems with pret manger's drinks subscription service such as drinks being unavailable if you have or know anyone who...

December 20, 2021

Geoff's-Vision 8,986

pret this is disgraceful pret manger customers complain over drinks subscription deal <http://t.co/Bf0IYWOUgP>

December 20, 2021

The Independent 400,311

pret receives thousands of complaints over its subscription deal  
<http://t.co/FDZzr2HvhB>

December 20, 2021

Daily Star 23,707

pret manger customers and staff complain about rip off subscription service  
 #pret #drinks #coffee  
<http://t.co/witEz2LBo1>

December 20, 2021

Guardian Business 13,078

pret manger told to rethink ads for drinks subscription service  
<http://t.co/gsnlvUFKUt>

December 20, 2021

Juzeppe 395

such bad environment to work for and terrible company to buy from pret manger customers complain over drinks subscription deal bbc news <http://t.c...>

December 20, 2021

reddit.com 1,456

[Business] - Pret A Manger customers complain over drinks subscription deal | BBC

December 20, 2021

SAMPLE OF SHARED ARTICLES – NUMBER OF IMPRESSIONS.



## And look how strongly opinion can sway brand perception and loyalty. (Toyota – you might want to look away now).

“I’m a Toyota fan at heart, I’ve owned Toyotas in the past and loved them. I’ve now just made the move back to a new 2022 Corolla ZR Hybrid (arrives in March yay!).” However, this subscription sh\*t is going to have them no longer seen for “Toyota Reliability” but instead “Toyota Profitability”.”

“Just bought a new Toyota. I’ve owned probably a dozen or so Toyotas in my life. This one will be my last one”

“I am absolutely considering other manufacturers. I refuse to be nickel

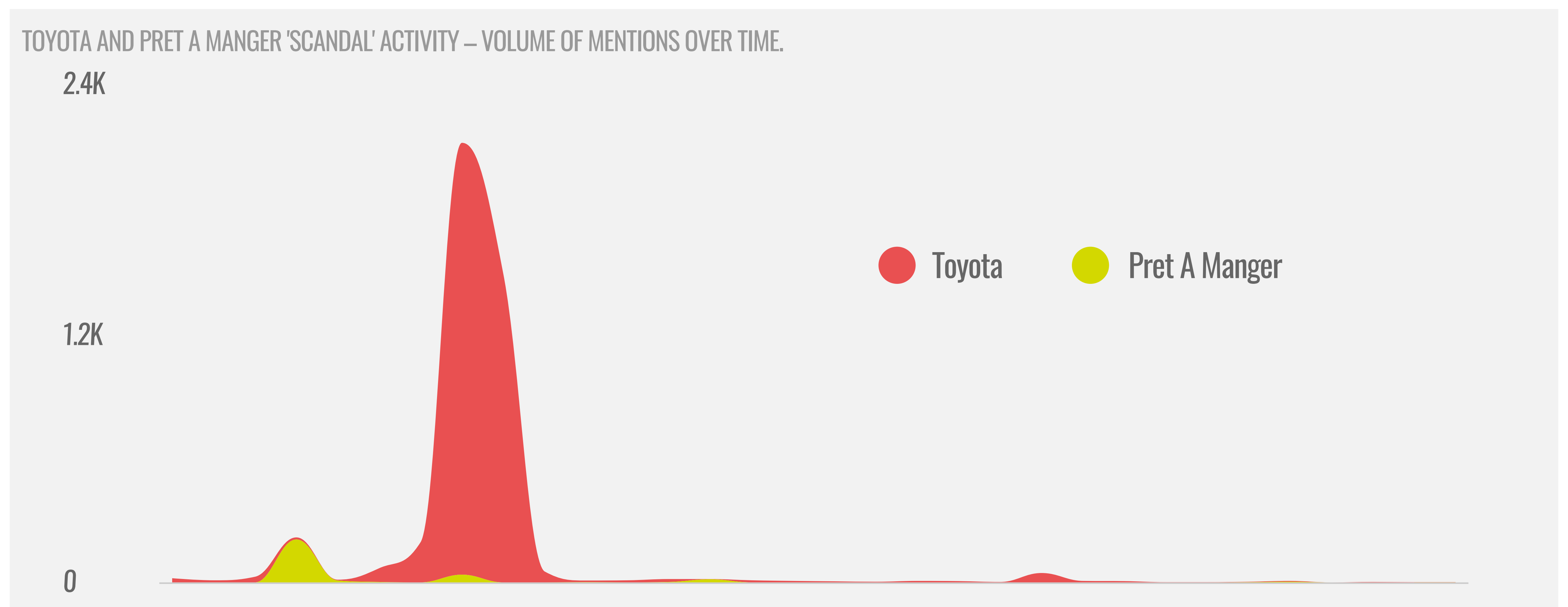
and dime’d when they are already charging more and giving less compared to the competition.”

“Toyota is no longer my favourite brand sadly. It really hurts because I grew up around them all my life. This is the kind of thing that makes my blood boil and I really hope they decide to reverse the decision.”

“This was so greedy that it almost defied imagination. Truly, truly unbelievable. We’re going to have subscription fees to start the fucking cars if a line in the sand isn’t drawn by consumers (or regulators).”

“It really tells you something about how out of touch they are when they are like ‘we had no idea people would hate this!’”

### What we can also see is that Toyota’s faux pas has caused far more conversation than Pret A Manger.





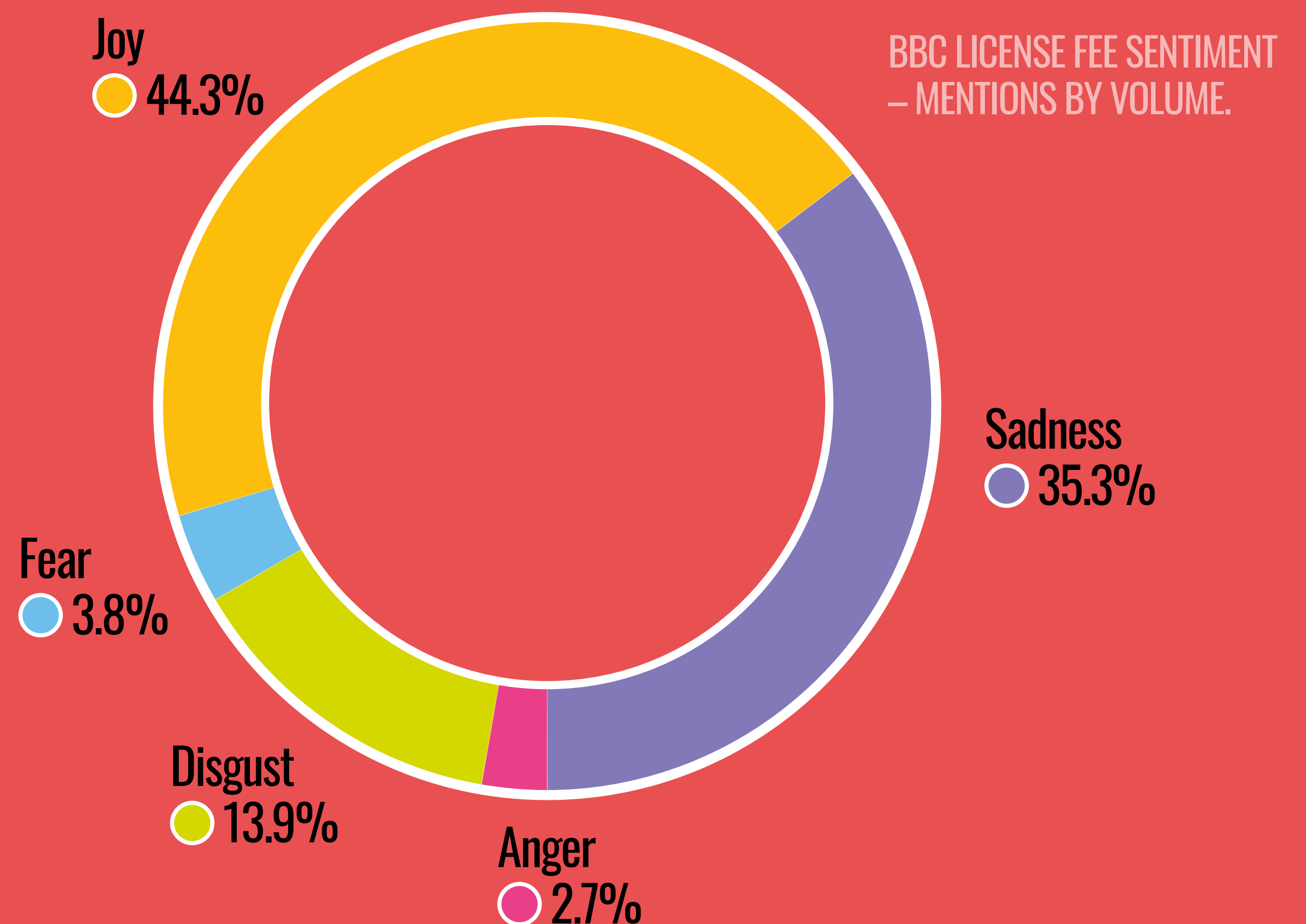
# This is why it's so important to understand societal trends and the sentiment of consumers.

Ideally before you leap. The BBC is a prime example of this when the idea of moving from a licence fee to a subscription model was floated.



**BBC license fee to be scrapped for Netflix-style subscription fee for entertainment and sport' warns ex Media minister John Whittingdale**

<https://metro.co.uk/> Jan 3, 20212



*"There is no subscription service that's better value than the BBC license fee"*

*"I like the BBC but the idea that it is any better than subscription services like Netflix for entertainment is a joke. The BBC gives you Mrs Brown Boys and Pointless and costs £159. Netflix gives you The Witcher and Afterlife and costs £72. There is no comparison."*

*"I'm strongly opposed to the BBC becoming a subscription only service. It's a precious institution and needs a funding model that allows it to remain our national broadcaster."*

*"the BBC is an outdated cultural institution"*

*"What a pile of crap output! BBC should be a subscription service & see how much they waste then."*



# Summing up subscriptions.

As consumers, we've moved on from the subscription novelty phase and are now much savvier. And today, we're much more tuned into the wider value of a subscription. And not just time and convenience. But the possibility of sharing and gifting is a big pull too.

So, it's easy to see how making it easy for customers to buy from you is an easy win.

Repeat business. Minimal effort is the holy grail for many.

**But before you leap right in, we think there are some golden rules for Subscription Success.**

## **Know your audience.**

Create a service they want. And need. But don't leave it there. Change and develop the subscription as you build a better picture of who they are and what makes them tick.

## **No cutting corners.**

Consistent quality is the key here. Remember, when customers talk, everyone hears about it. Changes to service, a drop in quality, won't go unnoticed. From sign up and customer service to what's delivered each month. Quality counts.

## **Transparency is everything.**

Sign up deals are great. But only if they are clear. We've seen lots of negative online chatter about over-appealing first-month prices that have a sting in the tail. So be clear on what your customers get and how much it costs.

## **Think outside the subscription box.**

Don't think what you offer fits the subscription model? Where would we be if the person behind the reptile pet box thought like that? Chances are, if it's not the norm, it's definitely something you should look into.

## **Always-on value.**

The trick for brands is to demonstrate their value – not just to the customer who is in the market, but always. And it's not that hard. A good CRM plan and regular content can help you prove your worth.

## **Make it personal.**

When you know what your customer needs from you, what they like, how often they use something – use it. Personalisation always pays.

## **Make it easy to turn off and on.**

We've talked about subscription fatigue. So instead of losing a customer, think about building in the option to pause. A cold subscriber is better than no subscriber.

## **Reward the ones that stick around.**

Don't let the leavers get all the best deals. Reward the ones that stick around. Everyone loves a little extra now and then.



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