

SUBSCRIPTION COMMERCE CONVERSION INDEX

UNBUNDLING SUBSCRIPTION BOX OPPORTUNITIES IN THE AMAZON AGE

\$465

AVERAGE

annual amount spent by
U.S. consumers on retail
product subscriptions

46%

SHARE OF
respondents who have at least
one type of retail product
subscription through Amazon

20%

PORTION OF
respondents who plan to
terminate their consumer retail
product subscriptions within
the next 12 months



SUBSCRIPTION COMMERCE CONVERSION INDEX

SCCI

ACKNOWLEDGMENT

The Subscription Commerce Conversion Index was done in collaboration with Recurly, and PYMNTS is grateful for the company's support and insight. [PYMNTS.com](https://pymnts.com) retains full editorial control over the following findings, methodology and data analysis.

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Introduction

INTRODUCTION

Online retail giant Amazon debuted its Subscribe & Save program in 2007, allowing consumers to replenish items from eight retail categories, including beauty, health, groceries and personal care.¹ The company launched its Amazon Dash buttons seven years later, enabling customers to simply tap buttons to restock household products like dishwashing detergent and trash bags. The Dash buttons were officially discontinued earlier this year, but Amazon's foray into the retail subscription market has made it a force with which other merchants must reckon.²

Several other big-name businesses have also entered the market, and many are embracing the subscription model to keep their customer bases engaged and loyal. Consumer goods manufacturer Procter & Gamble launched Gillette on Demand, for example, offering reliable access to new products and replacement shaving supplies. Retail giant Walmart entered the space as well, allowing consumers to test beauty products through its Beauty Box offering.³

Amazon still dominates the retail subscription landscape despite other merchants' ventures, however. PYMNTS' research shows nearly half of United States subscription consumers, excluding

those enrolled in Amazon Prime, are subscribed to some types of retail products through their Amazon accounts. Only the broader subscription shaving product category comes close to matching the giant's market clout. Many merchants facing Amazon's wide reach in the retail product subscription space are thus confronting an all-too-familiar challenge: How does a company offer competitive services in the Amazon age?

The good news for these merchants is that subscription services for retail products are highly popular with consumers, meaning the \$19.2 billion market is rife with opportunities. PYMNTS'



¹ Chen, B. Subscribe and save on Amazon? Don't count on it. The New York Times. August 2016. <https://www.nytimes.com/2016/08/25/technology/personaltech/subscribe-and-save-on-amazon-dont-count-on-it.html>. Accessed November 2019.

² Welch, C. Amazon's press-to-order Dash buttons are officially discontinued. The Verge. February 2019. <https://www.theverge.com/2019/2/28/18245315/amazon-dash-buttons-discontinued>. Accessed November 2019.

³ Chen, T.; Fenyó, K.; Yang, S.; and Zhang, J. Thinking inside the subscription box. McKinsey. February 2018. <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-ecommerce-consumers>. Accessed November 2019.



41.2 MILLION

U.S. adults
subscribe to retail
product services.

research indicates that 41.2 million U.S. adults subscribe to retail product services, spending much more on average on such offerings than through any other subscription types. This reveals that the market is not fading away despite high-profile setbacks.

Merchants must understand the factors that influence consumers' loyalties to subscription services if they intend to grow their customer bases. The latest edition of the Subscription Commerce Conversion Index, a PYMNTS and [Recurly](#) collaboration, analyzes the survey responses of 2,130 U.S. retail product subscribers to determine their service preferences. These consumers can be broadly divided into two categories based on their reasons for choosing subscription services. PYMNTS' analysis reveals that 51.6 percent subscribe to box-of-the-month services to receive products like clothes, collectibles and fragrances, while

44.4 percent rely on subscriptions to replenish items such as appliance filters, diapers, shaving supplies and toothbrush heads monthly.

Consumers' higher satisfaction rates with such services can help merchants better compete with rivals like Amazon, but they do not guarantee long-term subscription success. The mounting operational challenges facing Blue Apron, once a cornerstone of the subscription box market, illustrate this fact. Roughly one-fifth of the service's consumers are considering terminating their subscriptions within the next year.

Merchants looking to capitalize on services' availability and deliver seamless experiences must therefore understand what consumers want from retail product subscription providers.



Here are some of our key findings:

Retail product subscription spending outpaces that for online gaming and streaming services.

The consumer retail product market has fewer subscribers than digital media, online gaming or streaming services, but it is driven by a higher annual rate of spending. The average U.S. subscriber spends \$464.81 annually on such subscriptions to purchase beauty products, clothes and fragrances, among other items. This represents 64 percent more than the \$283.39 spent on online gaming subscriptions, the second-most popular category in annual spending. Consumers spend an average of \$189.85 on streaming services and \$163.75 on digital media annually in comparison. The \$19.2 billion retail product subscription market is powered by 41.2 million consumers, many belonging to an influential subset of millennials known as bridge millennials.

Amazon leads among consumer retail subscription services.

Amazon is the most popular subscription provider for consumer retail products, with 45.5 percent of respondents — excluding those with Amazon Prime accounts — receiving some type of retail product subscription through the company. Shaving product subscription providers come in second, with 42.9 percent of respondents indicating they are enrolled in such services. Pet-oriented offerings and those for beauty products follow at 35.7 percent and 32 percent, respectively.

Respondents are also most likely to list Amazon as their primary subscription service, at 34.9 percent — more than double the rate of those who say the same for shaving products.

Satisfaction runs high among consumer retail subscribers.

PYMNTS' analysis shows 82.4 percent of consumer retail product subscribers are either "very" or "extremely" satisfied with their subscriptions, compared to the 81.9 percent of streaming consumers who say the same. There appears to be a link between subscribers' satisfaction levels and how long they have subscribed to their services, as well. PYMNTS' research reveals that 73.2 percent of respondents who have had subscriptions for less than a month report being "very" or "extremely" satisfied with their offerings. Overall satisfaction rates climb among those who have had them for three to five years, and 94 percent of these respondents report being "very" or "extremely" satisfied.

Cancellation is a click away for one-fifth of consumers despite high satisfaction levels.

Consumers appear less likely to cancel their services the longer they have been subscribed to them. The share of respondents who have been subscribed for less than a month and who plan to cancel their services is 44.3 percent, while just 4.3 percent of those who have had subscriptions for between three and five years say the same.

The cancellation risk is relatively high among consumer retail product subscribers, as 20.1 percent of these respondents plan to terminate their subscriptions within the next 12 months. This compares to just 8 percent of streaming subscribers who say the same.

Bundling helps merchants think outside the subscription box.

Consumers like being able to bundle packages by adding products to their subscriptions. PYMNTS' data shows 85.5 percent of respondents are satisfied with merchants that offer such options, compared to just 72.9 percent who say the same for retailers that do not. Such services are also highly popular among box-of-the-month subscribers, but their availability does not fully offset the risk of cancellations among this group.

Our report further details what consumers value most about subscribing to consumer retail products and how bundling packages can help merchants improve satisfaction among their customer bases. The report also features a Deep Dive analyzing keys to satisfying both box-of-the-month and replenishment-focused subscribers.





AN EXPANDING

market

**FOR CONSUMER RETAIL
PRODUCT SUBSCRIPTIONS**

AN EXPANDING MARKET FOR CONSUMER RETAIL PRODUCT SUBSCRIPTIONS

Consumer retail products power one of the most lucrative subscription-based markets. Fewer consumers subscribe to retail product services than those for digital media, online gaming and streaming, but the \$19.2 billion space ranks second only to streaming in value.

Average spending on consumer retail product subscriptions is higher than that for digital media, online gaming or streaming services. A typical consumer retail product subscriber spends \$464.81 annually, while the online gaming market's average spending rate comes in second at \$283.39 per user.

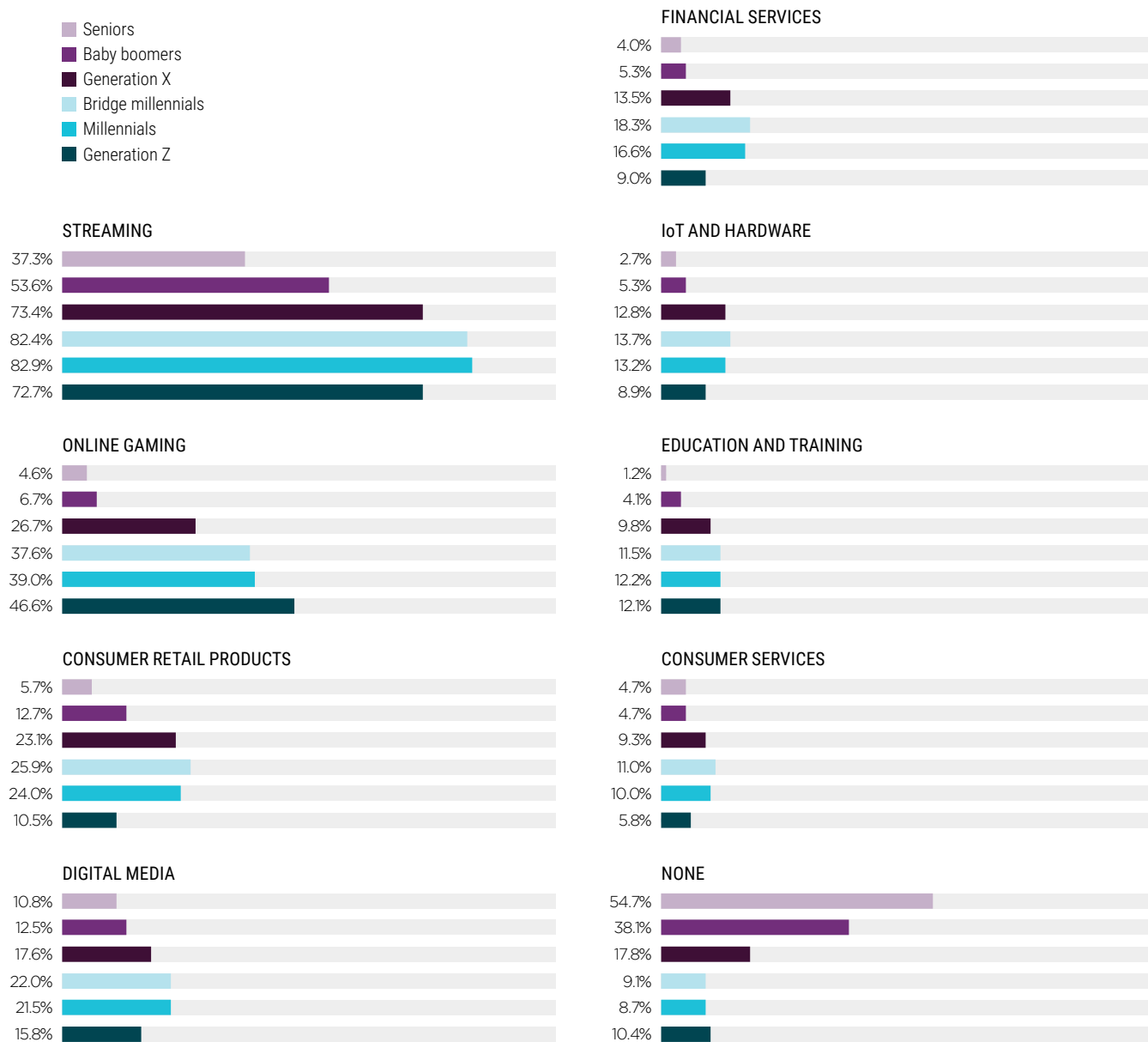
The consumer retail product market is largely driven by bridge millennials, a highly influential subset of millennial consumers aged 31 to 41. These respondents are more likely to subscribe to such services than any other generation, with 25.9 percent doing so. Such subscription rates are also high among millennial and Generation X consumers.

TABLE 1: CONSUMER RETAIL PRODUCTS, OTHER SUBSCRIPTION MARKETS

A market snapshot of how each vertical compares

	CONSUMER RETAIL PRODUCTS	STREAMING	DIGITAL MEDIA	ONLINE GAMING
Share of adults who pay for their subscriptions	16.3%	48.8%	18.5%	21.3%
Number of adults who pay for their subscriptions (in millions)	41.2	123.6	47.0	53.9
Annual average spent per user	\$464.81	\$189.85	\$163.75	\$283.39
Estimated market size	\$19.2B	\$23.5B	\$7.7B	\$15.3B

FIGURE 1: CONSUMERS' USE OF VARIOUS SUBSCRIPTION SERVICES MARKETS
Subscriptions to different markets, by generation



Bridge millennials might represent the largest share of consumer retail product subscribers, but they are not the biggest spenders. Millennials spend \$7.3 billion annually on consumer retail product subscriptions, while Generation X consumers pay \$6.6 billion each year. Bridge millennials come in third with an annual total of \$5.7 billion, while baby boomers spend \$4.3 billion over the same period.

FIGURE 2: CONSUMER RETAIL PRODUCT SUBSCRIPTION MARKET SIZE

Market value fluctuation, by generation

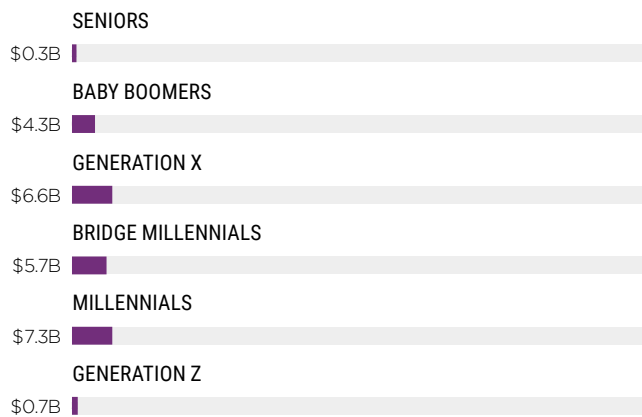
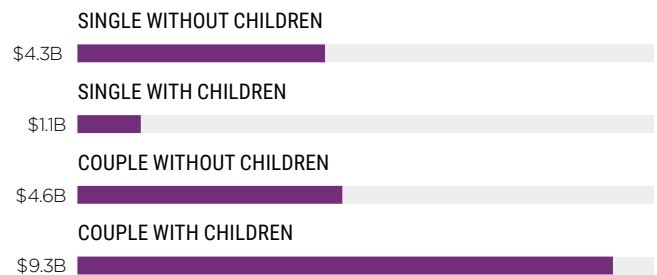


FIGURE 3: CONSUMER RETAIL PRODUCT SUBSCRIPTION MARKET SIZE

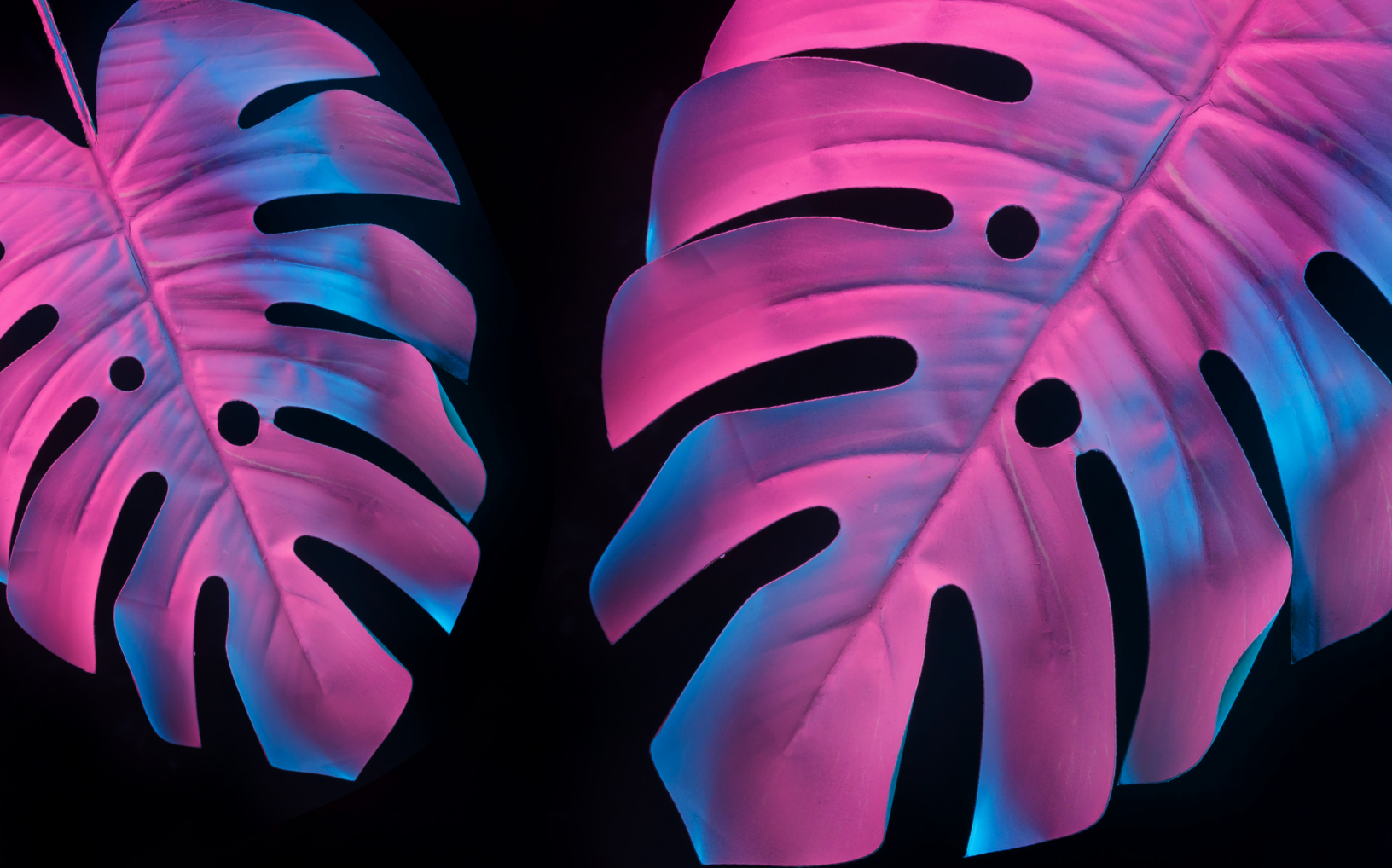
Market value fluctuation, by family structure



Respondents with higher incomes and education levels are also likelier to spend more on consumer retail product subscriptions. Retail product subscribers who earn more than \$100,000 annually spend approximately \$11.1 billion total, while those who earn between \$50,000 and \$100,000 spend \$5.5 billion and those earning less than \$50,000 contribute \$2.5 billion.

Female consumers, couples with children and those with higher education levels appear to con-

tribute most to the retail product subscription market's broad growth. PYMNTS' findings show that 19.1 percent of female consumers subscribe to retail product services, compared to 16.8 percent of male consumers. Consumers with college degrees spend \$13.6 billion annually on such services, compared to \$5.5 billion for those with less education. Couples with children are the highest spenders in the market, however, paying \$9.3 billion per year for such services and accounting for roughly half the market's value.



AMAZON IS CONSUMERS' TOP

Subscription

SERVICE PROVIDER

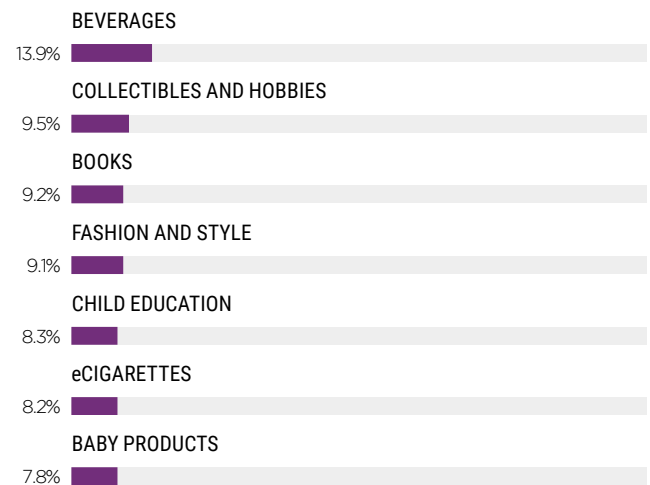
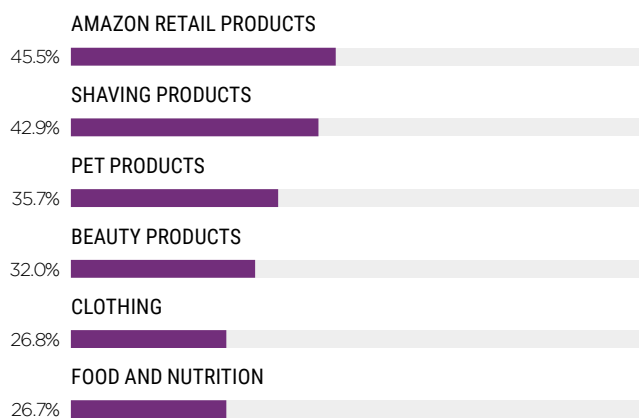
AMAZON IS CONSUMERS' TOP SUBSCRIPTION SERVICE PROVIDER

More consumers turn to Amazon for retail product subscriptions than any other type of subscription product service, with 45.5 percent of survey respondents indicating they do so. This share is larger than the combined portion of consumers who subscribe to any single other product category, including the 42.9 percent of shaving products subscribers, the 35.7 percent who subscribe to pet products and the 32 percent who do so for beauty products.



**FIGURE 4: MOST-USED CONSUMER RETAIL
SUBSCRIPTION SERVICES**

Share of respondents with at least
one subscription, by service

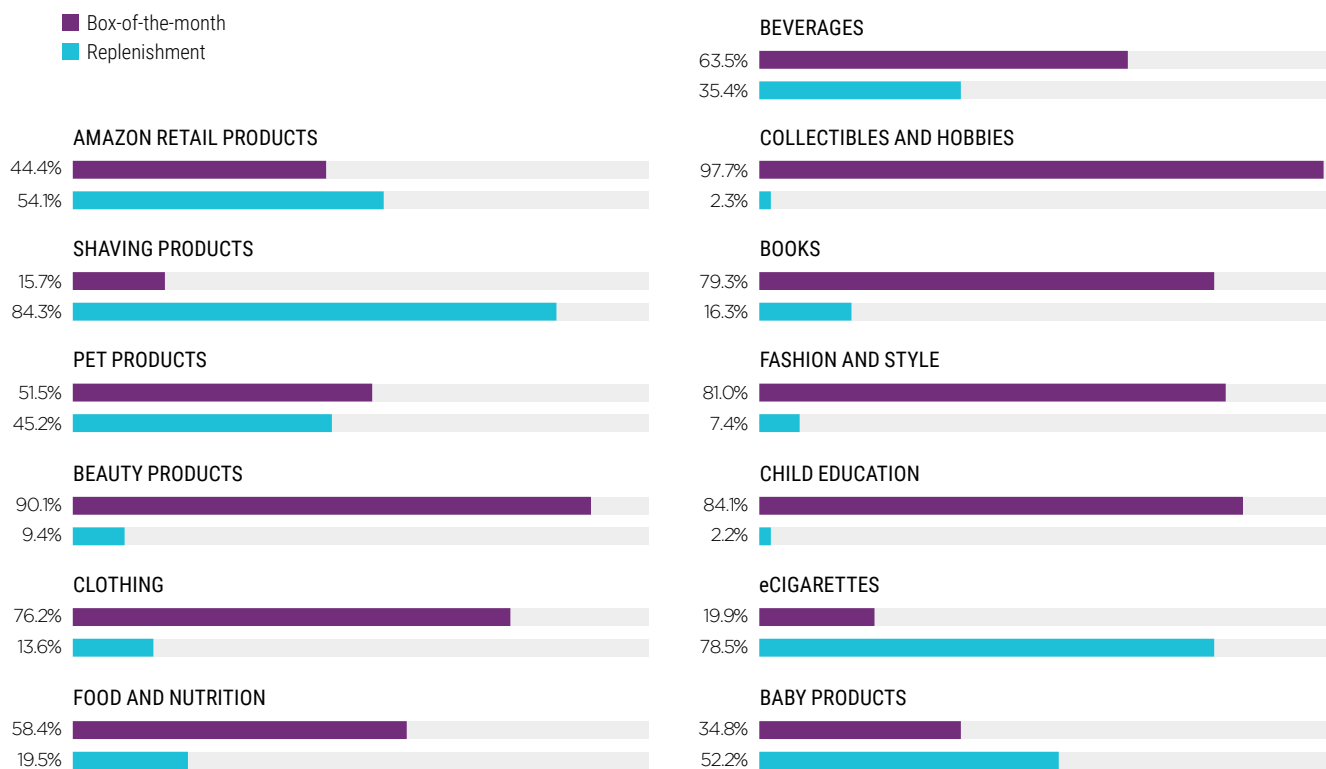


PYMNTS' findings indicate that 34.9 percent of consumers use Amazon as their primary subscription service, as well. Respondents who report doing so are more likely to use the giant to replenish their day-to-day supplies, as 54.1 percent

state replenishment is the main reason they use Amazon as their primary subscription provider while 44.4 percent say they use it to access box-of-the-month services.

FIGURE 5: CONSUMERS' PRIMARY SUBSCRIPTION SERVICES

Share of those whose primary services are box-of-the-month or replenishment services, by service



Consumers appear to spend more on services offered by other subscription providers, however. PYMNTS' research shows they pay \$959.68 annually on food and nutrition subscriptions and \$846.39 on baby products, compared to just

\$561.45 on their Amazon-based services. These statistics show that customers are willing to spend big money to get their favorite retail products via subscriptions.



TRACKING

Subscriber

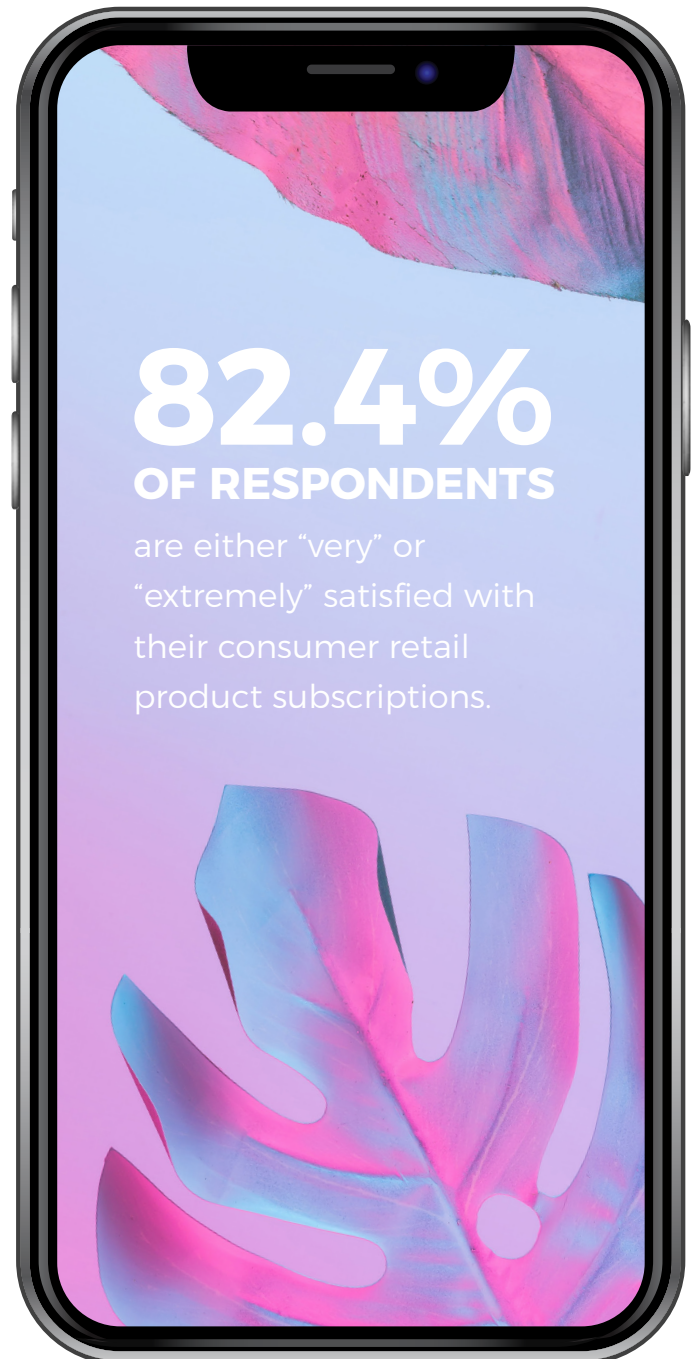
SATISFACTION

TRACKING SUBSCRIBER SATISFACTION

Consumers expect their subscription services to offer seamless and convenient product access regardless of whether they are looking for new items or replenishing old staples, and PYMNTS' research shows merchants that provide consumer retail product subscriptions are delivering. Our analysis reveals that 82.4 percent of respondents are either "very" or "extremely" satisfied with their consumer retail product subscriptions, while 81.9 percent say the same about their streaming services. Satisfaction with digital media and on-line gaming options ranked lower, with just 70.9 percent and 68.4 percent, respectively, reporting they are "very" or "extremely" satisfied.

FIGURE 6: RESPONDENTS' SATISFACTION WITH THEIR SUBSCRIPTIONS

Share of those who are "very" or "extremely" satisfied with their subscriptions, by service



Consumers appear more satisfied with their services the longer they have been subscribed to them. PYMNTS' analysis shows 73.2 percent of respondents who have been subscribed for less than a month are "very" or "extremely" satisfied, but this share climbs to 94 percent among those who have had their subscriptions for three to five years.

Subscribers' satisfaction and loyalty are also tied to how seamlessly they can pay. PYMNTS found that 84.2 percent of respondents whose subscriptions enable automatic payments are "very" or "extremely" satisfied with their services, while just 77.1 percent of those who are not offered these payment options say the same. This indicates that offering automatic payments can improve consumers' satisfaction levels and reduce the risk that they will cancel their services.

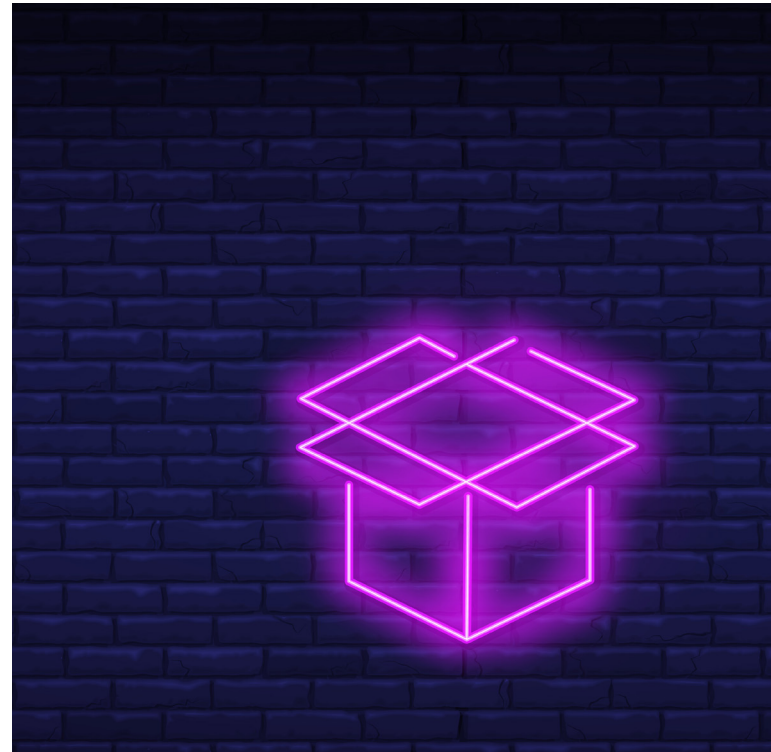
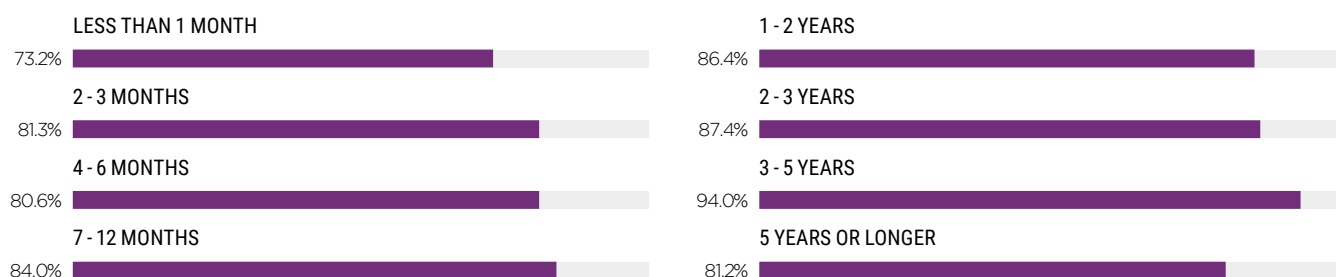


FIGURE 7: RESPONDENTS' SATISFACTION WITH CONSUMER RETAIL PRODUCT SUBSCRIPTIONS

Share of those who are "very" or "extremely" satisfied with their services, by length of subscription





Cancellation **CONCERNS**

CANCELLATION CONCERNS

Consumers' satisfaction with retail product subscriptions is high, but merchants must account for looming cancellation risks. Our analysis shows that 20.1 percent of consumer retail product subscribers plan to terminate their services within a year. Just 8 percent of streaming subscribers say the same. Online gaming and digital media subscribers are those most likely to end their services within the next year, at 23.4 percent and 28.3 percent, respectively.

Several factors make it more likely that subscribers will cancel their services, chief among them the overall number of active subscriptions they have. Our research shows consumers tend to cancel services when they feel overwhelmed.

FIGURE 8: RESPONDENTS' SUBSCRIPTION TERMINATION PLANS

Share of consumers planning to cancel services within 12 months, by market

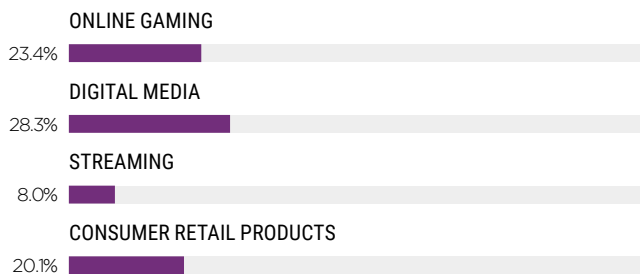
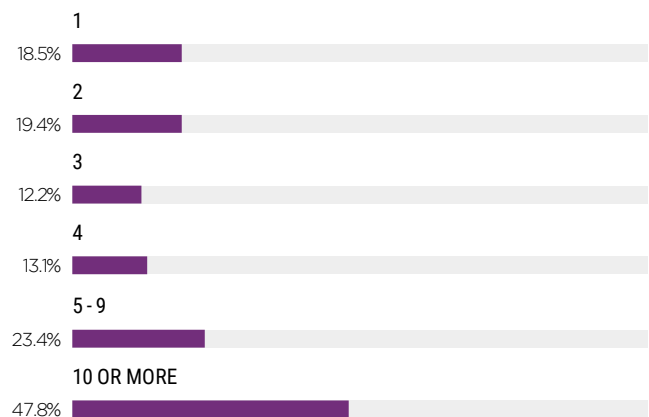


FIGURE 9: RESPONDENTS' SUBSCRIPTION TERMINATION PLANS

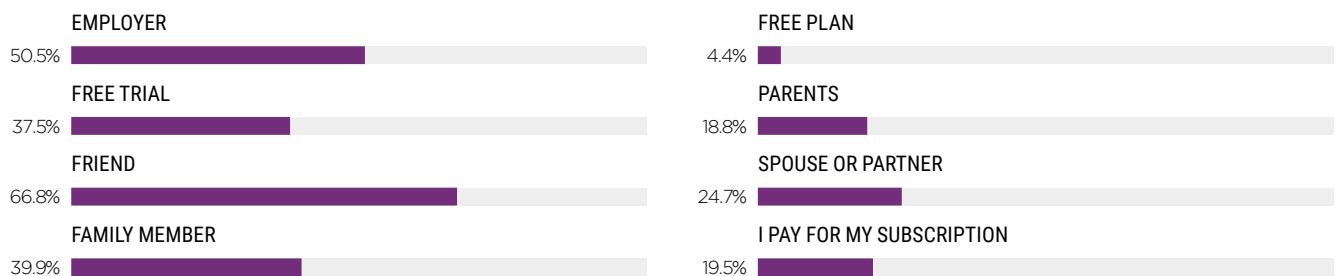
Share planning to cancel their services within the next 12 months, by number of subscriptions



Payment arrangements can also influence whether subscribers cancel their services, with the risk of termination dropping considerably when payments are handled by parents, spouses or actual subscribers. It makes sense that consumers who see subscriptions as family-oriented investments are less likely to end them. Subscribers are more likely to cancel if employers or friends pay for their services or if they are using free trials.

FIGURE 10: RESPONDENTS' SUBSCRIPTION TERMINATION PLANS

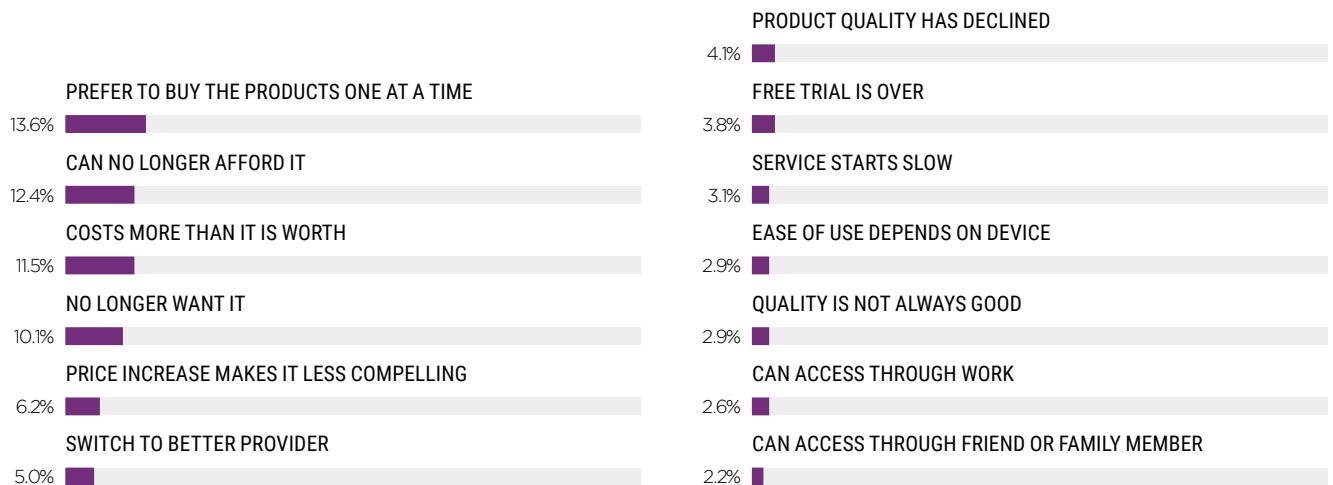
Share planning to end their subscriptions within 12 months,,
by party paying for services



Other factors such as preferring to buy products one at a time, affordability and the value of the services in question can also lead consumers to terminate their subscriptions.

FIGURE 11: REASONS TO CANCEL SUBSCRIPTION

Subscribers' motivations for terminating
consumer retail product subscriptions





Consumers who subscribe to box-of-the-month services and those enrolled in replenishment programs often have different reasons for canceling their services, as well. The latter are more likely to end their subscriptions because they do not feel their services match their personal preferences. PYMNTS' analysis found that 17.2 percent of consumers who subscribe to replenishment services prefer to buy products one at a time, while 13.9 percent no longer want their services.

Box-of-the-month subscribers appear to be more cost-conscious when deciding whether to cancel their services. PYMNTS' data shows 13.1 percent say they can no longer afford their subscription—when they cancel, compared to 8.4 percent of replenishment subscribers who say the same. Such consumers are more likely to indicate their services cost more than they are worth, at 12.3 percent, compared to 8.2 percent of their replenishment counterparts. Box-of-the-month consumers are also considerably more likely than replenishment subscribers to say their services' quality has declined, at 6.2 percent compared to 0.4 percent, respectively.

Income can also weigh heavily on consumers' cancellation plans. Those who make less than \$50,000 annually are more likely than other income brackets to say that they can no longer afford their subscriptions and that subscriptions' increased prices make them less compelling. Subscribers in the middle income bracket, earning between \$50,000 and \$100,000 per year, are instead more likely to say they prefer buying products individually or that they no longer want their services. Price even concerns those who earn more than \$100,000 annually, as consumers in this bracket are most likely to report that their subscriptions' costs are no longer worth it.

Consumers' service termination reasons reveal that they carefully consider their subscription services' worth and sometimes grow to desire individual purchases. Providing bundled packages could help merchants improve satisfaction among their subscribers.



HOW BUNDLING
SHIFTS THE

Subscription

BOX MARKET

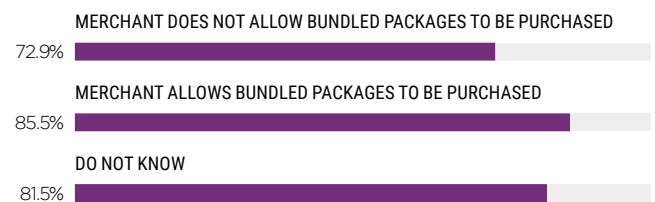
HOW BUNDLING SHIFTS THE SUBSCRIPTION BOX MARKET

Subscription box services allow consumers to have products conveniently delivered to their homes, but subscribers still like to buy items individually. Merchants that offer bundled package purchases — which let subscribers add items to their services — could hold key advantages in the consumer product subscription market.

Offering such packages seemingly boosts subscribers' satisfaction, and 85.5 percent of those whose services provide bundled options report being satisfied with their subscriptions. On the other hand, just 72.9 percent of subscribers whose services do not offer such packages report being satisfied.

FIGURE 12: SUBSCRIPTION SERVICE SATISFACTION

Share of subscribers who report being satisfied with services, by bundled packages' availability



Our analysis reveals that offering bundled services can significantly deter subscription cancellation, as 59.7 percent of subscribers whose services provide them indicate they would not consider ending their subscriptions because such packages were available.

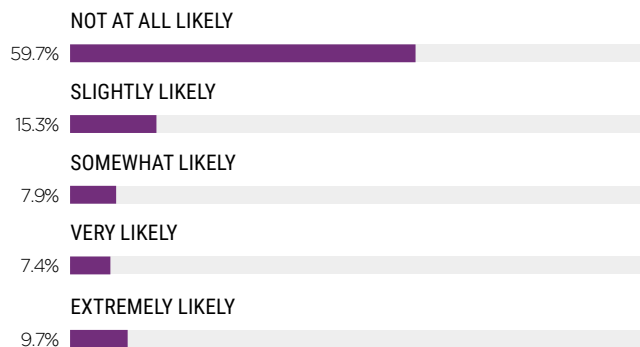
Making these features more widely available could significantly expand the markets for both bundled package purchases and existing subscriptions. PYMNTS' research reveals that 75.2 percent of respondents who do not have access to bundled packages would purchase them if they became available. This availability could also boost subscription merchants' retention efforts, with 53.9 percent of consumers indicating their

priority is to keep their subscriptions in order to maintain steady automatic reordering for their products and 24 percent reporting they would spend more on bundled package purchases.

The cancellation risk of offering bundled package purchases is very low, with just 11.8 percent of respondents indicating they would stop their subscriptions if these options were made available. Subscribers appear to appreciate the flexibility to make additional purchases beyond what their service covers. This means merchants that provide bundles could improve their existing subscribers' satisfaction and reduce the likelihood of service termination.

FIGURE 13: RESPONDENTS' PLANS TO TERMINATE SUBSCRIPTIONS

Consumers' cancellation likelihood if bundling options are available





Deep Dive

**REPLENISHMENT VERSUS
BOX-OF-THE-MONTH SUBSCRIBERS**

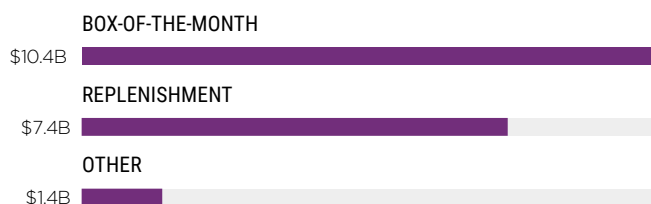
DEEP DIVE: REPLENISHMENT VERSUS BOX-OF-THE-MONTH SUBSCRIBERS

Consumers have numerous reasons for choosing different subscription services. Our research shows that 51.6 percent of respondents subscribe to such services for box-of-the-month products, while 44.4 percent do so to replenish supplies. Subscribers also have different spending patterns and reasons for enrollment or cancellation. The following Deep Dive examines several key distinctions between groups to highlight how each considers and uses its subscription box service.

More consumers subscribe to box-of-the-month services, making it unsurprising that the market is much bigger than that for replenishment-based subscriptions. These subscribers' annual spending is also higher than that for their replenishment counterparts, at \$479.82 compared to \$411.31, respectively.

FIGURE 14: SUBSCRIPTION SERVICES' MARKET SIZES

Estimated values of subscription services' market sizes, by service type



51.6%
OF RESPONDENTS

subscribe to services
for box-of-the-month
products.



Different subscription service types also tend to split along age brackets, with younger consumers likelier to subscribe to box-of-the-month offerings and older respondents more inclined to use replenishment services. PYMNTS' research found that 62.8 percent of Generation Z respondents have box-of-the-month subscriptions, a higher share than other generations even though millennials, bridge millennials and Generation X consumers are also more likely to subscribe to this type. Older respondents are meanwhile more inclined to seek out replenishment offerings, with 62.8 percent of seniors and 54.2 percent of baby boomers doing so.

These trends indicate that subscribers of varying ages enroll in retail subscription services for different reasons. Younger consumers tend to use their box-of-the-month offerings to discover new products and have them delivered to their

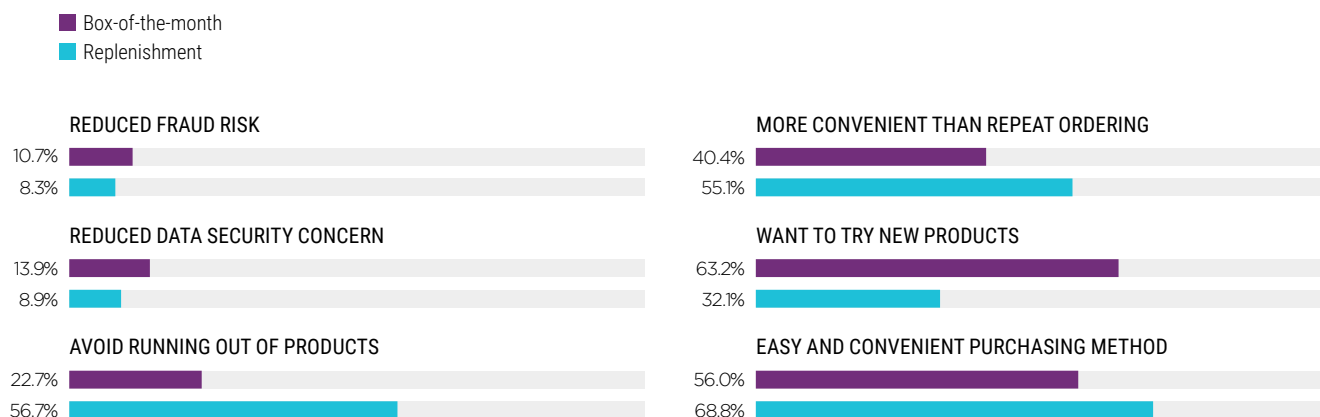
homes, while older respondents desire practical and seamless options that allow them to restock.

Consumers with children are also more inclined to use box-of-the-month services, with 57.2 percent doing so compared to the 40.6 percent who use replenishment subscriptions. The difference in usage is marginal for households without children, as 48.1 percent use replenishment services and 46.1 percent rely on box-of-the-month offerings.

Each subscriber group has its own reasons for seeking certain services. Box-of-the-month consumers are most likely to value trying new products, with 63.2 percent listing this as their main reason for enrolling in such services. The next most likely reason is ease and convenience, cited by 56 percent of these consumers.

FIGURE 15: CONSUMERS' REASONS FOR USING SUBSCRIPTION SERVICES

Share enrolled in box-of-the-month, replenishment services, by reason for subscription



PYMNTS' research shows that 68.8 percent of replenishment subscribers cite convenient and easy purchasing methods as their main reason for signing up, while 56.7 percent want to avoid running out of products. These subscribers are also more likely to say the convenience of such services can help them avoid making repeat orders than not, at 55.1 percent.

Satisfaction among these two services is almost tied and overwhelmingly high. The share of replenishment subscribers who are "very" or "extremely" satisfied with their subscription services is 82.8 percent, while the rate for box-of-the-month consumers stands at 82.3 percent.

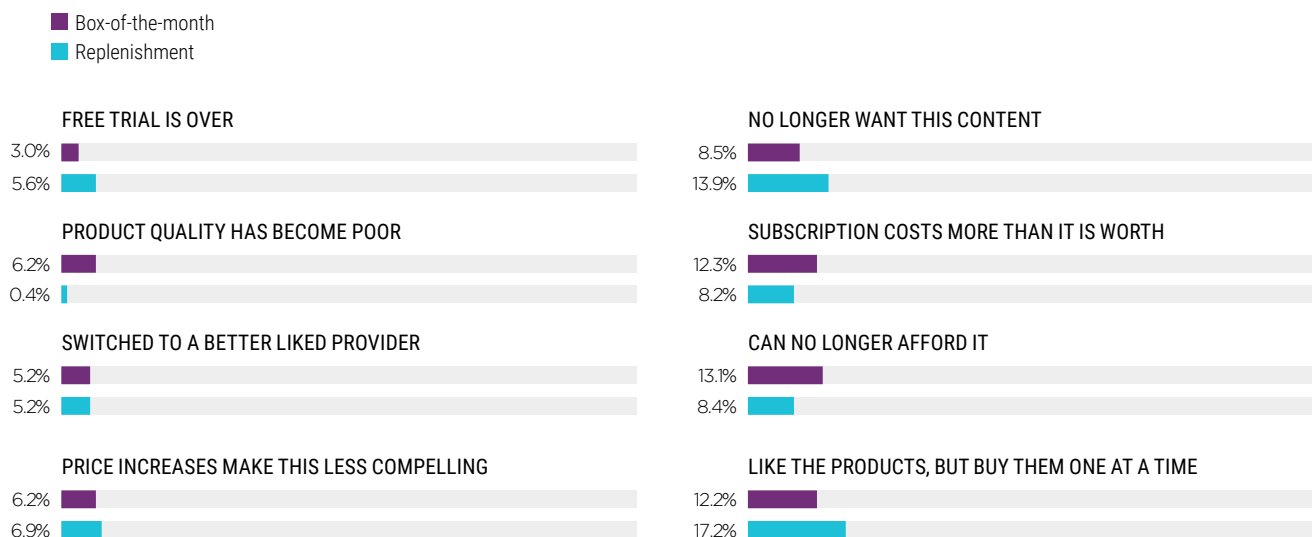
Box-of-the-month subscribers appear much more likely to cancel their services, however. PYMNTS' findings show that 25.4 percent plan to terminate their services within the next year, compared to 14.2 percent of their replenishment counterparts.

Subscribers share a variety of reasons for wanting to cancel their services. Box-of-the-month con-

sumers are more likely to indicate that they can no longer afford services, that their subscriptions' costs do not align with their values and that product quality is substandard. Replenishment subscribers are instead likelier to prefer buying products one at a time, indicate they no longer want services or say they concluded free trial periods.

FIGURE 16: CONSUMERS' REASONS FOR PLANNING TO CANCEL SERVICES

Share of box-of-the-month, replenishment subscription consumers who plan to cancel their subscriptions, by reason



Bundled packages' availability could provide replenishment subscribers with greater flexibility to buy products, and such services are also more likely to be available for these consumers than those enrolled in monthly box offerings, even though such subscribers are also more likely to purchase them, as well.

PYMNTS' analysis discovers that 67.7 percent of replenishment service subscribers would not can-

cel their subscriptions if bundled packages were available. The same cannot be said for their box-of-the-month counterparts, however, as only 51.4 percent would not cancel their services if bundled packages were available. These subscribers are also likelier to terminate their subscriptions if bundled packages are made available, as 25.3 percent indicate they are "very" or "extremely" likely to do so for this reason. Just 9.3 percent of replenishment subscribers say the same.

Box-of-the-month subscription services are currently leading the market in terms of annual market value and spending rate per consumer, but data points to gaps in its staying power. Cancellation risks run high in this space, perhaps because so many consumers with children use these services. These consumers may start to reconsider their subscription relationships as their children age and their tastes and needs evolve.

These findings point to the limitations that bundled package purchases present. Providing such

services appears to be well-suited to replenishment service subscribers, who are more likely to value convenience and ease, and who are unlikely to cancel their subscriptions if bundled package purchases are made available. Box-of-the-month subscribers, on the other hand, are more likely to reconsider their subscription services' benefits and values as they age, and bundled packages could increase the likelihood that they will end their enrollments.





Conclusion

CONCLUSION

Consumer retail product subscription merchants are strongly positioned to deliver on subscribers' expectations. The market is on very strong footing, with a satisfaction rate of 82.4 percent and growing annual spending per consumer.

Success is not guaranteed, though, and many consumers have abandoned their subscription box services due to fatigue or because costs outweigh benefits. Merchants in the consumer retail product market must understand what their subscribers want from their services to avoid falling into subscription box oblivion.

The first step is to determine whether subscribers are seeking the thrill and surprises offered by box-of-the-month services or the convenience and reliability of replenishment options. Merchants can use these insights to understand how their products will fit into their subscribers' lives and how long they can expect to maintain subscription relationships.

Providing bundled package services could also help merchants retain their subscribers, and consumers indicate that they are more satisfied with retailers that offer them. These services can also help merchants reduce cancellation risks by allowing subscribers to add purchases to their plans, which could be key to helping many extend their relationships. Retailers should note that bundled packages appear to be more successful among replenishment-oriented subscribers, as these consumers demonstrate a lower likelihood

of cancellation and higher rates of satisfaction.

Box-of-the-month subscribers are a different story, however. They are not only less interested in such features, but also are more likely to cancel their services if they are available. This could be because these consumers tend to be younger and more family-oriented, and that their desire for reliability and convenience supersedes the thrill of discovering new products as their families age and their households' needs change.

The subscription box has been a staple of the market for many years, but merchants must take the time to understand what consumers want and expect from services if they aim to keep satisfaction high. This understanding could be the key to unpacking subscription success.



METHODOLOGY

The Subscription Commerce Conversion Index analyzes subscribers' experiences in accessing consumer retail products via subscription services. PYMNTS produced it by collecting 15,631 total survey responses, of which 13,501 were eliminated because they did not qualify. The results are based on input from the remaining 2,130 completed responses.



ABOUT

Recurly

Recurly, Inc. delivers enterprise-grade subscription management to thousands of SaaS, media, mobile, consumer goods, productivity and publishing businesses worldwide. Businesses like AccuWeather, Sling Media, JibJab Media, Asana, HubSpot and Twitch depend on Recurly's ability to cut through the complexity of subscription management to drive recurring revenue growth. Since its launch in 2010, Recurly has deployed subscription billing for thousands of companies in 32 countries, making it the most trusted pure play provider of subscription management services. Recurly, Inc. is PCI-DSS Level 1, SAS 70/SSAE 16 Compliant. For more information, visit www.recurly.com.

PYMNTS.com

PYMNTS.com is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

Feedback

We are interested in your feedback on this index and where we take it over time. Please send us your thoughts, comments or questions to SCCI@pymnts.com.

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