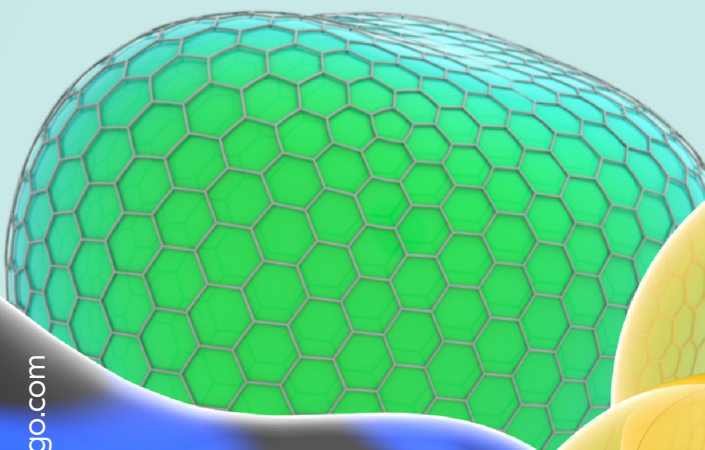
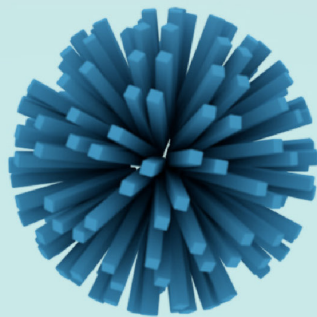




Subscription wars: the subscriber strikes back

Survey report



The future of the subscriptions economy hangs in the balance

Right now, industry commentators are fixated on the ‘streaming wars’ — the battle between the big guns like Disney, Netflix and Amazon — for a bigger share of subscription service revenue. But the subscription economy is much more nuanced than that.

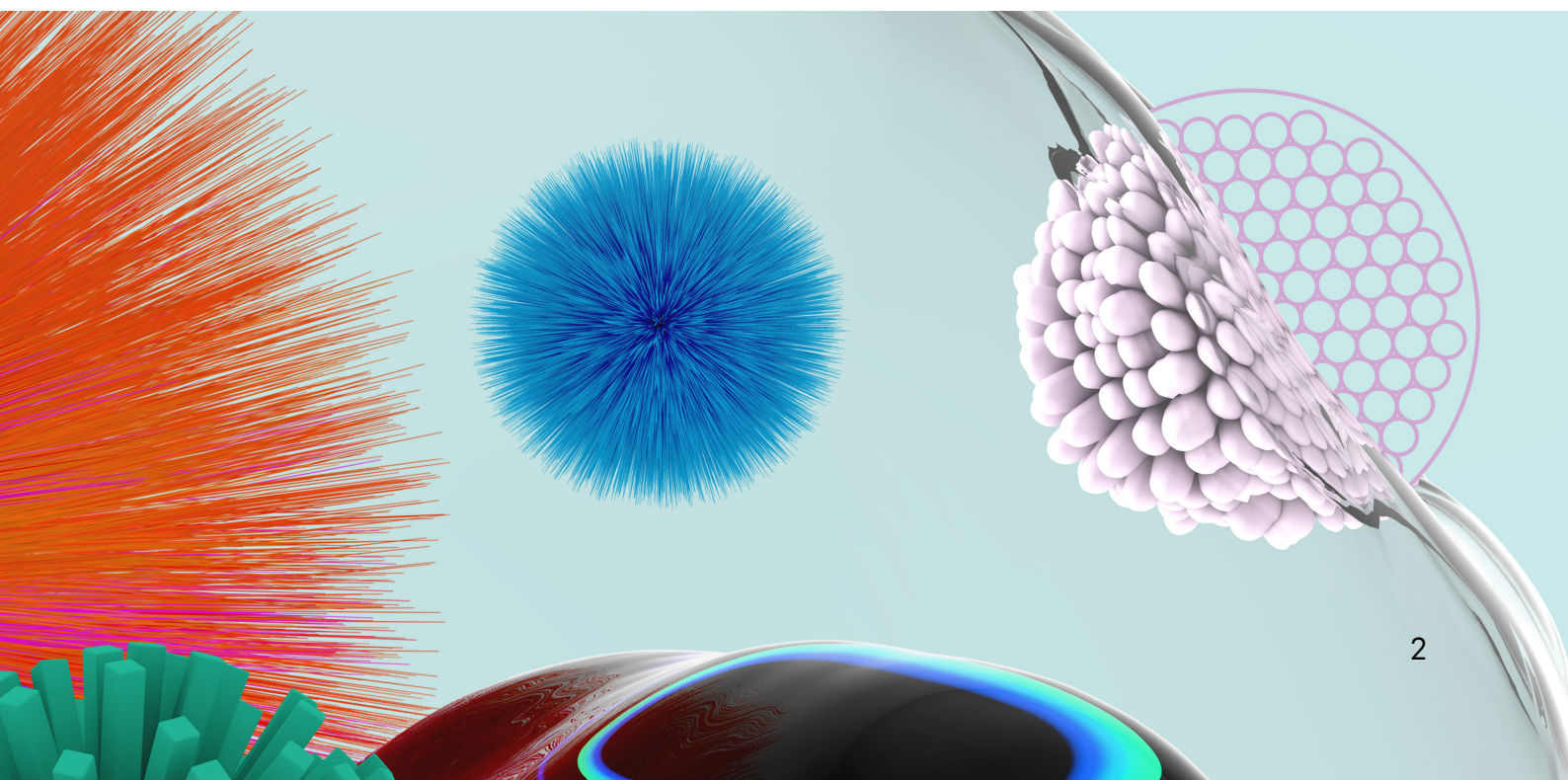
From Peloton to Calm, Spotify to Deezer, Blue Apron to Hello Fresh, consumers rely on subscriptions to manage ever more aspects of their lives: Music, food, gaming, health and fitness. The subscription economy is about so much more than how we watch TV.

To explore this, Bango commissioned independent research with 2,500 US subscription users, one of the largest studies conducted in this market.

Two-thirds of American subscription users (65%) say they now “can’t afford” all the subscriptions they want. In spite of this financial pressure, over a third (35%) don’t actually know how much they’re already spending on subscriptions, rising to over half (53%) for Gen Z.

To better keep track of costs, American subscribers are looking for a way to connect all of their current subscriptions (streaming, gaming, fitness and more) into a single platform, app, or monthly bill.

77% of consumers want to pay for multiple subscriptions via one monthly bill. The provider of this Super Bundling service will reap huge benefits - 79% of consumers will be more loyal, 63% will actually spend more, and 57% will switch from their existing provider for this service.



In this report, you'll discover

- 1** The role that subscription-based spending plays in consumers' daily lives.
- 2** How subscribers feel about the subscription economy and its challenges.
- 3** How consumer behavior and preference has changed due to the increase in the cost of living.
- 4** Why it's time to move away from the subscription economy and towards a subscriber economy.
- 5** Super Bundles are the future, giving subscribers control over their entire merchant subscription ecosystem.

Four key take-aways

The stickiness of subscriptions

78% of subscription users say that they want one app to manage all of their subscription services and accounts. Not just streaming. Not just music. Everything. This type of customer-first flexibility might sound like the distant future, but it's a reality that telecoms, wireless and TV providers are already in the process of creating.

Let's put the subscribers first

Customers are paying more, dealing with more suppliers, and getting a more disjointed experiences. Today's streaming wars aren't a win for consumers. Instead, they're an admin headache.

Consolidation is key

American consumers are searching for a means to combine all of their current subscriptions (including streaming, gaming, fitness, and more) into a single platform, app, or monthly bill in order to better manage costs.

Subscribers and Super Bundling

Super Bundling is a game-changer for the subscription economy. It enables subscribers to control not just one or two add-on services, but a full store front of 20+ digital content providers where consumers can pick and choose what they like all through their service provider.

1. Subscriptions economy: the subscriber strikes back

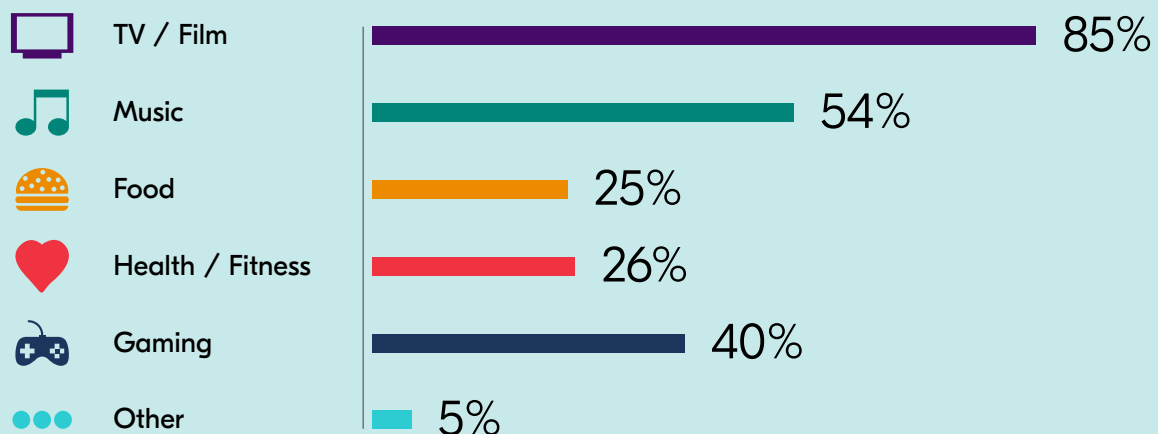
The subscription economy is becoming increasingly prominent in today's digital era, revolutionizing the way we access services and products. To gain a better understanding of this new trend, we conducted a survey to explore the attitudes and behaviors of users who participate in the subscription economy.

The survey results provide valuable insights into how individuals are engaging with the subscription economy and what factors are driving their decision-making.

Bango survey stats

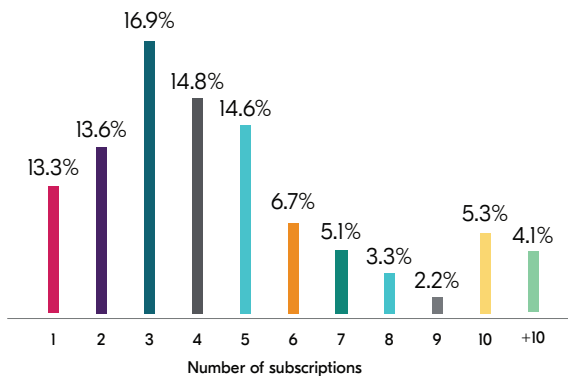
Based on data from 2,500 American consumers currently paying for subscription services — the largest survey of American subscribers conducted in 2022.

What subscriptions do Americans pay for?



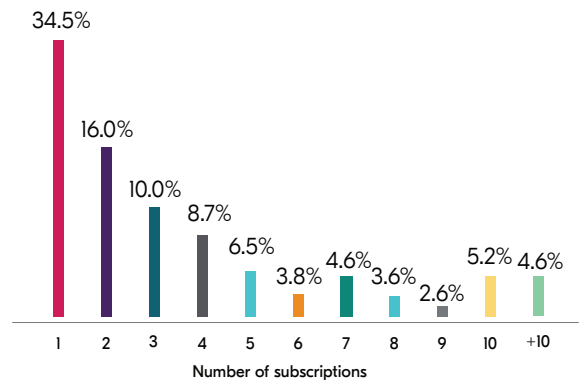
OTT and streaming services

How many television/film (Netflix, Disney+...) subscription-based services do Americans pay for?



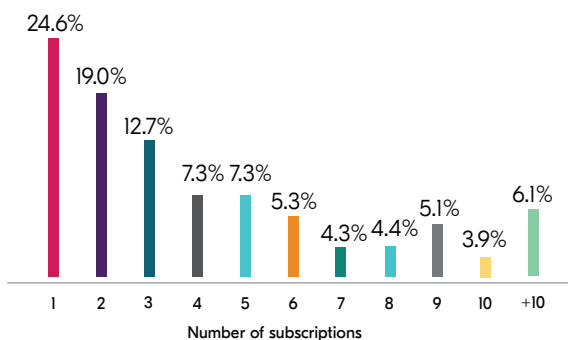
Music services

How many music (Spotify, Apple Music...) subscription-based services do Americans pay for?



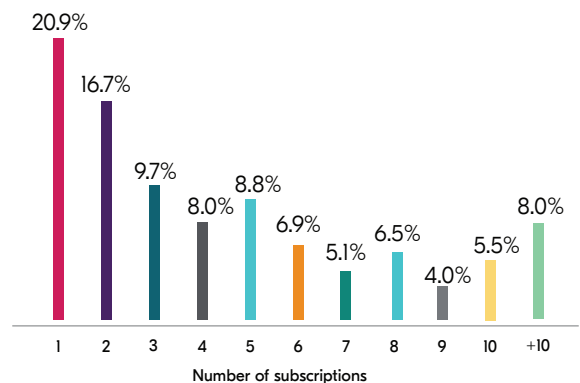
Gaming services

How many gaming (Xbox Game Pass, Steam...) subscription-based services do Americans pay for?



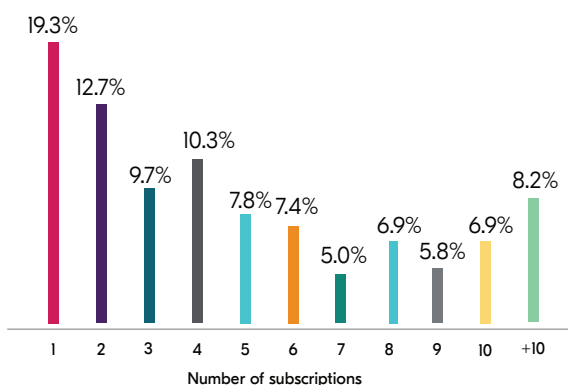
Fitness and health services

How many health and fitness (Peloton, Calm...) subscription-based services do Americans pay for?



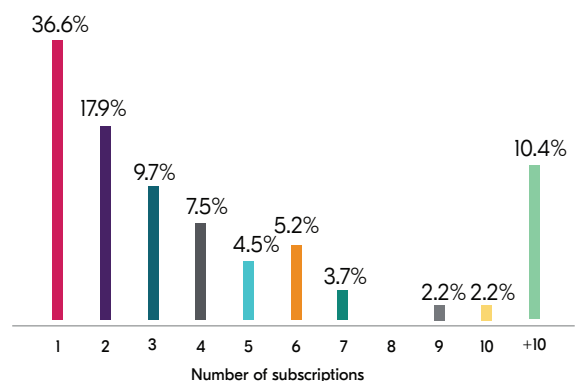
Food services

How many food services (HelloFresh, Blue Apron...) subscription-based services do Americans pay for?



Other services

How many other subscription-based services do Americans pay for?



Subscriptions are now a regular element of users' spending habits

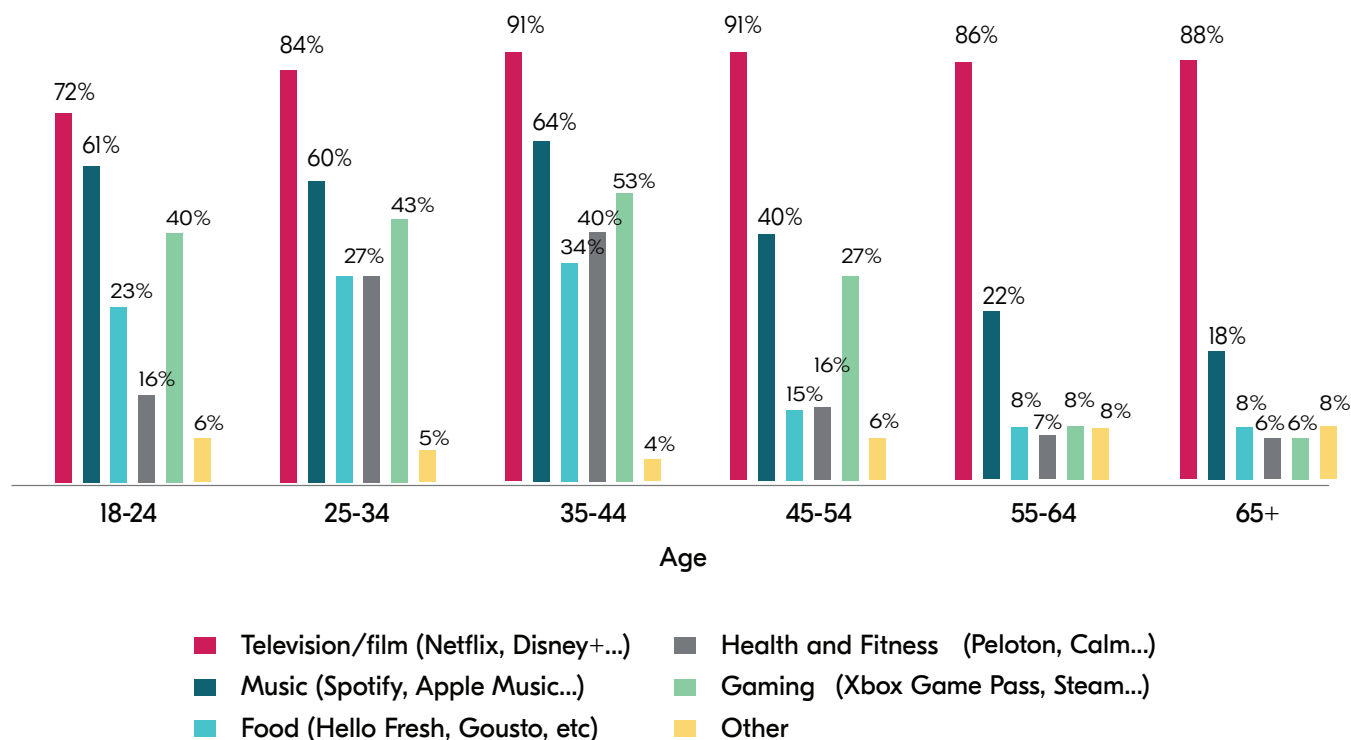
In general, Millennials and Generation Z—consumers who were born during and after the subscription economy's inception—have been the most passionate subscribers. However, there are some more subtle distinctions in how various generations manage their subscription-based expenditures.

Streaming subscriptions, such as Netflix or Disney+, are the most widely used across all

demographics. Among Americans in their twenties, thirties, and early forties, music and gaming have emerged as two of the most popular services. Consumers in their late thirties and early forties, however, are more likely to be interested in “quality of life” services like food delivery, fitness and health, and gaming.

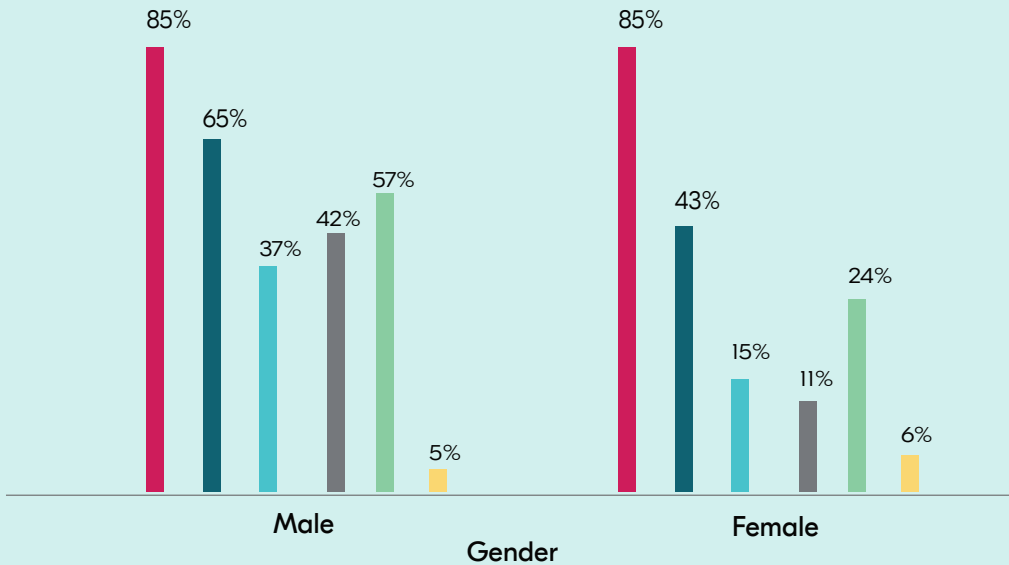
Older Americans are the least likely to subscribe to new services.

Streaming services are the subscription-based service preferred among all demographics



When it comes to gender differences, both men and women use at least one streaming platform, with television/film unsurprisingly coming on top. However, we see that males, in general, have more subscriptions across music, health and fitness, food delivery services and gaming, demonstrating a wider and higher use of overall subscriptions than females. Both male and females rank the same top three services with music and gaming as the second and third most popular subscription-based services, respectively.

Exploring gender differences in subscription services



- Television/film (Netflix, Disney+...)
- Music (Spotify, Apple Music...)
- Food (Hello Fresh, Gousto, etc)
- Health and Fitness (Peloton, Calm...)
- Gaming (Xbox Game Pass, Steam...)
- Other



2. Subscription overload?

Do Americans feel overwhelmed by the number of subscriptions they have?

Numbers are telling us so. In today's digital age, it's easier than ever to sign up for a subscription service, whether it's for streaming movies and TV shows, ordering groceries, or getting your daily dose of news.

However, with so many options available, it's easy to end up with more subscriptions than you can keep track of, and before you know it, you're spending a significant amount of money on things you may not even be using. This phenomenon, known as subscription overload, can be frustrating and financially draining.

The market is reaching a saturation point, with 72% of users saying there are "too many subscription services" now.



35% of Americans don't know how much each month they pay for their subscriptions

33% of Americans pay to subscribe to an app or service which they don't use

How do consumers feel about subscriptions?

A third of American subscribers (33%) admit they pay for subscriptions they never use and 35% of them don't know how much they're spending. While two-thirds (65%) say they simply can't afford to subscribe to all these services.

These findings could indicate a seemingly carefree attitude to spending on behalf of American subscribers where money is no object. Sadly, the reality is that consumers have simply lost track of their subscriptions due to a labyrinth of accounts, bills and settings.



65%

of subscription users don't care which platform they use, as long as they can access the content/services they want



65%

of subscription users can't afford to subscribe to all of the services they would like

Top consumers' frustrations

- 1 Managing and updating personal details (48%)
- 2 Accessing accounts across multiple devices (47%)
- 3 Paying bills (43%)
- 4 Cancelling subscriptions (43%)



- 5 Renewing contracts and subscription (42%)
- 6 Switching between accounts (40%)
- 7 Setting up plans and group accounts (40%)
- 8 Setting up new subscription apps (39%)

3. Crisis, inflation, saturation... What's going on the subscription economy?

Economic pressures driven by the ongoing war in Ukraine, rising global instability and a looming recessions all show signs pointing towards continued inflation, disruption and uncertainty.

However, the subscription economy has grown significantly in recent years, with many consumers opting for monthly or yearly subscriptions for products and services instead of one-time purchases.

The recent economic crisis has caused some consumers to re-evaluate their spending habits and subscriptions.

Some may be feeling the financial strain of maintaining multiple subscriptions and they are looking for ways to save money.

Others may be hesitant to start new subscriptions due to uncertainty about their financial future.

65% of Americans can't afford to pay for all the subscription services they would like

Two-thirds of American subscription users (65%) say they now "can't afford" all the subscriptions they want.

In spite of this financial pressure, over a third (35%) don't actually know how much they're already spending on subscriptions, rising to over half (53%) for Gen Z.

35% of Americans don't actually know how much they're already spending on subscriptions

If we zoom in, demographics may also be a crucial factor.

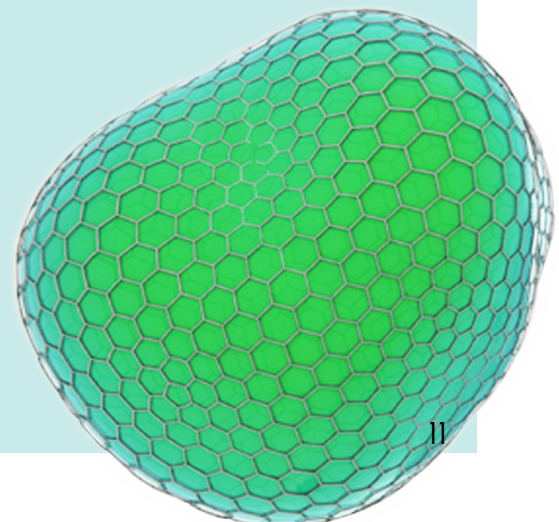
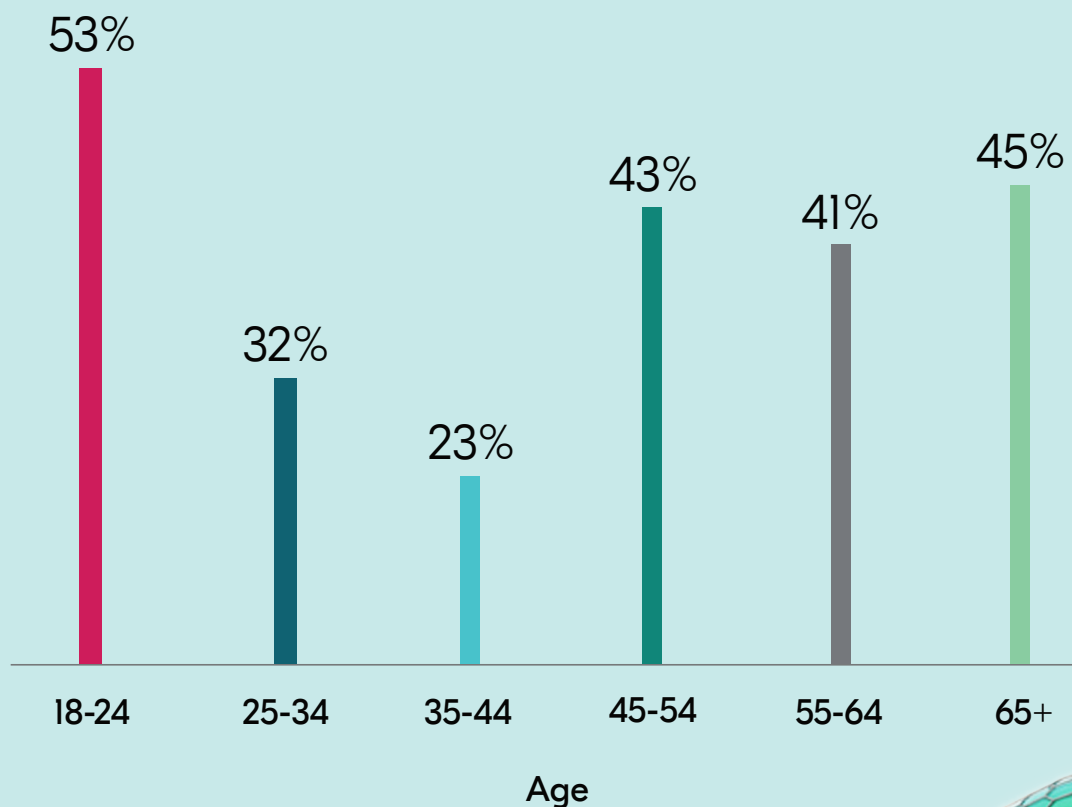
While the cost-of-living crisis has impacted consumers across the nation, it's older Americans who have been hit the hardest.

Baby boomers are the age bracket most feeling the 'subscription squeeze', with three-quarters (74%) of those aged 55

and above being unable to afford all their desired subscriptions. This is compared with just 54% of Gen Z.

While those over 55 may have fewer subscriptions than younger consumers, they do get more use out of them. Just 14% of boomers admit to paying for a subscription service they don't use — compared to 40% of Millennials and 34% of Gen Z.

Percentage of Americans who don't know how much they spend on subscriptions each month



4. The future: subscribers want simplicity and flexibility

Users overwhelmingly want to centralize their subscription apps and billing. In fact, a massive 78% want one single platform to manage all of their subscriptions. That's not just their streaming services — it's everything.

Simplicity is key, but users also want more flexibility when it comes to their bills.

Nearly half of American subscribers (42%) feel 'locked in' to their current subscription providers, while 51% wish they could easily opt-out of automatic renewals.

Almost half (46%) are frustrated that they can't take 'payment holidays', temporarily pausing subscriptions, while 56% want to be able to toggle subscriptions on and off as they like.

This isn't just about affordability, it's about content access. According to data from Samba TV, most viewers watch only one program per streaming service, emphasizing the need to dip in and out of different subscriptions.



42%

of subscription users feel
'locked in' to their current
subscription providers



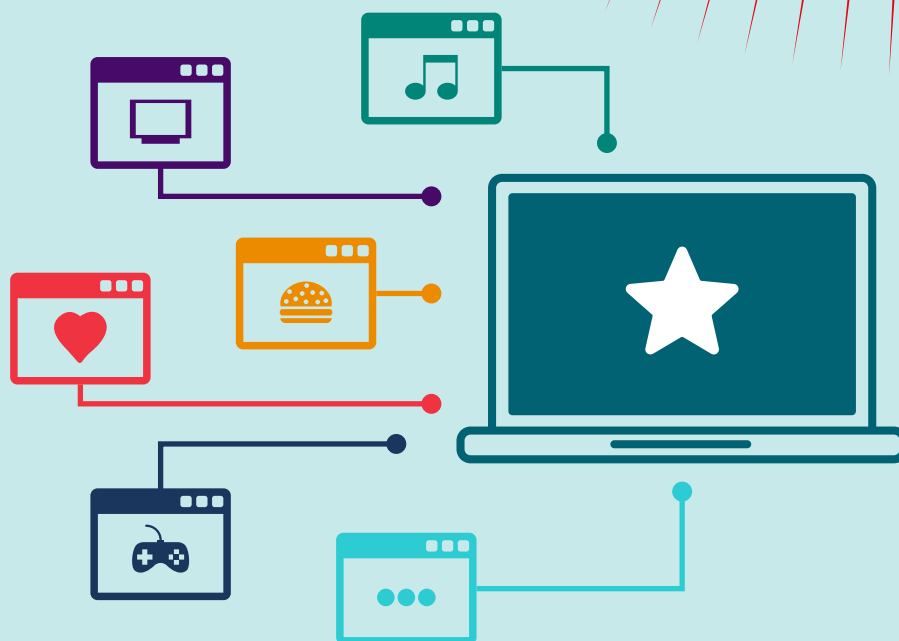
56%

of subscription users
want to be able to toggle
subscriptions on and off
as they like



46%

of subscription users are
frustrated that they can't
temporarily pause
subscriptions



78%

of subscription users
want one single
platform for all their
subscriptions



Anil Malhotra
Co-founder and CMO
Bango

"Subscription users don't want less choice, they want less admin.

They're tired of managing multiple services, multiple accounts and paying multiple bills. What's needed is not fewer subscription services, it's a way to bundle all those subscriptions together.

We need to focus on creating all-in-one solutions that give users the best prices, provide flexibility over bills, and that put subscribers first."

Subscribers want one app to manage all of their subscriptions



77%

of subscribers want to be able to pay multiple subscriptions via one monthly bill



39%

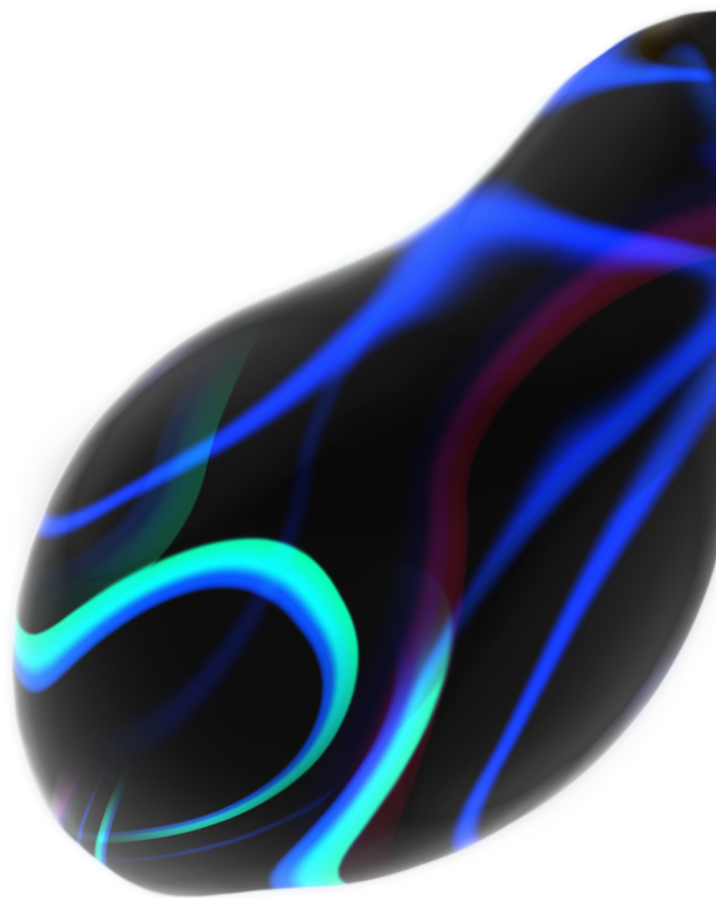
of subscribers believe piracy is the best way to access everything they want in one place

This desire to have greater control is encapsulated by the fact that three-quarters (77%) of subscribers in the US want to be able to pay multiple subscriptions via one monthly bill.

If the customer experience stays poor, consumers will vote with their feet. In fact, customers are already itching for change, and are prepared to get it — legitimately or otherwise.

Want to know what is currently the best way to access everything in one place?

39% of those surveyed are heading to online piracy channels to get the user experience they want.



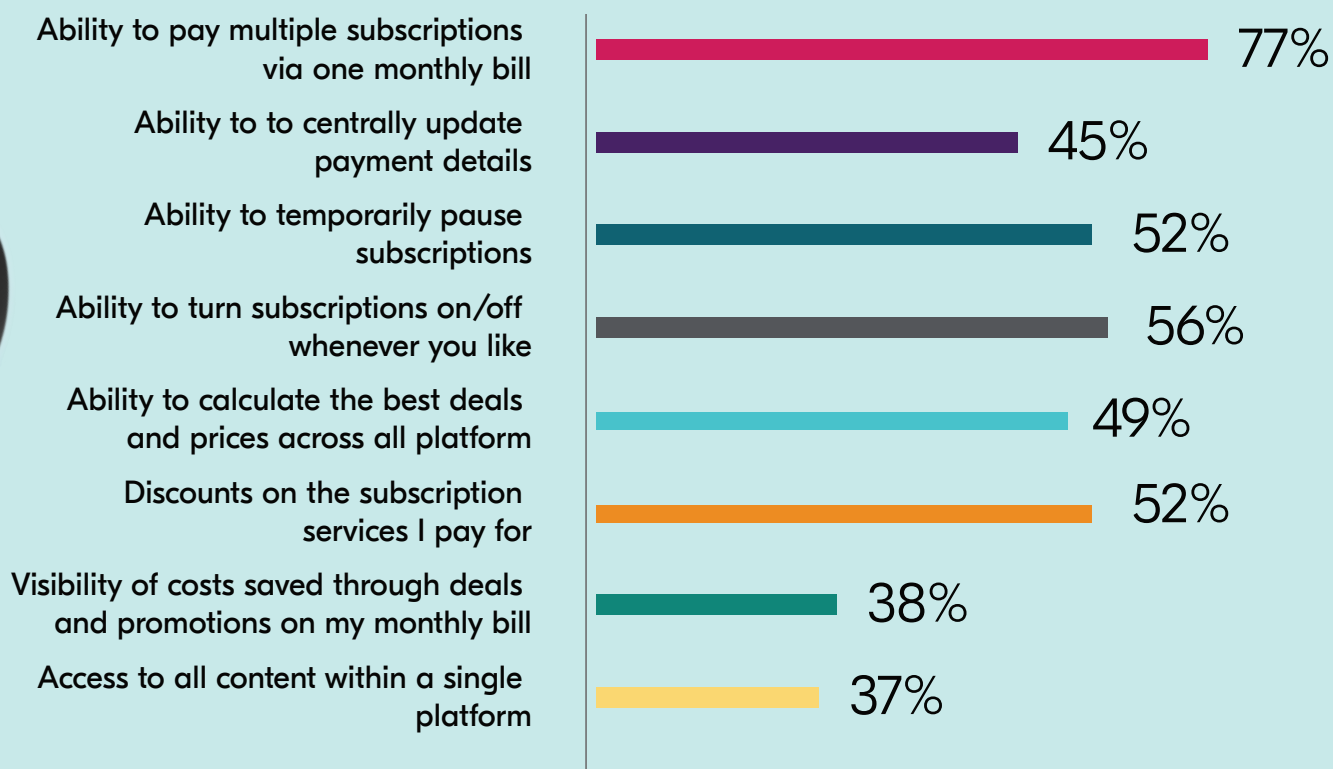
Subscribers want more control over their subscriptions, our survey highlighted that they want the ability to turn their subscriptions on and off whenever they like (56%).

They only want to have to enter their details once (45%).

And finally, they want discounts on the bundle of subscription services they pay for (52%) — a reward for their commitment.

This type of customer-first flexibility might sound like the distant future, but it's a reality that telco, wireless and TV providers are already in the process of creating.

What Americans would like to include in their one app to manage their subscriptions?



5. Introducing Super Bundling

An all-in-one subscriptions hub

In Australia, one Super Bundling platform has already taken shape in the form of Optus SubHub. This all-in-one platform already brings together everything from Netflix to Prime, from Paramount to Calm, and even Kindle. In the USA, Verizon's +play is unlocking a similar subscriber-centric approach.

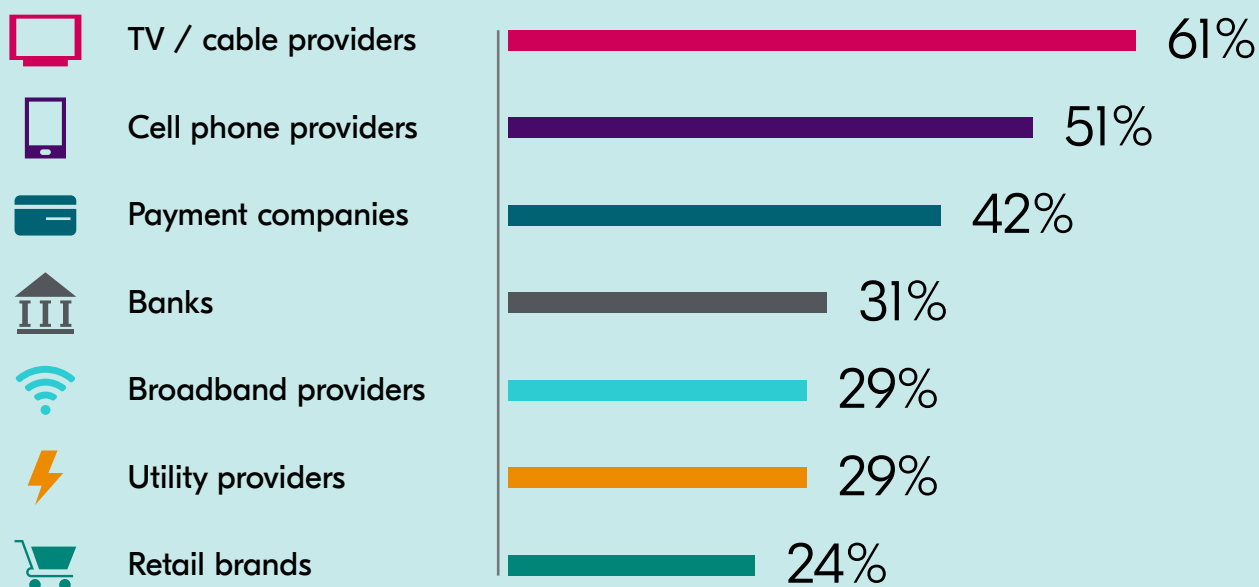
Consumers have the appetite for organizations who already have a trusted billing relationship with customers.

61% of subscribers want their TV or cable provider to offer them a subscription management tool. 51% want their cell phone provider to do this for them. 23% would happily take this functionality from a retailer.

Key to this is new technology which is making it easier for service providers to build and offer an all-in-one subscription content hub improving customer experience and engagement.



Who do Americans want to offer a single platform for subscriptions?



Finding a way to centralize platforms and putting what subscribers want at the heart of the subscription economy isn't just best for users, it's also best for the subscription services themselves.

Brands such as Netflix spend millions to build their own user base and maintain market share. By building a centralized subscriber-centric subscriptions hub, it opens up a huge new distribution channel and the possibility of legions of more loyal users.

According to the data, 71% of subscribers would spend more time using subscription services if a single app was available, while 62% would sign up to more subscription services if they came as a centralized package.

The question is, who is best placed to build this ecosystem? Who do consumers trust to manage payments, link up apps and redesign the subscription economy with their interests in mind?

To the victors go the spoils: Super Bundling drives acquisition, switching and loyalty



79%

of subscribers would be more loyal to a brand that provided this service



57%

would leave their current TV/broadband/mobile provider if this service became available elsewhere



70%

of subscribers would spend more time using subscription services



63%

of subscribers would sign up to more subscription services

Bango's technology and industry experience enables payment relationships across hundreds of different subscription services, apps and streaming brands. Adopting this technology, service providers and other brands can quickly join up hundreds of subscription services, bundling them into compelling offers, targeted at different customer segments and adding them to a single monthly bill.

At Bango, our technology operates as an ecosystem of subscription services, offers and deals. Any telco can plug into it. And any subscription service provider can join to boost their distribution. Our technology is already behind the distribution of subscriptions from

some of the biggest players in this market, with a network spanning Netflix, ESPN, Prime, YouTube, Peloton, Audible and more.

As the subscription economy moves into the next phase of evolution, the industry needs to stop fixating on who will win the 'streaming wars'. To do so is to be distracted from the systemic problem that is currently limiting the size of the subscription economy.

To come out on top, the long-term solution is to focus on putting users — subscribers — at the heart of the economy and in doing so shifting from a subscription economy to a subscriber economy.



Want to find out more about Bango Resale, our Digital Vending Machine? Contact us at sales@bango.com

