

How Many Subscriptions Can Consumers Take?

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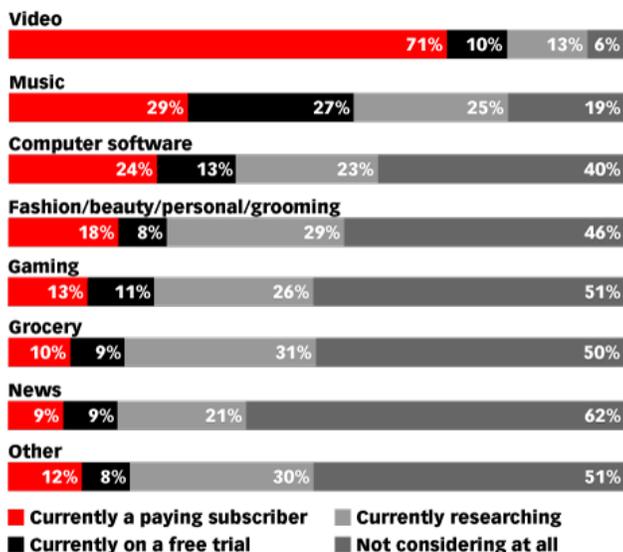
Media subscription services for video, music and software have become so ingrained in our routines that for many, monthly fees are just a part of life. But consumers can only budget so much for these conveniences. Are media budgets squeezing out meal kits and other subscription box services?

According to a June 2018 survey by mobile agency [Fetch](#), the majority of US internet users subscribe to a video service (71%). That figure drops dramatically for other categories, including retail-focused ones. For example, 18% said they subscribe to a fashion and beauty subscription service, while 10% used a grocery service.

The data suggests that even though there is a wide gap in purchasing items other than media via subscription, there is still widespread interest in grocery services and fashion and beauty boxes. Close to a third of the survey respondents said they are investigating services like Amazon Fresh and Blue Apron, and 29% are looking into companies like Birchbox, StitchFix and Dollar Shave Club. Fewer than 10% are currently trialing a retail subscription service.

Subscription Service* Status According to US Paid Subscription Subscribers, by Category, June 2018

% of respondents



*Note: ages 18+; numbers may not add up to 100% due to rounding; *e.g., Netflix, Spotify, Dollar Shave Club*
 Source: Fetch, "The Mobile-First Consumer and the Subscription Economy," July 17, 2018

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While the survey found widespread use of mobile devices, app usage in the retail categories was fairly low. For groceries, just 12% of respondents had downloaded a related app. That figure was 16% for beauty and fashion. This isn't very surprising since food and clothing can't be consumed via mobile the way news or music can. Still, it presents an opportunity for retail brands to **engage and personalize the shopping experience**.

Media subscription services also presumably have an advantage in that their content may well be consumed daily. Retail categories tend to be used less frequently: Most respondents said they used them at least once per month, but not weekly. Consumers also spend more on them; 25% spend \$40+ monthly on grocery services, while 15% spend that much on beauty and fashion services. Only 5% spend in that range on video, for example. There is a greater upside for retail services, especially since the category is relatively underpenetrated.

A minority of consumers currently use subscription boxes. Some 11.4% of US internet users had received one in the past 30 days in "The eMarketer Ecommerce Insights Survey" conducted in June 2018 by

Bizrate Insights. This figure is virtually unchanged from February (11.3%), and in sync with the Fetch data. However, 21.3% of those ages 30 to 39 and 20.5% of those 18 to 29 had received a shipment from a Birchbox-type company, indicating that subscription commerce has more appeal among younger shoppers than the general population.

In a May 2018 **Toluna** survey, the most popular type of subscription service among US internet users was health and beauty (26%), which could include makeup or grooming products but also replenishment of utilitarian items like razors or shampoo. Fully 19% of respondents used meal kits, while wardrobe subscriptions like Trunk Club had the lowest usage (13%). Most of these services are geared toward saving time rather than saving money, so they **aren't exactly considered necessities.**