

# What Subscriptions Are Given as Gifts?

It's the opposite type of gift consumers buy for themselves

## ARTICLE |

**Krista Garcia**

**S**ubscription commerce has captured retailers' attention with its built-in customer base and predictable sales patterns. It may seem like there is a box for everything—think special effects makeup or instant ramen—but not all categories have been embraced equally.

Meal kits like Hello Fresh or beauty boxes like Ipsy might come to mind when thinking about subscriptions, but in a new study by [Magid](#), the definition of subscriptions is broadened to include memberships as well. By that measure, membership to Costco or Sam's Club is the most popular among US subscription holders. It's also the category for which consumers had the highest purchase intent.

**Categories Where US Subscription Holders Currently Have Subscriptions vs. Those in Which They Intend\* to Enroll, May 2018**

% of respondents

	Have subscriptions	Intend to enroll
Warehouse/club	57%	38%
Music/audio	32%	33%
Fitness	31%	31%
Food	19%	31%
Beauty/grooming	17%	27%
Pets	16%	27%
Clothing/fashion	14%	28%
Beverage	14%	27%
Health/nutrition	14%	24%
Meal kits	13%	26%
Home	12%	25%
Kids/baby food	7%	18%
Kids/baby nonfood	7%	18%

Note: ages 18+; \*in the next 6 months

Source: Magid, "2018 Subscription Study Research Report," Nov 21, 2018

243814

www.eMarketer.com

Categories like food, beauty, fashion and meal kits don't appear to be over-saturated yet. Twice as many subscription holders in the US said they intended to enroll in a meal-kit subscription program in the next six months than currently used one. This is similar to previous studies, which found a fair amount of consumer interest in grocery, personal care and apparel subscriptions, regardless of current usage.

The study also delved into gifting behavior, useful insights for the holiday shopping season and beyond. Roughly one-third had been given a subscription as a gift before, and for the most part, categories were reversed when asked about gifts consumers had received. The top categories for gifts were baby food delivery (48%), like Pure Spoon or Yumi, and nonfood children's products (40%), like Target's Cat & Jack Baby Outfit Box or Amazon's STEM Club Toy Subscription. Unsurprisingly, warehouse club membership was the least gifted (18%).

Around one-third had received a fashion, beauty or meal-kit subscription, a figure higher than consumers who had paid out of pocket, which would imply they didn't see the value of continuing them once a typical six-month or one-year membership expired. Barriers cited in this study were that subscribers didn't like the products or services enough to justify cost and hesitation about getting locked into a program.

Beyond offering compelling products, studies have shown a big draw for subscription boxes is being able to sample products without committing to full-price, standard-size versions, which applies more for beauty and food and beverage categories.

Brands and retailers have addressed the commitment-phobes by carrying subscription-free products. For example, Target is selling monthly beauty boxes and Kroger now offers standalone meal kits from Home Chef, the company it acquired earlier this year.