

Subscription ecommerce is poised for its slowest growth year on record

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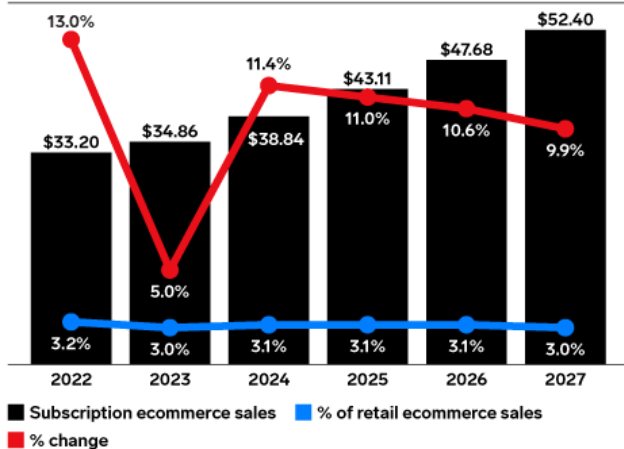
Economic concerns, inflation, and subscription fatigue have all tempered consumer appetites for subscription offerings.

- **Sales will increase by 5.0% in 2023, the slowest rate since ecommerce subscriptions came to prominence in the early 2010s.** Growth rates will rebound in 2024 but will be more

moderate going forward, growing roughly in line with the rest of ecommerce sales.

- **Subscription ecommerce was maturing rapidly in the years leading up to the pandemic.** The pandemic's ecommerce boom then caused subscription-based sales to spike in 2020 and 2021, pulling growth forward by several years. That's also contributed to the current slowdown.
- **Subscription ecommerce sales will hover around 3% of total ecommerce sales.** There is still a strong consumer appetite for subscription ecommerce. But as it reaches maturity, it's become clear that the model won't drive more than a small sliver of total ecommerce sales.
- **Ecommerce growth in essential goods categories will be the main driver of subscription growth.** We expect food and beverage and health, personal care, and beauty to be the fastest-growing ecommerce categories over the next five years. These product categories have already had success with subscription ecommerce, and the two will continue to grow in tandem.

US Subscription Ecommerce Sales, 2022-2027
billions, % change, and % of retail ecommerce sales



Note: regularly recurring (weekly, monthly, yearly, etc.) sales of products offered by brands or retailers that are shipped to consumers on a periodic basis; ordered using the internet via any device, regardless of the method of payment or fulfillment; includes physical products with their accompanying services; excludes travel and event tickets
Source: eMarketer, March 2023

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Adoption has slowed while consumers have opted for fewer subscriptions.

There won't be a significant influx of new subscribers in the coming years, and existing subscribers have also opted for fewer subscriptions.

We expect subscription buyers to spend more over time. But it won't keep pace with overall spending by digital buyers. Our forecast estimates that the average spend per subscription buyer will grow from \$687.86 to \$932.36 between 2023 and 2027. But that's slightly slower than the growth rate for average consumer spending in the overall ecommerce market.

Report by Blake Droesch May 23, 2023

US Subscription Ecommerce 2023

