

The state of subscriptions in 5 charts

Article



After experiencing a boom during the pandemic, the subscription frenzy has begun to fade as consumers grow weary of the **Stitch Fixes** and Blue Aprons of the world.

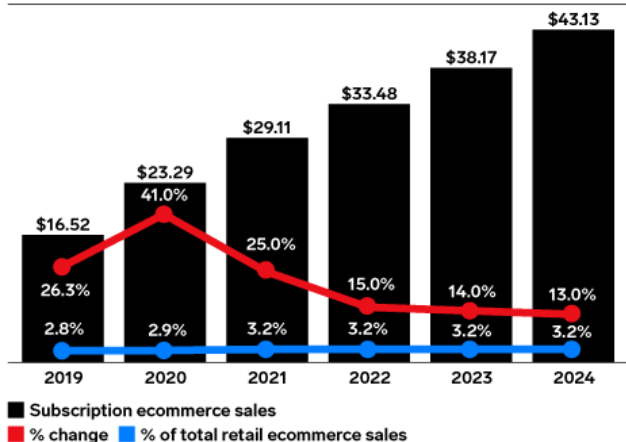
Has the category lost its way? Or is there hope on the horizon? Let's take a look.

1. Subscriptions sales stay steady—for the time being



US Subscription Ecommerce Sales, 2019-2024

billions, % change, and % of total retail ecommerce sales



Note: recurring (weekly, monthly, annual, etc.) sales of products offered by brands or retailers and 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 and food or drink services
Source: eMarketer, March 2022

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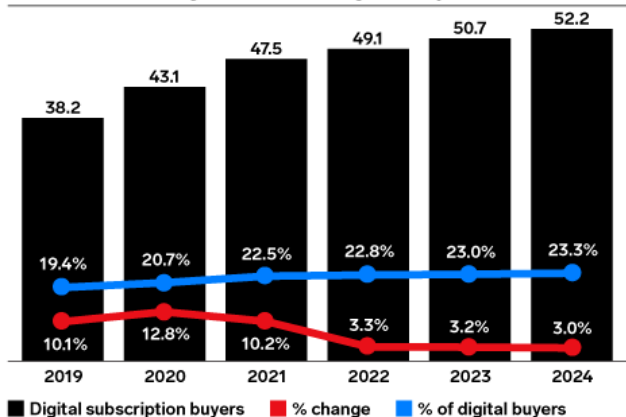
Though quite a slowdown after 2020, **US subscription ecommerce sales** will continue to see double-digit growth over the next couple of years, reaching \$43.13 billion by 2024.

Worldwide, growth will be driven by two categories: food and beverage and beauty and personal care.

2. But adoption begins to slow

US Digital Subscription Buyers, 2019-2024

millions, % change, and % of digital buyers



Note: ages 14+; internet users who have digitally subscribed in the past 12 months to recurring (weekly, monthly, annual, etc.) periodic shipments of products or services offered by brands or retailers
Source: eMarketer, March 2022

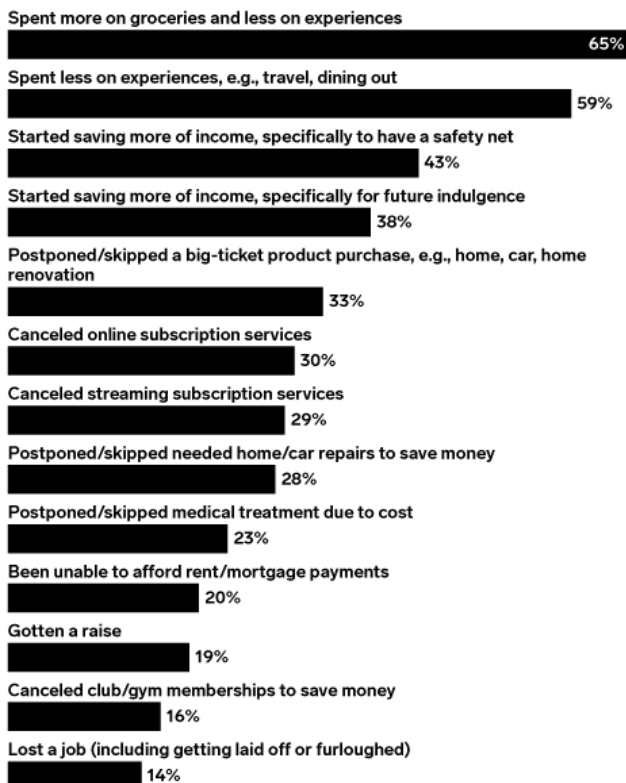
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Companies will increasingly need to **rely on existing customers** as the number of new subscription buyers slows. Because of this, we predict the average spending per digital subscription buyer will climb to \$753.23 a year in 2023, sustaining growth in the short term.

3. And what about the long term?

Recent* Changes in Household Spending According to US Adults, Aug 2022

% of respondents



Note: n=1,119 ages 18+; *in the past 6 months
Source: Ipsos, "Coronavirus Consumer Tracker," Aug 5, 2022

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Well, that's a horse of a different color.

Over the past few years, the phrase "subscription fatigue" has been tossed around quite a bit as the novelty has worn off.

In addition, inflation has forced consumers to reevaluate their spending, causing many to cut costs on non-necessities like subscriptions. As of August, nearly a third (30%) of US adults reported canceling an online subscription service in the past six months, per Ipsos.

4. Amazon vs. Walmart (but is it even a contest?)

Which Retail Membership Services Do US Adults* Pay For?

% of respondents, by demographic, Oct 2022

	Female	Male	18-34	35-54	55-65	Total
Amazon Prime	66%	61%	62%	69%	60%	64%
Sam's Club	27%	30%	30%	25%	30%	28%
Costco	26%	29%	25%	30%	26%	27%
Walmart+	13%	17%	21%	16%	8%	15%
DoorDash DashPass	9%	13%	18%	12%	3%	11%
Best Buy	5%	15%	14%	9%	6%	10%
Nike	3%	11%	16%	4%	1%	7%
InstacartExpress	3%	6%	7%	5%	2%	4%
Shipt	1%	4%	6%	2%	0%	3%
Fresh Direct DeliveryPass	0%	3%	4%	1%	0%	2%
Other	3%	3%	1%	2%	4%	3%
None	19%	13%	9%	17%	21%	16%

Note: *or any member in the household

Source: "The Insider Intelligence Ecommerce Survey" conducted in Oct 2022 by Bizrate Insights, Oct 27, 2022

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Amazon Prime is far and away the most popular retail membership service, with nearly two-thirds (64%) of US adults paying for it, according to Bizrate Insights.

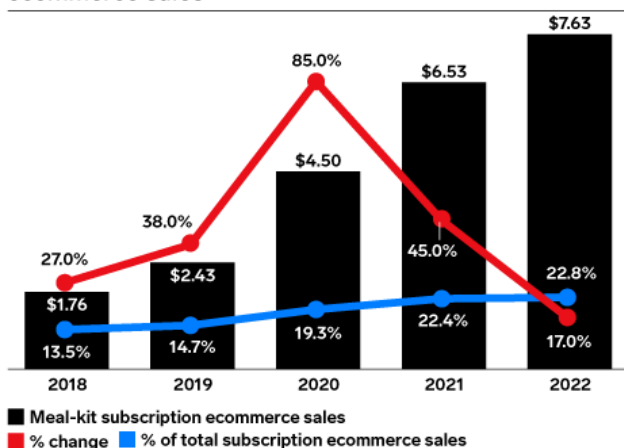
Though it currently trails in fourth, Walmart is aiming for the top. In order to boost membership for its Walmart+ service, the retailer has done everything from offering cash-back rewards, **cutting the price of its membership**, and even creating its **own version of Amazon Prime Day**.

Still, a not insignificant number (16%) of US adults don't pay for any retail membership services at all, which means there's still plenty of opportunity for retailers to grow their subscriber base.

5. Meal kits are on the outs

US Meal-Kit Subscription Ecommerce Sales, 2018-2022

billions, % change, and % of total subscription ecommerce sales



Note: recurring (weekly, monthly, annual, etc.) sales of meal kits offered by brands or retailers and 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

Source: eMarketer, March 2022

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As at-home cooking surged during the pandemic, **meal-kit subscription sales** went through the roof. Though subscription sales have continued to grow this year, that growth has substantially slowed as consumers first returned to in-person dining, then **cut costs** due to rising prices.

HelloFresh remains the market leader in meal kits, helped by its acquisition of organic brand Green Chef and the launch of budget-friendly EveryPlate. According to Apptopia, Green Chef was the fastest-growing **meal-kit app** in the second quarter of 2022, growing monthly active users by 275% year over year.

The bottom line: Subscriptions aren't dead, but the future isn't guaranteed.

In the past few years, subscriptions seem to have lost sight of what customers are looking for, which generally boils down to one of two things: product discovery or convenience.

Our advice? Choose just one. If discoverability is your claim to fame, then play up your offerings and lean into surprise. But if convenience is what you aim to offer, emphasize a seamless customer journey and customer discounts.

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).

