

The Fate of Online Subscriptions in A Post-Pandemic World



INTRODUCTION

The COVID-19 pandemic marked a notable change in consumer behavior around online subscription services.

Faced with restricted movement and public health concerns, Americans found both solace and a ready stream of supplies accessible through online channels. The Angus Reid Group took the opportunity to poll Americans to understand how subscriptions served people and solved their needs through an uncertain time.

Online Subscriptions

The steady rise of online subscription services in recent years has marked a fundamental shift in how Americans are choosing to access select consumer goods and services. Four in five American households have at least one online subscription service and three-quarters of Americans have at least one video streaming service.

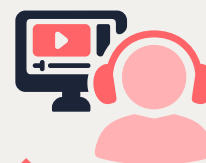
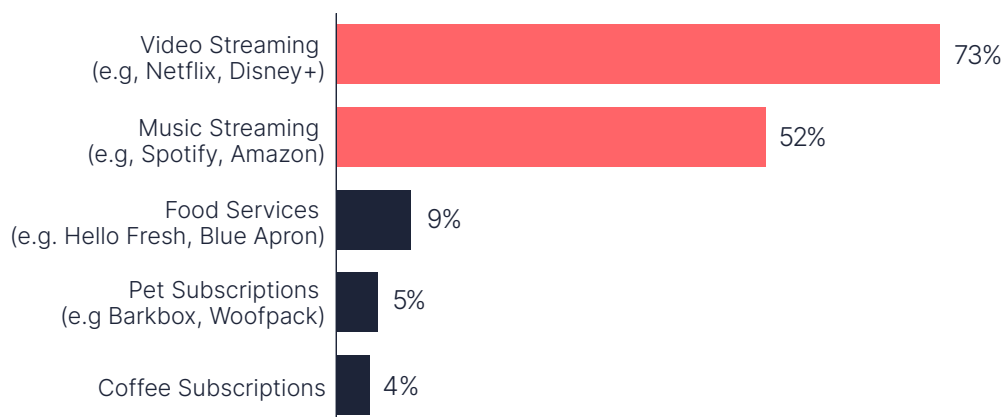
80%

of Americans have at least one subscription service

FIG 1.0

Did you have these subscriptions before the pandemic started?

All Respondents (n=1007)



↑
Video Streaming (88%) and Music Streaming (69%) are highest among 18-34 year olds.

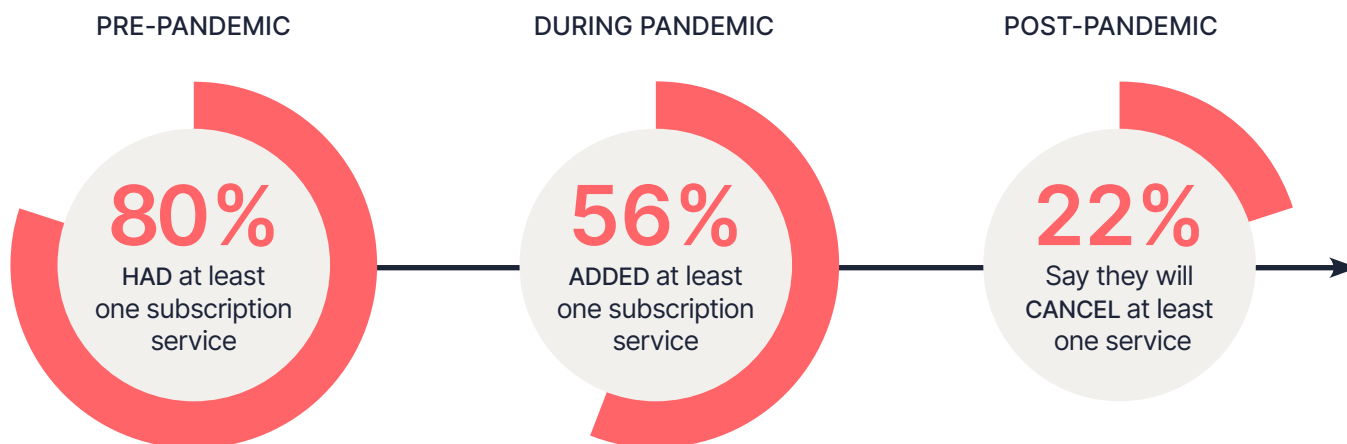
The Pandemic Wave

Not surprisingly, under the shadow of the pandemic, subscription rates have surged and expanded. In offering comfort and convenience, these services filled a gap for many who were relegated to living most of their days at home. The world arrived on our physical or digital doorstep to keep us entertained, stocked up, and connected to others.

FIG 2.0

Subscription Additions & Subtractions During the Pandemic

All Respondents (n=1007)



Sign-Up of the Times

While music and video streaming services are common in most American households, services such as food delivery as well as pet and coffee subscriptions registered solid upticks in new sign-up activity. Over one-half of American households (56%) added to their subscription services across these five categories during the period.

Necessity vs. Convenience

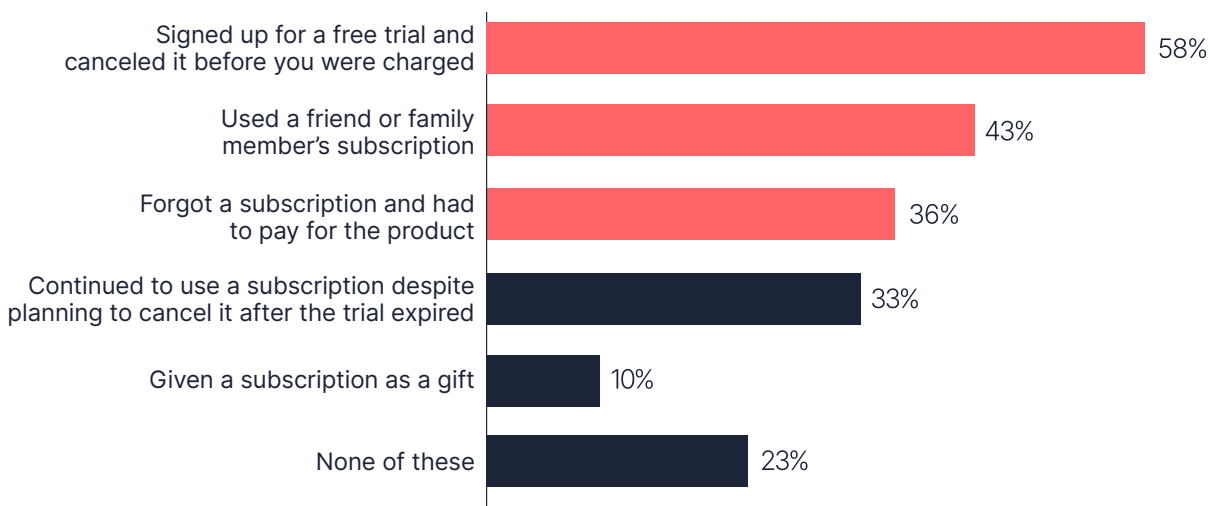
As Americans emerge from the confines of lockdowns and limited access to services, they're now assessing which subscriptions remain relevant. 22% of respondents indicated that they will be cancelling at least one subscription in the post-pandemic world.

Given the steady transition to online music and video streaming in recent years – well in advance of the pandemic – it's clear that these services have entered the mainstream for most people. Video services have undergone even greater adoption during this time. Meanwhile, after enjoying a COVID-bump, cancelled subscriptions will be felt acutely in food, pet and coffee services.

FIG 3.0

Subscription Related Behavior: Have you ever done any of the following?

All Respondents (n=1007)



Freely Exploring

The enticement of free subscriptions for a trial period has also gained prominence during this time as 58% of respondents indicated uptake, while 43% used a family/friend's subscription. More revealing of the model's advantages is that 36% of Americans who signed up forgot to cancel their subscription and had to pay for it after the trial period.

Essential Viewing

It didn't take a pandemic to convince us that the online subscription model is here for the long term. It did clarify, however, that people have grown more accustomed to the format and are prepared to explore alternative means of getting what they need. And, conversely, what they don't.

METHODOLOGY

Between June 2nd – 6th, 2021, the Angus Reid Group conducted an online survey to understand consumer behavior relating to subscription services throughout the pandemic. The sample was comprised of n=1,007 Americans balanced to age, gender and region.

Does your business need to better understand the potential of this channel and the behaviors around it?



Look to the Angus Reid Group to provide the critical information you need to help drive stronger decision making.

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