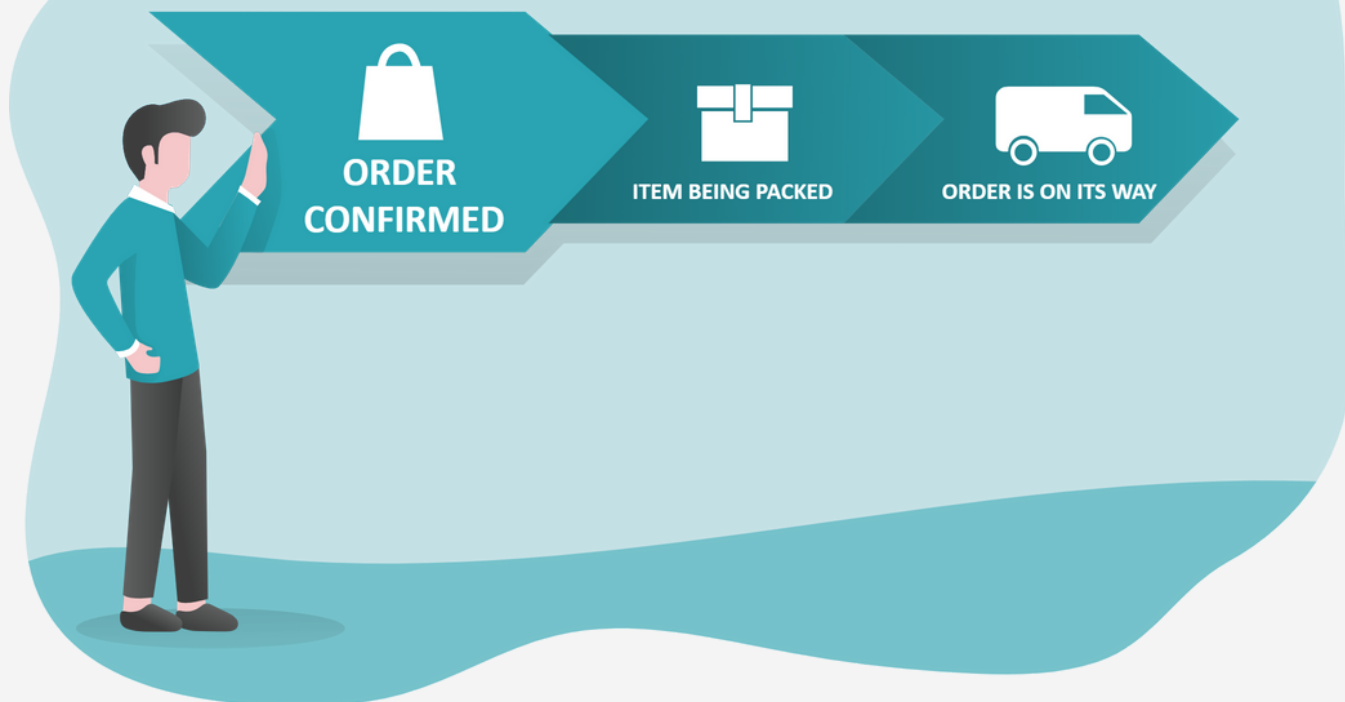


THE IMPORTANCE OF SUBSCRIPTION- BASED MODELS IN 2021



**THE AVERAGE
BRIT SPENDS
£500+ PER
YEAR
ON SUBSCRIPTION
SERVICES**





**TWO-THIRDS OF UK HOMES
ARE CURRENTLY SIGNED UP
TO REGULAR SUBSCRIPTION
SERVICES - AN AVERAGE OF
SEVEN CONTRACTS PER
HOUSEHOLD**

EXAMPLE: PRET COFFEE

A few months ago, high street coffee company Pret A Manger introduced a subscription scheme.

The subscription allows consumers to get up to 5 of their favourite coffees every day made in-store by the experts, for a fixed monthly fee of £20! Meaning if you're a regular barista coffee drinker, the new cost is unrivalled.

Will more coffee chains follow suit?



**HOW DO
SUBSCRIPTIONS
BENEFIT THE
CONSUMER?**



PERSONALISATION

63% of consumers expect personalisation as standard now. When a customer receives their monthly box that has been curated with their personal tastes and needs in mind, they feel understood, valued and connected.

CONVENIENCE

Subscribers never have to remember to reorder every month, which gives them the reassurance that they will have whatever they need before they actually need it.



HOW DO SUBSCRIPTIONS BENEFIT THE BUSINESS?





GREATER CUSTOMER LOYALTY

You have the opportunity to build trust and foster even better customer relationships, which in turn builds better retention levels. Even if they're not entirely happy with your product, it can be hard – psychologically – for a customer to go ahead and cancel a subscription.

RECURRING REVENUE

Recurring revenue is perhaps one of the most compelling factors in a company valuation. This consistency in revenue also allows companies to easily calculate the lifetime value of a customer



**THE SUBSCRIPTION BOX
MARKET IS ESTIMATED TO
GROW BY 77% TO BE
WORTH OVER £1 BILLION
BY 2022.**

**HAVE YOU
CONSIDERED IT FOR
YOUR 2021 BUSINESS
PLANS?**

