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Title: Retailers: Fear Not the Rise of Subscriptions.

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We live in a "Click, Click, Autoship" world, and it's time to get on board.

Retailers gaining consumers is a beautiful thing, and subscriptions will turn those consumers into true fans. Zuora CEO Tien Tzuo gives a passionate plea for Retailers to see the true and proven value of riding the subscription-based wave in his piece {here.}

PIECE:

Retail Via Subscription: A Boon, Not a Bane

How Retailers Can Embrace the Age of *"Click, Click, Autoship"* Subscription Ease

Retailers and consumers rejoicing in a subscription-based revolution? I'll subscribe to that.

The United States leaves behind about 120 billion pounds of food waste annually. Queue a phenom like BlueApron (a spunky meal-delivery service with great branding.) They launched to the masses with a bang and after leveraging consumer data, now know exactly how much lettuce to plant to satisfy their fan's salad demands—right down to the individual seed.

Retail's booming transformation within recent years can be attributed to many things, and that's a fact. The rise of subscription-based business models is a considerable contributor—a bigger fact. (37% of global consumers have at least one active retail subscription, which is expected to skyrocket to 53% by 2025.) I've seen a million and one skeptics argue that subscriptions disrupt the traditional retail landscape negatively, and those feelings might be justified if not for the proven benefits. I say nay—subscription models are not here to overrun the game but are revolutionizing this sector's success. And boy, is it about time to hop on the bandwagon if they haven't already.

WHY SUBSCRIBE?

Retailers gaining consumers is a beautiful thing, and subscriptions will turn those consumers into true fans.

A perfect subscription program is molded around consumer-first ideology: *flexible terms, order skips, and cancellations. Exclusive discounts. Outstanding customer service. Value, value, value.* This kind of program makes it easy for consumers to justify taking the jump.

On the retailer's end, this model generates new revenue streams by capturing new consumers, maintaining current ones, and being able to leverage new data to make changes for the better. This means more personalized experiences, higher conversion rates, and increased customer satisfaction. According to our Subscription Economy Index, subscribers are willing to spend 29% more on products and services than non-subscribers. Retailers can leverage this new brand loyalty to establish stronger brand connections, which is a win all around.

Subscription models also offer retailers a predictable and stable source of revenue. Businesses that provide subscriptions can forecast revenue more accurately instead of relying on seasonal fluctuations and unpredictable market trends. This stability can be the mother of all lifelines, especially during economic downturns. The pandemic highlighted the importance of revenue predictability, and subscription-based businesses such as meal kits, streaming services, and health and wellness products saw this play out well. (More sectors like grocery, electronics, and beauty will be some of the top subscribed-to by 2025!)

Growing, Growing, Gone

What areas will we continue to see growth? For one, replenishment boxes and memberships are the preferred models for many consumers within the Grocery sector. The membership model is trendy for retailers offering DIY crafts and electronics. The curated box model is more appealing for the Beauty & Cosmetics and Fashion segments than other categories.

Brick-and-mortars aren't excluded from the benefits, either: a storefront will need just one pleasant in-person visit to win a recurring consumer. Subscriptions mean your new biggest fans will have easy access to your best deals, regularly and on their time.

If retailers are worried about how things could go south (such as consumer's lack of perceived value in subscribing), the data is on their side. While 61% of a sample group across the US and EU mentioned not wanting to bind themselves to a recurring purchase, that number could be mitigated by creating an ideal customer experience. Squash their fears. Make it flexible, cost-effective, and straightforward. Following this data means more informed decisions for your business.

In summary, here's how I believe that retailers can ride the wave without falling off their boards:

1. Focus on Value

Say it again: *value, value, value.* Leverage what you know about your customers to provide them with the best value. (What might work for another retailer might not work for you. And that's okay!)

2. Make the Experience Seamless

Attention spans are at an all-time low; determine how to keep those eyes glued to your product page. Figure out the most user-friendly and engaging subscription experience that will encourage them to purchase across all your channels and touchpoints.

3. Strategize & Monetize

Choose the correct price positioning to maximize the consumers' willingness to pay. For example, by tracking subscriber behavior and preferences, retailers can refine their product offerings and marketing strategies to cater to what the people want to see.

I won't beg, but I *will* implore the retail industry to adapt to the subscription boom by embracing it to stay ahead of the curve. The subscription model is a game-changer for the retail sector, offering increased customer loyalty, predictable revenue streams, and valuable data. Subscriptions cater to the evolving preferences of modern consumers and provide a real shot at longevity for both established retail giants and emerging businesses. Challenges exist, but the potential (and proven) rewards for embracing subscriptions are just way too substantial to pass up.

Retailers: fear not the rise of subscriptions. Just. Keep. Clicking.