

2024 State of Subscription Commerce Industry Outlook

ANNUAL REPORT

UNDER THE AUTHORITY OF  **SUBTA**



PRESENTED AT
SUBSUMMIT

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Introduction

After deep industry research and surveying thousands of U.S. customers, it becomes evident that consumer behaviors are no longer evolving year over year, nor month over month. They evolve on a daily basis and are dictated by a person's mood, finances, and relationships. This evolution shifted the dynamics between direct-to-consumer businesses and customers, rewarding the companies that focus on creating and nurturing personal relationships with individuals.

In 2024, consumers want more. They want it faster, cheaper, and more reliable than before. And failure to do so could mean the end of a loyal customer's relationship with a brand in favor of an increasingly competitive marketplace of consumer goods and services.

According to a consumer survey conducted by the Subscription Trade Association (SUBTA), a majority of US customers are active subscribers.



SUBTA surveyed hundreds of customers to identify the main reason that would have prevented them from canceling a subscription or membership. Most customers say they would have remained subscribed if:



Subscription, membership and loyalty businesses must now focus on delivering an “undeniably valuable” — to quote Venessa Yates, Senior Vice President of Walmart+ — experience in order to overcome consumers' budget-related apprehensions.

The 2024 State of Subscription Commerce Industry Outlook provides actionable insights and takeaways on how to strengthen customer relationships by delivering a frictionless experience from acquisition to retention.

Thank you for downloading our report! We can't wait for you to apply the learnings documented within it to elevate your business and provide unforgettable experiences to your customers.

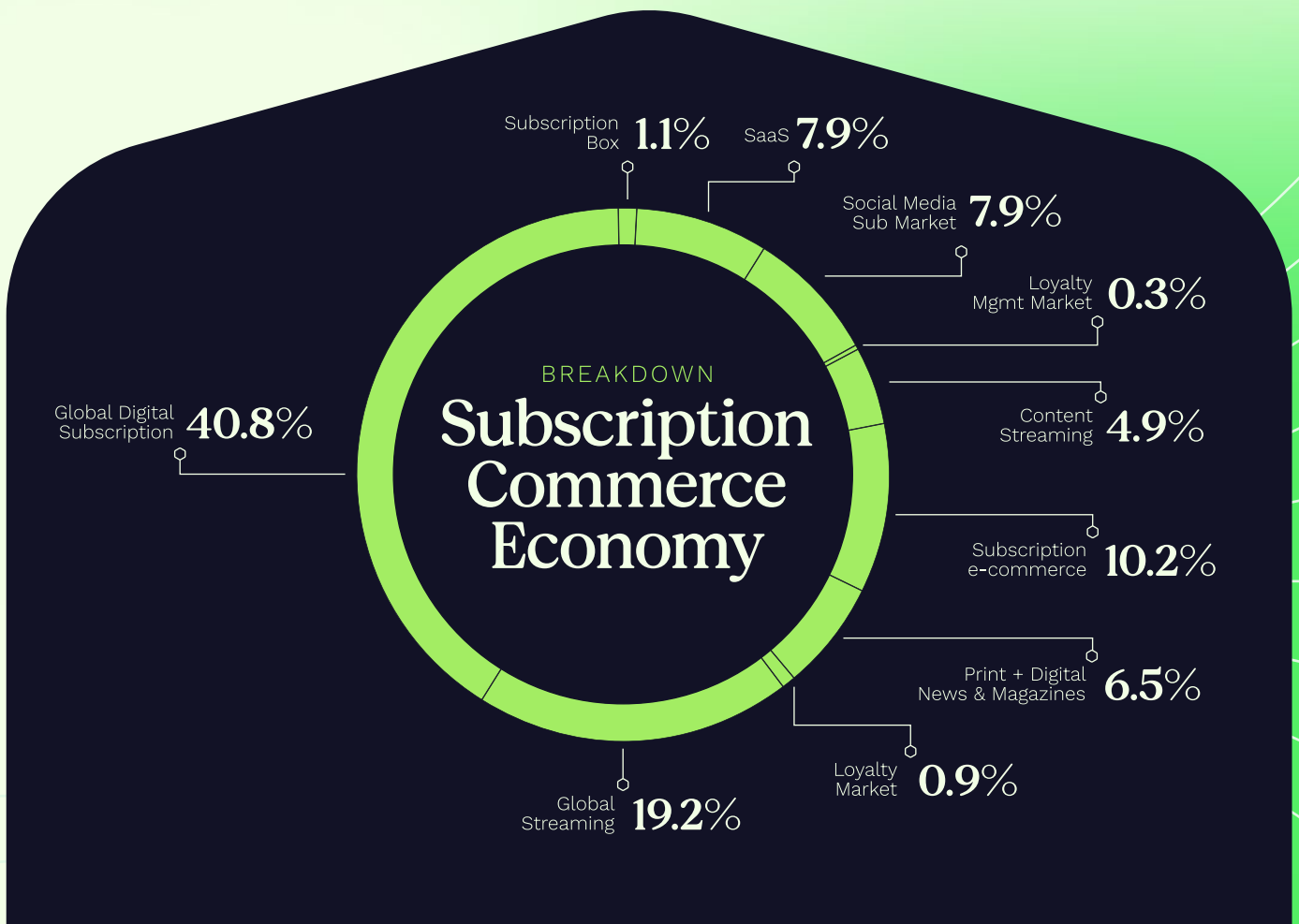
Christopher George, Paul Chambers, John Haji
Co-Founders, SubSummit & SUBTA



LOOKING AHEAD

The State of Subscription Commerce in 2024

Following its 2023 findings that the recurring revenue industry was valued at an estimated \$2T, SUBTA uncovered that the subscription, membership, and loyalty sector is in fact worth much more in 2024 – valued at an estimated \$3T.



Top 3 subscriptions & memberships customers pay for*:

*Note: The data collected is from consumers who have more than one subscription



Top 3 subscriptions & memberships recently canceled*

*Nearly 20% of consumers say they cannot remember which subscription or membership they canceled last.



Top 3 reasons for canceling a subscription or membership

No. 1

I had to **reduce my spending**

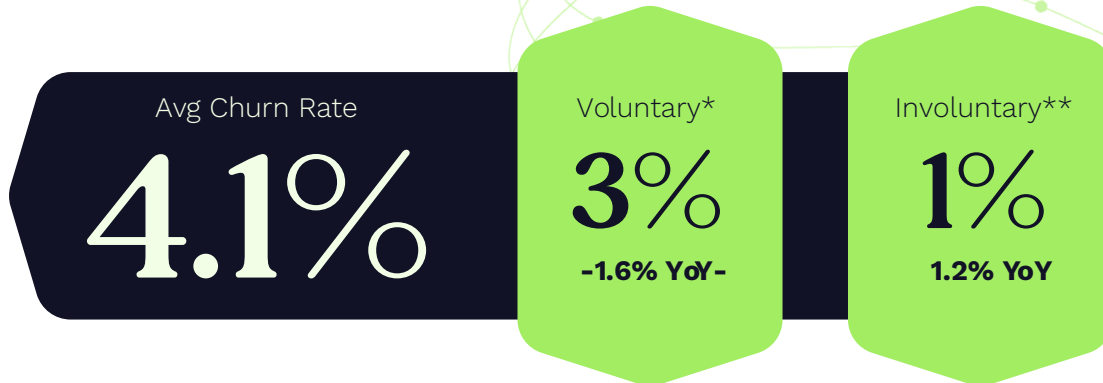
No. 2

I no longer **wanted it**

No. 3

I was no longer **within the price range** I wanted

According to Recurly, subscriber churn rates were down across all industries in 2023:



*Voluntary churn: When a customer knowingly cancels their subscription/membership.

**Involuntary churn: When a customer unknowingly cancels their subscription/membership (failed payment, etc.)

According to Recharge, several key performance indicators (KPIs) experienced significant growth in 2023 as well in some of the most popular verticals:



The data highlighted above shows that consumers are becoming more selective when it comes to paying a recurring fee in exchange for a product or service. However, once they're committed, they're likely to spend more than they have in the past.

The concept of "quality over quantity" is in full effect in 2024, and it's gaining momentum as bundles continue to experience success.

THE STATE OF SUBSCRIPTION COMMERCE IN 2024

The Case for Bundling

While bundling two (or more) complementary products or services is gaining popularity, it's still challenging for brands to implement such an offering without directing the customer through a potentially complicated user journey.



Bundle Breakdown

verizon **+play**

Pro

Exclusive access and/or savings on:

Streaming

MAX, Paramount+, STARZ, AMC+, etc.)KOCOWA+, FlixLatino, VIX Premium, UP Faith & Family, DOGTV, Lifetime Movie Club, Ede, BET+, Fox Nation, History Vault, A&E Crime Central, Marquee TV, Discovery+, Disney+, YouTube TV

Gaming

XBox Game Pass Ultimate, Google Play Pass

Sports

NBA League Pass, NFL+, UFC Fight Pass, The Athletic

Music & Audio

VEEPS All Access, Qello Concerts by Stingray

Lifestyle

Tastemade+, Perlego Books, Peloton, Snapchat+, Calm, Super Duolingo, Vooks, Masterclass, The Washington Post, Wondrium, ABCmouse, Adventure Academy, Outside+

Challenge

Everything sold on the +play platform “requires a separate subscription purchase,” according to the company’s Frequently Asked Question page

Pro

Customers can cancel their subscription or resubscribe to inactive ones on the platform.

Challenge

+play does not offer subscribers the option to pause their subscription “currently,” according to the company, meaning that it could be part of the platform’s roadmap.

Pro

Existing MAX subscribers can migrate their subscription onto +play without having to cancel their current account.

Challenge

With the exception of MAX, existing subscribers wishing to migrate their subscription onto +play must cancel it first and resubscribe through +play

“While bundles have strengthened the acquisition process for a lot of DTC companies, there remains opportunities from an operational standpoint that will streamline the user journey. The thought of having to cancel an existing subscription, which collects personal data to provide a curated experience, and then have to re-subscribe to it via a different portal and start from scratch may not be worth it to certain customers. We need technology that can turn this experience into a frictionless process.”



Paul Chambers
CEO, SUBTA

THE STATE OF SUBSCRIPTION COMMERCE IN 2024

Providing an “Undeniably Valuable” Experience

According to a SUBTA survey, *72% of consumers* say that they know the exact number of companies they’re subscribed to, which further proves that buyers are more aware of their spending habits than before.

Subscription management tools like Rocket Money — and newly launched ones like Mastercard’s Smart Subscriptions and Visa’s Subscription Manager — also play a role in keeping customers informed of their recurring spendings at all times.

The elements of discovery & delight — enriched experiences — are still contributing to retaining subscribers and members, though other factors are increasingly important. Consumer brands must now make their offerings immediately and tangibly beneficial to stand out from the competition.

Three Factors to Account for when Building a Recurring Revenue Offering



Venessa Yates

Senior Vice President & General
Manager, Walmart+



Execution

“We have to execute with excellence. And delivery is one of the top reasons our customers join as members. And so we have to meet and exceed their expectations when it comes to these benefits. And we need to provide services and products that our members can trust us and be dependent on us to deliver.”

Innovation

“We're augmenting the value prop every day, trying to understand what's the stuff that we want to deliver long term, what's the stuff we want to pulse in, and how do we keep this kind of interesting element to the membership alive?”

Leveraging data effectively

“How I think about data is ‘How can I use it to best understand my members? How can I really deepen the engagement I have with them?’ And we have a lot of data, to your point. But for us, it's around really distilling those inter-personalized moments and rewarding experiences that speak to members as an individual who belongs in our program.”

Three Factors to Account for when Building a Recurring Revenue Offering



Jon Sanchez

Senior Director of Marketing
& Customer Analytics & Data
Science, Panera Bread



Understand the difference between incrementality and cannibalization

Are subscribers using your product more than they used to as regular shoppers? Does their usage trump how much they pay in subscription fees?

“Let’s say you spend \$25 a quarter with Panera, and then you join our subscription program [...] What if you are now getting \$100 in free drinks in the last quarter? Is it still a slam dunk? Right now we’re actually losing money on you.”

Robust understanding of customer behaviors

“People are going to sign up and they’re going to cancel. But what does that lifecycle look like? How much are they contributing incrementally?”

“Subscription data is not as easy as it seems”

“It’s about ensuring that going into it, you have a solid understanding of who’s joining your program. When did they join, when did they leave and what actions, what events occurred during those windows before, during and after.”

Consumers have a more fluid relationship with subscriptions and memberships than ever before. They're no longer hesitant to cancel one month and re-subscribe the next thanks to the plethora of products and services they have access to on a daily basis.

This would explain why, for the second year in a row, streaming services are both the most popular subscription and the most canceled one. With increased users and choices, consumers are constantly adapting their digital engagement.

“We discussed this phenomenon back at SubSummit 2022 with Haroon Mokhtarzada, the founder of Rocket Money, and it's still as relevant today, if not more. You cannot expect a consumer to remain an active subscriber for years, decades, or a lifetime, the same way you can't expect employees to remain with your company forever. Priorities change, finances change, and you need to give your users the freedom to come and go as they please. If you don't, the likelihood of them signing up again will significantly decrease.”



Christopher Geroge
CEO, SubSummit

Of course, providing an “undeniably valuable” experience could be correlated with providing an un-cancellable service. But part of offering undeniable value is the ability to be confident in the fact that your customers will not experience the same value you provide elsewhere.

The latest consumer data supports this theory, as the main reason customers actively subscribed to a product or service was because they tried it and enjoyed it.

Top 3 Reasons Why Someone Subscribes

No. 1

**I tried it
and liked it**

No. 2

**It's reasonably
priced**

No. 3

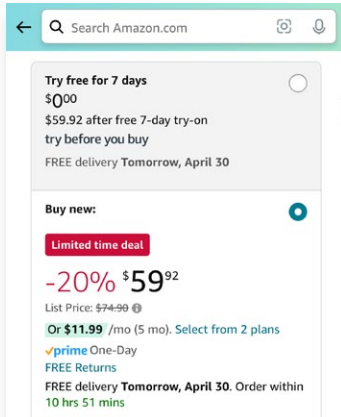
**It makes
life easier**

+25%

Research shows that in 2023

of top-performing subscription brands offered free trials to convert shoppers to subscribers.

Example of Free Trials / Try Before You Buy



amazon

On eligible items, Prime subscribers can have a product they'd like to try shipped to their home at no cost.

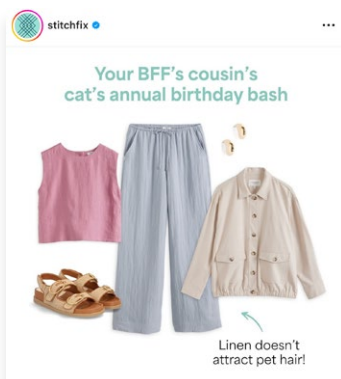
They have seven days to try on the items and will only be charged for the items they decide to keep.



IPSY

Sends beauty samples based on the customer's preferences and skin types.

If the customer likes the sample, they can buy the full-size product on the Ipsy shop for 30%+ off, which increases the individual's average order value immediately.



STITCH FIX

Sends clothing items to customers who then decide what they'd like to keep and what they'd like to return.

If a customer keeps the items, they receive a 25% discount

Branding is crucial when offering a free trial, as it keeps your brand at the forefront of a prospective customer's mind. From the moment an individual signs up for your free trial to the moment the trial ends, brands must make an effort to be visible at all times and generate awareness.

While retention starts on day one of acquisition, it's important to understand where your target audience lives.




THE STATE OF SUBSCRIPTION COMMERCE IN 2024

Most effective sales channel, per gender




Customers often favor specific communication methods from brands, and understanding where they spend their days is important in establishing a relationship with them.

Females




18–24 years old

-  Social media ad
-  YouTube Commercial
-  Organic social media post




25–34 years old

-  Social media ad
-  Email
-  YouTube commercial




35–44 years old

-  Social media ad
-  Email
-  TV commercial




45–54 years old

-  TV commercial
-  Email
-  Organic social media post

55–64 years old




-  Email
-  TV commercial
-  Social media ad

65+ years old




-  TV commercial
-  Email
-  Social media ad

Males




18–24 years old

-  Social media ad
-  YouTube commercial
-  Organic social media post




25–34 years old

-  TV commercial
-  Social media ad
-  Email




35–44 years old

-  Social media ad
-  TV commercial
-  YouTube commercial




45–54 years old

-  TV commercial
-  Social media ad
-  Email

55–64 years old

-  TV commercial
-  Email
-  YouTube commercial

65+ years old

-  Email
-  Google Ad
-  TV Commercial

Be Everywhere: The Power of Spotify Wrapped Campaigns

Spotify Wrapped is a feature Spotify launched 9 years ago to establish listening & streaming trends across the globe. The platform gathers user data and empowers each user to share their listening history over the course of the year by highlighting “Favorite Artists” and other personalized tokens.

The feature serves as one of the most successful modern marketing campaigns because of its organic nature and its personalization components. It was advertised on TV, via email & social media simultaneously, delivering record-breaking revenue numbers.

Spotify Wrapped 2023 By the Numbers

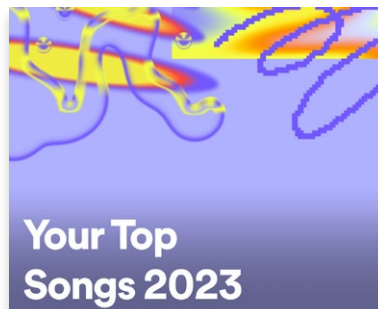


30,600

Instagram posts with
#spotifywrapped2023

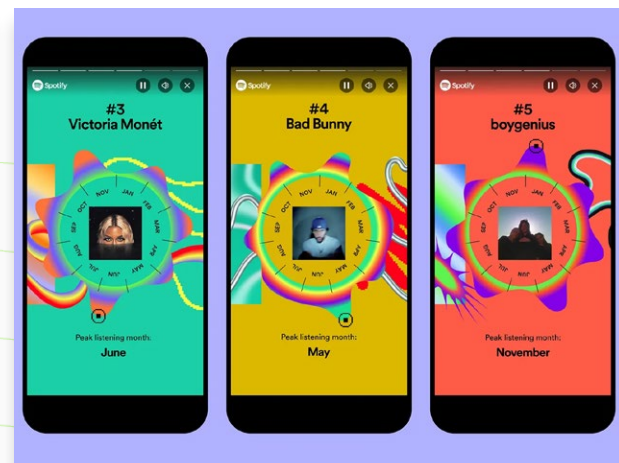
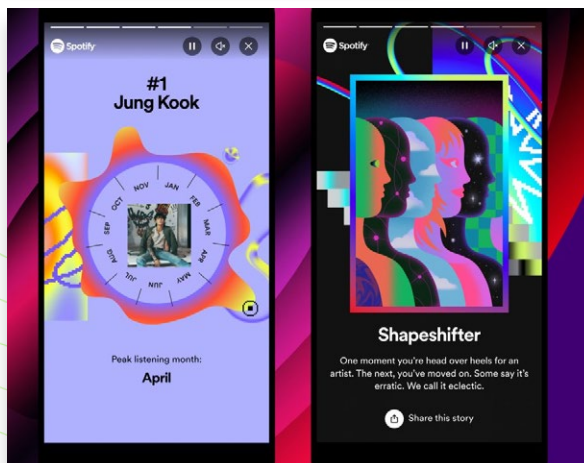
40,800

TikTok videos with
#spotifywrapped2023



+40%

User engagement
growth





25M

monthly active users
from the campaign

\$1B

generated in Q1 2024
following Spotify Wrapped

“Me in 2023”

streaming habits defining a user’s
year of music listening

“Sound Town”

matched users to a city that
resonated with their music choices

“Top 5 Genres”

users saw how their “top five music genres stacked up and were
presented in a fun sandwich-inspired design.

“Originally, we believed these experiences needed to be short and sweet. But we’ve found that there’s a cohort of fans that really want to go a level deeper. They want to engage. This was really exciting because it inspired us to do even more data-rich, complicated experiences. We also learned that market nuances really matter, and for Wrapped, these learnings just reinforced the need to think critically about global versus local campaign executions.”



Louisa Ferguson

Global Head of Marketing Experience

“What we’re observing across the industry is that consumers aren’t afraid to subscribe to a product they believe in as long as they see immediate value from the purchase. Where brands can struggle is showcasing and emphasizing the value beyond that initial transaction.”



John Haji

Co-Founder, SUBTA

Retention Starts on Day 1 of Acquisition

Be Flexible

Customers do not want to feel trapped into a subscription or membership. Let them come and go as needed!

- Streamline your cancellation process so that it's easily done
- Offer your customer to pause their subscription
- If you offer tiers, offer customers a downgrade option

Curate Personalized Experiences

Gather data on your customers to understand their personal preferences (personal, communication, style, etc.)

Customers are comfortable sharing data with brands in exchange for:

- Discounts/coupons
- Loyalty points or rewards
- Early/exclusive offers
- The chance to win something

Deliver Exceptional Support

Train your customer support team to be problem solvers and prioritize the happiness of a subscriber.

Example:

Chewy subscribers whose pet passed away shared that they received flowers from the brand as soon as they heard. They were also fully refunded for their last transaction and encouraged to donate the items in the box to pet shelters.

THE STATE OF SUBSCRIPTION COMMERCE 2024

Key Takeaways

Evaluate your value proposition.

It needs to be clearly communicated to new and existing customers and extend beyond the product or service offered. Strive to offer an all-encompassing experience the moment a prospective customer learns about your company.

Initiate customer relationships.

Free trials are a great opportunity for brands to initiate customer relationships frictionlessly.

Experiment with acquisition channels.

Emails and TV commercials are two of the most influential sales and marketing channels, according to SUBTA research. CTV (ads displayed on streaming platforms) is also a channel worth considering in your acquisition strategy, as people spend more than 3 hours a day (on average) streaming content, according to Forbes.

LOOKING AHEAD

What the Future Holds for Subscription, Membership & Loyalty Brands

The desire for consumer brands to provide unparalleled customer experiences can be felt across all verticals and subscription segments. Whether it's in the streaming, membership, or subscribe & save sector, every DTC business is investing in curating unique and personalized user journeys.

Below are some of the 2024 industry trends and benchmarks every DTC professional should be aware of.

Top 3 Objectives in 2024 for DTC Marketers



57%

Customer acquisition



47%

Customer engagement & loyalty



40.8%

Customer retention

How DTC Brands Leverage AI



How DTC Brands Use Personalization in their Communications

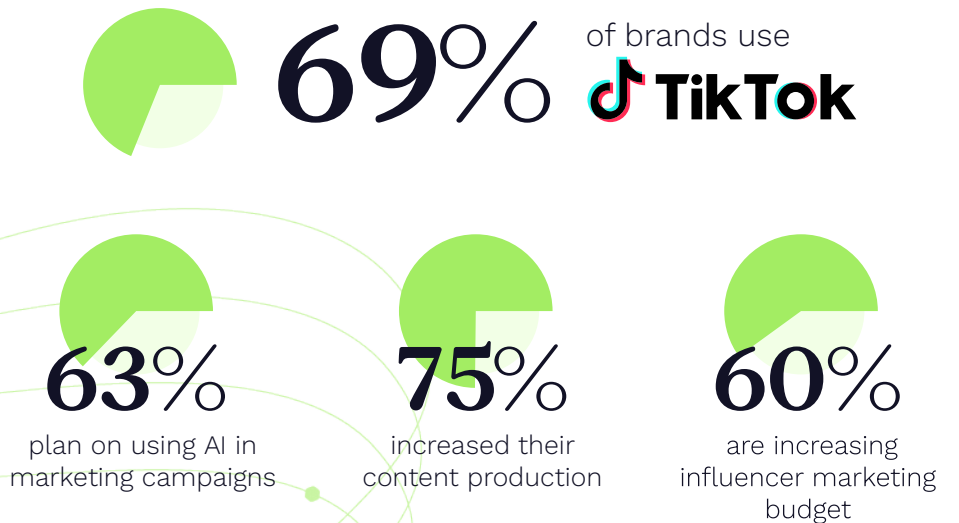


“I believe that influencers are the future of digital marketing”



Vinod Varma
CEO, Creator.Co

Influencer Marketing in 2024



WHAT THE FUTURE HOLDS

Subscription & Retail: The Ultimate Omnichannel Strategy?

The data highlighted throughout the 2024 State of Subscription Commerce Industry Outlook Annual Report is clear: Brands need an omnichannel marketing strategy to spark, nurture and foster customer loyalty.

This year also marked a turning point for DTC brands operating via the subscription business model: Revenue diversification.

Harry's Razor, The Honest Company, DYPER, Obvi and dozens more consumer subscription brands can also be purchased in retail stores like Walmart, Target, Kroger, etc. This kind of expansion doesn't happen overnight, according to Ronak Shah, the CEO of Obvi, and requires a whole new perspective on consumer behaviors.

Learnings from Obvi's integration into Walmart stores



Obvi is a subscribe & save company that sells supplements to a community of 80,000+ customers.

Date of Integration:

Summer 2023

Stores featured in:

4,200

Avg sales per week

\$120,000

Challenges encountered:

Pricing

"Walmart operates on this model called EDLP (Everyday Low Price). It's what they market to their end consumers, and it's what they market to their suppliers. You now feel this automatic need to go in with your best foot forward. Not knowing what truly moves their (Walmart) needle leaves you in a place where you're taking a gamble at what you present."

Expectations

"Walmart doesn't care about 'hockey stick' months. They care about how consistent you are being week over week."

Reduced Control

"I have nearly no control over anything in retail, really drives me nuts. When you don't have much control, you have to hope your packaging, your price point and the aisle you're in drives the person to pick it up and buy it".

The Benefits of Retail

Access & Reputation

"We have an incredible amount of goodwill attached to us now. We're talking to Target right now: 'Oh, we're in Walmart. And we're number one in this category.' They've already sent us paperwork."

Better understanding of the value of your product

"Retail truly shows the value of your product, whereas DTC truly shows that you can market your product."

Key Considerations for Retail

Lower Margins

Retail net margins (3.09%) tend to be lower than DTC subscription/membership businesses

Ask yourself:

- Does my brand have the financial resources to support retail expansion, including costs related to inventory, marketing, and potential changes in cash flow?
- Have we conducted a detailed analysis of our current DTC profit margins, and do I understand how they would differ from retail margins?

Different Key Performance Indicators

Retail generates more awareness with a one-to-many model, yet success metrics aren't comparable to the recurring revenue model.

Shah says that Obvi ranks number one in their retail category at Walmart, which translates to two and a half units sold in each store every week. "Two people are buying this unit, and that is hitting historical numbers [...] It's us getting, like, two orders on our website and saying, great job."

DTC Packaging vs. Retail Packaging

In retail, consumers will often make a decision solely based off of a company's packaging and price point.

On the DTC side, consumer have access to a lot of information about the product and other elements of a company's offering, which means that packaging will not (or very rarely) convert customers on its own.

Ask yourself:

- How will I maintain control over and/or adapt my brand's image, pricing, and customer experience in retail environments?

Engaging in-store customers post purchase

Establishing a relationship with customers post purchase is essential for DTC brands, and can be accomplished via automated workflows based on specific customer behavior.

In retail, however, the relationship is mainly transactional, and brands must think creatively about how to kickstart a conversation with a customer through their packaging. QR codes, hashtags can be simple yet effective ways to do so.

Ask yourself:

- Is there sufficient demand for the product in retail channels, and does it cater to a different or overlapping customer segment compared to the DTC market?
- Are we equipped with the right team and resources to effectively utilize QR codes and hashtags on packaging to nurture and retain retail customers post-purchase, ensuring meaningful engagement and long-term loyalty?

How to Win Retail

Price Isn't Everything

Shah shared that, in hindsight, he wished he did not present such an aggressive price drop to Walmart when discussing a potential partnership. "They don't just say no to you because they didn't like a price." - Ronak Shah

Limit Variations

Do not offer two variations of the same product. "Preference is the biggest nightmare you can open up in retail."

Good Packaging

Provide an excellent product with easy-to-understand, visually appealing packaging

Pricing

Be able to offer a price point that drives a very large order volume

Most Popular Acquisition Channels Besides DTC

according to SUBTA



WHAT THE FUTURE HOLDS

The New Data Challenge

In recent years, subscription and membership brands had a significant advantage over other DTC brands with the data they're able to collect on customers every month, quarter, and year.

However, per the findings outlined earlier in this report, consumer behaviors are becoming so erratic that identifying patterns and areas of opportunity can be challenging for everyone, especially those relying on technology providers to collect data.

Leveraging AI to Strengthen Customer Relationships

Membership and subscription businesses leverage artificial intelligence differently. However, their intent is often quite similar: Enrich the user journey through personalized and customized experiences.

AI Gone Right



Introduced AI featured for Thursday Night Football during 2023-2024 NFL season.

Features included:

- Prime Targets
- 4th Down Decision Guide
- Defensive Alerts
- Key Plays
- Rapid Recap
- X-Ray
- Pressure Probability

“If you want to go deep on the AI-powered analytics—we got you. If you just want to sit back and watch the game in the traditional way, TNF has that, too. We’re heading to a place where fans can choose how they want to enjoy the game, and I think that’s really exciting.” - Julie Souza, head of Sports, Global Professional Services at AWS..



Improved customer support with AI tool Zowie.

Customer service response time went from five days on average to >30 minutes.

Reduced customer cancellations by 10%. Zowie handles on average 14% of Wuffes’ total interactions, and 23% of subscription requests

“When launching the Zowie Chatbot, Wuffes’ original goal was to resolve 40% of incoming chats after 3 months. Zowie resolved 60% of questions during that time, and now 79% of tickets are completely resolved without ever going to an agent.”

Trustpilot score: 4.8

AI Gone Wrong


The logo for Sports Illustrated, featuring the words "Sports" and "Illustrated" in a bold, red, sans-serif font, stacked vertically.

The online media subscription allegedly knowingly published AI-written stories under fake names, according to a Futurism article.

“After we reached out with questions to the magazine's publisher, The Arena Group, all the AI-generated authors disappeared from Sports Illustrated's site without explanation.”

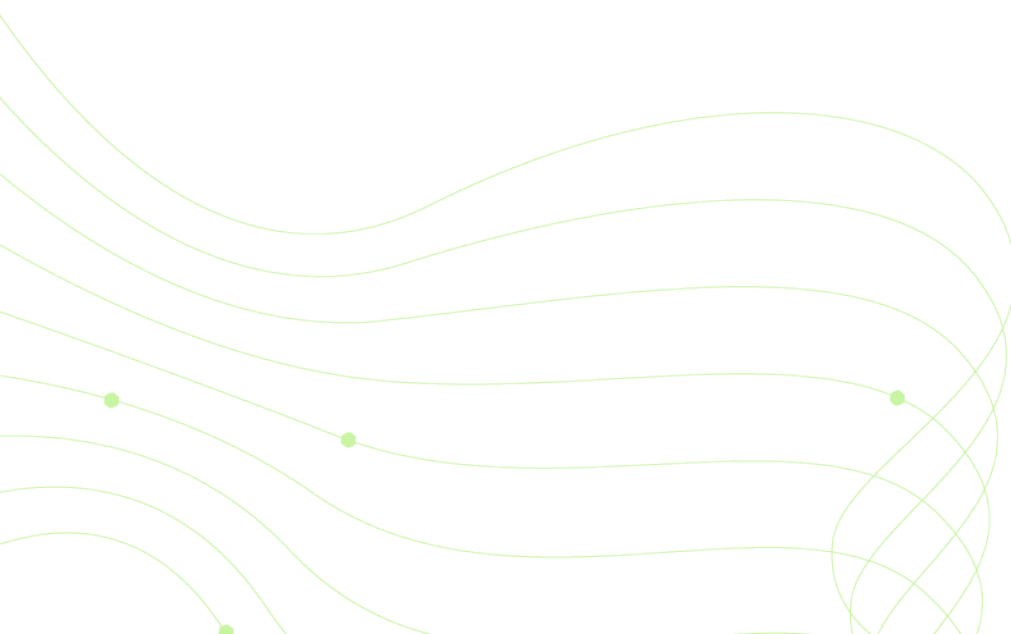
In response, Sports Illustrated posted on X with the following statement:

“Today, an article was published alleging that Sports Illustrated published AI-generated articles. According to our initial investigation, this is not accurate.”

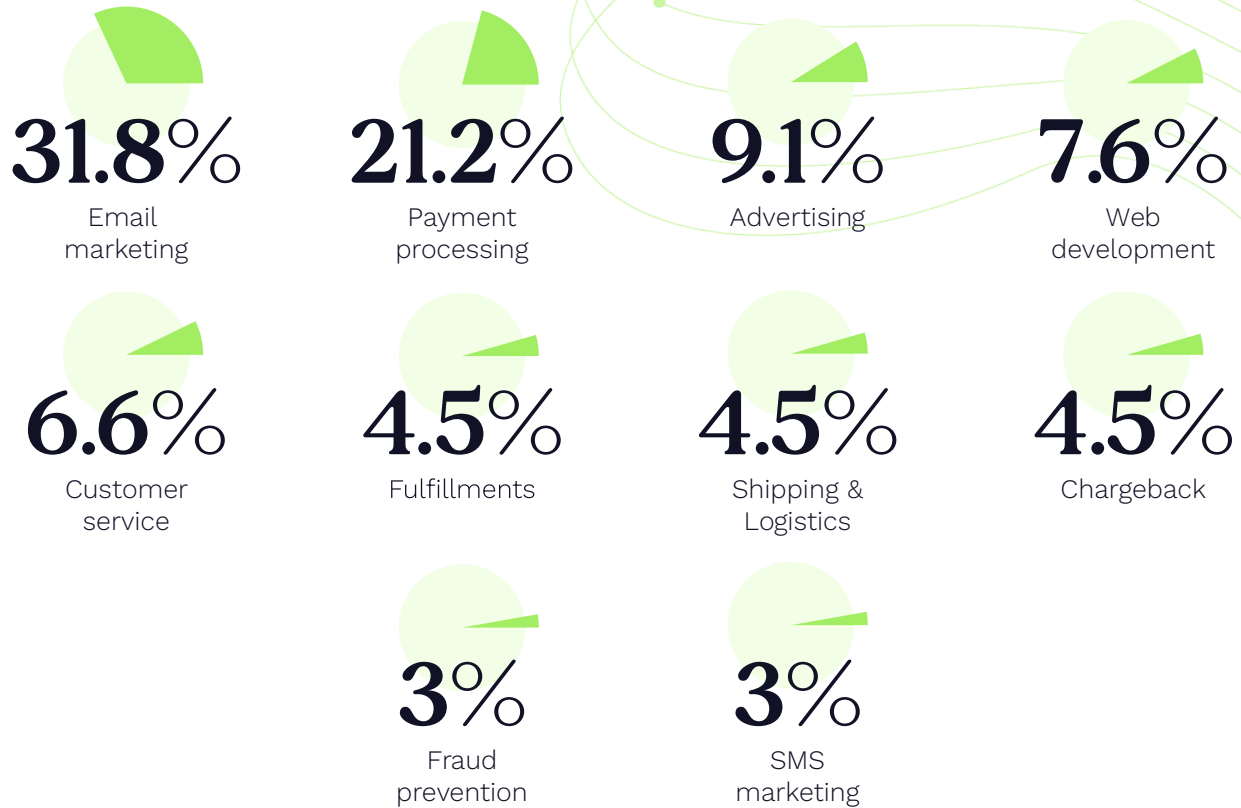


Just as consumers demand frictionless experiences, brands are faced with a similar challenge: Is the data obtained from third-party providers as elaborate and thorough as it needs to be in order for us to make impactful decisions regarding consumers?

To answer these questions, SUBTA asked 100 DTC merchants to share insights on how they rely on third-party solutions providers.



Most Impactful Third-party Solution for a Subscription & Membership Brand



“Email continues to be the best way to communicate with new and existing subscribers. You need to invest time and effort to turn each email into value-packed content your customers can relate to.”



Christopher Geroge
CEO, SubSummit

All of the types of third-party solutions included in the survey above offer various data sets that help consumer brands generate millions of dollars in revenue combined.

However, one could argue that while each of the solutions offered above is convenient and perhaps more efficient, they may not be more effective. This is because every brand aims to understand its customers uniquely and may seek to identify data points and behaviors specific to its customer base.

In other words, companies like Target, Walmart and Amazon, which are considered competitors within a similar industry, may not perform as well if they had access to the same exact data points since Target shoppers are different from Walmart's, and likewise, Amazon's customer base differs from both.

How Subscription & Membership Brands Collect Data in 2024



“Solutions providers play a huge role in the growth of the recurring revenue sector. As they continue to innovate, it’s important to give brands more personalization and customization options, which is something consumers want in general. Ultimately, brands want a centralized source of truth that gives them access to data that can drive more revenue, both from a retention and acquisition standpoint.”



John Haji
Head of Partnerships, SubSummit

Most successful sales channels besides email marketing & social media

according to SUBTA

No. 1
Referrals

No. 2
Google Ads

No. 3
Direct Mail



WHAT THE FUTURE HOLDS

Key Takeaways

Effective AI

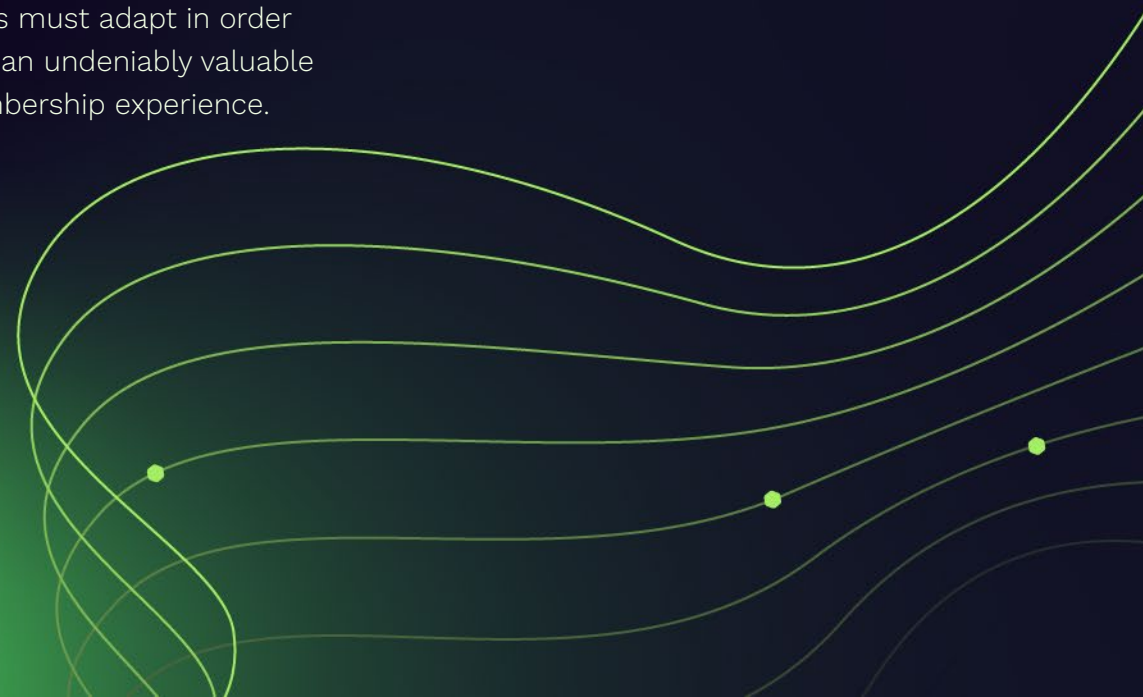
Artificial intelligence plays a big role in increasing efficiencies within a company. The key is to determine the best usage for it and establish processes to help your team be as effective as possible with this tool.

Omnichannel Approach

Having an omnichannel marketing approach needs to be a top priority for every consumer brand looking to expand. Establishing an omnichannel strategy from a product-delivery standpoint can also be beneficial, though it is a long-term investment that requires a great understanding of a brand's customers.

Hyper-focused data collection

Brands must be hyper-focused on the kind of data they collect to gain a better understanding of their customers. Open rate, click-through rates and other standard benchmarks are not as accurate as they once were. Marketers must adapt in order to be able to deliver an undeniably valuable subscription or membership experience.



HIRING IN 2024

Recurring Revenue Salaries

To fully support the ever-evolving relationship with consumers and a brand's omnichannel approach, employers must take into account the need for specific roles within an organization in order to scale.

Subscription, membership, and recurring revenue companies require a particular understanding of consumer behaviors as it pertains to acquisition, retention, and operations. The team needs a deep understanding of the power of recurring transactions and the level of nurturing it requires to foster long-lasting relationships with subscriptions/members.

Our 2024 Recurring Revenue Salaries section details which jobs are crucial for consumer brands and solutions providers to thrive in the current economic climate.

Direct to Consumer (DTC)

2024 Recurring Revenue Salaries (averages)

Salaries accurate as of Q2 2024

Director, Lifecycle Marketing

\$184,650

Director of Retention

\$204,000

Director of Customer Acquisition

\$185,359

Vice President of Growth

\$157,532

Senior Director Loyalty and CRM

\$249,000

Chief Membership Services Officer

\$85,059

Lifecycle Marketing Manager

\$113,000

Retention Marketing Manager

\$119,000

Acquisition Marketing Manager

\$141,000

Growth Marketing Director

\$192,000

CRM Manager

\$115,000

Head of Growth

\$383,000

Director of Acquisition Marketing

\$134,432

Senior Manager Loyalty & CRM

\$103,000

Director of Retention Marketing

\$260,000

Analytics Manager

\$117,019

Vice President Data & Analytics

\$157,532

Head of Data Science

\$161,111

Business to Business (B2B)

2024 Recurring Revenue Salaries (averages)

Salaries accurate as of Q2 2024

Vice President Global Supply Chain

\$386,000

Director, Client Services

\$203,590

Vice President, Payment Solutions

\$189,000

Chief Information Officer

\$351,000

Dispute & Chargeback Specialist

\$56,000

Vice President, Customer Success

\$227,000

Chief Customer Officer

\$236,600

Client Services Manager

\$101,000

Head of Payments

\$189,000

Enterprise Customer Success

\$137,245

Vice President, Client Services

\$257,000

Chief Technology Officer

\$303,528

Vice President, Supply Chain Management

\$275,366

Vice President, Business Development

\$249,813

Vice President, Demand Generation

\$190,000

Chief Data Officer

\$648,670

Database Marketing Manager

\$132,275

Vice President, Data Strategy

\$211,000

LOOKING AHEAD

Top 25 in 2025

Each year, SUBTA identifies the consumer subscription and membership brands that are leaders in the DTC sector for innovation, customer relationships, and more. This year's list includes 25 industry-leading brands that every DTC professional should study.

amazon

DELTA

Kroger

Snapchat

udemy

BILT

Disney

NETFLIX

Spotify

Walmart

chewy

duolingo

obvi

target

WHOOPTM

CRUNCH LABS

fabfitfun

Panera BREAD

The New York Times

YouTube

cvshHealth.

hp

Paramount+

thriftbooks
Read more. Spend less.

ZUMBA



Amazon Prime

75% of US shoppers are subscribed to Amazon

Launched grocery delivery subscription in **3,500 US cities**.



Bilt Rewards

Announced \$200M raising fund with a **\$3.1B valuation**

Launched partnership with Alaska Airlines

Launched partnership with Blade Air Mobility



Chewy

Opening brick-and-mortar vet clinics in Q2 2024

“Autoship subscription program yielded highly positive results, generating about **\$8.5 billion in customer sales** throughout 2023”



CrunchLabs

Expanded its offering to reach teenagers & adults with Hack Pack subscription box



CVS Health

“In the Health Care Benefits segment, we ended the year with **nearly 26 million members**, an increase of 1.3 million members versus the prior year”
- 2023 in review



Delta

Named **top US airline in 2023** by Wall Street Journal

Partnered with Spotify to debut new docuseries exclusively available on Delta flights

Partnered with Walmart+ to allow members to order groceries on their flights

Started offering **free in-flight WiFi** to SkyMiles members



Disney

Partnered with Warner Bros.



FabFitFun

Final Nominee for Best Subscription Box

Acquired PupBox Business From Petco in Q2 2024



Kroger

Increased delivery sales by 24% in Q4 2023 mainly due to Kroger Boost

“As customers manage macroeconomic pressures, we are lowering prices and offering even more ways to save with personalized promotions and rewards. Our unique seamless shopping experience provides customers the products they want, when and how they want them, with zero compromise on quality, convenience and selection.”

- Rodney McMullen, Chairman and CEO

Is allegedly exploring a potential bundle partnership with Disney+ for its Kroger Boost membership

duolingo

Duolingo

\$495.5 million in subscription revenue in 2023

“In 2024, we’ll remain relentlessly focused on the same strategy: delighting our users, growing subscribers, teaching better and scaling our mission to more learners around the world. We are early in our journey and excited about the road ahead.”

- Luis von Ahn, Co-Founder and CEO



HP

“Collectively, we expect our Hybrid Systems, Gaming, Workforce Solutions, Consumer Subscriptions, Industrial Graphics and 3D businesses to **grow to at least \$15 billion in revenue by our 2026 fiscal year**— with services, software and subscriptions accounting for at least 30% of this mix. “

- Enrique Lores, President and CEO

Instant Ink subscription is a “**\$500 million business** with 30 percent annual growth.”

NETFLIX

Netflix

40 million monthly ad-supported users as of Q2 2024

Partnership with NFL to stream two Christmas games between 2025 and 2026

“We’re focused on revenue and operating margin as our primary financial metrics — and engagement (i.e. time spent) as our best proxy for customer satisfaction.”
- Netflix Letter to Shareholders



Obvi

Retail expansion with Walmart & Target partnerships



Paramount+

Subscription revenue grew 46% between 2022-2023

“It was a record-setting quarter for Paramount+ in engagement and revenue, and in the DTC segment as we continued to substantially narrow streaming losses. ... As we look ahead, we remain focused on execution and transforming our cost base to best position Paramount for the future.”

- Naveen Chopra, Executive Vice President & Chief Financial Officer

Continues to identify and evolve partnerships. In 2024, its Walmart partnership expanded into Walmart Connect, providing new ad opportunities and functionality. Paramount+ is also the “first official streaming partner of the National Park Foundation and offer captivating content through live streams and additional VOD national parks content.”



Panera Bread

Final Nominee for Best Membership

“largest menu transformation ever, refocusing on innovating and enhancing the core Panera items guests love the most”



Snapchat+

Tripled its subscriber count between Q1 2023 and Q1 2024, now at **9 million paid users**.



Spotify

Subscriber count increased by 15% in 2023, with **10 million new subscribers** in Q4 2023.

Stock increased more than 14% (\$312.90) after Q1 2024 profits were announced and has more than doubled since this time last year

- \$138.20 when market closed on April 25, 2023
- \$289.02 when market closed on April 25, 2024

The New York Times

The New York Times

More than 10 million total subscribers



Udemy

Included in Time's "World's Top EdTech Companies in 2024"

1.44M subscribers in Q1 2024



Target

Launched Circle 360 paid membership

100M+ free loyalty members

"We've prioritized building strong relationships with guests since Target's inception, and our reimagining of Target Circle continues that commitment," says Cara Sylvester, executive vice president and chief guest experience officer, Target. "The new Target Circle experience was designed to flex and grow with our guests to deliver more value and ease — no matter how they choose to shop with us — so every visit feels personal, rewarding and made just for you."



ThriftBooks

Holiday sales increased 20% year over year without the need to discount during Thanksgiving and Cyber Monday. Much of this sales growth is attributed to embracing new technology like generative AI.

"Generative AI is a big focus. And so is using the large language models to find a new way to connect our customers with books that they might not have known they were looking for."

– Barbara Hagen, Vice President of Sales and Marketing



Walmart+

Launched several partnerships in the last 12 months, including:

- Delta
- Expedia
- Tastemade+
- Vizio (acquisition)

“**Growth in eCommerce of 17%**, led by strength in pickup & delivery”

“We started this new year with momentum across the business through strength in our omnichannel model and by living our purpose every day. Our customers and members expect to shop with us when and how they choose, and that’s what we do for them.”

- Doug McMillon, President & CEO



WHOOP

Announced global partnership with Cristiano Ronaldo who is now an investor in the company

Launched WHOOP Coach Powered by OpenAI, “the first wearable to deliver highly individualized performance coaching on demand.”



YouTube

Surpassed 100M subscribers across YouTube Music and Premium

Rolled out “Last Channel Shortcut” to streamline the user experience



Zumba

Launched Zumba App

12+ million members in their regular membership

Sources

Amazon	Growth Market Reports	The Business Research Company
Prime Try Before You Buy	HP	Subscription Box Market
Prime Vision with Next Gen Stats	Influencer Marketing Hub	SaaS Market
Grocery Delivery Subscription	Kroger	Social Media Subscription Market
Attest	Marigold	Loyalty Management Software Market
Bango	Mastercard	Content Streaming Market
Bloomberg	MoEngage	Subscription Billing Management Market
Built In	National Park Foundation	Subscription E-Commerce Market
Bilt Rewards	Netflix	Newspaper and Magazine Market
\$200M Raised Announcement	Upfront 2024	The Channel Company
Alaska Airlines Partnership	New York University Stern School of Business	The New York Times
Blade Air Mobility Partnership	Panera Bread	2024 Proxy Statement
Business Wire	Menu Transformation Press Release	The Wall Street Journal
BARK Launches BarkAir	Paramount Global	Trustpilot
Udemy in TIME	PRNewswire	Udemy
CBS News	FabFitFun Acquired PupBox	Q1 2024 Results
Chewy	Tastemade and Walmart Partnership	Verizon
CRN	Zumba Consumer App Launch	+play FAQ
CVS Health	Precedence Research	+play
Delta	PYMNTS	Exclusive Deals Announcements
Named Top US Airline in 2023	Chewy Autoship Data	Visa
Walmart+ Partnership	Recharge	Walmart
Spotify Partnership	Recurly	Expedia Partnership
Free WiFi	Research and Markets	Vizio Partnership
Digital Commerce 360	Salary.com	Wuffes
Duolingo	Director, Client Services	ZipRecruiter
Forbes	Chief Customer Officer	Director of Customer Acquisition
Futurism	Enterprise Customer Success Manager	Director of Acquisition Marketing
Glassdoor	Chief Technology Officer	VP, Data & Analytics
Director of Retention Salary	VP, Supply Chain Management	Head of Data Science
Senior Director Loyalty and CRM Salary	VP, Business Development	Zowie
Lifecycle Marketing Manager Salary	Chief Data Officer	X
Retention Marketing Manager Salary	Database Marketing Manager	Yahoo
Acquisition Marketing Manager Salary	Snap Inc.	Amazon Prime Shoppers in US
Growth Marketing Director Salary	Q1 2024 Results	YouTube
CRM Manager Salary	Spotify	100M Subscribers Announcement
Head of Growth Salary	Audiobooks Access Plan	Last Channel Shortcut
Senior Manager Loyalty and CRM	Q4 2023 Earnings Report	HackPack CrunchLabs
Director Retention Marketing	Q1 2024 Earnings Report	Zumba
VP Payment Solutions	Sticky.io	WHOOOP
Client Services Manager	Stitch Fix	Launched WHOOP Coach
Head of Payments	SubSummit	Announced Partnership with Cristiano Ronaldo
VP, Client Services	Subscription Trade Association	
VP Demand Generation	Target	
VP Data Strategy		



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2024 State of Subscription Commerce Industry
Outlook Annual Report

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