

USERSHIP, GOODBYE OWNERSHIP
HELLO USERSHIP, GOODBYE OWNERSHIP
OWNERSHIP, HELLO USERSHIP

The End of Ownership Report

RESULTS FROM AN INTERNATIONAL
SURVEY OF TWELVE COUNTRIES ON
CHANGING CONSUMER PREFERENCES
IN THE SUBSCRIPTION ECONOMY[®]

**Subscribed
Institute** 

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Introduction

THE END OF OWNERSHIP ACCELERATES

In 2018, a Zuora survey conducted by The Harris Poll found that we were in the midst of a new era defined by Zuora as **The End of Ownership**. Consumers were less interested in the status and ephemeral personal fulfillment that came from owning things. Instead, they were motivated by a desire for fulfilling experiences that enrich their lives.

These changes are exemplified and enabled by the Subscription Economy®. Consumers now want access to valuable services on a personalized basis. Those services are most effectively delivered by a subscription business model. We're witnessing the transformation of consumption for everything from entertainment to food to physical products like cars and clothing.

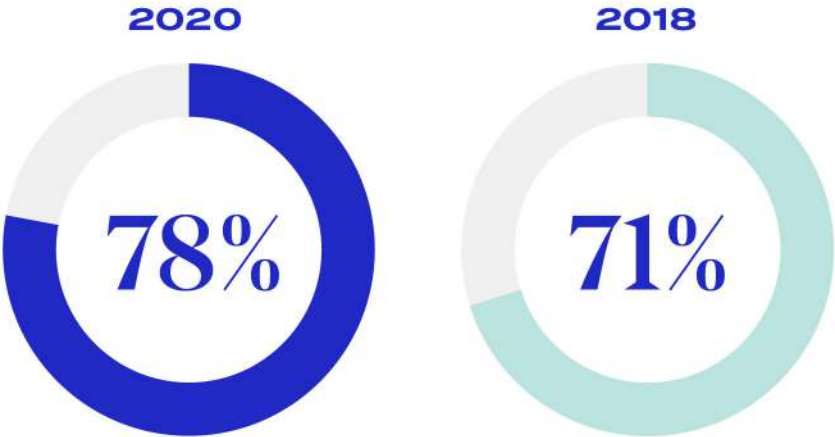
In 2020, Zuora commissioned The Harris Poll to conduct another international survey on the End of Ownership, which supports the growth of the Subscription Economy. Not only is this trend intact, it's accelerating. For all the upheaval wrought by COVID-19, one thing the pandemic has not altered is the momentum we're seeing from ownership toward usership. The Zuora [Subscription Impact Report](#) on the effect of COVID-19 showed that subscription businesses are not slowing down — in fact, in many cases they're thriving. Lockdowns and other safety measures may have helped galvanize the End of Ownership.

A new, fully digital society is emerging. Everywhere you look — from ecommerce, to connected cars and transportation, to smart medicine and reader-driven news — the world of business is becoming defined by relationships instead of products. This survey takes a peek at how the End of Ownership is changing, and what's driving this shift.

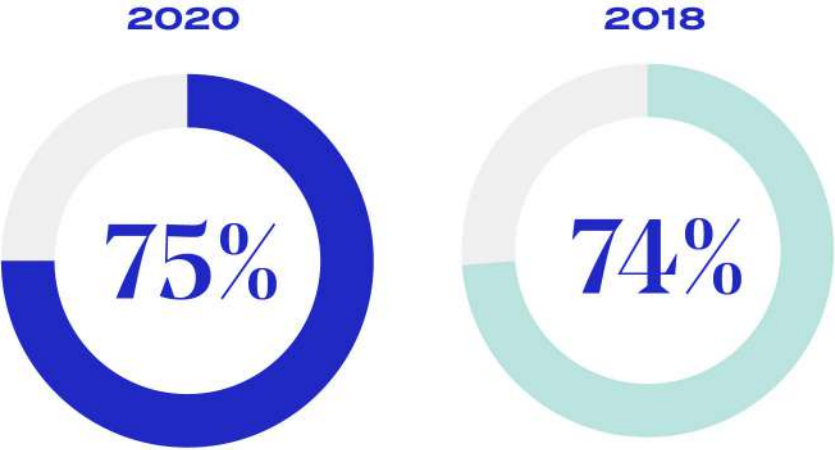
Key Findings

Ownership fatigue is real

More people than ever have subscriptions, which can relieve them of the burden of ownership and gives them more flexibility and access to the experiences they want. And they see subscriptions becoming more prevalent in the future.



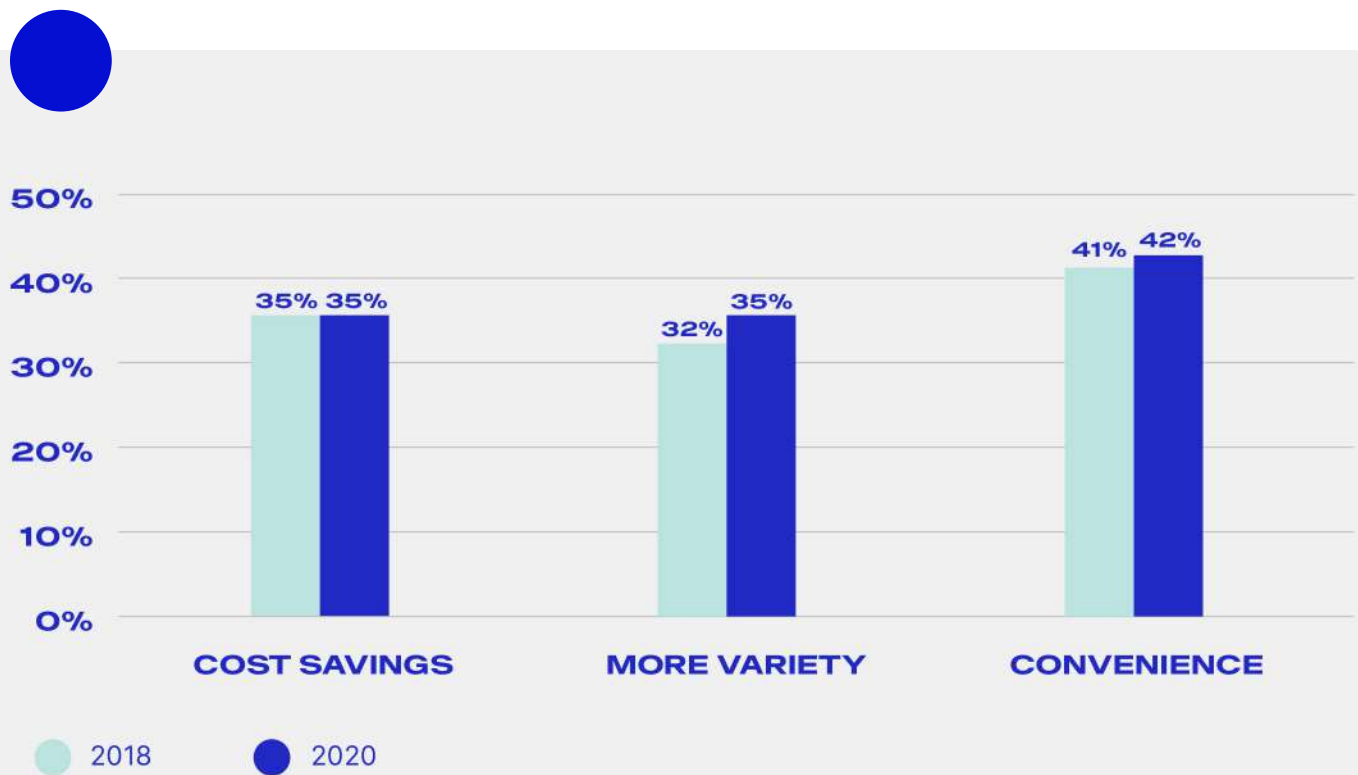
78% of international adults currently have subscription services (significantly higher than 71% in 2018)



75% of international adults believe that in the future, people will subscribe to more services and own less physical 'stuff' (compared to 74% in 2018)

Convenience, cost savings, and variety are top subscription benefits

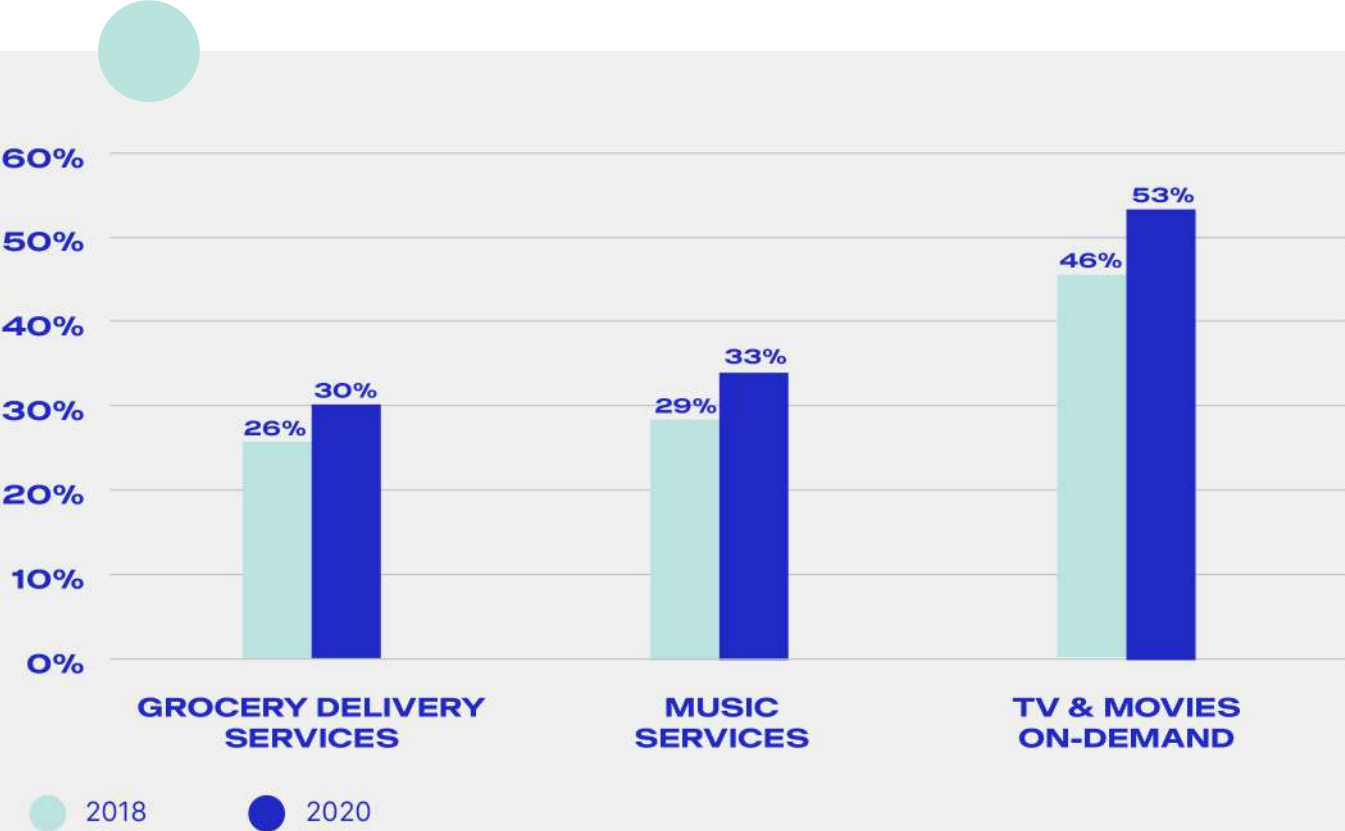
More than ever, commerce is centered around the consumer's location. Consumers have come to expect to be able to receive goods and services whenever and wherever they want. International adults also identify cost savings and variety as top benefits of having a subscription to a product or service.



Convenience (42%) tops the list of benefits for subscribing to a product or service instead of owning it for international adults (compared to 41% in 2018). 35% identify cost savings (same in 2018). 35% identify more variety (significantly higher than 32% in 2018)

Groceries join entertainment (movies/TV and music) as the subscription services international adults are most interested in

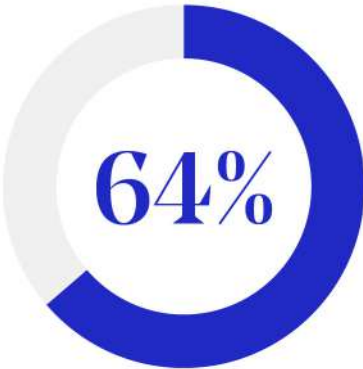
COVID-19 prompted many consumers to try grocery delivery for the first time ([online spending for groceries in the U.S. alone surged 10% to 15%](#)) for safety reasons. But many quickly realized how easy, efficient, and streamlined online grocery shopping can be, transforming a chore into a no-brainer. Based on interest shown in our survey, grocery services like Instacart could become the “new normal,” much like Netflix and Spotify have become for entertainment.



Rising interest in subscriptions for TV and movies on-demand services (53% vs 46% in 2018) music services (33% vs 29% in 2018) and grocery delivery services (30% vs 26% in 2018).

Direct-to-consumer subscriptions make consumers feel connected to companies

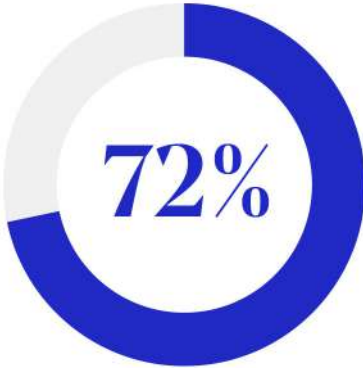
Brands are always looking for ways to keep their customers engaged. Direct relationships via subscriptions help businesses to build more lasting connections with consumers beyond one-off transactional sales.



Nearly two-thirds of subscribers (64%) feel more connected to companies with whom they have a direct subscription experience versus companies whose products they can simply purchase as one-off

Consumers want to pay for what they use

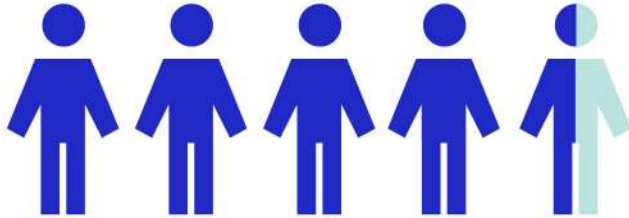
For consumers, the usership mindset extends to value pricing.



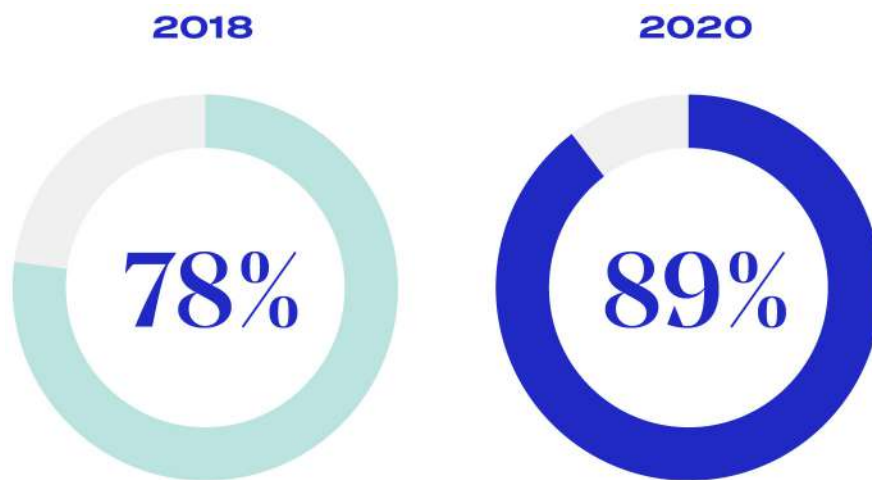
Nearly three-quarters of consumers (72%) want to pay for how much they use a product or service, not just a flat fee.

China leads the way into a digital future

China is on the leading edge of subscription adoption, as the number of subscribers in China, as well as the average number of subscriptions among current subscribers, significantly increased from 2018 to 2020.



Over four in five adults in China (85%) see subscriptions as freeing a person from the burden of ownership.



Number of subscribers in China significantly increased from 2018 to 2020 (89% vs 78%).



Average number of subscriptions among current subscribers in China significantly increased from 2018 to 2020 (3.6 vs 4.0).

Chapter 1:

THE SHIFT TO USERSHIP ACCELERATES

Commerce, simplified

As their world becomes more complex, consumers are looking to simplify their lives by getting rid of “stuff” and embracing subscription services instead. Subscriptions help consumers engage with the world on their own terms, streamlining commerce and customizing consumption.

Overall, more than 7 in 10 international adults (78%) currently have subscription services, compared to 71% in 2018, with Chinese (89%), Spanish (84%), U.S. and Italian adults (both 82%) leading the way.

While the pandemic may have been a catalyst for more rapid adoption of subscriptions, the crisis served as a means of accelerating trends that were already underway, revealing the benefits of subscription services to consumers.



INTERNATIONAL ADULTS WITH SUBSCRIPTION SERVICES IN 2020 COMPARED TO 2018



Customized consumption

Consumers increasingly are branching out beyond “traditional” subscriptions in streaming entertainment. Whether it’s Instacart for groceries, Stitchfix for clothing, or Dance.co for transportation, subscriptions are being used to consume more physical goods than ever. These subscription services give people a chance to customize their consumer footprint so that they’re no longer at the mercy of what brick-and-mortar retailers have to offer.

Among those international adults who currently have subscription services, they subscribe to 3 services on average. Subscribers in China have the most subscriptions with an average of 4 subscriptions. U.S. (3.4), Singaporean and Netherlands adults (both 3.3) follow closely behind.



THE AVERAGE NUMBER OF SUBSCRIPTIONS AMONG THOSE WHO HAVE SUBSCRIPTION SERVICES IN 2020 COMPARED TO 2018



Int. Total

3 vs 2.7



U.S.

3.4 vs 3



U.K.

2.7 vs 2.3



AU

2.7 vs 2.5



CN

4 vs 3.6



FR

2.5 vs 2.4



DE

2.4 vs 2.1



IT

2.6 vs 2.2



JP

2.7 vs 2.7



NL

3.3 vs 2.7



NZ

3.2 vs 2.9



SI

3 vs 3.3



SP

2.3 vs 2.9

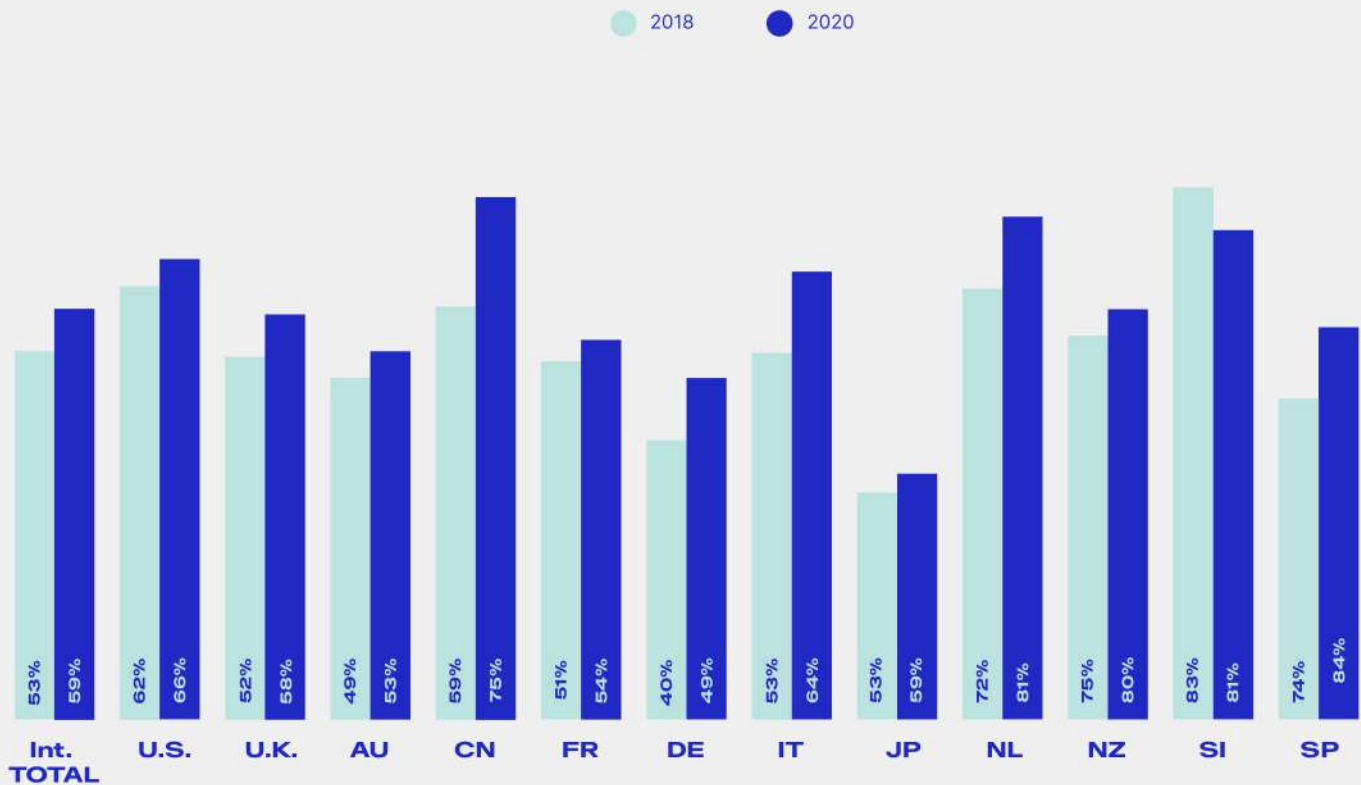
Subscribing is the new normal

The End of Ownership isn't slowing down—in fact, it's accelerating. As subscriptions take hold in one sector after another, subscribing has gone from a novelty to the standard in just the past 5 years.

Overall, nearly 3 in 5 international adults (59%) had subscription services 5 years ago, with China (75%) leading the way, followed by those in the Netherlands (71%) and Singapore (70%). About two thirds of U.S. (66%) and Italian (64%) adults subscribed 5 years ago.



INTERNATIONAL ADULTS CONFIRMING THEY HAD SUBSCRIPTIONS 5 YEARS AGO IN 2020 COMPARED TO THOSE WHO SAID THEY HAD SUBSCRIPTIONS 5 YEARS AGO IN 2018



Chapter 2:

WHY CONSUMERS LOVE SUBSCRIPTIONS

The benefits of subscriptions have become integrated into the everyday lives of international adults. Amid COVID-19, with life centered around the home amid economic and safety challenges, subscriptions were likely a lifeline.

Importantly, the benefits of subscriptions aren't just seen as transactional or incidental. They actually have a cumulative, qualitative effect on building a relationship between brands and consumers.

Convenience

Consumers have become accustomed to convenience in every aspect of purchasing products and services. They expect to be able access movies, TV, and music on demand via streaming. They want transportation, whether it's a car or truck or bicycle, to be available on an as-needed basis, without onerous upfront costs. They want clothing delivered to their home without the need for long shopping trips.

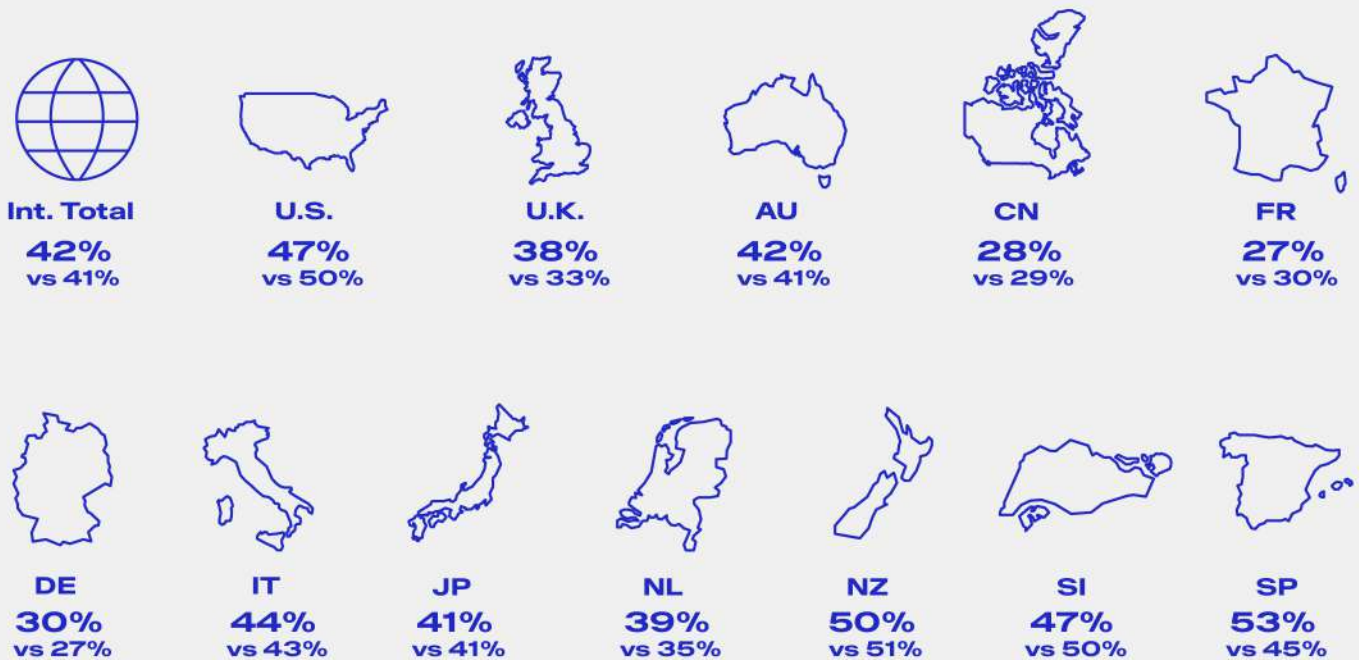
And while COVID-19 may have accelerated the trend toward convenience, it was already well underway. Our survey found that convenience (42%) tops the list of benefits to subscribing to a product or service instead of owning it for international adults.

Adults in Spain (53%), New Zealand (50%), the U.S. and Singapore (both 47%) and China (46%) are more likely to see convenience as a benefit (compared to 39% in U.K., 28% in France, 27% in Germany, 41% in Japan, and 39% in the Netherlands).

U.K. (39% vs. 33%) and Spanish (53% vs. 45%) adults are significantly more likely to see the benefit of convenience when subscribing this year than they did in 2018.



THE AVERAGE NUMBER OF SUBSCRIPTIONS AMONG THOSE WHO HAVE SUBSCRIPTION SERVICES IN 2020 COMPARED TO 2018



Cost savings

Consumers have always been attuned to value, but in a digital society with access to unprecedented amounts of information, they can perform a nuanced analysis of products and services to determine how much they are worth to them personally. And this desire goes hand-in-glove with avoiding wasteful spending on things they don't need. Subscriptions give them the transparency and efficiency they need to achieve both goals.

Usage-based payments let consumers pay only for what they use. Flexible terms allow consumers to upgrade, downgrade, or cancel services as their needs change over time. And usership means consumers can avoid hefty upfront costs by purchasing products as services. The consumer gets the benefits of the product without the burden of ownership—and helps their spending go further.

Singaporean (42%), Chinese and Italian (both 40%) adults are more likely to recognize the cost savings benefits that come from subscribing to a product/service instead of owning it compared to adults in other countries (35% in U.K. and Australia, 26% in France, 21% in Germany and 29% in the Netherlands).

U.K. adults are significantly more likely to recognize the cost saving benefit of subscribing this year than they did in 2018 (35% vs. 30%)

COST SAVINGS IS SEEN AS AN IMPORTANT BENEFIT OF SUBSCRIBING TO A PRODUCT OR SERVICE INSTEAD OF OWNING IT



While there has been concern in some quarters that the proliferation of subscriptions may be causing fatigue among consumers, our survey found the opposite: subscription variety is seen as a benefit. Consumers see that subscriptions can give them the ability to try out a wide variety of products and services without committing to a purchase, whether it's a clothing subscription that offers multiple styles and outfits, or car subscriptions that let consumers change car models on a monthly basis.

For too long, ownership locked consumers into the product choice that happened to be available, which consumers were then stuck with for years until the product life cycle was complete. The recurrent nature of subscriptions gives consumers continuous variety that would be unimaginable in traditional models—and they're loving every minute of it.

Adults in Spain (46%), China (45%) and New Zealand (43%) are more likely to see this as a benefit than adults in the U.K. (34%), U.S. (36%), France (25%), Germany (29%), Italy (36%), Japan (23%) and the Netherlands (21%).

Adults in the U.K. (34% vs. 29%), Australia (39% vs. 34%), China (45% vs. 36%) and Spain (46% vs. 39%) are significantly more likely to recognize the benefit of variety when subscribing this year than they did in 2018.



VARIETY IS SEEN AS A BENEFIT OF SUBSCRIBING TO A PRODUCT OR SERVICE INSTEAD OF OWNING IT

● 2018 ● 2020



Access to the latest and greatest

In many ways, subscriptions are simply about access to goods and services on a rolling basis. Businesses that provide services on a recurring basis, whether it's monthly or quarterly, have multiple, continuous touch points throughout the customer lifecycle. For consumers, that means the latest and greatest product and service upgrades are always at their fingertips.

Think of rolling software updates for Adobe's Creative Cloud. New models of cars for transportation subscriptions from Porsche. Or the new Taylor Swift album on Spotify. The iterative nature of subscription consumption means that subscribers are always kept up to date.

For adults in Spain (42%), New Zealand and China (both 40%), having access to the latest and greatest is more likely to be seen as a benefit of subscribing compared to adults in the U.K. (29%), U.S. (31%), Australia (32%), France (23%), Germany (24%), Japan (22%), Italy (28%) and the Netherlands (25%).

Spanish (42% vs. 34%), Chinese (40% vs. 34%) and Dutch (25% vs. 18%) adults are significantly more likely to see having access to the latest and greatest as a benefit when subscribing this year than they did in 2018



ACCESS TO THE LATEST AND GREATEST IS SEEN AS AN IMPORTANT BENEFIT OF SUBSCRIBING TO A PRODUCT OR SERVICE INSTEAD OF OWNING IT



Sustainability

While the majority of international subscribers see the value their subscriptions afford them personally, they also appreciate the environmental impact they make by subscribing. About three quarters of international subscribers (76%) feel good about the impact they have on the environment by subscribing to products/services rather than purchasing those products.



CONSUMERS FEEL GOOD ABOUT THE IMPACT THEY HAVE ON THE ENVIRONMENT BY SUBSCRIBING TO PRODUCTS/SERVICES RATHER THAN PURCHASING THEM



Int. Total

76%



U.S.

75%



U.K.

71%



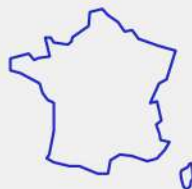
AU

75%



CN

85%



FR

73%



DE

69%



IT

81%



JP

77%



NL

64%



NZ

76%



SI

87%



SP

81%

Chapter 3:

INDUSTRIES IN THE LEAD

While interest in “traditional” subscription categories remains strong, consumers are showing interest in new sectors. Consumers may realize the benefits of more commonplace subscriptions like entertainment and music can apply just as much to other services.

Groceries go glam

Grocery subscriptions stole the scene during the pandemic, joining high-profile entertainment streaming sectors in a leading role for The Subscription Economy. For example, grocery-delivery app [Instacart turned a profit for the first time in April 2020, and is expected to go public in early 2021](#). Other major players, like AmazonFresh and Peapod, are thriving, but so are [more specialty providers](#) like ButcherBox and Omaha Steaks.

Grocery subscriptions check all the boxes, with convenience and variety showing through most of all.

About two in five adults in Italy (43%), Singapore (38%), China (37%) and the U.K. (36%) showed interest in grocery delivery services.

Adults in the U.K. (36% vs. 30%), Italy (43% vs. 34%), Spain (35% vs. 29%) and the Netherlands (27% vs. 18%) are significantly more likely to show interest in grocery delivery services now than they did in 2018



INTERNATIONAL ADULTS SHOWED INTEREST IN GROCERY DELIVERY SERVICES IN 2020 COMPARED TO 2018



Consumers continue to show the most interest in streaming subscriptions

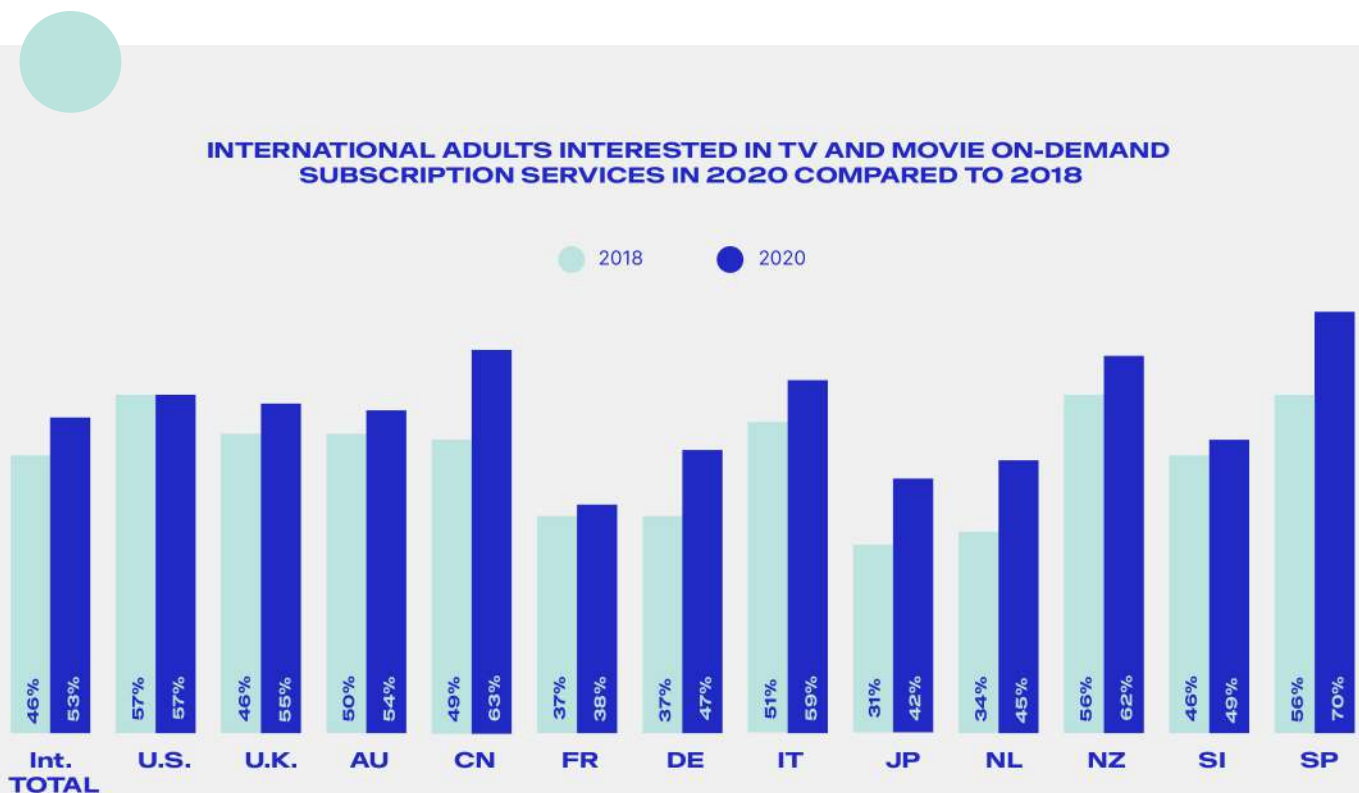
Traditional services continue to remain of interest. Our survey found streaming TV/movies and music to top the list of subscription services international adults are most likely to be interested in. And real-time metrics bear this out, [with streaming companies seeing a 400% increase in subscriber growth from March to May 2020, compared to the previous 12 months.](#)

While there is debate over which streaming strategy will succeed long-term, there is no question that consumers have made a permanent switch in entertainment consumption. The story is similar for [premium music services](#) like Spotify and Apple Music.

TV AND MOVIES

Adults in Spain (70%), China (63%) and New Zealand (62%) are significantly more likely than adults in other countries to be interested in TV and movies on-demand services.

Interest in TV/movies on demand services has spiked in the U.K. (55% vs. 46%), Germany (47% vs. 37%), Japan (42% vs. 31%), China (63% vs. 49%), Italy (59% vs. 51%), Spain (70% vs. 56%), the Netherlands (45% vs. 34%) and New Zealand (62% vs. 56%) in 2020 compared to 2018.



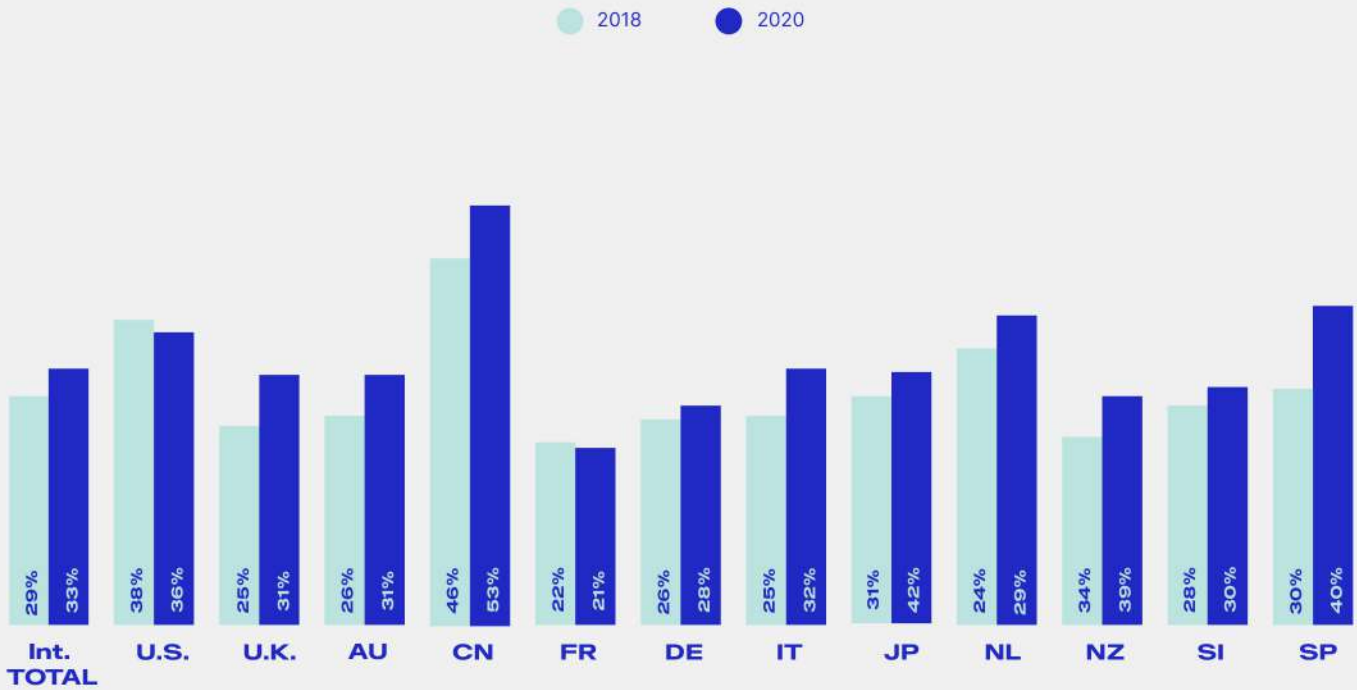
MUSIC

Adults in China (53%), Spain (40%) and New Zealand (39%) are much more likely to show interest in music services (compared to 31% each in U.K. and Australia, 21% in France, 28% in Germany, 32% in Italy, 31% in Japan, 29% in the Netherlands, and 30% in Singapore).

British (31% vs. 25%), Australian (31% vs. 26%), Chinese (53% vs. 46%), Italian (32% vs. 25%), Spanish (40% vs. 30%), Dutch (29% vs. 24%) and New Zealand (39% vs. 34%) adults are significantly more likely to be interested in subscribing to music services now than they were in 2018.



INTERNATIONAL ADULTS INTERESTED IN MUSIC SUBSCRIPTION SERVICES IN 2020 COMPARED TO 2018

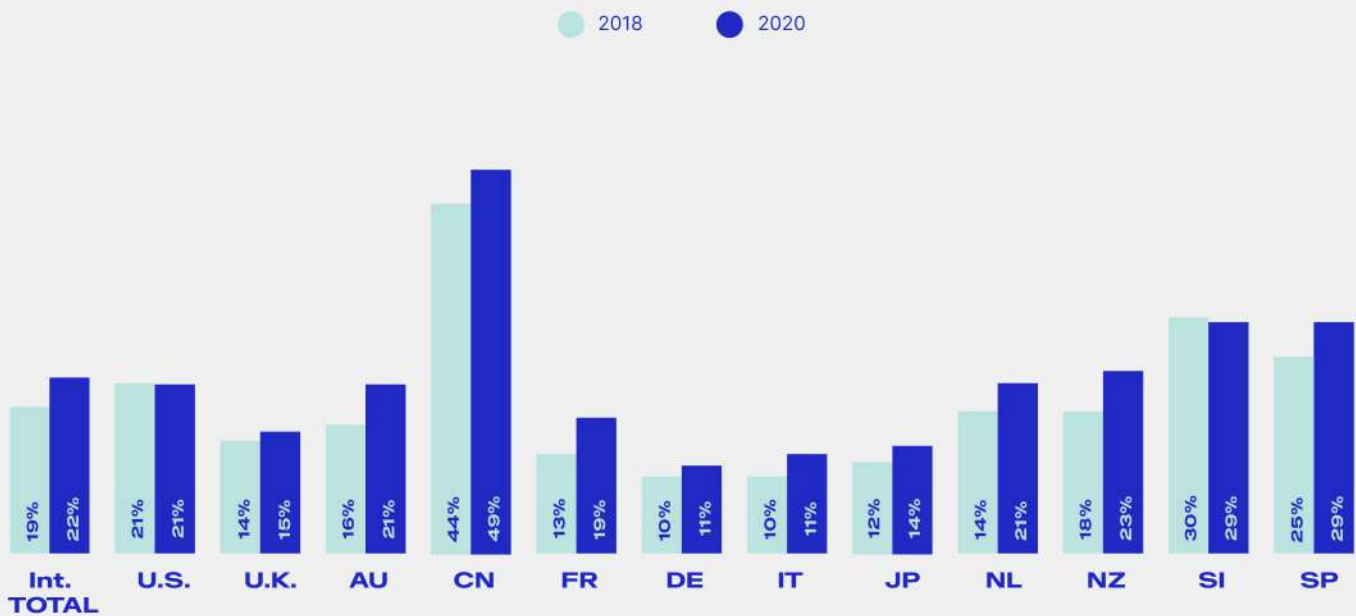


Dining in is the new dining out

Meal delivery services have captured the interest of consumers, especially in China, where nearly half of Chinese adults (49%) would be interested in meal delivery services. Meal-kit service HelloFresh [doubled sales in 2020](#), with customers topping 5 million at the end of Q3. In the UK, [specialized recipe boxes](#) are giving consumers a chance to sharpen their culinary skills with local, organic, and seasonal options, and in flexible quantities that suit the needs of everyone from singles to families.

Compared to 2018, interest in subscriptions to meal delivery services has increased in Australia (21% vs. 16%), France (17% vs. 13%), the Netherlands (21% vs. 14%) and New Zealand (23% vs. 18%).

INTERNATIONAL ADULTS INTERESTED IN SUBSCRIPTIONS TO MEAL DELIVERY SERVICES IN 2020 COMPARED TO 2018



News is worth paying for

Momentous world events may have led consumers to rediscover the importance—and the value—of receiving news from a trusted source. And they will have to pay for it. That means [paywalls](#) are going up, and consumers are happy to oblige, as long as the news is high-quality and the experience is customized for them. So even as ad revenue plummets for companies like the [New York Times](#) and [Financial Times](#), the bottom line is thriving because of subscriptions.

According to the survey, Chinese adults (41%) show the highest interest in news and information subscriptions, followed by Singaporean (24%) and Dutch adults (23%). Interest in these countries is significantly higher than in the U.S. (16%), U.K. (13%), Australia (17%), France (10%), Germany (15%) and New Zealand (16%).

U.S. (16% vs. 12%) and Australian (17% vs. 13%) adults are significantly more likely to be interested in news and information subscriptions now than they were in 2018.



INTERNATIONAL ADULTS INTERESTED IN NEWS AND INFORMATION SUBSCRIPTIONS IN 2020 COMPARED TO 2018



Software and digital storage surge in select markets

Subscriptions continue to play an important role in the more traditional digital sectors of software and storage. No conversation about software subscriptions in 2020 would be complete without mentioning Zoom, [which experienced incredible growth](#) as usage jumped 30-fold and sales doubled during the pandemic. The democratization of digital empowerment through cloud-based services remains one of the major subscription success stories of the past decade.

Over a third of Chinese adults (36%) and about a quarter of Singaporean (29%) and Spanish adults (25%) showed interest in subscriptions for software and storage services, and are significantly more likely to express interest than adults in other countries (compared to 16% in the U.S., 15% in U.K., 18% in Australia, 9% in France, 13% in Germany, 19% in Italy, 14% in Japan, 23% in New Zealand, and 20% in the Netherlands).

Singaporean adults are significantly more likely to be interested in subscribing to software and storage services now than they were in 2018 (29% vs. 24%).



INTERNATIONAL ADULTS INTERESTED IN SUBSCRIBING TO SOFTWARE AND STORAGE SERVICES IN 2020 COMPARED TO 2018



Chapter 4:

CONSUMERS DEMAND A CUSTOMIZED AND SEAMLESS SUBSCRIBER EXPERIENCE: BUSINESSES MUST ADAPT... OR BE LEFT BEHIND

Globally, adults continue to see subscriptions as a way for people to purchase the experience without the burden of ownership. But it's the quality of that experience that ultimately determines whether a customer forms a true relationship with a brand. In an uncertain world, consumers are looking for trust built around control, exclusivity, and variety.

Companies that can deliver on these demands will keep customers engaged—and loyal—while establishing a critical competitive advantage. Long-term loyalty can lead to revenue predictability and stability. But riding this trend isn't as simple as flipping a switch. Subscription capabilities need to be developed over time using best practices and proven strategies.

Designing the ultimate subscriber experience

72% OF INTERNATIONAL ADULTS PREFER USAGE-BASED PRICING

While many subscription services have flat monthly or yearly fees, nearly three quarters of international adults (72%) would prefer the ability to pay for what they actually use.



INTERNATIONAL ADULTS WHO WOULD PREFER THE ABILITY TO PAY FOR WHAT THEY USE OVER A FLAT FEE



Int. Total

72%



U.S.

74%



U.K.

67%



AU

74%



CN

87%



FR

66%



DE

64%



IT

73%



JP

64%



NL

67%



NZ

72%



SI

84%



SP

70%

SUBSCRIPTION MODEL BEST PRACTICE: USAGE-BASED PRICING

Usage-based pricing is a way of quantifying the value of the product or service provided. The goal is to let customers pay only for the value they need. All usage-based pricing is based on a certain “value metric,” which can be GB of data, miles driven, invoices sent, or any other measurable unit of measure for a service.

Incorporating usage-based pricing makes it easier for companies to align with customer needs, grow with your customers, and be more predictable (for the customers and the organization). The Subscribed Institute’s [Subscription Economy Benchmark Report](#) for Usage-Based Pricing found that companies with **over 25% revenue from usage-based pricing grew 21% year-over-year.**

But while it’s clear that subscription companies should leverage usage-based pricing to drive additional growth, they need to keep an eye on how much they rely on usage-based pricing as part of their overall subscription revenue. It’s all about finding the right mix. You’ll want to experiment with the following six usage-based pricing models:

Per-Unit Pricing. A per unit fee billed immediately after use.

Overage Pricing. If a customer exceeds a predetermined quantity of included units per billing period, they are charged an overage price.

Volume Pricing. Can be a great incentive for a consumer to use more of the product since the price per unit gets cheaper.

Tiered Pricing. Pricing progressively changes as the volume increases, with different units priced differently depending on the tier they fall into.

Tiered with Overage Pricing. Similar to the tiered charge model, except there is an overage charge for any units consumed above the ending units of the final tier.

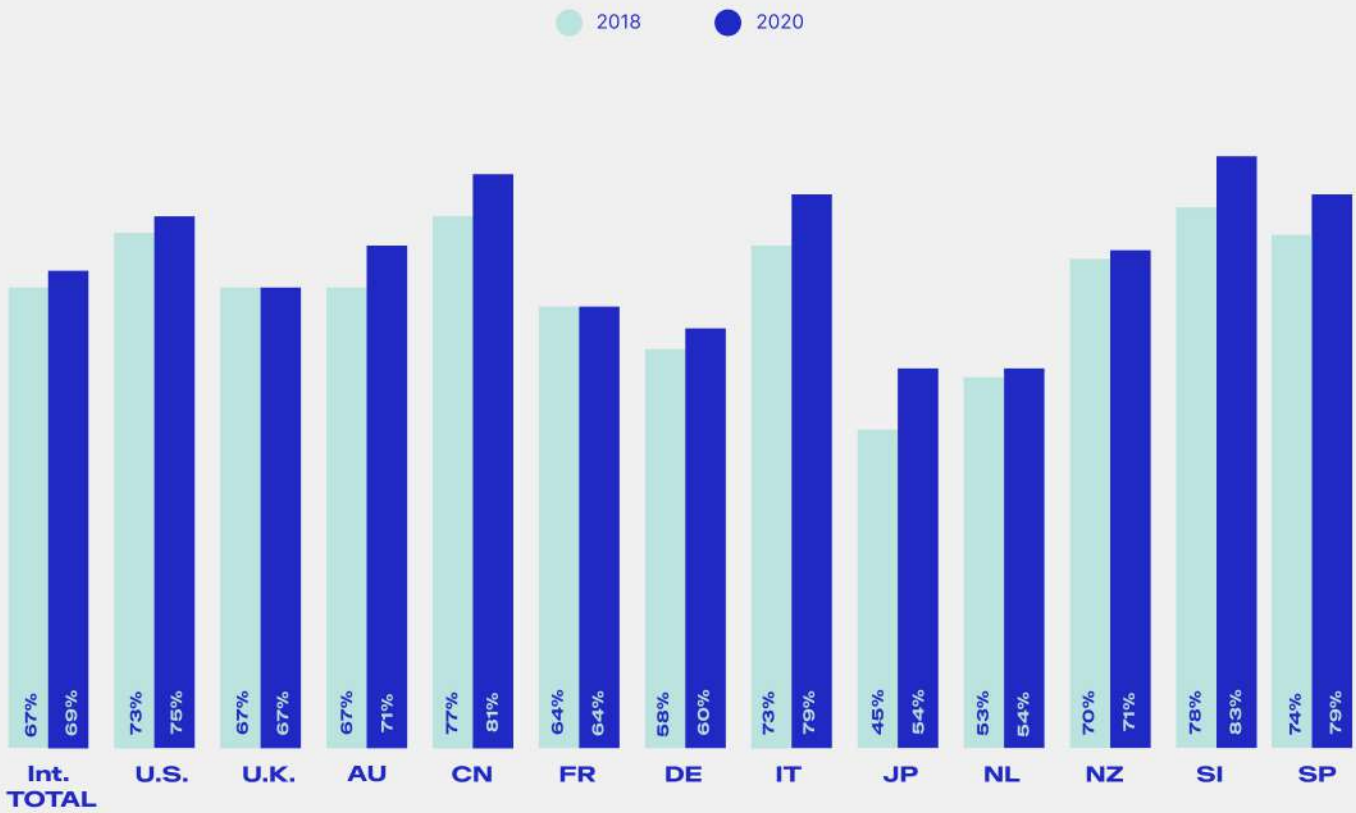
Multi-Attribute Pricing. Charges customers through a variety of different metrics, such as how Zipcar charges based on ‘time of day’, ‘type of car’, ‘day of the week’, and other attributes.

69% LIKE THE IDEA OF HAVING ACCESS TO EXCLUSIVE CONTENT/PRODUCTS/SERVICES

Over two thirds of international adults (69%) like the idea of having access to exclusive content/products/services they wouldn't normally be able to get without a subscription service. Two thirds (66%) of international adults like having a wide variety of subscription options.



INTERNATIONAL ADULTS WHO LIKE THE IDEA OF HAVING ACCESS TO EXCLUSIVE CONTENT/PRODUCTS/SERVICES



SUBSCRIPTION MODEL BEST PRACTICE: CUSTOMIZED OFFERINGS

It has become commonplace for companies to offer customized content, products, and services, including exclusive products only available to subscribers. This bespoke nature has become an expected feature in the Subscription Economy.

Companies that want to employ this strategy should package their product offerings based on:

- Specific customer segments
- Specific customer needs

For example, Stitchfix allows customers to customize their purchases based on styles, such as “Classic,” “Active,” and “Polished.” It also offers customers to select a purchase plan based on how much they want to spend, and whether or not they would like to subscribe or make one-off purchases. And they also offer curated products, where the company makes the selections based on the customer’s style.

Customization has helped Stitchfix’s growth accelerate, [with the company expecting 20% to 25% growth for full-year 2020.](#)

According to The Subscription Institute’s [Subscription Economy Benchmark Report](#) for Subscription Changes, a successful customization strategy would include some mix of the following types of changes (this list is not exhaustive):

- An upgrade
- A downgrade
- Suspension of the subscription (e.g. for summer vacation)
- Resuming a subscription (e.g. after summer vacation)
- A price change (e.g. such as ramp pricing)
- A quantity change (e.g. adding 100 seats to a user-based pricing plan)
- A product change (e.g. adding additional products/services)
- A tier change (e.g. going from the 1-100 User tier to the 100-500 User tier)
- A Terms & Conditions change
- A subscription renewal

79% PREFER SUBSCRIPTION SELF-MANAGEMENT

Overall, nearly four in five (79%) international subscribers feel their subscriptions provide them great value. However, while they see the value in their subscriptions, the same proportion (79%) do wish companies made it easier for them to self-manage their subscriptions.



INTERNATIONAL ADULTS WHO WISH COMPANIES MADE IT EASIER FOR THEM TO SELF-MANAGE THEIR SUBSCRIPTIONS



Int. Total

79%



U.S.

79%



U.K.

74%



AU

77%



CN

88%



FR

73%



DE

65%



IT

84%



JP

79%



NL

76%



NZ

81%



SI

89%



SP

80%

SUBSCRIPTION MODEL BEST PRACTICE: SELF-MANAGEMENT

Consumers want the option to change their subscriptions to match their needs at any given moment. The good news is, they only make a change if they are already actively engaged with the product or service offering. In fact, The Subscribed Institute's [Subscription Economy Benchmark Report](#) for Subscription Changes found that **companies that average one change for every single subscription, have almost 3X the growth rate of companies that don't.**

Companies looking to pursue this play should allow customers the freedom to make changes and tailor services to be exactly what they want.

For example, [Zoom](#) offers four different meeting plans, each intended for different sized teams/companies. They also offer add-ons like Audio, Large Meeting, and Cloud Storage. Customers can upgrade or downgrade their plan, and add or drop add-ons as their needs change. Handling frequent changes is possible because the company has automated ordering and billing processes that minimize internal resource needs to process them.

Frequent subscription changes can lead to complexity within a business organization. To effectively pursue this strategy, companies need an automated order-to-revenue solution.

With automation, finance teams are put in a position to succeed:

- The Orders Team can quickly process any change, whether one change or 10,000 changes are made per day
- Billing Operations and Accounts Receivable do not need to adjust invoices, because that is done automatically
- Revenue recognition is also automated, so Revenue Accountants do not need to constantly recompute revenue
- Finance leadership will have reporting metrics at their fingertips



Iterate, iterate, iterate.

No matter what mix of strategies you adopt, the most important thing to remember is that you probably won't get it right the first time. Consumer needs—and the perfect subscriptions to meet them—are not typically obvious. Constant iteration unlocks the data a company needs to understand their customers.

THE FUTURE IS HERE

Consumer preferences are evolving. It's clear from our survey that international consumers believe ownership is fading away and that usership will only become more prevalent in the future. The subscription model [will help](#) companies transform their business to adapt to this new reality.

The right model will reflect the truth that consumers aren't simply buying a product, they're committing to a relationship with your brand. Finding ways big and small to demonstrate that you understand your customer and care about their needs will build trust and loyalty over time.

Companies that lean into the changing landscape will be the ones who are thriving the next time we conduct our End of Ownership survey!

About the survey

Zuora is releasing its second global End of Ownership survey, which seeks to understand attitudes towards usage of subscription services and how that compares to ownership of products. The survey intends to demonstrate that subscriptions aren't just good for business, they're what consumers want. We're not seeing subscription fatigue, but instead we're witnessing an ever increasing appetite for subscription services across all industries worldwide.

The survey was conducted online by The Harris Poll on behalf of Zuora between October and November 2020. There were 13,626 respondents ages 18+ across 12 different countries - U.S. (n=2,076), the U.K. (n=1,028), Australia (n=1,033), China (n=1,069), France (n=1,110), Germany (n=1,051), Italy (n=1,050), Japan (n=1,056), the Netherlands (n=1,051), New Zealand (n= 1,026), Singapore (n= 1,028) and Spain (n=1,048).

Methodology

Raw data was weighted by the following demographic variables where necessary to reflect the general adult (or online adult) population in each country as follows: U.S. (age within gender, region, education, race/ethnicity, income, household size, marital status, employment status), U.K. (age within gender, region, education, internet usage), Australia (age within gender, region, education), China (age, gender, region, urbanicity), France (age within gender, region, education, internet usage), Germany (age within gender, region, education, internet usage), Italy (age within gender, region, education, internet usage), Japan (age within gender, region, education, marital status), the Netherlands (age within gender and region), New Zealand (age within gender, education, region and ethnicity), Singapore (age within gender, ethnicity, education, HH size and marital status) and Spain (age within gender, region, education, internet usage). For the 12-country total, an additional post-weight was applied to give each country equal weight within the total.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Poll avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in online surveys. The data have been weighted to reflect the composition of the adult population in the U.S., the U.K.; Australia, France, Germany, Italy, Japan, the Netherlands, New Zealand, Singapore and Spain, and the online adult population in China. Because the sample is based on those who agreed to participate in our panel, no estimates of theoretical sampling error can be calculated.

About the Harris Poll

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas; building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit www.theharrispoll.com

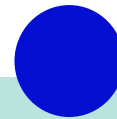
About Zuora

Zuora provides the leading cloud-based subscription management platform that functions as a system of record for subscription businesses across all industries. Powering the Subscription Economy®, the Zuora platform was architected specifically for dynamic, recurring subscription business models and acts as an intelligent subscription management hub that automates and orchestrates the entire subscription order-to-revenue process seamlessly across billing and revenue recognition. Zuora serves more than 1,000 companies around the world, including Box, Ford, Penske Media Corporation, Schneider Electric, Siemens, Xplornet, and Zoom. Headquartered in Silicon Valley, Zuora also operates offices around the world in the U.S., EMEA and APAC. To learn more about the Zuora platform, please visit www.zuora.com

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Forward-looking statements

This report contains forward-looking statements that involve a number of risks, uncertainties and assumptions, including but not limited to statements regarding the expected growth and trends in subscriptions, consumer buying trend expectations, the expected growth and trends in the market for subscription businesses, and the expected benefits of any such trends. Any statements that are not statements of historical fact may be deemed to be forward-looking statements, and actual results could differ materially from those stated or implied in forward-looking statements. This report also includes market data and certain other statistical information and estimates from industry analysts and/or market research firms. Zuora believes these third party reports to be reputable, but has not independently verified the underlying data sources, methodologies or assumptions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information.



The Subscribed Institute

The Subscribed Institute is a dedicated think tank focused on the Subscription Economy. The Institute supports its 1000+ business executives across 500+ global companies with critical data, thought leadership, and connections. Research provided by the Institute helps business leaders and their organizations to maximize the opportunities of the Subscription Economy.

More at www.subscribedinstitute.com