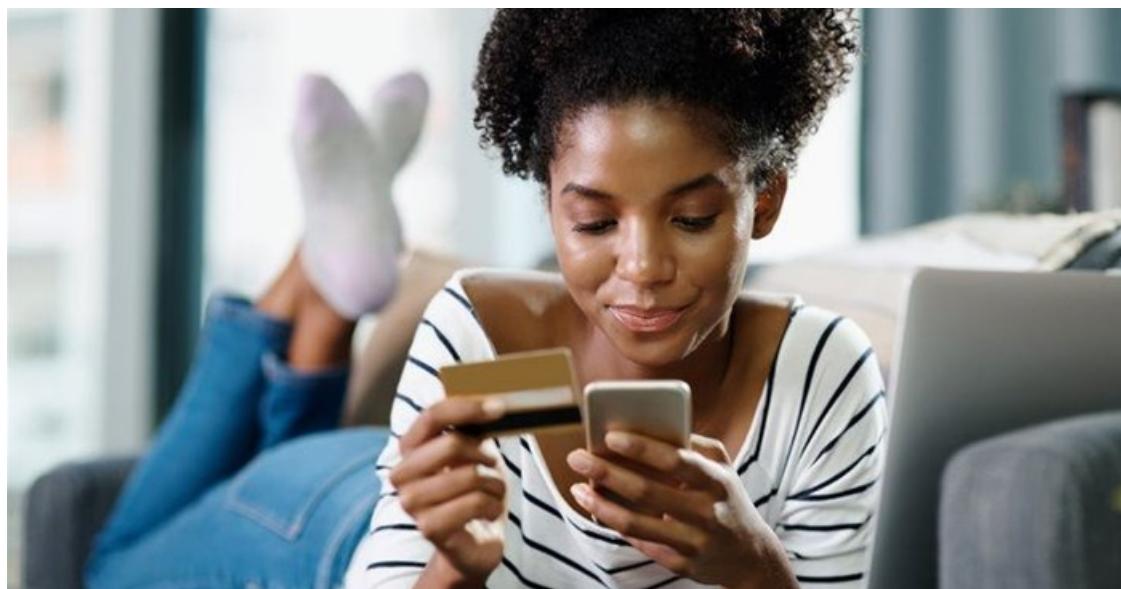


# Subscription economy to hit \$275bn in 2022: Where's the growth coming from?

The global market value of the subscription economy will grow to \$275bn in 2022, rising from \$224bn in 2021, with physical goods claiming the largest share of the market, a new Juniper Research study has found.



Source: Getty

After evaluating 10 key subscription-based markets, the research identified the following three as generating the highest revenue in 2022:

1. Physical goods
2. Digital video
3. Digital music

The new report, *Subscription Economy: Future Strategies & Market Forecasts 2022-2026*, found that increased user demand for reliable, recurring deliveries of key items, owing to the Covid-19 pandemic, and the support of automation in subscription services, are key reasons for the uptake of subscription services across these three verticals; representing 75% of global subscription market revenue in 2022.

## Physical goods to represent 45% of market value by 2022

The research identified that physical goods will account for the largest subscription revenue opportunity and are expected to represent 45% of the global revenue by 2022. The report confirmed that physical goods subscriptions have seen increased user demand, with users keen to secure reliable sources of medicines and daily essentials in the face of the pandemic.

Additionally, the report found that subscriptions to digital services, including music, video streaming, spoken word and video games, will be a major revenue stream; representing 39% of global subscription market value in 2022. It predicts that increasing adoption of emerging new device types, such as smart speakers, and the increased availability of streaming content will drive further adoption.



Ged Nooy 10 Jan 2022

## Multiple payment methods key

The research established that support for alternative payment methods is key to growing future subscription-based services. In turn, it urges subscription economy vendors to support multiple payment methods, including open banking and digital wallets, to boost convenience to the end-user.

Juniper Research recommends that platform providers should focus on the most popular alternative payment methods in their target countries, in order to minimise payment process friction, and so reducing churn.

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