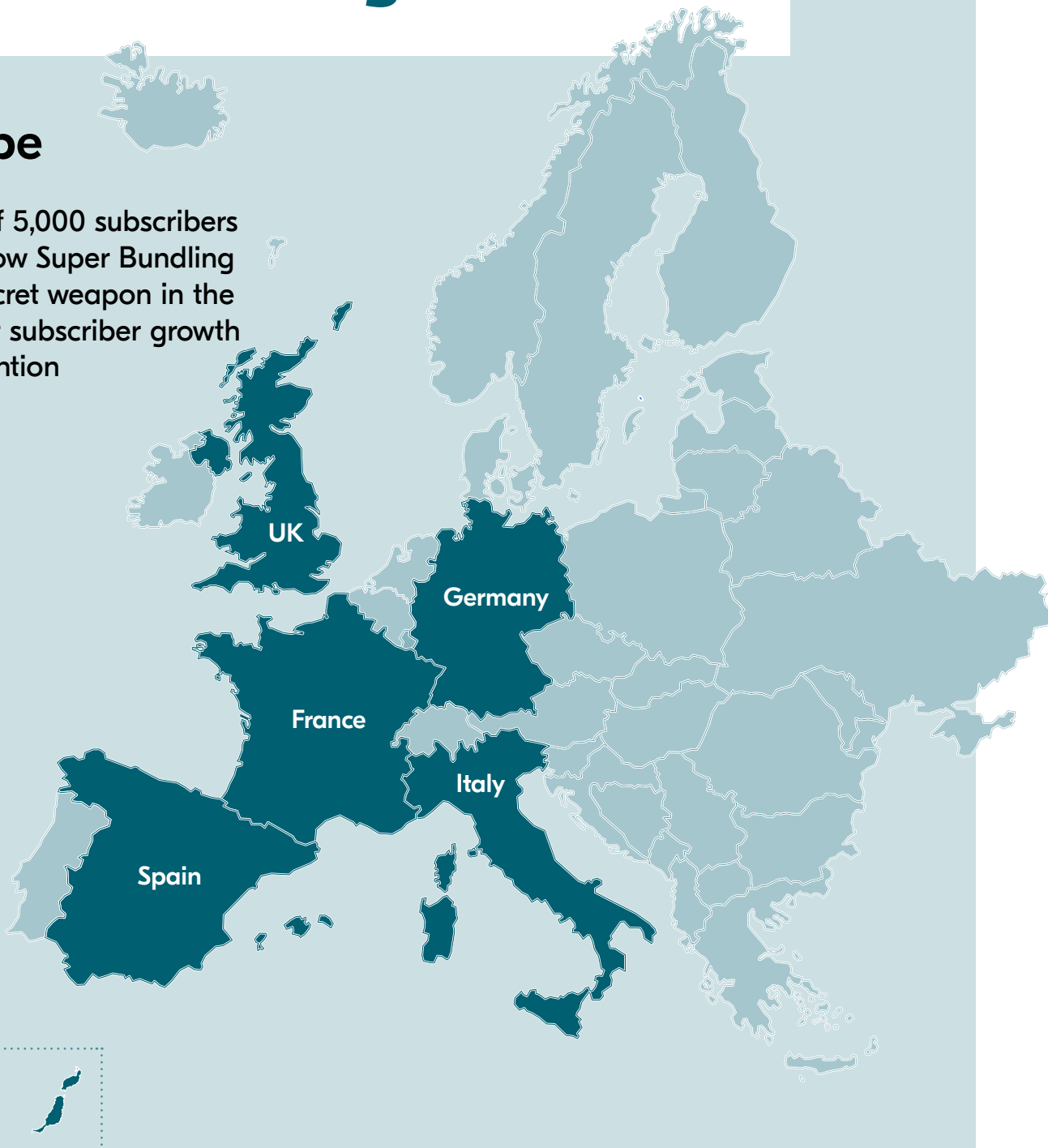


SUBSCRIPTION WARS:

Super Bundling Awakens

Europe

Survey of 5,000 subscribers shows how Super Bundling is the secret weapon in the quest for subscriber growth and retention



Introduction

While all eyes will be on Europe this summer as Paris plays host to the 2024 Olympics, subscription services already have their sights set on the region as a key market for growth. With subscriptions growing in popularity and new services being launched every week, it's not long until the European market catches up to the USA and APAC.

But in the fight for market share, subscription services are coming up against challenges marked by the ongoing cost-of-living crisis. Add to this increasing regulation for streaming companies and mixed reactions to ad-supported plans, and it's clear that the path ahead isn't straightforward.

While indirect subscriptions and cross-platform bundles are one diversification strategy that has shown strong appeal among subscribers, what they really want is something more. Enter the rise of all-in-one subscription management platforms - provided by telcos and powered by Super Bundling.

The latest in our international "Subscription Wars" series, this report highlights the unique trends, challenges, and possibilities for the European subscription market. And, highlighting how companies across the continent can leverage these learnings for their success.

Methodology

This report includes data from 5,000 subscribers across the UK, France, Spain, Germany, and Italy, exploring diverse aspects of their experience with subscription services.

Commissioned by Bango and conducted by independent research agency 3Gem, the Subscription Wars: Super Bundling Awakens Europe research was conducted in April 2024 - May 2024 and published in June 2024.



In this report, you'll discover

1

The state of subscriptions in Europe

2

Key market trends that are challenging the status quo

3

The impact of subscriber fatigue on consumer behavior

4

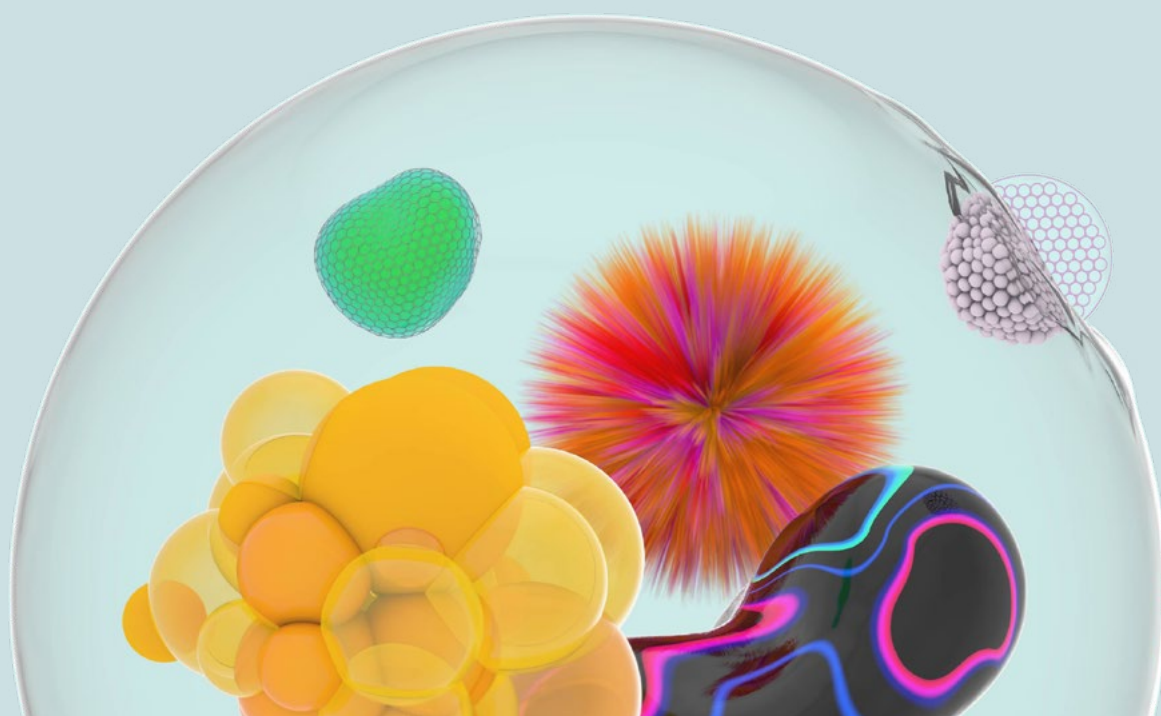
The rise of content hubs powered by Super Bundling

5

How content hubs benefit providers and subscribers

6

The role of telcos in the subscription market's evolution



1

The state of subscriptions

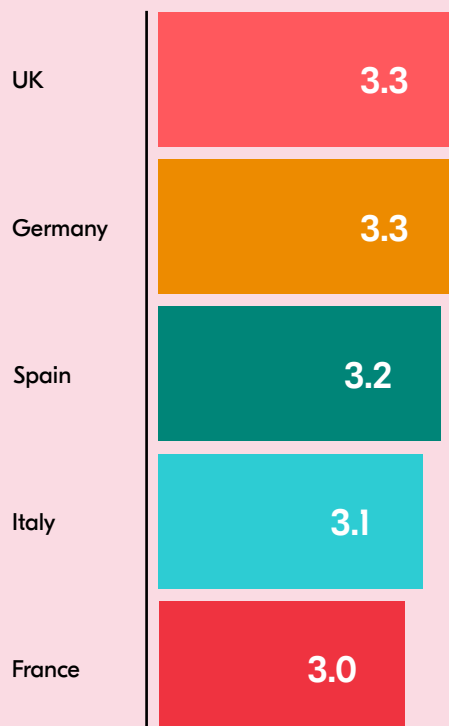
The subscription market in Europe is thriving. Subscription video on demand (SVOD) continues to captivate European audiences, as content-hungry consumers engage with multiple platforms to meet their entertainment needs.

This summer's packed calendar of sports events is even driving some to add another subscription to their list, with **1 in 5 (20%)** signing up to a new subscription service to watch the 2024 Paris Olympics.

If quantity characterizes the European subscriber, so too does variety. Most Europeans hold subscriptions spanning different content types from retail to gaming to food boxes - and are keen to adopt more.

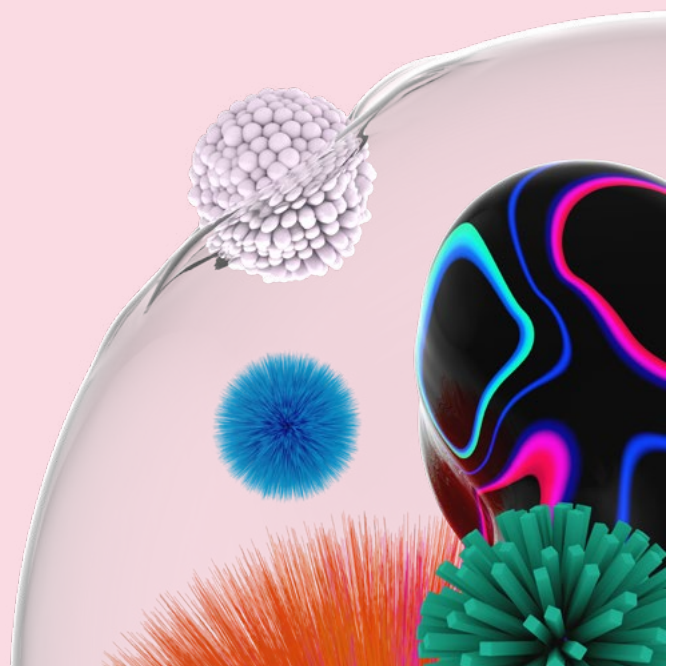
Yet Europe still lags behind other regions regarding the total number of subscriptions. The average European subscriber has **3.2** subscriptions, while the average American subscriber has **4.5**.

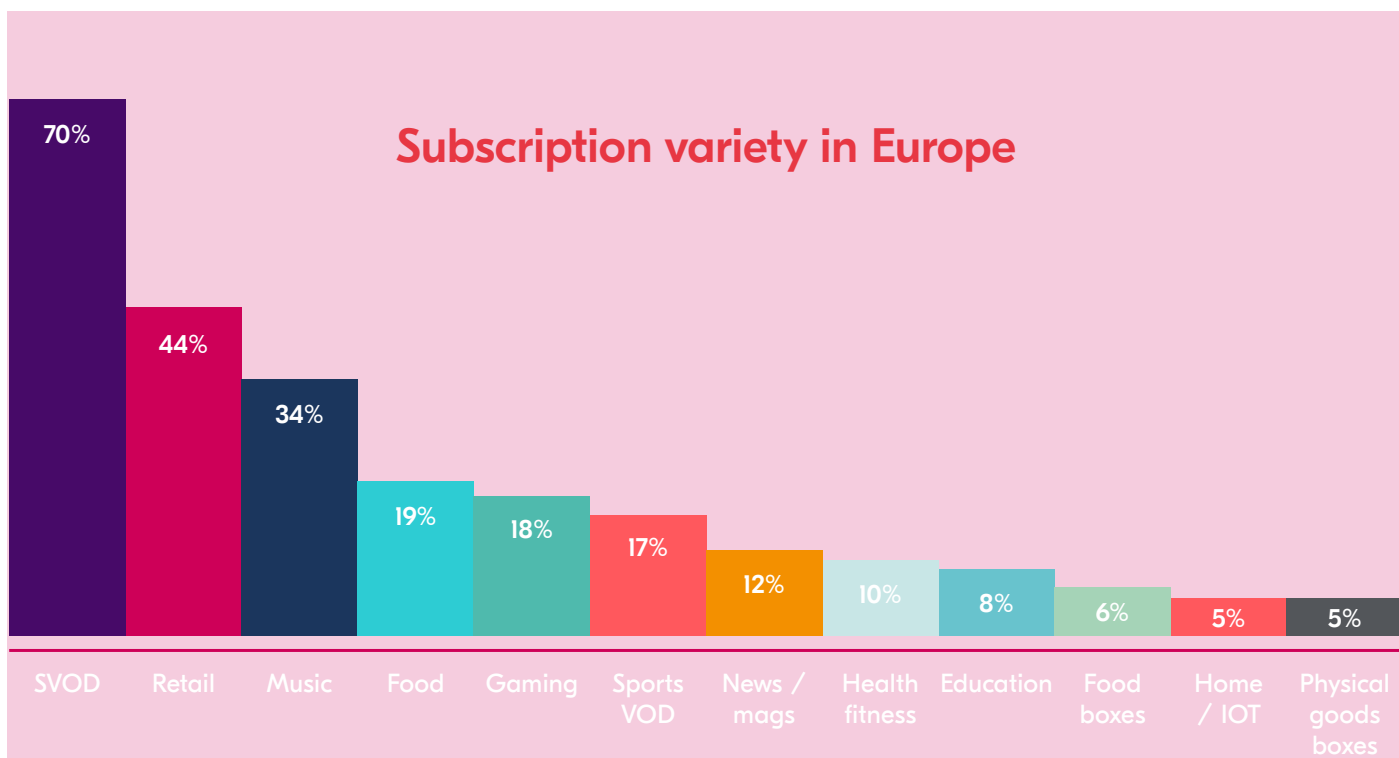
Average number of user subscriptions per country



Does this gap represent an opportunity for growth?

Massively. But, if companies are to capitalize on surging subscriber demand, they'll need to take an innovative approach.





Summer of sport 2024



22%

Will sign up for a new subscription service to watch the Euros

20%

Will sign up for a new subscription service to watch the Olympics

18%

Will sign up for a new subscription service to watch F1

16%

Will sign up for a new subscription service to watch the Tour de France

16%

Will sign up for a new subscription service to watch Wimbledon



2

Market trends: From tiering to taxes

For European subscribers, watching an episode of their favorite TV show feels more expensive than ever thanks to a perfect storm of price hikes, password-sharing crackdowns, and a cost of living crisis.

Although they spend less than their counterparts in the USA - **€696** compared to **€863** - European subscribers are cutting back to save money, with almost half (**42%**) canceling a subscription due to a recent price increase (**48%** in Italy). Nearly two-thirds (**60%**) say they can't afford all the subscriptions they would like. This number is **65%** in Spain.

Services are responding to consumer cost concerns with flexible pricing. Ad-tiering is one way to offer more affordability, with companies standing to gain from the advantages of targeted connected TV advertising over traditional broadcast channels.

However, the jury is out on whether advertising can bring a reliable - and growing — source of revenue in the long term. Around a third (**31%**) of subscribers downgraded to a cheaper ad tier since it was introduced. Over a quarter (**26%**) have upgraded their subscription, while even more (**28%**) have canceled. Over three-quarters (**76%**) believe paid subscriptions should never display ads.

Average spending on subscriptions by country per year:

Across Europe	€696
Across the UK (£696)	€814
Across France	€780
Across Spain	€720
Across Germany	€684
Across Italy	€600

Pricing and affordability

42%

have canceled a subscription due to a recent price increase - rising to 48% in Italy

60%

can't afford all the subscriptions they would like - rising to 65% in Spain

Regulation nation

In 2020, France implemented a tax on streaming services, often referred to as the "Netflix tax" or "streaming tax". This levy requires streaming platforms to contribute a percentage of their revenue - potentially as high as 5.15% - generated in France to the French National Cinema Center (CNC). Funds collected are used to support French film and television productions, ensuring the

continued growth and promotion of local content.

It's one in a lengthening list of regulations designed to protect regional media and promote service transparency in the face of the USA streaming monopoly. But while it's been reported as a controversial move, it hasn't undermined the growth of the subscription market in the region.

Only
30%

of respondents agree with the EU's decision to force subscription providers to be transparent about alternative subscription services and costs

Only
31%

would object to the introduction of a France-style tax on streaming services in their country

94%

of French subscribers have continued to pay for their music subscription services since the introduction of the 2024 music-streaming tax

Upcoming EU-wide regulations, such as the Digital Services Act, will further shape the operational practices of streaming services. Companies that proactively adapt to these regulations and invest in local content and cultural initiatives are more likely to succeed in the European market.

3

Managing subscription overload

Even in the face of increasing regulatory hurdles, the European subscription market remains a lucrative opportunity for subscription services. But companies

face another critical challenge - one that calls into question the “quantity-over-quality” strategy that’s seen them secure market share thus far.

Subscription overload



European subscribers feel there are now too many subscription services to deal with. Two-thirds (65%) say there are too many to choose from and just under half (46%) are annoyed they can’t manage all of their subscriptions in one place. Many feel trapped by their subscriptions: half (50%) are frustrated they can’t pause them whenever they like while almost a third (28%) feel locked in by their current plans.

Fed up with the complexity of managing so many subscriptions, many subscribers just stick to one or two key services. Others have abandoned the market altogether and turned to online piracy instead.

So what can subscription services do to help overwhelmed consumers embrace the idea of more subscriptions for a higher price?

A pirate’s life for me

[Europe’s largest study into piracy](#) shows it’s back on the rise, with TV shows now forming the most commonly pirated content. The report blames disjointed services and a lack of all-in-one legal options for content.

In this Bango study **1 in 5 European subscribers (19%)** are using pirate streaming services as the only way to access all content in one place.



4

The rise of content hubs

Subscribers want more flexibility - and the control that comes with it. Almost a third (28%) of our respondents say they don't know how much they spend monthly on subscriptions. Over half (54%) want to opt out of automatic renewals, rising to 59% for Italy.

For many, bundling offers a halfway point between the two. 1 in 5 (21%) subscribers now go indirect for their subscriptions, signing up via bundles and deals from third-party services like broadband providers. These packages consolidate billing for subscribers into one place, relieving the headache of managing different subscriptions alongside a TV, mobile, and broadband plan.

But subscribers know that companies can go further. In the USA and Australia, full-service 'content hubs' like Verizon +play and Optus SubHub have made waves in the subscription market with their consumer-first convenience that gives subscribers both flexibility and control in spades. Verizon's +play customers can manage their Xbox Game Pass, Max, NFL, and Snapchat+ accounts on one platform, while Optus customers can combine their Netflix, Calm, Kindle, and Sweat subscriptions under one SubHub roof.



58%

Of European subscribers are demanding one app to manage all of their subscriptions and accounts

Now they're calling out for these types of all-in-one platforms to break into the EU and UK markets. Over half (58%) of European subscribers are demanding one app to manage all of their subscriptions and accounts. In Spain, it's as high as 67%.

5

Content hubs: A winning strategy

The benefits for subscription service providers are loud and clear. Not only would almost half (**46%**) of subscribers spend more time engaging with their subscriptions - increasing the opportunity for cross and up-selling by providers - **40%** would also sign up for more services if an all-in-one subscription platform was available.

The risks of ignoring the call for a content hub? Cancellation. More than half (**59%**)

of respondents feel they would better manage their household expenses if all their subscription services were in one place, rising to **65%** in Spain.

A crucial feature of any content hub would be simplified financial management. What subscribers especially want is not more content or interactive features, but simplicity, flexibility, and affordability around payment.

Features European subscribers want from all-in-one subscription platform:

50%

Want to pay multiple subscriptions via one monthly bill

45%

Want to temporarily pause subscriptions ("Payment holidays")

34%

Want to change subscription duration (weekly vs monthly vs annually)

32%

Want to calculate the best deals and prices across all platforms

31%

Want to centrally update payment details

22%

Want to switch between premium and ad-funded tier

6

Super Bundling: Telcos take control

European subscribers have also made it clear that, just like in the USA and Australia, they want telcos to offer these all-in-one content hubs. And they're willing to pay for it.

European telcos are already creating subscription-based deals but few combine subscriptions outside SVOD. In the UK, BT offers packages that include subscriptions to services like Netflix, Amazon Prime Video, and NOW TV. France's Orange offers a bundle called "Love & Go" which includes high-speed internet, TV, and a Netflix subscription.

Mobile and broadband providers are primed to take the next step into offering all-in-one content and subscription management platforms, moving from

bundling to what is known as "Super Bundling".

For telcos and content providers, Super Bundling could be the key to preventing customer churn. Super Bundling boosts customer spend, loyalty, and advocacy. Over a third of subscribers (38%) would pay a higher bill if a package of popular subscriptions was automatically included, with 35% of subscribers willing to pay 25% more.

Over half (54%) of European subscribers would be more loyal to a brand that offered an all-in-one subscription service, while over a third (39%) would leave their current provider if this service became available elsewhere.

Telcos

46%

Mobile provider



36%

Broadband provider



17%

TV provider



16%

Payment or wallet company



15%

Bank or credit union



10%

Retailer



6%

Social media



Who do European subscribers want to provide an all-in-one subscription service?

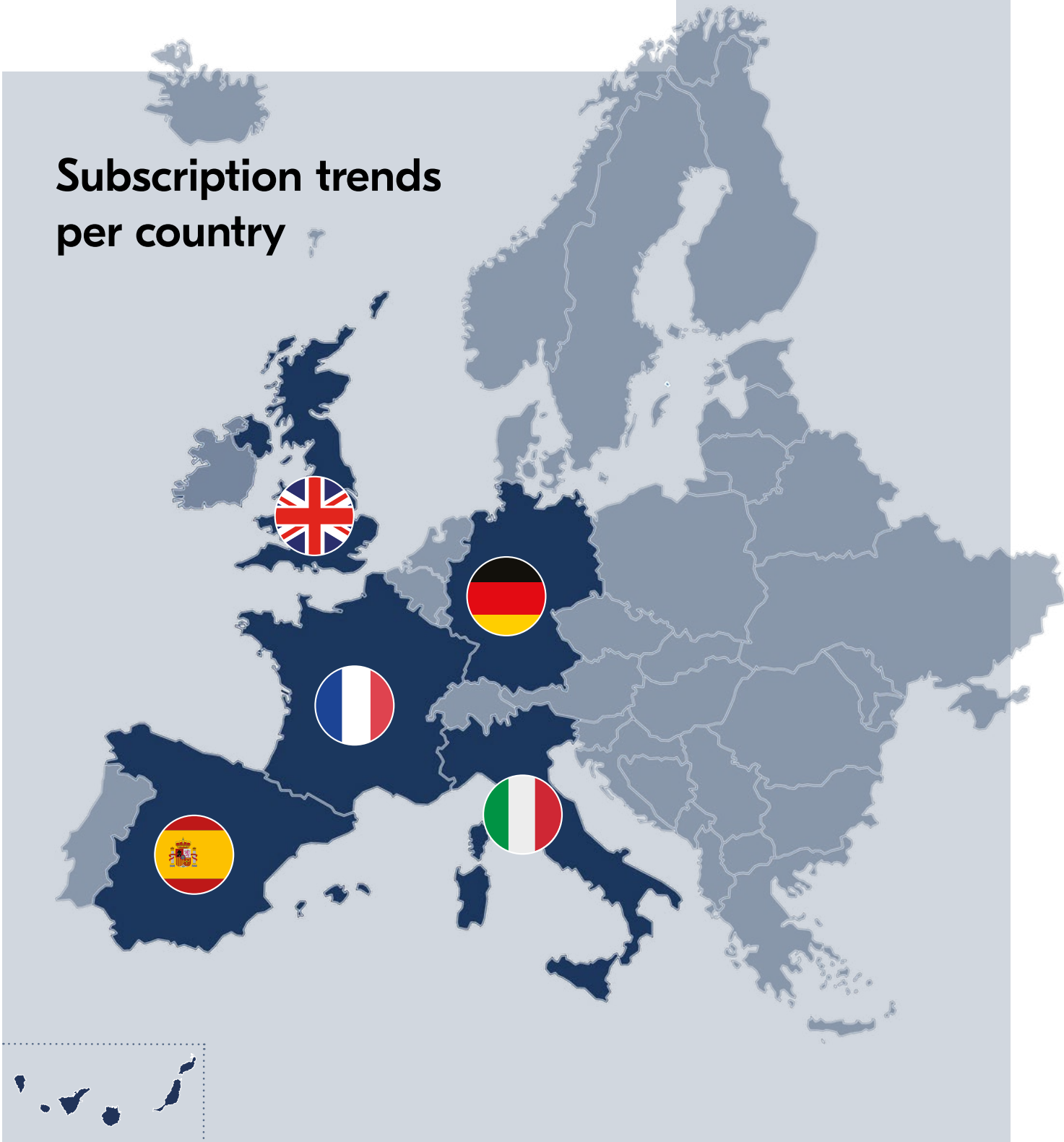
Super Bundling promotes customer advocacy

56% of European subscribers would be more likely to recommend a provider that offers this service - rising to 61% in Spain

Section 2:

State of the nation

Subscription trends
per country



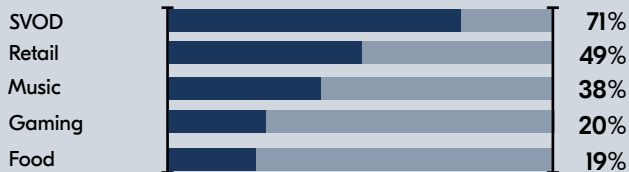


United Kingdom

UK subscribers are the biggest spenders in our survey, paying an average of **€68 (£58)** a month for subscriptions – the highest of any country in our survey and **1 in 8** are paying more than **£100** per month **£1.2k** per year. **63%** of Brits are also the most likely to have a forever subscription which they always keep and never pause or cancel.

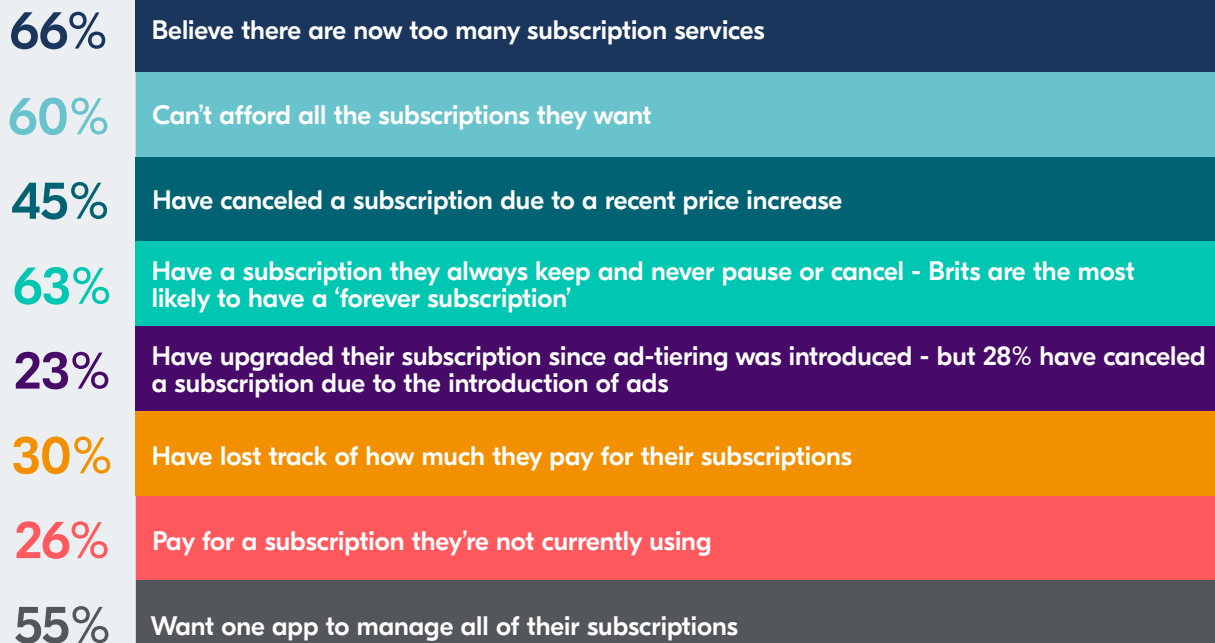
While there is a clear appetite for subscriptions, affordability is a key concern. Almost two-thirds (**60%**) can't afford all the subscriptions they want. Nearly half (**45%**) have canceled due to recent price hikes, with almost a third (**28%**) discouraged by the introduction of ads.

Most popular subscriptions in the UK

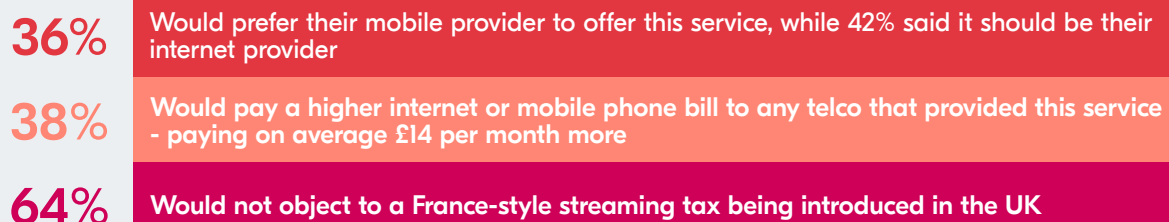


Average subscriber pays
per month for subscriptions
- £696 / €814 per year

Quick facts:



They're looking to telcos to provide it:





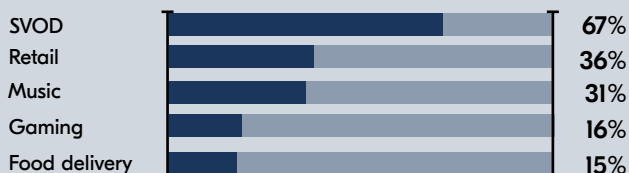
France

When it comes to average spend, subscribers in France come a close second to the Brits, paying **€65** for subscriptions per month. This is despite French subscribers having the least number of subscriptions when compared with their European counterparts. And with two of the world's biggest sporting events taking place in the country this summer, that number is set to rise as subscribers sign up for more services to watch them.

The crackdown on password sharing has seen a third (**33%**) of subscribers now pay for a service they used to access for free. At the same time, more subscribers have been turning to piracy to access the content they want.

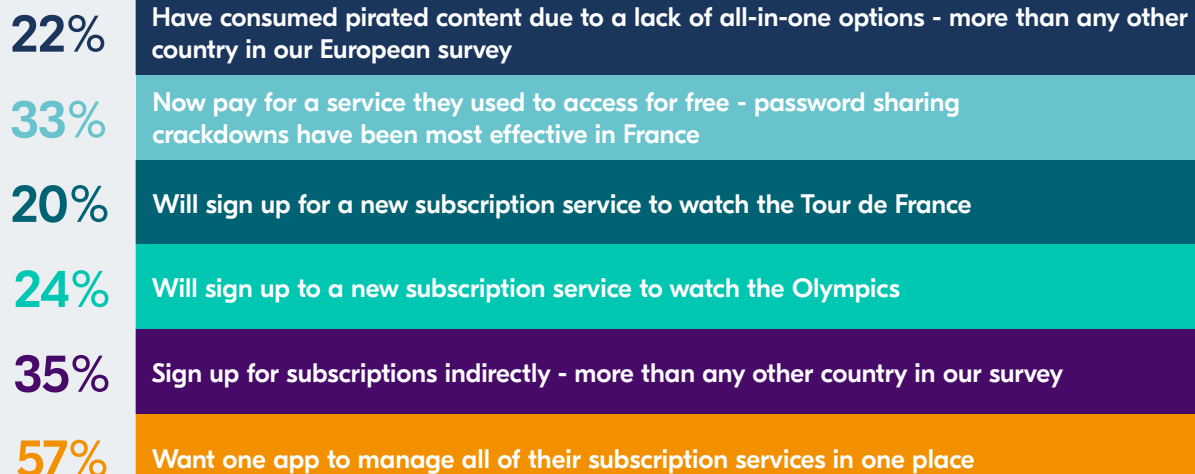
But French subscribers are open to paying more for a service that fits their needs. In fact, they'd be willing to pay the most of all European countries for an all-in-one content hub.

Most popular subscriptions in France

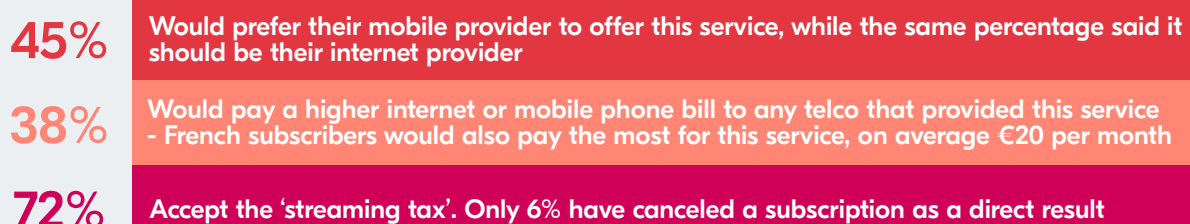


Average subscriber pays
per month for subscriptions -
€780 per year

Quick facts:



They're looking to telcos to provide it:





Spain

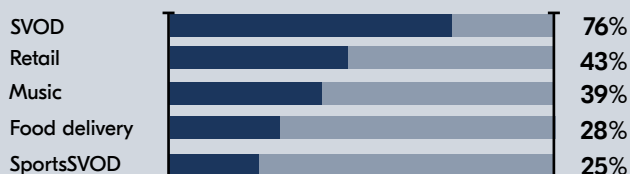
Coming in third in terms of subscriber spend is Spain, where the average subscriber pays **€60** per month — a cost that for two-thirds of respondents means they can't afford all of the subscriptions they want.

For service providers, the introduction of advertising would appear to be the least popular tactic when it comes to improving

affordability, with almost a third (**31%**) of subscribers canceling as a result. **81%** say paid subscriptions should never include ads — more than any other nation in our survey.

But while tolerance for ads is the lowest in Spain, demand for one app to manage all their subscriptions is the highest.

Most popular subscriptions in Spain



Average subscriber pays per month for subscriptions - €720 per year

Quick facts:

- 65%** Can't afford all the subscriptions they want - more than any other country in our survey
- 31%** Have canceled a subscription due to the recent introduction of ads - Spanish subscribers are the least likely to tolerate ads
- 81%** Also believe paid subscriptions should never have ads, more than any other nation in our survey
- 27%** Pay for a subscription they're not currently using
- 67%** Want one app to manage all of their subscriptions - more than any other country in our survey

They're looking to telcos to provide it:

- 57%** Would prefer their mobile provider to offer this service, while 29% said it should be their internet provider
- 43%** Would pay a higher internet or mobile phone bill to any telco that provided this service
- 73%** Would not object to a France-style streaming tax being introduced in Spain



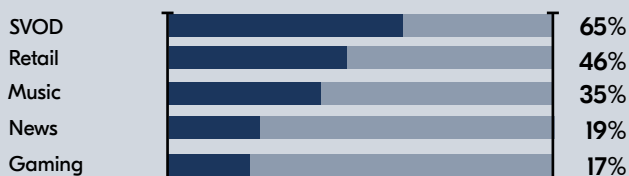
Germany

The average monthly spend is lower than that of their European neighbors, and subscribers in Germany have been the least likely to cancel following price hikes and the introduction of ads. That said, over half (53%) say they can't afford all the subscriptions they want.

German subscribers are the most likely to

lose track of how much they spend on subscriptions, with more than 1 in 4 (27%) paying for a subscription they're not currently using. The simplified and convenient financial management that comes with Super Bundling may be its biggest appeal in Germany where subscribers would be willing to pay an average of €17 per month more to any telco that provided this service.

Most popular subscriptions in Germany



Average subscriber pays per month for subscriptions - €684 per year

Quick facts:

53%

Can't afford all the subscriptions they want

30%

Have been the least likely to cancel following price increases - and the least likely to cancel due to the introduction of ads (24%)

32%

Have lost track of how much they pay for subscriptions - German subscribers are the most likely to lose track of their spending

27%

Pay for a subscription they're not currently using

50%

Want one app to manage all of their subscriptions

They're looking to telcos to provide it:

45%

Would prefer their mobile provider to offer this service, while 36% said it should be their internet provider

37%

Would pay a higher internet or mobile phone bill to any telco that provided this service - paying on average €17 per month more

70%

Would not object to a France-style streaming tax being introduced in Germany

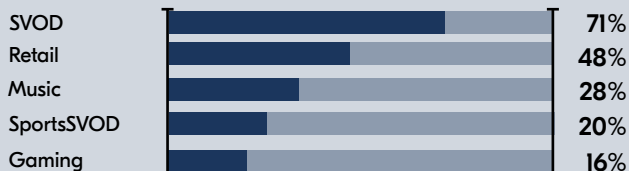


Italy

Cost consciousness is prevalent among Italian subscribers who pay the least on average per month for their subscriptions at **€50**. They are the most likely to cancel a subscription following a price increase and the most likely to downgrade to an ad-supported tier. Over half (**59%**) say they can't afford all the subscriptions they want, yet almost a third (**30%**) pay for a subscription they aren't currently using.

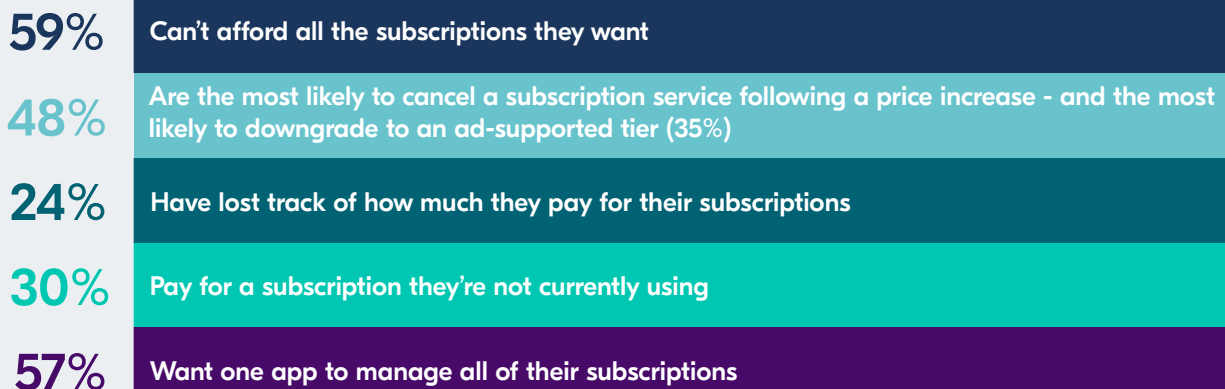
Despite their price sensitivity, Italian subscribers wouldn't object to a France-style streaming tax being introduced. In a market opportune for growth, Super Bundling could bring added value by consolidating and simplifying payment while making local subscription services more readily available alongside US streaming giants.

Most popular subscriptions in Italy

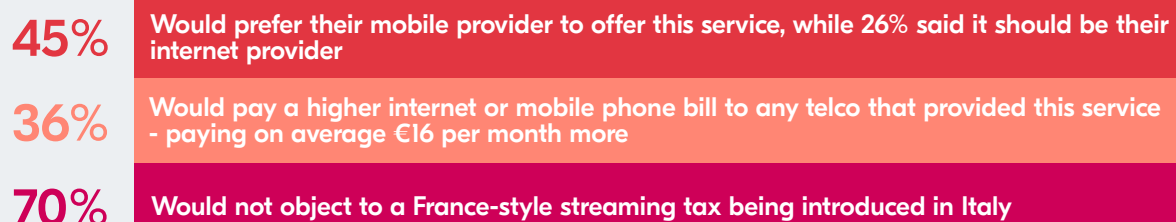


Average subscriber pays per month for subscriptions - €600 per year

Quick facts:



They're looking to telcos to provide it:





Super Bundling: Where do I start?

Content providers

Super Bundling gives content providers instant access to a ready-made distribution, marketing and billing network offered by telcos and other channels around the world. Bringing together telcos and content providers in one place, the Digital Vending Machine® from Bango is a SaaS product that enables the Super Bundling of content subscriptions.

Several global telcos have already created their own vibrant content hubs - bringing together dozens of providers including Netflix, ESPN, Amazon Prime, Duolingo, YouTube, Peloton, Audible and more in one seamlessly integrated solution.

The Digital Vending Machine® from Bango isn't just for established players. The low barrier to entry means it's ideal for content and service providers looking to make a name for themselves. Plus, it opens doors to some of the biggest reseller networks around including telcos, banks and retailers. Support for a range of commercial models means that the Digital Vending Machine® from Bango ensures you get to market at speed and with minimal integration pain.

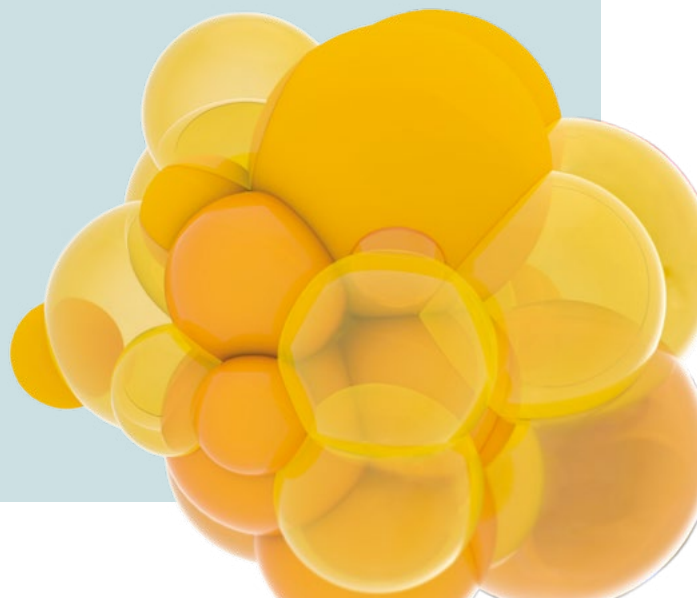
The Digital Vending Machine® from Bango brings together resellers and content providers to enable Super Bundling of subscriptions at speed and scale.

Telcos

The Digital Vending Machine® from Bango is loaded with pre-built integrations for hundreds of subscription products, apps, and streaming services. We provide all the core requirements via standardized technology enabling telcos to deliver Super Bundling in months, rather than years.

The Digital Vending Machine® from Bango is available as a SaaS product, which means telcos can quickly and easily scale, gaining access to a constantly evolving and growing ecosystem of global subscription and content providers.

This happens through a single one-to-many integration, avoiding time-consuming one-to-one arrangements. Enabling this super-fast time to market means that telcos can focus on the things that matter most to them: customer acquisition, retention and engagement. Developing subscription hubs with Verizon and Optus, we've helped create deals spanning Netflix, ESPN, Amazon Prime, Duolingo, YouTube, Peloton, Audible and more.





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