



2023 PAID ENROLLMENT DATA STUDY

# How to Increase Acquisition, Engagement & Revenue with Paid Enrollment



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# Introduction

In an era defined by convenience, connectivity, personalization and instant gratification, it's no wonder subscription-based services have transformed modern consumer culture.

What began as a strategy for newspapers, the subscription model has been adopted by retail and service providers alike to reach a broader audience, bringing in a steady stream of revenue and giving rise to a new era of customer loyalty.

This new model paves the way for **paid enrollments**, which are **limited-time subscription-based incentives that can help brands reach their loyalty objectives faster.**

ebbo's 2023 Paid Enrollment Data Study delves into the most recent statistics to gain insight into how these tactics can reshape your brand's relationship with your consumers — and how you can put paid enrollments to work.



# Key Findings

93%

of consumers belong to at least one subscription, making it clear that the subscription economy is here to stay.

60%

of consumers will likely join a brand's free loyalty program if they could take advantage of paid enrollment offers valuable to them.

71%

of consumers will recommend subscription products to friends and family if they were excited by them.

56%

of consumers agree that a limited offer encourages them to act, showing that FOMO is a powerful driver.

70%

of consumers are interested in discounts on purchases when it comes to paid enrollment offers.



INSIGHT 01

# Subscription Loyalty and the Rise of Paid Enrollment Offers

# A Paradigm Shift in Loyalty

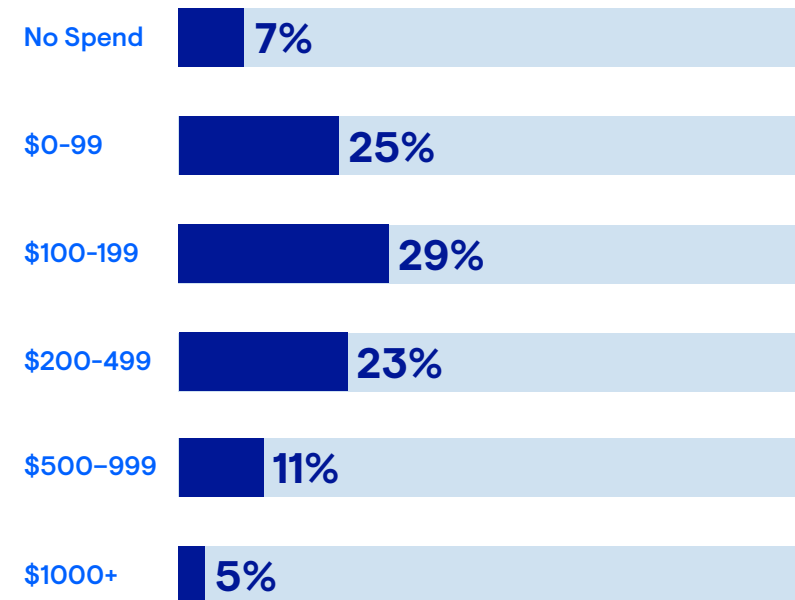
According to our study, a staggering **93% of consumers have embraced the subscription model, with 68% of that group belonging to multiple subscriptions**. This overwhelming adoption speaks volumes about today's customer, emphasizing a preference for convenience and personalized service and signifying a profound shift in the way people expect access and consume goods and services.



# Spending Habits in the Subscription Era

Despite the wild popularity of the subscription model, the financial commitment varies greatly—**but on average 77% of consumers spend up to \$499 annually on subscriptions**. Here's how it breaks down:

## Annual Spend on Subscriptions for U.S. Consumers



These spending habits show no sign of waning as 41% of consumers expressed intent to add more subscriptions in the next year.

# FOMO: A Catalyst for Action

When it comes to consumer behavior, **don't underestimate the power of FOMO** (Fear of Missing Out). 50% of subscribers admit to experiencing FOMO, particularly in response to limited-time or limited-quantity offers. This psychological driver shouldn't be ignored, as 56% of consumers agreed that a limited offer encourages them to act.

## Enter Paid Enrollments

Within this context, the addition of paid enrollments can be a winning strategy. **A paid enrollment is a limited-time, subscription-based loyalty amplifier that gives customers a novel experience** — from product discounts, the chance to win or buy exclusive items to members-only or time-sensitive offers — in exchange for a fee.

This approach aligns seamlessly with the inherent allure of subscription services while harnessing the power of FOMO, creating **a value proposition that's hard to turn down**.



### Psychological Impacts of FOMO on Consumers

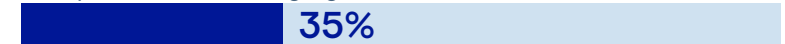
Are encouraged to act on limited offers



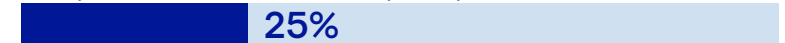
Experience FOMO from limited offers



Worry more about missing a good deal or discount



Worry more about limited time or quantity



### Taco Bell Taco Lover's Pass

To celebrate National Taco Day in 2022, Taco Bell re-introduced its digital taco paid enrollment, Taco Lovers Pass.

Available exclusively to Taco Bell Rewards members, the offer was available for one day, October 4th.

For a one-time fee of \$10, members could purchase the Taco Lovers Pass through the app which would allow them to redeem any one of seven tacos a day for 30 days.

This is a great example of a paid enrollment that was on-brand, fun and engaging — and exclusively available to loyalty program members.

The background of the slide features a dark blue, textured surface with several pieces of light blue paper torn and layered across it. The torn edges are irregular and jagged, creating a sense of depth and movement. The paper pieces are scattered across the frame, with some overlapping others.

## INSIGHT 02

# How Paid Enrollments Add Value to Loyalty Strategies

# The Allure of Value

In this year's data study, a significant insight emerged: **54% of consumers expressed their willingness to participate in a subscription-based paid enrollment program if the benefits were deemed valuable.**

For example, these benefits could include exclusive members-only discounts on purchases for a month, access to exclusive VIP events, entry into an exciting sweepstakes, free gifts or a spot in line to pre-order a new product before it is released to the general market.

This statistic underscores the pivotal role that perceived value plays in influencing consumer decisions, paving the way for businesses to leverage this enthusiasm to drive member acquisition.



**60% of consumers indicated that they were more likely to join a brand's free loyalty program if it gave them the chance to take advantage of paid enrollments**



# The Allure of Value

Even more compelling, the data revealed a symbiotic relationship between loyalty programs and paid enrollments: **60% of consumers indicated that they were more likely to join a brand's free loyalty program if it gave them the chance to take advantage of paid enrollments** that gave them valuable rewards or benefits, indicating a direct relationship to new member acquisition.

For existing members, the stats were equally powerful. **64% of existing loyalty members would be willing to sign up for a paid enrollment if doing so gave them more valuable rewards** or benefits in their program beyond what the average member or customer receives.

And value perception goes a long way when it comes to word-of-mouth marketing. **71% of consumers are likely to recommend subscription products that they are excited about to friends and family**, while 68% of consumers are likely to join a paid enrollment program for a brand they like if a trusted friend or family member recommended it to them.

## Paid Enrollment Value Perception

Consumers willing to join a subscription-based enrollment if deemed valuable

54%

Consumers interested in free loyalty programs with paid enrollment benefits

60%

Existing loyalty members that would sign up for a valuable paid enrollment

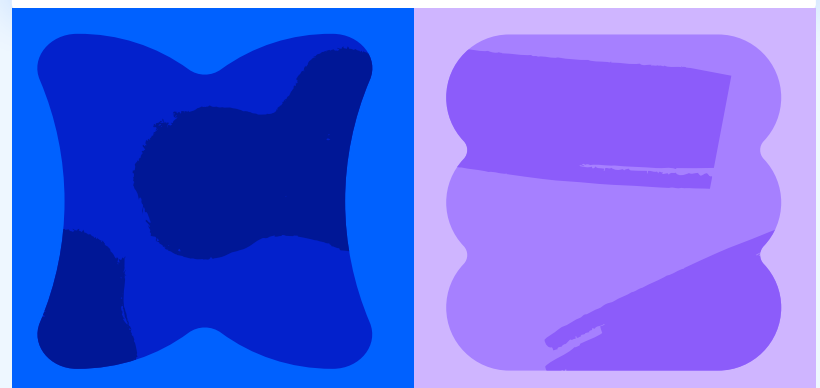
64%

Consumers likely to join a paid enrollment if recommended by friends or family

68%

Consumers likely to recommend subscription products they're excited about to friends and family

71%





INSIGHT 03

# Getting Paid Enrollment Right from the Consumer POV

## What Intrigues Consumers?

While the data behind paid enrollment is impressive, 72% of consumers were not currently participating in any paid enrollment offers. **78% of consumers who aren't participating in any said they're likely to opt in if the paid enrollment offer was exciting or valuable.** So, what does it take to get paid enrollment right? Let's take a closer look at what's working — and what isn't.

## Money Talks, But So Does Delight

Considering **consumers responded overwhelmingly that discounts on purchases and shipping were most important** (at 70% and 68%, respectively), the prospect of saving money takes the lead when it comes to enticing customers. However, 28% of consumers placed value on members-only experiences, 24% were enticed by surprise rewards and 20% were drawn to prize-winning opportunities, showing that elements of exclusivity and delight hold aggregate value within a paid enrollment program.

### Most Important Paid Enrollment Benefits to Consumers

Discounts, coupons and/or cash-back on purchases

70%

Free or discounted shipping

68%

Members-only experiences (early access, members-only sales, express checkout instore, VIP customer service, community events, etc.)

28%

Surprise rewards

24%

Chances to win a prize

20%

Branded merchandise/swag

11%

Customizable digital rewards (custom wine labels, branded social media photo frames, etc.)

10%

# Overcoming Barriers

When it comes to conversion, our data showed **convenience and understanding customer needs were significant roadblocks**, with 40% reporting uninteresting benefits and a cumulative 71% reporting effort, inconvenience and annoyance would prevent them from signing up for a paid enrollment.



## Biggest Reasons Consumers Haven't Signed Up to a Subscription-Based Paid Enrollment

Don't want to share personal information

25%

Time consuming/requires too much effort

29%

Inconvenient

21%

Felt bothersome or annoying to be asked at instore checkout

21%

The benefits/rewards weren't interesting

40%

Preferred brands don't offer paid enrollments

28%

Unaware of brands' paid enrollment offers

20%

Don't understand how it will personally benefit

12%

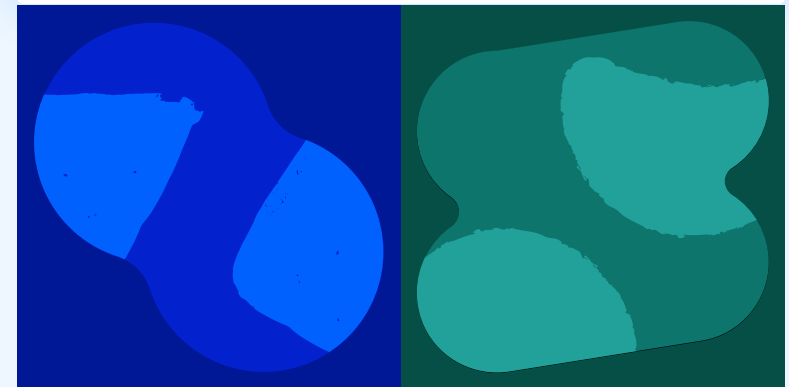
# Capturing Paid Enrollment Conversion

When asked about the most enticing incentives and categories for paid enrollments, savings topped most consumers' lists. **74% of respondents indicated that discounts on products would be an incentive to sign up for a paid enrollment**, 57%, 45% and 44% would be persuaded by paid enrollments on groceries, gas, and food and beverage, respectively.



## Paid Enrollment Incentives, Ranked

1	Memberships that give discounts on products (i.e., a restaurant subscription that gives free drinks or discounted menu items)	74%
2	A guaranteed spot in line to order a new product not on the market yet (i.e., a smart phone or vehicle)	30%
3	Access to daily instant-win games for the chance to win big prizes	28%
4	Exclusive access to VIP events	21%
5	Access to VIP customer service	18%



## Top 10 Categories Consumers Would Most Likely for Sign Up for A Paid Enrollment

1	Groceries	57%
2	Gas	45%
3	Food and beverage (including restaurants)	44%
4	Entertainment	31%
5	Health and beauty	28%
6	Apparel	26%
7	Household products	20%
8	Travel and tourism	20%
9	Electronics	19%
10	Lodging	16%



# Turning Shoppers into Paid Enrollment Subscribers

**Paid enrollments are a powerful tool and adding them to your brand can be exponentially beneficial.** Aside from providing a steady stream of incremental revenue, they can drive program acquisition, re-engage your existing loyalty program members in a meaningful way and encourage your most loyal customers to become brand advocates. Furthermore, paid enrollments can increase product purchase frequency, promote brand partnerships and sponsorships and encourage early adoption of new products.

And considering the ubiquity of subscription programs on the **consumer landscape, customer sentiment is ripe for adopting paid enrollments** into their spending habits, so long as the benefits offer value and excitement — and don't make things too complicated.

The beauty of a paid enrollment is that it's not a huge lift when compared to building a full-blown loyalty program. In many cases, **a paid enrollment can be added in as little as 60 days**, which means brands can start generating customer engagement and incremental revenue quickly. No matter what your program goals, from acquisition to engagement to purchase frequency, paid enrollments can empower your brands' loyalty strategy — and keep your customers coming back for more.

If you're interested in learning more about adding paid enrollment to your loyalty strategy, [reach out to us here](#).



# About ebbo

ebbo is an all-in-one loyalty company that has helped leading brands build unforgettable customer experiences for over two decades. With our data driven strategy, full-service approach and the unwavering support of the people behind our platform, our dedicated team will work with you to understand your loyalty goals, innovate solutions and help you build customer engagement on repeat. ebbo is headquartered in Rocky Hill, CT, with offices in Michigan and team members all over the U.S. If you'd like to learn more about how to increase customer engagement, visit [ebbo.com/insights](https://ebbo.com/insights).

Interested in learning more about loyalty and customer engagement?

Download and explore the following resources:

[2023 Customer Engagement Data Study](#)

[2023 Loyalty Amplifiers Data Study](#)

[2023 Loyalty Programs Data Study](#)

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## Methodology

ebbo surveyed 1,310 U.S. consumers  
18 and older in July 2023

ebbo™