



PAYMENTS
2025

UNLOCKING THE NEXT ERA OF SUBSCRIPTION PAYMENTS: AN INTERVIEW WITH RECURLY

In today's rapidly evolving digital landscape, subscription-based business models are starting to dominate various industries. From streaming services and software platforms to digital media and video games, consumers are increasingly moving toward this purchasing model due to its convenience and flexibility. The subscription economy is now one of the fastest-growing industries, and its market size is expected to reach \$1.5T in 2025.¹

As we inch closer to 2025, find out what's propelling the future of subscription payments in this exclusive interview with Theresa McEndree, Chief Marketing Officer at Recurly. Gain deeper insights into emerging trends and how this thriving sector will continue to shape user journeys and payment experiences.

Futureproofing

Customer interests and habits are changing. Their growing preference toward flexible payments is one of the major factors contributing to the growth of the subscription economy mentioned earlier. What do you think will be the key features that will shape the way individuals make these payments in 2025? In line with this, how can businesses prepare to meet the evolving user expectations across demographics and geographies?

As consumers grow more selective, businesses must routinely prove the value they offer and provide flexibility in pricing and payments to retain and grow their customer base. The key payment and billing features that consumers are increasingly looking for come down to convenience, a seamless user experience, and stronger personalization and customization of offers and programs. As we found in our State of Subscriptions: What Consumers Want report, 65% of respondents would likely change their mind about cancelling their subscription if they can customize their plan based on what they use.²

The right payments partner will have integrated technologies that are built to support innovation and growth as consumer demands and insights in the subscription space continue to evolve.

Moving forward, the goal for subscription services must be to remove complexity in the next generation of subscription management, specifically working with customers to manage subscriptions across app/mobile platforms, streamlining the subscriber management and payment experience. This can lead to businesses seeing an increase in the customer lifetime value, extending the relationship with loyal subscribers for years to come. By doing this, leaders in the subscription space would have an opportunity to extend the lifetime of a subscriber and gain long-term value by driving user loyalty.



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The role of data

As consumers become ever more aware of how their data is being used, they expect more personalized experiences from brands. Because of this, 69% of businesses are increasing their investment in personalization, despite challenging economic headwinds.³ What do you think is the next big advancement in subscriptions and payment technologies that will help brands stay ahead of the curve?

For brands with direct-to-consumer strategies in play like subscriptions, tapping into key marketing elements of loyalty, promotions, and trial are a major opportunity to grab and grow market share. We found that 4 in 5 consumers want to be rewarded for subscription loyalty with lower subscription prices, discounts and upgrades.²

Utilizing data and insights means that AI and machine learning will continue to grow in their ability to analyze opportunities and challenges, offering seamless solutions for better connections between subscription businesses and their customers to drive increased revenue and stronger retention.

Unlocking customer data to target subscribers with the right products and plans, better managing monthly recurring revenue and tracking subscription profitability are likely to increase subscriber lifetime value with faster data, smarter insights, and improved flexibility.

Additionally, the advancements in technology over the next several years will have an impact on the growth of the industry. Most importantly, the focus on developing technology and services that allow subscription providers to seamlessly adapt to global payment networks and gateways will have a major impact on the global expansion of subscription services over the next several years, by allowing companies to more seamlessly scale globally without the need for costly provider changes.



4 in 5

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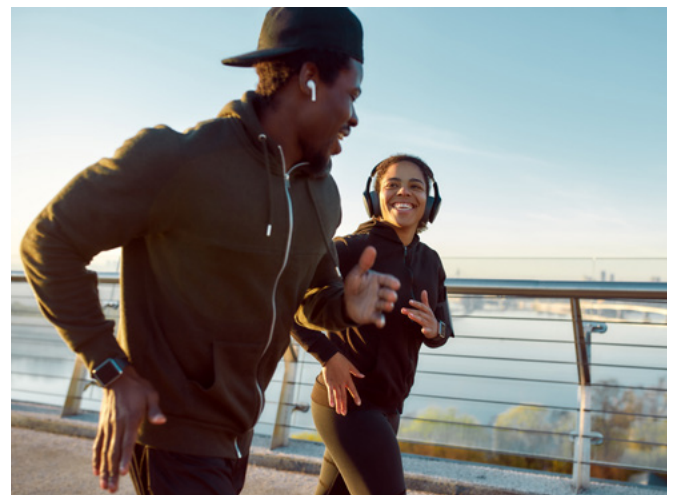
Driving businesses forward

Considering that subscription-based businesses are reported to grow five times quicker than any other business,⁴ the competition is only getting tougher. How can brands with this business model improve user journeys and payment experiences to maintain a competitive edge?

Providing exclusivity and creating consumer-led pricing models to these experience-based services is a major factor in retention and growth and a key focus area for business leaders moving forward. In fact, for consumers, Recurly research shows that having exclusive access to content or services is the main reason for signing up for a subscription.

This includes exclusivity in product, content or service, as well as unique bundling, perks, or discounts. This also leads to stronger preferences about brands as these consumers are more keenly focused on the types of offerings available from a range of companies, and they spend the time to choose the services that best deliver on their needs and wants. In the subscription experience, we will see more and more traditional consumer mechanics - such as loyalty points and rewards - leveraged to expedite growth, increase renewals, and deepen profitability.

Commerce has changed forever, and subscriptions provide the infrastructure for commerce and loyalty to converge – a trend that will continue to evolve over the next several years.



In summary

The future of subscription payments holds good potential for transformative advancements. Evolving user expectations, an increased desire for personalization and a demand for exclusivity are likely to reshape the way consumers engage with subscription services. For businesses to stay ahead of the curve, it's important to be agile and proactive toward the ever-changing consumer behaviors and technological developments.

Flexibility for any coming changes can help businesses navigate the evolving landscape of subscription payments and unlock new opportunities for growth and customer satisfaction.

Worldpay has the tools, cross-border solutions, global scale and local expertise to help subscription-based businesses innovate and grow now and in the future.



About Recurly

Recurly is the platform that helps businesses adapt quickly, use data-driven insights to capture and keep more business, and manage subscriptions at scale. Platform features include plans, pricing and promotions, subscriber management; payments orchestration, churn management, recurring billing and revenue recognition.

Founded in 2009, Recurly is based in San Francisco, with offices in Boulder and London. For more information, visit [Recurly.com](https://recurly.com).

Thousands of innovative companies across digital media, streaming, publishing, SaaS, education, consumer goods and professional services industries rely on Recurly to unlock transformational growth using subscriptions. Recurly's all-in-one, integrated platform removes the complexities of automating subscription billing at scale by enabling teams to manage and optimize their subscriber lifecycles with ease.



Payments 2025 highlights the key trends shaping the future of payments across key industries. Using our years of experience and leveraging our vast network of specialists from across the industry and beyond, we share expert opinions and recommendations. We explore the social, economic, technological and environmental factors that will shape the next few years, so we can help you prepare for tomorrow.

Sources:

1. Instead (2023), Five ways to optimise your subscription model, <https://bit.ly/3qQimtB>
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3. Twilio Segment (2023), The state of personalization report 2023, <https://bit.ly/43O93ZE>
4. Lineup (2022), 2022 Subscription trends: Top 7 trends for publishers to watch, <https://bit.ly/46fbgPu>

About Worldpay

Worldpay payment processing solutions allow businesses to take, make and manage payments more seamlessly. Worldpay makes payouts to a broad network of suppliers and beneficiaries around the world, with capabilities to send money to approximately 225 markets in nearly 135 local currencies. FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index. To learn more, visit www.worldpay.com. Follow Worldpay on Facebook, LinkedIn and Twitter (@Worldpay_Global).

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