

Rented Future

The Dangerous Rise of Life as a Service



Lucy Ingham
Editor, Verdict

@_lucyingham

lucy.ingham@pmgoperations.com

Subscription Models



@_lucyingham

lucy.ingham@pmgoperations.com

Origins: Service as a Software Substitute (SaaS)



@_lucyingham

lucy.ingham@pmgoperations.com

The Breakout: Into Other Verticals

BIRCHBOX ♦

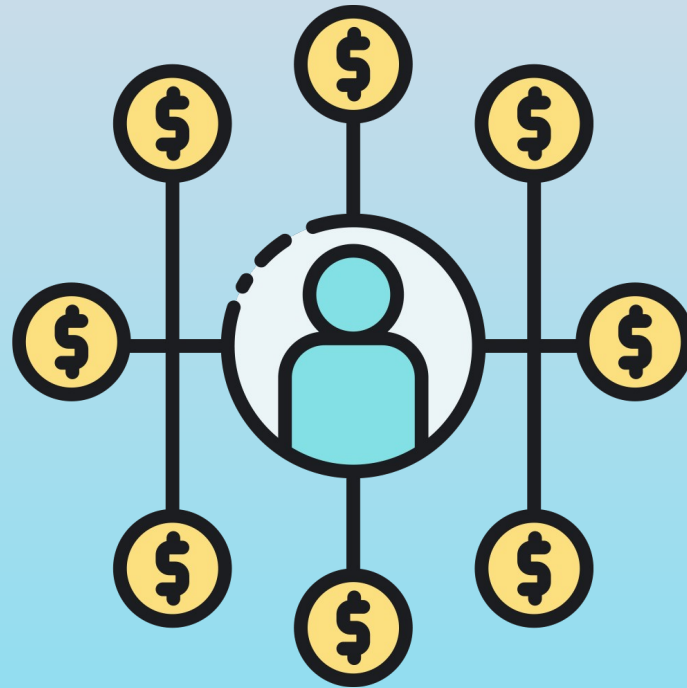
naked wines

NETFLIX

@_lucyingham

lucy.ingham@pmgoperations.com

The Proliferation: Across the Market



@_lucyingham

lucy.ingham@pmgoperations.com

From Nice-to-Haves to Must-Haves



- Education
- Clothing
- Transport
- Daily Food

Subscriptions in Business



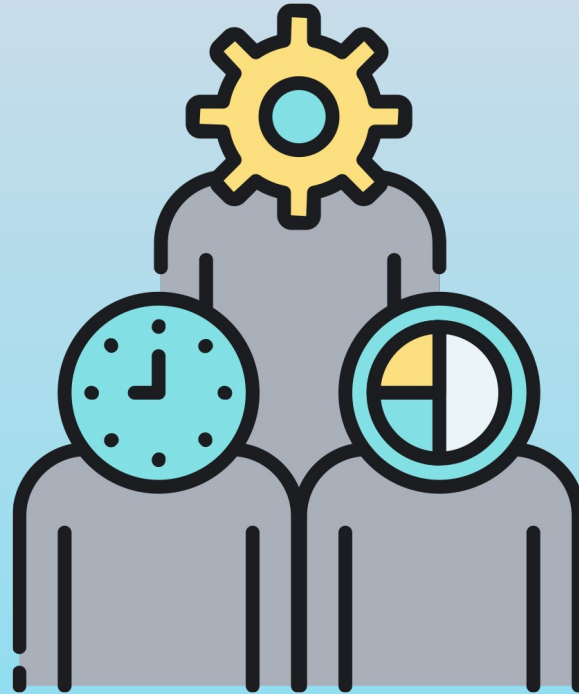
wework

Credit: Bandersnatch / Shutterstock.com

@_lucyingham

lucy.ingham@pmgoperations.com

B2B: Subscriptions All the Way Down



@_lucyingham

lucy.ingham@pmgoperations.com

Variations on the Model

- All-You-Can-Eat
(Netflix, Spotify)
- Tiered
Subscriptions
(Shutterstock)
- All-in-One Leases
(car subscriptions)
- Over-the-Top
Subscriptions
(Uber, Amazon Prime)

Future Developments



Labor as a Service



Driverless Cars

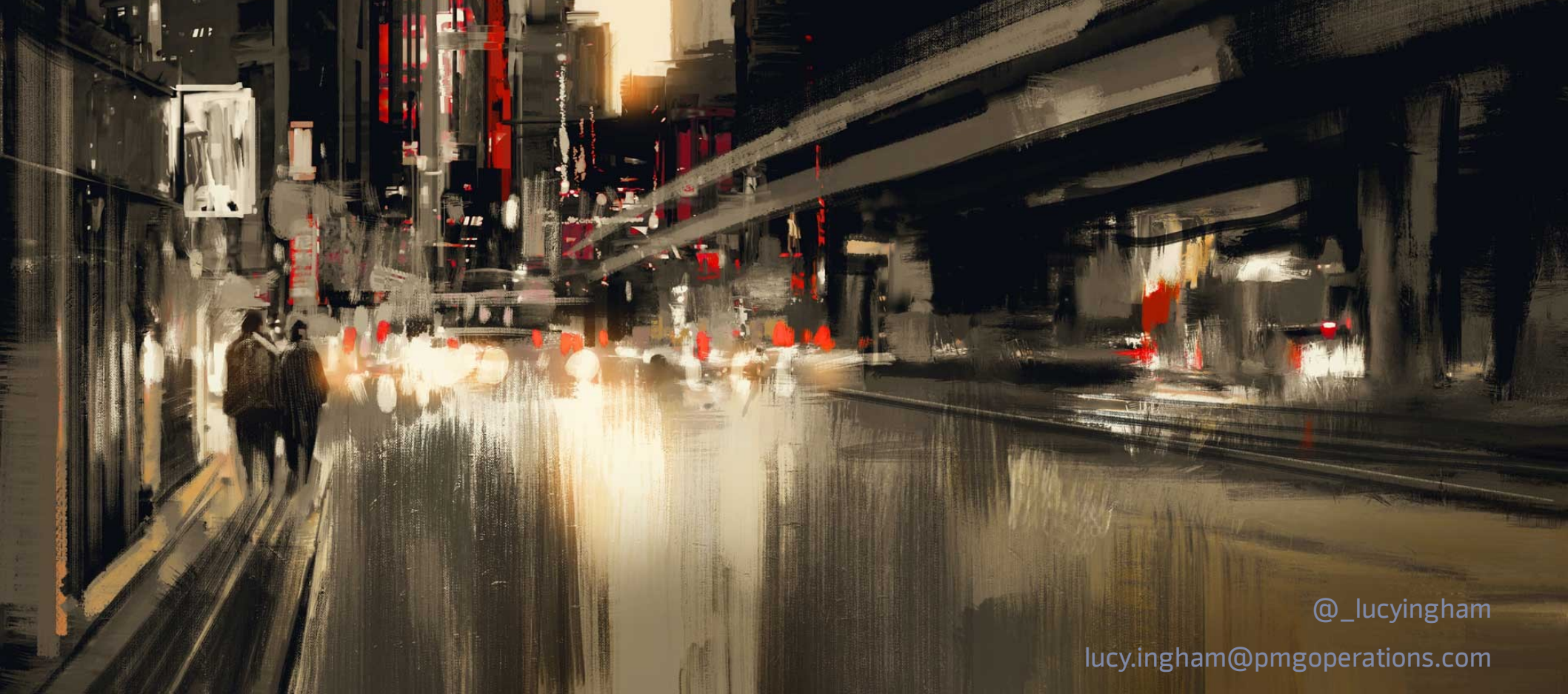


Connected Cities

@_lucyingham

lucy.ingham@pmgoperations.com

Post-Ownership: Life as a Service



@_lucyingham

lucy.ingham@pmgoperations.com

Life is Never a Neat Dystopia



@lucyingham

lucy.ingham@pmeenerations.com

“My generation, particularly the generation after me,
they no longer own anything; they are increasingly not
allowed to own anything.”


- Edward Snowden



Credit: Sam Barnes/Web Summit via Sportsfile

@_lucyingham

lucy.ingham@pmgoperations.com

A person in a dark winter coat with a fur-lined hood stands in profile, looking towards the left. A bird is in flight in front of them. The background is a bokeh of warm, golden and blue lights, suggesting a city at night. The overall mood is contemplative and forward-looking.

“We are entering the era of usership over ownership. The shift to subscriptions is inevitable.”

- John Phillips, general manager EMEA, Zuora

@_lucyingham

lucy.ingham@pmgoperations.com

Why companies like this model

- Easier to attract customers
- Predictable, linear revenue
- Long-term customer relationships
- Customer data, insights
- Businesses grow faster with subscriptions

Consumers want this model

- Convenience – they don't have to spend time buying things they need
- Flexibility – many of these services offer a wide range of choice without having to pay extra for it
- Simplicity – subscriptions can help avoid needless stress and frustration around acquiring products and services

Companies are trying to do good



Sustainability

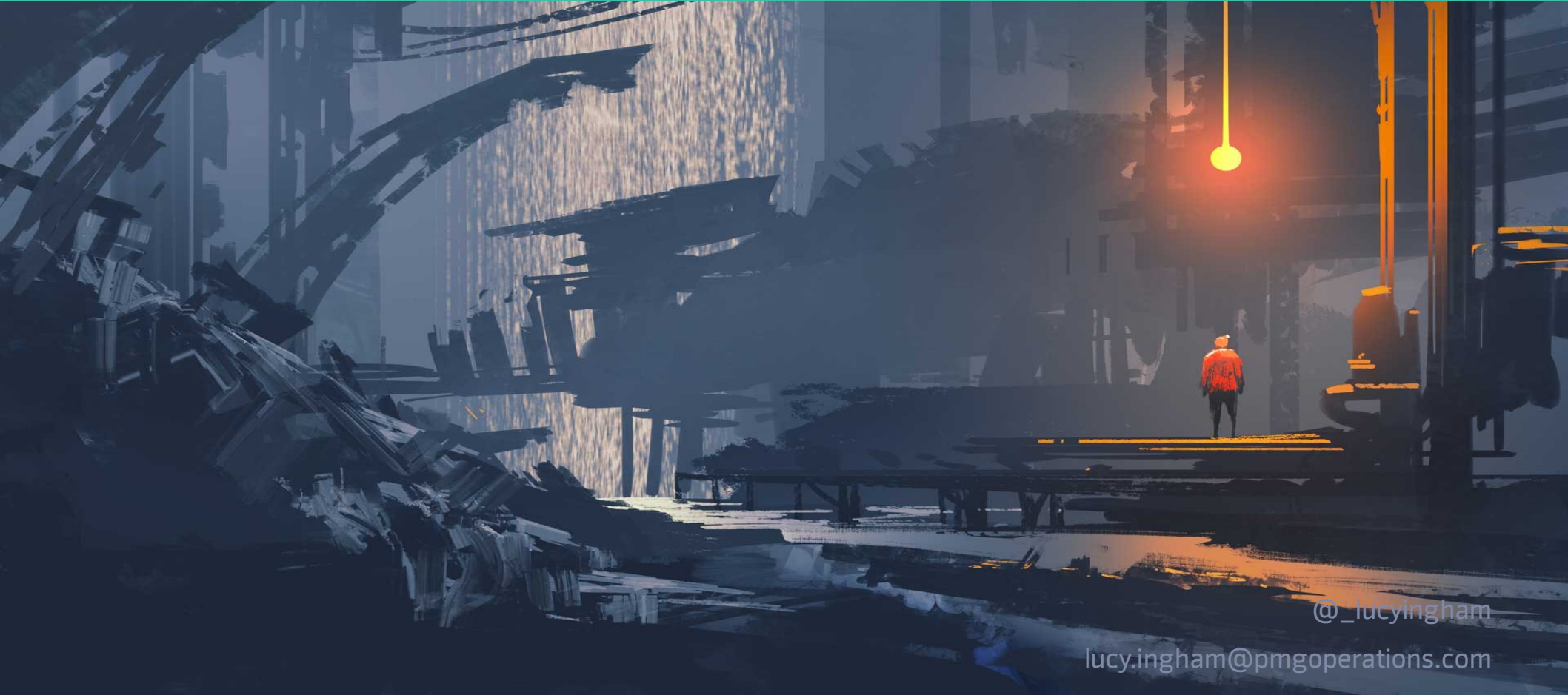


Access to Education



Helping Charities

But this model has the potential to be very harmful



@_lucyingham

lucy.ingham@pmgoperations.com

The Cost Issue

- Subscriptions generally cost more than buying products outright
- If everything is on subscription, consumers spend far more and have less money to save
- No savings keeps them locked into subscriptions

A Lack of Security

- What if a subscriber loses their job or becomes unable to work?
- They lose access to their subscriptions, and there is no safety net to look after them
- The same is true of companies

A Threat to Small Businesses

- If everything is on subscription, companies need to be part of those subscriptions to sell their products
- Consumers lose the option to try out new products/brands
- Those companies become much harder to start and sustain

Power for Big Companies

- Companies running large-scale subscriptions have massive power over smaller brands
- Consumers become reliant on those companies, meaning they can change their policies with little resistance
- The bigger and more converged subscriptions get, the more power these companies will have

Data Collection on Consumers

- Data collection is a key part of how subscription providers understand and meet the needs of their customers
- Consumers have no option to privacy if they use these services
- The more these services dominate, the less choice consumers will have not to use them

Political and Ideological Reach

- If subscriptions converge, the companies running them will gain significant political and ideological power
- Social media has already been used to manipulate political opinion
- The media you consume, the food you eat and the objects you interact with all help shape your world view
- How much power will a company have if it dictates all media, entertainment, services and possessions in your life?

Where Free Software Comes In



@_lucyingham

lucy.ingham@pmgoperations.com

Creating Alternatives

- We need to make sure that accessible alternatives are available to consumers
- Businesses need to be able to access methods to connect with consumers that don't require a subscription
- Subscriptions aren't inherently evil, but there needs to be choice

Helping Change the Narrative

- People don't talk about subscription models much, because they're generally a bit boring
- But this means that the threat of Life as a Service is being ignored
- We need to talk about this issue more!

Building a Hybrid Future



@_lucyingham

lucy.ingham@pmgoperations.com

Thank you



Illustrations: Tithi Luadthong

Font: Syke by Jonathan Hill

@_lucyingham

lucy.ingham@pmgoperations.com