Development of Subscription economy in Uzbekistan

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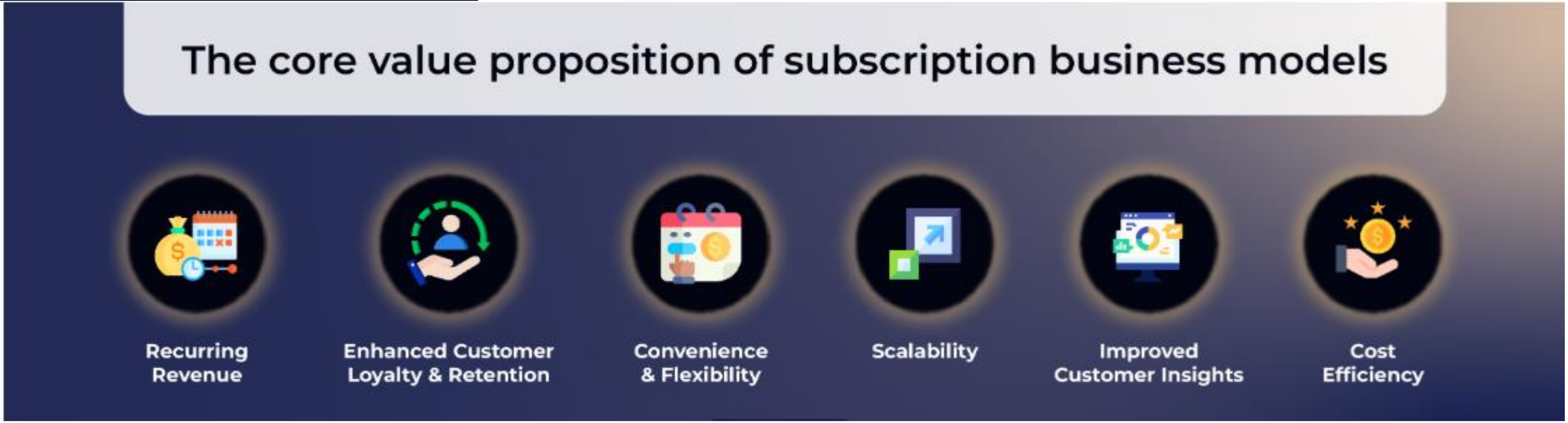
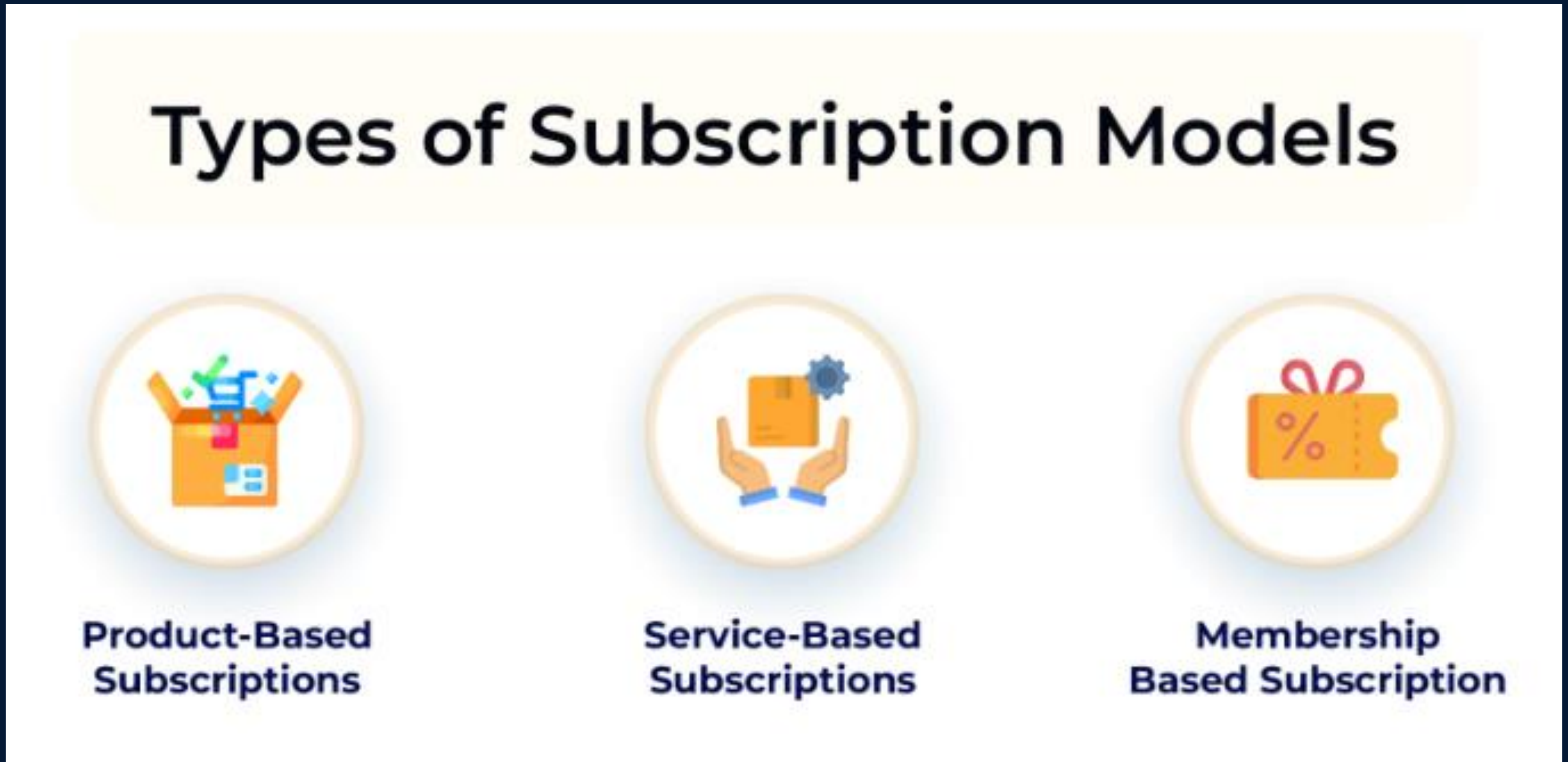
What is ‘subscription economy’

The subscription economy describes the shift from a traditional pay-per-product business model to a subscription-based access model. In other words, instead of paying for one product, consumers pay for a subscription that lets them access a certain product or service for a set amount of time.



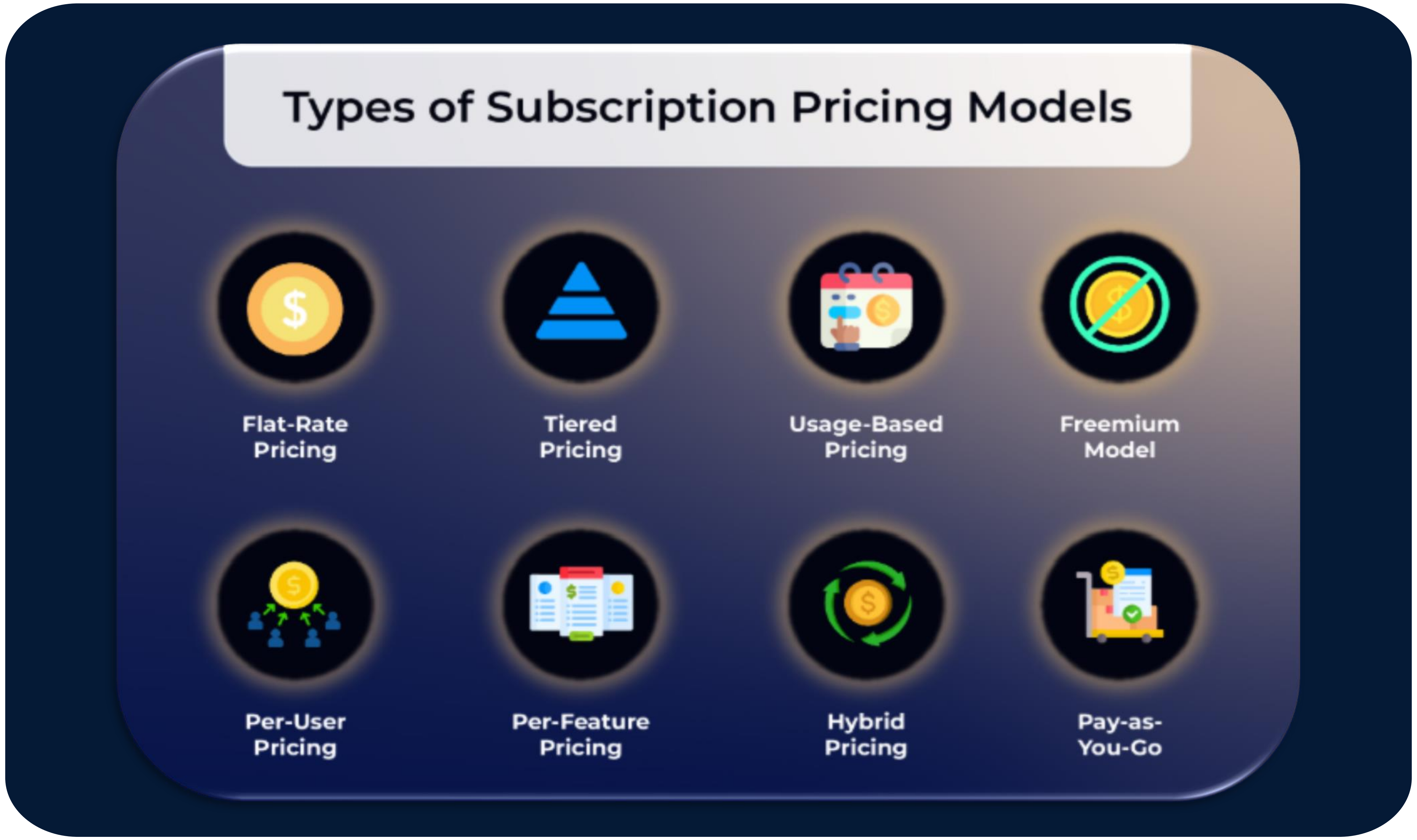
Transitioning to a subscription-based business model can significantly impact a company's financial landscape, particularly regarding cash flow management and long-term profitability compared to traditional sales models.



1. **Product-Based Subscriptions: Customers receive physical products on a recurring basis (e.g., meal kits – Zomato Gold, beauty boxes – Dollar Shave Club).**

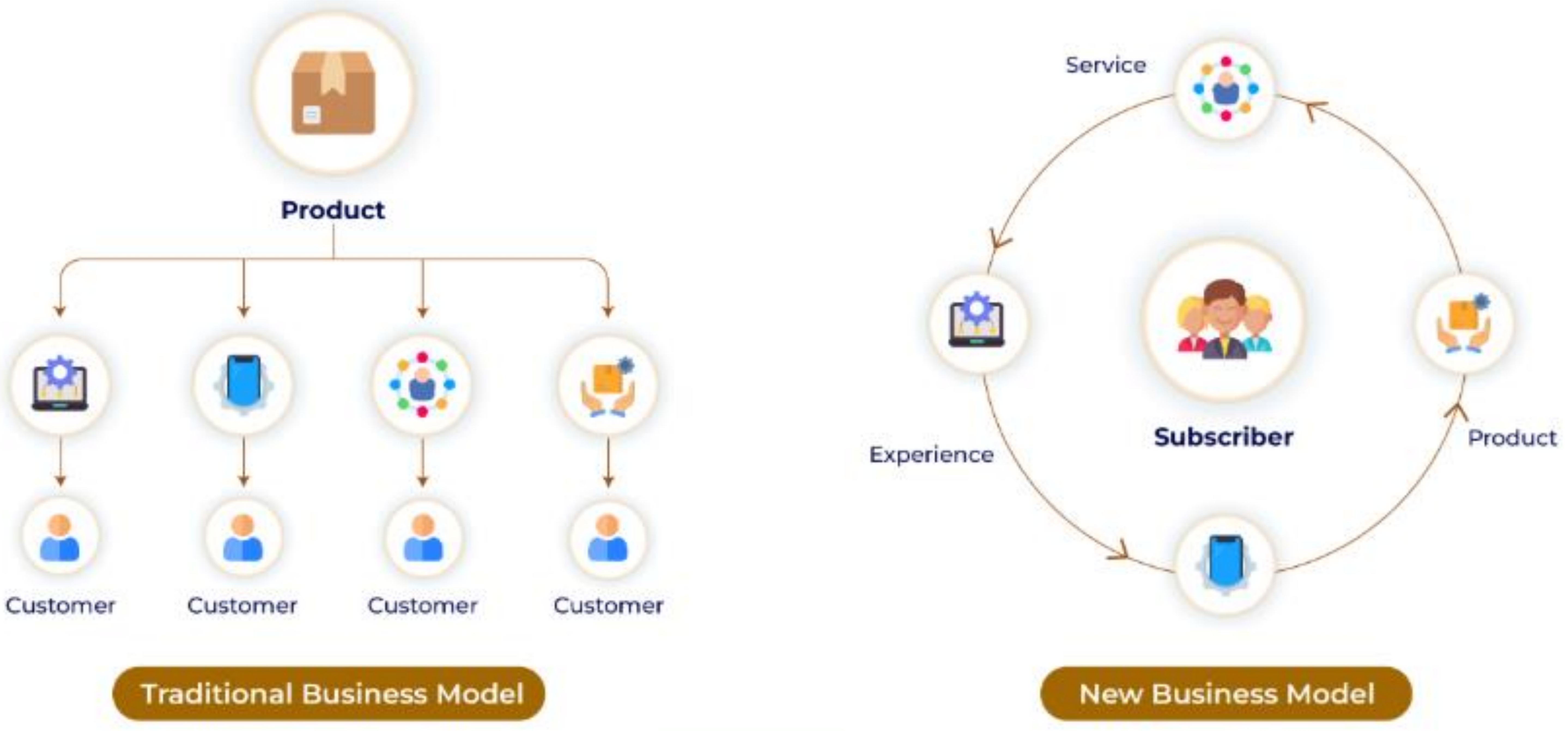
2. **Service-Based Subscriptions: Customers gain access to ongoing services (e.g., streaming platforms – Netflix, Prime and more, software as a service – such as Adobe and Microsoft).**

3. **Membership-Based Subscriptions: Subscribers get access to exclusive content, discounts, or community benefits (e.g., fitness clubs – Cult Fit).**



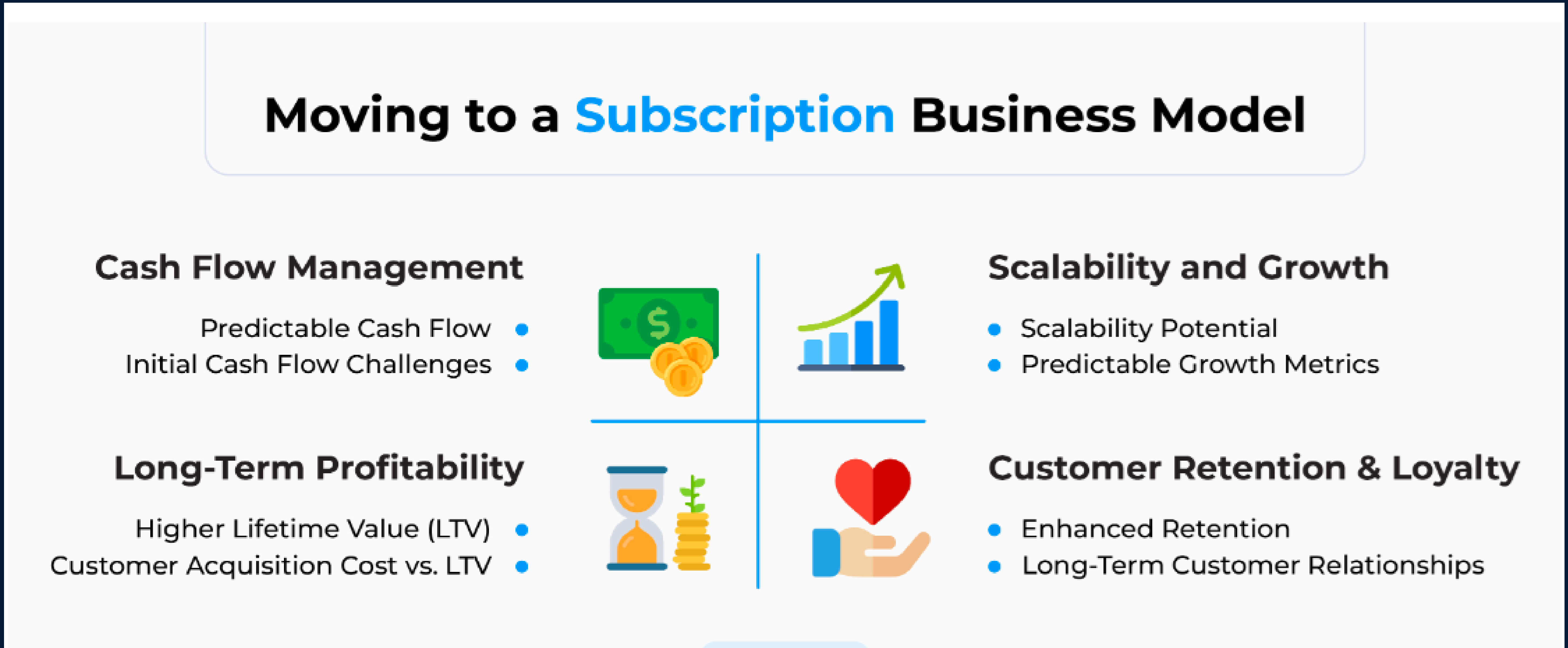
Flat-Rate Pricing: A single fixed price for access to all features or products, such as streaming services like Netflix.
Tiered Pricing: This involves multiple levels of service at different price points, offering varying degrees of access or features. Examples include Spotify’s free, premium, and family plans.
Usage-Based Pricing: Charges are based on the amount of service used, often seen in cloud services (e.g., AWS, Azure).
Freemium Model: Basic services are free, with premium features available at a cost. Example: LinkedIn.
Per-User Pricing: Charges are based on the number of users accessing the service, which is common in SaaS (e.g., Slack, Zoom).
Per-Feature Pricing: Customers pay for specific features they need, allowing customisation. Example: Many CRM software platforms.
Hybrid Pricing: This model combines elements of the above models to create a custom pricing structure that meets various needs. For example, Adobe Creative Cloud offers both flat-rate and per-user options.
Pay-as-You-Go: Similar to usage-based pricing, this often involves prepaid credits that customers use as needed. Prepaid mobile plans are an example.

Evolution Of Consmer Behaviour



Subscription model

Here are some key financial considerations:



Cash flow management

- Predictable Cash Flow: One of the most notable benefits of a subscription model is the creation of predictable and recurring revenue streams. Unlike traditional sales models, where cash flow can be highly variable and dependent on one-time purchases, subscriptions provide regular, predictable cash inflows. This predictability aids in more accurate budgeting and financial planning.
- Initial Cash Flow Challenges: Companies might experience short-term cash flow challenges during the transition. Traditional sales typically generate a large upfront payment, whereas subscription models distribute revenue over time. Businesses may need to adjust their cash flow management strategies to accommodate this shift, potentially requiring external financing to cover operational costs in the short term.

Long-Term Profitability

- **Higher Lifetime Value (LTV): Subscription models often lead to higher customer lifetime value (LTV) as they generate ongoing customer revenue over extended periods. By focusing on customer retention and continuous value delivery, businesses can maximise the revenue generated per customer, significantly enhancing long-term profitability.**
- **Customer Acquisition Cost (CAC) vs. LTV: The initial customer acquisition cost may be higher in a subscription model due to the need for ongoing engagement and support. However, when successfully implemented, the recurring nature of subscriptions ensures that the LTV outweighs the CAC over time, leading to sustainable profit margins.**

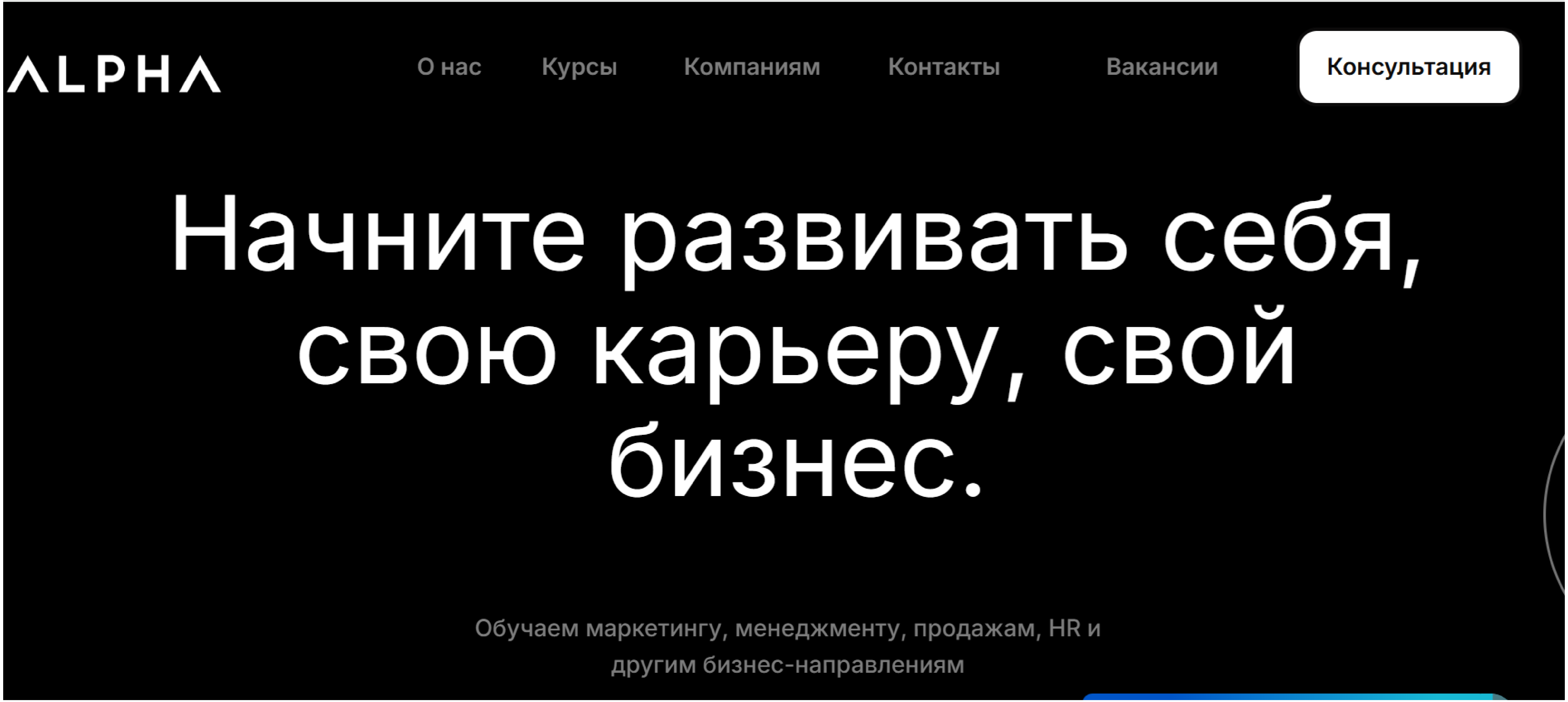
Scalability and Growth

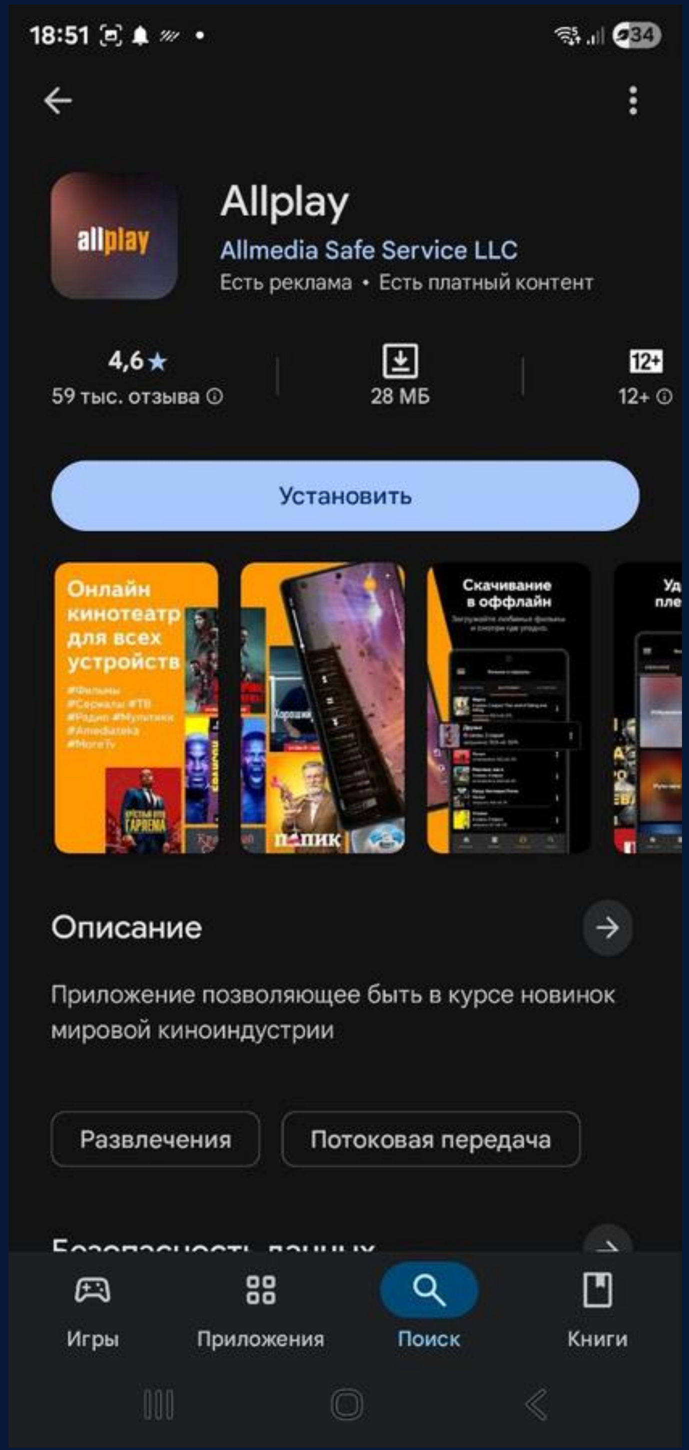
- Scalability Potential: Subscription models allow businesses to scale more effectively. As customer numbers grow, the recurring revenue stream grows accordingly, leading to exponential revenue increases without proportionally increasing costs. This scalability is a crucial factor in achieving long-term growth and profitability.
- Predictable Growth Metrics: With metrics like Monthly Recurring Revenue (MRR) and Annual Recurring Revenue (ARR), businesses can track growth more predictably. These metrics provide insights into future revenue potential, enabling companies to make informed strategic decisions about expansion, investment, and resource allocation.

Customer Retention and Loyalty

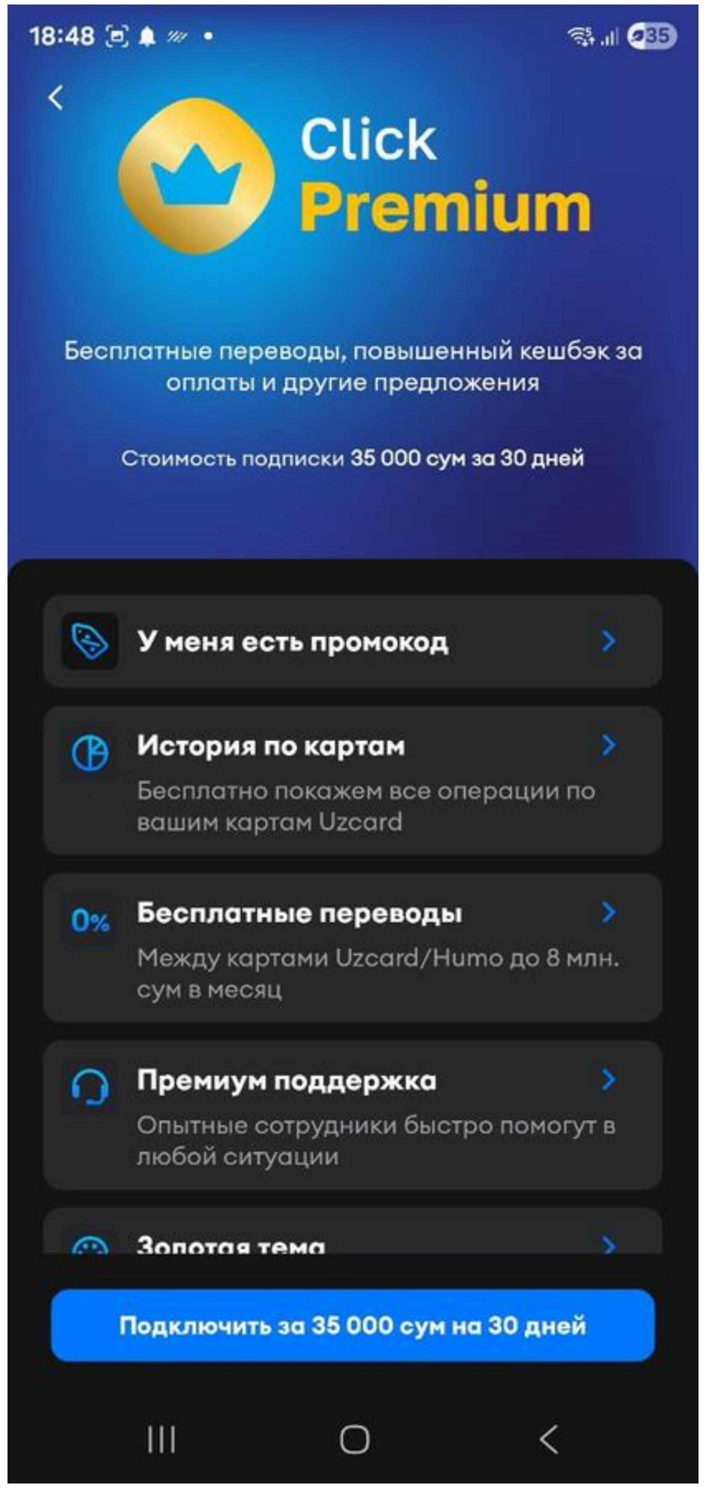
- **Enhanced Retention: A subscription model naturally encourages higher customer retention due to the ongoing relationship between the business and the customer. By focusing on continuous value delivery and leveraging data to personalise customer interactions, companies can reduce churn rates and build a loyal customer base, leading to stable and growing revenue.**
- **Long-Term Customer Relationships: The shift from transactional sales to subscription models means businesses can develop deeper customer relationships. These relationships are crucial for upselling and cross-selling opportunities, which can further enhance profitability over time.**

Global trends

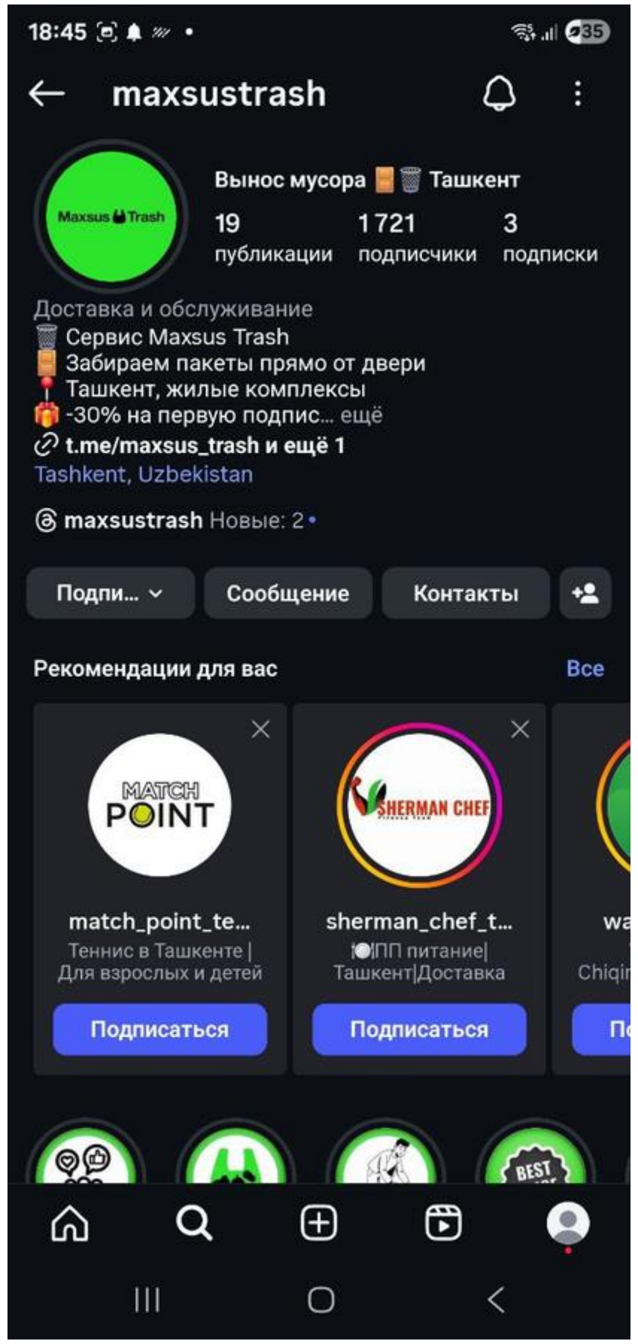

ALPHA
О нас
Курсы
Компаниям
Контакты
Вакансии
Консультация
Начните развивать себя, свою карьеру, свой бизнес.
Обучаем маркетингу, менеджменту, продажам, HR и другим бизнес-направлениям


18:51
Allplay
Allmedia Safe Service LLC
Есть реклама • Есть платный контент
4,6 ★
59 тыс. отзыва
28 МБ
12+
Установить
Онлайн кинотеатр для всех устройств
Скачивание в оффлайн
Описание
Приложение позволяющее быть в курсе новинок мировой киноиндустрии
Развлечения
Потоковая передача
Игры
Приложения
Поиск
Книги


18:49
Яндекс Go
плюс
Все развлечения и выгода в одной подписке
30 дней бесплатно
далее 29 999 сумов в месяц, условия подписки
Попробовать бесплатно


18:48
Click Premium
Бесплатные переводы, повышенный кешбэк за оплаты и другие предложения
Стоимость подписки 35 000 сум за 30 дней
У меня есть промокод
История по картам
Бесплатно покажем все операции по вашим картам Uzcard
0%
Бесплатные переводы
Между картами Uzcard/Humo до 8 млн. сум в месяц
Премиум поддержка
Опытные сотрудники быстро помогут в любой ситуации
Золотая тема
Подключить за 35 000 сум на 30 дней


18:46
Вы получаете 1% кэшбэка за оплаты
payme GO
ICHIMLIK SUVI
UZONLINE
VEOLIA
Ucell
allplay
comnet
QR оплата
С подпиской met+ вы можете накопить до 300 000 сумов


18:45
maxsustrash
Maxsus Trash
Вынос мусора Ташкент
19 публикации
1 721 подписчики
3 подписки
Доставка и обслуживание
Сервис Maxsus Trash
Забираем пакеты прямо от двери
Ташкент, жилые комплексы
-30% на первую подпис... ещё
t.me/maxsus_trash и ещё 1
Tashkent, Uzbekistan
maxsustrash Новые: 2
Подпи...
Сообщение
Контакты
Рекомендации для вас
Все
MATCH POINT
match_point_te...
Теннис в Ташкенте | Для взрослых и детей
Подписаться
SHERMAN CHEF
sherman_chef_t...
ПП питание| Ташкент|Доставка
Подписаться

Subscription model

The subscription business model is more than just a trend; it’s a fundamental shift in how companies engage with their customers and generate revenue.

Business Prsentation

Thank You For Attention

See You Next