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Recurring Payments Market is Anticipated to Attain US$ 268.7 Billion By 2033

Subscription-based businesses are poised to drive substantial recurring revenue, with a projected 5.4% CAGR from 2023 to 2033.

Market Research that Inspires Growth

ROCKVILLE, MD, UNITED STATES, October 3, 2023 /EINPresswire.com/ -- According to the latest Recurring Payments Market analysis report from Fact.MR, the worldwide recurring payments market reached a value of US$ 130.2 billion in 2022. The market is poised for significant growth, with a projected 6.9% annual increase from 2023 to 2033, and is anticipated to achieve a valuation of US$ 268.7 billion by the conclusion of the forecast period.

Over the last half-decade, the Recurring Payments Market has exhibited consistent expansion, boasting a compound annual growth rate (CAGR) of around 9% from 2018 to 2022. Furthermore, it presents a significant financial opportunity, reaching a total value of US$ 131.4 billion. Forecasts suggest that the market is poised to reach an impressive valuation of US$ 268.7 billion by 2033.

For more insights into the Market, Request a Sample of this Report: https://www.factmr.com/connectus/sample?flag=S&rep_id=8675

The Growth and Impact of Recurring Payments in Subscription-Based Business Models

Regular automated transactions, known as recurring payments, follow a predetermined schedule and are commonly used in exchange for goods or services. This market segment has seen substantial expansion in recent times, primarily propelled by the surge in subscription-based business models and the growing preference for convenient and seamless payment methods.

The prevalence of subscription-based business models across diverse sectors, including software, media, e-commerce, and more, has stimulated the demand for recurring payments.

Companies that provide subscription services heavily depend on recurring payments to ensure consistent revenue streams and to sustain ongoing customer relationships. The reason for this reliance is the steady and foreseeable revenue growth that recurring payments offer. For example, as per the 2023 Zuora Subscription Index, subscription-focused businesses such as streaming platforms like Netflix and Spotify, software-as-a-service (SaaS) providers like Adobe Creative Cloud, and various product subscription boxes have exhibited a Compound Annual Growth Rate (CAGR) of 17% from 2012 to 2022.

Enhancing Business Flexibility: The Impact of Multiple Payment Gateways

Supporting multiple payment gateways enables businesses to offer flexibility to their customers by accepting payments from various sources while streamlining their payment processing operations. Numerous recurring payment platforms integrate with multiple gateways to provide a unified payment solution. For example, platforms like Chargebee and Zuora boast 23 and 30 different payment gateways, respectively, ensuring seamless transactions. This has spurred the adoption of payment platforms, driving market growth.

Open banking, a practice involving the sharing of financial data with third-party providers via Application Programming Interfaces (APIs), has gained momentum in recent years. It aims to foster competition, innovation, and customer empowerment in the financial services industry. In response to this trend, many banks worldwide have implemented regulatory changes to promote open banking, thereby creating significant opportunities within the financial sector. For instance, in 2018, the UK initiated a strong focus on open banking, with the UK government projecting a 60% increase in user penetration by September 2023.

Key Companies Covered

- Netflix
- Spotify
- The New York Times
- Coursera
- Atlassian
- Apple Services(iCloud)
- American Express
- Ipsy
- Life Time
- AT&T

Analysis by Country

Analysis of the Recurring Payments Market in the United States:

The United States' recurring payments market is poised for substantial expansion, projected to reach a total value of US$ 74.8 billion by the year 2033. This represents an impressive absolute growth of US$ 25.2 billion between 2023 and 2033. Notably, from 2018 to 2022, the market in the United States exhibited a compound annual growth rate (CAGR) of 6.8%. Looking ahead, it is anticipated to sustain a CAGR of 4.2% from 2023 to 2033.

One noteworthy segment contributing to this growth is subscription e-commerce, alternatively known as subscription boxes or subscription-based business models. This sector has witnessed remarkable expansion in the US in recent years. E-commerce sales through subscription models surged from US$ 23 billion in 2020 to US$ 28 billion in 2021.

This upward trajectory is expected to continue its momentum in the United States, with projected revenues reaching US$ 38 billion in 2023. These figures signify a nearly twofold increase since 2019. This growth trend underscores a significant opportunity for recurring payments, as subscription-oriented businesses heavily rely on such payment methods to ensure customer retention and reduce churn rates.

Projected Growth of Fixed Recurring Payments in the Coming Decade

Fixed recurring payments, characterized by regular, predetermined transactions on a consistent schedule, are poised to experience remarkable growth. It is anticipated that they will achieve a Compound Annual Growth Rate (CAGR) of 4.9% from 2023 to 2033.

Fixed recurring payments are typically associated with ongoing services, subscriptions, or contractual agreements, and they entail consistent payments of fixed amounts. These payments play a vital role in enhancing predictability and facilitating budgeting. Their constancy enables individuals and businesses to effectively plan their financial resources, ensuring that they allocate the exact required amount for each recurring payment.

These fixed recurring payments are widely employed to cover expenses related to subscription services, thereby contributing significantly to the anticipated growth in fixed payments during the forecast period.

Competitive Analysis

Recurring payments have become a crucial aspect of businesses' revenue streams, and many companies are strategically utilizing payment platforms to manage these recurring transactions efficiently. These platforms offer unified payment gateways and various benefits, including support for multiple currencies and streamlined revenue recognition and invoicing processes. To gain a better understanding of the evolving competitive landscape in the Recurring Payments Market, let's explore some noteworthy developments:

- Spotify's Innovative Partnership with Google (March 2022) In March 2022, Spotify made headlines by announcing a groundbreaking partnership with Google. This multi-year agreement introduced a unique payment option for Spotify customers. Users downloading Spotify from the Play Store can now access Spotify payments and utilize Google Play Billing for subscription sign-ups.

- Recurly and Recuro Join Forces (February 2023) In February 2023, Recurly took a strategic step by partnering with the subscription business model consultancy platform Recuro. This collaboration aims to combine their technologies to better serve the needs of high-growth subscription-based companies.

- Spotify's Choice of Stripe for Recurring Payments (January 2022) In January 2022, Spotify, a prominent music streaming platform, opted to leverage Stripe's recurring payments management solution. This decision was pivotal in helping Spotify efficiently manage recurring revenue and accelerate its podcast subscription platform.

- Adyen's Global Payment Partnership with Aliyoop (December 2022) In December 2022, Adyen, a leading payment platform, entered into a partnership with the gaming platform Aliyoop. This collaboration facilitates seamless global payments for both small and large volumes of transactions, benefiting gamers worldwide.Top of Form

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Payroll Outsourcing Services Market: The global payroll outsourcing services market was valued at US$ 17000 Million in 2022. During the 2023-2033 period of assessment, demand is expected to rise at a 6.1% value CAGR, likely to surpass a valuation of US$ 32607.5 Million by the end of the said forecast period.

Tech Support Services Market: The global tech support services market is expected to be worth US$ 66.3 billion in the fiscal year 2023, up from US$ 63 billion in the fiscal year 2022. From 2023 to 2033, the market is expected to grow at a 5.3% CAGR, reaching a value of US$ 111 billion by the end of 2033.

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