The Next Subscription Growth Layer

Why AI Services and Resellers Are Moving Toward Intelligent Distribution Ecosystems

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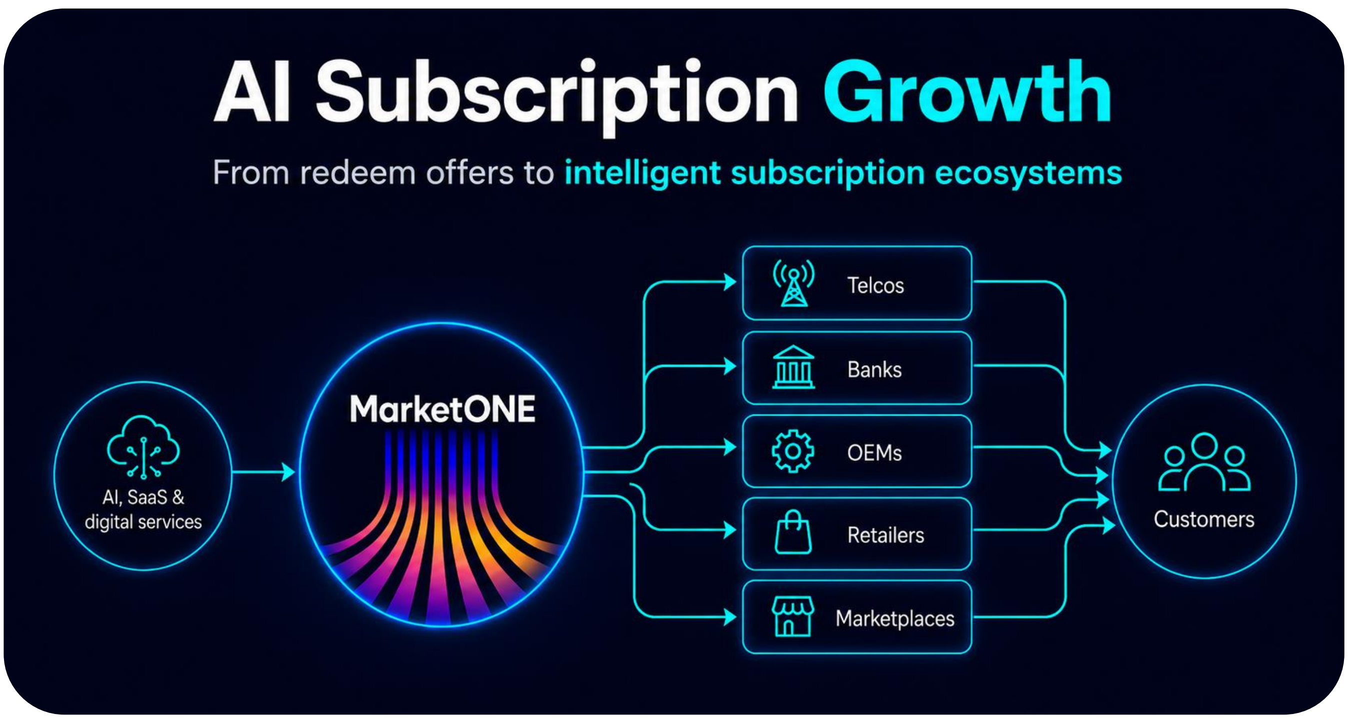
Executive Summary

The next wave of digital subscription growth will be driven by the convergence of two trends:

1. AI and SaaS services are starting to develop indirect distribution, but most partnerships are still promotional: redeem codes, free trials, coupons, and limited-time offers.

2. Resellers are moving beyond generic “Netflix/Disney/HBO Max on us” bundles toward targeted, personalized, value-added subscription ecosystems.

Together, these shifts point toward intelligent distribution ecosystems: infrastructure that makes digital services easier to discover, bundle, activate, bill, manage, personalize, and scale through trusted reseller channels.



Introduction: two growth models are converging

For the last decade, the subscription economy has been shaped by two dominant growth models.

On the merchant side, digital services focused heavily on direct acquisition: build a great product, acquire users, optimize conversion, reduce churn, and increase lifetime value.

On the reseller side, telcos and other large customer platforms used digital subscriptions mostly as mass-market benefits: Netflix included, Disney+ on us, HBO Max bundled into a premium plan, or a streaming service used to differentiate a mobile, broadband, or TV offer.

Both models worked. Direct acquisition created some of the most successful SaaS, streaming, gaming, and consumer subscription businesses in the world. Reseller bundles helped telcos increase the perceived value of premium plans, support acquisition, and improve retention.

But both models are now evolving. AI and SaaS companies are starting to discover indirect distribution. They are realizing that direct acquisition alone may not be enough to reach mainstream adoption at scale.

At the same time, telcos, banks, OEMs, retailers, and marketplaces are moving beyond the old model of generic entertainment bundles. They are looking for more targeted offers, more personalized bundles, broader digital service catalogs, and better economics.

These two shifts are converging. And that convergence points toward the next subscription growth layer: intelligent distribution ecosystems.

> **The next subscription growth layer will be built at the intersection of product, distribution, data, and infrastructure.**

1. AI services are discovering indirect distribution

AI services are moving fast. Every week, new tools appear across productivity, software development, research, design, education, customer support, automation, creativity, and personal assistance.

Many of these products have strong user value, but they face a familiar challenge: distribution.

The direct model still matters. Product-led growth, freemium conversion, paid acquisition, app stores, SEO, social media, and community-led adoption will continue to be important.

But AI services face specific adoption challenges. The category is crowded. The use cases are still being discovered. Users need education and trust. Many customers are not ready to manage several AI subscriptions directly.

For many AI products, the value is easier to understand when it appears in context: inside a work platform, a mobile plan, a device experience, a banking relationship, a family bundle, or a professional service package.

We are already seeing early signals. Lovable is offering LinkedIn Premium members one year of Lovable Pro Lite plus a one-time bonus of 300 credits, using LinkedIn's professional user base as an acquisition and trial channel. [1]

Bell Canada is offering eligible Mobility subscribers 12 months of Perplexity Pro through a unique promo code available by text or in MyBell. [2]

O2 Telefónica announced that it is making ChatGPT Plus available to O2 customers for three months free of charge, positioning AI access as part of everyday mobile communications rather than only as a direct-to-consumer subscription. [3]

These are smart moves. They create awareness, reduce trial friction, associate AI services with trusted brands, help merchants reach users they may not acquire directly, and help resellers add new perceived value to their customer relationships.

But they also reveal the limits of the current model. Many of these partnerships are still mostly promotional: a promo code, a redeem page, a free trial, a landing page, a limited-time offer, or a one-time activation.

That can be powerful as a go-to-market tactic. But it is not yet the same as a true distribution ecosystem.

A promotional partnership creates demand. A distribution ecosystem creates scale.

2. Why promotional distribution is not enough

The difference between a redeem offer and a true distribution ecosystem is not cosmetic. It is structural.

A redeem offer is usually built around a campaign. The customer receives a code, clicks a link, lands on a page, creates or connects an account, and activates a benefit. After that, the relationship often moves back to the merchant.

The reseller may have created awareness and helped trigger activation, but the deeper lifecycle is often limited.

Where redeem offers usually fall short

- Limited billing integration and simple user experience
- Limited entitlement and eligibility management
- Limited upgrades, renewals, cancellations, and revenue-share logic
- Limited personalization, lifecycle marketing, and bundle management

Limited merchant reporting, support flows, and partner economics

This matters because the real opportunity is not simply to give users three, six, or twelve months free.

The real opportunity is to make AI, SaaS, and digital services truly distributable.

That means a merchant should be able to connect once and distribute through many channels. It means a telco, bank, OEM, retailer, or marketplace should be able to launch offers dynamically. It means customers should be able to discover, activate, pay for, upgrade, pause, renew, or cancel services without friction.

It means billing, entitlement, lifecycle events, reporting, and partner economics need to work across multiple parties.

And increasingly, it means offers should be personalized based on customer behavior, segment, ARPU, churn risk, loyalty status, device type, professional profile, or household needs.

That is a very different model from a promo code.

3. Resellers are moving beyond "Netflix included"

The second shift is happening on the reseller side. For years, telco and pay-TV bundling was heavily centered on premium entertainment.

The classic formula was simple: take a high-demand streaming service, include it in a premium mobile, broadband, or TV plan, and use it to acquire customers, reduce churn, or justify a higher price point.

This model created real value.

T-Mobile is one of the strongest examples. Its premium plans have included streaming benefits such as Netflix, Apple TV+, and Hulu. Reuters reported that T-Mobile raised its 2024 subscriber-addition forecast on demand for bundled plans, and that roughly 30% of its postpaid subscriber base had opted for Go5G Next and Go5G Plus plans at that time. Reuters also reported that bundled plans helped drive growth and that T-Mobile reached a low first-quarter churn rate of 0.86% in 2024. [4] [5]

Sky UK's super-bundle is another example of classical OTT aggregation becoming more sophisticated. Sky Ultimate TV brings together Sky, Netflix, Disney+, HBO Max, and Hayu into one TV package, positioning the bundle not only as content aggregation but as a simplified customer experience across multiple entertainment subscriptions. [6] [7]

These examples show that the first generation of bundling still has power. But the market is also moving beyond it.

The old model was often one major entertainment brand, one premium plan, one broad customer segment, and one static benefit.

The new model is becoming more flexible, more targeted, and more relevant to specific customer behaviors.

O2 UK's Xbox Game Pass Ultimate offer is a good example. This is not a traditional video-streaming bundle. It is a gaming subscription that fits naturally into a mobile and multi-device lifestyle. O2 lets customers add Xbox Game Pass Ultimate as a paid Extra, with access to games on console, PC, mobile phone, handhelds, selected smart TVs, and cloud gaming; customers can add it through My O2, with billing connected to the O2 relationship. [8]

A1 Croatia's YouTube Premium offer is another strong example. YouTube Premium is much more naturally aligned with mobile behavior than many classical OTT services: ad-free viewing, background play, offline downloads, and YouTube Music are all highly relevant to everyday smartphone usage. A1 Croatia became the first telecom operator in Croatia to offer YouTube Premium, with a launch promotion including six months free for eligible mobile and fixed customers. [9]

WINDTRE's Google One offer points in the same direction. Cloud storage is not a traditional media bundle; it is a utility-style digital service that becomes more valuable as customers use more devices, generate more photos, and depend more on cloud backup, account security, and family storage. WINDTRE describes discounted Google One plans including 100GB, 200GB, and 2TB options. [10]

Together, these examples show the same direction of travel. Resellers are no longer thinking only in terms of "one famous streaming app included for everyone."

They are moving toward more targeted offers, more personalized bundles, broader digital service catalogs, more value-added services beyond OTT video, more relevance to mobile, household, gaming, cloud, productivity, and lifestyle use cases, more control over partner economics, and more data-driven offer configuration.

This is a major shift. The future of bundling is not only "Netflix included." It is also gaming, music, cloud storage, AI assistants, productivity tools, cybersecurity, education, wellness, smart home, family safety, financial tools, creator software, and small-business SaaS.

In other words, the definition of a value-added service is expanding. And as the catalog expands, the distribution model needs to evolve.

A static bundle can work when the catalog is small and the goal is simple differentiation. But when resellers want to manage dozens or hundreds of digital services across multiple segments, channels, customer profiles, and commercial models, they need infrastructure.

4. The convergence: merchants need distribution, resellers need smarter catalogs

The most interesting part of the market is not either trend in isolation. It is the convergence.

AI and SaaS merchants need scalable access to trusted customer relationships. Resellers need differentiated digital services that can drive acquisition, engagement, loyalty, ARPU, and retention.

Those needs are complementary. AI services need distribution. Resellers need smarter, broader catalogs. Customers need simpler discovery, activation, and management.

But making this work requires more than promotional partnerships. It requires the infrastructure layer between merchants, resellers, and customers.

The infrastructure layer needs to support

- Merchant onboarding, catalog management, and offer configuration
- Eligibility rules, billing integration, entitlement management, and activation flows
- Lifecycle management, revenue sharing, reporting, settlement, and support responsibilities
- Personalized recommendations and multi-channel distribution

This is where the market is moving from campaigns to ecosystems.

A campaign is temporary. An ecosystem is repeatable.
A campaign is one offer. An ecosystem is a framework for launching many offers across many partners and customer segments.
A campaign creates a spike. An ecosystem creates a distribution engine.

5. What is an intelligent subscription ecosystem?

An intelligent subscription ecosystem is a distribution model where digital services can be discovered, bundled, activated, billed, managed, and personalized through trusted reseller channels.

It is not just a marketplace. It is not just a bundle. It is not just a promo-code engine.

It is the connective infrastructure that allows merchants, resellers, and customers to interact across the full subscription lifecycle.

It becomes "intelligent" when offers are no longer static. Instead, they can be shaped by data and context: customer segment, usage behavior, ARPU, churn risk, loyalty status, device type, household profile, professional profile, life stage, existing subscriptions, previous activation behavior, propensity to buy, and propensity to churn.

> **The right service. For the right customer. Through the right channel. At the right moment. With the right economics for every partner.**

This is the shift from "everyone gets the same streaming benefit" to personalized subscription ecosystems.

For a telco, that might mean offering an AI productivity tool to a small-business mobile customer, a family safety subscription to a household plan, a gaming bundle to a fiber customer, and a cybersecurity service to a high-risk segment.
For a bank, it might mean bundling financial tools, identity protection, accounting software, cloud storage, or small-business services into premium accounts.
For an OEM, it might mean connecting device ownership to software, AI, cloud, gaming, wellness, or productivity subscriptions.
For a retailer, it might mean creating lifestyle or loyalty bundles around home, wellness, entertainment, productivity, or family needs.
For a marketplace, it might mean helping customers discover, compare, activate, and manage multiple subscriptions from one trusted environment.

This is a much broader vision than traditional bundling.

6. What we are seeing at MarketONE

At MarketONE, we have seen this shift directly.

We power digital subscription and bundle distribution for operators and resellers including T-Mobile, AT&T US and AT&T Mexico, DirecTV, Sky, Virgin Media O2, and A1 Group, Three (Ireland, Italy), Foxtel...

Across our platform, the volume of subscriptions and bundles handled — helping telcos and resellers distribute digital services at scale — has grown 10x in three years, reaching 50M monthly transactions today.

> **MarketONE platform key data:**
>
> Across observed MarketONE platform deployments, digital services distributed through the platform show a **median monthly net growth of 3.2%.**
> We have also observed that, for some of our Tier 1 telco customers, connectivity services bundled with at least one subscription service show, on average, **a 33% churn reduction** compared with unbundled telco services.

Those numbers matter because they show that distribution is not only a marketing channel. It is becoming a performance layer.

It can support acquisition. It can support retention. It can increase perceived value. It can create new monetization opportunities. It can help resellers differentiate beyond core connectivity. It can help merchants scale beyond direct acquisition.

The pattern is clear: distribution is no longer just a business development function. It is becoming infrastructure.

As digital service catalogs expand, the complexity grows quickly.

A reseller may want to distribute entertainment, cloud, gaming, security, AI, productivity, wellness, and education services. Each merchant may have different APIs, entitlement models, billing rules, support flows, pricing structures, geographic rights, reporting requirements, and revenue-share logic.

Without infrastructure, every new integration becomes a custom project. That does not scale.

The next phase requires a model where merchants can connect once and distribute across many channels, while resellers can launch and manage offers without rebuilding the wheel every time.

This is especially important as AI services enter the market. AI tools are not all the same. Some are horizontal. Some are vertical. Some are consumer-facing. Some are professional, targeting SMB and Enterprise. Some are usage-based. Some are seat-based. Some are bundled with credits. Some depend on account linking. Some require compliance workflows. Some will be sold as standalone services, while others will be embedded inside broader bundles.

That complexity makes distribution infrastructure even more important.

7. What this means for AI and SaaS companies

For AI and SaaS companies, the strategic question is changing.

It is no longer only: "How do we acquire users directly?" It is also: "How do we become distributable?"

That requires a different operating mindset.

A company optimized only for direct acquisition usually focuses on its own funnel: website conversion, product onboarding, trial-to-paid conversion, direct billing, lifecycle emails, and customer success.

A company optimized for distribution also needs to think about partner readiness.

What "distribution-ready" means for AI and SaaS merchants

- Partner-friendly packaging and flexible pricing models
- Clear reseller economics and trial-to-paid conversion logic
- Activation APIs, entitlement APIs, account-linking flows, and lifecycle events
- Upgrade, downgrade, cancellation, renewal, reporting, and settlement processes
- Localization, compliance, fraud prevention, data-sharing rules, and bundle compatibility

This does not mean direct acquisition becomes less important. It means the most scalable AI and SaaS companies will likely need both engines: a direct acquisition engine and a distribution-ready partner engine.

The companies that become easy to distribute will have an advantage. They will be easier for telcos to bundle, easier for banks to package, easier for OEMs to embed, easier for retailers to sell, easier for marketplaces to list, and easier for customers to activate.

In a crowded AI market, that may become a major competitive differentiator.

8. What this means for resellers

For resellers, the opportunity is also changing.

The goal is no longer simply to attach a famous streaming brand to a premium plan. The goal is to become an intelligent digital services platform.

That means moving from static bundles to dynamic offers, from generic benefits to personalized value, from one-size-fits-all entertainment to broader subscription ecosystems, and from promotional campaigns to lifecycle-driven distribution.

But to capture this opportunity, resellers need to move beyond manual partnership execution.

They need the ability to manage a growing catalog of services, configure offers by segment, control eligibility, test bundles, personalize recommendations, manage billing and entitlement, and measure performance across the lifecycle.

The winner will not simply be the reseller with the biggest bundle. It will be the reseller that knows how to match the right digital service to the right customer need.

9. From promotional offers to intelligent ecosystems

The current wave of AI distribution partnerships is important because it shows that the market is moving.

AI services are starting to use trusted platforms and reseller channels to reach users. But many of these partnerships are still at the promotional layer.

At the same time, resellers are looking beyond the traditional streaming bundle. They need more flexible, personalized, and economically sustainable ways to distribute digital services.

These two movements are connected.

AI and SaaS companies need distribution. Telcos, banks, OEMs, retailers, and marketplaces need smarter digital service catalogs. Customers need simpler ways to discover, activate, and manage subscriptions.

That is why the next subscription growth layer will not just be more offers. It will be intelligent distribution ecosystems.

The companies that win will not only be the companies with the best product. They will be the companies that make distribution easy: easy for merchants to onboard, easy for resellers to launch, easy for customers to activate, easy to manage billing and entitlement, easy to personalize offers, easy to track partner economics, and easy to scale across channels.

The next phase of subscription growth will be built at the intersection of product, distribution, data, and infrastructure.

> **For AI, SaaS, and digital service companies, the next strategic question is simple: How do we become distributable?**

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