

Netflix raised prices again. But cancelling may be harder than you think



About one in three households in Singapore subscribe to Netflix, and many also pay for other streaming, music or fitness services. Yet, a 2024 YouGov survey shows that more than half of consumers have at least one subscription that they have not used in the past six months. PHOTO: PIXABAY

Subscription plans are subtly structured to keep users paying – even when prices go up. Here’s how we can avoid the traps.

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In the latest season of Netflix sci-fi series *Black Mirror*, there’s an episode where a woman needs a subscription streaming service to stay alive. But soon, the basic service is not enough, and she has to continually upgrade to higher tiers – which get increasingly more expensive.

It’s a chilling parody of modern life – and how deeply embedded subscription services are in our day-to-day lives.

Days after the episode was released, Netflix announced – in a presumably irony-free move – that the price of its three subscription plans – basic, standard and premium – would go up by between \$2 and \$4 in Singapore.

The basic tier is now \$15.98 a month, and premium is \$29.98. Yet, when Netflix was launched here in January 2016, the premium tier was priced at \$16.98,

only a dollar more than basic is now.

But here’s a definite irony: you might be subscribing to Netflix and not even know about *Black Mirror* – or any of its new shows, for that matter. About one in three households in Singapore subscribe to Netflix, and many also pay for other streaming, music or fitness services.

Yet, a 2024 YouGov survey shows that more than half of consumers have at least one subscription that they have not used in the past six months. In other words, many of us are spending money each month on services that quietly go unused.

It’s easy to see why this happens. Singaporeans love a good deal and convenience, and subscription services are designed to deliver just that. For a modest monthly fee, users gain access to a wide range of benefits, from ad-free music on Spotify to early releases and exclusive content on Netflix.

The value proposition is simple: pay a little, get a lot. But when we don’t end up using what we’re paying for, it becomes a needless expense, especially as subscription prices continue to rise.

Rationally, cancelling these services should be the obvious

choice. And yet, many of us do not. Why is this the case?

RECOGNISING THE TRAPS

For one thing, there are psychological traps at play in the way subscription plans are structured that encourage users to stay on.

Most start off with a free trial or promotional offer. It’s an enticing entry. But once that trial ends, the plan automatically converts into a paid subscription.

This relies heavily on consumers’ procrastination and forgetfulness. Some services may intentionally use complex cancellation processes, requiring phone calls or even in-person visits, further increasing the likelihood that users will delay or forget the decision to unsubscribe.

The personalisation of these services, where Netflix, Spotify and other platforms tailor their suggestions to you so the account feels uniquely yours, also helps retain users. These little touches, like personal playlists or a recognition of your favourite genres, deepen a sense of ownership, and the prospect of cancelling may feel like losing more than just a login – it’s a loss of part of your identity.

In fact, research has shown that such personalisation strengthens a user’s connections to video streaming platforms.

And then, of course, there is tiered pricing – another subtle tactic companies employ to great effect. It may seem to offer flexibility to consumers, but it can, in fact, function as a retention tool.

If consumers are no longer able to justify the cost of the subscription service, companies nudge them to downgrade instead of cancelling it outright. This enables the platform to retain its consumers, even at a lower price point.

The structure appears to offer choice, but its true purpose is often to keep users within the ecosystem and spending more over time.

JUST ONE MORE MONTH

We also need to consider our own behavioural patterns – and how we may unknowingly play into companies’ strategies.

Optimism bias, for example, where we tend to overestimate the possibility of positive things happening to us, means that we imagine ourselves making a wise investment in ourselves when we hang on to our subscriptions.

We imagine bingeing more shows, reading more articles, attending weekly exercise classes and ultimately, using the service regularly.

But once the initial excitement wears off, our usage declines. Research on hedonic adaptation shows that after an initial boost in satisfaction from a new purchase or experience, such as a digital subscription, our enjoyment tends to fade and return to baseline surprisingly quickly – often within just a few weeks.

There is also the endowment effect – the idea that we place a greater value on things simply because we own them. A YouTube Premium or Spotify account, with its personalised playlists and recommendations, may start to feel more than just a subscription service.

We form an emotional attachment to it, and even if we rarely use the service, the idea of losing access may feel disproportionately significant. Cancelling a subscription may feel equivalent to losing a piece of our identity, and that may be enough to keep us paying.

Adding to that would be the sunk-cost fallacy – the irrational belief that we have to keep using a service to justify the amount of money we have already spent. We may continue to pay for a subscription simply because we have already invested so much into it, even if the service no longer serves a meaningful purpose in our lives.

There is also the fear of missing out (Fomo). Driven by a desire to belong, we often subscribe simply because others around us are doing the same. If everyone around you is discussing the latest Netflix show or a new Spotify release, there is subtle peer pressure to stay in the loop, even if you had no initial interest.

Fomo can also take the form of conspicuous consumption, where people subscribe not just for the content, but to signal a certain image – being trendy, informed, or culturally engaged. In this manner, subscriptions can act as a tool to how we want to be

perceived, adding a layer of depth to our social identity.

And even when we become aware that we should cancel our subscription, procrastination can keep us from taking action.

It does not feel urgent, and we often dread the hassle of navigating a tedious cancellation process. As a result, the service continues to run quietly in the background, unnoticed until the charge appears on our credit card statement.

WHAT CAN WE DO?

Fortunately, once we recognise these tendencies, there are ways we can avoid wasting our money on unused services.

Awareness is the first step. Start with making a list of every subscription you are paying for. After all, you cannot make informed decisions if you do not remember what you have subscribed to. Use a spreadsheet or a budgeting app like Seedly to note all active subscriptions. Having a bird’s eye view of all your subscription packages can be eye-opening and make your monthly spending more tangible.

Then, review that list every few months to identify services you have not used recently, or those that offer only marginal value to their cost. If a subscription hasn’t been used in the last month or two, consider cancelling it. Remember, the decision to cancel is not final, you can always return to a service later if you find that you miss it.

Many subscriptions enable auto-renewals for its users, a feature designed to reduce cancellations. If possible, you should disable this option and opt for manual renewal instead. This creates a natural checkpoint before each billing cycle, giving you the opportunity to reassess whether the service is still worth it.

If you have decided to cancel a service, follow through sooner rather than later. In most cases, you will still have access to the service until the end of your billing cycle, so there is little downside to acting promptly. Taking this small step can help you avoid accidental renewals, especially since many services rely on that kind of delay to retain consumers.

At its core, the gist of these strategies is about cultivating a mindset of mindful consumption. It is easy to accumulate subscription services simply because they are available or because everyone has them.

By being more selective and intentional, however, we can make smarter choices and save money. Before committing to a new service, ask yourself: Does this subscription genuinely enhance the quality of my life, or am I subscribing to it for other reasons?

Ultimately, subscriptions themselves are not the problem. When used intentionally, they can bring real value, convenience and even joy to our lives. The key is to ensure we are making conscious choices about what we pay for, rather than falling into an automatic cycle of spending.

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