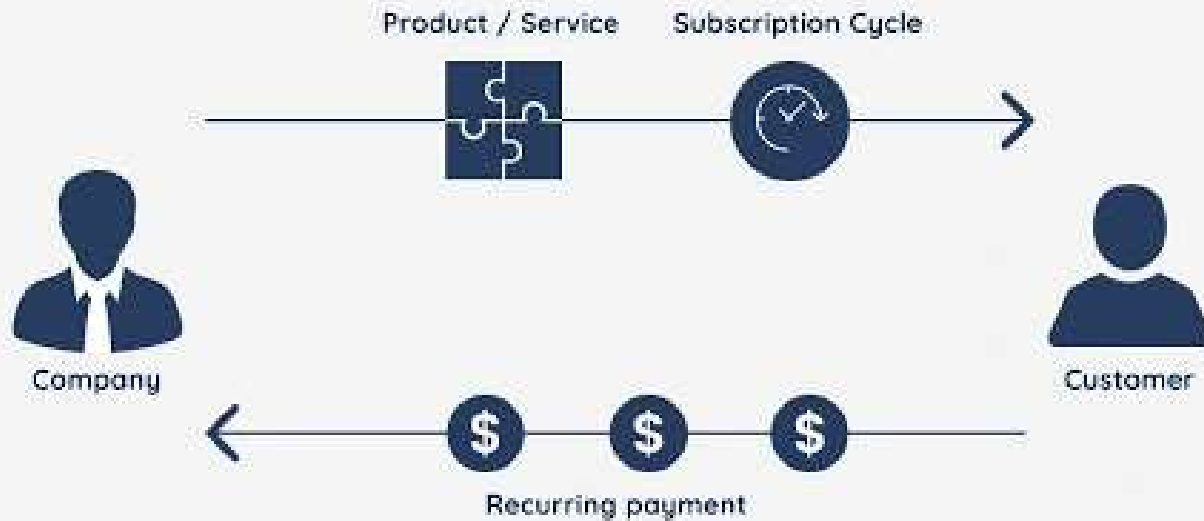


Subscription Business





Subscription Box

Subscription Businesses

Students will be able to:

1. Describe a subscription box business.
2. What's inside a subscription box.
3. Write a sales pitch to sell a subscription box service for a product(s).

What is a Subscription Box?

Subscription
Businesses

Subscription Boxes are boxes that contain a **product** or an **assortment** of **products** – typically with a common theme, such as **beauty boxes**, **pet boxes**, or **food boxes**. These boxes are **automatically** delivered for the length of your subscription.

What is a Subscription Box?

Subscription Businesses

- The majority of subscription box services keep **each month's specific box items a surprise.**
- Some monthly boxes allow you to set **subscriber preferences to personalize your box.**
- A few fully **customizable subscription boxes** are available.



1. How often will I receive a subscription box?

- Typically subscription boxes are sent out once a month, however some boxes are sent more or less frequently.

2. How much do subscription boxes cost?

- The price of monthly subscription boxes can range from around \$10 to ? per box.
- If you purchase monthly subscriptions for 3, 6, or 12 months, **there is usually a discount on the box price.**





How Subscription Boxes Work

Subscription Businesses



6 Month
Subscription

\$149.70

Select



12 Month
Subscription

\$299.40

Select



Monthly
Subscription

\$24.95

Select

Does the price for this subscription service offer a discount for multiple months/year?

What's Inside a Monthly Subscription Box?

Subscription Businesses

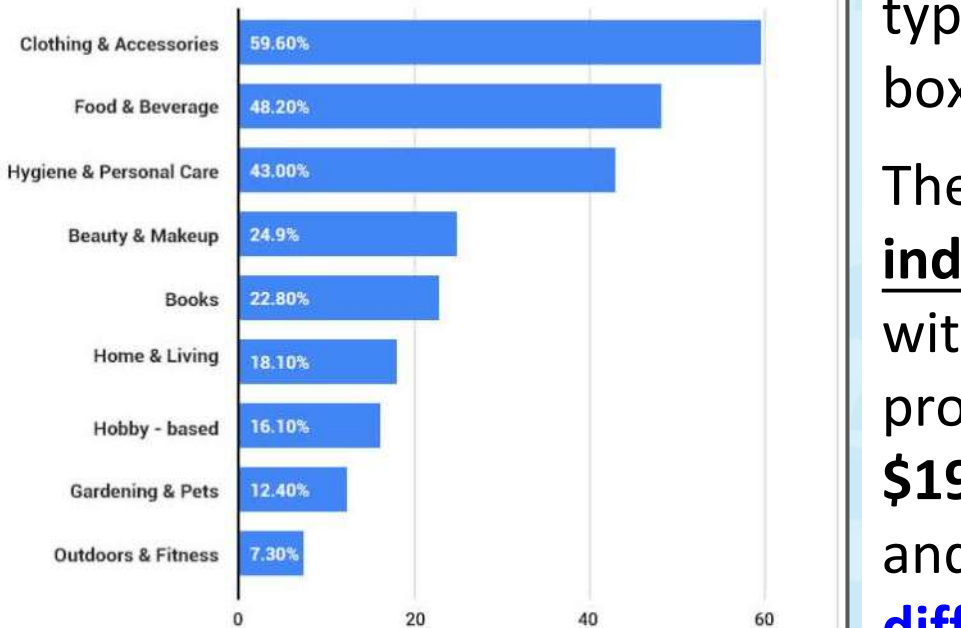


Most boxes provide a mix of **4-7 sample-size** and **full-sized sample** products.

The Subscription Box Industry

Subscription Businesses

What products do people buy via box subscriptions?



Source: GoodFirms's Subscription Boxes 2021 Survey; N=193 people who are currently subscribed



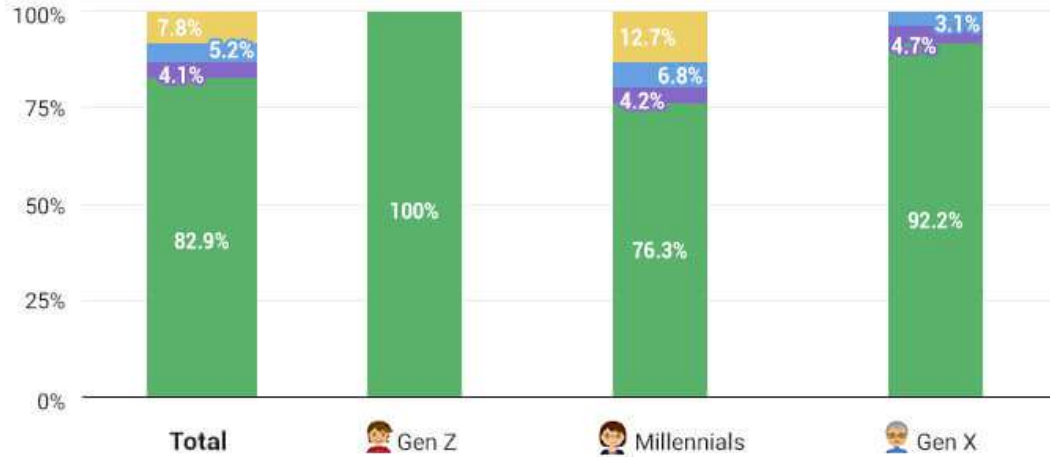
How many different types of subscription boxes are there?

The subscription box industry is booming, with the market projected to reach **\$19.8 billion by 2026** and over 10,000 different boxes available as of 2021.

How many subscription boxes do people subscribe to?

How many subscription boxes do people have?

1 - 3 3 - 6 6 - 9 More than 9



Source: GoodFirms's Subscription Boxes 2021 Survey; N=193
people who are currently subscribed (Gen Z = 8, Millennials = 118, Gen X = 64)

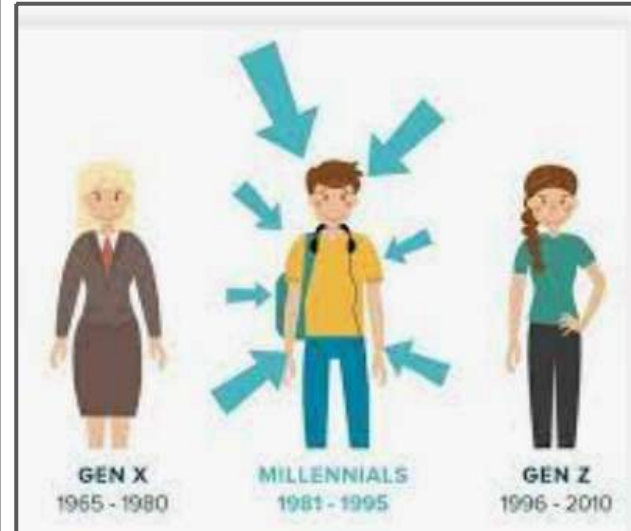
GoodFirms

Subscription Businesses

Baby Boomers



52 -70
1946-1964



Top 10 sites with highest number of current subscribers by gender



Why are subscription boxes so popular?

Subscription Businesses

- #1 Waste reduction.
- #2 Time-saving.
- #3 Flexibility.
- #4 They make excellent gifts.
- #5 A chance to try-before-you-buy.
- #6 An air of mystery.
- #7 Niche products.
- #8 Low costs.

Why are subscription boxes so popular?



Convenience



Personalisation



Value



Novelty

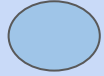
The Subscription Food nBox Industry



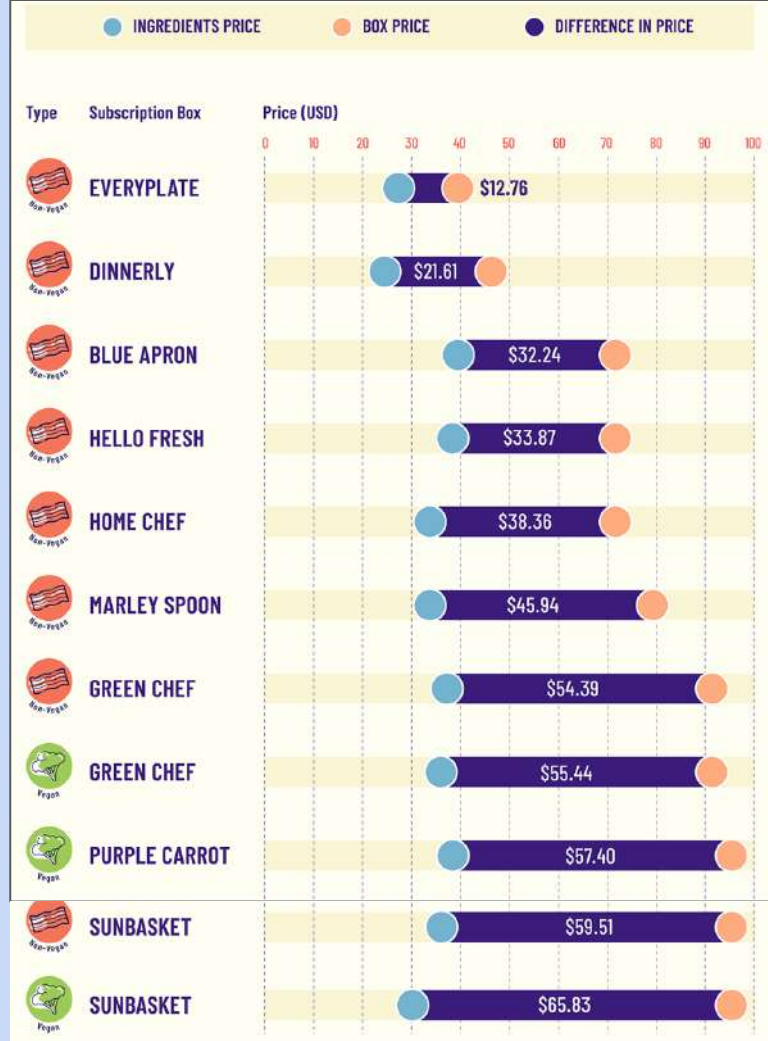
10 HelloFresh

OVERALL

Part of the appeal of a meal subscription box is that it frees you from making the decision of what to have for dinner each day – a decision that saves time but comes at a cost. The best value service in the US is provided by **EveryPlate**, with a price difference of **\$12.76** between the ingredients and the cost of the box. Green Chef offers the best vegan deal with a difference of \$55.44.



Ingredients Cost



Box Cost



Shark Tank Video - 14 minutes



How to Edit

Click [Edit This Slide](#) in the plugin to make changes.

Don't have the Nearpod add-on? Open the "Add-ons" menu in Google Slides to install.





Web Content



How to Edit

Click [Edit This Slide](#) in the plugin to make changes.

Don't have the Nearpod add-on? Open the "Add-ons" menu in Google Slides to install.





- Thousands of parents flocked to the Surprise Ride website to enroll in the fledgling subscription service.
- The company reached its goal of **\$500,000 in sales by the end of 2014.**
- By the end of **2015, they hit \$1 million in sales.**

AFTER



In 2016, over **two years after their failed pitch on Shark Tank**, the sisters were invited to film a "**Beyond the Tank**" follow-up segment.

While shooting, Kevin made the sisters a surprise offer.

- **\$50,000 in exchange for 2.5% equity (ownership) and a 6% royalty until he recoups \$150,000. (The sister's originally asked for \$110,000 and 10% ownership on Shark Tank)**
- It was a "take it or leave it" offer. They accept Kevin's offer.



Kevin's Marketing Strategy was to drive traffic to the company's website and lower while their \$5.30 per customer acquisition cost.

Two years after Kevin joined Surprise Ride, the company hit over **\$3 million in sales.**

That same year, November 2018, Surprise Ride **sold their business to Fat Brain Toys for an undisclosed amount.**



Subscription Services



- 1. Ecommerce subscriptions**
- 2. Membership subscriptions**
- 3. Digital subscriptions**

Subscription Services

- [Shopify](#)
- [WooCommerce](#)
- [Magento](#)
- [WIX](#)
- [Subbly](#)
- [Sellfy](#)
- [Recurly](#)

E-Commerce (Website)

A subscription eCommerce platform is a system that empowers merchants to sell products or services online and let you bill and invoice customers periodically.

These platforms can help you to collect subscription fees from customers on a weekly, monthly, or annual basis effortlessly.

Subscription Services

E-Commerce (Website)



- Allow third-party apps installation
- Support selling any subscription products & services
- Recommended apps: Recharge Subscriptions & Bold Subscriptions



- Support simple subscription products & variable subscription products
- Integrate with 30+ payment gateways
- Support automatic payments & manual payments
- Support built-in renewal notifications & automatic emails
- Deliver a suite of subscription reports

[Video: Shopify](#)

Which would you choose?

[Video: Wix](#)

Subscription Services



Membership Subscriptions



[Limited Time: \\$25 for a Sam's Club Membership](#)

[Join Now](#)



Digital Subscriptions

Digital Subscriptions





QUESTION OF THE DAY

Measure Marketing

Q:

How much does the average consumer spend per month on **ALL** subscription services?

RULES

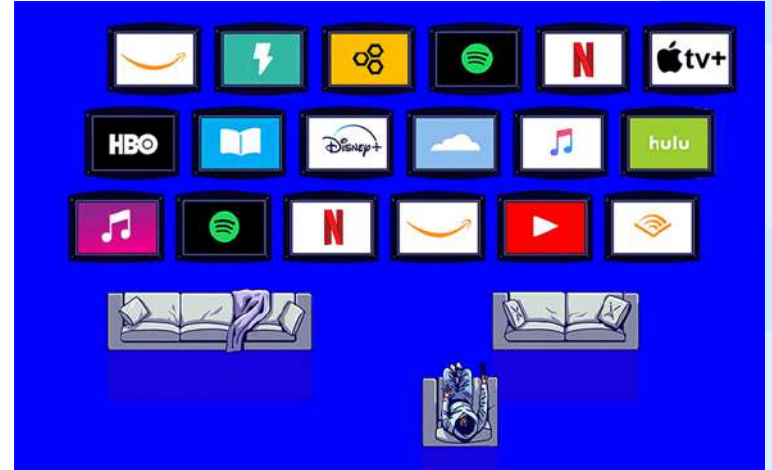
Closest to the number **WITHOUT** going over.



QUESTION OF THE DAY

Wow!

A: \$219 per month on subscription services



Source: C+R Research



QUESTION

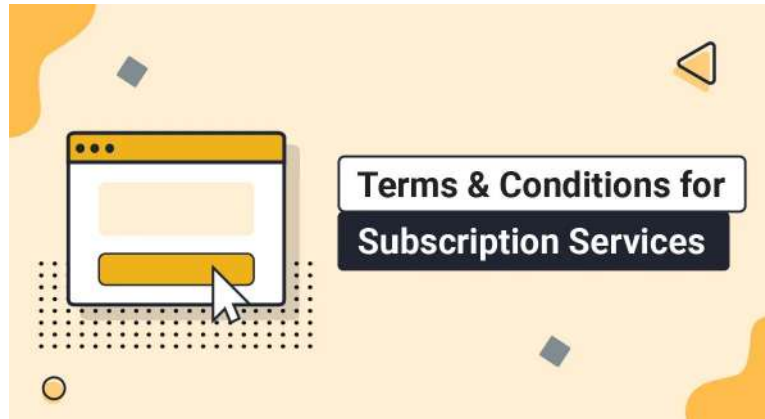
GUESS

Q: How many **subscription boxes, memberships or services** are you (or your parents) paying for that you don't use? **Input your answer on the next slide.**

Source: C+R Research

FOLLOW-UP QUESTIONS

1. How can a customer avoid paying for subscription services they rarely use or have forgotten about?



CONSUMER AWARENESS

One way to avoid losing track of your subscriptions is to review your bank and/or credit card statement.



The average length a consumer keeps a subscription service:

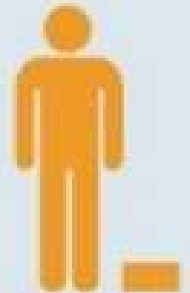


125 days

Women were more likely to keep subscriptions longer than men:



132 days



118 days

FOLLOW-UP QUESTIONS

1. What can Marketing do to continue engaging the customer so that they don't stop paying?

1. What can Marketing do to continue engaging the customer so that they don't stop paying?

ANSWER



● Store Manager, ... ☆ THERESA, WE'VE MISSED YOU - HERE'S YOUR 25...

Jan 25

Coupon



Show me more products

Why Don't Subscription Box Businesses Survive?

- Customers frequently skip boxes
- Customers return 60% to 70% of the box's products.

THOUGHT OF THE DAY

**Subscription
Businesses**



What is the role of Marketing in a subscription based business?

[View blog post](#)

THOUGHT OF THE DAY

Subscription Businesses



In a subscription-based business, **effective marketing drives long-term customer behavior**, not just the initial sale.

Marketing is also responsible for measuring the effectiveness in engaging and nurturing existing customers.

[View blog post](#)

A stack of four sticky notes in light blue, pink, orange, and purple. The top light blue note is slightly offset to the right, showing the edges of the other colors underneath. The text 'KEY TAKEAWAYS' is printed in bold black capital letters on the top note.

KEY TAKEAWAYS

Shark Tank Video-Ready Festive



How to Edit

Click [Edit This Slide](#) in the plugin to make changes.

Don't have the Nearpod add-on? Open the "Add-ons" menu in Google Slides to install.

