

CASE STUDY PRESENTATION

BOX SUBSCRIPTION MARKET

THE BRIEF

- ▶ A health company is launching a new supplement box subscription service.
- ▶ Provide a channel strategy with targeting considerations and a measurement plan tailored to the product.



RESEARCH

WHAT IS A BOX SUBSCRIPTION?

A circular image showing a Dollar Shave Club subscription box. The box is brown with the Dollar Shave Club logo (a circle with 'S' and 'C' and crossed tools) and the text 'DOLLAR SHAVE CLUB'. Below the logo, there is a quote: "I like shaving with a dull razor." - No one, ever. and a small image of a razor. The text 'REPLENISHMENT' is overlaid in white.

REPLENISHMENT

A circular image showing a Birchbox subscription box. The box is brown with the text 'BIRCHBOX' and 'LA FRESH' visible. The box is open, showing various beauty products inside. The text 'CURATION' is overlaid in white.

CURATION

A circular image showing a Hello Fresh subscription box. The box is brown with the text 'Hello Fresh' and 'Apron' visible. The box is open, showing various fresh ingredients and a recipe card. The text 'ACCESS' is overlaid in white.

ACCESS

CONSUMERS DO NOT HAVE AN INHERENT LOVE OF SUBSCRIPTIONS. IF ANYTHING, THE REQUIREMENT TO SIGN UP FOR A RECURRING ONE DAMPENS DEMAND AND MAKES IT HARDER TO ACQUIRE CUSTOMERS. RATHER, THEY WANT A GREAT END-TO-END EXPERIENCE AND ARE WILLING TO SUBSCRIBE ONLY WHERE AUTOMATED PURCHASING GIVES THEM TANGIBLE BENEFITS, SUCH AS LOWER COSTS OR INCREASED PERSONALIZATION...

**RECOMMENDATIONS OFTEN TRIGGER SUBSCRIPTIONS,
BUT CONSUMERS CANCEL SERVICES THAT DON'T
DELIVER A SUPERIOR EXPERIENCE**

McKinsey Analysis

WHO BUYS SUBSCRIPTION BOXES?

US MARKET

- ▶ 25 - 44, 60% women
- ▶ \$50K+ Urbanites

Source: McKinsey

UK MARKET

- ▶ UK market due to grow from £583m to £1 bil in 2022
- ▶ 27.4% of UK consumers are subscribed to a box service
- ▶ Most popular under 35s
- ▶ Half of 25 - 35s subscribed to one

Source: Royal Mail

OTHER STATS

- ▶ Vitamin and supplement were two top keywords in Q4 2017
- ▶ Biggest growth amongst males
- ▶ Ethical audience
- ▶ Persuaded by recommendations

Source: Hitwise

CHALLENGES

CHALLENGES

FOR THE CLIENT

- ▶ Awareness - 53% of consumers know about 1 of the top services
- ▶ Conversion - 55% of those who consider ever purchase
- ▶ Churn - 40% of users have cancelled a subscription

FOR THE COMPANY

- ▶ UX of client website & checkout
- ▶ Subscription retention
- ▶ The lack of audience overlap
- ▶ Client expectations around the above.
- ▶ Instore presence

AUDIENCES & TARGETING

AUDIENCES

CLIENT PRIMARY AUDIENCE



'BOX' SUBSCRIPTION AUDIENCE



AUDIENCE TARGETING CONSIDERATIONS



**WEIGHT
MOBILE**



**HEALTHY
LIVING &
NUTRITION**



**LUNCH &
EVENING**

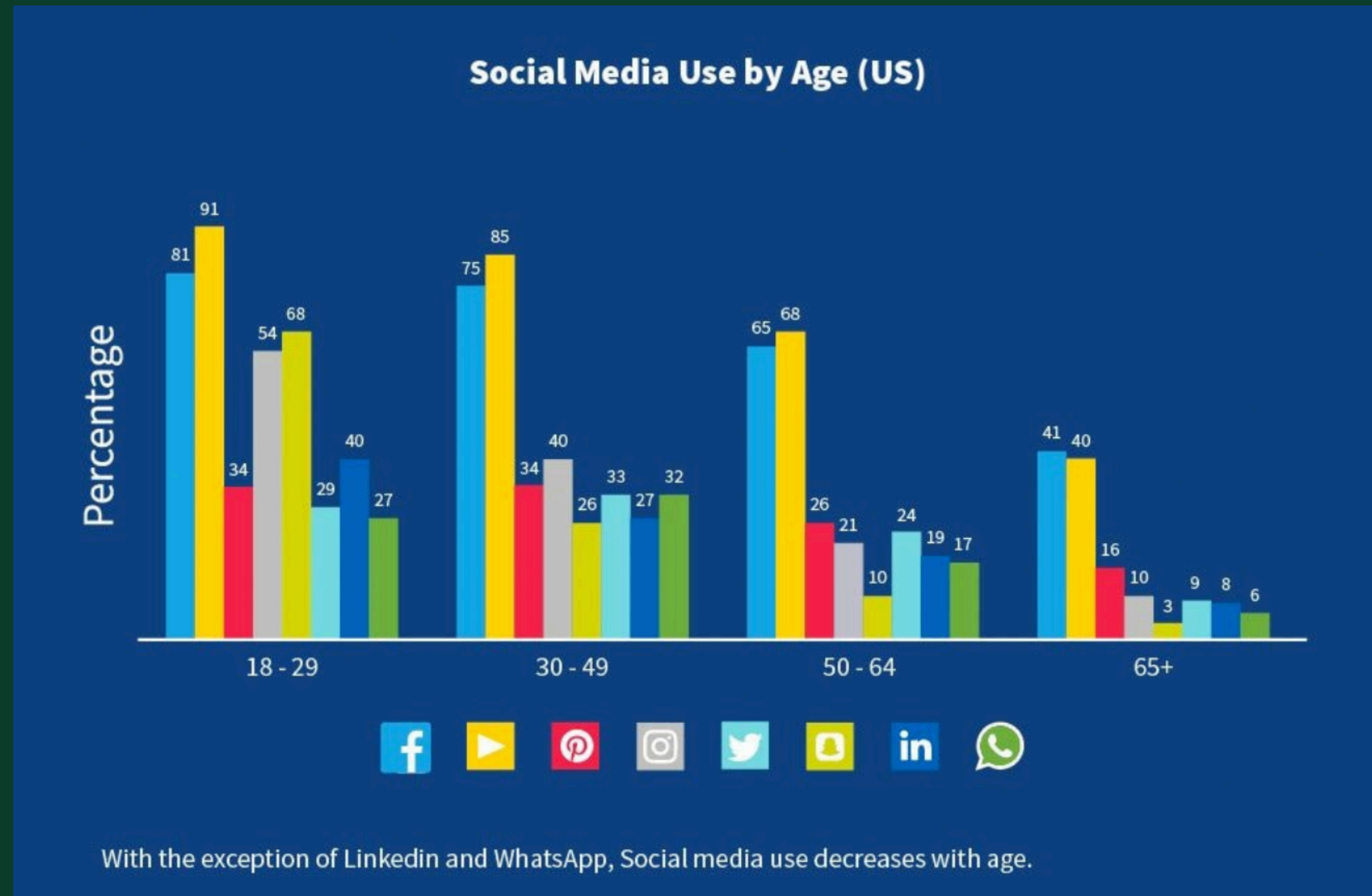


CITIES

CHANNEL STRATEGY

SOCIAL MEDIA USE

- ▶ Primary Audience : Facebook & Youtube are key channels
- ▶ 'Box' Subscription audience : Facebook & youtube still key, also instagram.



STATS FOR CHANNEL CONSIDERATION

PAID SEARCH

- ▶ 49% of people said they click on text ads. (Blue Corona, 2019)
- ▶ Businesses make an average of \$2 in income for every \$1 they spend in AdWords. (Blue Corona, 2019)

VIDEO

- ▶ People pay attention to video content whereas they skim or multitask written content and podcasts. (HubSpot, 2017)

DISPLAY

- ▶ More than two-thirds of US digital display ad spending is programmatic. (Match Craft, 2018)
- ▶ 73% of people dislike pop-up ads. (HubSpot, 2016)

ROI

- ▶ 39% of marketers say proving the ROI of their marketing activities is their top marketing challenge. (HubSpot, 2018)

PODCASTS/AUDIO

- ▶ On average, people spend 17 hours per week tuning into their favorite podcasts, online radio shows, and audiobooks. (Source: [Contently 2019](#))

CONVERSION FUNNEL

AWARENESS

- ▶ Instagram
- ▶ Facebook
- ▶ Programmatic Audio
- ▶ Affiliate marketing
- ▶ Programmatic Video
- ▶ Display
- ▶ Sponsorship (Podcast/instagram)
- ▶ OOH?
- ▶ Radio

CONSIDERATION

- ▶ Retargeting: Facebook/Instagram/Double Click
- ▶ Email marketing
- ▶ Lookalike audiences/pages
- ▶ Paid search

INTENT

- ▶ Abandon Cart/Survey
- ▶ Remarketing Lists for Search

RETENTION/ADVOCACY

- ▶ Customer surveys
- ▶ Referral program
- ▶ Re engagement program

MESSAGING

REASONS FOR USER ACTIONS

	Replenishment	Curation
Initiating	Financial benefit Recommendations	Try something New Recommendations
Continuation	Convenience Value for money	Personalisation Surprise value
Cancellation	Dissatisfied with product Rather buy on demand	Value for money Dissatisfied with product

KPIS & ATTRIBUTION

KPIS

- ▶ How well are we buying? CPM
- ▶ What is the campaign reach? Impressions
- ▶ How well are our ads performing? CPC/CPE, Social followers,
- ▶ How is the site performing? Site Log ins, GA Conversion funnel metrics, Site Conversion rate
- ▶ What is the ROI? Subscriptions (number & value), CPA, LTV
- ▶ How well are we retaining? LTV & Churn

ATTRIBUTION

- ▶ 6 models
- ▶ Last click or Position based
- ▶ Technology dependent
- ▶ What story do we want to tell



WHAT STORY DO WE WANT TO TELL?

- ▶ Ideally a face to face meeting to present stats. Alternatively a call with presentation or a video.
- ▶ What matters to the client?
- ▶ What stats best reflect the effort we've put in?
- ▶ What is the next chapter in the story?

THE RETENTION PROJECT

THE PICTURE SO FAR

WHAT WE'VE HIGHLIGHTED

- ▶ Churn is a key issue with subscription boxes
- ▶ Customers are looking for great experiences
- ▶ Customers will cancel a subscription if they don't feel they are getting value
- ▶ Customers highly value recommendations

WHAT THE KPIS WILL HIGHLIGHT

- ▶ Churn will be reflected in cancelled subscriptions
- ▶ Life Time Value of a customer will show the importance of keeping customers happy
- ▶ CPA will show the cost of acquisition which can be compared to the cost of retention.

A RETENTION PROGRAMME THAT INCLUDES

- ▶ Customer satisfaction surveys
- ▶ Email marketing to remind about the added benefits
- ▶ Campaign highlighting these added benefits e.g. interviews with nutritionists, early access to new products
- ▶ Referral rewards
- ▶ Re engagement programme for users who cancel or are stuck in the intent segment
- ▶ SEO & Video strategy





THANK YOU

My Portfolio

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