

The rise of subscription boxes  
and the consumers behind them

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# Methodology



# Unique data and consumer insights

Powerful combination of scale, depth and quality



# Hitwise subscription box industry

267 leading sites

ipsy

LE TOTE



BIRCHBOX



SOCKFANCY



CAUSEBOX



DOLLAR SHAVE CLUB



KNITCRATE

pupjoy

2

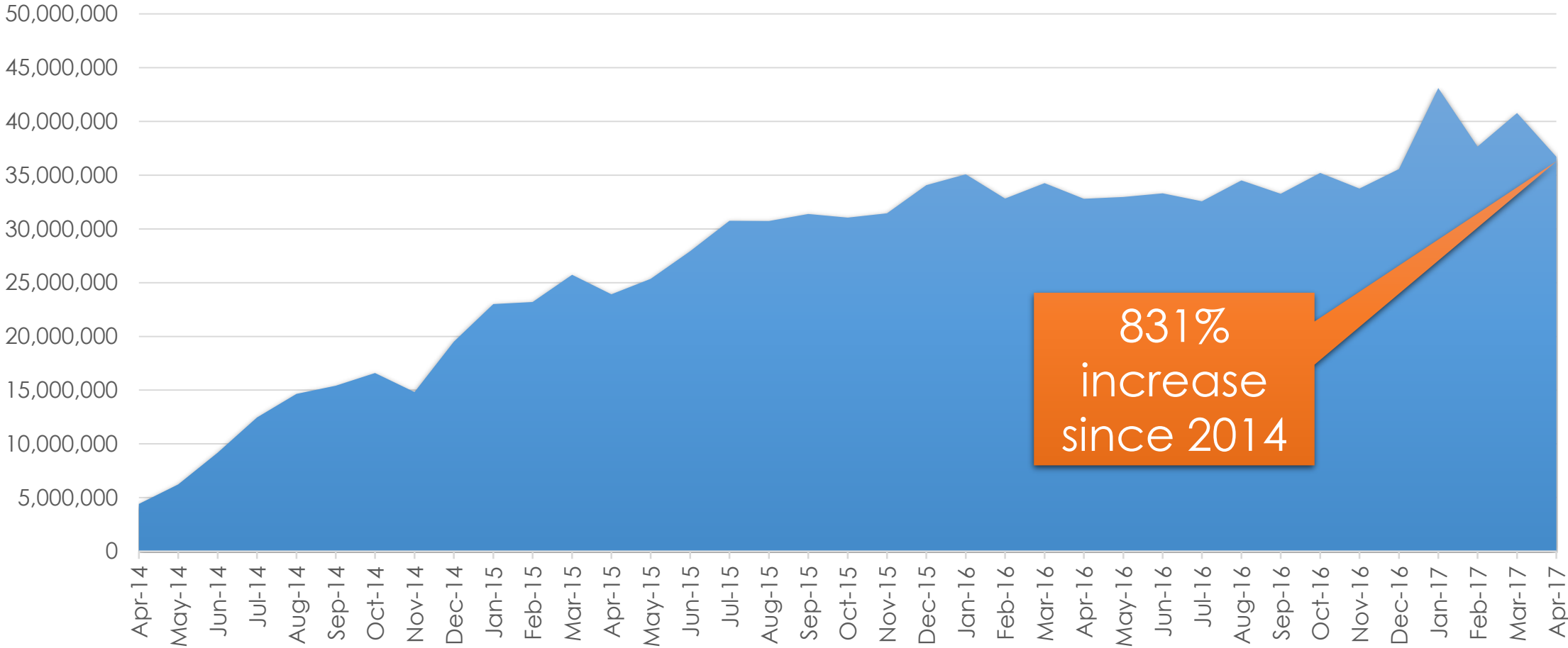
Industry trends



# US subscription box industry

## Monthly visits

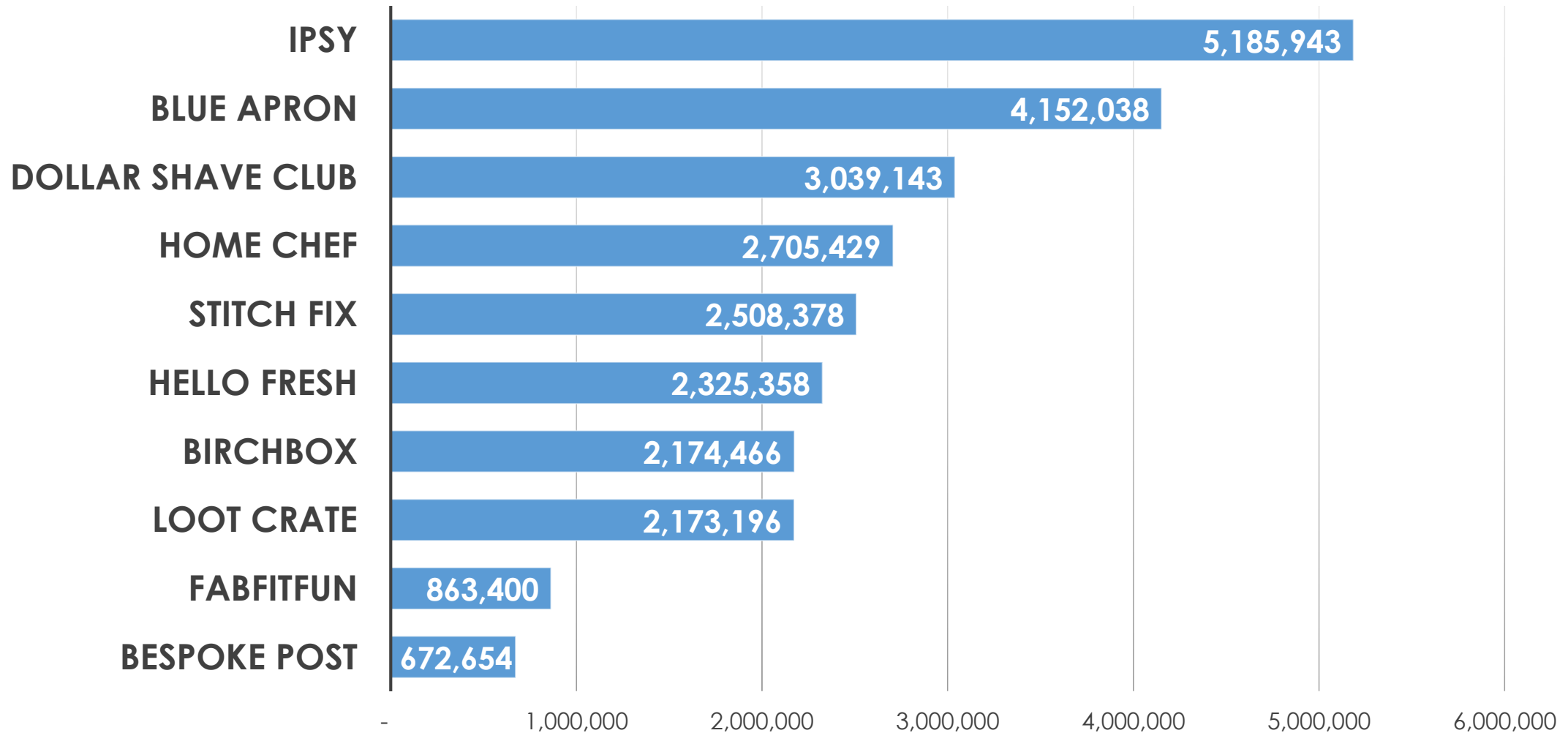
Surpassed 40 million visits in January and March



831%  
increase  
since 2014

# Top subscription sites

Number of visits in April 2017





# Subscription Box vs Traditional Retail match up

Top subscription sites now on par with major brands (in visits)

**ipsy** = **J.CREW**

 **Blue  
Apron** =

*see see*  
**ANTHROPOLOGIE**  
*see see*

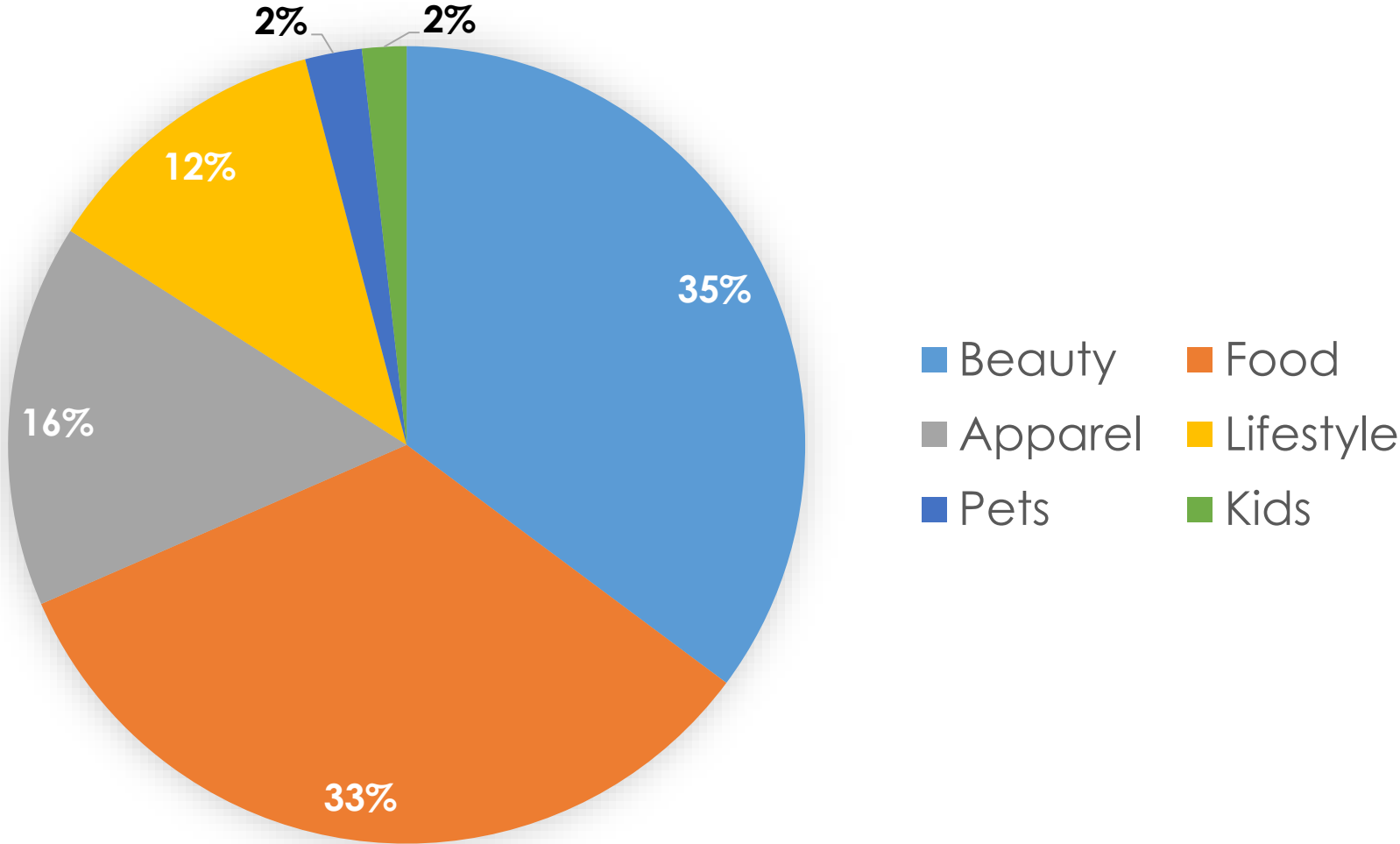


**DOLLAR SHAVE CLUB** =



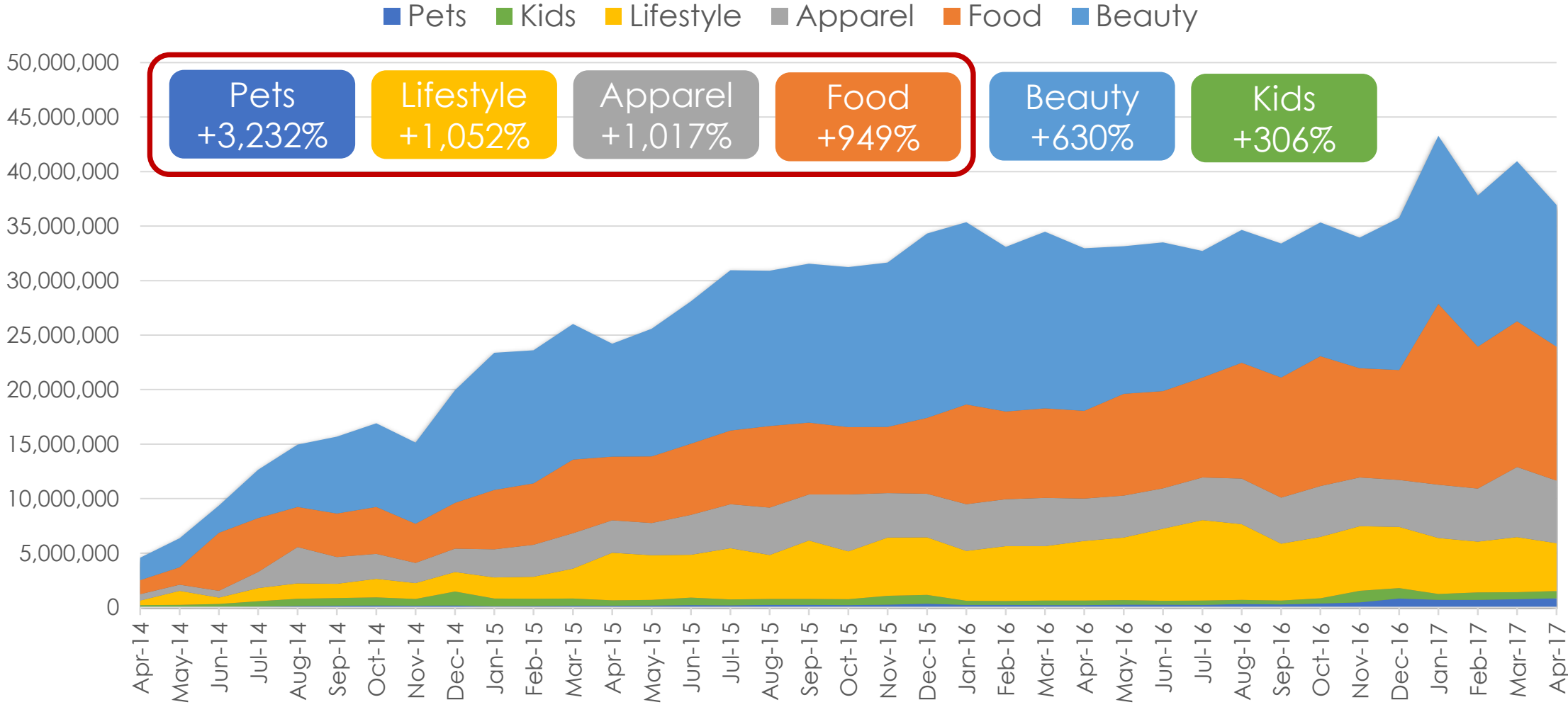
# Category breakdown

## Share of subscription box sites visits, April 2017



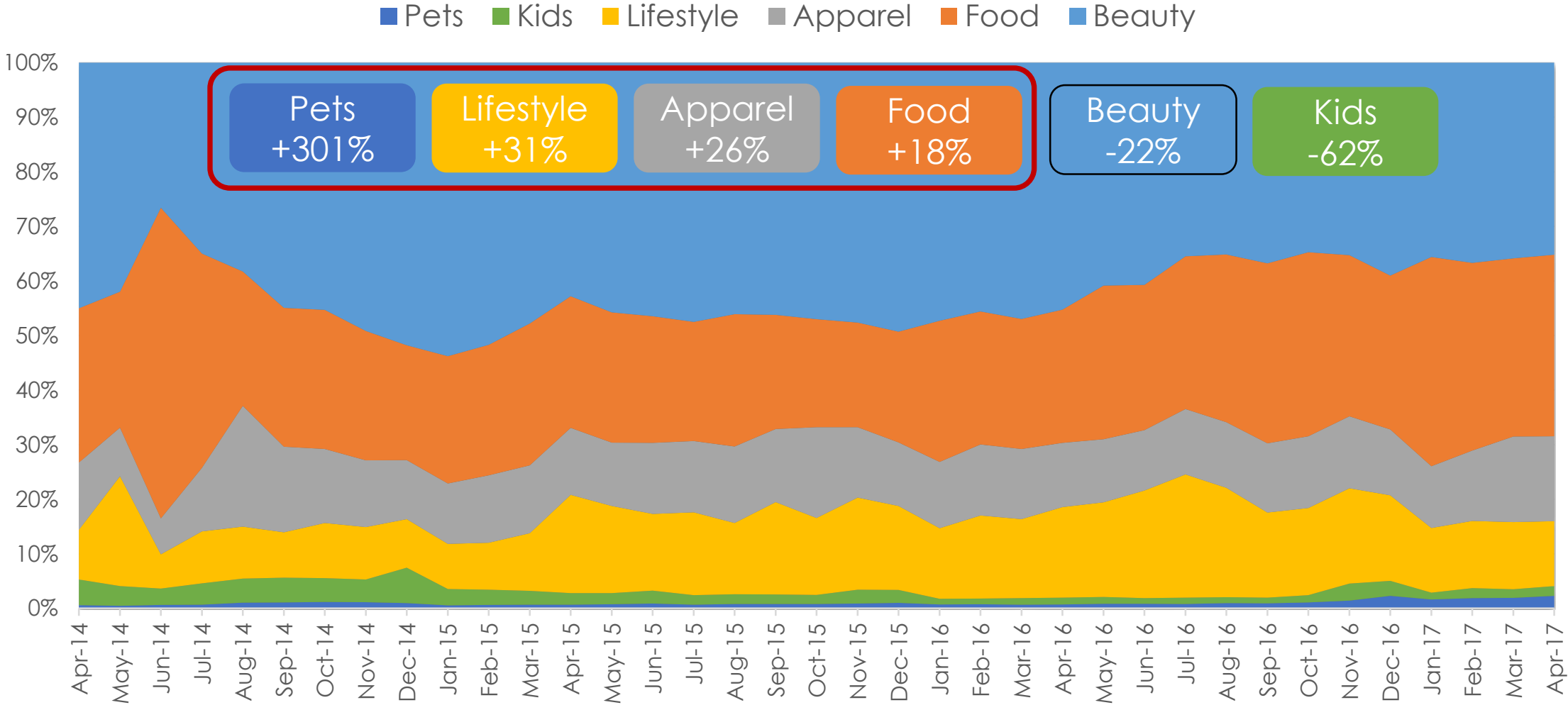
# Category breakdown

## Monthly visits by sub-category and three year change



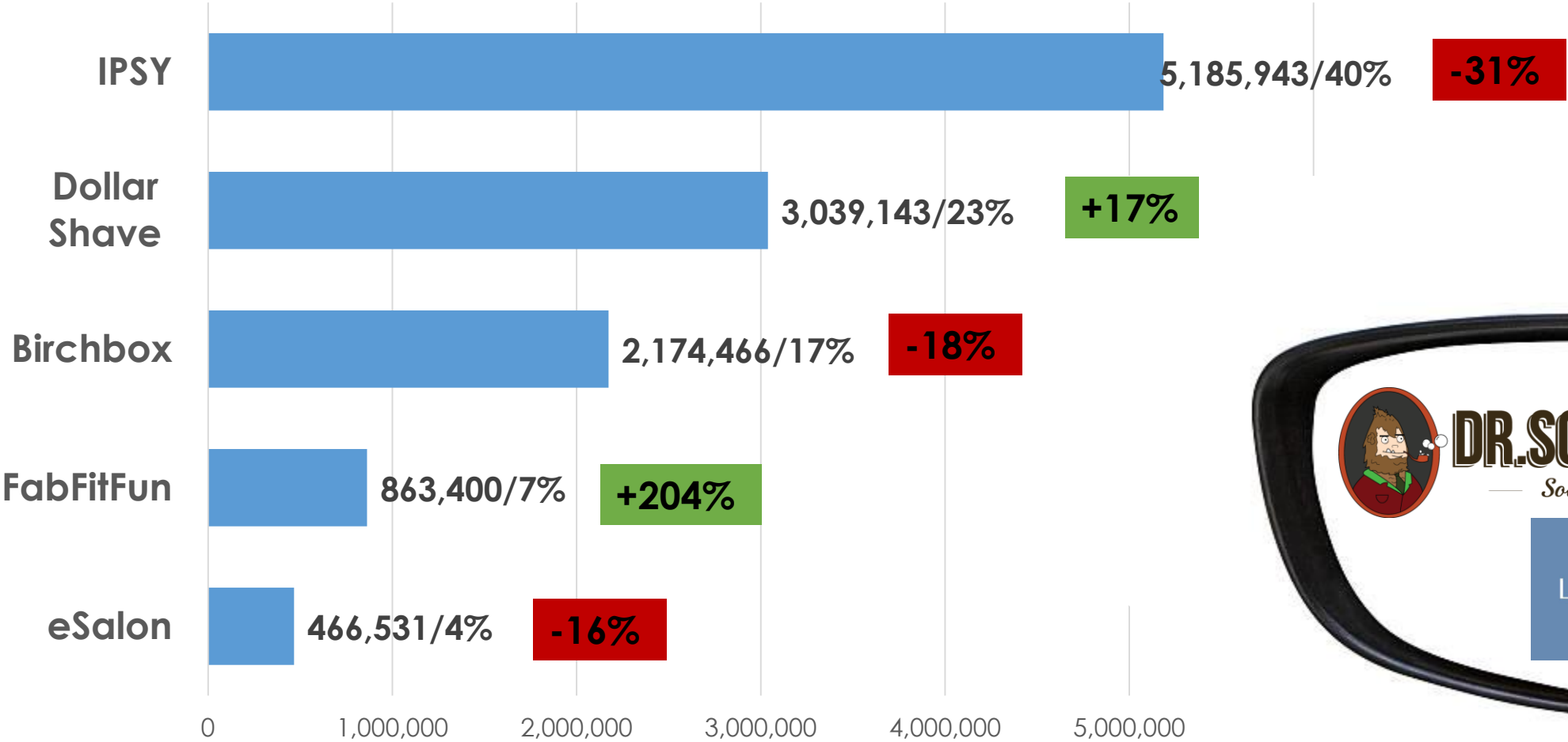
# Category breakdown

## Monthly visit share by sub-category and 3 year change



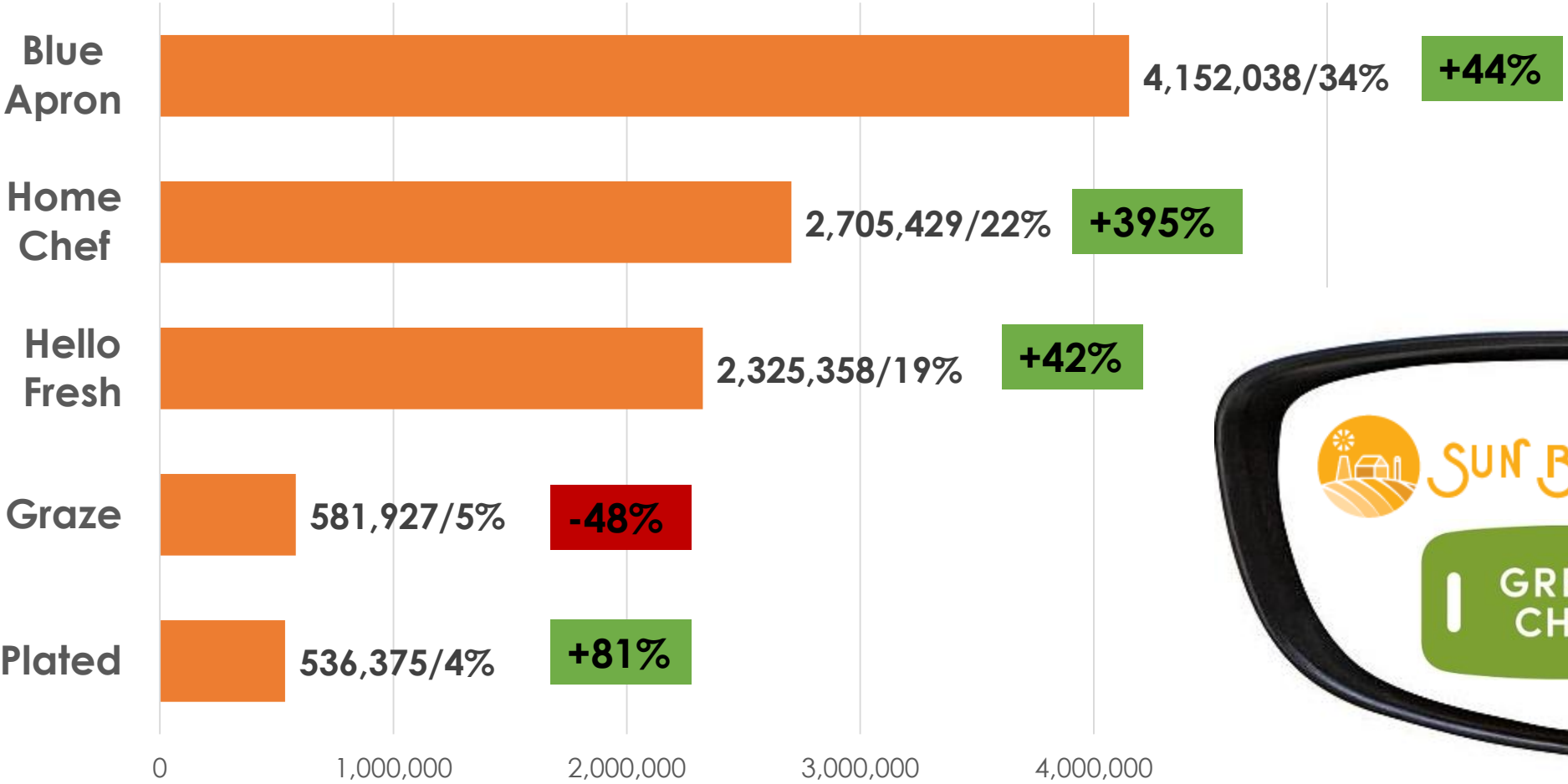
# Beauty box sites

## Top beauty/grooming sites, April 2017



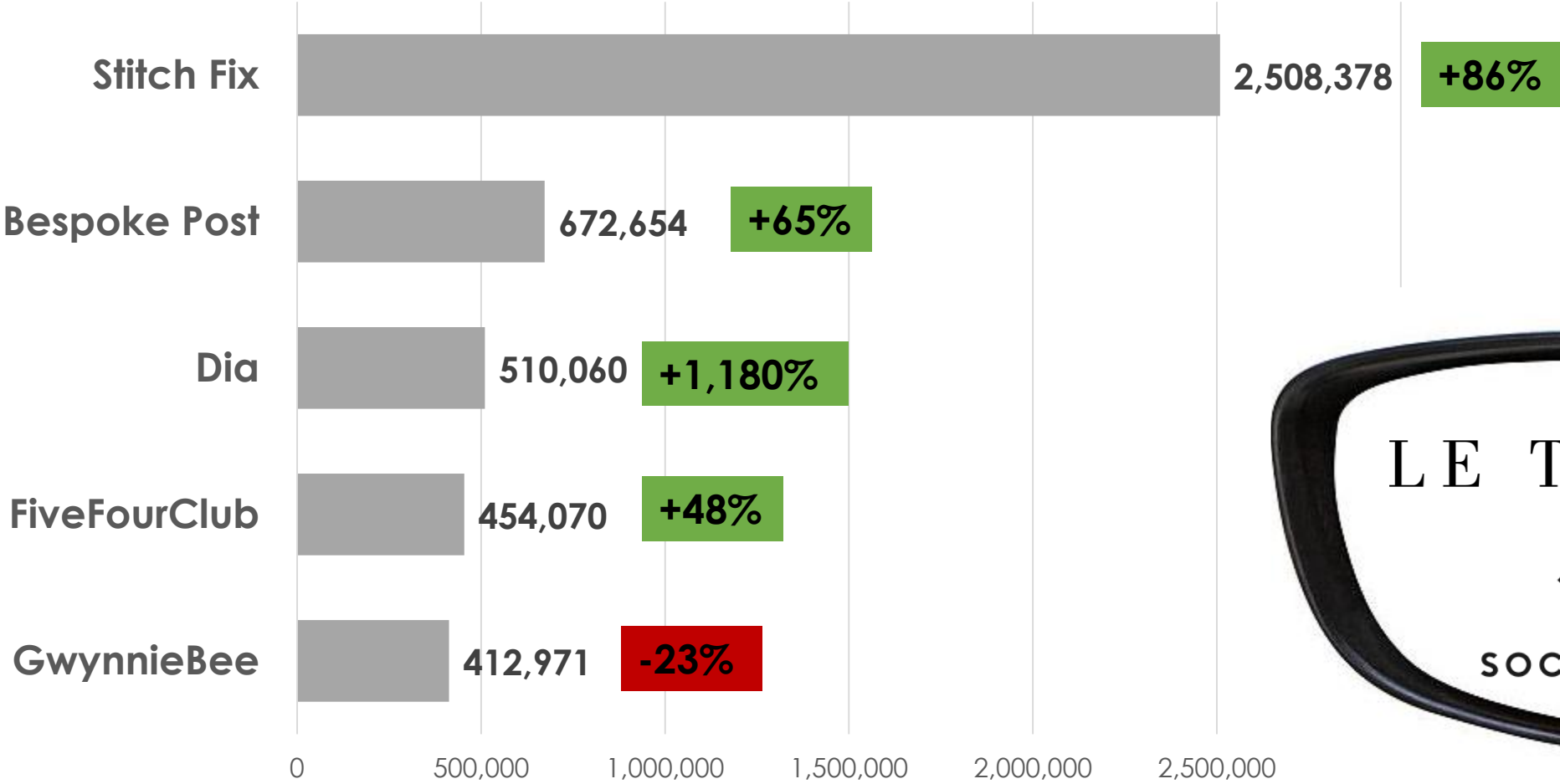
# Food box sites

## Top food sites, April 2017



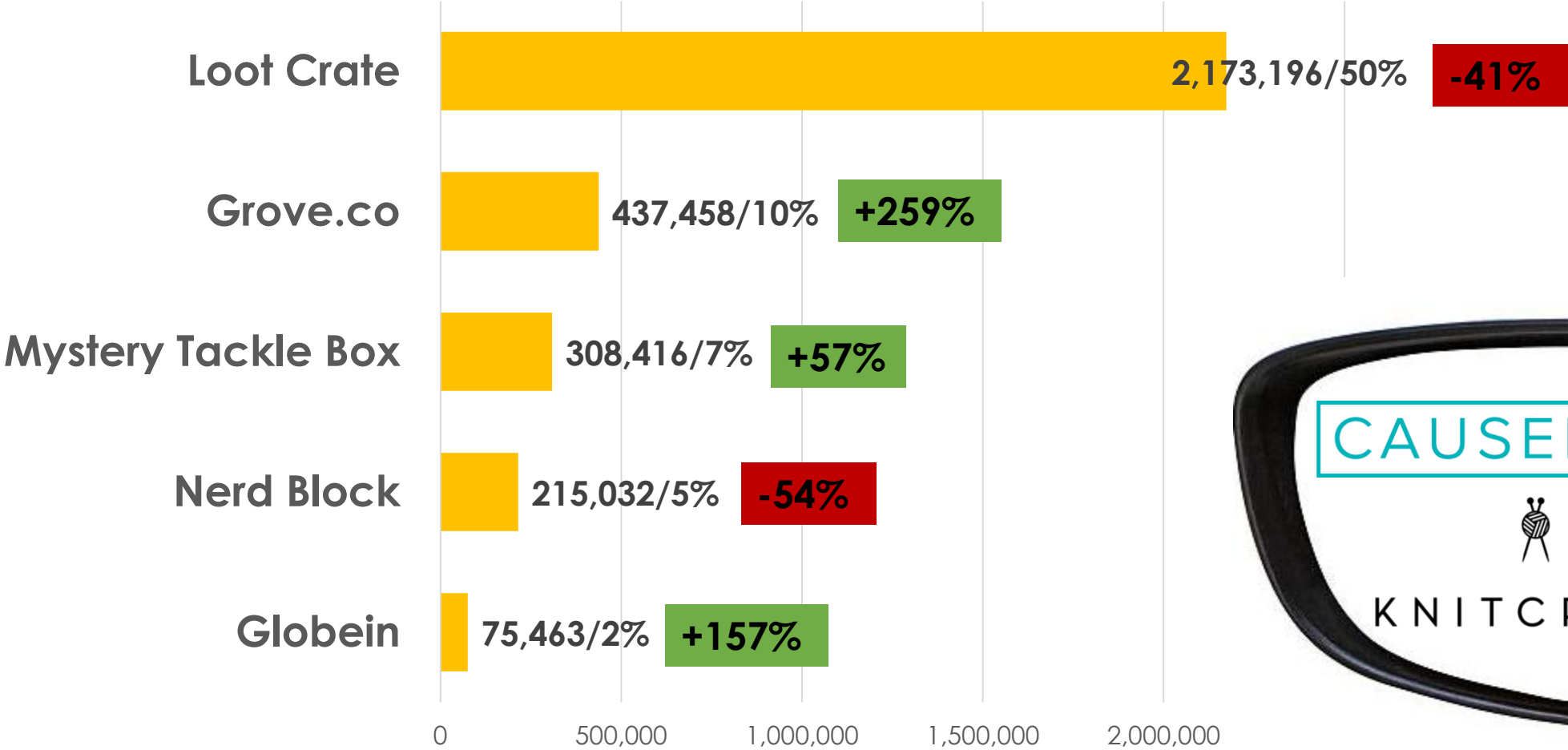
# Apparel box sites

## Top apparel/accessories sites, April 2017



# Lifestyle box sites

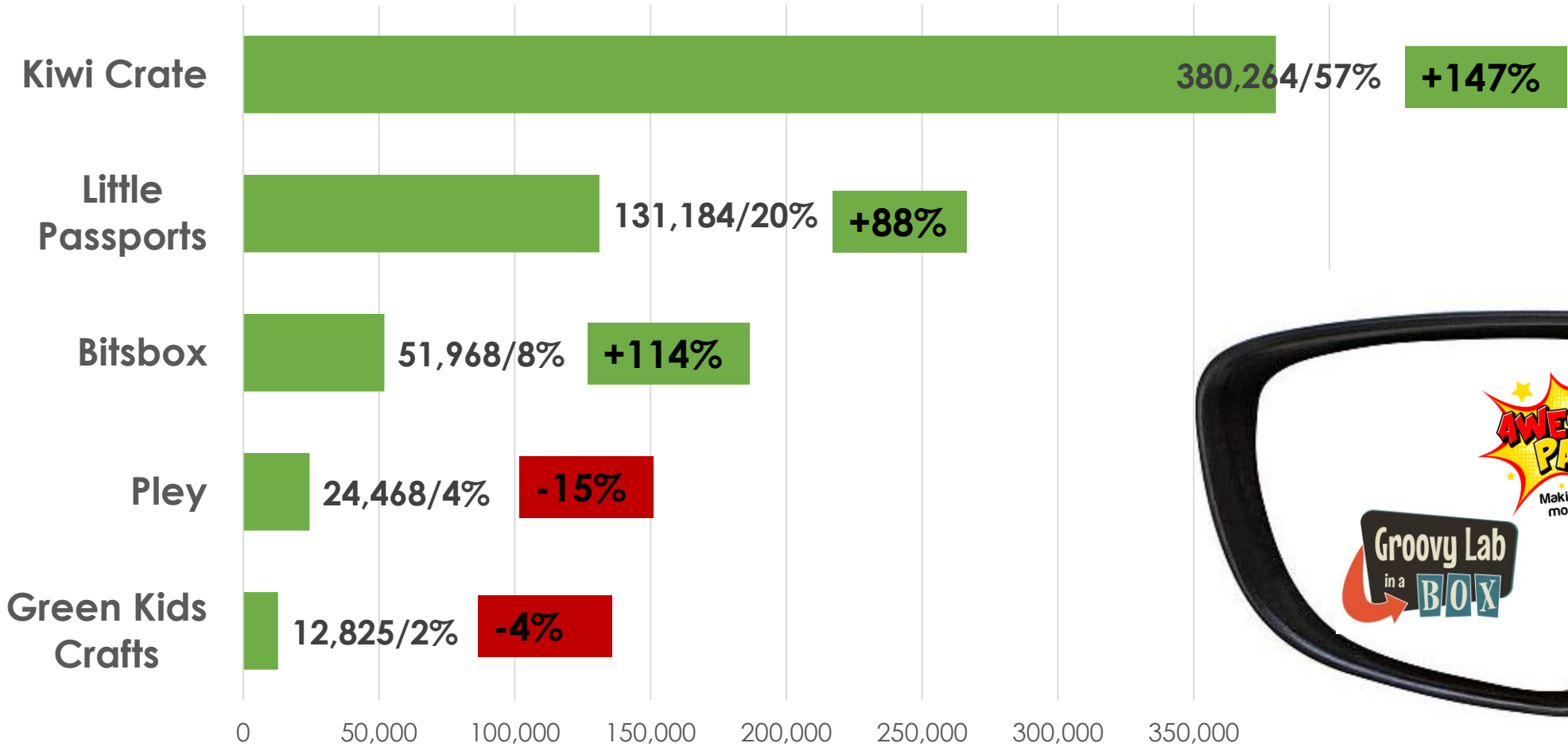
## Top lifestyle sites, April 2017





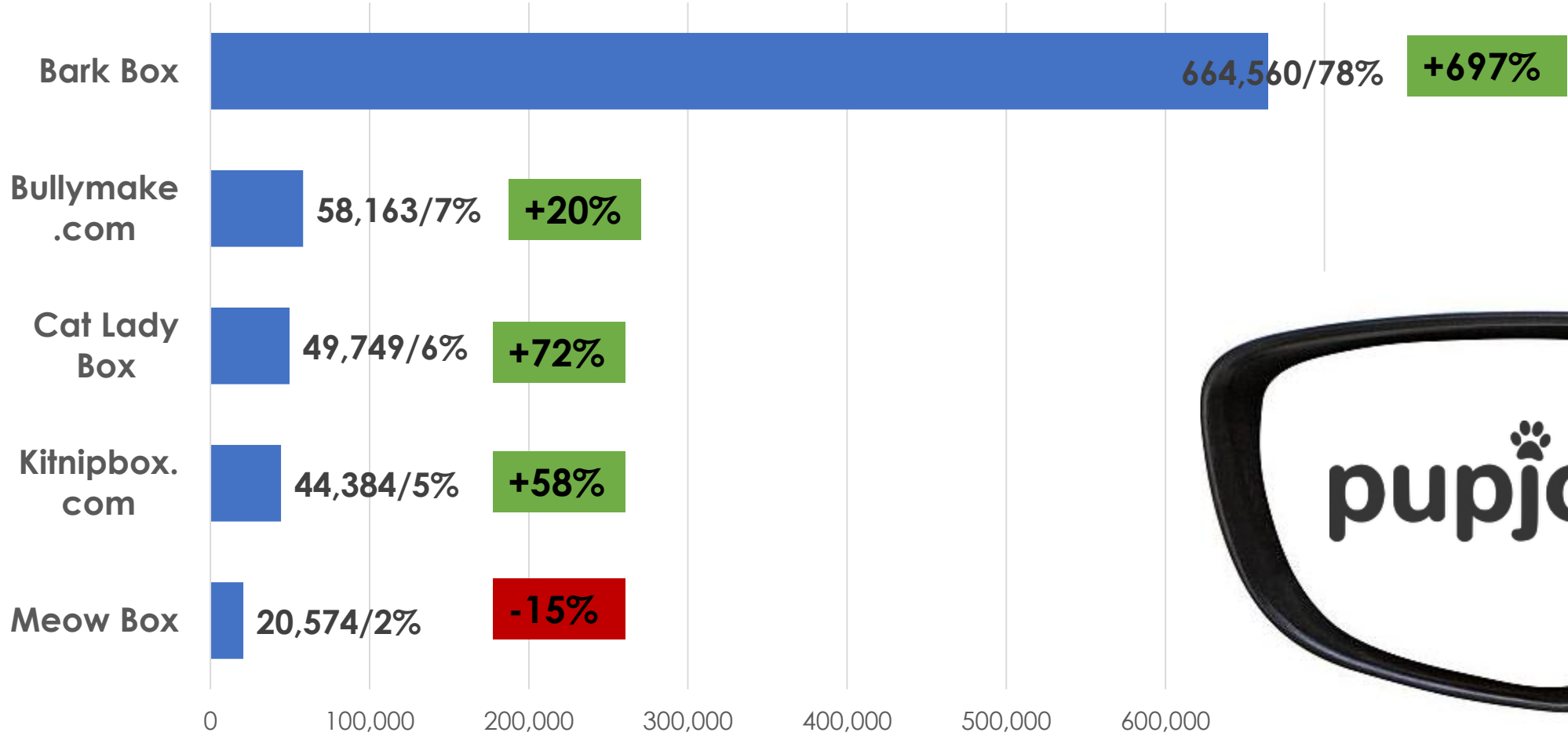
# Kids box sites

## Top kids sites, April 2017



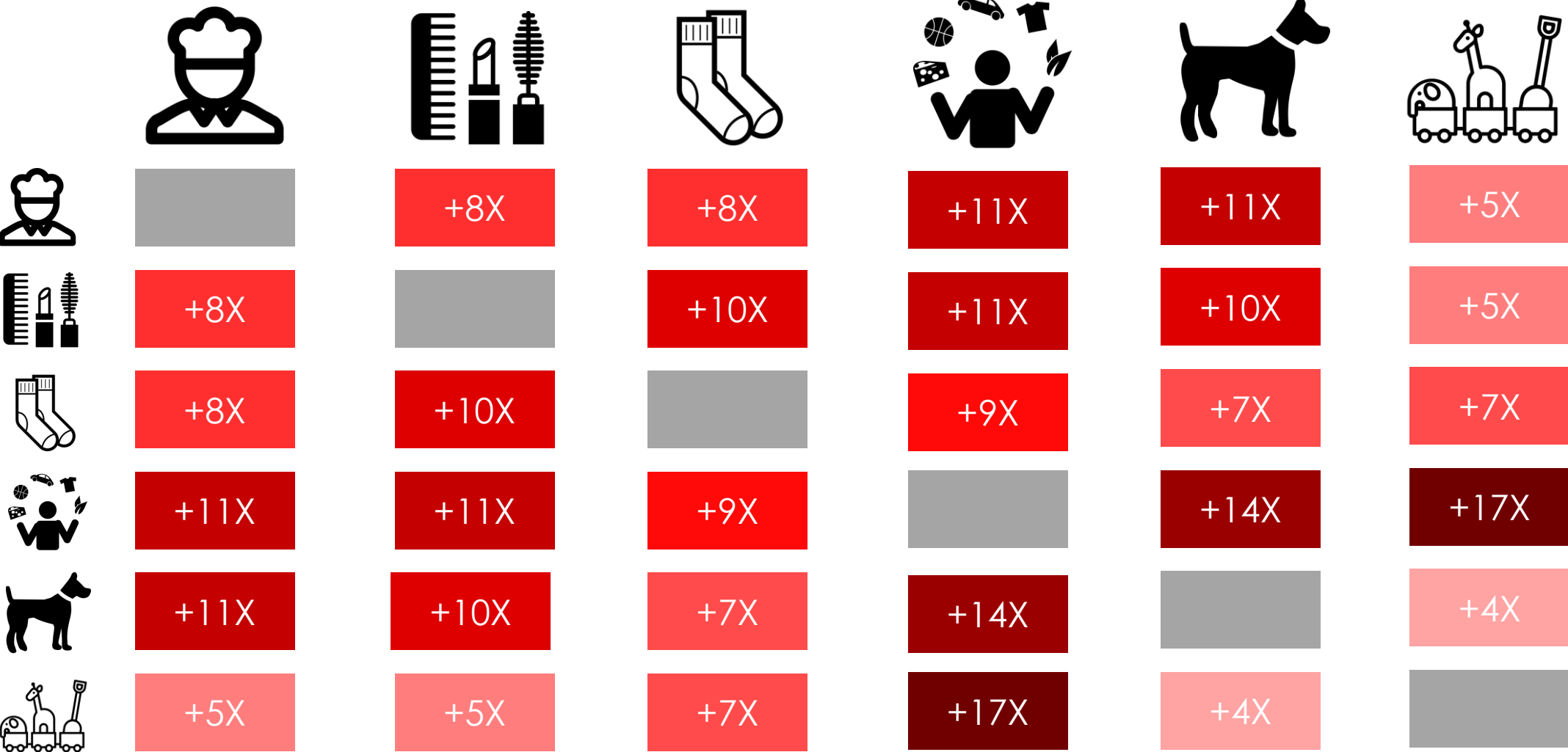
# Pet box sites

## Top pet sites, April 2017



# Overlap analysis

Where are the biggest cross-sell opportunities?



3

# Audience profiles



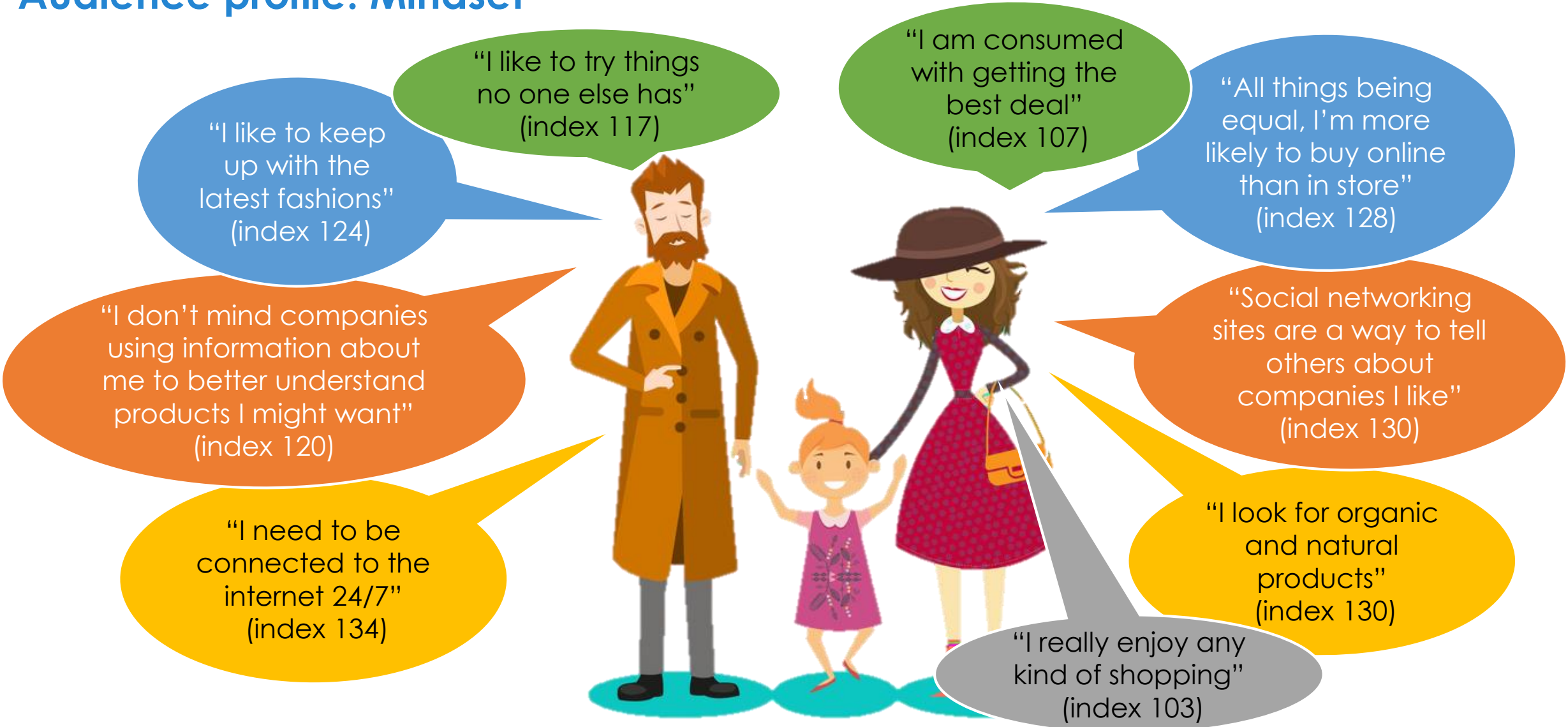
# Who are America's 5.7 MM subscription box shoppers?

## Audience profile: Demographics



# Who are America's 5.7 MM subscription box shoppers?

## Audience profile: Mindset



# Who are America's 5.7 MM subscription box shoppers?

Where else do they shop?



SEPHORA



kate spade

WILLIAMS-SONOMA

*The Land of Nod*



NORDSTROM

# Who are Loot Crate's visitors

## Cut from a different cloth



LOOTCRATE

Millennial/ Gen Z  
(148 index)

Male  
(index 110)

Never married  
(index 142)

"Video games are my main source of entertainment"  
(index 212)

"I often click on links shared in social media"  
(index 142)

"I often eat frozen dinners"  
(index 135)

"I am usually the first to..."  
(index 85-95)



GameStop  
TRUNK CLUB





# Blue Apron vs Hello Fresh

“Recipe” search “cookoff”



Vegetarian (+25%)

Paleo (+144%)

Instant Pot (+91%)



Prime Rib (+137%)

Curry (+42%)

Rhubarb (+22%)



# Ipsy vs Birchbox

## Search comparison

ipsy

EM cosmetics (+117%)

Maracuja oil (+61%)

Benefit cosmetics (+56%)

BIRCHBOX◆™

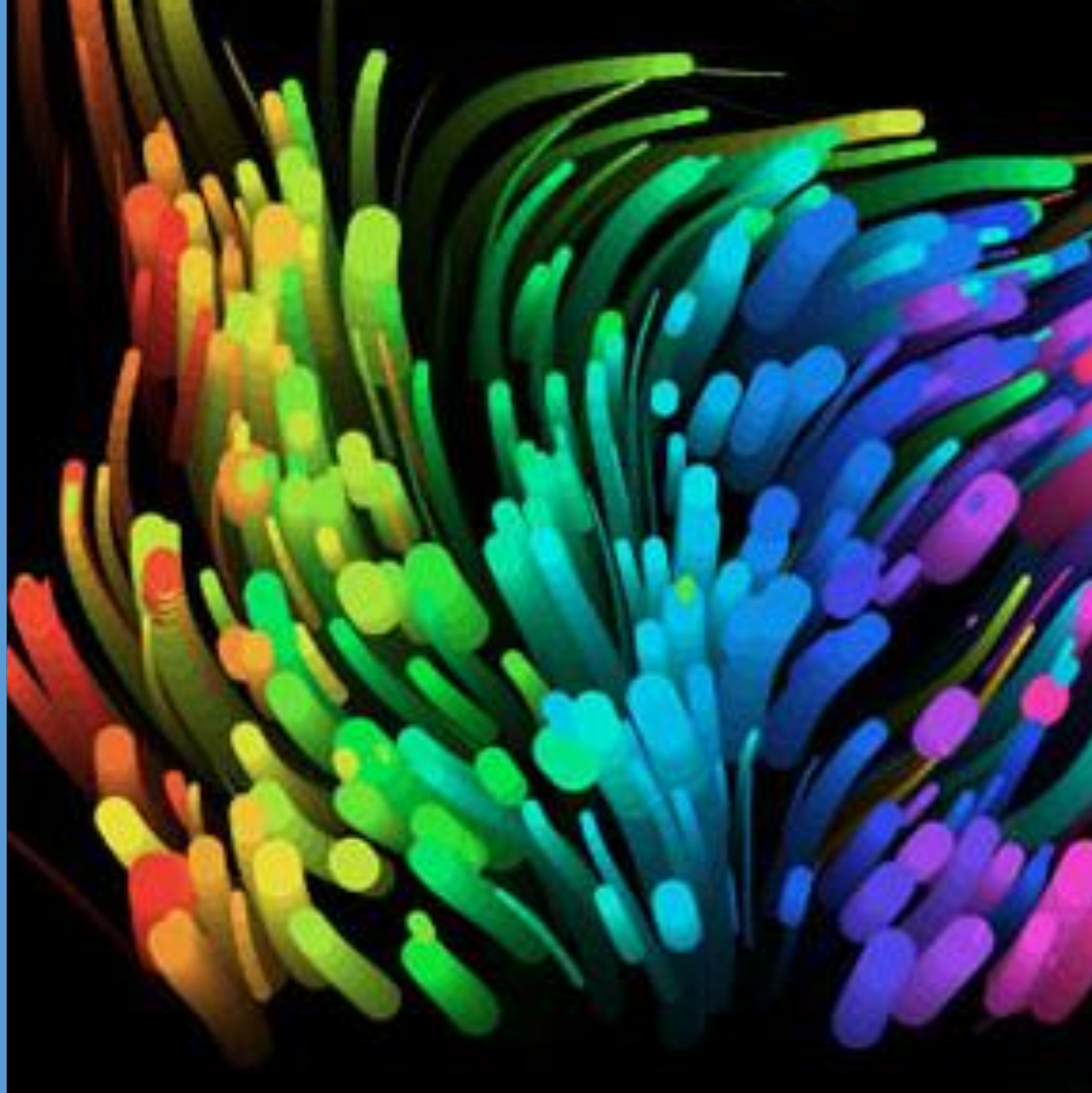
Aveda (+229%)

hyaluronic acid (+364%)

MAC cosmetics (+92%)

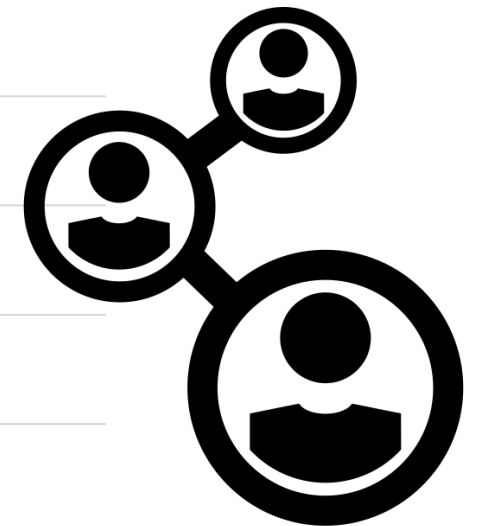
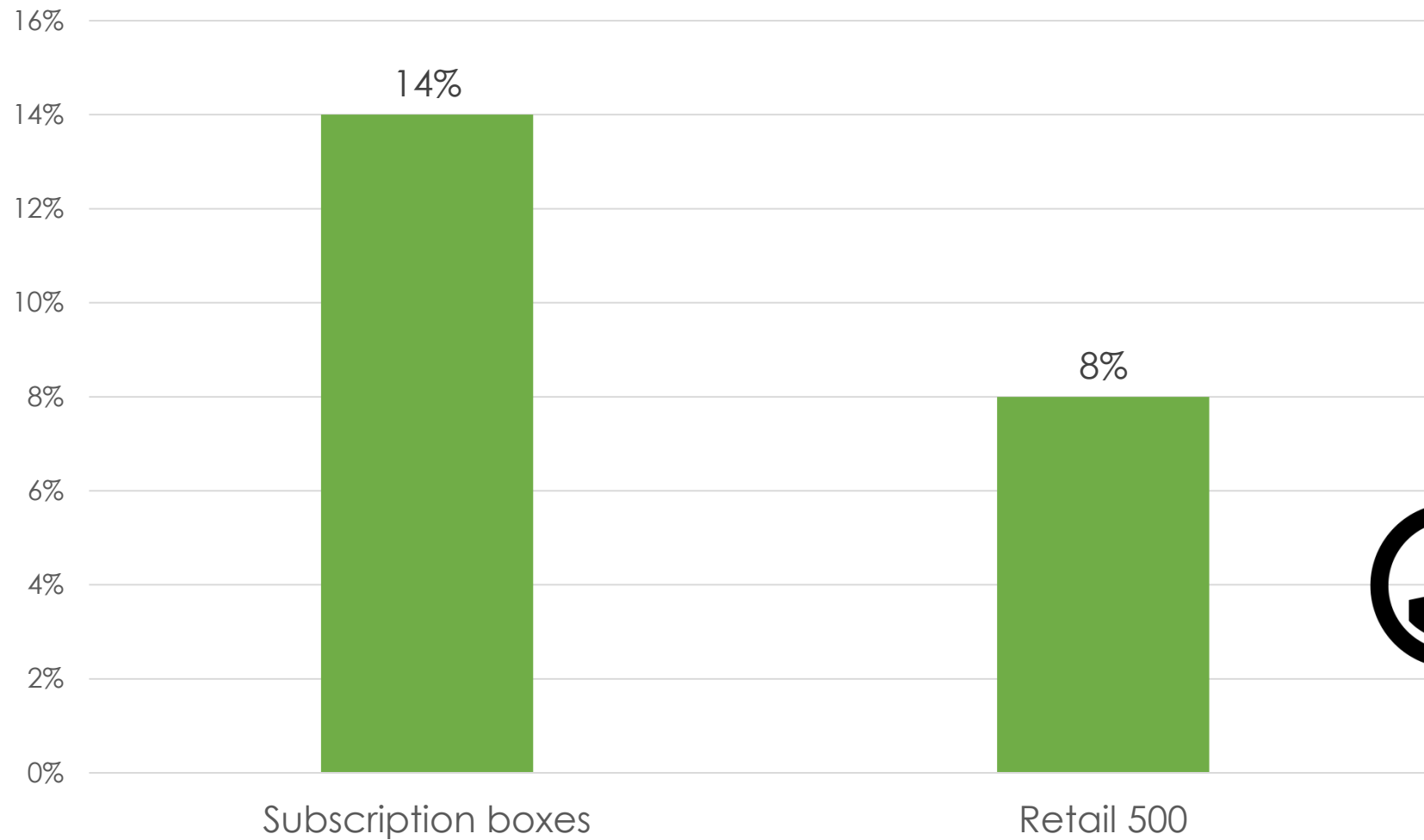
How to cancel ipsy (+193%)

Traffic sources



# Traffic drivers: Social

Subscription boxes rely much more heavily on social



# Traffic drivers: Social

Pinterest is responsible more nearly 3X the share of traffic to sub-box sites

*Instagram*

+119%

**LinkedIn**

+120%

**facebook**

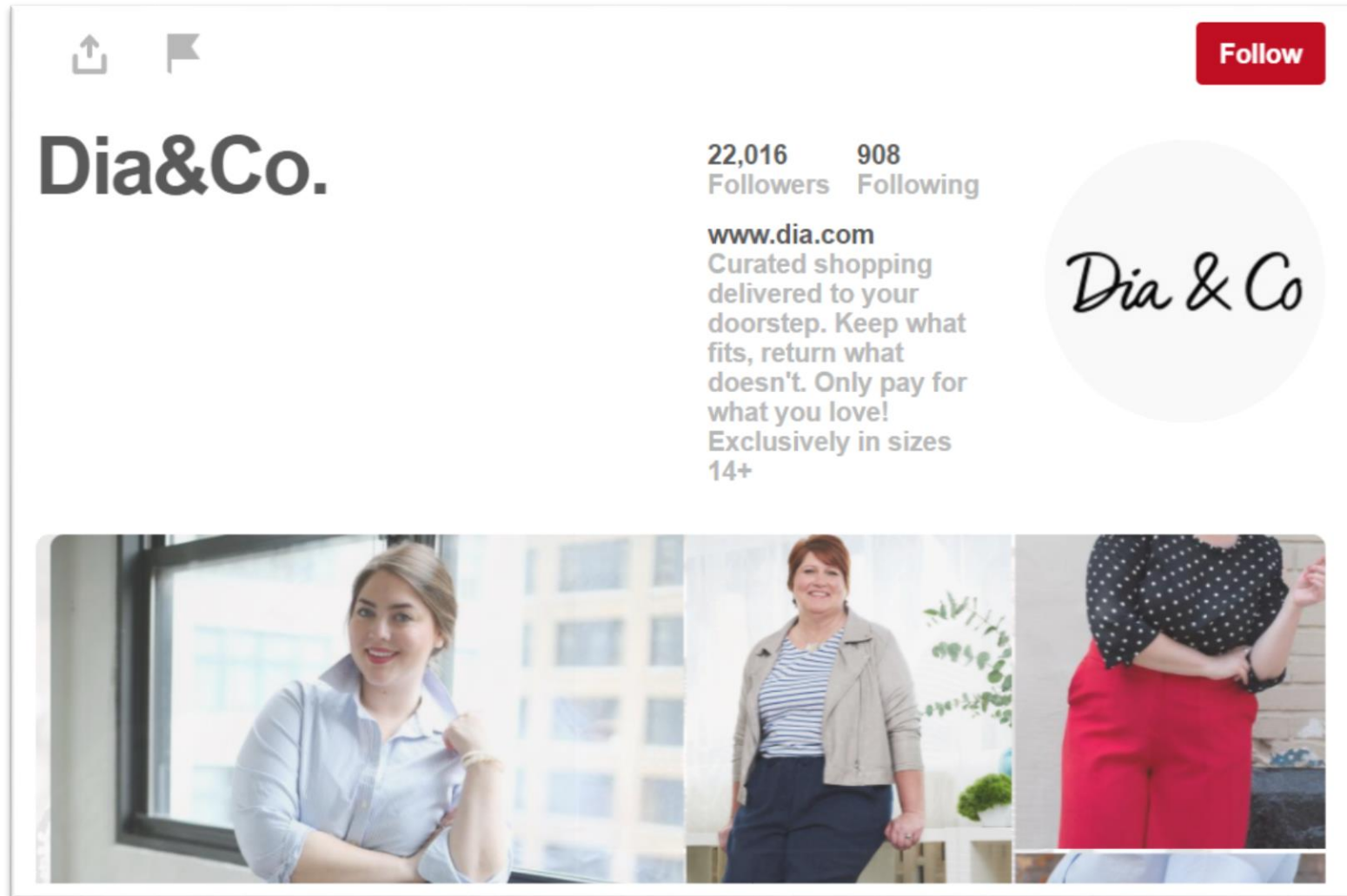
+124%

*Pinterest*

+290%

# Traffic drivers: Social

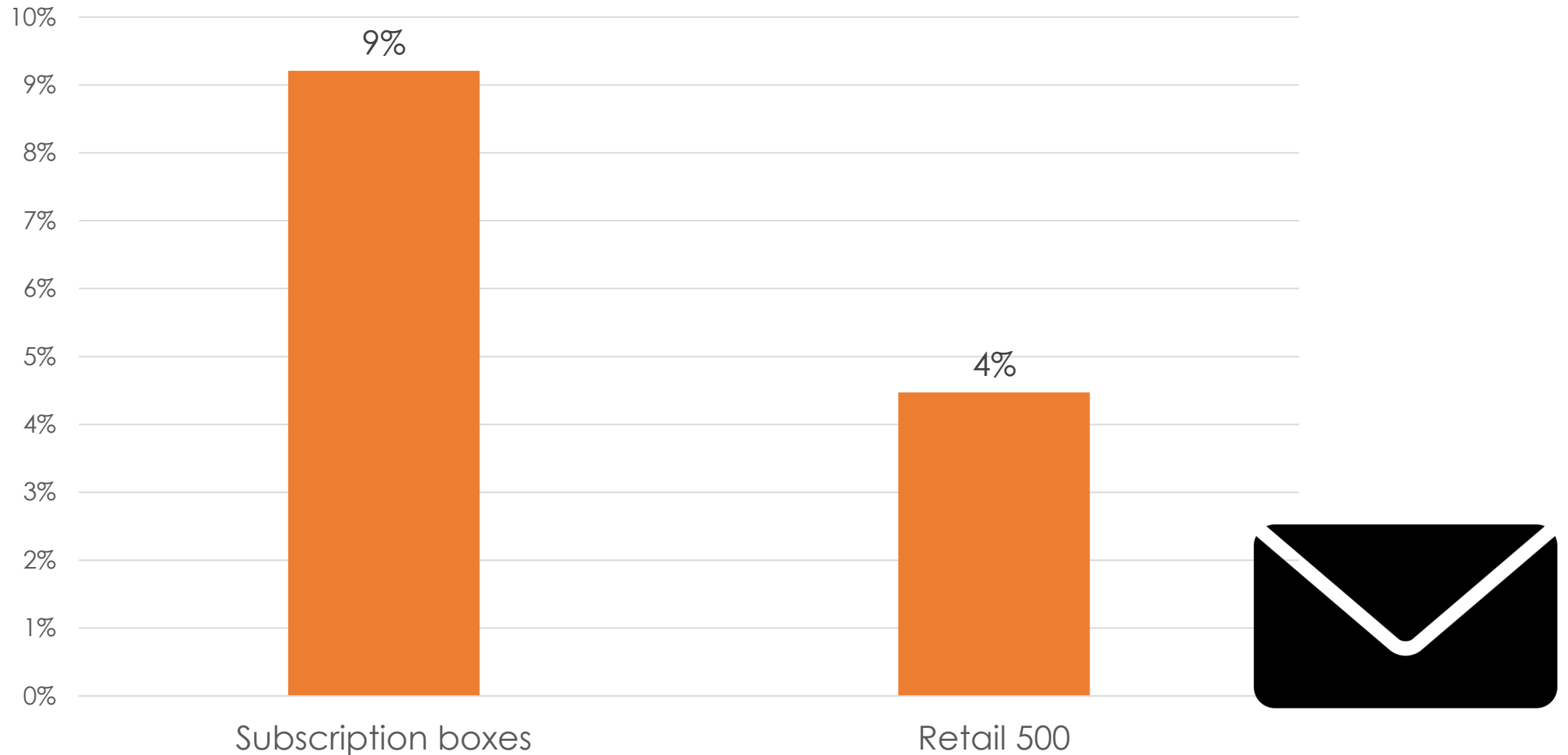
**Pinterest is responsible more nearly 3X the share of traffic to sub-box sites**



A screenshot of a Pinterest profile for Dia & Co. The profile header includes a share icon, a flag icon, and a red 'Follow' button. The name 'Dia&Co.' is displayed in a large, bold font. To the right, the profile statistics show 22,016 Followers and 908 Following. Below the name, the website 'www.dia.com' is listed, followed by a description: 'Curated shopping delivered to your doorstep. Keep what fits, return what doesn't. Only pay for what you love! Exclusively in sizes 14+'. A circular profile picture contains the text 'Dia & Co' in a cursive font. At the bottom, there are three image thumbnails: a woman in a light blue button-down shirt, a woman in a grey jacket over a striped shirt and dark pants, and a woman in a black polka-dot top and red pants.

# Traffic drivers: Email

Email drives double share of traffic to subscription box sites



# Traffic drivers: Affiliates

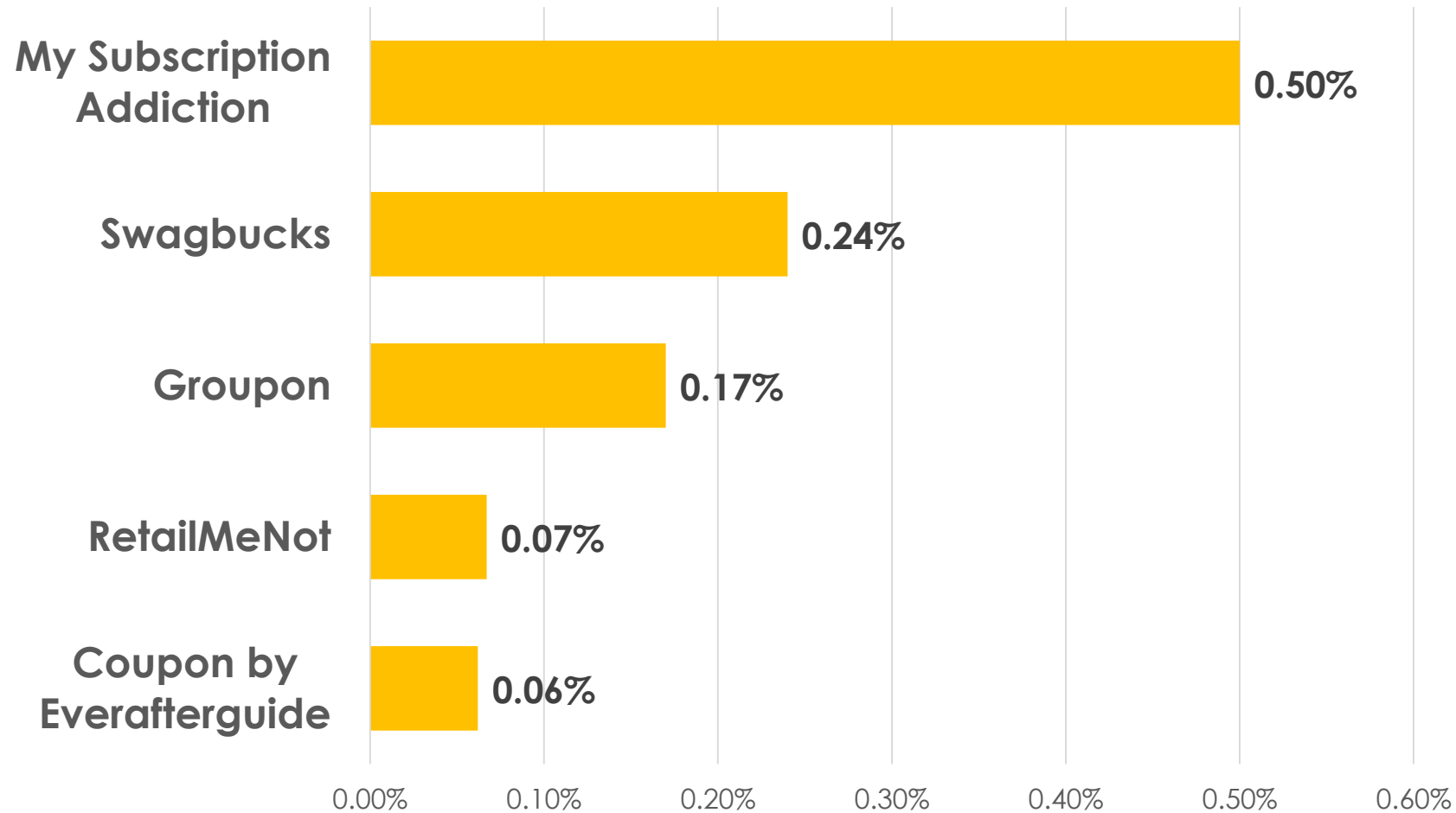
Sub-box sites get about the same share of traffic from affiliates





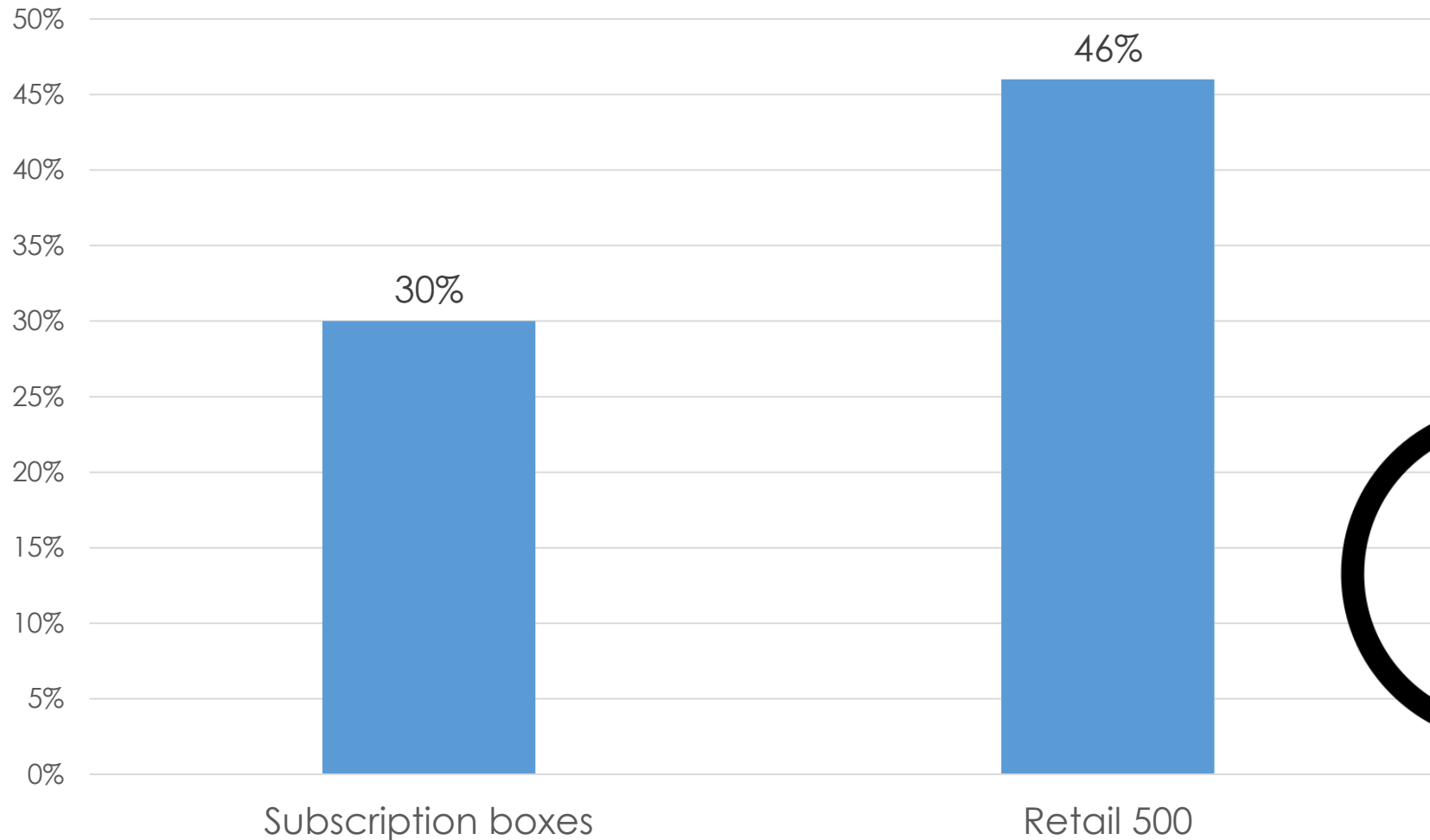
# Traffic drivers: Affiliates

**My Subscription Addiction drives about 1/3 of affiliate traffic**



# Traffic drivers: Search

Search still the biggest driver of traffic but less than retail in general



# Traffic drivers: Search

1 in every 52 searches to sub-box sites include the word “review” or “best”

**“Best meal delivery service”**



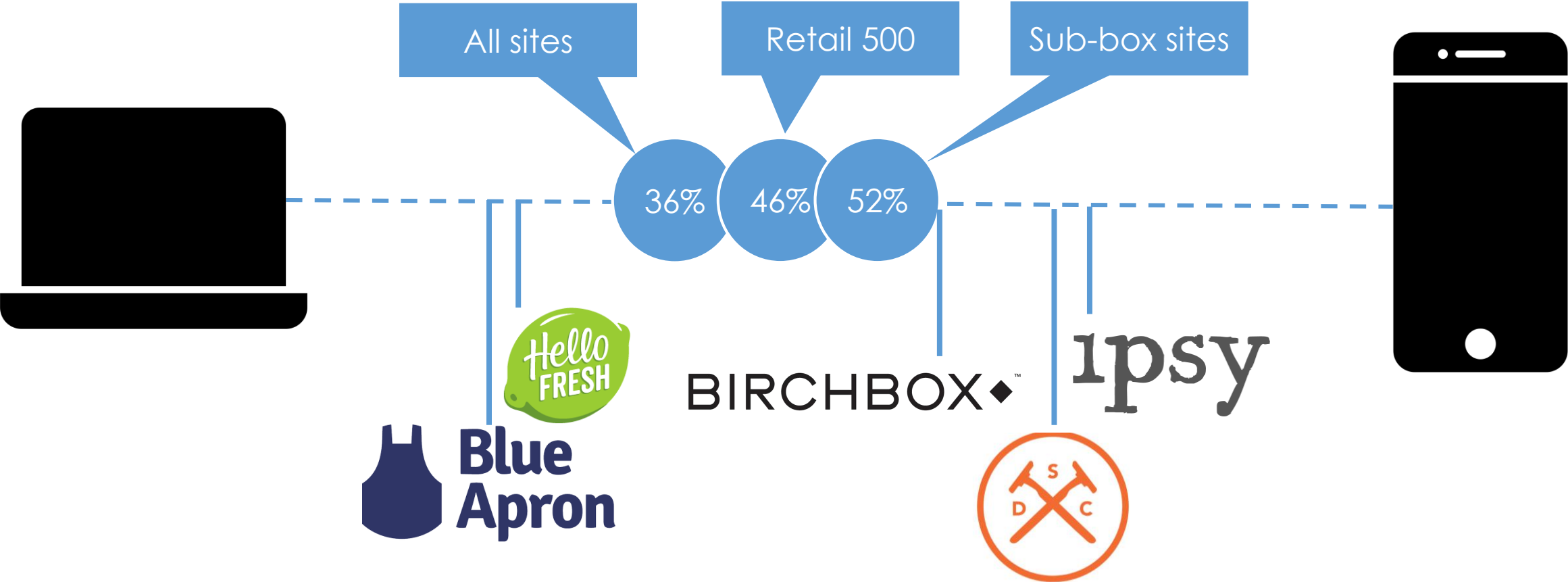
# Traffic drivers: Search

1 in every 266 searches to sub-box sites include the word “cancel”



# Mobile share of visits

Subscription boxes are ahead of the curve in the shift to mobile



Wrap up



## 5 Key takeaways

1. Personalization is key. Don't be afraid to ask for info to help you deliver a more curated experience.
2. Keep things fresh, but offer replenishment sales and "fan favorites."
3. Know your audience. Find a niche, but don't get stuck in it so that you can't grow.
4. Make social central to sharing your message. Make it easy for your customers to spread your word.
5. Think mobile first.

Thank you!

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