The rise of subscription boxes and the consumers behind them

John Fetto, Senior Analyst, Hitwise
Methodology
Unique data and consumer insights

Powerful combination of scale, depth and quality

- 8.5 million panelists
- 3 million mobile devices
- 20 M sites/500 M Searches
- 60K consumer attributes

Unlimited Audience Possibilities & Reporting Combinations

Subscription Summit 2017
Hitwise subscription box industry

267 leading sites
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

- IPSY: 5,185,943
- BLUE APRON: 4,152,038
- DOLLAR SHAVE CLUB: 3,039,143
- HOME CHEF: 2,705,429
- STITCH FIX: 2,508,378
- HELLO FRESH: 2,325,358
- BIRCHBOX: 2,174,466
- LOOT CRATE: 2,173,196
- FABFITFUN: 863,400
- BESPOKE POST: 672,654

Number of visits range from 672,654 to 5,185,943.
Subscription Box vs Traditional Retail match up

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

1psy = J.CREW

Blue Apron = ANTHROPOLOGIE

DOLLAR SHAVE CLUB = UNIQLO
Category breakdown

Share of subscription box sites visits, April 2017

- Beauty: 35%
- Food: 33%
- Apparel: 16%
- Lifestyle: 12%
- Pets: 2%
- Kids: 2%
Category breakdown

Monthly visits by sub-category and three year change

- Pets: +3,232%
- Lifestyle: +1,052%
- Apparel: +1,017%
- Food: +949%
- Beauty: +630%
- Kids: +306%
Category breakdown

Monthly visit share by sub-category and 3 year change

- Pets: +301%
- Lifestyle: +31%
- Apparel: +26%
- Food: +18%
- Beauty: -22%
- Kids: -62%
Beauty box sites

Top beauty/grooming sites, April 2017

- IPSY: 5,185,943/40% (-31%)
- Dollar Shave: 3,039,143/23% (+17%)
- Birchbox: 2,174,466/17% (-18%)
- FabFitFun: 863,400/7% (+204%)
- eSalon: 466,531/4% (-16%)

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Food box sites

Top food sites, April 2017

- **Blue Apron**: 4,152,038 visits, +44%
- **Home Chef**: 2,705,429 visits, +395%
- **Hello Fresh**: 2,325,358 visits, +42%
- **Graze**: 581,927 visits, -48%
- **Plated**: 536,375 visits, +81%
Apparel box sites

Top apparel/accessories sites, April 2017

- Stitch Fix: 2,508,378 (+86%)
- Bespoke Post: 672,654 (+65%)
- Dia: 510,060 (+1,180%)
- FiveFourClub: 454,070 (+48%)
- GwynnieBee: 412,971 (-23%)
Lifestyle box sites

Top lifestyle sites, April 2017

- **Loot Crate**: 2,173,196/50% (-41%)
  - Growth: +259%
- **Grove.co**: 437,458/10% (+259%)
- **Mystery Tackle Box**: 308,416/7% (+57%)
- **Nerd Block**: 215,032/5% (-54%)
- **Globein**: 75,463/2% (+157%)

Subscription Summit 2017
Kids box sites

Top kids sites, April 2017

<table>
<thead>
<tr>
<th>Site</th>
<th>Subscriptions</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiwi Crate</td>
<td>380,264</td>
<td>+147%</td>
</tr>
<tr>
<td>Little Passports</td>
<td>131,184</td>
<td>+88%</td>
</tr>
<tr>
<td>Bitsbox</td>
<td>51,968</td>
<td>+114%</td>
</tr>
<tr>
<td>Pley</td>
<td>24,468</td>
<td>-15%</td>
</tr>
<tr>
<td>Green Kids Crafts</td>
<td>12,825</td>
<td>-4%</td>
</tr>
</tbody>
</table>
Pet box sites

Top pet sites, April 2017

- Bark Box: 664,560/78%, +697%
- Bullymake.com: 58,163/7%, +20%
- Cat Lady Box: 49,749/6%, +72%
- Kitnipbox.com: 44,384/5%, +58%
- Meow Box: 20,574/2%, -15%
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

- Late Millennial/Gen X (123 index)
- College degree (index 128)
- Liberal (index 127)
- 61% Female (index 116)
- HHI $100K+ (index 119)
- Kid age 3-5 (index 109)
Who are America’s 5.7 MM subscription box shoppers?

**Audience profile: Mindset**

- “I look for organic and natural products” (index 130)
- “Social networking sites are a way to tell others about companies I like” (index 130)
- “I am consumed with getting the best deal” (index 107)
- “I need to be connected to the internet 24/7” (index 134)
- “I really enjoy any kind of shopping” (index 103)
- “I don’t mind companies using information about me to better understand products I might want” (index 120)
- “All things being equal, I’m more likely to buy online than in store” (index 128)
- “I like to keep up with the latest fashions” (index 124)
- “I like to try things no one else has” (index 117)
- “I don’t mind companies using information about me to better understand products I might want” (index 120)
- “I am consumed with getting the best deal” (index 107)
- “I really enjoy any kind of shopping” (index 103)
Who are America’s 5.7 MM subscription box shoppers?
Where else do they shop?
Who are Loot Crate’s visitors

Cut from a different cloth

- 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)
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

Subscription boxes: 14%
Retail 500: 8%
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
Traffic drivers: Email

Email drives double share of traffic to subscription box sites

- Subscription boxes: 9%
- Retail 500: 4%
Traffic drivers: Affiliates

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

- Subscription boxes: 1.6%
- Retail 500: 1.8%
Traffic drivers: Affiliates

My Subscription Addiction drives about 1/3 of affiliate traffic

- My Subscription Addiction: 0.50%
- Swagbucks: 0.24%
- Groupon: 0.17%
- RetailMeNot: 0.07%
- Coupon by Everafterguide: 0.06%
Traffic drivers: Search

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

- Subscription boxes: 30%
- Retail 500: 46%
Traffic drivers: Search

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

All sites: 36%
Retail 500: 46%
Sub-box sites: 52%

Icons created by: unlimicon and DewDrops from Noun Project
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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