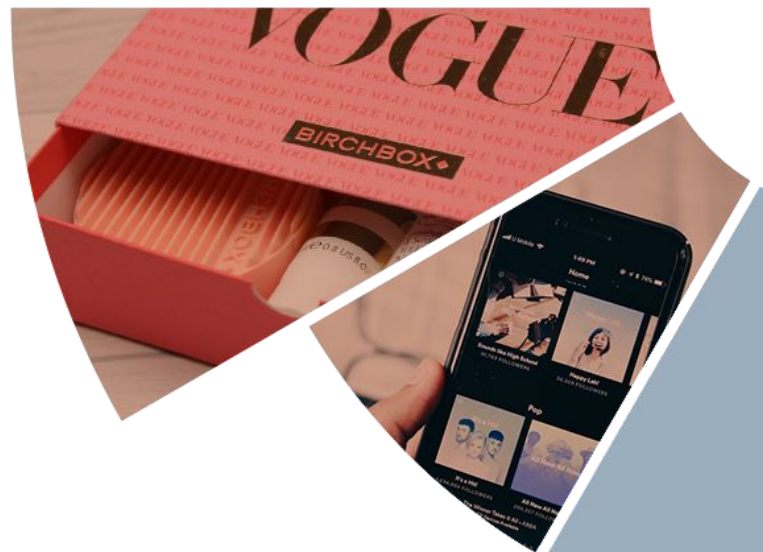# Driving Loyalty:
Social as a Subscriber Acquisition and Retention Channel

Over 9,500 comments analyzed across 54 Facebook ads from 30 subscription brands

Segments analyzed

▶ Media

▶ Subscription box

▶ Food & Cooking

▶ Fitness & Wellness

BRANDBASTION

Contents

Industry Overview

The subscription e-commerce market has grown by more than 100% each year over the past five years, with the largest retailers generating more than $2.6B in sales in 2016, up from $57.0M in 2011. (Source)

Services that US customers subscribe to:

Video on demand

74%

Shopping

62%
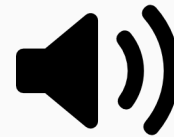
Audio

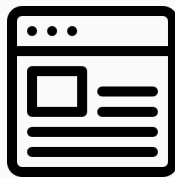37%

Digital "Print"

28%

Lifestyle

17%

Wellness

12%

Facebook IQ, Shifts for 2020: Mobile Service Economy, 2017

Subscriber Motivations

55% Curation

32% Replenishment

13% Exclusive access

Top 5 Subscription Brands in 2018

#1 amazon Subscribe & Save

#4 Blue Apron

#2 DOLLAR SHAVE CLUB

#5 BIRCHBOX◆

#3 ipsy
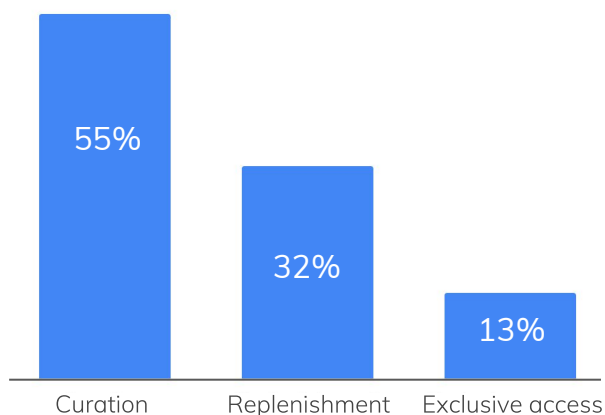
McKinsey & Company, Thinking Inside the Subscription Box

Why Engagement Matters

Traditionally, customer engagement and advertising tend to be handled by separate teams. When it comes to subscription brands, however, there is a convergence of both user acquisition and customer engagement happening on social media, due to the unique business model of acquiring and retaining customers purely through digital channels.

Social media is an extremely competitive space in which to advertise online. Data from Facebook revealed that **84% of subscribers only subscribe to one app at a time** per category.

For subscriptions driven by app installs, Facebook data also shows that a significant number of people who installed the app only made purchases after having the app installed for over a week. Just because people have downloaded an app (or visited a website), it does not mean they will immediately sign up for a subscription.

Because of this, engagement is crucial at every stage of the funnel. In the long-term, **it is crucial to take customer lifecycle value into consideration and continually engage the most valuable customer segments** through brand awareness campaigns in addition to acquisition campaigns. Listening to existing and prospective customers on social and taking action based on what they are saying can set a subscription brand apart from competitors.

Facebook is the leading platform for social media advertisers in 2018

Adspend in billions (US) ■

Facebook	$21.00
Instagram	$5.48
YouTube	$3.96
Twitter	$1.12
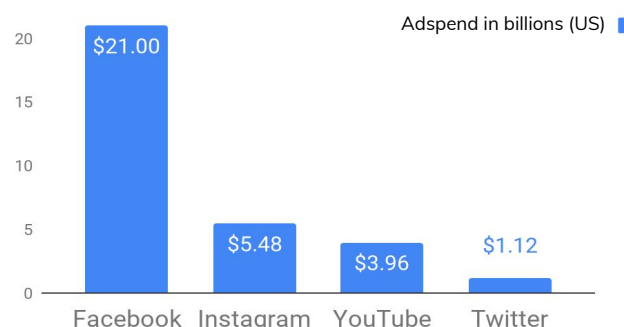
Social media for acquisition

Social media is **3rd** most effective channel for acquiring leads & sales

49% of marketers say social media is most effective digital marketing channel

Social media tops paid search as a marketing channel, with 49% of marketers saying **social media is the most effective marketing channel**, ahead of paid search at 29%, mobile at 28%, and display at 24%.

Social media for retention

Up to **70%** Probability of selling to an existing customer

vs.

Just **5-20%** Probability of selling to a new prospect

45% Of subscribers have been subscribing for > 1 year

Keeping customers happy is key for subscription businesses, as **customers tend to be sticky** and continue their subscriptions for at least a year once they made the decision to subscribe.

Sources: Facebook IQ, McKinsey & Company, Invesp, eMarketer

The Analysis: Overview

In Numbers

30
Subscription brands

54
Facebook Newsfeed ads

9,597
Facebook comments

These ads were created between November 2017 and August 2018. All comments referred to are still live and visible at the time of publishing this report.

Comments analyzed by segment

1,930
2,554
965
4,148

4,148 Subscription Box

2,554 Food & Cooking

1,930 Media

965 Fitness & Wellness

Ads analyzed

Ad type

50% Video ad

50% Image ad

CTA Type	%
Shop Now	33.3%
Sign Up	18.5%
Learn More	16.7%
Get Offer	9.3%
Subscribe	5.6%
Listen Now	1.9%
Like Page	1.9%
Order Now	1.9%

No CTA 11.1%

Highlights

User sentiment on ads analyzed

● **22.6%** Positive comments
● **23.2%** Negative comments
● **54.2%** Neutral comments

User inquiries

7.4%

of all comments received on subscription brand ads in 2018 **customer inquiries and complaints.**

56% of these comments were left unattended by the brand.

Harmful content

4.1%

out of all comments analyzed contained content such as **spam, private selling, offensive and disturbing language, and users promoting competitor brands.**

Which ad would you click on?

Brand
Sponsored · 🌐

18 CHOICES VS. 9 CHOICES

SHOP NOW

👍 Like   💬 Comment   ➤ Share

👍❤️😠 1K ›   👍

Facebook User
Dear **Brand** .... it would appear as if you don't care to listen to your customer comments. I've read hundreds of times you insist on payment information before viewing options. Why is this a problem for your company? Also according to reviews, your quality is headed south. What is the hiccup?
5w   Like   Reply   👍 3

Facebook User
Your website wasn't working yesterday
7w   Like   Reply

Facebook User
Have to pay before choosing? No thanks.
6w   Like   Reply

Facebook User
Why do I have to give you my cc information before I can see what you offer?
That is very 'scheme-like'
5w   Like   Reply

Facebook User
Worst experience ever. Opened immediately after delivering and all produce was rotten and a package of chicken was open and leaked everywhere.
7w   Like   Reply

Brand
Sponsored · 🌐

18 CHOICES VS. 9 CHOICES

SHOP NOW

👍 Like   💬 Comment   ➤ Share

👍❤️😠 1K ›   👍

Facebook User
Love love love this service! Great recipes, plenty of food, no issues with delivery, always fresh ingredients. Give it a try - it's worth it!
5w   Like   Reply

Facebook User
My life is so much easier
5w   Like   Reply   👍 1

Facebook User
I would like to know more about the services offered
3w   Like   Reply   👍 1

Facebook User
Try it, they are awesome
4w   Like   Reply

Facebook User
I love how easy the meals are to prepare! Last nights meal was fully prepared by my 13 year old daughter and it all tasted amazing!

Key Findings by Segment

Media

19.5%
Positive

Top positive
HBO

39.1%
Negative

Top negative
The New York Times

Industry average: 22.6% positive, 23.2% negative

0%
Response Rate to positive user feedback

User inquiries

11.5%
Customer inquiries and complaints

26% inquiries are receiving a response from the brand

Hulu had the highest response rate of **38%**

5.7%

out of all comments are spam, scam, offensive / profanity, and competitor promotions.

Spotify   audible an amazon company   hulu   DIRECTV NOW   HBO   The Economist   pandora   The Washington Post

Subscription Box

22.3%
Positive

Top positive
DollarShaveClub

18.1%
Negative

Top negative
Watch Gang

Industry average: 22.6% positive, 23.2% negative

11.8%
Response Rate to positive user feedback
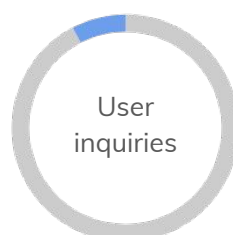
User inquiries

8.3%
Customer inquiries and complaints

78% inquiries are receiving a response from the brand

Best customer service

1. Barkbox
2. DollarShaveClub
3. Birchbox
4. FabFitFun

2.9%

out of all comments are spam, scam, offensive / profanity, and competitor promotions.

ipsy   fabfitfun   BIRCHBOX   BARK BOX   DOLLAR SHAVE CLUB   CANDY CLUB   LOOTCRATE

Key Findings by Segment

Food & Cooking

19.0%
Positive

Top positive:
Home Chef

26.5%
Negative

Top negative
Home Chef

Industry average: 22.6% positive, 23.2% negative

0%

Response Rate to positive user feedback

User inquiries

7%
Customer inquiries and complaints

13.8% inquiries are receiving a response from the brand

I find it very disconcerting that this company does not respond to comments, as, many do. (...)

4.8%

out of all comments are spam, scam, offensive / profanity, and competitor promotions.

BUTCHER BOX   HOME CHEF   HelloFRESH   Blue Apron   SPROUTS FARMERS MARKET

Fitness & Wellness

42.9%
Positive

Top positive
Beachbody

8.5%
Negative

Top negative
Peleton

Industry average: 22.6% positive, 23.2% negative

0%

Response Rate to positive user feedback

User inquiries

4%
Customer inquiries and complaints

2.8% inquiries are receiving a response from the brand

3.4%

out of all comments are spam, scam, offensive / profanity, and competitor promotions.
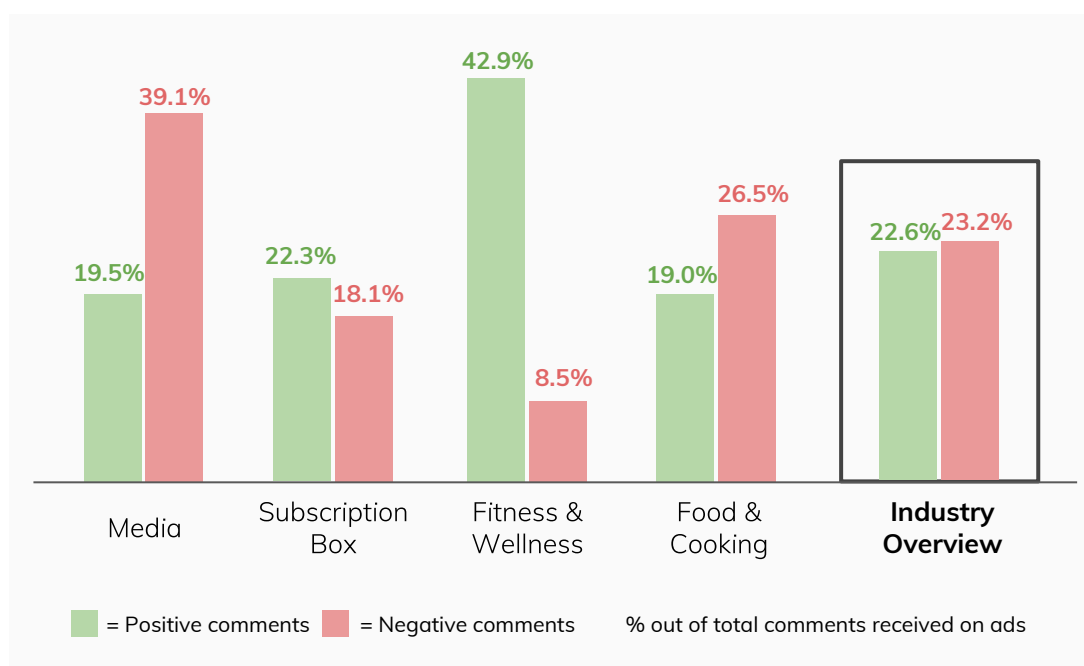
CLASSPASS   PELOTON   HEADSPACE   BEACHBODY

User Sentiment Towards Ads

Currently, negativity exceeds positivity in user comments, indicating room for improvement when it comes to engaging users and tracking sentiment. Customers take to the comments section to post positive or negative comments that relate to the ads, the company, or their experiences with the products or services. Insights into user sentiment can help brands assess the impact of social media marketing campaigns or public relations incidents, identify negative perceptions of their products or their brand, and understand how they stack up against competitors.

How sentiment varies across various subscription segments

	Positive comments	Negative comments
Media	19.5%	39.1%
Subscription Box	22.3%	18.1%
Fitness & Wellness	42.9%	8.5%
Food & Cooking	19.0%	26.5%
Industry Overview	22.6%	23.2%

= Positive comments   = Negative comments   % out of total comments received on ads

JUST **3** out of **30** brands analyzed were actively engaging with positive customer feedback

LOVE LOVE Blue apron!!! Been cooking it for two years now! Wouldn't ever try another and save so much money weekly

I love this program so far better than any I have done.

I got my first shipment this month! We love it!

Real comment examples

How many positive and negative comments do you receive on your ads? Find out now!

FREE CAMPAIGN GRADER

Why engage with customer feedback

▶ Make customers feel heard

▶ Improve retention rates

▶ Upsell to customers

▶ Distinguishing yourself from fierce competition

▶ Deliver amazing customer service

Top 3 most engaged subscription brands

= Response rate to positive user feedback

FabFitFun	BarkBox	Ipsy
74%	71%	6%
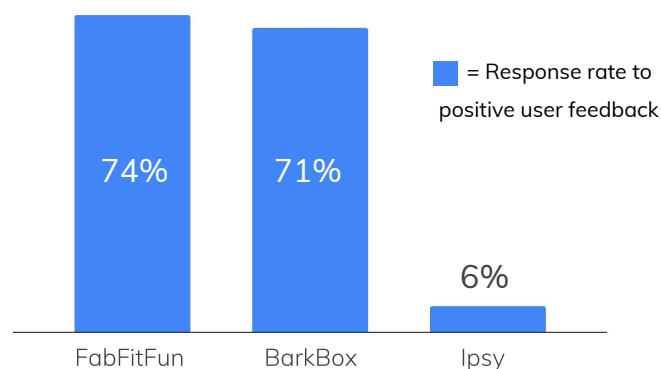
Spam, Profanity, and Other Harmful Comments

4.1% out of all comments analyzed contained content such as spam, private selling, offensive and disturbing language, and users promoting competitor brands. These comments can damage brand reputation and ad performance if they are not managed properly.
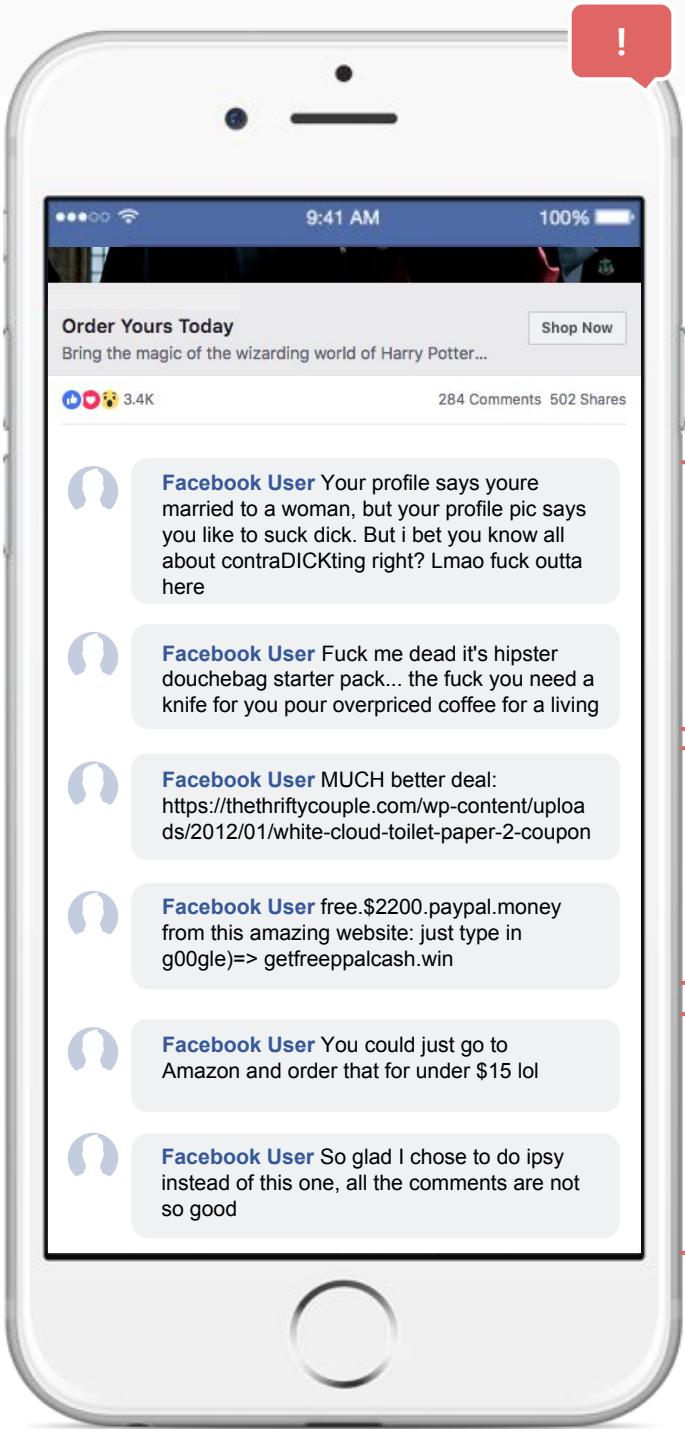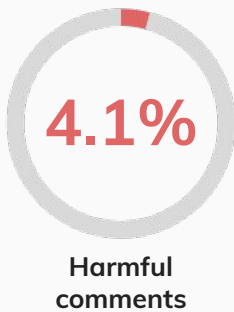
4.1%

Harmful comments

!

9:41 AM | 100%

Order Yours Today | Shop Now
Bring the magic of the wizarding world of Harry Potter...

3.4K | 284 Comments 502 Shares

Facebook User Your profile says youre married to a woman, but your profile pic says you like to suck dick. But i bet you know all about contraDICKting right? Lmao fuck outta here

Facebook User Fuck me dead it's hipster douchebag starter pack... the fuck you need a knife for you pour overpriced coffee for a living

Facebook User MUCH better deal: https://thethriftycouple.com/wp-content/uploads/2012/01/white-cloud-toilet-paper-2-coupon

Facebook User free.$2200.paypal.money from this amazing website: just type in g00gle)=> getfreeppalcash.win

Facebook User You could just go to Amazon and order that for under $15 lol

Facebook User So glad I chose to do ipsy instead of this one, all the comments are not so good

Offensive and disturbing content

34.6%
out of total harmful comments

These contribute to a negative experience for every user viewing the ads. For family-friendly brands, profanity can be especially harmful.

Spam, scam and private selling

17.8%
out of total harmful comments

These comments distract from the ad's message, and undermine the perception of the brand as being safe and trustworthy.
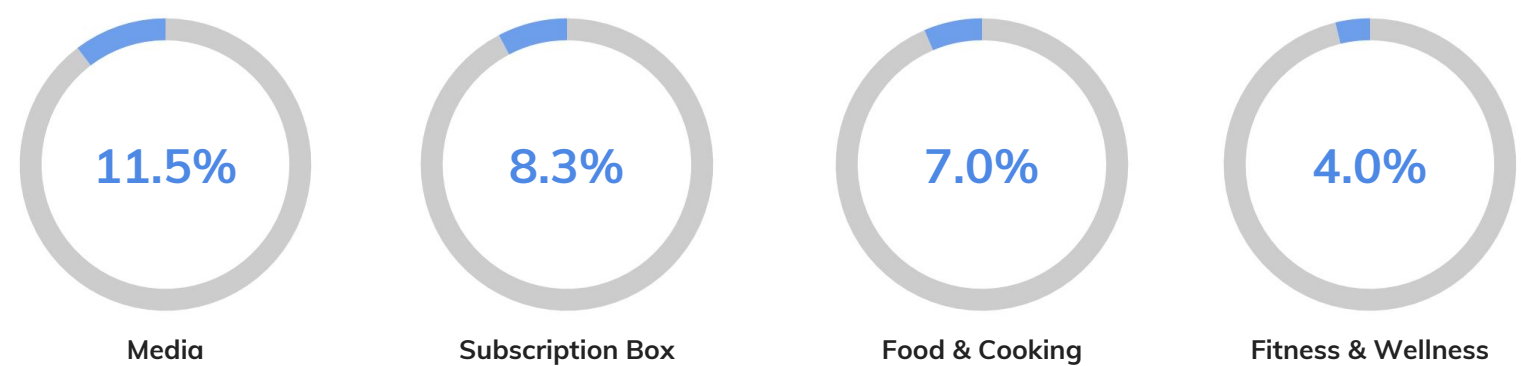
Competitor promotions

47.8%
out of total harmful comments

In this industry, when competition is already so fierce, leaving such comments visible can severely affect the objective of acquiring or retaining existing customers.
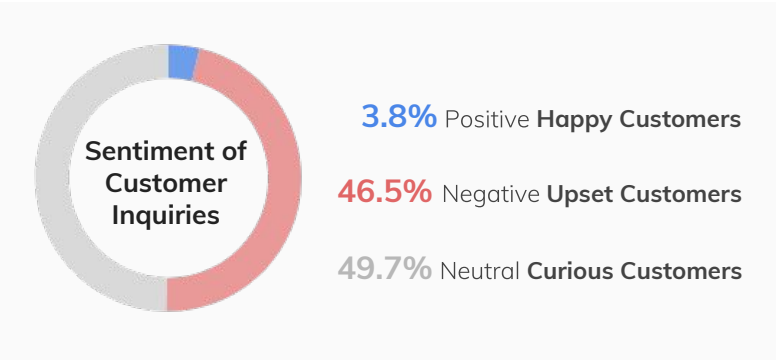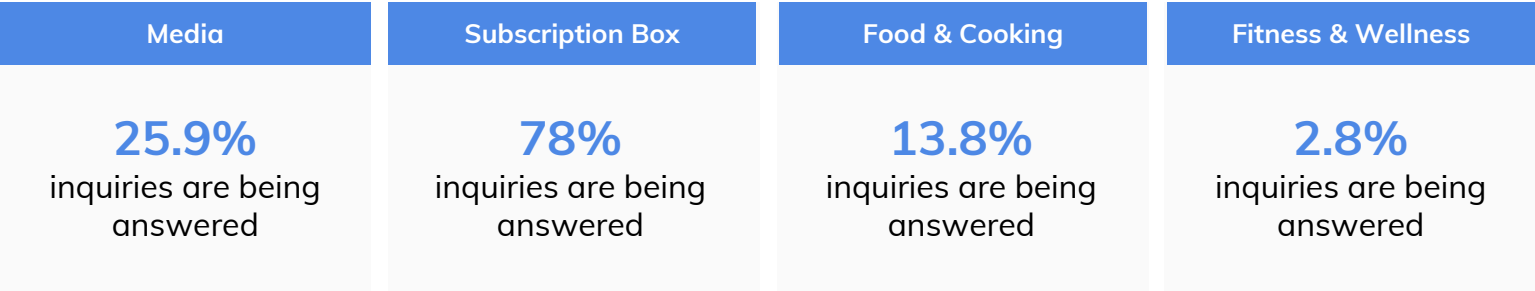
How are Customer Inquiries Being Managed?

Across comments analyzed, 7.4% were customer inquiries and complaints. Only 44% of these comments received a response from the brand. Marketers and customer service professionals know that responding to customers in a timely manner is the key when it comes to providing great customer service. Yet for brands advertising at scale on social media, detecting customer inquiries among thousands of irrelevant comments and spam still poses a big challenge, especially for dynamic ads. From our analysis, we found that the nature of the business can also impact the volume of inquiries that it gets. **The Media segment received the highest volume of customer inquiries at 11.5%, and the Fitness & Wellness segment received the lowest at 4.0%.**

Breakdown of customer inquiries by segment

11.5%	**8.3%**	**7.0%**	**4.0%**
Media	**Subscription Box**	**Food & Cooking**	**Fitness & Wellness**

How brands are faring in terms of response rates on inquiries

Media	Subscription Box	Food & Cooking	Fitness & Wellness
25.9% inquiries are being answered	**78%** inquiries are being answered	**13.8%** inquiries are being answered	**2.8%** inquiries are being answered

Sentiment of Customer Inquiries

3.8% Positive **Happy Customers**

46.5% Negative **Upset Customers**

49.7% Neutral **Curious Customers**

45% of inquiries were from people complaining about the service or product

56% of inquiries were from people asking genuine questions about the product or service

Examples of common customer inquiries

Media (11.5% out of total comments)

Facebook User What does it cost after the free first month?

Facebook User Can you pay for a year of Hulu in one payment?

Facebook User How much monthly

Facebook User Can I watch this from phone or do you have to have internet?

Subscription Box (8.3% out of total comments)

Facebook User I want to try this what do I do

Facebook User If I sign up today when do I get the first box??

Facebook User Do we get to choose which pattern we want for the makeup case? Or is it random?

Facebook User Can you just buy as you please or is it automatically drawn out each month?

Food & Cooking (7.0% out of total comments)

Facebook User Is there a vegan box?

Facebook User Do you cater for lactose intolerant customers?

Facebook User Do you deliver to the Sunshine Coast ?

Facebook User How much is this, monthly? Anyyyone??

Fitness & Wellness (4.0% out of total comments)

Facebook User I am interested, but I can't see how much it costs. Where do I find this information?

Facebook User I want to sign up but really unsure about payment - is it a one off payment or instalments - in the UK

Facebook User I'm interested too, have no clue how to access.

Facebook User How long are the workouts?

BRANDBASTION

Key Takeaways for Subscription Brands Advertising on Social Media

#1 Social media is a key channel not only for acquiring customers, but retaining them and keeping them happy. There is valuable customer feedback to be mined from the comments sections of social ads, and brands who pay attention are those who will win customer loyalty.

RECOMMENDATION: In addition to reach and conversion metrics, track engagement as well. Pay close attention not only to the volume of engagement but to the quality of those engagements as well.

#2 There is plenty of room for improvement when it comes to understanding user sentiment and using it to inform campaign strategy, product development, and improve customer service delivered.

RECOMMENDATION: Use a tool such as BrandBastion that will help you to accurately track user sentiment across your ad campaigns in real-time to make better, more data-driven decisions based on how audiences are reacting.

#3 56% of all customer inquiries and complaints received on ads in the subscription industry are not responded to. A majority of brands analyzed had a zero percent response rate, indicating they are unaware of these inquiries on their ads or do not consider them a priority. Even if a few customers are complaining on an ad, those comments are viewed by thousands of people whom the ad is served to, and money is being invested into showing prospective customers negative reviews or unanswered customer inquiries.

RECOMMENDATION: Actively respond to all customer feedback, positive or negative, and all questions about your product or service. Even if the person you are responding to does not seem like an ideal customer, consider that there are many silent viewers of the ads who *are* your ideal customers, and you want to prevent them from perceiving the brand negatively. For extremely negative comments, we recommend hiding them (the person who posted the comment and their friends can still see it, but it will not be visible to other ad viewers) in addition to responding.

BRANDBASTION

www.brandbastion.com

BrandBastion manages social media engagement 24/7 for the world's top brands

BrandBastion specializes in managing user-engagement at scale for brands, advertisers, publishers and organizations. We have five years of experience with processing user generated content, taking actions and providing detailed insight across many different industries. We're an official Instagram Partner and offer coverage in 43 languages.

Trusted by 350+ Accounts Including Top Advertisers

NETFLIX   M·A·C   *DealDash*   J
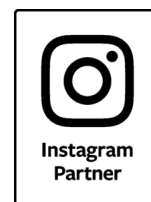
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Instagram Partner

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