



THE PSYCHOLOGY OF PHYSICAL SUBSCRIPTIONS

12 INGREDIENTS LEADING TO SUCCESS

“The fact that some choice is good doesn’t necessarily mean that more choice is better.”

- Barry Schwartz, *The Paradox of Choice: Why More is Less.*

In today’s complex, often overwhelming world of unlimited choices, it’s easy to feel lost and unappreciated. At the same time, we’re engulfed in a digital space — we’re so consumed by it that we miss the opportunity to truly enjoy and be present.

The balance of our interactions has increasingly shifted toward digital and away from real-world interactions, and our hyperconnected environment has disconnected us more than ever. It should come as no surprise, then, that people are seeking ways to connect and belong to something they can call their own, whether that’s a group, club, or team — it doesn’t matter as long as it feels like a real community.

That sense of belonging to a network can be delivered by a subscription program, when it’s done right. A well-designed subscription can feel like a close friend dropping by for a visit every month.

When brands and retailers develop and nurture ongoing relationships with their customers, they can provide rewarding experiences and help foster a sense of belonging. A well-executed direct-to-consumer subscription program understands the needs, likes, and behaviors of its members and offers something far beyond just “fast” delivery and convenience. Subscriptions offer members value, convenience, curation, guided purchasing decisions, and much more.



PSYCHOLOGY OF PHYSICAL SUBSCRIPTIONS

Want to see increased success in your subscription business? Focus on the 12 psychological ingredients that drive customers to sign up for – and stick with – physical subscriptions. All successful subscription businesses touch on some or all of these factors, although they can vary in intensity depending on the products.



This whitepaper will walk through these **12 PSYCHOLOGICAL INGREDIENTS** and showcase how successful subscription brands incorporate them into their programs.



BELONGING & BEING KNOWN

As we spend more time “connected” online, we are actually starting to feel **less connected than ever before.**

Humans are still tribal in many ways. We want to belong to something: a group, team, club, or organization. We want to be known, to be free from anonymity. This might mean having our latest Instagram post liked or, perhaps, having our favorite brand or celebrity connect with us in authentic, meaningful ways.

Dollar Shave Club, a California-based company delivering razors and grooming products directly to consumers’ homes, is a perfect example of focusing on belonging in action. Belonging is essential to Dollar Shave Club’s brand message. Through its now-famous YouTube videos and commercials, founder Michael Dubin portrays a cool, “anti-corporate” image, something Dollar Shave Club’s core audience loves. Dubin and his team incorporate humor, cartoons, cards, and other interesting personalized touches to make subscribers feel like they’re part of something bigger than just a box of razors tossed on their doorsteps.

Key Takeaway 1

Make your subscribers feel like they are part of something special across the entire subscription experience.



ANTICIPATION & SURPRISE

We all like surprises and receiving gifts.

Picture a recent birthday party or a present you received out of the blue: Remember how excited you were when you opened that gift and the anticipation of discovering what's inside?

Sometimes the anticipation of an upcoming vacation or a new box curated by your favorite YouTube star can be as rewarding as the trip or products themselves.

Beauty subscription brands do an amazing job capitalizing on surprise and anticipation. Take Ipsy, for example: The influencer-driven beauty box brand makes the unboxing experience something to anticipate. It sends members a new, stylish bag with each delivery, and its loyal subscribers love to post their unboxing experiences on YouTube, Facebook, and Instagram. There's always an element of surprise in terms of what will be in the next shipment.

Key Takeaway 2

Always add something extra in every box and, if possible, personalize it!





CURATION, EXCLUSIVITY, & DISCOVERY

In the age of Amazon, we are increasingly overwhelmed with an abundance of choice. We assume more choices equals better options and higher satisfaction. But the proliferative amount of choice presented to us often renders us helpless and dissatisfied.

That's where curation comes to the rescue. Curation, which sits at the core of many well-known subscription boxes, provides the feeling of a personalized guide to a greater overall experience. Whether it's a professional stylist, celebrity, social influencer, or chef, it feels comforting when a trusted source selects or recommends products for us.

A curated experience is further enhanced when included products are exclusive — that is, they are in limited supply or simply not available elsewhere. The element of discovery, or finding a new product that solves a need or gives us joy, also adds to the feeling of satisfaction that can come with a subscription. A well-designed subscription doesn't just give us what we expect, but it also inspires us to try new things. This phenomenon contributes to the huge success of fresh meal kits such as Blue Apron or Hello Fresh. With subscriptions like these, consumers get what they generally like and are also exposed to new ingredients and spices.

Expert celebrity stylist Rachel Zoe has curation, exclusivity, and discovery “in the bag” with her “Box of Style.” Members receive quarterly deliveries filled with items ranging from clothing and accessories to home goods, all pre-selected and approved by Zoe herself. The products come from well-known brands and newcomers alike, ensuring consumers are regularly exposed to goods they likely wouldn't encounter otherwise.

Key Takeaway 3

Curation needs to translate into interesting, new, and sometimes exclusive products.





PORTIONING & COMPLIANCE

Focusing on portioning and compliance is not only a large and untapped opportunity, but it's also a must when growing your subscription business for certain product categories.

Correctly portioning consumables like vitamins and many beauty and skincare products is difficult, especially if the products come in large containers. Bulk purchases lead to confusion, specifically overuse or underuse. This makes compliance with the product's recommended use challenging. The correctly portioned product in combination with the right cadence – that is, timing between shipments – is essential for ideal results.

Dollar Shave Club's monthly delivery of four razors each month leads to better shaves, higher customer satisfaction and, ultimately, more razors sold. For another example, consider Ritual, a personalized vitamin subscription business. Ritual sends subscribers a bottle of daily vitamins every month, and its website provides consumers with educational resources about the supplements including how and when they should be used for optimal results.

Key Takeaway 4

Bigger is not always better. The right size at the right cadence will lead to better results for the subscriber and the business.



VALUE, CONVENIENCE & REPLENISHMENT

These three ingredients are fundamental to a successful subscription. Many first-time subscriptions focus just on these three core ingredients, which is not enough.

Value delivered beyond discounts, promotions, and coupons combined with the convenience of home delivery and the ease of replenishment with set deliveries makes for a truly outstanding subscription experience. A box of products purchased for a good price arriving at your doorstep just when you need it is the ultimate convenience.

Products that need to be replenished on a set frequency are ideal for subscriptions and have led to explosive growth of Amazon's Subscribe and Save, which is an excellent example of value, convenience, and replenishment. The program might lack other key ingredients like curation or anticipation, but it dominates in paper towels, diapers, and similar products, and has helped lead the way to 42 percent growth in online consumer packaged goods sales last year.

Key Takeaway 5

Value, convenience, and replenishment are now "poker stakes" for successful subscriptions, but they are not everything.



Staying COMPETITIVE

Are you a decision maker who wants to be competitive against the ease of shopping online? Are you CPG brand owner or head of direct-to-consumer for an omnichannel retailer who is considering a subscription?

By incorporating the 12 psychological ingredients of physical subscriptions — belonging, being known, anticipation, surprise, curation, exclusivity, discovery, portioning, compliance, replenishment, value, and convenience — you can take the purchasing experience above and beyond, building genuine, long-lasting connections with your customers.

By selling direct via subscriptions, you can positively influence the customer experience from device to doorstep, tell a true brand story to stand out from the competition, and collect valuable data and insights to personalize the customer experience, strengthen loyalty, and take lifetime value to higher levels.

TO START A SUBSCRIPTION BUSINESS OF YOUR OWN, IMPROVE THE ONE YOU'VE GOT, OR TO LEARN MORE ABOUT THE ALL-IN-ONE SUBSCRIPTION PLATFORM, GO TO [OCEANX.COM/REQUEST-DEMO](https://oceanx.com/request-demo) OR EMAIL US HELLO@OCEANX.COM

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