

SUBSCRIPTION **insider**

How To Never Lose A Subscriber



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How To Never Lose A Subscriber



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UPCOMING EVENTS



Kathy Greenler Sexton
CEO, Subscription Insider

Tuesday, August 23, 2022 1:00 AM EDT

How to Select the Right Subscription Technology For Your Business

www.subscriptioninsider.com/EVENTS

Price Increase on
Aug. 30th

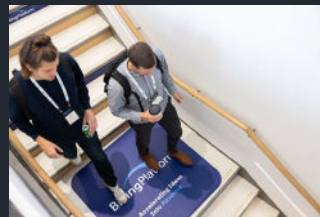


**Actionable Insight and
Advanced Strategies for What's Next**

Join us in New York City or via Live Stream.

Main Conference is November 9-10

Pre-Conference Boot Camps is Nov. 8th



www.subscriptionshow.com

How to never lose a subscriber

Presented by
Theresa McEndree, CMO



**Theresa McEndree,
Chief Marketing Officer**

Recurly



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What's the **real challenge**?

Anytime you want to do anything new with subscriptions – from bundles and promotions to payment methods and integrations – there's always another roadblock standing in your way.

Recurly

Keep a good thing growing

How leading consumer brands manage and grow their subscription revenue

Grow faster

20x

Revenue growth for
top 130 customers

Grow smarter

73%

Avg. rate recovered
revenue for
customers

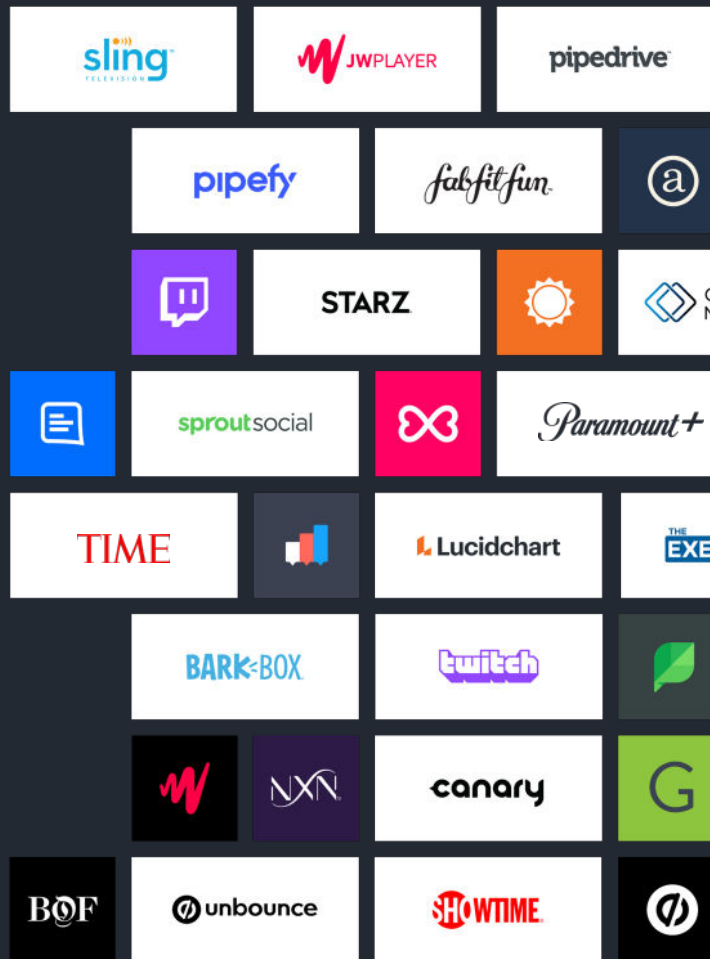
Grow stronger

50M+

Monthly avg
subscribers



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Market realities

Macro-economic and consumer trends

- **Macro-economic trends**

- “Revenge Spend” in out of home
- Supply chain challenges
- Uncertain economic outlook
- Inflationary pressures
- Global uncertainty

95%

Impacted by inflation

Source: [Dynata](#)

- **Consumer shifts**

- Omni-channel
- Higher consumer expectations
- Experience + access > ownership
- Value > brand loyalty

80%

Shopping across 3+ channels

Source: [PWC](#)



Why Subscriptions?

Value.

Quality.

Variety.

Convenience.

Personalization.

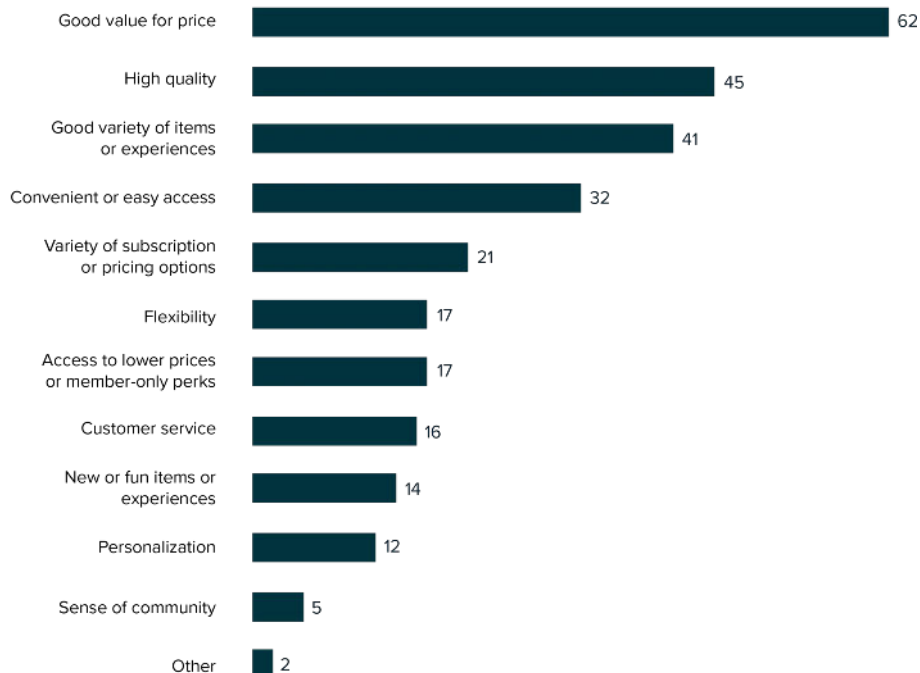


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Good value for the price is the most important reason for a subscription sign-up.

Motivations for sign-up

% of subscribers, all subscription types, respondents entered up to 3 answers



Source: [McKinsey & Company](#)

RECURLY FACT



U.S. consumers feel more loyal to (51%) and spend more money (42%) with brands and business they subscribe to.

8x

Rate of subscription company growth
vs non-subscription



“Winning companies are investing time and resources into reimagining their business models to unlock the power of consumer-centric, data-driven growth—which our analysis suggests is a **\$1.7 trillion to \$3 trillion opportunity** across industries.”

- *McKinsey & Company*

The DTC Shift

- Own your brand, customer experience, and data
- Opportunity to build community and brand loyalty, ie. increase customer LTV and AOV
- **Multi-channel approach** - wholesale, ecomm, retail, partnerships

138% growth

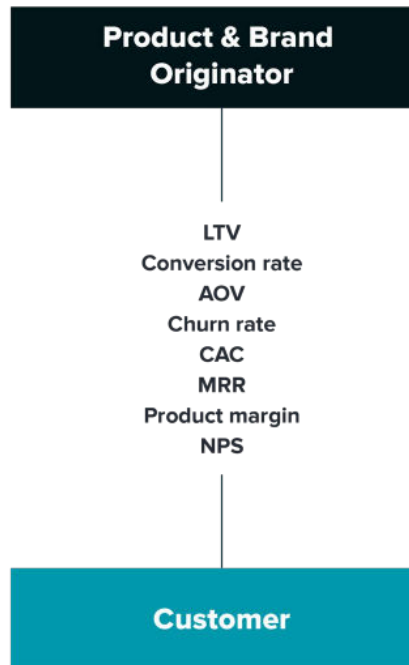
2019 to 2023

Source: [eMarketer](#)

Traditional



DTC



Source: [Profitwell](#)



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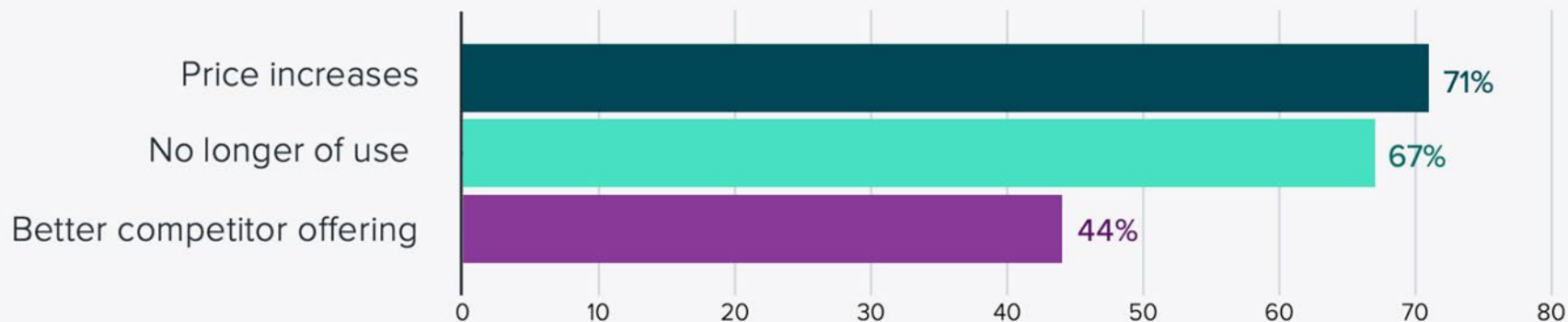
The takeaway:

Leading consumer brands will grow exponentially through subscriptions.

RECURLY FACT

31% of U.S. consumers plan to cancel one or more subscriptions this year.

Top reasons subscribers choose to cancel*



7.2%

Of subscribers are at risk each month due to
involuntary churn





What does it take to keep a
good thing growing?



Grow faster



Grow smarter



Grow stronger



Grow faster

Iterate. Experiment. Adapt.

- Consumers want a **personalized**, custom subscription plan in just a **few clicks**
- Businesses need to **test and optimize** - quickly - for positive downstream revenue impact
- Lower the **total cost of ownership** . Simplify billing and payments tech stack with an integrated, flexible subscription platform that pivots quickly with trends.



76%*

**Demand
personalization**

Source: McKinsey



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Two subscription offering comparisons

NxN build your box

How NxN Auto-SHIP Subscription Works



Step 1 TRY OUT our skincare products.

Step 2 SEE which items make you glow.

Step 3 BUILD YOUR ROUTINE
Log back in to your account to pick your favorite items for your next Auto-Shipment, or continue receiving the items from your initial order.

Step 4 Switch it up every month or continue to receive your Favorites on Auto-SHIP.

MIX & MATCH PRODUCTS **CHANGE THE FREQUENCY** **PAUSE, OR CANCEL**

You can **choose** which products you want to receive or **pause** or **cancel** your Auto-SHIP Subscription at **anytime** from your online account.

30-DAY TOTAL MOISTURE SYSTEM™
DAY / SENSITIVE SKIN SKIN

30-DAY ZERO SHINE SYSTEM™
DAY / COMBINATION SKIN SKIN

ACNE EDIT SYSTEM™
TONE, TREAT, TEND SKIN SKIN

[SHOP NOW](#)

FabFitFun plan comparison

Choose a Plan

See why over 1 million members love us! Select a plan and check out below.

Annual

Best Value

Prepay for 4 boxes and save \$20

\$49.99 USD Per Box

You will be billed \$199.99 annually.

- ✓ Seasonal Box with up to 8 products
- ✓ Customize your entire box 1
- ✓ Unlimited Swap for Credit 1
- ✓ Early access to Customize
- ✓ Early access to Add-Ons/Edit Sales
- ✓ Earlier shipping
- ✓ Cancel anytime

Seasonal

Pay per box

\$54.99 USD

Billed quarterly.

- ✓ Seasonal Box with up to 8 products
- ✓ 4 Customizations 1
- ✓ Unlimited Swap for Credit 1
- ✗ Early access to Customize
- ✗ Early access to Add-Ons/Edit Sales
- ✗ Earlier shipping
- ✓ Cancel anytime

Grow faster

Deliver options across the subscriber lifecycle

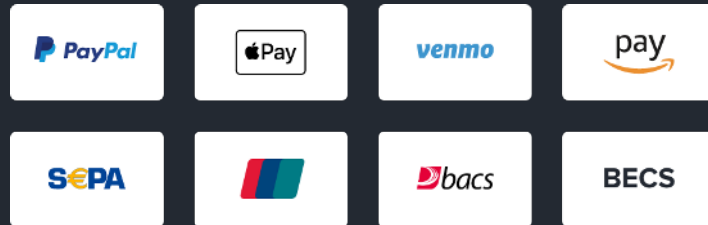
- Trial lengths
- Flexible payment methods
- Billing frequency (67% prefer monthly)
- One-time purchases
- Custom bundles
- Ad-based tiers (media brands)
- Registration vs. paywall (publishers)
- Gift options



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50%

Will abandon cart without preferred payment method



How do your subscribers like to consume?

- TIME offers multiple ways to engage with pricing to accommodate
- Bundles create ways for multiple subscribers to engage, driving loyalty
- Different plans have associated offers creating different levels of value



Digital
99¢

for the first month, then \$1.99/mo

SELECT

What's included:

- Unlimited access to TIME.com
- Access to the TIME Digital Magazine
- Inside TIME newsletter, twice weekly
- Discount at the TIME Cover Store



Digital
\$19.99

for 1 year

SELECT

What's included:

- Unlimited access to TIME.com
- Access to the TIME Digital Magazine
- Inside TIME newsletter, twice weekly
- Discount at the TIME Cover Store



Print + Digital
\$29

for 1 year

SELECT

What's included:

- **TIME Digital Subscription, *plus***
- TIME Print Edition, Home Delivery
- TIME for Health: Digital Magazines

TIME Family Bundle

The new TIME Family Bundle gives you access to TIME's best journalism for adults and kids — on everything from global leadership and climate to health, culture, equality, innovation and more. Delivered in a variety of formats, there's something for everyone.

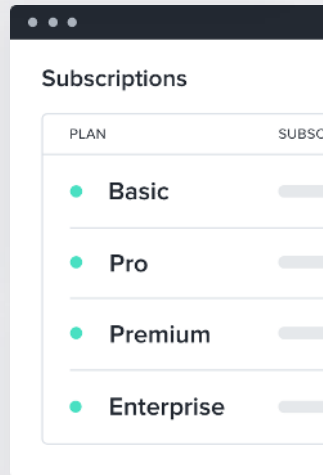
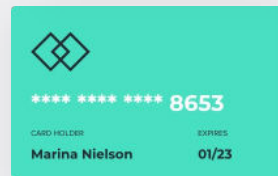
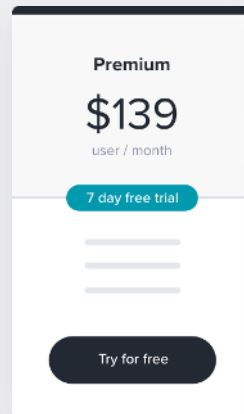
SUBSCRIBE NOW



Grow smarter

Unlock subscriber insights.
Grow relative ARPU/ LTV.

- Subscriber feedback begins at sign-up - and retention opportunities continue throughout the subscriber lifecycle
- Analyze different sign-up cohorts and subscriber segments - who's your ideal subscriber?
- Analyze voluntary and involuntary reasons for churn



Grow smarter

Don't disrupt your subscriber experience.
Minimize involuntary churn interruptions.

- Apply preventative measures
- Launch dynamic, automated payment retry logic
- Dunning best practices, including an auto, multi-channel communications strategy



*After implementing
Recurly, Output saw an
astounding 45%
decrease in card
declines."*

output



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— Brian Zarlenga, General Manager

13%

recurring transactions at
risk of failure

2000+

reasons a payment fails

12m

added to LTV if recovered

Recurly Technology: Dynamic Credit Card Retry Logic

Credit cards can decline for 2000+ unique reasons.

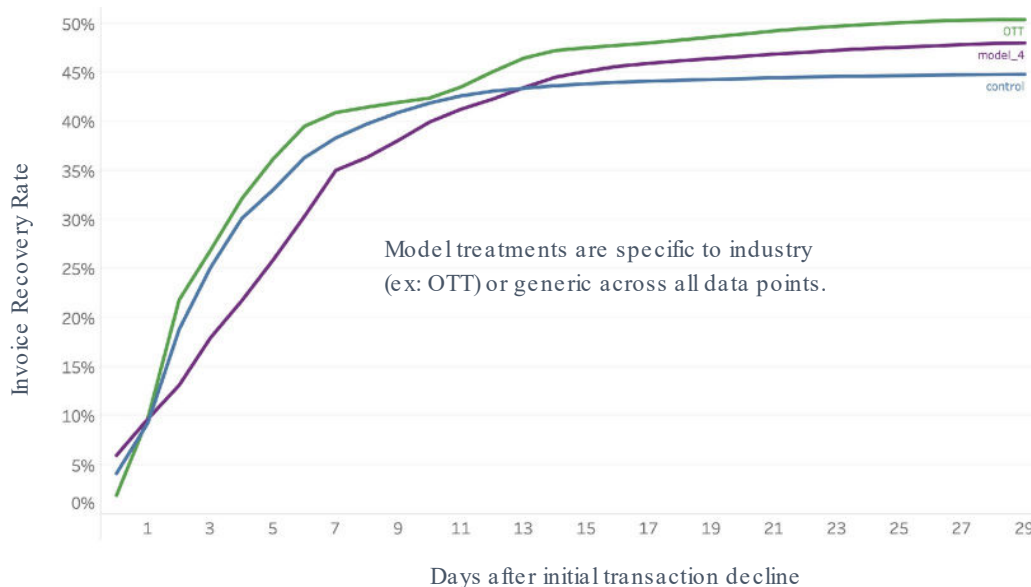
A one size fits all approach is not tenable to recover subscribers.

Dynamic Retry Logic

Recurly's analytical models use data points from millions of historical transactions to generate a transactions retry schedule customized to attributes of each invoice

Recurly recovers a percentage of both 'hard' and 'soft' card declines to improve billing continuity and reduce churn

Recovery by Treatment Group

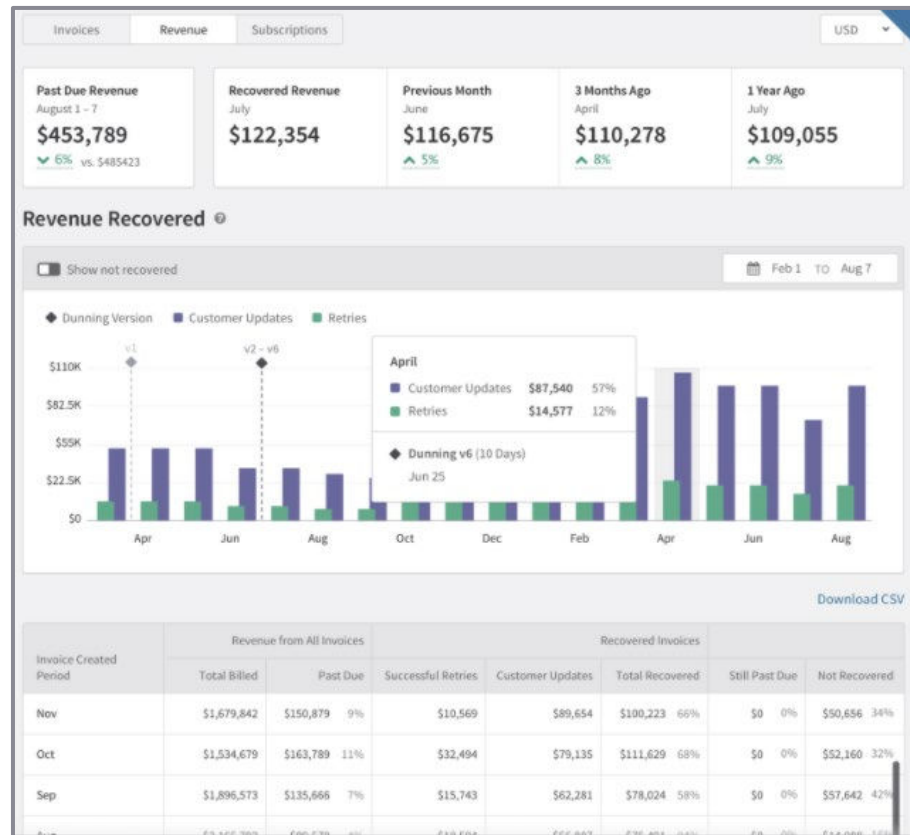


Dunning Effectiveness

Understanding how your dunning programs are driving impact is critical - to both maximum revenue collected and minimize time to collect. Of the invoices that go past due, this report tracks the dunning recovery rate, amount of revenue recovered, and number of subscriptions saved.

Ways to use this report:

- Monitor your dunning recovery over time and continually optimize schedule length, number of emails sent, a/b tests
- Understand the effectiveness of dunning against your retry process - separate out retries vs. email sends to optimize each process



Grow stronger

Be ready to scale without limits

- High volume, high velocity transaction processing
- Apply industry best practices and benchmarks
- Anticipate challenges with an experienced partner
- Ensure your tech stack has the necessary security and compliance backbone
- Global ready - recognize localized requirements for currencies, payment gateways, tax, and language
- Lean into the full subscriber lifecycle - even cancelation



Grow stronger

Build community and loyalty

- Create a sense of community with your subscribers
- Translate ideas from offline brands digitally
- Drive referrals
- Reinforce value of service
- Reward loyal and engaged subscribers

306% higher LTV

for brands with emotional connection

Source: [Motista](#)



RECURLY FACT

52% of U.S. consumers would consider pausing over cancelling.

Grow stronger

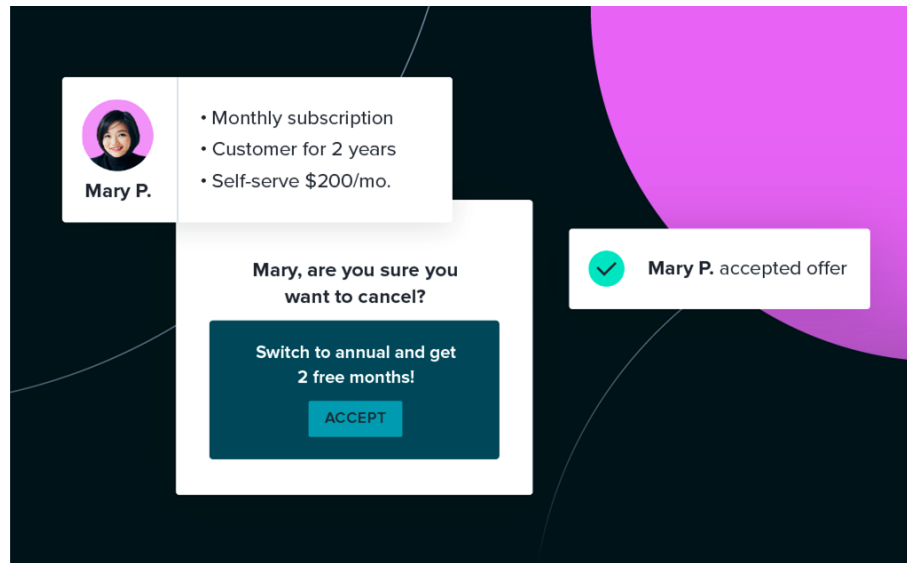
Alternatives to cancel

- Should be a positive experience
 - Legal + brand sentiment impact
- Multi -step process
- Opportunity for feedback + insight for win - back campaigns
- Promotions based on data

65%

positive customer experience over advertising

Source: [PWC](#)

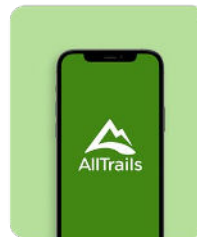


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Keep a good thing growing™

Growth is possible and powerful with subscriptions

- **Grow faster** with flexibility to test and iterate, personalize plans, and go global with ease
- **Grow smarter** with a 360° subscriber view and revenue optimization engine
- **Grow stronger** with the expertise and tech stack to support high volume, high velocity processing, data security, and compliance for global expansion.



Complementary Benchmark Analysis

We'll work with you to benchmark performance for subscriber retention against 1,000s of like merchants and estimate exactly how much more revenue you could be recovering.

Backed by data from millions of monthly transactions, your revenue recovery assessment includes:

- Consultation with a revenue recovery expert on your business and needs
- Data-backed predictions of how much revenue you can recover each year
- A complimentary churn success kit to help you put insights into action

The average monthly revenue recovered is 70%, increasing revenue by 12% MoM. What could yours be?

Please email me at tmcendree@recurly.com.




Thank you

Questions?

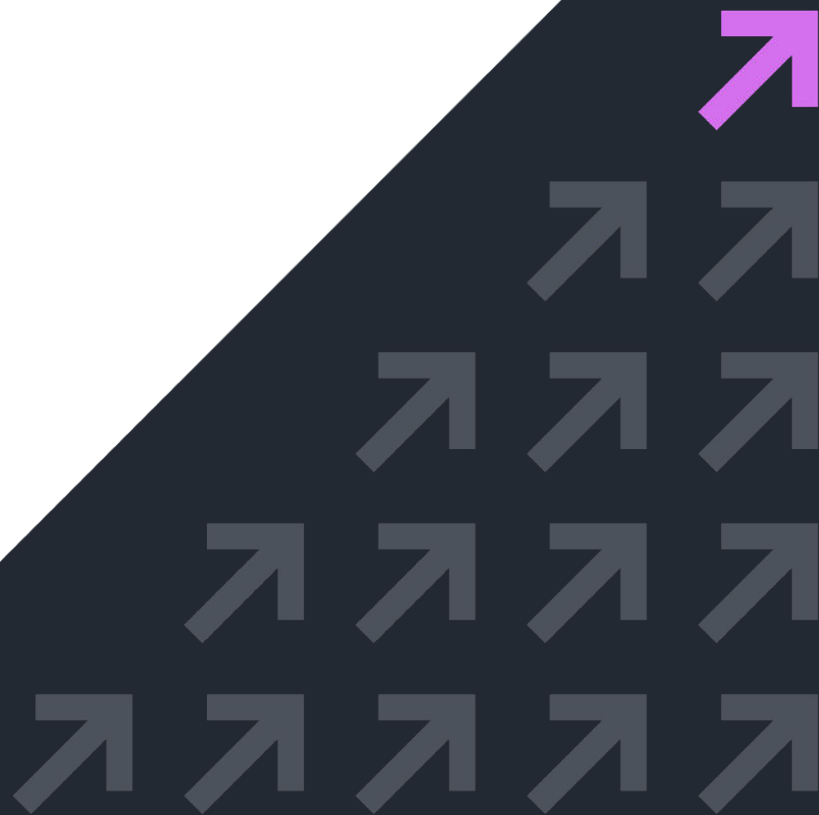
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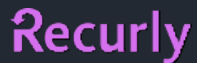
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Keep a good thing growing at Subscription Show 2022!

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Use promo code **RECURLY30** at checkout
for 30% off your in-person or virtual ticket!



insider

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Subscription Show 2022

- Nov. 8-10
- CONVENT Conference Center in New York City
- Attend in person or virtually



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