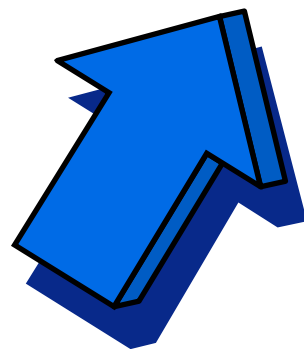
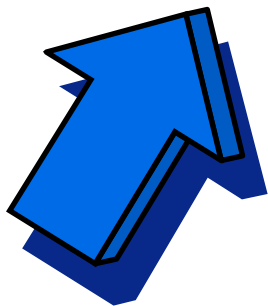


# D2C Digest

Unmissable insight  
for direct-to-  
consumer brands

Subscriptions issue



# From the CEO



**Jeremy King**  
Attest

**T**he subscription sector has been the shining star of ecommerce during the pandemic, delivering people's favourite products right to their doorstep. In our last issue, we looked at how product subscriptions have boomed, with 26% of US and 21% of UK consumers aged 18-40 purchasing a new subscription during the pandemic.

But as people return to work and stores open again, has the outlook changed? Our latest data finds that the pandemic boom in demand is indeed starting to wear off, with fewer Americans paying for a product subscription than in 2020.

Despite this downward trend, we see the love affair with the subscription sector is still firmly set for further success, because awareness and willingness to try is higher than ever. Millennials, especially, are out there actively looking at subscription propositions. New influences, competition and trends are driving growth across different consumer demographics.

To help you capitalise on this accelerating interest, we've polled consumers to discover the drivers for D2C success, including the types of subscriptions they're considering, the qualities they're looking for in a subscription brand and how much they're prepared to pay.

It's true that demand for product subscriptions varies widely across different categories, with food and drink performing strongly in both the US and the UK. We've dug into the F&B sector further to find out exactly what consumers are hungry for on page 22.

You can also hear from one of today's most exciting F&B subscription brands, Evive Nutrition, on how they've successfully launched their frozen smoothie cubes in the US. Other great D2C brands sharing their advice in this issue include Big Potato Games and Beavertown Brewery. Finally, don't miss our weird and wonderful Subscriptionstein's monster on page 47, where we visualize what the perfect subscription brand would look like!

**If you have any comments, questions or ideas after reading this issue of the D2C Digest, please do share them with us: [hello@askattest.com](mailto:hello@askattest.com).**



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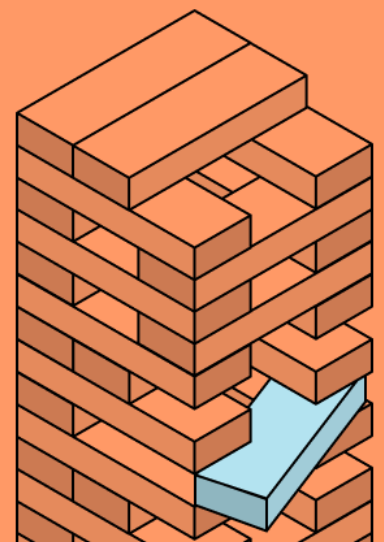
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# 01

## Product subscriptions show downward trend but US consumers are still in the market

Find out which demographics and categories hold the most potential for growth in the US product subscription sector.

US subscription brands will have to work harder to win customers in 2022, according to new data that shows the pandemic boom is starting to wear off. When we polled consumers about product subscriptions in November 2020, 47% of respondents said they had a product subscription. As of August 2021, that figure has dropped to 41% ([check out the data](#)).

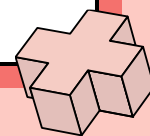


# 49% of Millennials have a product subscription

People are also less likely to have multiple product subscriptions; only 18% have more than one now, compared with 21% last year. Interestingly, the number of people who say they have never had a product subscription remains consistent at 29%, which means brands have not been successful in tempting this segment over the last nine months.

Millennials are the demographic most committed to product subscriptions; 25% of those aged 26-40 currently have one, and 24% have more than one. Meanwhile, Gen X (aged 41-55) are most likely to say they had a product subscription in the past but not now (32%), indicating subscriptions may have failed to deliver value for this age group.

Do you receive any products by subscription/subscription boxes?



**30.2%**

I had a product subscription in the past but not now

**29.2%**

I've never had a product subscription

**22.8%**

I have one current product subscription

**17.7%**

I have more than one current product subscription

# Food and drink still rules

A ton of new food and drink subscription offerings sprung up as the pandemic forced restaurants to close, and they remain the most popular type of subscription box. Of those respondents who have a product subscription, 37% of them say they have a food or drink subscription. But this is followed closely by personal care or health/fitness subscriptions; 36% have this type of subscription (Millennials, in particular, love them).

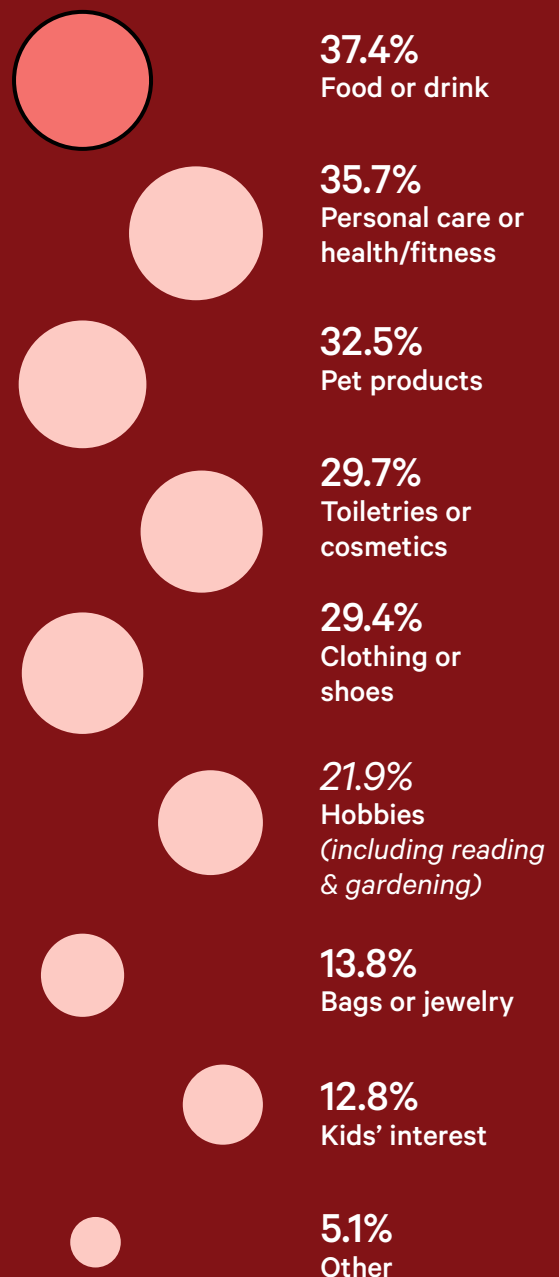
Where we can see a change is with pet product subscriptions; in 2020, this was only the fifth most popular type of subscription box, but now it's third. Just over 32% of respondents subscribe to a pet product box, such as BarkBox or meowbox. This growth is being driven by older consumers, with Gen X and Boomers more likely to buy them than their younger counterparts (in fact, pet products are the most popular subscription type among Americans aged 56-66; 35% have one).

## Pet product boxes are the third most popular type of subscription.

Rising to fourth place is toiletries and cosmetics (30%), pushing clothing and shoes down to fifth (29%). Millennials are significantly more likely to have a toiletries or cosmetics subscription than Gen Z (aged 18-25); 35% versus 25%. Gen Z prefer clothing and shoes (34%).

Do you subscribe to any of the following types of products?

Subscription boxes that relate to hobbies, such as reading or gardening, are the sixth most popular type overall (22%). While bags and jewelry and kids' interest come in seventh and eighth (subscribed to by 14% and 13% respectively). Bags and jewelry see slight growth on 2020, when this type of subscription ranked last.



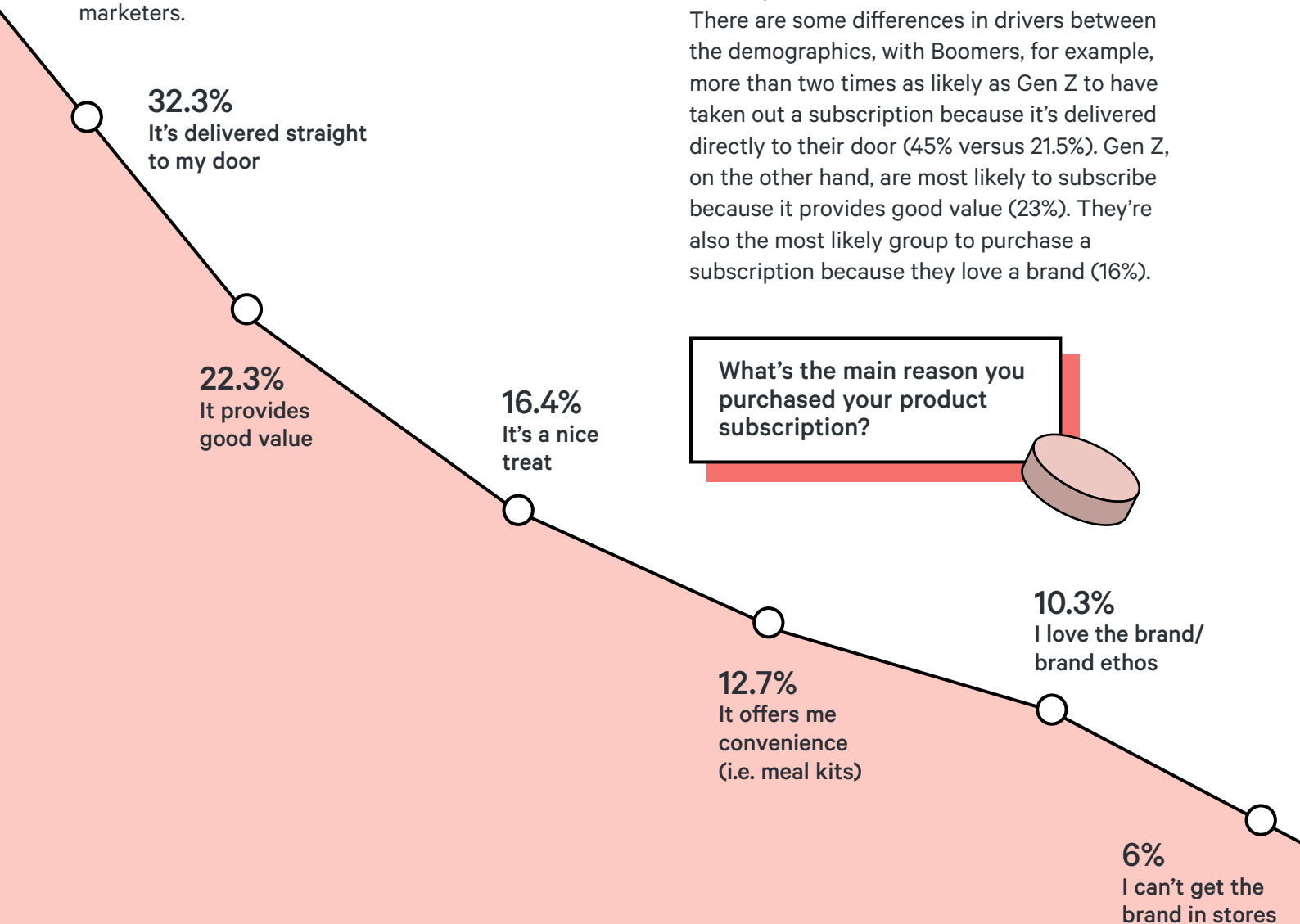
# Easy access biggest reason for subscribing

Compared with when we asked Americans in November 2020, we see a big increase in the number of people who say they purchased a product subscription primarily because it's delivered straight to their door (doubling from 16% to 32%).

We see a decline in all other drivers, besides not being able to get the brand in store (rising from 5% to 6%). Notably, purchasing a product subscription because you love the brand or brand ethos has dropped from 18% to just 10%, which will no doubt come as a bit of a reality check for marketers.

## Only 10% of Americans purchased their product subscription because they love the brand

The second biggest motivator for signing up to a product subscription is that it provides good value (falling from 23% to 22%). Meanwhile, 16% purchased because it provides them with a regular treat (down from 19%). A further 13% were tempted by the convenience offered by subscriptions such as meal kits (down from 17%). There are some differences in drivers between the demographics, with Boomers, for example, more than two times as likely as Gen Z to have taken out a subscription because it's delivered directly to their door (45% versus 21.5%). Gen Z, on the other hand, are most likely to subscribe because it provides good value (23%). They're also the most likely group to purchase a subscription because they love a brand (16%).



# Purchase intent is down but minds remain open

So what's the outlook for product subscriptions in Q4 and beyond? Our data shows a decline in the number of Americans actively looking for a new product subscription; down from 18% in 2020 to 14% today.

However, it's not all bad news because there are actually more consumers who are open minded to purchasing a subscription. Only 21% say they're unlikely to consider a subscription, which is down from 27% last year.

Millennials are most likely to be scoping out product subscriptions (17.5%), while Boomers are least likely (6%). Meanwhile, 16% of Gen Z and 14% of Gen X say they're currently looking at subscription options.

The main reason Americans are unlikely to consider a product subscription is that they can't afford it (35.5%). A fear of getting locked in is putting off 23.5% of people (it's especially off-putting for Boomers, 31% of whom say this). But it's something brands can combat with flexible subscription terms and easy cancellation.

The primary reason for a further 22.5% is that they just don't feel the need. Likewise, 10% of people aren't likely to subscribe simply because they don't see anything that interests them. This begs the question – how can you make your offering more compelling? We see particular despondency among Gen Z, with 27% not feeling the need for a new product subscription and 16% not seeing anything that interests them. It highlights a need to innovate for this age group.

What best describes your attitude to purchasing a product subscription right now?

**14%**  
I'm actively looking at subscription options

**21.1%**  
I'm unlikely to consider a subscription



**23.5% of consumers who aren't interested in product subscriptions say it's because they don't want to be locked in.**

On the plus side, only 5% of respondents say they already have too many subscriptions to consider another, which shows the market has not reached saturation point, despite the increase in product subscription availability.

**64.8%**  
I'm open minded to subscriptions



02

# What Americans want from product subscriptions in 2022



# 65% of Americans say they're open minded to purchasing a product subscription, but what is it that will convince them to commit?

Would you like cannabis or witchcraft products delivered directly to your door? These are just a couple of the gaps in the market for product subscriptions, according to American consumers.

In our survey of 2,000 working age US consumers, we found that 65% of respondents are open minded to purchasing a new product subscription, and we wanted to dig into exactly what would interest them.

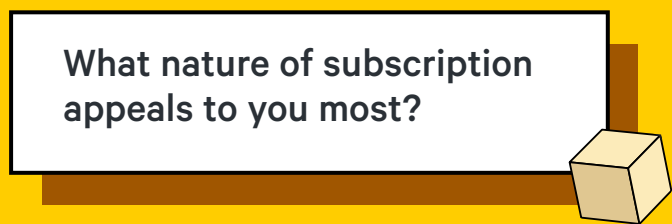
Aside from the quirky ideas (more on those later), we found practical product subscriptions that replenish the things people run out of are still the most popular type (no change since we last asked in November 2020).

The second most attractive type of product subscription is one that provides inspiration and encourages people to try something new, while indulgent product subscriptions are the least popular type. This could be a reflection of the drop in consumer confidence attributed to rising COVID-19 cases.

It's worth noting, though, that Gen Z (aged 18-25)

show the most interest in product subscriptions that offer 'treats'; 30% ranked indulgent subscriptions first.

**What nature of subscription appeals to you most?**



**1.8**  
**Practical -**  
replenishing  
things I run  
out of

**2.1**  
**Inspiring -**  
getting me to  
try something  
new

**2.1**  
**Indulgent -**  
treats for me  
or my family

# How much are people willing to spend?

Americans are most likely to say they would pay between \$10 to \$20 a month for a new subscription (30% selected this answer). A further 22% would pay \$21 to \$30 per month, while 12% would be prepared to pay \$31 to \$40 and 11% would shell out \$41 to \$50.

Only 13% would purchase a product subscription that costs in excess of \$50 per month. At the other end of the scale, 12% expect to pay less than \$10.

**Boomers are the demographic prepared to pay the most, while Gen Z want to pay the least.**

Boomers (aged 56-66) are the demographic prepared to pay the most, over-indexing for the higher price points (24% will pay \$21 to \$30, 15% will pay \$31 to \$40 and 12% will pay \$41 to \$50). Gen Z generally want to pay the least (35% will pay \$10 to \$20), although they do over-index for willingness to pay \$51 to \$60 (6%). For the most part, Americans thinking about purchasing a new product subscription will expect to pay no more than \$30 per month.

29.6%  
\$10-20

22.3%  
\$21-30

12.1%  
\$31-40

11.9%  
Less than \$10

11%  
\$41-50

5.2%  
\$51-60

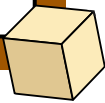
2.6%  
More than \$90

1.8%  
\$71-80

1.8%  
\$81-90

1.7%  
\$61-70

What is the maximum you would be willing to pay for a new subscription per month?



# What categories enjoy the most consideration?

Food and drink is the leading category Americans would consider for a new subscription; 51% are interested in food or drink products. This interest is reflected across all demographics, with the strongest demand seen among Gen Z (55%). Personal care and health/fitness is second most popular, with 44% interested in a subscription in this category, while clothing and shoes is third (39%). Younger consumers show stronger interest in clothing and shoes subscriptions than older shoppers; 48% of Millennials and 47% of Gen Z say they're interested versus just 20% of Boomers and 36% of Gen X (aged 41-55).

## 41.5% of Gen X say they're interested in pet product subscription boxes.

Pet products come in fourth overall, with the strongest demand seen among Gen X (aged 41-55); 41.5% of this demographic say pet subscriptions are of interest, while 37% of Boomers agree. Toiletries and cosmetics take fifth place (36%), but Millennials (aged 26-40) are keenest on this category, with 40% interested.

Subscriptions relating to hobbies such as reading or gardening are sixth most popular (35.5%), bags and jewelry is seventh (20%) and kids' interest rounds out the categories, with 19% considering a subscription. However, Millennials and Gen Z show significantly more interest in hobby boxes and bags and jewelry subscriptions than their older counterparts. Millennials also over-index for being interested in kids' interest subscriptions (30%).

What type of products interest you for a new subscription?

51.3%  
Food or drink

44.4%  
Personal care or health/fitness

39.4%  
Clothing or shoes

37.3%  
Pet products

36.1%  
Toiletries or cosmetics

35.5%  
Hobbies (including reading or gardening)

20.2%  
Bags or jewelry

18.8%  
Kids' interest

2.5%  
Other

# Where are the gaps in the market?

If you're a business looking to innovate in the subscription space, you'll no doubt be interested to know what Americans feel is missing in the market. We asked respondents what they would like regularly delivered to their door that they don't feel is currently available – and we received some really interesting feedback.

The number one item most likely to be mentioned was alcohol. And while there are a fair number of subscription boxes catering to drinkers, there were some ideas for more niche offerings. These included alcohol and cigar boxes, boxes with small samples of beers and spirits and boxes that mixed alcohol with cosmetics and lingerie.

Behind alcohol, Americans expressed demand for cannabis delivered by subscription – with weed now legal in 18 states recreationally and in 37 states for medical purposes, this potentially represents a big opportunity.

Other areas which show promise for NPD in subscriptions are board games and video games, arts and craft supplies, cigarettes and vaping, items for musicians, and car maintenance products. Foreign snacks and beverages also featured notably. Two respondents said they'd like to receive 'witch' products – maybe not a huge gap in the market, but interesting nonetheless!

## Here are other intriguing ideas US consumers came up with...

“Home decor made just for me based on my tastes.”

“I believe different spices for cooking would be a good idea.”

“A box with tickets or admission plus an outfit to the event.”

“A food delivery service to cater to my health needs; diabetic, heart health.”

“A new age spiritual box including incense, crystals and essential oils.”

“A little-bit-of-everything care packages. Sweets, a book, comfy items.”

“A box for couples (or individuals) that contains items to spice things up.”

“I'd like to have a subscription that sends me guitar picks and strings.”

“Fandom community boxes.”

“A box of items that improve one's efficiency in daily life.”

# What factors will make folk sign up?



Besides offering a product that people actually want, how can you make your subscription proposition appealing? And looking at it from the other direction – how can you make sure there's nothing about it that's off-putting?

We asked Americans what factors are important to them when thinking about purchasing a product subscription and found that there's one thing that's more important than all the rest – value for money. Nearly 7 in 10 consumers say a product subscription must offer value for money, and we see that value sensitivity increases with age (77% of Boomers are focused on value versus 56% of Gen Z).

The second most important factor is that the subscription offers the ability for customers to choose what products are sent (54% of people say this) and, again, it's more important the older you are.

**Value for money is the most important factor for Americans considering a subscription brand.**



It's nearly as important that the subscription can be easily paused or canceled (53% of people expect this), although Millennials are less bothered than other demographics (47% say it's important versus 54% of Gen Z, for example).

The fourth most important factor is that the subscription brand gets great reviews (39% say this). And it's especially important to Gen Z; 53% of this demographic look for great reviews, while only 30% of Boomers do the same.

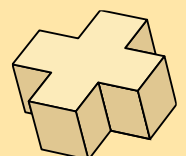
Offering exclusive products that are not available elsewhere is important to 34% of shoppers, with Gen Z most motivated by this (38%).

Now let's look at the three least important factors for people weighing up product subscriptions... this might come as a surprise, but only a quarter of consumers are driven by the brand having a strong purpose or ethos. With that said, it's more of a motivating factor for the youngest consumers; 35% of Gen Z state purpose is important to them versus 26% of Millennials, indicating that conscious consumerism will be driven by the new generation.

**35% of Gen Z say a subscription brand must have a strong purpose or ethos.**

Meanwhile, 'unboxing' is a phenomenon of the social media age and lots of D2C brands have focused on nailing great packaging and presentation, yet only 21% of Americans state this is important to them. Boomers are really not bothered about the aesthetics of their product subscriptions (only 9% says it's important), but we do see this factor carries more weight among younger demographics. 34% of Gen Z are looking for Instagrammable moments when it comes to the packaging and presentation of their subscriptions.

Finally, the least important factor when assessing subscription offerings is that it's popular. Only 16% of people say popularity is important, although what people say and what people do are two different things. We know that subscriptions that attain 'must-have' status are likely to enjoy snowballing sales. Gen Z are most likely to agree that their purchasing behavior is influenced by what's trending; 26.5% say a subscription's popularity is important.



What factors would be important to you if thinking about purchasing a subscription box?

68%

Offers value for money

53.2%

Easy to pause or cancel

54.3%

Ability to chose what products are sent

38.9%

Has great reviews

34.1%

Offers exclusive products not available elsewhere

24.8%

Strong brand purpose/ethos

21.3%

Great packaging and presentation

16.1%

It's popular

# What type of advertising works best?

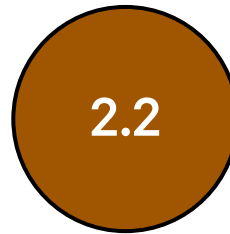
The power of personal recommendation cannot be overstated; our research finds that a recommendation from a friend or family member is far and away the most influential factor that pushes someone to consider a subscription box brand.

While it lags way behind receiving a recommendation, 'seeing an advert' comes in second (which is reassuring for those allocating advertising budget). The third most influential factor is seeing a product subscription talked about on social media, again demonstrating the importance of social proof.

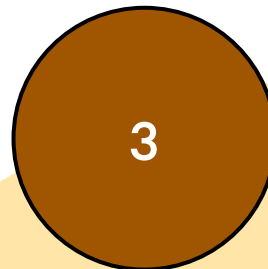
## Younger consumers are influenced more strongly by social media.

Traditional PR is also effective, with 'seeing a product subscription featured in the news' in a close fourth place. Coming in last in terms of perceived influence, is an influencer or blogger talking about the brand.

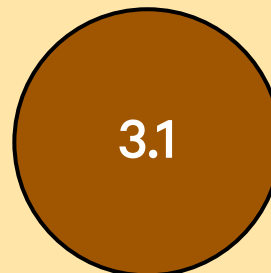
There are some interesting differences between the demographics, which should be taken into consideration when trying to reach these audiences. Gen Z and Millennials rank social media second and advertising third, while Gen X place ads second and news features third. Boomers, on the other hand, put news features second and ads third. Younger consumers are also more likely to rank influencers and bloggers higher than their older counterparts.



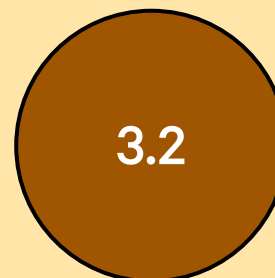
Recommendation from a friend or family member



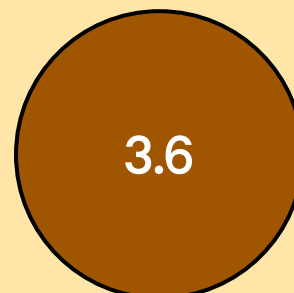
Seeing an advert



Seeing it talked about on social media



Seeing it featured in the news



Influencer/blogger talking about it



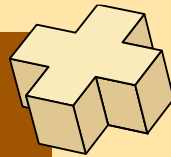
# Which subscription box brands enjoy most share-of-mind?

Now we know how Americans discover and appraise product subscription brands, let's see which ones are doing the best job of making an impression. We asked respondents to name brands in three categories; food & drink, health & beauty and clothing & accessories.

There are two brands leading the F&B category; Hello Fresh and Blue Apron, although Hello Fresh was named by nearly twice as many respondents as Blue Apron.

With such dominant incumbents, it appears to be difficult for newcomers to make a name. As such, it makes sense for subscription startups to carve a niche for themselves rather than trying to compete with the big boys. We've already seen some of the more specialised types of product subscriptions American consumers are interested in – and it's catering to these needs that represents the biggest opportunity.

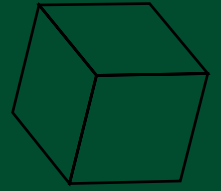
**Stitch Fix has the most unprompted brand awareness of US subscription boxes.**



The health & beauty category is strongly dominated by Ipsy and, although Birchbox is next most likely to be named, it has far lower unprompted brand awareness. Meanwhile, Stitch Fix has massively monopolised share-of-mind in the clothing & accessories category. Stitch Fix was also the subscription brand most likely to be mentioned overall.



# 03



## Evive Nutrition Brand Manager Amaël Proulx on taking the States by storm

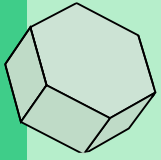
Learn how the Canadian subscription brand used consumer insight to guide their proposition and messaging when they launched in America.

After revolutionizing healthy eating in Canada with their unique frozen smoothie cubes, [Evive Nutrition](#) last year expanded into the US. We caught up with Brand Manager Amaël Proulx to find out how Attest helped the subscription brand get to know their new target audience and, ultimately, stand out in a more crowded market.



## How big a role do subscriptions play in your business model?

Our subscription model is very important since it was what enabled us to pursue our mission, which is to make healthy eating more accessible. Currently, we have about half our members purchasing our products online, while the other half purchase our products in-store. We're grateful to be available in over 3,000 stores across Canada, as well as about 50 retailers in the US. However, over the last two years, we've truly seen the importance of offering our members the option to receive their nutritious breakfast smoothies and meals delivered straight to their doorstep with free shipping.

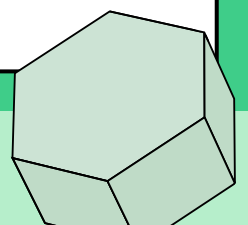


## What are the biggest challenges facing subscription businesses at the moment?

Currently, our biggest challenge is explaining the flexibility of our model to our members. Lots of subscription businesses are making it hard for their customers to modify their subscription plan, which is not the case with Evive. We want our members to get access to our products when they want and need them. The flexibility of our model makes the forecasting process a bit more difficult, especially for our operation team in charge of inventory management at all of our four facilities.

## How did you know it was the right time to expand Evive into the US market?

It was always a dream of ours to expand not only throughout Canada but in the US as well. Evive was born in 2015, and so after five years, we felt confident that it was time to test our products in this new territory. With 295 million more people living in the US than in Canada, there's just so much opportunity to have our easy, quick, and nutritious products discovered. We expanded with the blue ocean strategy, meaning nobody is doing exactly what we're doing in the US, so we wanted to capitalize on our innovation and uniqueness with our cross-sales channels.





## How has the research you carried out with Attest expanded your knowledge of US consumers?

The surveys we've conducted through Attest have really helped us in many ways. We were able to validate many of our assumptions when it comes to our communications. We also had the opportunity to A/B test some of our content that we use for ads, social media, etc. One of the most valuable learnings also had to do with the types of flavours this new territory found the most appealing, as well as the communications on our packaging.

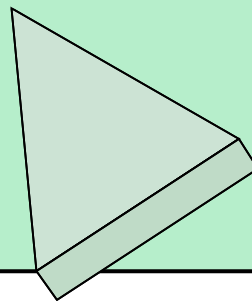
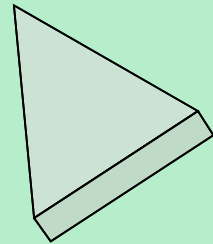
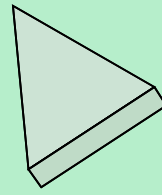
## How have you adapted your positioning/messaging to cater to the US market?

First, we took the opportunity to share the information we obtained from the surveys internally to our team members so that we're all on the same page. Second, we compiled a presentation for our content creation team so that they can keep in mind these differences when creating new content for the US. We also have a clearer understanding of how Americans may perceive our concept and so we've adapted our approach when it comes to explaining the how-to process. Another significant learning that we've implemented was which value propositions to highlight in this new market. We're also in the midst of launching a completely revamped website in both territories, so we definitely applied all our learnings to this project.



## What's next for Evive? What will you be focusing on in Q4 and beyond?

One thing's for sure – we aren't lacking any new exciting projects! We have four main business priorities for Q4. The first is operational excellence. As we've continued to expand, so have our operations team. Second, we're optimizing financial planning and control. Third, we're reminding ourselves to focus less on selling, and more on branding. Last but not least, we're doubling down on our innovation – something that has always been a priority and a part of what we do best is to create and launch amazing new products that positively impact the lives of consumers. Definitely stay tuned for new Evive products within the next few months!



## In your view, what's the outlook for subscription businesses in

In order to keep thriving, our outlook is to always innovate, not only in terms of products but also in terms of our business model, such as providing new programs like rewards and referral programs. Brands must be more customer-centric than ever and demonstrate that they're attentively listening and catering to customers' needs and interests. Showing appreciation for your clients' loyalty is also extremely important, and there are many ways companies can do this, such as offering exclusivities and special merchandise.

Being proactive has been successful for us, and we're enjoying activating the discussion with our members on their experience, new product development etc. It's essential to be flexible and quickly adaptable in order to keep offering something that's unique. Lastly, knowing your numbers is also essential. Capitalize on the subscription model to spend more on first-time purchases, and then be creative on how to retain customers.

# 04

## Brits are hungry for food and drink subscriptions in 2022

With more people taking up cooking during the pandemic, interest in food and drink subscriptions has skyrocketed.

Interest in food and drink subscriptions has grown massively since the pandemic and Brits are now more up for trying new things in the kitchen, our latest survey shows.

When we last polled UK consumers about food and drink subscription services in June 2019, more than half of people said they had no interest in them (54%), but as of August 2021, that figure has halved to 25% ([check out the data from 1,000 working age consumers](#)).



# Only a quarter of Brits have no interest in food and drink subscriptions.

Now, more than half of Brits (55%) say they're potentially interested in food or drink subscription services (up from 33%), while the number of people who say they're currently subscribed to one (or have been until recently) has risen from 13% to 20%.

It's worth noting that Millennials (aged 26-40) show the strongest interest in food and drink subscriptions (62%), while Gen Z (aged 18-25) are most likely to already have one (27%).

What is your interest in food and drink subscription services?



**20.4%**

I am currently using or have recently used a food or drink subscription service.

**24.8%**

I have no interest in food or drink subscription services.

**54.8%**

I am potentially interested in food or drink subscription services.

# We've become more adventurous in the kitchen

So what's changed in the last couple of years? Well, we know that Brits spent a lot of time cooking during lockdown (nearly 60% of people said they were more likely to spend time cooking than before the pandemic). And it looks like the habit has stuck – data from June 2021 shows nearly 60% of us cook from scratch daily/most days, and a further 24% do it a few days a week.

Because we're cooking more, we're becoming more confident in the kitchen and more adventurous. Today, people say the main benefit of food and drink subscription services is that they let them try new products and recipes, whereas before the biggest reason for subscribing was for help eating healthily.

30% of Brits think food or drink subscriptions are great for trying new things, up from 16% in 2019. We also see a small increase in people who think convenience is the main benefit; 22% say subscriptions save time because you don't have to go to the supermarket (up from 20%).

**The opportunity to try something new is seen as the main benefit of food and drink subscription boxes.**

But on the other hand, consumers are less motivated by the ease of not having to decide what to cook and eat (11% say this is the main benefit, down from 16%). Surprisingly, we also see a big decline in people valuing subscriptions

because they give them confidence about food provenance (think organic farm veg boxes and the like). Only 3% say this is the main benefit, down from 12%.

Remaining consistent are the numbers of Brits who value food and drink subscriptions primarily because they help them to eat healthily (21%) and because they provide a nice treat or surprise (14%).

There are a few notable differences in drivers between the demographics. Gen Z over-index for choosing subscriptions because they help them to eat healthy, while Millennials over-index for valuing them because it means they don't have to decide what to cook.

Meanwhile, Gen X (aged 41-55) stand out for liking subscriptions because they provide monthly treats and save them time in the supermarket. And Boomers (aged 56-65) over-index for saying the main benefits of food and drink subscriptions are that they let them try new things and provide confidence over the origin of the products.





**29.7%**

Let's you try new products/ recipes

What do you think is the main benefit of using a food or drink subscription service?

**21%**

Helps you to eat healthily

**21.9%**

Saves time because you don't have to go to the supermarket

**13.6%**

Each delivery is a treat/ nice surprise

**11%**

You don't have to decide what to cook/ eat

**2.8%**

You know the origin of the products

# Meal kits are on the menu

Consistent with this explosion in people interested in cooking, we find that the most popular type of food and drink subscription is meal kits. 58% of Brits are interested in receiving (or are already receiving) boxes with ingredients for meals. They're a huge hit with Millennials, with a massive 69% expressing interest.

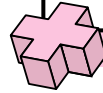
Behind meal kits, 43% are interested in fresh produce subscriptions, like fruit & veg or meat boxes, which provide the raw ingredients for consumers' own recipes. A further 38% are interested in prepared meals, showing that convenience does still remain a factor, especially for Gen Z (41% of whom are interested in this type of subscription).

**43% of Gen Z are interested in snack boxes – more than any other demographic.**

Just under a third of Brits are interested in a snack or treat subscription, which is perhaps not surprising given our love of snacking; we previously found that 41% of Brits eat unhealthy snacks most days/every day, with Gen Z being the biggest snackers. Indeed, this generation significantly over-indexes for interest in snack boxes (43%).

It's interesting that drinks subscriptions are significantly less popular than food subscriptions; only 15% of UK consumers are interested in receiving alcohol via subscription and 8% in non-alcoholic beverages. What we do see is that older people are more likely to be interested in alcohol subscriptions; 18% of both Gen X and Boomers versus 9% of Gen Z.

What types of food or drink subscriptions are you currently receiving/potentially interested in receiving?



**57.9%**  
Meal kits

**42.6%**  
Fresh produce

**38.1%**  
Prepared meals

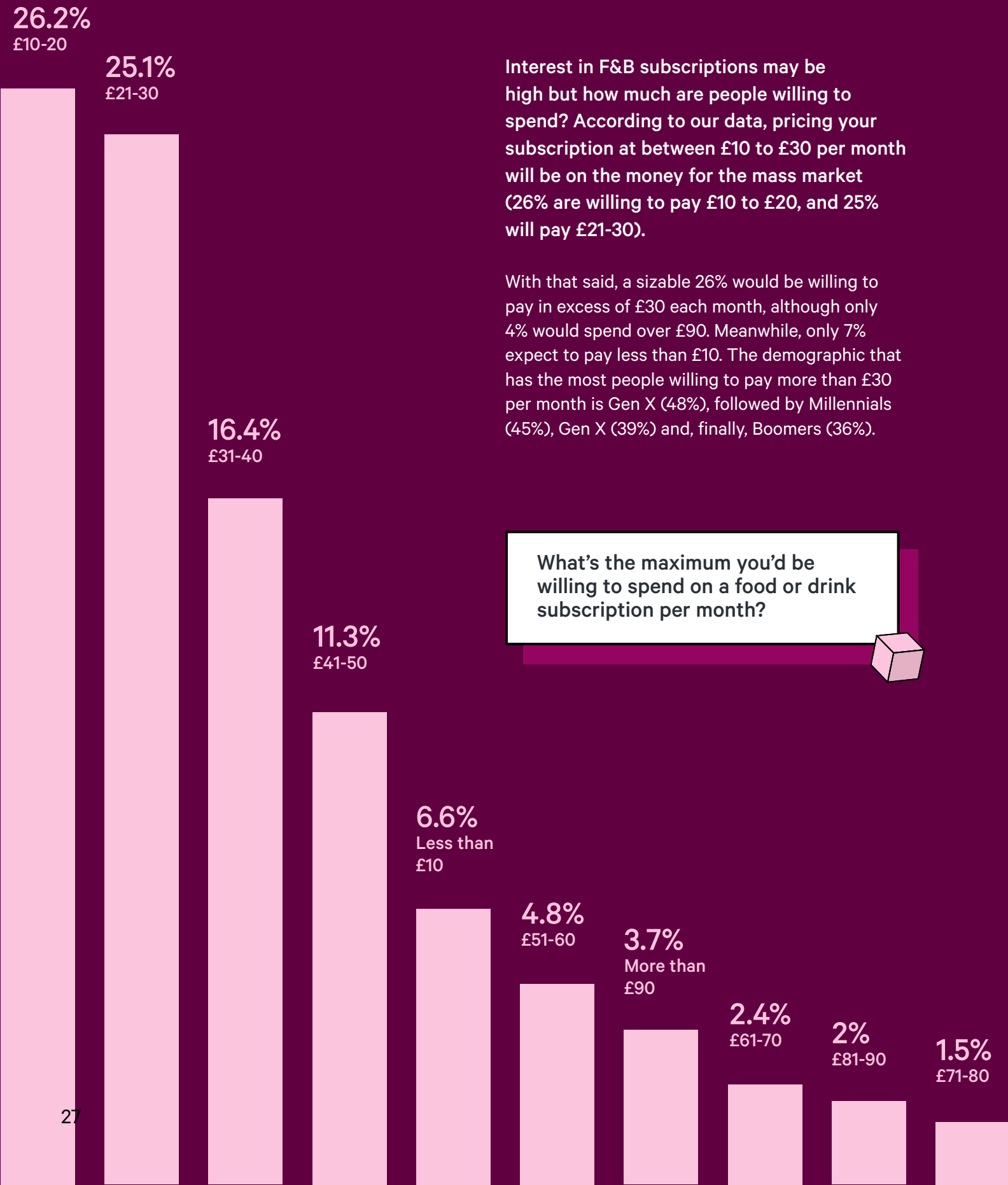
**30.8%**  
Snacks/treats

**14.9%**  
Alcohol

**7.9%**  
Non alcoholic  
beverages

**1.3%**  
Other

# Up to £30 per month is the subscription sweet spot



Interest in F&B subscriptions may be high but how much are people willing to spend? According to our data, pricing your subscription at between £10 to £30 per month will be on the money for the mass market (26% are willing to pay £10 to £20, and 25% will pay £21-30).

With that said, a sizable 26% would be willing to pay in excess of £30 each month, although only 4% would spend over £90. Meanwhile, only 7% expect to pay less than £10. The demographic that has the most people willing to pay more than £30 per month is Gen X (48%), followed by Millennials (45%), Gen X (39%) and, finally, Boomers (36%).

What's the maximum you'd be willing to spend on a food or drink subscription per month?

# If a friend says a subscription is good, you want it too

Now we know how much UK consumers have to spend on food and drink subscriptions, what's the best way to get them to buy yours? Unfortunately (or fortunately) depending on how you look at it, word-of-mouth is the most effective marketing in this sector.

Brits rated a recommendation from a friend or family member as the number one factor to influence them to consider a food or drink subscription. Clearly, recommendations are not entirely within your control, but you can encourage them. Primarily, this will be through having a great product offering but, secondly, by incentivising referrals. Tracking your [Net Promoter Score](#) will let you see how well you're doing when it comes to customer satisfaction.

**Brits ranked recommendations as the No.1 factor likely to influence their purchasing decisions.**

The good news is, advertising is effective too. In fact, it's the second most influential factor. It even comes before seeing a subscription trending on social media (with that said, the younger demographics are more influenced by social media than adverts).

The fourth most influential factor is seeing a food or drink subscription featured in the news, while last is an influencer or blogger talking about it. It's encouraging for subscription startups that UK consumers pay so much attention to advertising, which is arguably the most straightforward type of marketing to obtain.

What's most likely to influence you to consider a food or drink subscription box brand?



2

Recommendation from a friend or family member

2.8

Seeing an advert

3.1

Seeing it talked about on social media

3.3

Seeing it featured in the news

3.8

Influencer/ blogger talking about it



# Some people just prefer spontaneity over subscriptions

Before we go, let's look at why Brits aren't interested in food and drink subscriptions. We asked the 25% of respondents who stated they had no interest in F&B subscriptions about the main reason why.

Primarily, it comes down to having the freedom to choose what you want, when you want it (37% said this). Another 29% say subscription boxes are too expensive or they just can't afford it. But there are some other abstainers who could potentially be persuaded with the right product positioning. For example, the 14.5% who don't see the benefits – how can you better communicate these?

## Flexible terms could convince some consumers not currently interested in food and drink subscriptions.

Then there are the 8% who don't want to receive products too frequently and the 7% that worry about receiving products they don't like – brands can remove these barriers by making subscriptions more flexible. Finally, a small 4% don't want a subscription because they find it inconvenient to receive the delivery, so giving customers some control over delivery date and time is a great idea if you can.

Regardless of whether you can win over those consumers not currently interested in a food or drink subscription, the opportunity in this sector is undeniably huge. If you want to dig further into the types of food and drink offerings UK consumers would be interested in, why not get started with a [free 5 question survey?](#)

**36.7%**  
I prefer to choose what I want, when I want it.

**29.4%**  
Too expensive/  
can't afford it

**14.5%**  
I don't see the benefits.

**8.1%**  
I don't want to receive products too frequently

**4%**  
It's inconvenient to receive the delivery.

**7.3%**  
I might receive products I don't like.

What's the main reason you aren't interested in food or drink subscriptions?

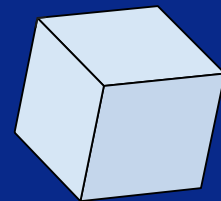
05

# How Big Potato Games won big with consumer insights



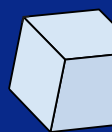
Introducing insights into their business has opened up a world of opportunity for board game brand

# Big Potato Games.



When should a brand invest in consumer research? It's often something startups want to do but don't always make a priority – as was the case at Big Potato Games, makers of board games like Mean Girls, Rolling Stone and Blockbuster.

While Head of Marketing Becky McKinlay had long desired insight into the brands' target consumers, she hadn't previously had the budget. That changed when a new managing director came on board and agreed to an extensive consumer profiling piece, both in the UK and in the US.



“

“I guess before that, we'd kind of almost been making assumptions about who our customers were,” she says. “We were using loose bits of data via our social media profiles and Google Analytics but it really doesn't tell you enough. So for us, the research was to set in stone who our current customers are, and to learn who the potential ones to go after are.”

The project explored people's attitudes towards board games and what motivates them to play, with the aim of ultimately defining key customer personas. They discovered seven distinct customer types – from the hardcore board gamers that buy and play frequently as a hobby, to the more casual gamers who have different reasons for playing.

Says McKinlay: “Mums, for example, see us very much as a way of getting all their family together or getting the kids to have a break from screen time, especially with the pandemic.

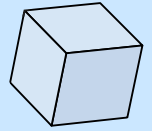
“Another segment we identified was young adults. So, again, casual gamers, but for them, it's all about spending time with friends. While these findings weren't exactly surprising, they were really huge pieces of information, telling us more about how to cater to, or how to position things towards those markets.”



Becky McKinlay, Head of Marketing, Big Potato Games



# Sizing up the opportunity



The consumer profiling exercise hasn't only helped Big Potato Games to define who their consumers are, it's also helped them understand the size of each segment and their importance.

“If you take the hardcore gamers, they're important, but they're niche and quite small. And while we want to keep talking to them and maintaining that segment, the mums are just so much bigger. That is one segment where we really want to grow awareness.”

Something else Big Potato Games gained from consumer profiling was insight into where people go to buy board games. This underlined the importance of ecommerce for the brand (who sell in stores, as well as on Amazon and D2C through their website) but also highlighted some other opportunities.

“While all segments are largely shopping online, we found out interesting extra details, like board game enthusiasts are much more likely to back something on Kickstarter and buy from certain small independent stores.”

We found out interesting extra details, like board game enthusiasts are much more likely to back something on Kickstarter.

Thanks to including questions to measure brand awareness in their survey, McKinlay says they'll be able to see if they make progress towards their goals.

“We asked respondents if they'd heard of us or played one of our games. Awareness for us was a lot higher among board game enthusiasts, and the percentage that had played one of our games was higher. With the more mainstream, casual segments, both were lower. It was good to see that and to be like, 'right, well, we want to dial those up a notch'. If we revisit this survey in a year or two, we'll want to see awareness has gone up with those audiences.”



# Turning percentages into people

Now that Big Potato Games have a wealth of information about their consumers, they've started to build out four key profiles – attaching names to each persona and adding flesh and bones to their descriptions.

These customer profiles will be used across the company to guide everything from new product development through to marketing, distribution and pricing.

“We'll now be able to say to our creative team, 'we want to make a game for this person,' and they'll be able to see from the profile what type of game they enjoy. Or they might see that the environment is really important to this person or what kind of price they'd be willing to pay. For example, we discovered keen board gamers are happy to spend a lot more than the casual segments.”

It's really handy in terms of choosing what channels we use to target that customer, instead of basing it on assumptions.

While Big Potato Games are yet to complete their consumer profiling work, they have already started to put their learnings into practice. One interesting theme to emerge when they probed respondents about what would motivate them to purchase a board game in future was sustainability. The brand have already started developing plastic-free games, so this confirmed that they're heading in the right direction.

What's more, when they're ready to take these new games to market, McKinlay says they'll know exactly where to advertise to reach their target customers.

“Now we can go to media planners and say, okay, so we have this customer, and this is who we want to target this game at. What works for this demographic? Is it TV? Is it out of home or is it social media? So it's really handy in terms of choosing what channels we use to target that customer, instead of basing it on assumptions.”



# Converted to consumer research

Big Potato Games have discovered so many benefits through consumer profiling, McKinlay now wonders how they got by without it.

“I’m a bit like, ‘wow, I can’t believe we didn’t have this before,’” she says. “But you do need some budget to put behind it, which small startups might not have. We started with just three people and we’ve grown slowly over the last seven years. There are now 40 of us. In a sense, it’s cool starting to work with consumer insights now because you can see the company is growing and maturing.”

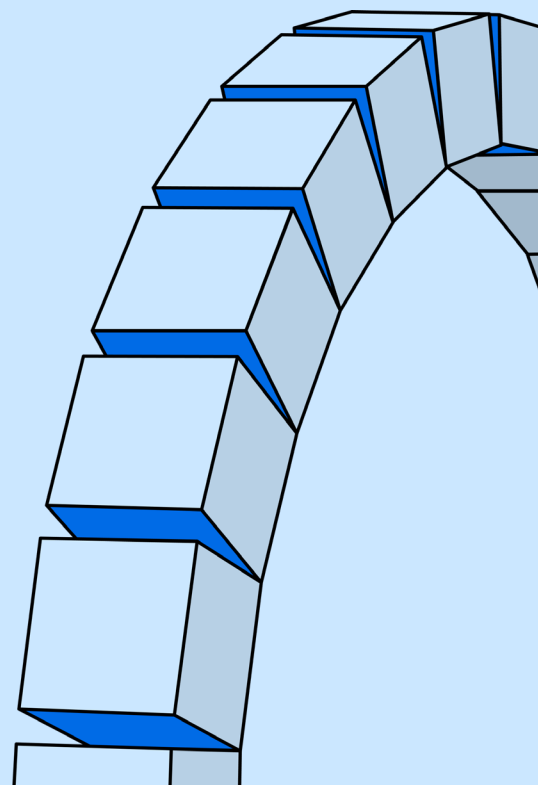
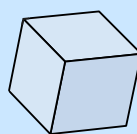
McKinlay says the consumer profiling they carried out with Attest was far from a one-off exercise and that Big Potato Games will continue to try to understand more about their consumers.

I’m a bit like, ‘**WOW**, I can’t believe we didn’t have this before.’

“With audience insights, I don’t think it’s something that you can just do once and be like, ‘that’s it, we know who our audience is,’ because things change, people change, trends change. We always need to be revisiting it.

“Even if you find the profiles don’t change too much, you might find that there could be opportunities elsewhere. For example, in June, off the back of COVID, we adapted some of our games so that you can play them over Zoom. It’s that type of thing; always making sure that if there’s a certain space where games are growing, we understand how we can then cater to that.”

For companies that are on the precipice of investing in consumer research, McKinlay concludes that it’s well worth it: “I think you’d be silly not to if you’ve got the resources. I do think a key part of a business is knowing your customer.”



# 06

## The 10 best and worst things subscription brands can do

**Want to know how to delight consumers - or how to avoid turning them off? We have the answers!**

Product subscriptions can be wonderful, delivering the best of what people love right to their doors. If you nail your value proposition, you can enjoy years of customer loyalty... but if you get it wrong, you'll have people clamouring to cancel.

We wanted to find out US consumers' biggest turn ons and turn offs when it comes to product subscription, so we did a [quick poll of 250 people](#). Here's what they said...

# The 10 **best** and worst things subscription brands can do



## 5 things subscription brands should do

### 1. Offer an introductory discount

We asked people what types of promotions would most persuade them to purchase a subscription and the winning answer was offering 50% off the first delivery. The second most-persuasive promotion was offering a trial month with no commitment, while third was 30% off the first month. This indicates that a cash saving is more compelling than a no-strings attached offer, but it needs to be a big saving.

### 2. Provide high quality products

US consumers say the quality of a product subscription is vital, meaning that products must be reliable and of a high standard. Ease of use is also important, with customers able to order and amend their orders without fuss. The third most important factor is personalization, with people wanting products tailored to their preferences.

### 3. Offer free delivery

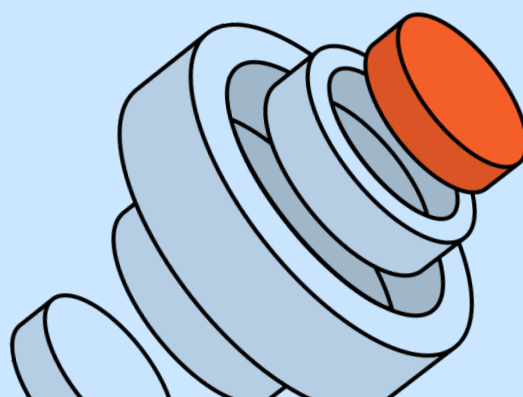
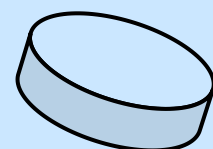
Offering free delivery is more desirable than flexibility. It's the most in-demand delivery option, significantly ahead of being able to choose delivery within a one hour window. This option comes in joint second place, alongside being able to receive updates from the driver about the time of the delivery.

### 4. Be flexible and trusted

When we asked people about the proposition attributes that are most important to them in a subscription brand, there was a tie for first place. While consumers want a subscription to be flexible (letting them pause or cancel at any time and move or skip any delivery), they also want them to be trusted. This means that great customer reviews and satisfaction guarantees form a big part of their consideration. In third place, they're also looking at how customizable the subscription is and whether they can choose products and benefits.

### 5. Offer a reward for commitment

As we saw earlier, shoppers will commit to a subscription if there's something in it for them. We found that people are most attracted to a 12 month commitment with two months free. Only slightly less attractive is a six month commitment with a month free. In third place is a six month commitment with 10% off. Meanwhile, getting 20% off for a 12 month commitment comes in fifth place, showing it's a balancing act between length of commitment and money off.



# The 10 best and **worst** things subscription brands can do

## 5 things subscription brands should not do

### 1. Make it hard to cancel

According to US consumers, there's nothing more annoying than needing to call and wait on hold, send emails or negotiate when you want to cancel a product subscription. They also find it irritating if they have to wait seven days after delivery to cancel or if cancelling means an instant end to the service.

### 2. Have long delivery times

In terms of service, Americans can't stand it when product subscriptions have long delivery times - they want their packages pronto! It also bugs them when they receive products that have a short shelf life. And while it might be good for the environment, they don't appreciate it if they get charged for failing to return packaging.

### 3. Ask people to pick up their package

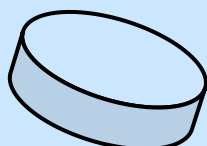
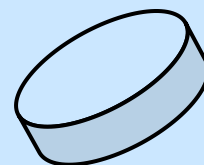
When we asked people about different delivery options, the least favored choice was collecting the delivery from a local store. People want their product subscriptions delivered to their home - namely, at a day and time to suit them.

### 4. Rely on celebrity endorsements

In the social media age, you might think getting celebrities and influencers to promote your subscription brand is a great idea, but consumers think otherwise. They say that a paid recommendation is the type of promotion least likely to persuade them to subscribe.

### 5. Worry about having exclusive products

Offering unique products that are not for sale elsewhere clearly gives people a reason to buy, but it's not the be all and end all. We found that product exclusivity (and producing limited editions) was the least important factor for a subscription brand, with having a high variety of products deemed more desirable.



07

# Beavertown Brewery CMO: *“Be a band, not a brand”*



# Tom Rainsford, CMO of cult favourite Beavertown Brewery, explains how **thinking like a band** has won the brand true fans.

How do you know if your business has fans and not just customers? If they get branded tattoos, that's how – or so says Tom Rainsford, Marketing Director at Beavertown Brewery. Beavertown's striking artwork has become so iconic it now adorns the appendages of “super fans” around the world. The London-based brewery has also established a successful sideline in merchandise, ranging from glasses and prints through to beanie hats and bags.

Right from the outset, Beavertown has positioned itself not as just a manufacturer of beer, but as a lifestyle that people can buy into. Rainsford says the trick is for brands to think of themselves as bands.

## People love bands, and that love creates fans, not customers.

“People have an emotional connection with bands,” he says. “People love them, and that love creates fans, not customers. Ultimately, that's what great brands are doing.”

When Rainsford first started talking to his team about the concept of brands as bands, he found it was something they could relate to.

“A lot of them used to be in bands so it was an easy conversation to have. We started talking about, are the beers like our songs, is the range like a set list or a playlist, are our marketing channels like a stage?”

**Be like a band... but not like Kings of Leon**



The Kings of Leon are a great band, Rainsford does not deny that, but he holds up their huge commercial success and subsequent meltdown as a cautionary story. Just like the Kings, brands are at risk of losing their way if they stray too much from their roots in pursuit of popularity.

“I have a lot of love for Kings of Leon. Even after Sex on Fire they have written some good songs. But I think the lesson – and this is very true with brands when they grow – is that you can become lost. You can become disconnected from your ideology or your values.”

## Emotional connection is the most important thing that you can have with people.

Staying true to yourself – consistently delivering your values and personality in a way that connects with people – is ultimately what Rainsford's musical analogy is all about. It's this authenticity that can lead to people showing incredible (sometimes even irrational) commitment to your brand.

“Emotional connection is the most important thing that you can have with people. It's not rational to go buy a Supreme branded brick for £500; that's the emotional connection. So how can you build up those types of emotional connections? That's what we try to do.”



# Customers come and go, fans are for life

Once you've established a solid fanbase, your brand has a safety net. Whatever happens, you'll have an audience who will seek you out and support you – even if the going gets tough. Beavertown's experiences over the last 18 months are a case in point.

Before the pandemic hit, Beavertown were making 85% of their sales on trade. But when the pubs shut down, that income stream stopped overnight. The brand's small direct-to-consumer business suddenly became a lifeline. Beavertown fans quickly adapted to the D2C model, thankful they could still get their pint of Neck Oil – even if they had to drink it at home.

**We'll keep D2C going because, actually, consumers want beer in different ways.**

“We went from doing £20k a month in our web shop to doing £100k quite literally overnight,” says Rainsford. “We went from about two people picking and packing stuff in envelopes into a full blown end-to-end experience.”

While Beavertown had always planned to expand their D2C offering, the pandemic rapidly accelerated it. The brewery even formed a partnership with Beer + Burger to offer home delivery meal kits. Rainsford says they'll maintain the increased focus on D2C even as pubs reopen.

“We love pubs, that's our heart and that's why we are in beer, but we'll keep D2C going because, actually, consumers want beer in different ways. We've continued to see the trend of people who drink at home and I expect that trend to continue.”



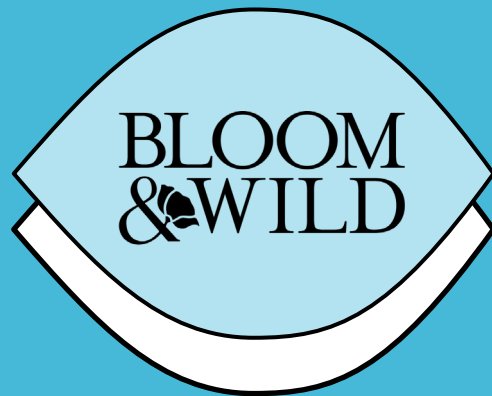
# Thinking about D2C?

# Just do it!

Beavertown aren't the only brand to grow booming D2C businesses during the pandemic – we've written about others, like DRY and Bloom & Wild. Such success has got other brands eyeing the D2C model and wondering if it could work for them.

For anyone thinking of giving it a whirl, Rainsford says just do it: "You start by starting," he says.

“It's not actually that complicated. You can get endless plugins by Shopify and it's really simple. If teenagers can do it in their bedrooms selling t-shirts, there's no reason why a business can't do it. Just start selling product online and see how it goes. Test and learn.”



08

# How brands can win the trust of *Gen Z*

Say hello to Attest Investigates! A series where I, Jeremy King (CEO of Attest), use the Attest platform to test popular hypotheses and answer your burning questions.

As a trained scientist, I am obsessed with experimentation, empiricism and using data to make decisions. We'll delve into all things consumer research, using a scientific analysis style to lift the lid on the most important unknowns for brands, as requested by you!



# Introduction and hypothesis

A lot is written and said about Generation Z. As with every previous up-and-coming generation or emerging group of consumers, Gen Zers are subject to a heady mixture of semi-substantiated analysis, criticism, kudos and extrapolation.

**We're here to add some light to the often heated debate around Gen Z!**

Becoming a trusted brand is an ongoing challenge for businesses of all sizes. And for Gen Z, who've grown up in a particularly polarised time of rapid social change, making sure your brand's purpose and values are attractive to them is key to winning their trust, and their business.

Here's our Attest Investigates hypothesis: Gen Z would stop buying from brands that don't meet their personal values.

## Results

### Just how important is brand purpose to Gen Z?

To establish the lay of the land, we first asked where a brand's purpose that's wider than their business ranks in Gen Z's overall buying behaviour. Overall it ranked 6th out of 8. This matches with a lot of other research that we've run recently: 'purpose' sounds important – and it is – it's just less important than the more fundamental (and classical) drivers of consumer behaviour.

Across generations we see consumers placing a higher importance on things like value for money, product quality and customer service – in fact, these were the top 3 options for our Gen Zers.

### Affordability reigns supreme

When asked which specific traits of a purpose-driven brand people deem most important, money matters.

Affordability (here meaning product accessibility through pricing) came way out in front, with 44% of Gen Zers placing this in 1st spot. Notably, a fairly consistent percentage – between 11-16% – ranked it 2nd through 5th, a pattern we don't see for any other factor.

In a comfortable 2nd spot is the environment. Overall, 52% of people placed environmental issues in 1st or 2nd place, and of all the issues listed, it was placed last by the lowest number of Zers – just 9% ranked this last.

## Method

We surveyed 500 people aged 16-24 in the UK for this research.

Head over to the Attest dashboard to see the full results, and don't forget to do some digging of your own using the filters!

## Majority would stop buying from a brand because of its values

More than three fifths of Gen Z say they're likely to stop buying from a brand that doesn't meet their personal values – 42% say 'likely' and 20% say 'very likely'. Here's where it gets interesting. While 'good' purpose/values evidently aren't especially important to Gen Z, 'bad' purpose/values alignment with Gen Z can cause brands to lose out.

62% is a really sizable chunk of Gen Z consumers whose buying behaviours are influenced by brands' purpose and values. It's definitely something brands should always remember – imagine suffering a potential 62% drop in volume or brand value, just by getting this wrong!

Just under a third (29%) say they're neither likely or unlikely to stop buying based on a brand's values. This level of apathy is somewhat encouraging for brands; less so for the planet at large.

We also see little difference between females' and males' approaches here. The biggest gender difference is in the 'neither likely or unlikely' group – 31% of females chose that, compared with 28% of males.

So, brands beware: don't get on the wrong side of Gen Z. You can use Attest to discover what this looks like for you, and how Gen Z perceives you, to avoid making this mistake.

**42%**  
say 'likely'

**20%** say  
'very likely'

More than **three fifths** of Gen Z say they're likely to stop buying from a brand that doesn't meet their personal value.

## Most Gen Zers want to hear about brands' purpose-driven work

More than half (54%) overall say they're happy for brands to communicate their purpose-driven work with them, in what must be welcome news to brands.

Don't take this willingness for granted though. A still-significant 34% say they'd rather find out about brands' work on their own terms. This means brands must exercise discretion when promoting their purpose-driven work. Gen Z prefers to 'discover', rather than be 'force-fed' (as we've seen in ads/propositions focused on older generations).

Overall I think the picture is positive – 88% are happy to hear about brands' purpose-driven work, even if some would rather find that for themselves. Just 12% say they explicitly don't want to hear about the good work brands do (potentially an interesting follow-up there – why don't they care? Is there anything brands can do to be 'good'?).

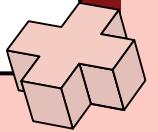


## Owned media is Gen Z's medium of choice

Of those who are happy for brands to communicate their purpose-driven work with them, most told us social media and a brand's website are the platforms through which they want to hear it. More than half (53%) selected brands' social media accounts, and 46% selected brands' websites.

Adverts takes a surprising 3rd place in the list – 39% said they're happy to hear about brands' purpose-driven work through advertising. This surprised me – my ingoing hypothesis had been that more Gen Zers would deem ads as spammy, and a less-than-ideal way to convey key messages.

The message here for brands is that reaching consumers in the places they actually want to be reached is vital. Understanding how to communicate different messages with your audience is a key part in formulating an effective marketing, communications and sales strategy.

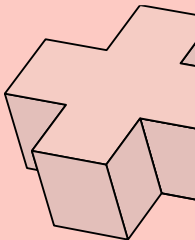


## Future scope

**Cross-generational comparison would be super interesting here.** We targeted this survey at just Gen Z, but it'd be fascinating to find out whether we see similarities in older generations, or tensions between generations that brands need to overcome.

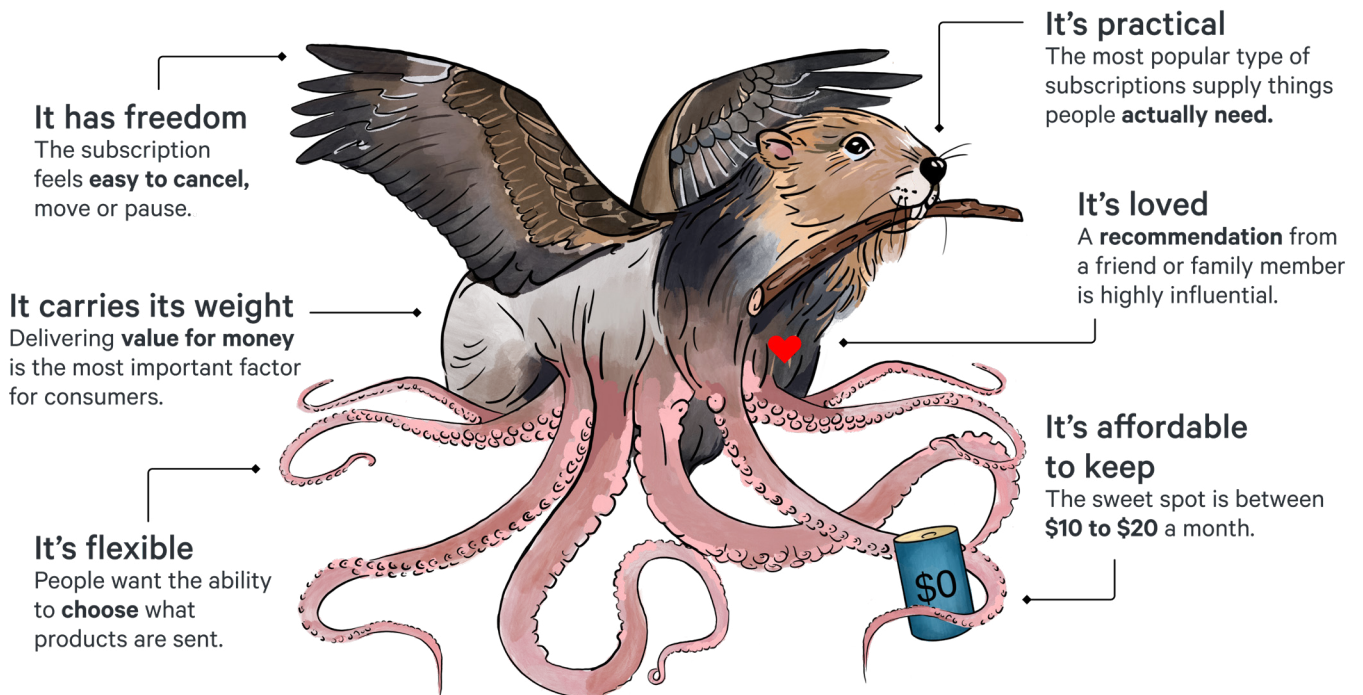
## Conclusion

**What's absolutely clear from this research is that brand purpose and values really are important factors** when Gen Zers are choosing who to buy with. And our hypothesis turns out to be largely true: people will desert brands whose values don't align with theirs – and it's an 'away' thing (Gen Z consumers rejecting brands that fail to align on purpose and values, not moving towards brands that try hard and promote themselves).



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