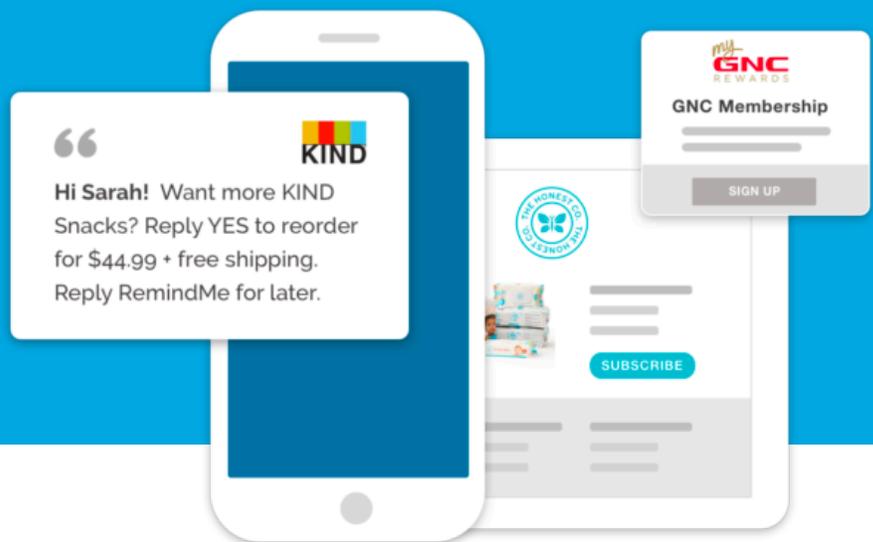


9 eCommerce Pro-Tips for Increasing Subscription Revenue

It's all about subscriptions

Whether you're providing shaving kits to busy professionals or targeting Instagram fashionistas who wouldn't dare go a day without your skincare products, chances are high that you'd love to convert more of your sporadic consumers into loyal advocates.



It's no secret that the fastest growing retail brands today are selling everything from food and wellness products to beauty and homecare with a subscription model.

The subscription eCommerce market has grown into a \$12-15 billion industry, according to McKinsey. It reported that the largest subscription eCommerce companies increased sales 30 percent year-over-year in 2018.¹

Getting a solid recurring revenue strategy in place now is crucial, as competition for subscriptions is poised to heat up. With Amazon's Subscribe and Save leading the way, Gartner predicts that by 2023, 75% of organizations selling directly to consumers will offer subscription services.² Why?

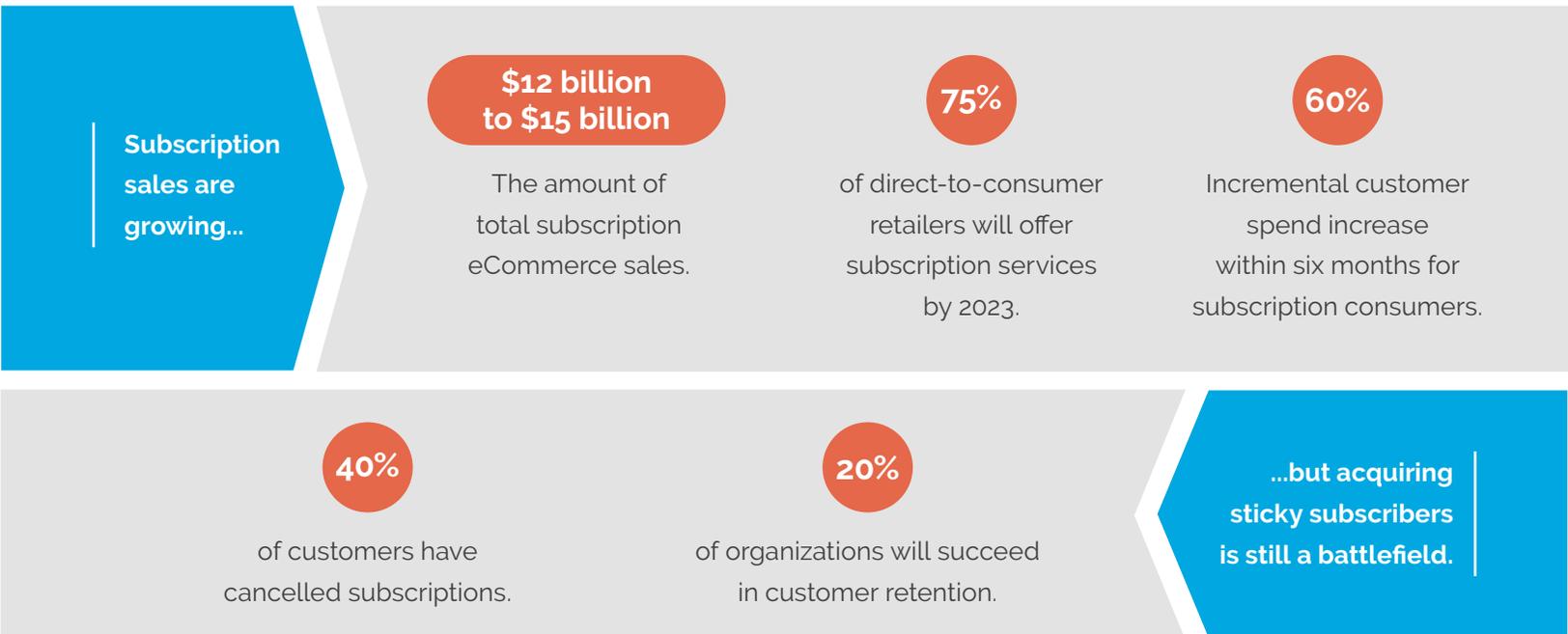
However, mining for a piece of the subscription gold rush is not easy. Only 20% of organizations offering subscription models will succeed in increasing customer retention, according to Gartner. Meanwhile McKinsey reports that 40 percent of consumers have canceled subscriptions in the past.³ Higher churn rates are making it tougher for retailers to cover acquisition costs and scale revenues.



Subscribed customers spend more. In analyzing our own clients, we've seen a 60%+ incremental customer spend within six months for subscription consumers.

In this ebook, we'll offer 9 ecommerce pro-tips to drive more subscriptions, make signups seamless, and build more trust with consumers. You'll find best-in-class examples of deliciously clickable customer experiences - taken from the extensive testing of our clients' shopping cart pages, subscription control centers, product bundling, quizzes, and even radio buttons.

→ Ready to get more from subscription programs?



1 McKinsey: Sizing Up The Subscription E-Commerce Market: 2018 Update

2 Gartner: Top 10 Trends in Digital Commerce by Gartner

3 McKinsey: Thinking Inside the Subscription Box: New Research of E-Commerce Consumers

BOLDLY PROMOTE YOUR SUBSCRIPTION SERVICE

Your customers may not know your subscription programs even exist. Educate them and make it more obvious!

Building awareness is the number one thing you can do to start driving subscription enrollment. Customers need to be introduced, reminded and guided through your subscription experience. Too often, they're missing your subscription option because it's buried on a product details page or promoted in an email blast caught in spam.

PRO TIP

1

COMMUNICATE SUBSCRIPTION OPTIONS CLEARLY AND BOLDLY ACROSS YOUR WEBSITE AND MARKETING MATERIALS.

When brands clearly state the benefits of subscribing, they see a 150%+ lift in conversion rates. The following example from a men's grooming brand makes subscription the unifying factor across a variety of products and the value props are laid out simply beneath the central element.

Make the subscription program the first introduction to your product offering.

THE ART OF SHAVING NEW YORK SHOP CONCIERGE GIFT FINDER BLOG OUR STORY SEARCH

SHAVE
Replenish your elements of The Perfect Shave and save 20% on select blades. [START](#)

BEARD
Nurture and shape your prized facial hair with essentials for different styles. [START](#)

REPLENISHMENT SERVICE
NEVER RUN OUT OF YOUR ESSENTIALS
SAVE UP TO 20% ON EACH ORDER AND 20% ON SELECT BLADES

SKIN CARE
Care for your skin with products formulated to preserve your body's natural softness. [START](#)

HAIR CARE
Stay smooth, soft and stylish with our expertly crafted hair care products. [START](#)

150%+ Increase in conversion rates when stating benefits of subscription clearly and boldly on your website and marketing materials.

MAKE SUBSCRIBING AS EASY AS POSSIBLE

Your customers currently take too many steps to enroll in your product subscription. Add it to the shopping cart to make it more seamless!

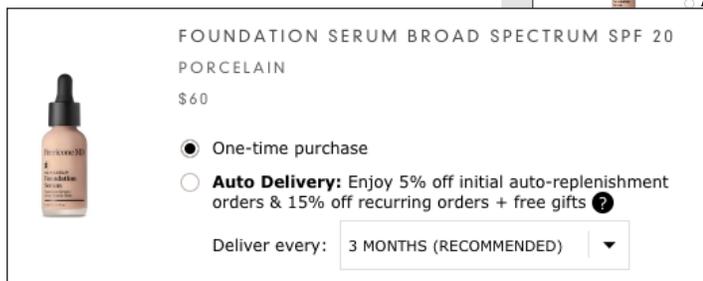
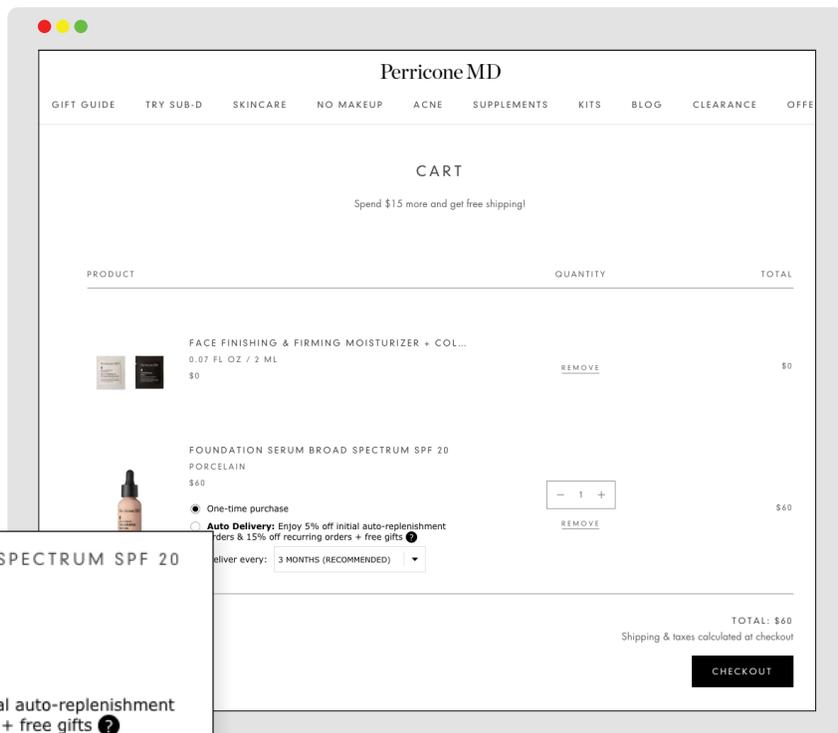
Too often, retailers don't make it easy enough to subscribe and don't clearly highlight benefits like cost savings and convenience. Sign-up actions are buried in a product detail page or offered while the consumer is still making purchase decisions.

PRO TIP
2

DISPLAY SUBSCRIPTION OPTIONS NATIVELY
IN YOUR SHOPPING CART EXPERIENCE.

When consumers reach your Shopping Cart, they're excited about the products they're buying and more likely to sign up for a subscription. Adding subscription options to your Shopping Cart educates consumers about potential discounts they'll receive and can **increase customer enrollment by as much as 40%**, according to Ordergroove data. It also gives your customers the ability to make subscription decisions based on multiple line items in their carts — meaning they're more likely to buy multiple products on a subscription basis. The subscription option included in the checkout cart also makes sure that the one-time and subscription purchases can all ship in the same box, saving shipping costs.

Adding subscription options to your Shopping Cart can increase customer enrollment by as much as 40%



PRO TIP

3

DESIGN A/B CHECKOUT EXPERIMENTS THAT TEST DIFFERENT INPUT FIELD FORMATS.

Checkout options can make a huge difference in how consumers behave. The following example from Magnifique Nail Polish illustrates this point well. Adding a radio button showcasing the added benefits of subscription outperforms the checkbox option consistently and can raise enrollment up to 32%. By making a small change in how it positioned subscription offerings, Magnifique was able to harness the psychology of the consumer and drive a big boost in subscriptions.

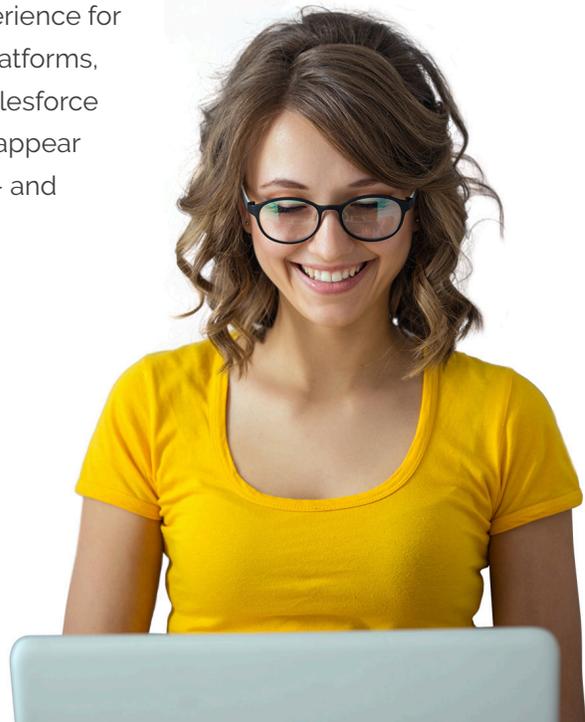
Make checkout a seamless experience

The image shows two versions of a product page for Magnifique Nail Polish, labeled A and B. Both versions show the product name, volume (0.34 Fl oz / 10ml), and a star rating. Version A features a dropdown menu for 'Rosé' and a checkbox for 'Subscribe with free shipping (?)'. Version B features the same dropdown menu but with radio buttons for 'Deliver one-time only' and 'Subscribe with free shipping (?)'. The 'Subscribe' button in version B is highlighted in red. To the right of the comparison, two callouts indicate the results: 'Up to 40%' increase in enrollment when adding subscription options to the Shopping Cart experience, and 'Up to 32%' increase in enrollment when using a radio button vs. a checkbox to drive subscriptions.



SHORTCUT

Ordergroove automates the “combined checkout” experience for you. We’re integrated with all the major eCommerce platforms, including Magento, Bigcommerce, ShopifyPlus, and Salesforce Commerce Cloud, so that your subscription offers can appear anywhere - on the PDP, in the cart, and the Quickview - and across multiple channels, like SMS, as well.

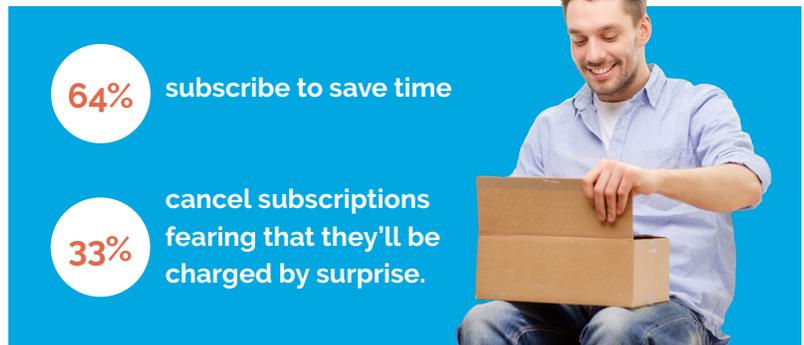


BUILD TRUST BY GIVING CONSUMERS CONTROL AND VALUE

Customers are fearful of surprise charges or annoyances in managing subscriptions. Earning their trust is crucial.

Will this subscription save me time? Am I really in control or will I be overcharged if I make even the smallest mistake? Can I easily cancel or modify if I'm receiving product too frequently?

Those are the types of questions consumers will ask themselves when deciding whether or not to subscribe. They want brands to proactively communicate solutions to potential problems.



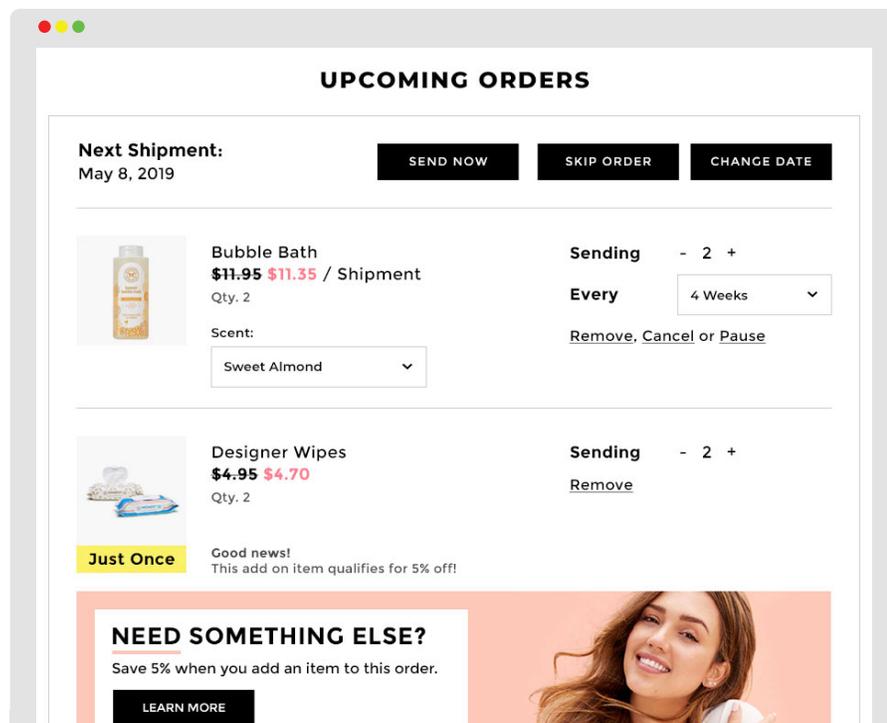
PRO TIP

4

MAKE IT USER FRIENDLY TO MODIFY ANY ORDER AT ANY TIME WITH A SUBSCRIPTION CONTROL CENTER.

"Easy cancellation" as a promotional message can actually be a powerful enrollment driver. The days of hiding cancel buttons and driving friction in the cancel experience are over. Users will simply not accept that. In addition, there are a number of state laws today that make it important that your subscription interface include these types of controls and that customers have access to them day or night on your website. Here's a great example from The Honest Company:

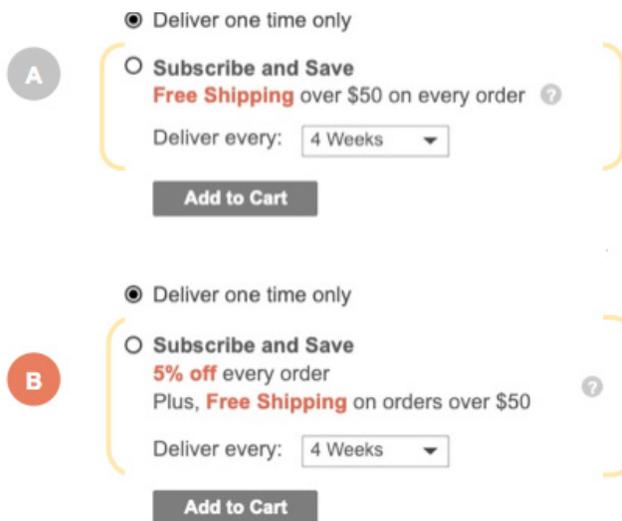
Provide clear options for modifying the order, including cancellation



OFFER FINANCIAL INCENTIVES IN EXCHANGE FOR SUBSCRIBING.

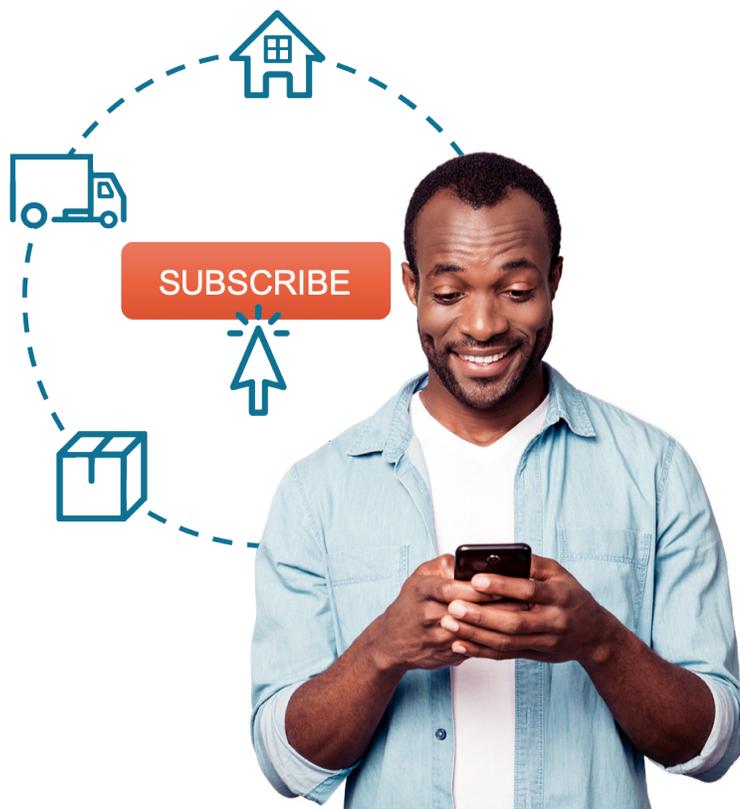
Financial incentives are a major subscription motivator across all types of programs from replenishment to curation to access. It's simple, your customers expect more value if they spend more. A lot of customers are wary of subscription. They want to ensure that they're getting the best deal possible. This example shows an offering of 0% savings (just convenience) vs. a 5% savings (convenience and a better deal).

In this case, adding a financial incentive raised the conversion rate by 104%.



→ SHORTCUT

Leverage Ordergroove's platform and customer success team to set up the right combination of enrollment incentives, going beyond simple \$ or % discounts to include gift with purchase, loyalty points, buy one get one free, and more.



LEAD WITH SUBSCRIPTIONS OVER TRANSACTIONS

Building relationships are more important than one-time buys.

Brands need to show consumers that they're committed to becoming their default supplier. Far too many, however, aren't showing that they're committed to entering into a lasting relationship with buyers.

PRO TIP
6

SET YOUR DEFAULT CHECKOUT OPTION TO "SUBSCRIBE" VS. "ONE TIME ONLY."

One of our clients, illy Caffè, wisely implemented this strategy in promoting their coffee subscription program. The simple move increased conversion rates by as much as 195%. Remember, you're not trying to trick customers into subscribing. You're trying to convince them that a subscription is far more valuable than a one-time purchase. When customers understand that subscription is their first (and best) option, we usually see that any conversion drop off is completely outweighed by the number of enrolled new subscribers and their ongoing purchase activities. We've seen this work well in beauty as well as health and wellness.

195% increase
in conversion
rates by making
subscription
enrollment your
default option.

A

Deliver one time only

illy a casa:
20% off + Free Shipping

Deliver every: 4 weeks

Add to Cart

B

Deliver one time only

illy a casa:
20% off + Free Shipping

Deliver every: 4 weeks

Add to Cart

GUIDE CONSUMERS TOWARD THE BEST SUBSCRIPTION OPTIONS FOR THEM

Customers want you to curate and guide them toward the best purchasing decisions. How often will they actually consume your product? You can lower the friction in their shopping experience by answering this simple customer question, "Am I confidently able to choose the best product, for the best value, and delivered to me in the right frequency?"

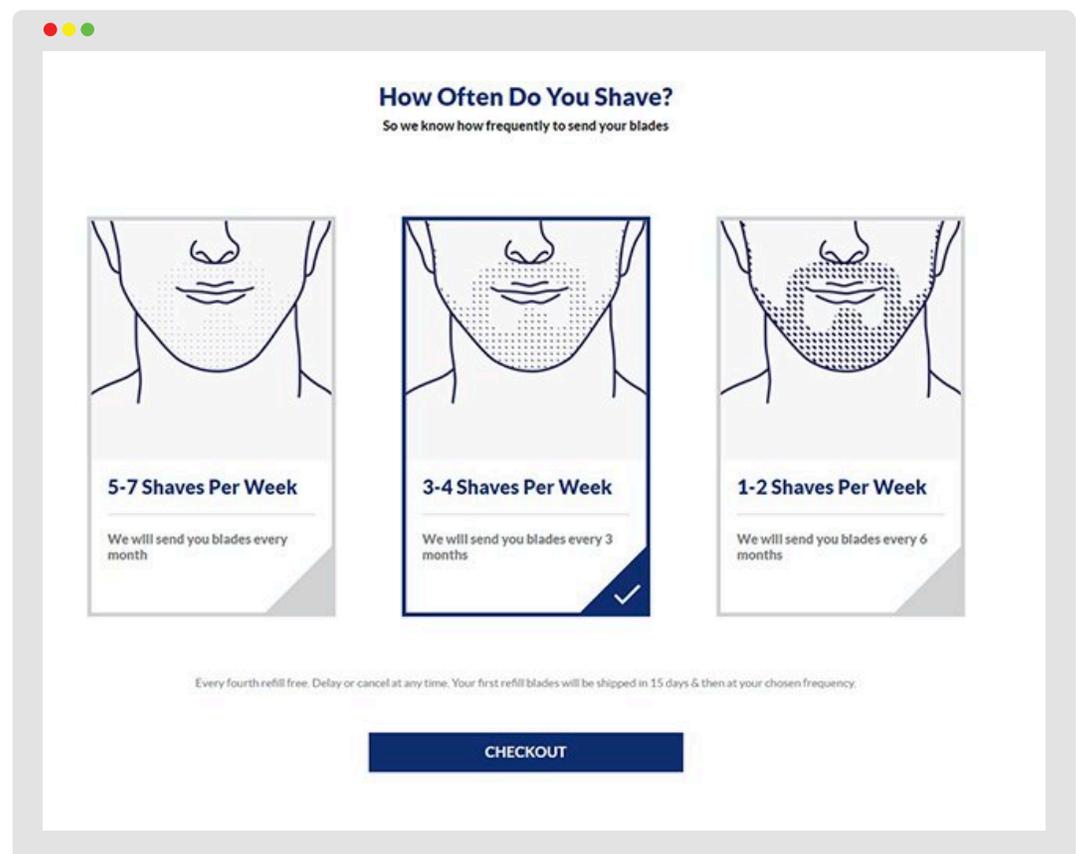
Retailers often show their customers far too many options for them to make good subscription decisions on. Or they may unintentionally lead consumers toward options that leave money on the table or running out of product before their next delivery.

PRO TIP
7

SHOW YOUR CUSTOMER SIMPLE VISUAL GUIDES TO HELP THEM ENVISION HOW BEST TO CONSUME THEIR SUBSCRIPTION ORDER.

Start by asking a few questions to help improve the experience and flow that ultimately creates a more personalized package offering and subscription regimen. We've seen this work really well for our clients in verticals as different as coffee and grooming.

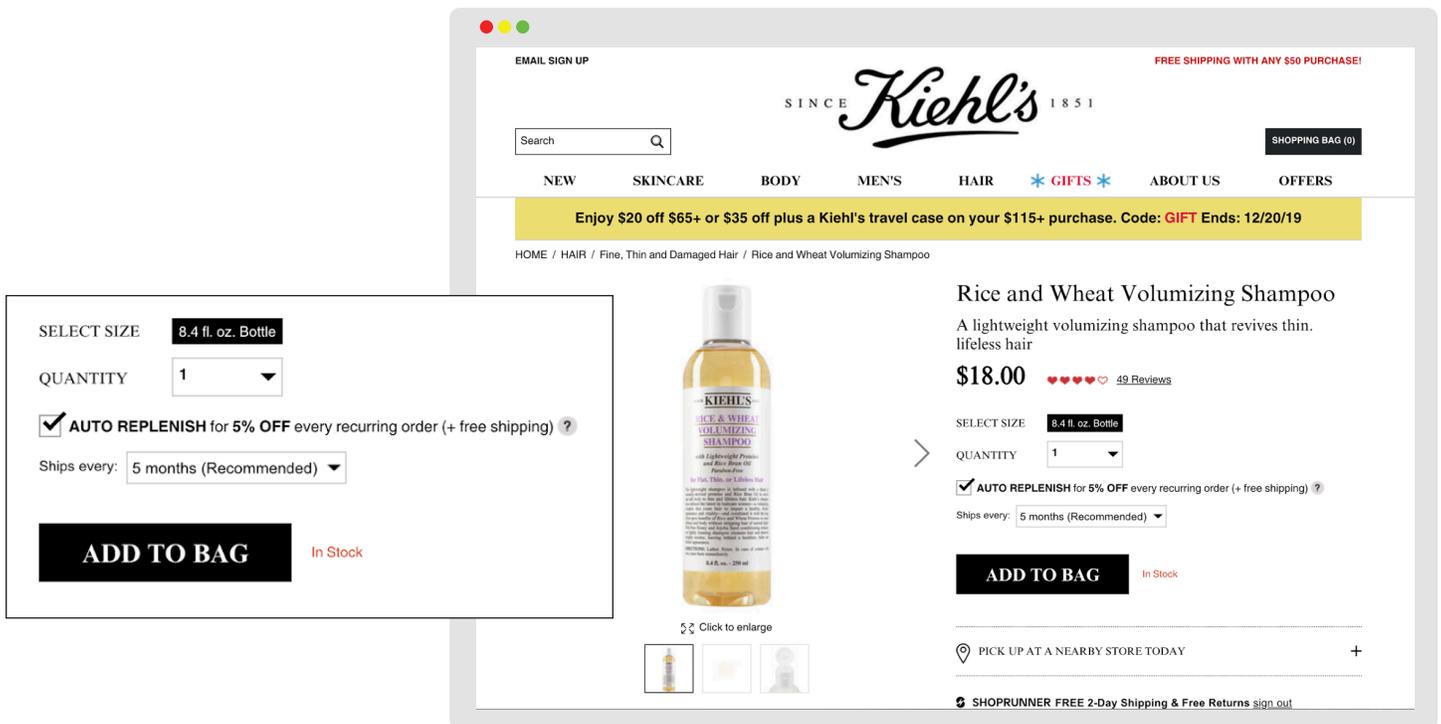
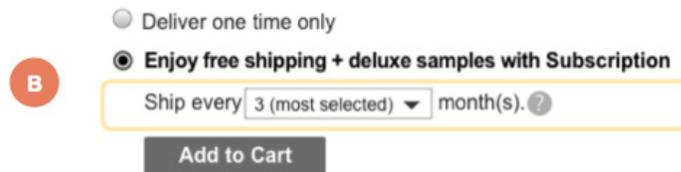
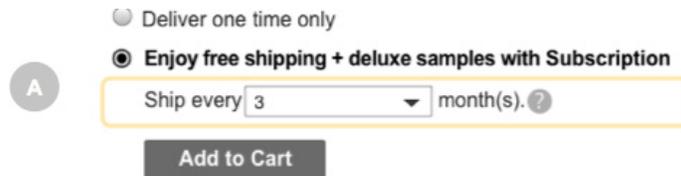
Integrate a guide selection process to drive your customers' confidence in their choice.



INDICATE THE MOST POPULAR SUBSCRIPTION OPTION.

Guide selling can also go beyond personalization. In most instances, new customers prefer to see how other customers buy the same subscription product. Showing them popular options makes the buying experience easier for the new customer, ultimately building more credibility and trust in the purchase decision.

When one of our beauty products clients added the subscription option that was the "Most Selected" frequency by other customers, they improved conversion rates by 22% within three months! This simple data point gave their new customers immediate peace of mind.



IF YOU OFFER A WIDE SELECTION OF PRODUCTS, CURATE "EXPERT" ASSORTMENTS TO MAKE IT EASIER FOR CUSTOMERS TO TRY NEW THINGS.

Discovery is often the most desirable way for people to consume new products and find new favorites they'll eventually subscribe to receive. Sometimes, consumers need an expert opinion to sway them in the right direction.

Create assortments that make it easier to choose from a wide selection.



→ SHORTCUT

Ordergroove's platform offers extensive APIs to integrate expert curation, guided selling, and other custom experiences into the subscription process. We have worked with hundreds of agencies, SI's and internal teams to make each subscription experience unique to your brand.

TLDR (TO SHARE WITH YOUR TEAM)

Do you need to convince others in your organization to invest more time and resources in ramping up your recurring revenue strategy? Here's a summary of this guide that we hope will help!

1 The time to yield more from your subscription business is now. The subscription eCommerce market has grown into a \$12-15 billion industry, and Ordergroove's clients have seen a 60%+ increase in incremental customer spend within six months.

2 Simply offering a subscription option isn't enough. Try experimenting more by:

- Boldly promoting your subscription service. Your customers may not know your subscription programs even exist. Educate them and make it more obvious!
- Make subscribing as easy as possible. Your customers currently take too many steps to enroll in your product subscription. Add it to the shopping cart to make it more seamless!
- Building trust by giving consumers control ... and deals. Customers are fearful of surprise charges or annoyances in managing subscriptions. Earning their trust is crucial.
- Leading with subscriptions over transactions. Building relationships are more important than one-time buys.
- Guiding consumers toward the best subscription options for them.

**P.S. Stay Tuned for our Next Ebook -
5 Ways to Turning your Newly Acquired Subscribers
into Lifetime Customers and Advocates.**

Would you like more ProTips or go even deeper into the examples we've shared? Listen to our webinar [here](#) or [speak with the Ordergroove team](#) to hear how we can help.

About Ordergroove

Our patented technology allows direct to consumer and retail businesses to enable Relationship Commerce – shifting away from "one-and-done" shopping cart transactions to more automated subscription, predictive reorder and membership experiences.

