

# THE RISE OF BOXED Subscription Services

There remains relative unease with the retail process amid the necessity to physically distance and remain personally safe. At the same time, retail is gaining traction, but is still having to get creative in their sales strategies. For several years now, the U.S. consumer market has been familiar with boxed subscription services with offerings from clothes to dog toys, and fitness equipment to food. These curated selections of products are highly sought after. This market has grown by more than 100 percent per year since 2016<sup>[1]</sup>. This year, that trend continues, and more companies are beginning to enter this space.



**Consumers love subscription services because it is a curated selection of product, packaged in a way to feel personalized. You too have the power to deliver that unique emotion and capitalize on another stream of revenue.**

Amazon and Walmart are two major retailers that aligned their eCommerce model to allow for product expansion. Each of these entities are looking to pre-package top goods for regular, subscription-type distribution.

But this idea is not limited to major retailers and, as we have seen, is certainly not limited to specific product categories. Boxed kits are familiar to many industry distributors as a vehicle of one-time delivery of pre-packaged goods. Our industry has seen a rise in this concept with the emergence and necessity of back-to-school safety kits, office safety kits, and work-from-home accessory kits, to name a few.

The reason why kits are so lucrative for many of these companies is because of the recurring revenue model that this process supports. The products and acquisition process are not a deviation from what already exists, in any case. The only segmented difference comes from fulfillment.

## Why Are Kits So Popular?

Boxed subscription services are at the height of popularity despite the ongoing pandemic and associated economic strain. According to Street Bees, there are four main reasons that consumers love these services. The first is convenience. With more American's living increasingly busy lives, it is nice to not have to think about product or take time out to shop. Next, consumers love new things. One of the great delights of the subscription service, for



most, is that the products are not ones they would normally purchase. Either the individual cost of the product is too much for them to spend, and when acquired in this way they become more affordable, or the product is not one they would ever purchase individually. This is not only advantageous for the consumer, but also for the supplier. The next reason for boxed service popularity is the opportunity to be introduced to new things. This is often seen in food service subscriptions which allow for people to comfortably learn new foods, encouraging them to buy more of that food in the future. Finally, more than half of those who subscribe to these services do so for value. Subscriptions allow for the consumer to spend less per product because of the process of acquisition. This is also a factor in why these services continue to grow even despite the present economic downturn. Measurable value is critically important to the modern consumer.

### **Opportunity**

You have the ability and opportunity to embrace this trend in a unique and lucrative way. Something that cannot easily be explained is the pure joy that people have with the delivery of these products. Not only did it save them time and money, but the products were curated specifically for them. So, when someone opens one of these boxes, they receive the same sense as opening

a birthday present, even if they may have paid for it themselves.

We already know that promotional marketing brings a unique sense of joy to those it affects. Often, we hear that this is the only form of marketing that people say “thank you” for. Now, you just have to put all of these elements together.

### **How to Get Started**

First, you need to establish how you are going to provide this service and why. Are you going to create neutrally branded products that associate with present trends, and if so, how often do you want to release the products? Also, are you going to kit these boxes yourself, or are you going to utilize a supplier partner like The Chest or Promo PSI?

You have the knowledge to plan this service effectively for your clients. The cornerstone of our industry is that we try to not deliver products unaccompanied, but rather we help build marketing solutions through a series of associated products.

Successful boxed services have a minimum of three products included in each package. They are designed to fulfill a universal need, similar to how a traditional promo campaign is intended.

### **AIM's Group Buy Program**

In designing a curated solution that has mass appeal, it can be difficult to determine what products will be the best result, especially when combined. AIM's Group Buy program serves two equally important purposes: providing the highest demanded products at exclusive reduced rates and providing unique solution-centric products based on market demand. With this program, the boxing service not only becomes more profitable, but also less time consuming.

The Group Buy program is continually expanding its products and includes various AIM suppliers. The method of acquisition also becomes less taxing as AIM staff act as mediators of the process and are able to assist throughout the order.

### **AIM's MerchBox Program**

The MerchBox program at AIM is one of the most valuable resources for AIM members. The program allows you to purchase any number of prefabricated boxes equipped with trendy and high-demand product selection with universal application and uniquely tailored messaging. This can serve two purposes. The first is that the MerchBox can be a new profit center for your business. In addition, much as the value of boxed subscription services, this can give your clients ideas about new product offerings that you can then acquire through the AIM network.

The necessity of a box program is the value added for both you and your clients, and the products are exactly the same as your regular offering. What changes is the emotion based on value. Consumers love subscription services because it is a curated selection of product, packaged in a way to feel personalized. You too have the power to deliver that unique emotion and capitalize on another stream of revenue.

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