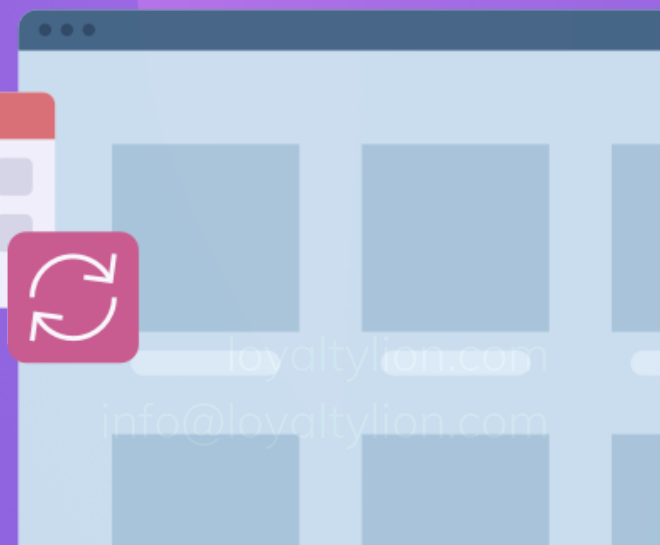


How to use your loyalty program to boost your subscription business



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Securing customer loyalty for your subscription business

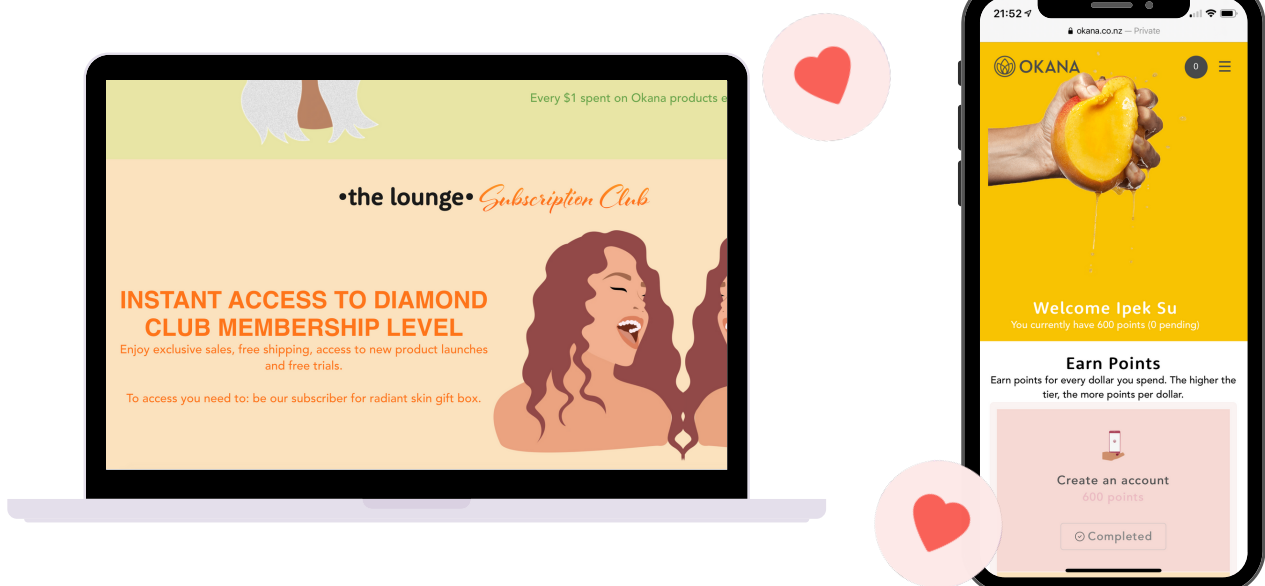
Consumer preferences are trending more and more toward hassle-free shopping experiences and instant gratification. Brands with subscription models are uniquely positioned to deliver on these preferences, and over the past five years, the subscription ecommerce market has grown by more than 100% a year.

A decade ago, less than 1% of online shoppers had a single subscription. Today that number is over 15%. So with these numbers, why is it so important to focus on retaining your subscribers? Nearly 40% of subscribers cancel within six months. They aren't afraid of cancelling their subscriptions and switching to a different brand.

If you can keep your subscribers signed up you will have a more reliable source of income. You'll also be better able to predict revenue, manage your inventory and scale your business faster.

Using LoyaltyLion's integration with ReCharge, you can provide exclusive benefits that will show your customers it's worth staying subscribed to your brand.

Build and obtain a thriving subscriber base in three steps.



1. Create a subscriber tier to extend the VIP feeling

To encourage customers to become long-term subscribers, create a special tier offering exclusive benefits. For instance, when someone signs up, you can offer a discount on selected products or the entire catalog.

In addition to this, we suggest including exclusive subscriber benefits such as:

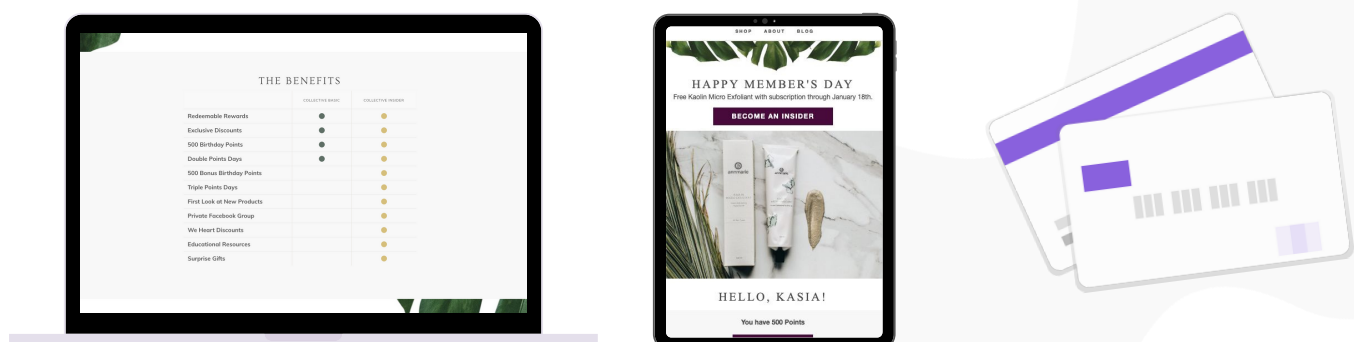
- ☐ Free or discounted shipping
- ☐ Special occasion benefits (birthdays, subscriber anniversary, etc.)
- ☐ Exclusive access or early access to sales, member-only products, or events
- ☐ Ability to jump the queue
- ☐ Free trial or bonus/exclusive items with purchases
- ☐ Free products

These perks will help you to turn regular shoppers into loyal subscribers and retain them for longer.

Success story

Annmari, an organic skincare brand, created a tiered loyalty program structure with a subscriber tier. Using LoyaltyLion's integration with ReCharge, Annmarie enables customers to subscribe to any product within the store. To motivate their customers to become subscribers, they offer triple points days, first look at new products, educational resources, surprise gifts, and access to a private Facebook group. As a result, Annmarie's team not only extended the VIP feeling but also built a united community through their subscriber tier.

Today they're generating 62% of their revenue from their loyal customers.



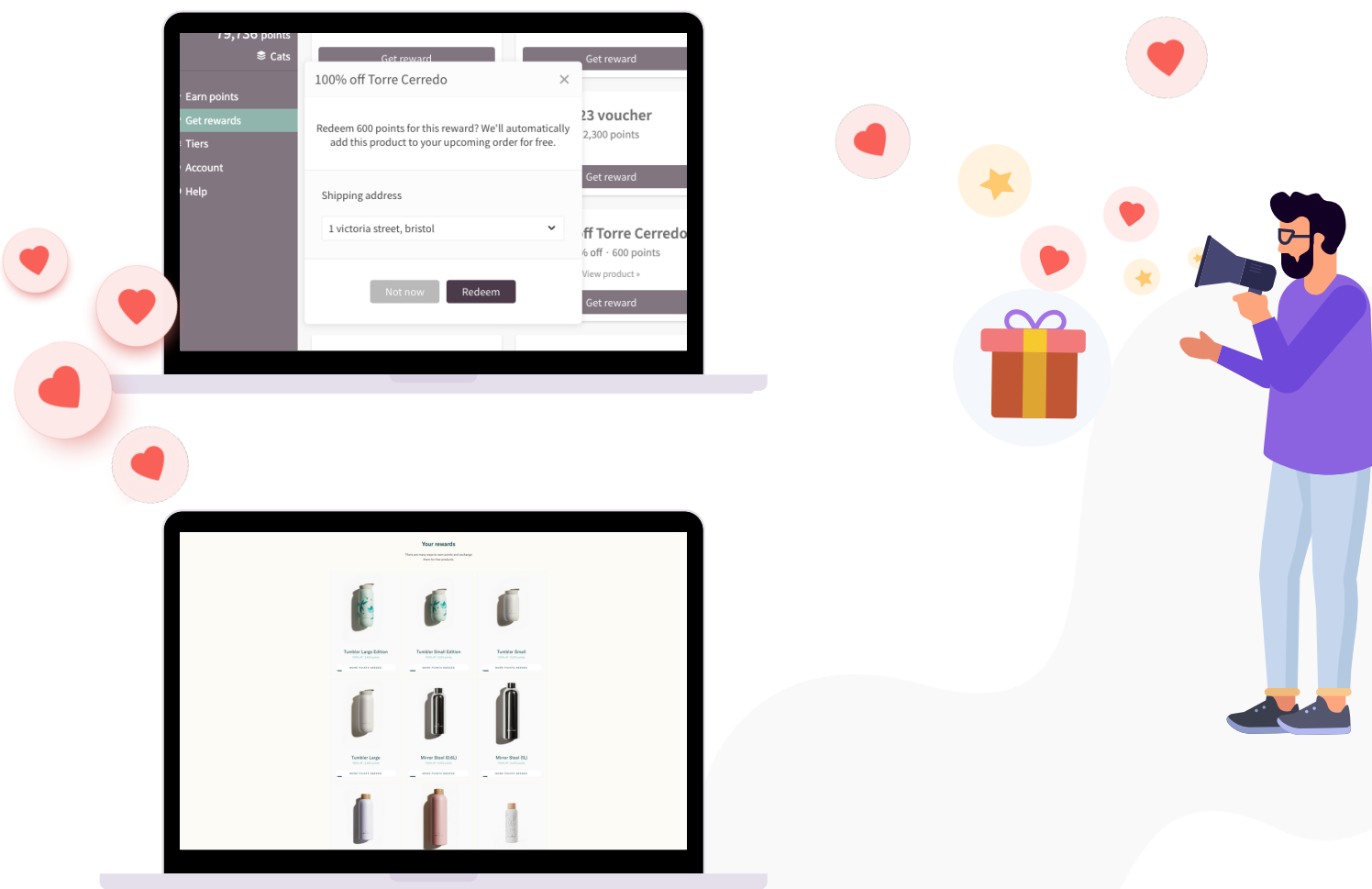
2. Retain subscribers for longer

Encouraging customers to become subscribers isn't enough, as customers can easily switch subscriptions. [More than one-third of consumers cancel their subscription in less than three months.](#)

To secure your subscriber base, you need to prove it's worth staying with your brand. You can achieve this by using recurring rewards. For instance, when someone signs up, you can apply a discount to the next three (or any number) of fulfilled orders.

You can also surprise and delight subscribers by offering them gifts. Using [LoyaltyLion's free product rewards functionality](#), you can treat them a free product in exchange for points. Free product rewards create the same feeling as receiving a gift and can encourage customers to keep their subscriptions active for longer in anticipation of the next surprise.

This will help you to develop stronger relationships with your customers.



3. Turn subscribers into brand advocates

83% of consumers are willing to refer a brand after a positive experience. Your subscribers are already committed to an ongoing relationship with you, so they're an invaluable source of referrals. Use your loyalty program to encourage subscribers to refer your store to a friend or family member.

We recommend using a two-sided incentive to encourage these referrals to take place successfully. For example,

- Offer subscribers extra points to make a referral
- Offer referred customers a discount on their first order

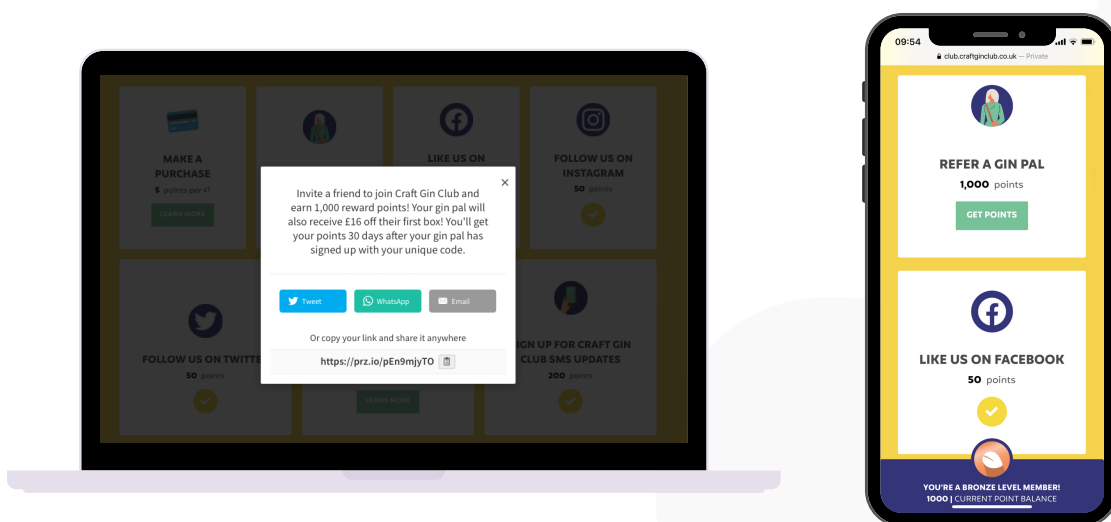
Referred customers have a 16% higher lifetime value than customers acquired by other means. So it's a win-win-win situation for all parties. You obtain customers with higher lifetime value, your subscribers earn points, and the referred friends get a discount.

As a result, you will drive additional revenue more cost-effectively.

Success story

The UK's biggest subscription club for gin lovers, Craft Gin Club put referral marketing at the center of their loyalty program. They offer a two-sided incentive to encourage referrals and drive cost-effective acquisition. Subscribers earn 1,000 reward points if they refer a friend, and the referred friend receives £16 off their first box.

Since launching this approach, Craft Gin Club have gained approximately 30,000 new subscribers.



Ready to power your subscriber growth and revenue

Talk to a loyalty expert

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