




7 core growth strategies

for subscription businesses.



**"i cannot buy that!
but i want to 
to that"**



- your future customer

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executive summary.

When can your business truly grow and scale? Growth starts first with having the right mindset. Then follows making yourself aware of industry trends and opportunities. And at last (but not least) comes equipping yourself with the right tools and strategies.

We are not trying to be philosophical when we talk about having the right mindset to grow. What we really mean is analysing your KPIs, assessing weaknesses and identifying needs.

Do you already have a rental business model, or are you looking forward to launching one soon? It doesn't matter which space you're in right now. What matters the most is that you and your business, like us, believe in the rising consumer trend of "access over ownership".

This means that you already have the mindset required to grow and scale.

But is there something missing? Yes, we've identified, through personal experience and industry research that there is still a gap that needs to be filled.

In this e-book we discuss needs of a subscription based business model with the aim to fulfil the gap with strategies for growth.

We hope towards the end of the e-book, you have an action plan that you can set in motion right away.

Scope

- The need for a CMS to provide a competitive customer experience.
- Bridging the knowledge gap through industry and product awareness.
- Reevaluating and redefining customer base.
- reducing churn rate by revisiting important questions.
- Measuring the relevant KPIs for a subscription business.
- Identifying the right competition.
- Embracing automation to scale.

- Scaling a rental business
- Revenue increase
- Solution for rental businesses with physical products
- Strategies to scale and grow

humble beginning.



humble beginning.

our beginning.

We also have a start-up story.

One of circuly's co-founders had a rental business for a physical product.

But there was a problem.

Despite the fact that the subscription/rental industry had huge market potential, scaling the rental business for a physical product and earning more revenue was next to impossible because of the lack of a technology-driven software solution.

Sadly, there was no solution out there that could simply deal with the hassles of a rental business for physical products.

But then, an idea was born!

our purpose.

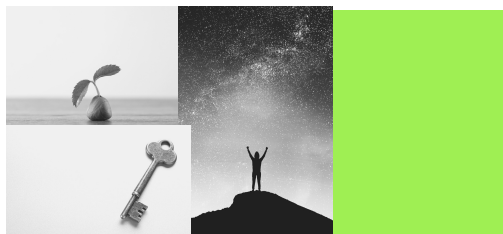
We care about providing a technology-driven solution to companies with a rental business for physical products.

With our subscription management software, we enable and empower subscription-based rental companies to scale and become more circular.

We care about sustainability in e-commerce. We know that e-commerce will be the future and we want to make e-commerce more circular for the sake of our planet and also our customers.

our solution.

An all-in-one subscription management software solution.



growth numbers.



growth strategies.

what is a growth strategy?

Simply put, a growth strategy is an action plan to achieve a higher level of market share than you currently have. But you probably know that because that's what you want to do and that's why you are here.

Your business would be better off if you think about your growth strategy from a short-term and a long-term perspective. If you only want short-term success, you'd want a growth strategy every quarter.

Plus, if that's the case, you'll soon be out of growth strategies because no matter how impossible it sounds, the internet will run out of helpful content. So the first thing you probably want to do is to get the right mindset.



what is the right mindset?

Well, first feel proud of yourself for what you're doing. If we have even a slight bit of trust in statistics and random reports spread across the internet, we can assume that e-commerce is the business to be in for the foreseeable future. That combined with the growth of the subscription economy is the Holy Grail.

Before we get into the growth strategies let's take a look at some numbers and the mindset that will get us there.

let's start with a simple question.



Are you running an e-commerce business?

or

Are you running a subscription-based e-commerce business?

(Choose wisely as the life of your business depends on it)

the right mindset.

You are running a subscription-based e-commerce business. A subscription-based e-commerce business is NOT a regular e-commerce business.

It's far from it.

Therefore the needs of a subscription-based e-commerce business are also different.

Regular e-commerce solutions out there are not made for rental businesses. An e-commerce business is pretty straight forward. A prospective customer land on the website, sees the product catalogue, adds the product to the cart and check-out. Since most e-commerce websites rely on CMS an automated invoice is sent and that's the end of it. Now it's upto the marketing team to stay relevant and build customer relationship.

But for a rental business the real tasks starts AFTER a customer has rented a product. Some questions that your rental business should consider answering are:

- Q1: How will you track you products?
- Q2: How will you send payment updates?
- Q3: How will you send monthly invoices?
- Q4: When there is a payment failure will you manually send an update to your customer?
- Q5: What will you do when a product comes back in stock again?
- Q6: How do you know which products require repairing?

how?

Renting a physical product involves.....



product tracking.

Requires lifetime product tracking throughout all stages of the product.



monthly billing.

Sending monthly bills and payment updates to the customer.



return handling.

Requires dealing with timely product returns.



inventory tracking.

Requires having an overview of the inventory and planning when the product comes back in stock.



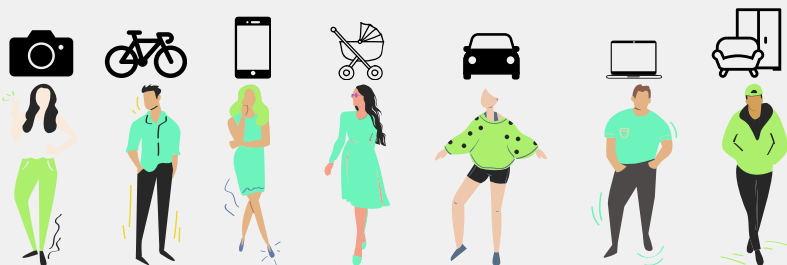
product repairs.

Knowing when products need to be repaired and how to deal with them.



The backend of a subscription-based product looks different but the frontend is expected to be the same as e-commerce.

renting should be as easy as buying.



Customers want the renting/subscribing experience to be the same as the buying experience.



losing the battle.

If your checkout experience makes the customers wait, you've lost the battle.

Customers want to subscribe to your product. But they don't want to wait long to do that. If the checkout experience on your website is slow, sloppy and makes the customer fill out a form to rent your product, we're sorry to break it to you, but you've lost the battle.

growth in numbers.

Is the e-commerce market big? it's not! It's **HUMONGOUS**

Want a quick validation?

Open your Instagram  and take a look at some of the business coach accounts. they are filled with inspirational stories of young millennials **MAKING IT BIG** through simple e-commerce.

And that's just e-commerce. There's a whole other market out there just for subscription and rental businesses.



Here are the growth figures for the e-commerce industry.

growth numbers.

e-commerce

\$4.28 trillion

retail e-commerce sales
worldwide as of 2020

[source](#)

\$6.38 trillion

projected e-commerce sales
worldwide by 2024

growth in numbers.

But as we've been highlighting so far, yours is a subscription-based e-commerce business. Therefore let's look at the stats for the subscription economy.

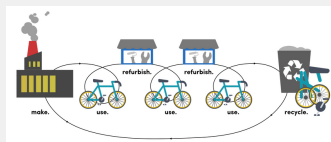
growth numbers.

subscription economy

\$335 billion projected growth by 2025
\$15 billion in 2014

industry example: automotive subscription services

\$40 billion 2026
\$3 billion 2019



[source](#)

growth strategies.

BRANDING

Cras a dignissim nibh. Donec dolor erat, tincidunt id ligula a, imperdiet interdum diam. In imperdiet ante ipsum, quis dignissim nisl molestie vel. Cum sociis natoque penatibus et magnis dis parturient montes, nascetur ridiculus mus. Phasellus tempus nunc et suscipit dapibus.

ACCOUNTING

Mauris portitor mauris id massa lobortis, et finibus neque sollicitudin. Vivamus fermentum, nulla at feugiat commodo, enim turpis eleifend metus, in aliquam tellus risus vitae purus.

BUSINESS STRATEGY

PRODUCT DEVELOPMENT

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Ut pulvinar dapibus eros, eget viverra orci gravida in.

PLAN

Vivamus fermentum, nulla at feugiat commodo.

MARKETING

Integer aliquet lorem sed eros, tempor facilisis. Aliquam eu mi vitae sem sollicitudin hendrerit. Aenean a ullamcorper enim.



#1: get a CMS.

Let's do a quick reality check: would you rent a product from your own website if it takes twice (sometimes even four times) as long?

Why do buyers go to Amazon? Because it's quick (among other reasons).

A content Management System is a must-have requirement.



Even though your customers don't care which one you use, they do want a seamless experience and that is practically impossible without a content management system.

Remember: customers crave and want experiences

would you want



chaotic excel sheet.

To track your product journey and return.



calendar reminders.

To send payment reminders to your customers.



manual email.

To send invoices, bills and updates to your customers.



bad experience.

That your customers experience everytime they wish to rent something from you.

would you rather



fast & seamless

Provide a great online customer experience.

ditch the excel sheet.

It's time to end this relationship.

get a CMS.

It will make your life a lot easier.

get a subscription management software.

You need automation to scale and earn more revenue. Period.



Read [this blog](#) to find out which CMS can work for you.

#2: educate & inform

If you leave the recurring processes like billing, invoice, emailing, tracking and communication to a software, you can concentrate on tasks that require manual focus and attention.

And that is spreading awareness that you (your brand, company and service) exist.

A study conducted by PwC found that 47% of those surveyed change their mind after a short sales talk - indicating a lack of awareness about rental models and their advantages.



A attention
I interest
D desire
A action



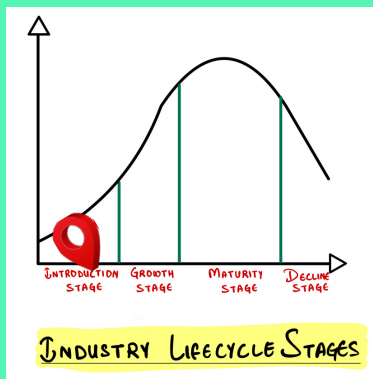
Spread awareness about your service and industry

we are in the growth stage.

You'd be surprised to know that even today your potential customer doesn't know that it's possible to rent product 'XYZ'. And they will continue to be in this lack of awareness stage if you don't tell them that you exist. Can you possibly name all the products that can be rented today?

Probably not

Your potential customer is even less aware.

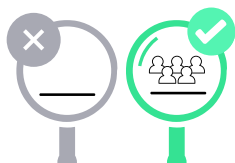


#2: educate & inform

But what does it mean to educate your customer? Are we talking about running an awareness ad campaign on social media?

Well yes and no!

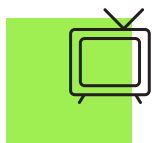
Based on whatever it is that you offer as a service for subscribing or renting, you need to figure out where your audience is and what channels do they use.



Pinterest is a social media channel mostly used by women. And if you offer a baby product like a stroller, you are probably missing out, if Pinterest is not a part of your marketing strategy.

look where the audience is.

Even if it means using traditional marketing communication channels like TV, radio and newspaper, do it. We know that the internet is filled with information regarding some of the best marketing communication channels and how to use them effectively, you still need to figure out what works best for you. Some customer target groups simply do not use a particular medium of communication. Therefore it might be the right call to sit with your marketing team and figure out things once and for all.



Additionally, remember that marketing is about spreading awareness and not for selling. Therefore it might be a good idea to differentiate between the responsibilities of your sales and marketing team.

#3: redefine your customer.

You probably know who your ideal customer is. You've placed this person at the centre and now all you care about is providing value to this person to retain and build an everlasting relationship. (your precious)



want and don't want.

Have you thought about what you don't want in a customer? or more importantly what kind of customer do you want to stay away from?

quality and some quantity.

Your future customers will look at your past and present customers to judge you and form an opinion about you. If you don't want an endless amount of bad press, reviews and comments, you have to think about who you don't want.

growth then.

sell more units.
increase price.
reduce cost.

growth now.

acquire new customers.
provide value.
hold on to these customers.

#4: reduce customer churn.

Customer churn rate is a term you should familiarise yourself with if you plan on being successful in the subscription business.

Simply put, it's what you begin with and what you end-up with over a specific duration of time.



reducing churn.

answer these hard questions for your business.

Should you "fire" some of your existing customers?

Should you not pursue some customer segments?

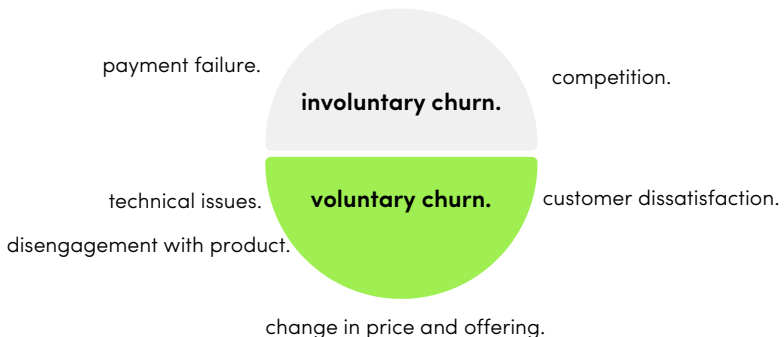
Is there a great amount of hostility among a particular target group?

Is there an information gap?

Do they not know what to do after they subscribe to your product service?

Do you need to redesign your service and offering in a different way?

Are there any regular operation failures such as payment failure, lack of customer support, tedious processes?

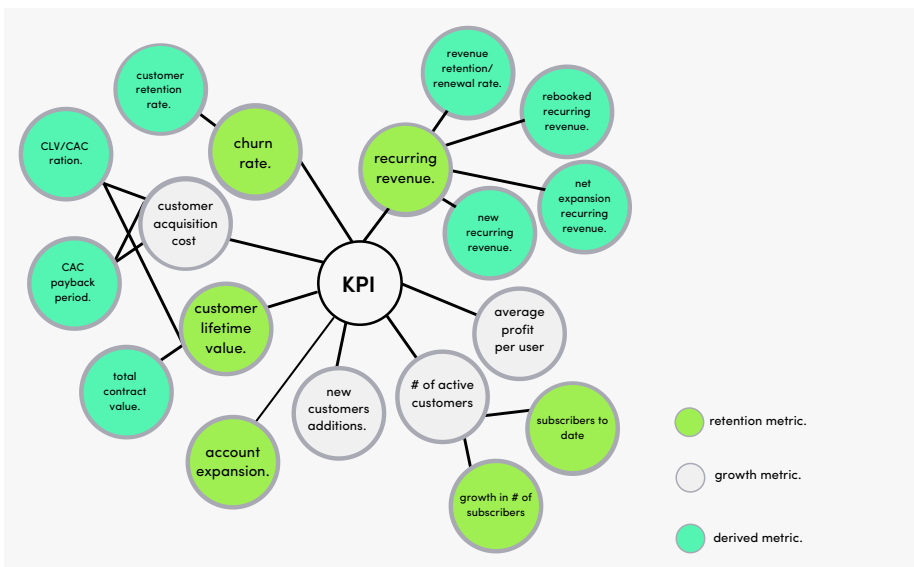


#5: focus on the relevant KPIs for growth.

While a normal e-commerce business measures things like average margin, sales, conversation rate and so on, the metrics that you need are based on retention of customers.



KPIs for measuring performance of subscription business.



top 4 KPIs to watch out for.

- 1 customer churn.
- 2 monthly recurring revenue.
- 3 customer lifetime value.
- 4 customer acquisition cost

#6: know your "true" competition.

Who is your business competing against? Is it other rental businesses offering the same or similar service as you? Or is it other e-commerce businesses selling a similar/same product instead of offering it as a rental/subscription?

Majority of your potential customers out there still need to warm up to the idea of renting/subscribing instead of buying.

Customers buy instead of renting because it's convenient. The process of buying is easier, faster and much more convenient in the eyes of the customer.

fast.

easy.

convenient.



Therefore when you think about having a competitive advantage, you're offering needs to be packaged at par with e-commerce websites.

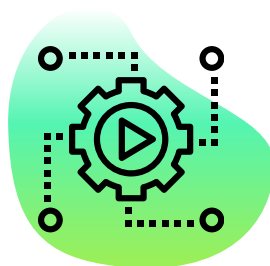
Don't make your customers sign-up in a form and wait to get a quote from you to rent or subscribe to your product.

One thing that you can learn from your competing e-commerce counterpart is the experience that they create for their customer.

And that is the bare minimum your business has to match because for rental e-commerce, customer experience doesn't stop when the customer receives their product. It actually begins there and ends when the subscription ends and the product is returned to you.

#7: automate.

You are playing a losing game if you are keeping yourself occupied with sending invoices and bills, setting reminders in your calendar, tracking your product in an excel sheet,



you need.

- ➔ An automated recurring payment and billing system.
- ➔ Self-administration by the end customer
- ➔ Product tracking
- ➔ All KPIs in one place
- ➔ Automated customer communication
- ➔ Return handling
- ➔ Product history tracking

embrace automation.

When you automate your operational tasks, you can focus on more important tasks such as capturing more market share, product and service innovation, customer satisfaction and customer value.



summary.



summary.

Your rental business is not an e-commerce business. Therefore it's needs are also different .

E-commerce is on the rise. There is no denying that.

There are new market entrants BY THE DAY making e-commerce a very mature market.

What can you do to have a competitive advantage? Well, it's all about customer experience. E-commerce platforms that build the best experience for their customers, perform better.

But as we've discussed above, your business is not just an e-commerce business. It's a subscription or rental based e-commerce business. And you need much more to not only match your competition but to build a solid customer base.

When you think about growing, what comes to your mind? You probably think about ramping up your marketing activities, analysing your current state of affairs, getting all hands on deck and coming up with innovative and creative solutions.

Sounds like a decent approach. But that's not what's stopping you from scaling and increasing your revenue.

It's your operations. And by operations, we mean dealing with tasks that a regular e-commerce doesn't have to.

The journey of your rental business begins where the journey of an e-commerce business ends.

Scaling and earning more revenue for a rental business involves managing its post rental processes, creating an outstanding customer experience, measuring the right and relevant KPIs and above all automating the processes and ditching that excel sheet.

The end of ownership.



the operating system for circular
rental models in e-commerce

www.circuly.io

come find us.



read more.

