

CONSULTING

L & D SOCIETY

*a University of Texas at Dallas
student organization*

XI

Business Case Presentation



Agenda

 Introduction to the team What is a subscription Box? Categories Consumer Personas Top Choices SWOT & Hook Model Next Steps

University of Texas at Dallas

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What is a Subscription Box?

Subscription boxes are recurring and physical deliveries of products which are packaged with the aim of offering consumers additional value and a unique experience, added to the actual product contained within each box.



Why are subscription boxes so popular (and profitable)?



Targeting &
personalization



Curiosity



Value &
convenience



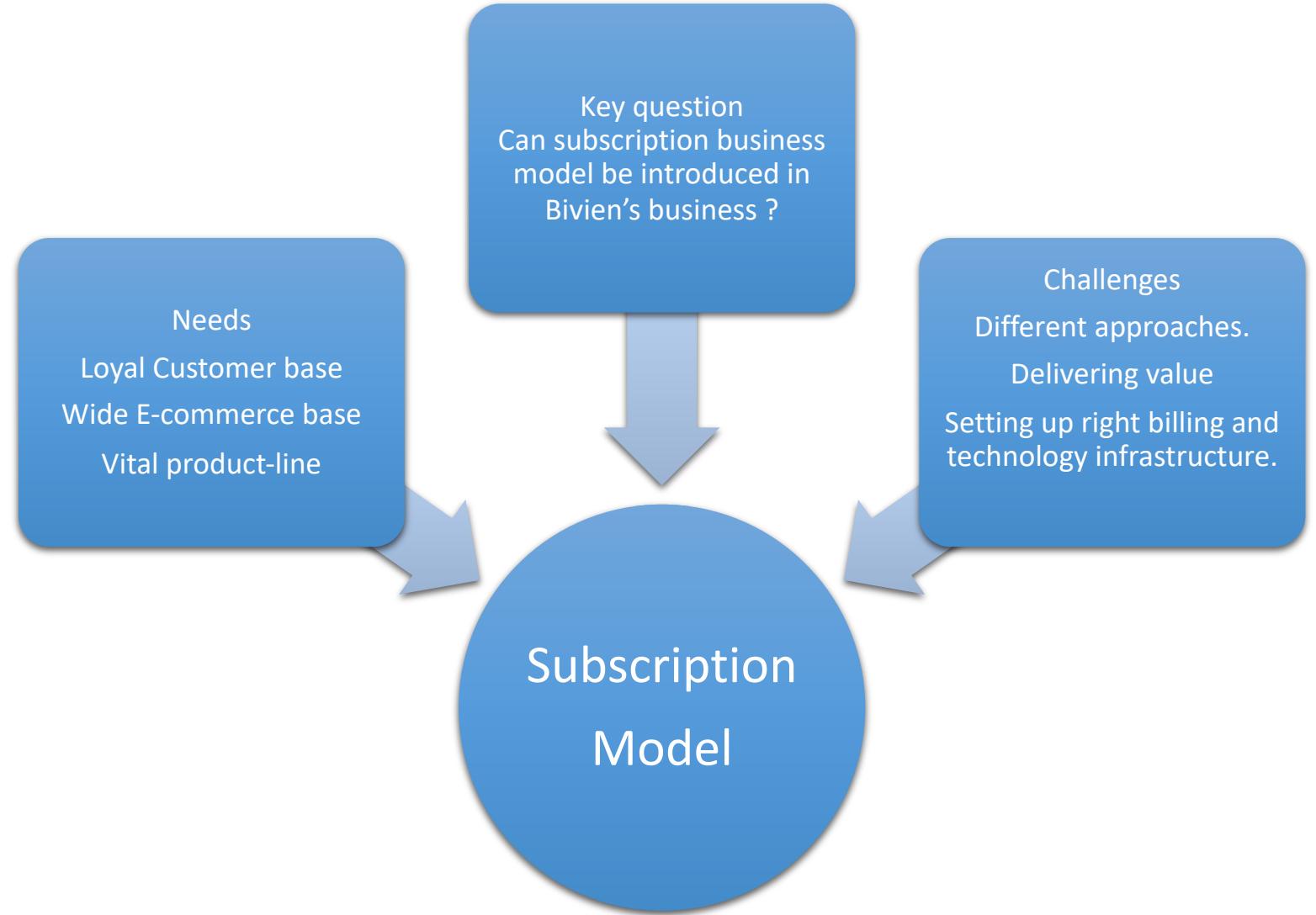
Delight

E-commerce subscriptions generally fall into one of three categories.

E-commerce subscriptions, %	Key consumer value	Description	Example companies
Subscribe for replenishment 32	Save time and money	Replenish the same or similar items Primary categories are commodity items such as razors, vitamins	Amazon Subscribe & Save, Dollar Shave Club, and Ritual
Subscribe for curation 55	Be surprised by product variety	Receive a curated selection of different items, with varying levels of consumer decision making required Primary categories are apparel, food, beauty products	Birchbox, Blue Apron, and Stitch Fix
Subscribe for access 13	Gain exclusive access	Membership provides access and can convey additional “VIP” perks Primary categories are apparel, food	JustFab, NatureBox, and Thrive Market
100%			

Categories

Key Insights



Advantage to Bivien by switching to subscription box model

1. Preview Products

- One of the benefits of subscription boxes to consumers is the ability to try new products before buying them. Consumers are often leery of purchasing products new to a market, especially from a non-household name. Adding new items into these boxes is a great way for the consumer to test their skepticism without paying full retail prices.

2. Opportunities for Consumer Feedback

- Company working with subscription box services benefit with valuable consumer feedback and exposure. Consumers tend to leave reviews about the items in their subscription boxes. Company can use this information to market their product, make changes and respond to consumers
- Manufacturers and/or distributors may ask to use your compelling review or testimonial on its website as they come across reviews online.

3. Exposure

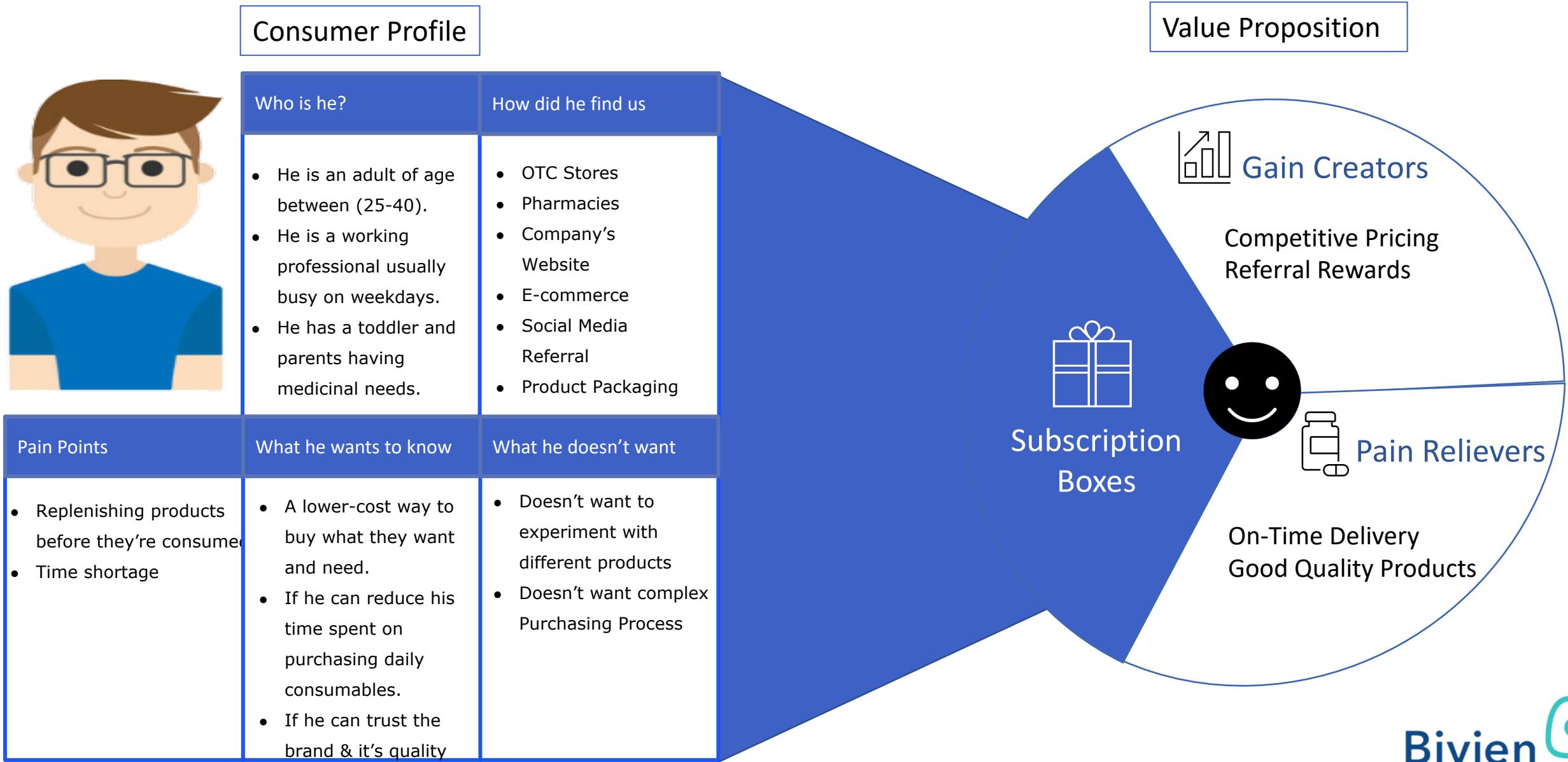
- Manufacturers participating with subscription box services gain exposure on social media and to thousands of consumers receiving the boxes.
- Another benefit is that the audience is already specific to the subscription industry type, so the products are reaching consumers that would be interested in the product.

4. Moving Products Faster

- The cost of subscription boxes, is affordable. Company buys product in bulk from suppliers in discounted rate. Then pass along those savings to the consumer. However even the suppliers benefit here as their items are sold faster.

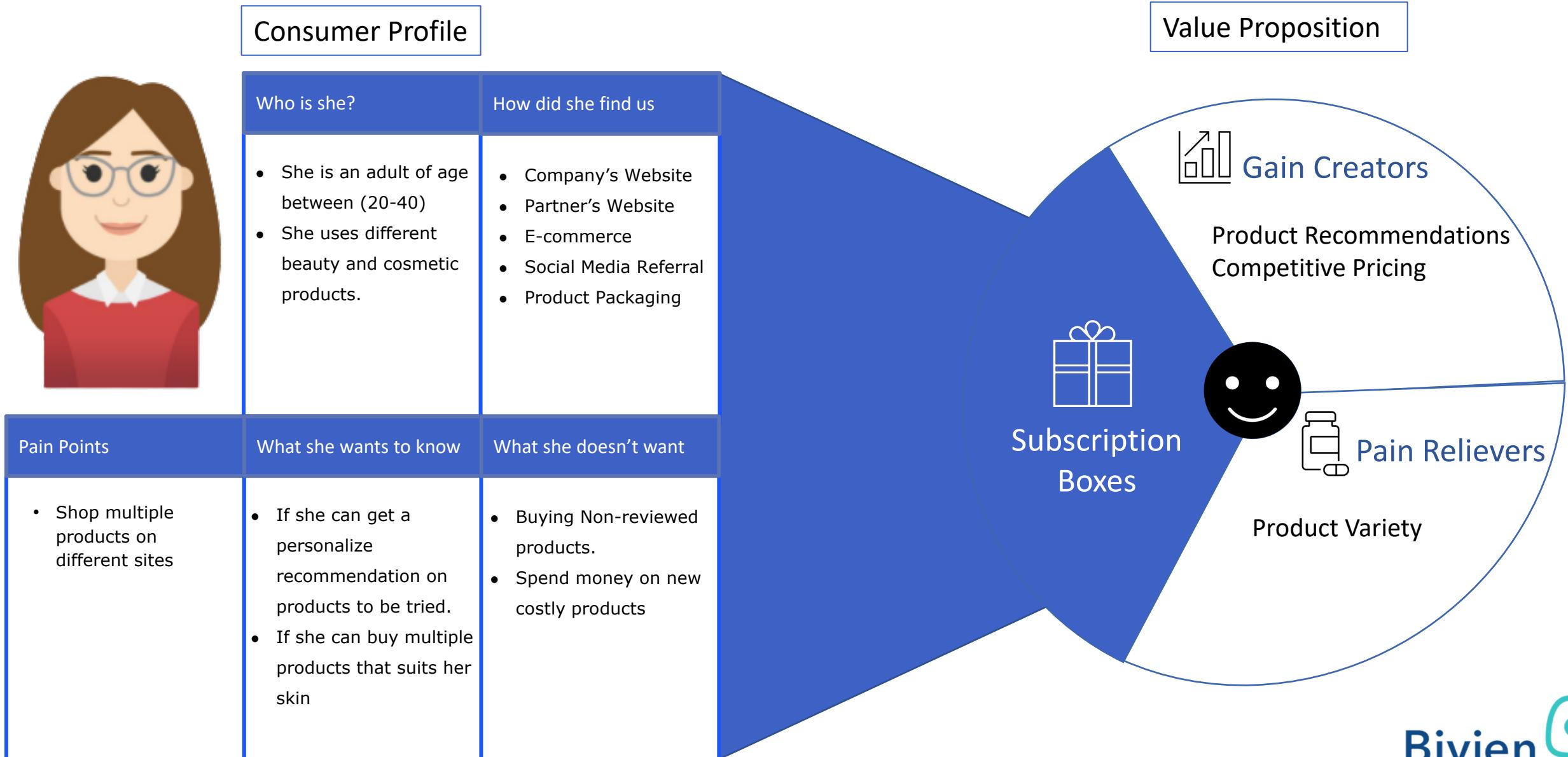
Consumer Personas

*Subscribe to Refill customer



Consumer Personas

*Subscribe for curation customer



Top Choices



Kids and Baby Care

1. Shopping may be one of the last things you have time for in those initial months of baby's life.
2. Babies grow faster, and you are always looking for new
3. Subscribe for replenishment option is best suited here



Beauty and Grooming

1. Gone are those days when samples were something you received for free in magazines, or as a gift with purchase
2. Beauty Boxes subscription allows the customer to receive new product to try and explore
3. Subscribe for curation model is best suited here



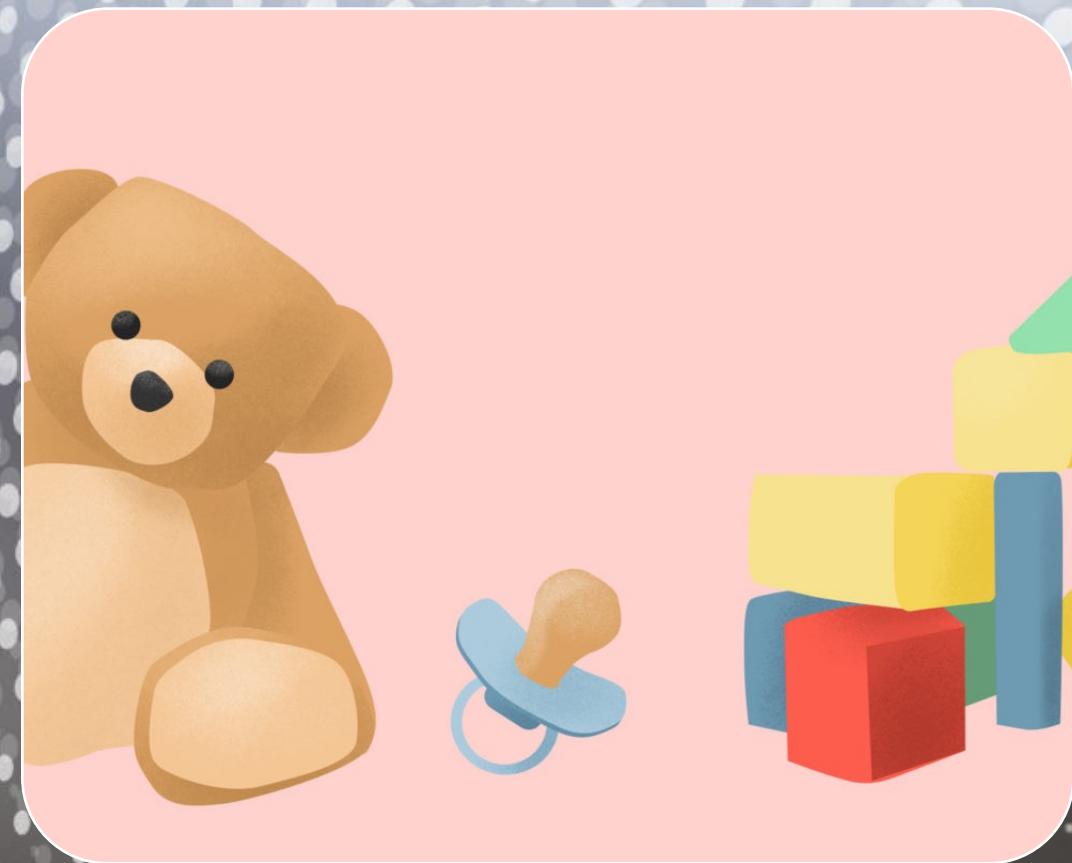
Health and Lifestyle

1. Wellness subscription boxes are like care pack month after month, and they can also be the best kind of gift you can give yourself.
2. A monthly reminder that you love yourself could be the first step in achieving all your health and wellness goals.
3. Subscribe for curation model is best suited here

Kid and Baby care

The Latin America Baby Care market is expected to grow at 4.89% CAGR by 2027.

The increase in the birth rates across the developing countries and rising awareness about child's hygiene are the two major factors boosting the growth of the market during the forecast period.



1. Partnering

Partnering with babytopia.co for subscription box model

2. Offering

Creating a separate section in Babytopia website for subscription boxes.

Allow customers to create a box based on gender, age group, price range.

The subscription would be on a weekly, monthly or quarterly basis.

3. Capabilities

Partnering with babytopia.co will in fetch us their customers and we will be able to introduce our brand to those customer and gain their loyalty which will indirectly make Belleza an household name.



Beauty and Grooming

The global beauty products market is growing by CAGR of 4.5%

LAMEA is expected to be the highest revenue generator of skincare products by 2023 beating Asia-Pacific



1. Partnering

Partnering with Sephora for subscription box model

2. Offering

Allowing users to select budget based on which handful options will be available to the user and they will be able to create their own curated box

The subscription would allow customer to chose from monthly , quarterly subscription model.

Each time customer will receive mail reminder to either create a new box or to refill the upcoming box with same item.

3. Capabilities

Partnering with Sephora will in fetch us their customers and we will be able to introduce our brand to those customer and gain their loyalty which will indirectly make Belleza an household name.



Health and Wellness

The global market is expected to grow at a CAGR of 11.22% and is anticipated to reach around USD 5282.16 million by 2026.

Aging population and rise in unhealthy lifestyle is the main reason for increase in health and wellness industry in Latin America



1. Partnering

Partnering with Vitex for subscription box model

2. Offering

A highly decorative surprise box containing 4-6 hand picked products that help to provide you with a better understanding of mental health topics. These boxes can have things such as books, essential oils, face masks, and journals.

There's no way of telling what you're going to get before you receive the box, but element of surprise is part of the fun. While the products are likely to be of good quality and in good condition, it might not always be something that customer like, but they will be excited to see what was inside the boxes.

The subscription will be of bi-monthly and we will send 4-5 self care box per subscriber

3. Capabilities

This box is perfect for anyone wanting to learn more about mental health by gaining knowledge and tools for navigating Anxiety, PTSD and Depression.

The box subscription can be sold as gift.

Subscription boxes are quite literally the gift that keeps on giving, today in such busy life people don't have time to think of gifts so gifting someone health and wellness subscription box can be the best option



And
Others

CBD Market

Pets

Gifting

SWOT ANALYSIS

STRENGTHS

- It helps us build stronger relationships with consumers that one-time purchase retailers don't.
- It establishes a channel for recurring revenue.
- It makes buying easier for consumers by reducing the purchase process.
- The planned nature of the business model optimizes logistics on the retailer end i.e., guaranteed forecast of shipments

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- Requires constant customer engagement.
- Competitive Price Point
- Capital Intensive at the beginning.

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OPPORTUNITIES

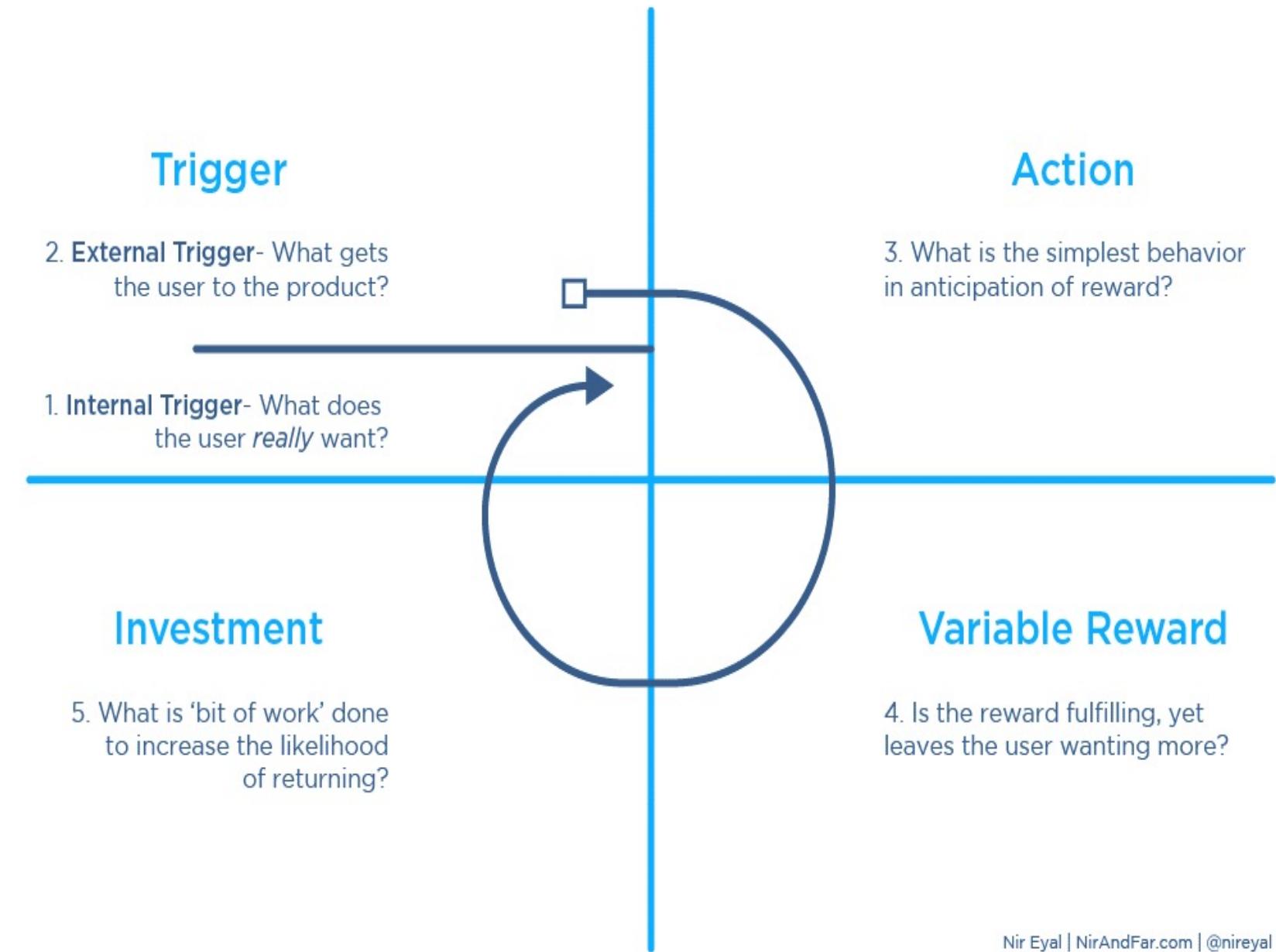
- Increase exposure and convert subscribers to new customers by featuring your products in the boxes.
- Subscription boxes will improve Average Revenue per user thus maximizing (CLTV) Customer Lifetime Value.

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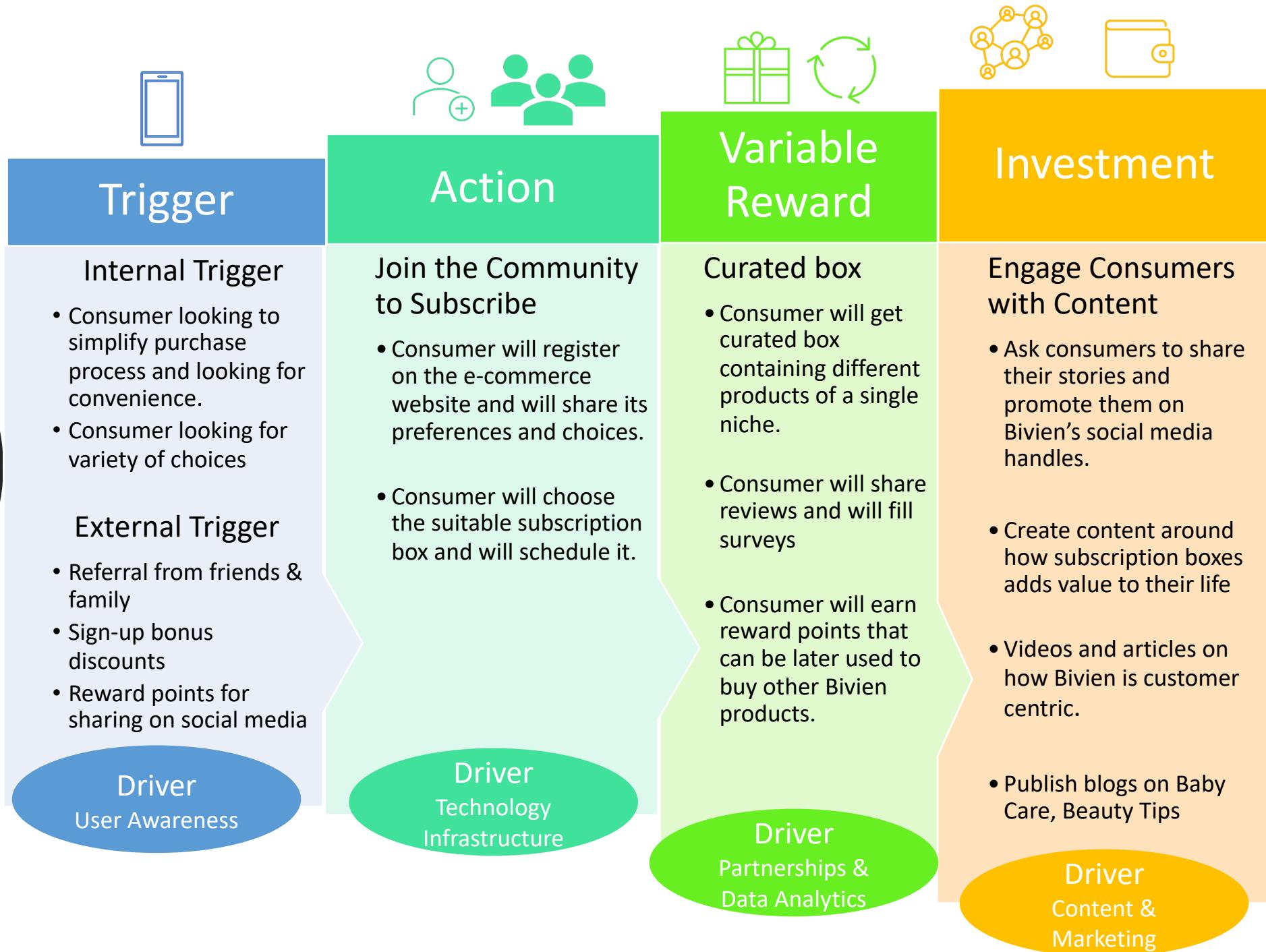
- Customers very often cancel their subscriptions in the first three months
- customers renew their subscriptions only to take advantage of another lucrative offers.

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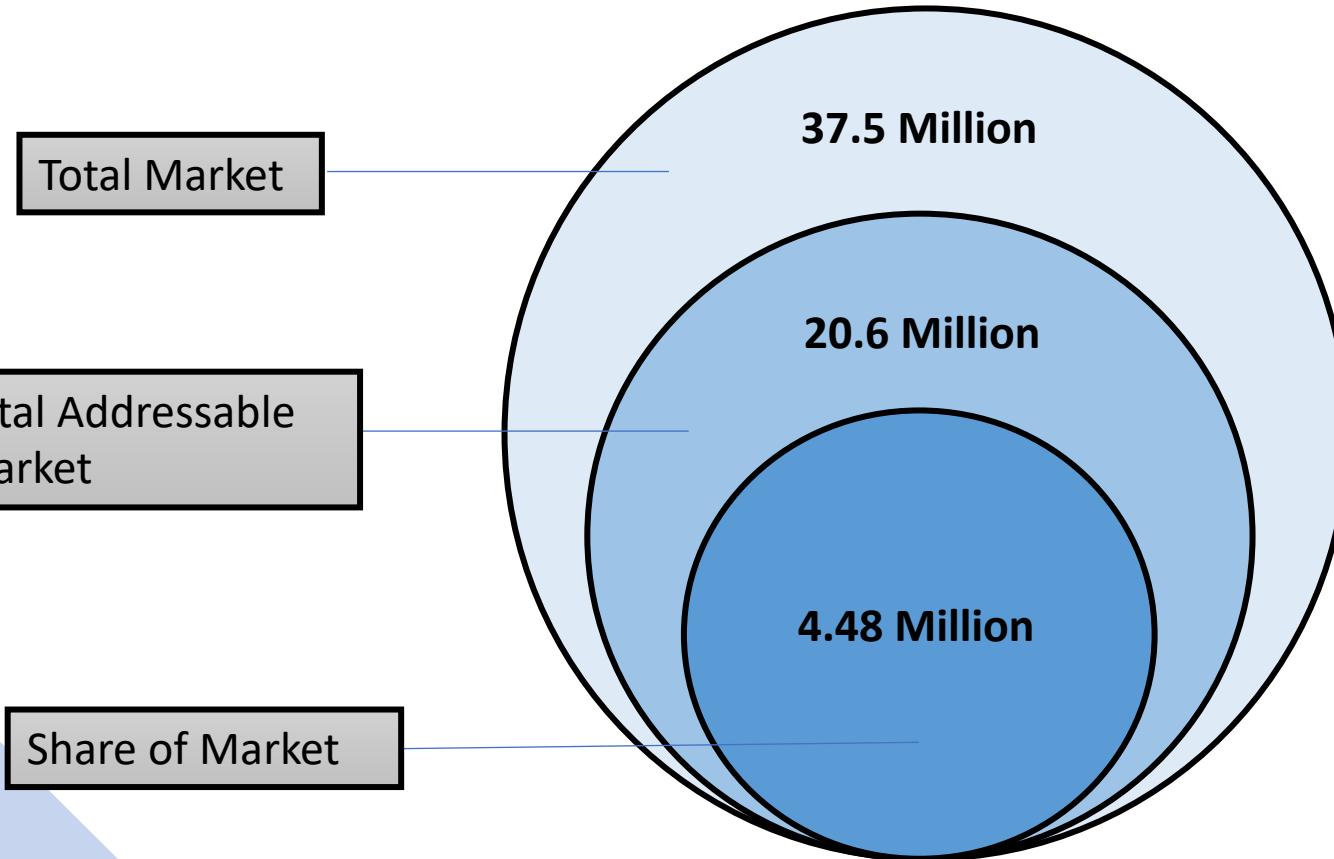
THREATS



Hook Model for Bivien



Market Size for Subscription Model



Estimated Sales Revenue

**\$22.4
Million**

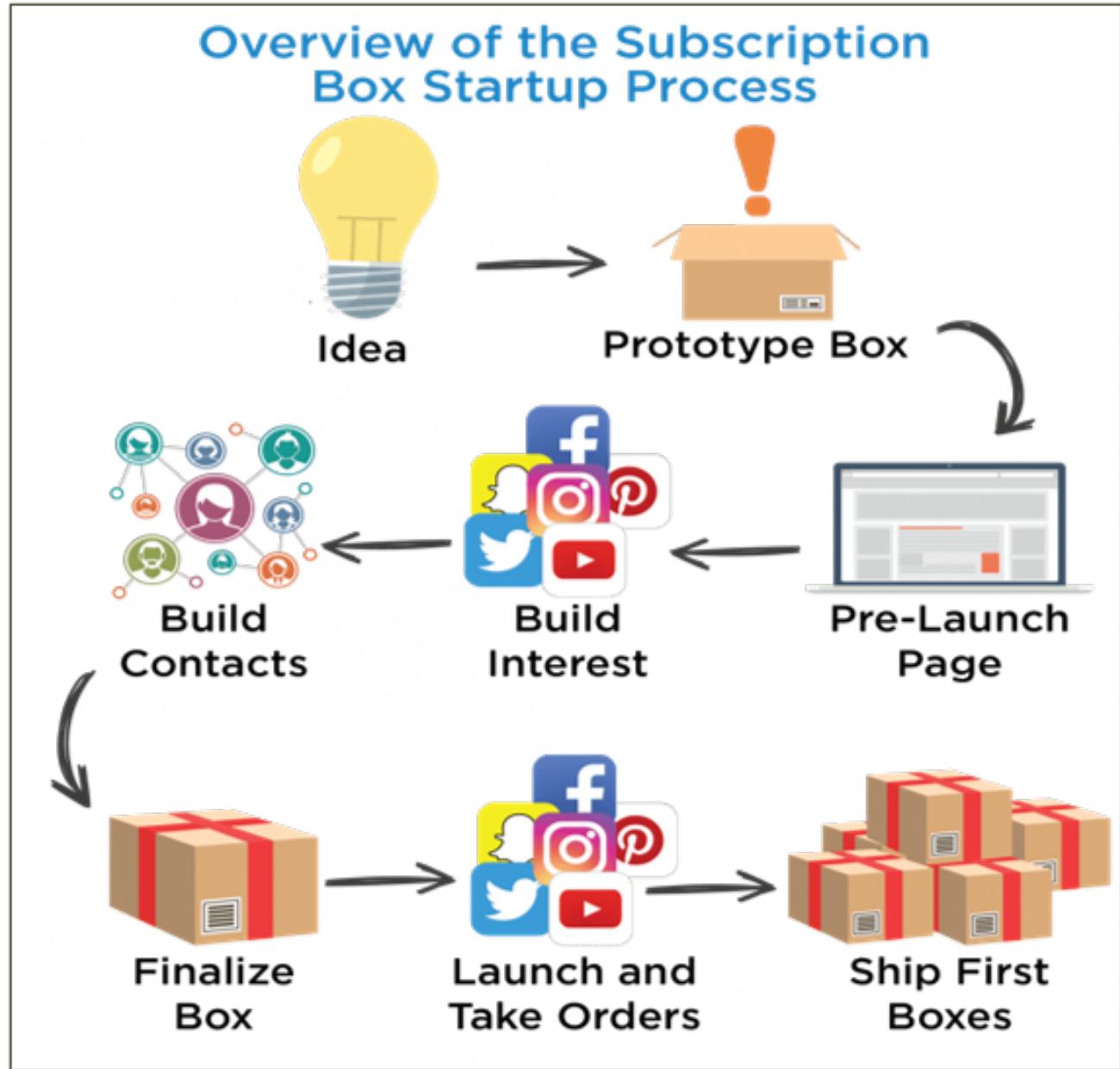
Estimated Average Product Cost

\$20

Customer Segmentation

- Healthy lifestyle: Adults (20-50)
- Skin care and beauty products: Females (20-40)
- Baby Products: Couples (25-40)
- Medicinal: Adults (35-65)

Next Steps



Thank You



Q & A