

# SUBSCRIPTION SERVICES

**T**he days of fresh bread and milk being delivered to your doorstep are a memory of generations past: symbols of a slower and less complicated time. In our increasingly fast-paced world, consumers have begun to look back to these old-fashioned services, searching for ways to simplify their lives. The result is a modern twist on the traditional home delivery service, where sought after products are only a click away.

Today's food subscription services offer freshly baked breads, cookies-of-the-month, gourmet food boxes, specialty cheese and unique coffees to please customer taste buds, and both consumers and business owners are realizing the benefits. Consumers value the convenience of having desired products delivered to their homes on a weekly or monthly basis, through online ordering methods and pre-paid plans. Business owners are using these services as a tool to reach

more customers and expand their client base. It's a win-win solution for everyone involved.

Love with Food is a San Francisco-based company that delivers gourmet food boxes across the United States, while also donating a meal for each box sold to help feed hungry children. Aihui Ong, founder and CEO, came up with the concept after watching a friend deplete her life savings in an effort to gain greater distribution for her food products. "I had a friend who had issues growing

beyond the local region. A lot of food companies that I talked to had trouble expanding beyond the farmer's market. After the farmer's market, what's next?"

Ong had a solution: "Getting the products to consumers nationwide is a hard process. You might pitch to your local Whole Foods or local specialty store, and if you're lucky, they'll give you a small space at the bottom of the shelf. We want to level the playing field and make it easier. We want to be the

*Subscription services that send gourmet products to the customer on a monthly basis give you the opportunity to broaden your clientele.*





Wow your clients with your products and packaging to entice them to commit to a subscription.

alternative channel so that business owners can continue their passion,” she explains.

Since launching in January, Love with Food has been striking a chord with consumers, particularly moms, who look forward to receiving their monthly box filled with gourmet goodies. The company is providing another way for consumers to discover food by delivering quality products directly to their mailboxes. It’s an idea that can be easily applied to those in the baking industry, giving bakers new channels to broaden their clientele.

Setting Love with Food apart from the pack is its passionate fight against child hunger, a cause that resonates deeply with customers. With more than one in five children going hungry across the United States, it’s a cause that is also close to Ong’s heart. “We see a lot of loyal customers who stick with us because we give back and that’s really important. We put a lot of effort into our boxes. They say when they open the box that they feel a lot of love.”

The key to a successful food subscription service is organization. Having well-planned payment options, subscription terms, shipping contracts, and branding and marketing

efforts, is crucial. Ong recommends setting up a billing system that accepts month-to-month payments, as well as longer-term subscriptions. This will allow customers to try your products before committing to a subscription, thus stimulating new clientele. Once clients are wowed by your products they can upgrade to a pre-paid plan for a three-month, six-month or yearlong subscription.

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Another important component to food subscriptions is reliable delivery. Adequate packaging and competitive shipping rates are vital to the success of your business. Ong admits that shipping has been a big headache for her company, but she has learned some valuable lessons. By using priority mail, her clients are assured delivery within two to three days, and they are provided with a tracking number, which Ong says is very important to her clients. She advises that, although negotiating better shipping rates takes some skill, it is a worthwhile cause to ensure that shipping your products doesn’t eat all of your profits.

With products, payment systems and shipping details in place, the next step is to advertise your service. The Internet can be an extremely beneficial tool to spread the word about your venture through social media and blogs. Ong says a heavy online presence was crucial to launching Love with Food. “The first two or three months we depended on bloggers to do reviews of us. Initially we did a lot of outreach. We

contacted the bloggers and sent them boxes to review and it translated into a lot of positive reviews. We also used Facebook, Twitter and YouTube to get the word out. We now have more than 13,000 followers on Twitter, so word has spread.”

In addition to online marketing, word-of-mouth advertising has also been a big player. Current customers are talking about how much they love their monthly box of gourmet items, which leads to their friends trying it out, and thus begins another cycle of growth.

To launch your own food subscription service, take note of a few tips Ong offers based on her experiences.

First, be sure that the product itself is consistent with what is advertised online. Inconsistencies will lead to lost sales and disgruntled customers. Second, branding your product is vital to success. The brand must be recognizable and clearly seen on the packaging to create brand recognition amongst your clients. Ong advises business owners to test out their branding and get customer feedback to ensure they’re on the right track. Finally, be sure that your back end can handle the growth that will come with your food subscription service. You must be able to maintain quality while keeping up with demand, which can be challenging if you experience a surge in subscribers. Have a plan in place to allow your kitchen to grow with your company.

Consumers today are willing to pay a slightly higher cost for products that they deem valuable, especially if they are conveniently delivered to their front door. While interest in food subscription services is gaining momentum across Great Britain and the United States, the Canadian market is relatively untapped. By letting this new market breathe renewed life into your business, you can unlock new and exciting channels to expand your client base. / **BJ**