

## Thinking inside the box – food and drink subscription services

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Most of us will have found ourselves staring forlornly into a half-empty fridge after a long day; tired, hungry and devoid of meal ideas. Whilst many food-to-go businesses have been enjoying exponential growth in the take-away restaurant sector on the back of this, over the last few years, brands and producers throughout the food and drink industry have also been capitalising on this scenario with increasing success by offering subscription boxes. Moving from “sales” to “subscriptions” allows them to build brand loyalty and guarantee a monthly spend, and start-up costs can be relatively low.

Whilst there are many different providers, food and drink subscription boxes generally all work on a similar basis; customers pay (usually on a monthly basis) for a selection of foodstuffs or beverages to be delivered to their doors. Unlike with supermarket home deliveries, subscription boxes tend to focus on one particular producer/idea. Offerings within this market range from full meals and snacks to tea, beer, and gin.

Even in 2018 Royal Mail research revealed that 7% of the UK population subscribed to receive snack and sweet boxes, with a further 6.5% receiving recipe boxes. This rise in popularity is not particularly surprising; it could be seen as a logical extension of the way that both businesses and individuals are increasingly consuming goods and services. In the digital media sector, well-established brands like Netflix, Amazon Prime Video and Spotify are thriving through the use of flexible monthly subscription models.

For people living busy lives, the attraction of food and drink subscription boxes is clear; not only is there no need to shop for your favourite product or for ingredients (whether online or otherwise) but service providers will even provide you with the recipe and cooking instructions (for meal kits like Hello Fresh) too, or with tasting notes and introductions to new lines, for example with gin.



However, these services are not without their issues, with debate ongoing regarding the alleged excessive use of packaging in subscription boxes and its effect on the environment. Although the use of packaging is driven by food hygiene requirements, it is exacerbated by comparatively smaller sized, pre-portioned. As consumers become more environmentally aware, subscription service providers will need to be mindful of the impact of this shift in attitudes on their bottom line. Businesses also need to make subscription and cancellation compliant with the rules, and relatively easy for customers (as convenience is what these services are all about) whilst reducing the risk of “churn” by adding frequent new offerings and innovations in their service. Competition from bigger industry players, like Morrisons “Eat Fresh”, may also hot up.

Owing to the established popularity of similar services, expect to see the choice of food and drink subscription boxes growing even further. If service providers respond to the concerns of their customers then there is no reason to believe they cannot continue delivering the goods.

For further information please contact our [retail, leisure and hospitality team](#).