



Creating Sticky Customers

Repeat customers are the lifeblood of your business, but customers can be fickle. Here's how to make them sticky.

In a traditional business, the customer buys your product or service once, and it is up to you to try to convince them to buy again in the future. However, in a subscription business, you have what is called an "automatic customer" who agrees to purchase from you in the future, as long as you keep providing your service or product.

Feeding Rover Automatically

One of the reasons subscribers are such attractive customers is that, once they subscribe, they become less price-sensitive. To illustrate, imagine you live in England and own a 100-pound Pyrenean Mountain Dog that eats two hearty bowls of dog food a day. Feeding the love of your life is an expensive proposition, so you're always on the lookout for a deal on dog food. Once every two weeks, you trudge down to the local pet supply store and cart a case of kibble home. In the meantime, if you see dog food on sale at your local grocery store, you'll buy it. If you get a coupon for a buy-one-get-one-free offer from another store, you'll take advantage of it.

Eventually, you get tired of last-minute trips to the store, so you subscribe to Warwickshire, UK-based petshop.co.uk, which offers a "Bottomless Bowl" subscription service. Now you know you're going to get a shipment of dog food every fortnight, and the part of your brain that scans the flyers for dog food starts to shut down, knowing that the convenience of having dog food shipped automatically far outweighs saving a few dollars on kibble.

Integration Drives Stickiness

Beyond the simple convenience of automatic service, subscribers become even more loyal when they start to integrate their subscriptions into their daily lives. Subscribers knowingly enter into an agreement in which the convenience of uninterrupted, automatic service is exchanged for their future loyalty. Rather than buying once without returning, subscribers stick around—hopefully for years, which is why subscribers drive up the value of your company so dramatically.