

THE WHOLES LE FORMULA

Module 4 Bonus Video – Subscribe & Save

Hey, thanks for joining me. In this bonus video, we are going to cover the subscribe and save program, the products that best apply to it, and the requirements to start utilizing it. Subscribe and save, if applicable, can be very beneficial to both you and the brand owner.

What is Subscribe & Save?

The Subscribe & Save program is a limited Amazon pilot program. Amazon has continued to allow more sellers to have access to the program and will conceivably do so for some period of time. If you don't have access to this program, keep checking as many have gotten access to it without rhyme or reason.

For many companies, particularly those with consumable products or products that need replaced often, Subscribe & Save is a very powerful program and one that can be a huge value proposition. Being able to offer this service, especially when none of their other sellers are offering, can provide a massive benefit to brand owners and a rather large increase in sales for you.

For those of you who have it, let's talk about what it really is.

Subscribe & Save is a benefit-driven customer retention program. Essentially, customers are able to receive anywhere from a 5%-15% discount on their purchase by subscribing to the product. They then choose the schedule of when this product will be delivered to their house, such as monthly or every 6 months. This creates built in retention as well as a predictable sales outlet for customers utilizing the program. Effectively, Amazon rewards the customer with a discount for guaranteeing sales and subscribing to receive the product at the described time each month or whatever the schedule is for the subscription.

Major Benefits of the Program

This program has major benefits for all involved. It guarantees sales to Amazon, the customer doesn't have to remember to place an order and it arrives to their door, plus, they also receive a discount. The brand also gets several major benefits:

- 1) Some products we have introduced to Subscribe & Save have seen as high as a 30% increase in volume, channel wide. It is more typically around a 10-12% increase in sales, but this will continue to grow as more people subscribe and the program matures.
- 2) It creates a funnel for repeat customers, which allows for better marketing outside the Amazon

platform. For example, the data can be used to help the company create a better targeted avatar.

3) It preserves the price of the product at the retail level, while still offering a reward for loyal customers. This helps the product to maintain price integrity and give the reward for guaranteed sales and brand loyal customers.

4) Amazon advertises the product to customers who are already in the program, which serves as a way to increase your product's brand awareness among Subscribe & Save customers.

5) Amazon adds additional product placement to brands that are offered through Subscribe and Save increasing further brand exposure.

6) Allows for a seamless checkout and sales process for the consumer. It allows customers to "not have to remember" to place an order for a product, and simply have it show up at their house. Improving the customer experience is always valuable to a brand.

7) Creates long term customers. This is important. When a customer places an order for a product, they are reviewing the best option, as well as possibly experimenting with other options. Subscribing to a product means that the customer will continue to both buy and use the product for the long term.

Now let's look at some of the benefits directly to us, as the seller of the product. One of the primary benefits is that our volume increases drastically.

1. Amazon gives preferential Buy Box priority to those sellers with Subscribe & Save. Additionally, Amazon allows S&S offers to show when other people have the Buy Box, meaning that customers can subscribe and become your customers more often.
2. Subscribe & Save offers us predictable sell through on our items, and allows for easier forecasting of our orders. We have a predetermined amount that we know we will need every month.

What Products Work Best with Subscribe & Save?

This program is specifically designed around products that customers reorder. So, the most ideal products are either consumable or limited usage design. However, there are some exceptions to this. For example, some commercial supplies are great, as businesses will continually reorder them (eg. paper, pens, staples, mousetraps, weed eater string, etc).

You should only propose this program to vendors where you believe product will be an ideal match and they will experience major benefit.

Requirements to Utilize Subscribe & Save

One thing of note is that products are accepted into the program on an item by item basis. Products have to be submitted for review, then are approved or denied.

Amazon is looking for some key attributes to make sure that customers receive the best value AND

shopping experience.

Price Stability - This means that the price has to be consistent. Subscribe & Save customers have to be getting the best possible value. Which means that you cannot do this with a product with a volatile pricing history. You should work directly with your brand owner to put rules in place that make this possible. You can be "tied" for the lowest price, but are required to be AT LEAST tied.

Inventory Replenishment - There can be no issues with having product on hand. Amazon requires that you not run out of stock, and are able to continually fill S&S orders. This means the product needs to be in stock at the FBA Fulfillment Center. You need to work with your brand owners to make sure that they can give you consistent supply, and have the ability to scale your order size as subscriptions increase.

Subscribe & Save is a wonderful tool to have in your toolbelt. The most important aspect is that you work with the brand owners to be in compliance with Amazon's standards. After that, you can work with them on maximizing the program. You receive more subscriptions the more times your product is listed in the Buy Box. This means that if they reduce sellers they can gain MORE value from the S&S platform.

Be prepared for the changes and increases in your orders. As with most things, it starts out relatively slowly but gains serious traction very quickly. As your subscriptions increase, the amount of inventory you need to ship in increases, as you have to fulfill customer demand and provide a seamless shopping experience. That wraps it up for this bonus video. Thanks for watching!

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