

Food, drink, recipe boxes and male grooming drive growth in the UK subscription box market

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Sales of subscription boxes soar as lockdown drives desire for convenient home deliveries of essential items

Buoyed by the impact of the pandemic and associated lockdowns, food and drink subscription boxes* continue to grow in popularity among UK consumers. Over a quarter (26%) of UK shoppers are currently signed up to a food and drink subscription box service, according to Royal Mail's new UK Subscription Box Market report.

Food and drink subscription boxes, as well as recipe box subscription services, witnessed the highest growth year-on-year in 2020, as consumers dialled up more home deliveries with supermarkets' online capacity stretched to the limit. Consumers were also wooed by subscription boxes' curated approach to meals with easy instructions, and easy access to alternative and specialist food suppliers. Both markets have a combined value of over £1 billion (up from £420 million in 2017) with this forecast to grow to over £1.5 billion by 2025.

Delivering the essentials

The pandemic and associated lockdowns sharpened consumer focus on subscription

businesses as consumers attempted to limit trips outside of the home even for essential items.

Businesses are increasingly recognising the potential of subscription boxes to serve consumers' daily and essential needs. As well as the rise in the number of subscriptions offering items such as food & grocery, there has also been strong growth in personal care and grooming items (such as razors, blades and shaving accessories), hygiene-related items (such as deodorants) and household staples (such as laundry detergent).

The growth in purchasing essential items online has bolstered the subscription box market in the UK. This has been particularly evident in categories such as male grooming, where there is a consistent, predictable need to replace and replenish items, and subscriptions offer a hassle-free alternative to traditional purchasing behaviour. The male grooming subscription market grew 108% between 2017 and 2020 to reach a value of £41.7 million.

Elsewhere, other everyday health and beauty products are also seeing strong growth. This sector has grown from being worth £43 million in 2017 to £79 million in 2020. It is forecast to grow to £92 million by 2025. 11 per cent of UK shoppers are currently signed up to a health and beauty subscription box service.

Due to changes in consumers' shopping behaviours, and the convenience that these subscription plans provide, the trend of relying on subscription services to attain essential items will likely continue post-pandemic.

Overall, the UK subscription box market is set to be worth £1.8 billion by 2025, according to Royal Mail's UK Subscription Box Market report.

The power of social media

Social media has also helped to buoy the market thanks to its ability to unite niche-interest communities. The subscription box model is popular with businesses providing highly targeted or niche products, so it is relatively easy for them to reach their ideal audience on social media.

Millennial consumers form the mainstay of these niche interest communities having been early adopters of the subscription concept through services such as Netflix and Amazon Prime. As a result, these younger

consumers are more inclined to subscribe to several subscription services at a time.

A good example of this is Curls Allowed, a monthly subscription box with products for people with curly, wavy or mixed textured hair.

Olivia Rufus, Founder of Curls Allowed, said: "These days there are so many options available in the hair and beauty industry. We offer a personalised experience with our curly hair product subscription box, Curls Allowed, by carefully curating products suited to customer preferences and requirements. This offers subscribers the convenience and opportunity to try out-of-reach products, discover new trends, and sample high-end brands at a fraction of the cost, on a recurring basis. Not forgetting the fun element of having a personal shopper and the excitement of a beautifully packaged box arriving on your doorstep every month. The flexible subscription box model enables our business to directly engage with subscribers, building trust and loyalty as well as increasing retention rates, which gives long term value to both the business and the consumer."

Nick Landon, Chief Commercial Officer at Royal Mail, said: "The last year has created new spending and shopping habits that have changed the way consumers are interacting with retailers and increased their appetite for subscription boxes. This is a great

opportunity for businesses of all sizes to tap into changing consumer interests and provide regular deliveries of goods.

"With the UK's largest "Feet on the Street" network of over 85,000 postmen and women, Royal Mail is playing a key role in keeping carbon emissions low. A large

proportion of subscription items are sent in smaller boxes and so are ideally suited for low emission on-foot delivery by Royal Mail."

The full UK Subscription Box Market report will be published in the coming months on the Royal Mail Group website.

Source: [Royal Mail Group plc](#)

