



LEAN CULTURE · LIVE SESSION

Subscription Engines for CPG

Which model fits your brand, and which one quietly drains it.



Igor Krasnykh Founder, IdealData.io

Subscriptions aren't one thing.

They're a category of mechanics. The right one depends on your product, your margin structure, and how your customers actually buy. Pick the wrong engine and it doesn't just underperform. It bleeds margin while your top line still looks healthy.

50%+

of subscribers cancel
within the first six months.

Source: McKinsey subscription
research

30-sec exercise

What is products do you sell?

Examples:

- Books
- Supplements
- Clothing
- Services
- Coaching
- Food
- Personal Care
- Medical



What is coming up next?



Five engines

The five subscription mechanics a CPG brand can actually run, with real examples and the tradeoff behind each.



A matching framework

Three questions that map your product, margin, and customer behavior to the engine that fits.



A clear pilot decision

Which engine is worth testing in your business, and which one would quietly drain it.



The five engines

- 01 Replenishment
- 02 Lock-in · device + consumable
- 03 Access / Membership
- 04 Build-your-box
- 05 Curation

ENGINE 01



Replenishment

“Subscribe and save.” The customer keeps getting a product they already use, on a schedule.



BEST FOR

Consumables with genuine, repeated need: coffee, supplements, pet food, household staples.



REAL EXAMPLE

Dollar Shave Club, Chewy, Amazon, The Vitamin Shoppe.



THE TRADEOFF

Cadence mismatch. Ship faster than they use it, the product piles up, and they cancel.



RETENTION REALITY

The leader: about 45% of replenishment members stay a year or more, ~10 points above other models (McKinsey).



Lock-in: device + consumable

A durable anchor product creates switching costs. The recurring revenue lives in the refill, not the device.



BEST FOR

“Platform plus refill” structures: machine and pods, pitcher and filters, brush and heads, handle and blades.



REAL EXAMPLE

Gillette (the original razor and blades), Nespresso, Keurig, Brita.



THE TRADEOFF

Two leaks: buyers who never subscribe to refills, and third-party refills that fit your format and erode margin.



RETENTION REALITY

Highest retention when the format is defensible. The high-intent end of replenishment: leaving costs the customer, not just you.

ENGINE 03



Access / Membership

A recurring fee buys perks, member pricing, content, or early access, rather than a physical box.



BEST FOR

Brands with a reason to belong: member pricing, free shipping, drops, community, or content.



REAL EXAMPLE

Amazon Prime-style membership, paid loyalty tiers, club pricing models.



THE TRADEOFF

The perks have to keep earning the fee. The moment the math stops working for the member, they cancel.



RETENTION REALITY

Tied to perceived value. 28% of access and curation members name a personalized experience as the top reason they stay (McKinsey).

ENGINE 04



Build-your-box

The customer assembles their own recurring order from your catalog.



BEST FOR

Modular catalogs where fit matters: snacks, supplements, coffee blends, variety packs.



REAL EXAMPLE

Pick-your-own snack and supplement boxes, customizable variety packs.



THE TRADEOFF

Operational weight. Kitting, mixed SKUs, and assembly add labor and cost your pricing has to cover.



RETENTION REALITY

Better fit lowers novelty churn, but fulfillment complexity caps how cheaply and how far it scales.



ENGINE 05

Curation

You choose. The customer gets discovery and surprise, on a schedule.



BEST FOR

Discovery-driven categories: beauty, specialty food, niche or seasonal products.



REAL EXAMPLE

Birchbox, Stitch Fix, Bokksu, Ipsy.



THE TRADEOFF

Novelty fades, and the second box is the cliff: first one hyped and discounted, second one full price with less surprise.



RETENTION REALITY

Most popular, most fragile. General boxes run 10 to 15% monthly churn vs under 4% for replenishment (Recurly).



So which one fits you?

The choice comes down to three questions about your own business.

Three questions before you pick



Product

Is it a consumable with genuine recurring need, or a discovery product bought for novelty?



Margin

Can your margin absorb fulfillment, the intro discount, and churn and still clear contribution margin?



Customers

Do they buy on predictable need, or chase what's new?

Match the engine to your business

Engine	Best product	Margin must absorb	How they buy	Retention
Replenishment	Consumables, real recurring need	A standing discount	Predictable need	High (45% stay 1yr+)
Lock-in	Device + proprietary refill	A subsidized device	Locked by switching cost	Highest if defensible
Access	Perks, pricing, content	Proof of ongoing value	Identity / value	Tied to perk value
Build-your-box	Modular catalog	Kitting + assembly labor	Wants control + fit	Good fit, ops-capped
Curation	Discovery products	Intro discount + variety	Novelty seeking	Lowest (novelty fades)

Sources: McKinsey subscription research; Recurly subscription benchmark data.



The framework is easy. Your numbers are hard.

Matching an engine in the abstract takes five minutes. Matching it to your exact margins, your fulfillment reality, and how your customers actually buy is where brands lose money, choosing the engine that looked exciting instead of the one that fit.

That gap, between the framework and your real numbers, is exactly what I help operators work through.



Book a free subscription teardown

Thirty minutes, one-on-one. Bring your product, your margins, and how your customers buy. You leave knowing which engine to pilot, and which one would quietly drain you.





One thing to remember

**Match the engine to how your customers
already buy. Then pilot small.**

Questions?



Igor Krasnykh
Founder, IdealData · idealdata.io

