

Here's Why Some Subscription Box Companies are Successful

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Forbes contributor [Denise Lee Yohn](#) published an [article](#) today that really caught my attention. If you don't know her already, she's a an author, speaker, and brand-building maven - analyzing top retail brands over the past 25 years.

In this article, Denise digs into [Stitch Fix](#) and how they are using data to optimize and personalize offerings to their customers in a way that others traditionally haven't tried. At least tried successfully. What's really interesting is how [Stitch Fix](#) (and other similar companies) are incorporating data and complex algorithms with the art of understanding retail and fashion. It's two things that couldn't be any farther apart, yet are an impressive combination.

In fact, the only way "subscription box" companies like [Stitch Fix](#) can accomplish this level of personalization and [assortment optimization](#) for their customers, is by employing both data scientists and stylists (or a type of retail specialist), which is exactly what they have done.

What's in the box?

So, what data are they actually analyzing? Of course they have historical data, proprietary to [Stitch Fix](#) - things like previous boxes received, if they kept it or returned it, and feedback notes / reviews. What's really cool is that they even track subscriber interest shown on [Pinterest](#) (with their permission of course) to create better assortments that more accurately represent what their customer likes, for future shipments.

With any algorithm, the more heterogeneous the data, the better the results. This is the case at [Celect](#) also. While it's necessary to consume standard data such as inventory and transaction logs, we encourage other types of data such as social feeds, product reviews, browsing history or even in-store analytics, to create even more accurate and useful results. All of these things can help hone in on customer preference - and the future choices they are most likely to make, which in the end, makes creating [product assortments](#) simple and accurate.

"...buyers are sourcing a much broader range of products, styles, and price points, while managing their inventories carefully — a challenge that would be nearly impossible without the wealth of customer data and predictive analytics. Retail buying is becoming as much of a science as it is an art."

- Denise Lee Yohn, Forbes Contributor - Article

The subscription box model isn't just for clothing. It's for dog owners ([BarkBox](#)), men's grooming ([Dollar Shave Club](#)), healthy snacks ([NatureBox](#)), kids clothes ([FabKids](#)), wine ([ClubW](#)), etc. The list goes on. The successful subscription box companies will follow the Stitch Fix model - analyzing every customer's unique choices and preferences to offer them a hyper-personalized assortment that changes along with the customer. Without bringing some science to the art of retail, none of this would be possible.

The advertisement is contained within a black rectangular border. On the left side, there is a logo for 'READ THE PAPER' in blue text, followed by a stylized grey eye icon. On the right side, the text 'PREDICTIVE ANALYTICS FOR RETAIL' is displayed in large, bold, blue capital letters. Below this, the text 'THE CELECT OPTIMIZATION PLATFORM' is written in smaller, blue capital letters.

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Topics: [choice](#), [preference](#), [product assortment](#)