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## Easy Lessons I Learned the Hard Way in launching a digital subscription business (so you don't have to)



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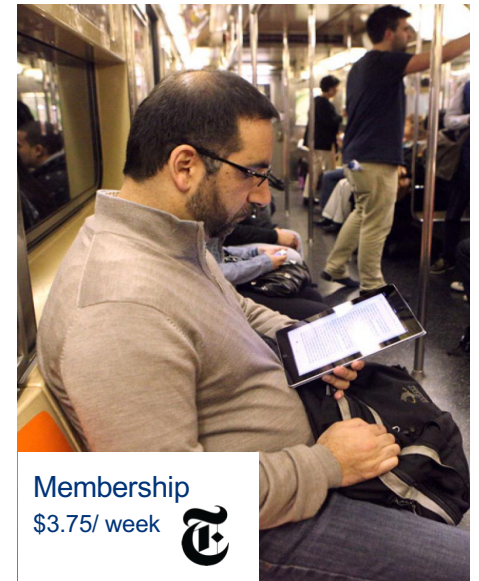


Membership  
\$15/ month  
Ford  
GoBike

Membership  
\$96/ year



Membership  
\$15/ month



Membership  
\$3.75/ week

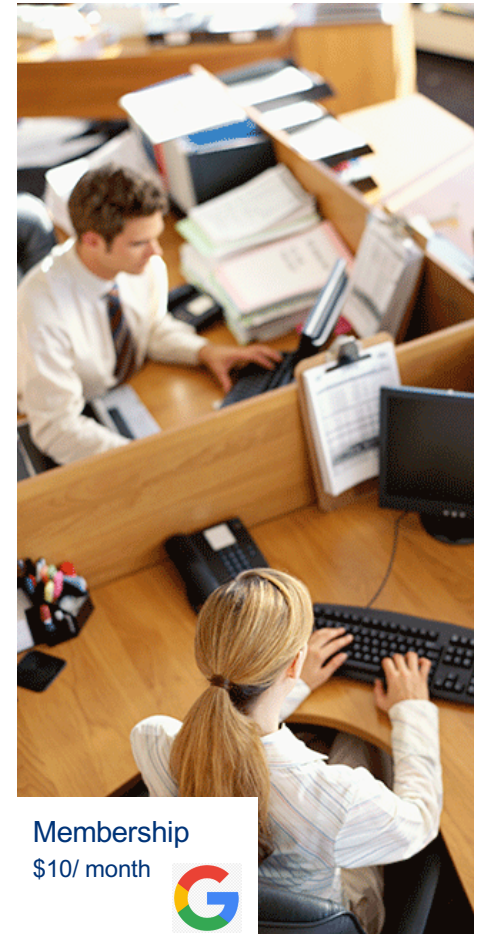


Membership  
\$9.50/ week





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Membership  
\$19.40 / month



AMERICA'S  
TEST  
KITCHEN

Membership  
\$19.95 / month



Membership  
\$8.99 / month

**NETFLIX**



**Gaia**  
YOGA

Membership  
\$11.99 / month



Membership  
\$10 / month

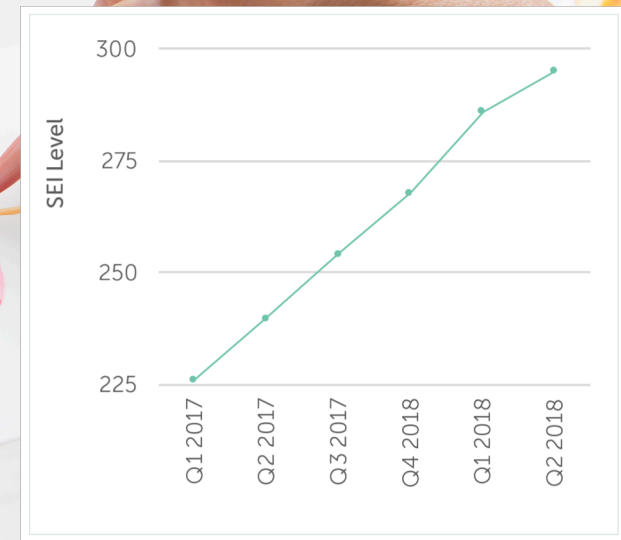
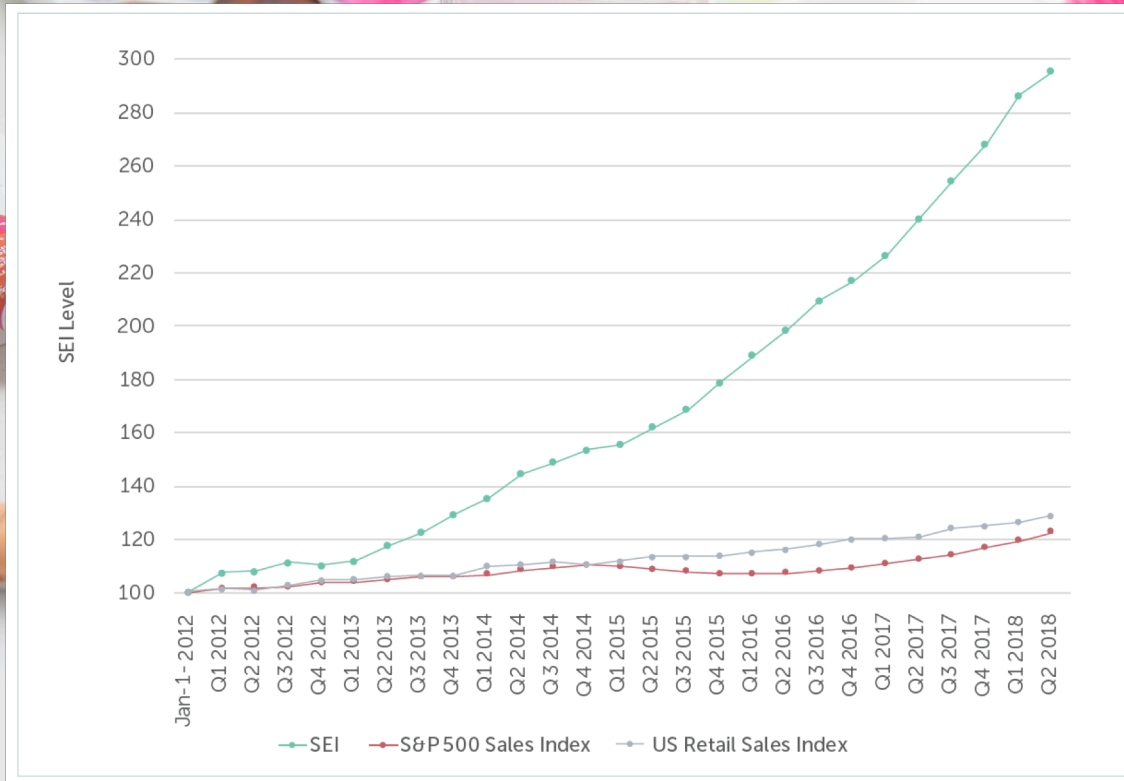


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Membership  
\$7.95 / month





# Subscription Economy Index vs S&P Sales Growth

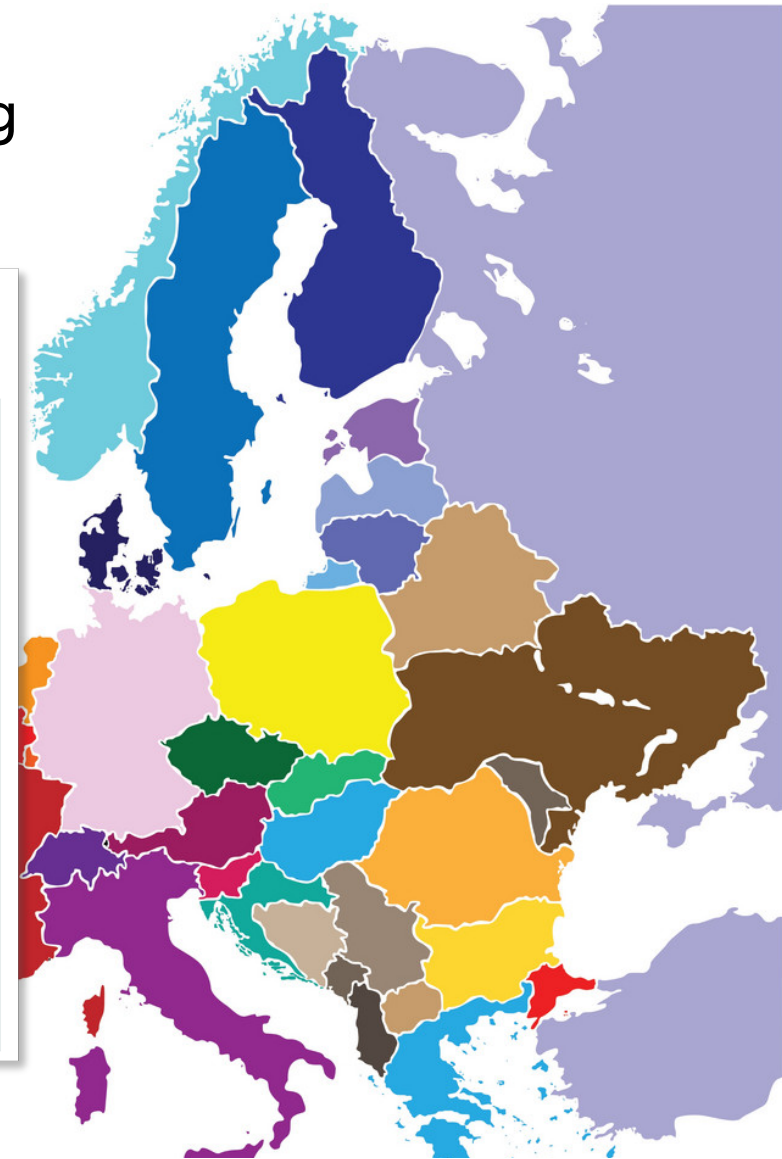
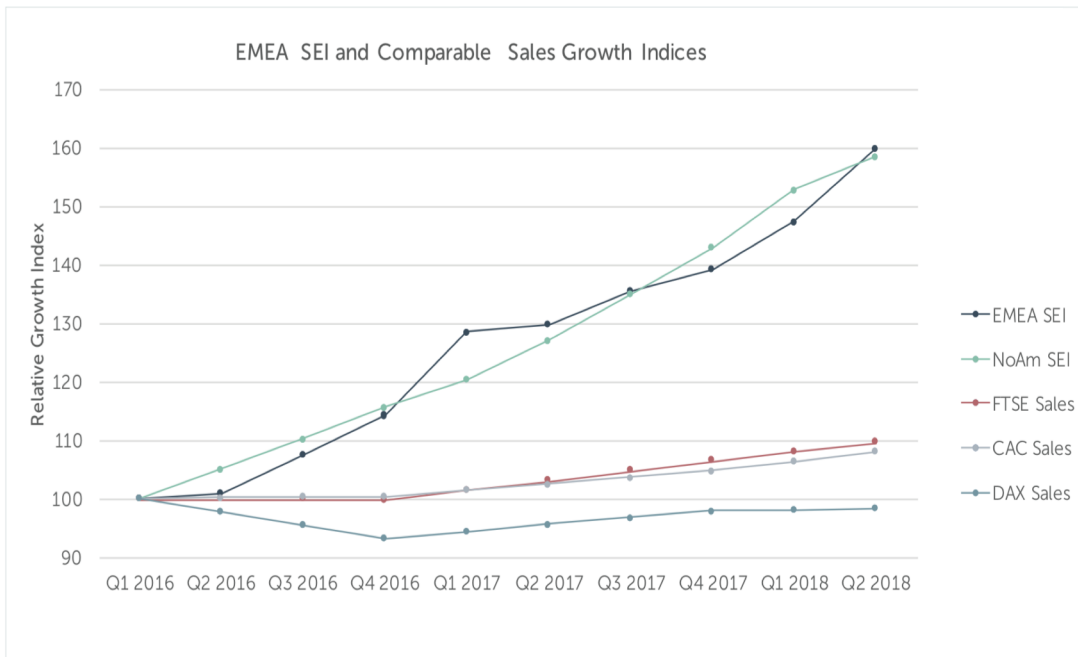


Source: Subscription Economy Index Update Fall 2018



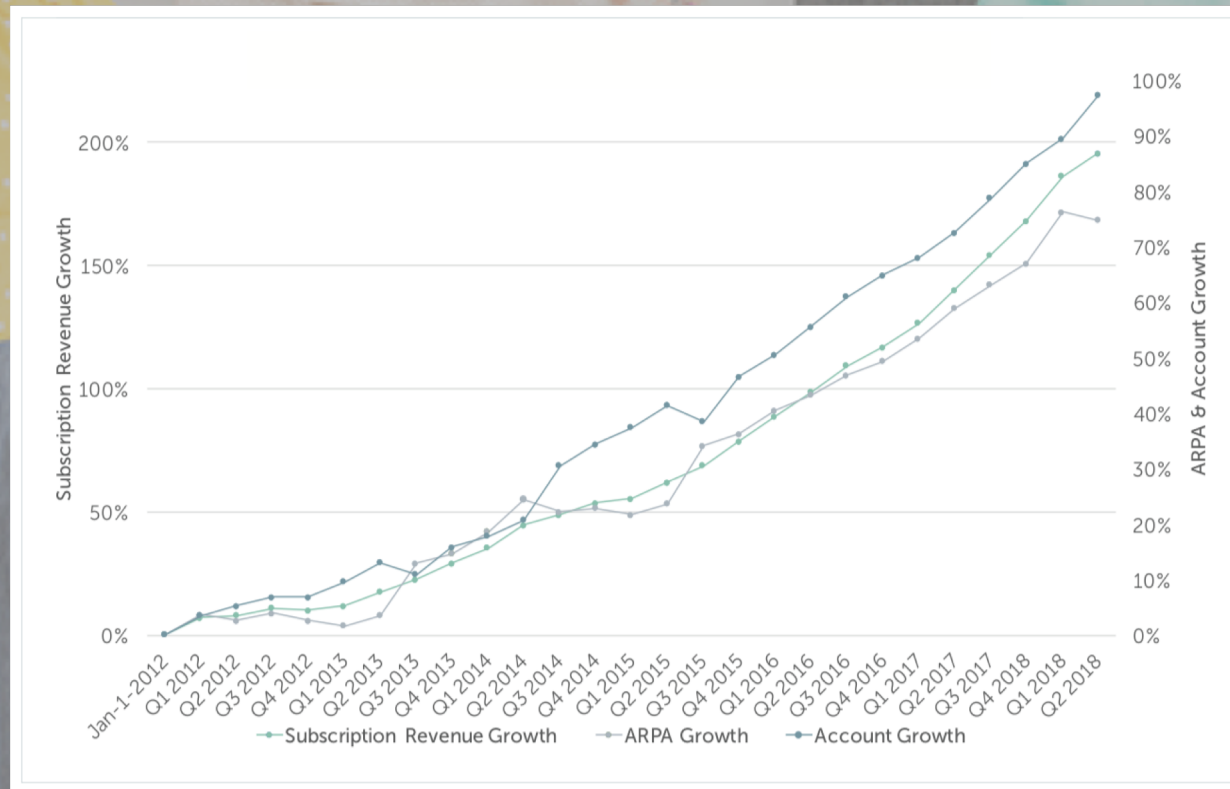
# European subscription growth is surpassing North America

## GROWTH BY REGION: EMEA AND NORTH AMERICA





## Two Ways to Grow Revenue



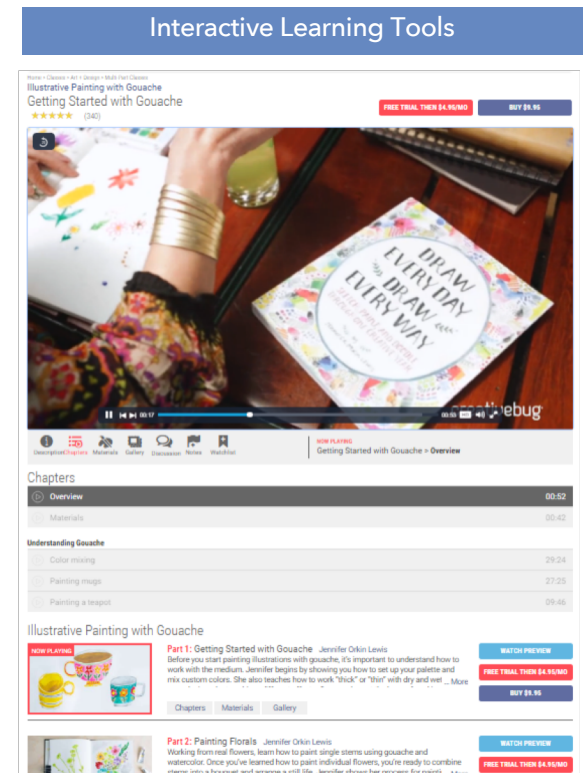
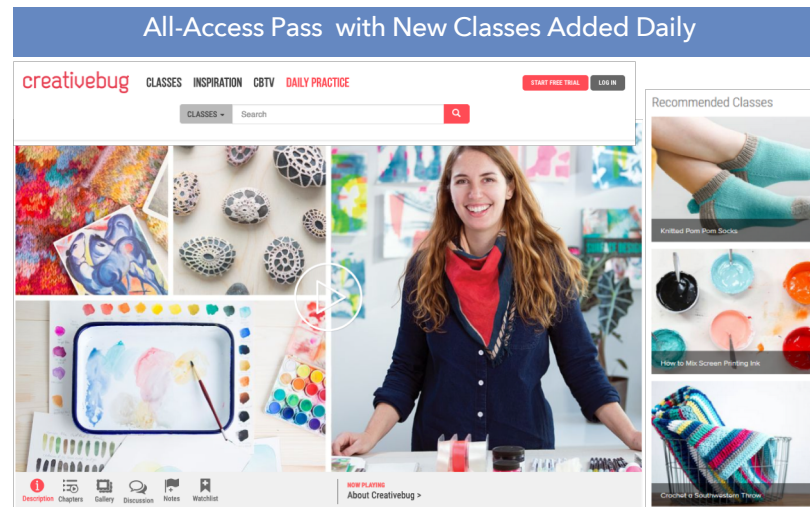
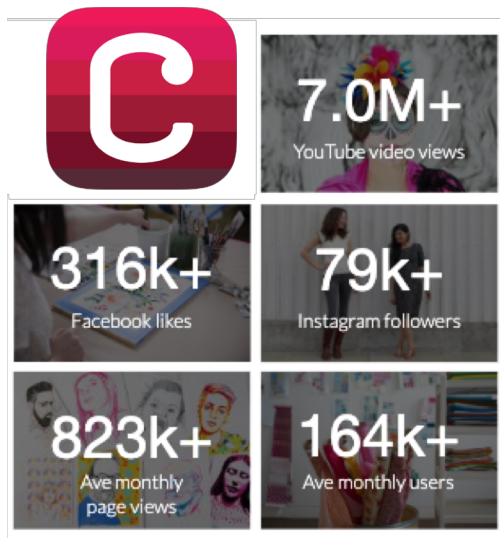
Source: Subscription Economy Index Update Fall 2018





## 1000+ Award-Winning Arts & Craft Video Classes

Creativebug is the ultimate creative destination to hang out with like-minded arts & crafts creators providing both inspiration & project driven success



Exclusive classes for all interests, ages, genders, and skill levels





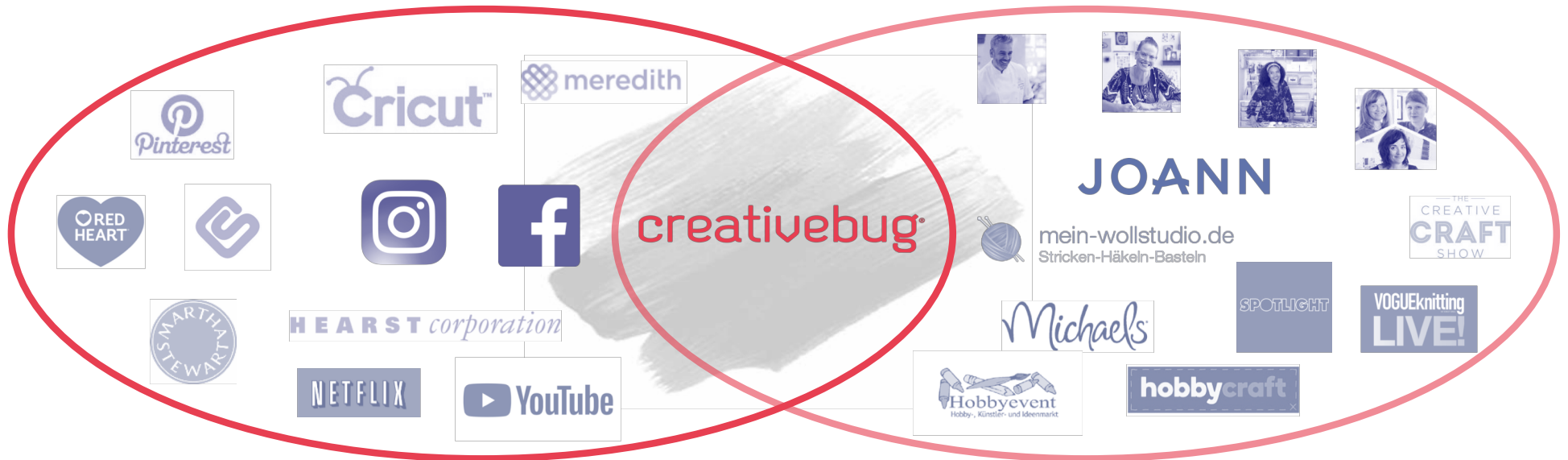




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## Easy Lessons I Learned the Hard Way in launching a digital subscription business (so you don't have to)

# 1 Focus on building a robust Community



Growing Crafting and eLearning Markets Create Large Opportunity for Creativebug

**\$43B+**

US Annual revenue from  
craft related product<sup>(1)</sup>

**65M+**

US Crafters with 50%+ under  
the age of 35 years old<sup>(1)</sup>

**\$36B+**

US Annual revenue from  
eLearning

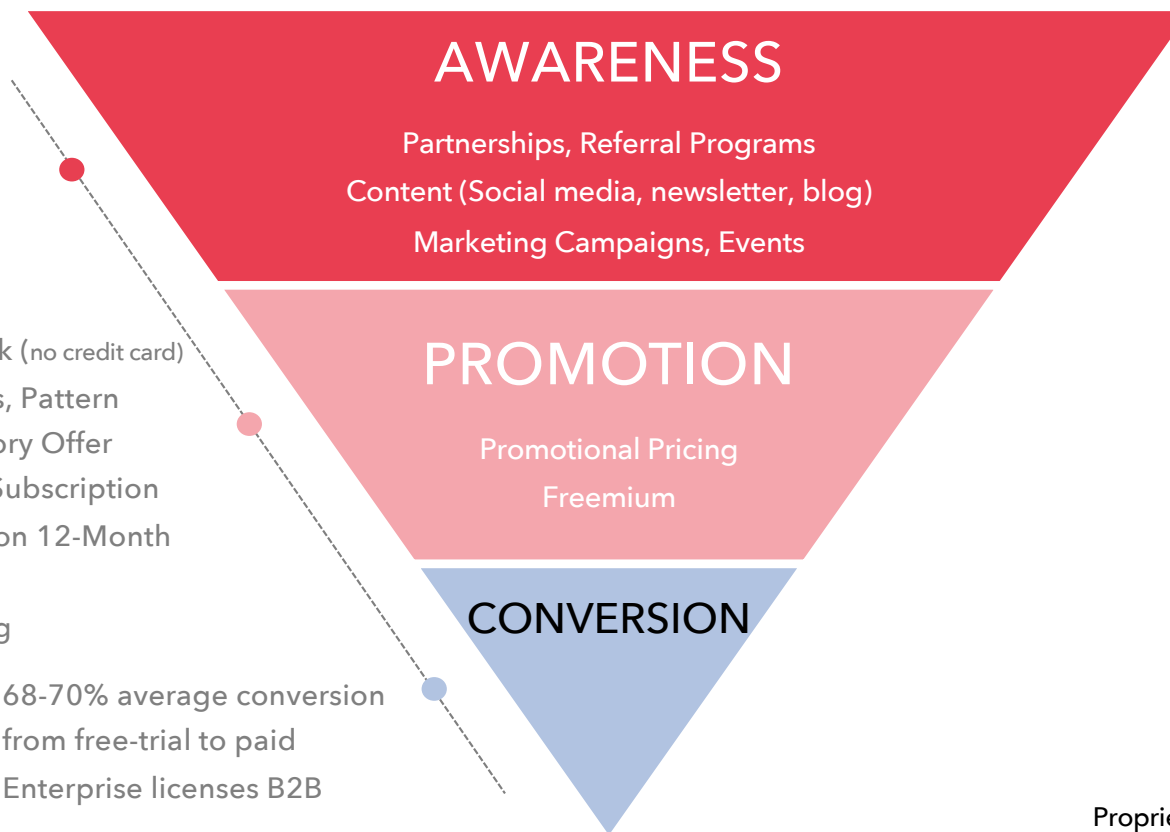


## 2 Use a multi-faceted acquisition strategy

How do you get your target audience to watch and subscribe?

It can take 5 touches  
across multiple channels  
and platforms

- Free Trial
  - Free Week (no credit card)
  - Free Class, Pattern
  - Introductory Offer
  - Gift with Subscription
  - Discount on 12-Month Sub
  - VIP Pricing
- 68-70% average conversion from free-trial to paid
  - Enterprise licenses B2B



### 3 Keep them Watching and Engaged



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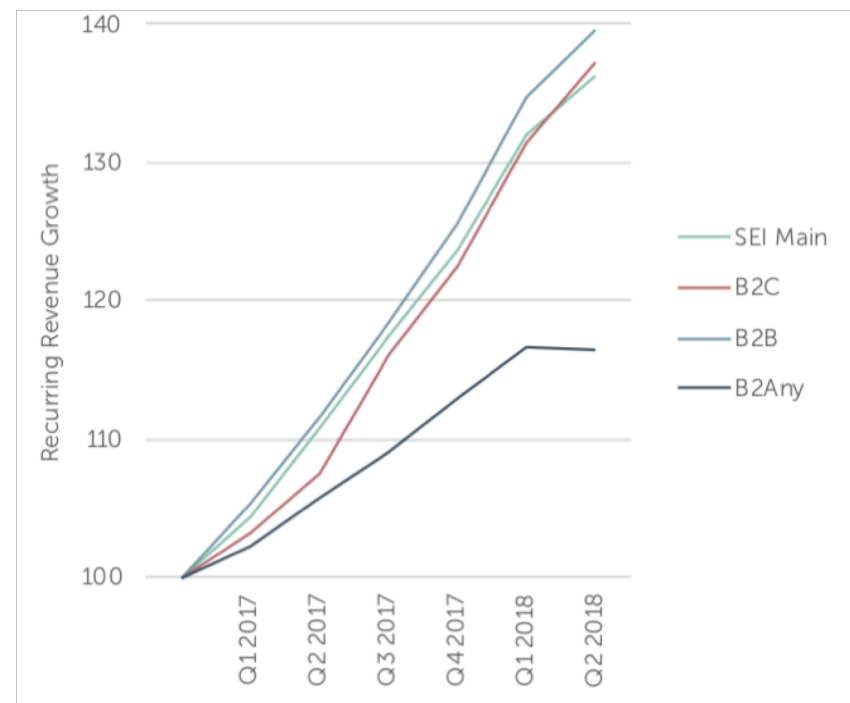
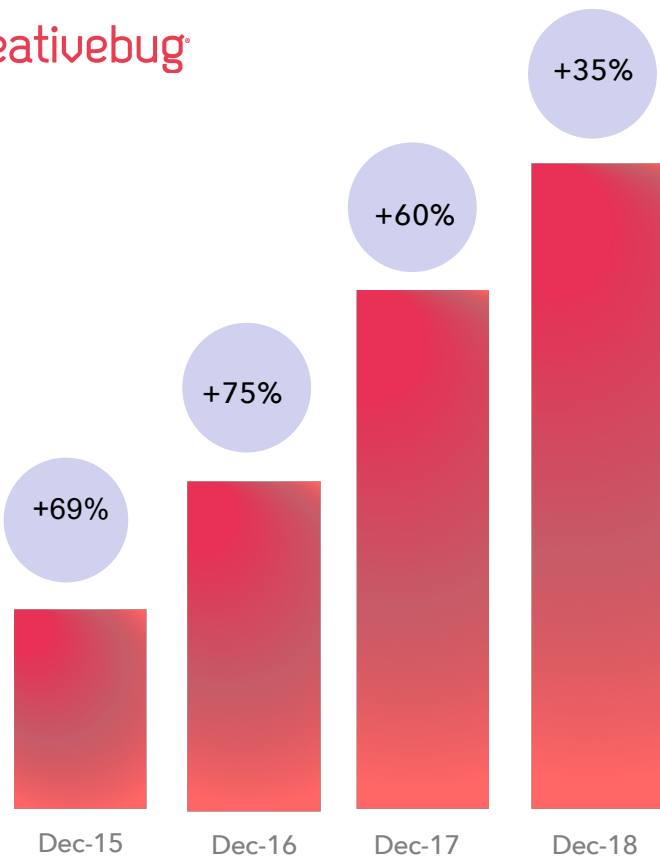


"I love that I can fit in a little learning and inspiration no matter how much time I have. **It's my happy TV.**" - Lynn



# Prepare for Growth

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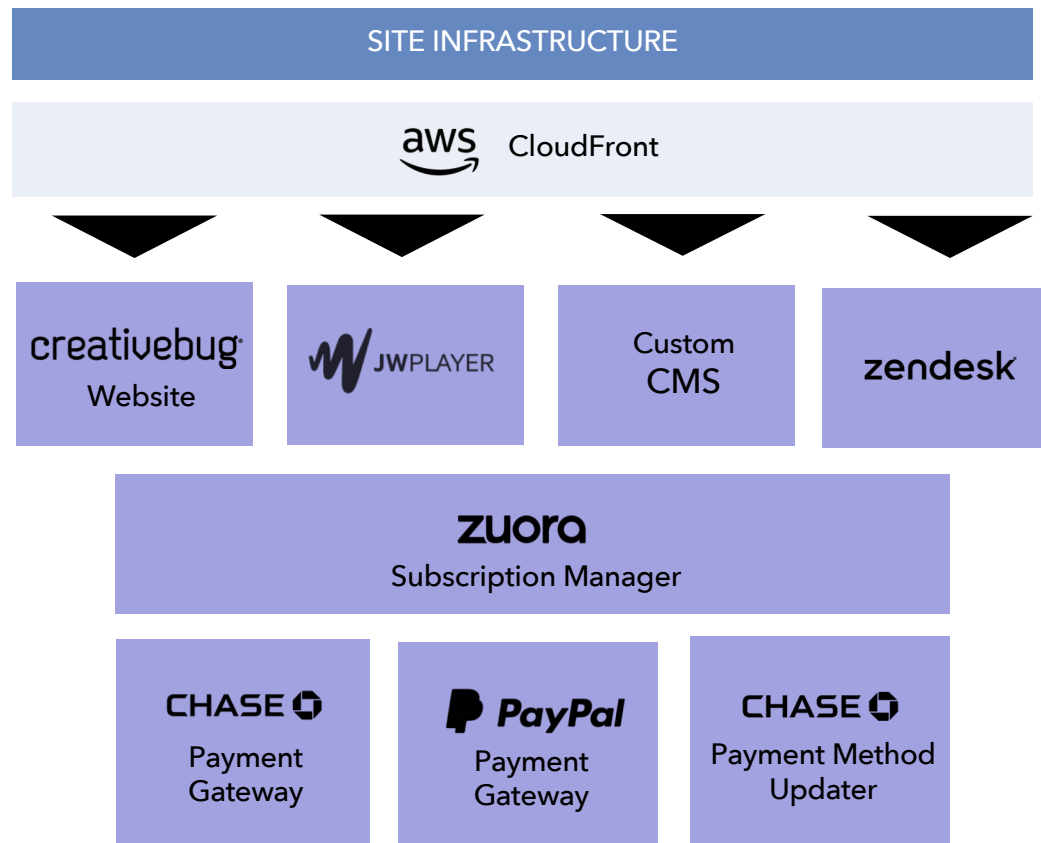


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Source: Subscription Economy Index Update Fall 2018

Proprietary & Confidential | 15

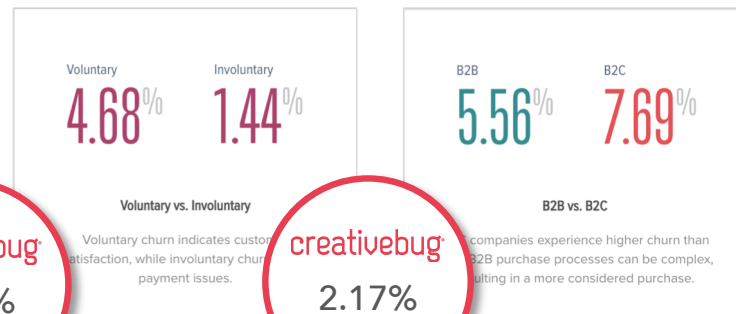
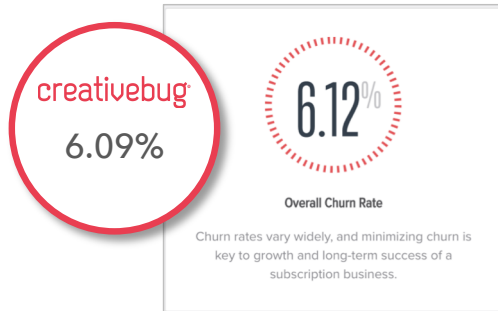
## 4 Buy infrastructure that's easy to scale





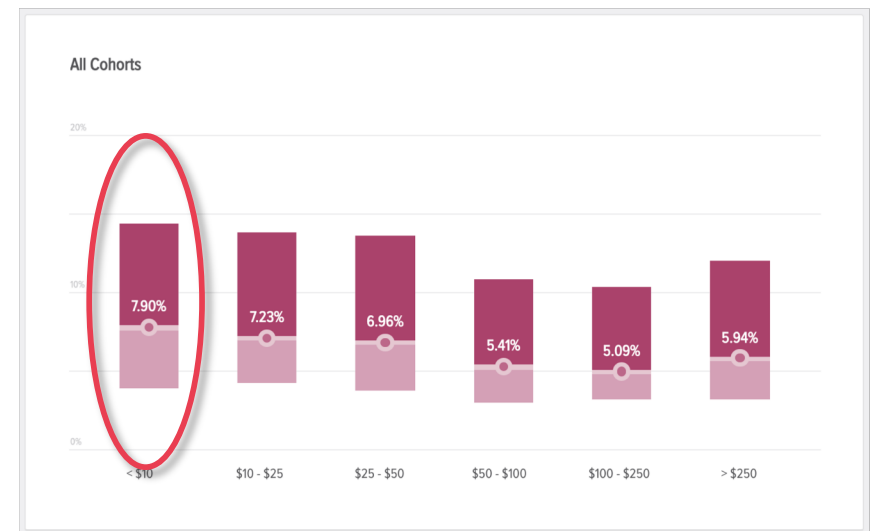
# 5 Manage churn from all sides

## 2017 Subscription Churn Benchmarks

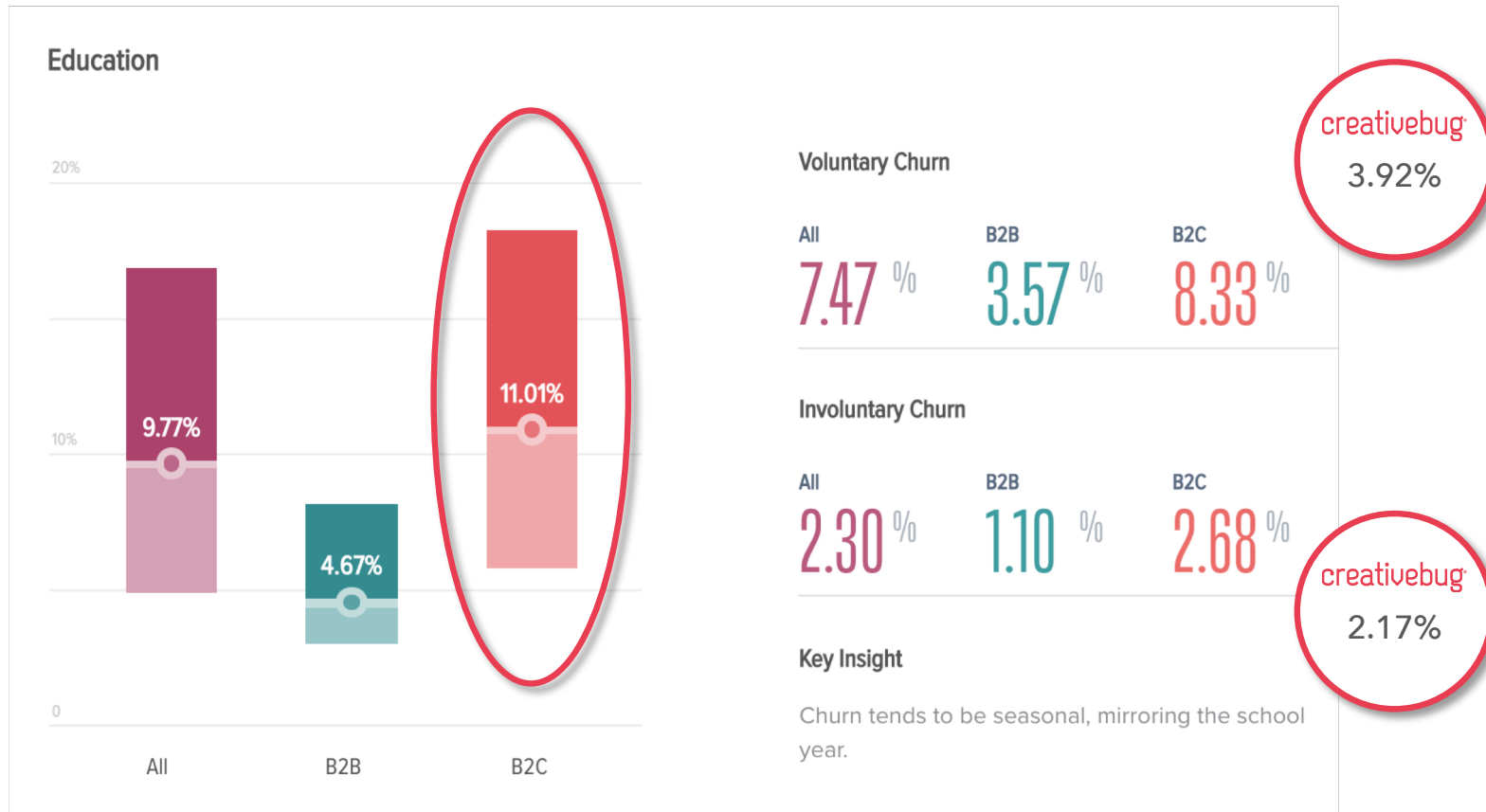


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Source: Recurly Research: Churn Rate Benchmarks



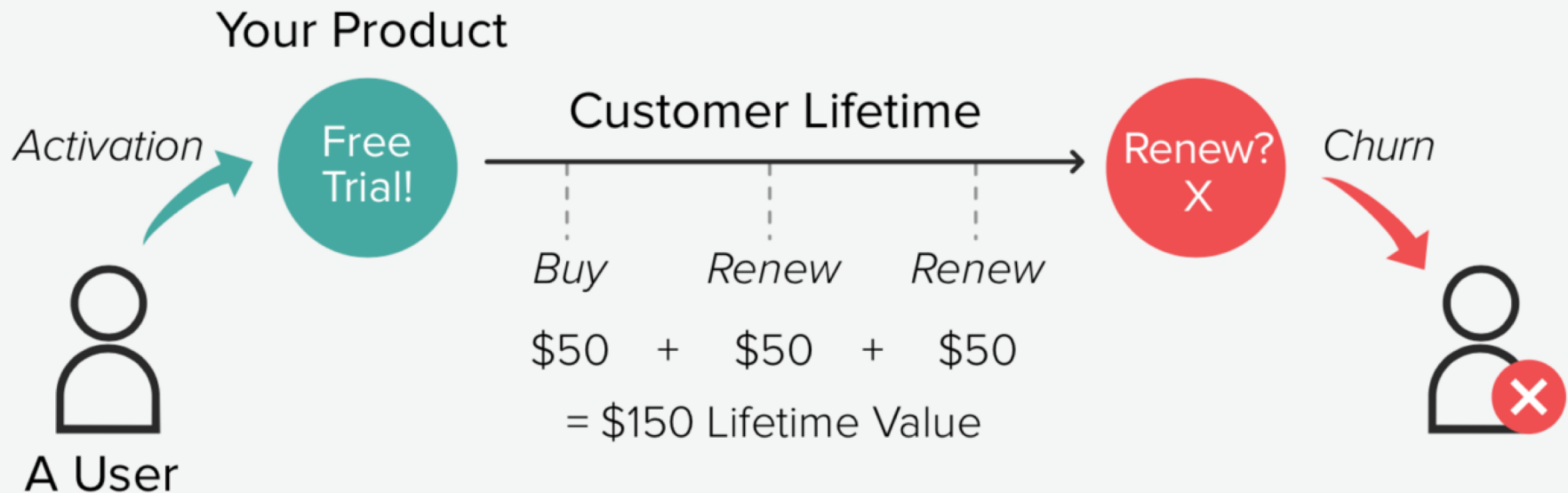
# Education Industry Subscriptions





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## Customer Lifetime Value: putting it all together



## Subscription Longevity

✦ Build Relationships ✦ Reward Ambassadors ✦ Listen, Listen, Listen

# Thank you.

(special love from Charlie &  
Ollie)



Juliehollidayroehm



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