



PUBLICATIONS:

Brewing Success: How Pret a Manger's 'Club Pret' Led to Profitability and 20% Revenue Growth

Pret is a globally recognized food retail brand boasting a network of over 700 shops in 16 markets on three continents.

★ PRET ★



Frictionless payments and a dynamic retention strategy enable the food-to-go retailer to scale an industry-first coffee subscription program and reward loyalty with unmatched generosity.

What Pret wanted

- Scalable revenue management system to introduce and sustain a subscription business model
- Personalized churn management to retain customers and increase LTV
- Enterprise-ready payment infrastructure to manage transactions across the subscription lifecycle

What Chargebee offered

- Seamless subscriber journey across digital and in-store channels for the 'Club Pret' subscription
- Sophisticated retention strategy, yielding astounding results within 30 days of implementation
- Enhanced authorization rates with Chargebee and Adyen, positively impacting conversions without compromising security

Since its inception in 1986, UK-headquartered Pret A Manger (Pret) has been dedicated to serving freshly made food and organic coffee. Today, Pret is a globally recognized brand boasting a network of over 700 shops in 16 markets on three continents, with over 9,000 employees across the globe.

Pret Launches First-of-its-Kind Coffee Subscription Within Seven Weeks

Like other food-to-go operators, Pret faced several challenges during the COVID-19 pandemic. The company had to adapt its operations, from shop closures during the strictest lockdowns to expanding its takeaway services. Pret recognized it needed to adapt and innovate to navigate the evolving business landscape and encourage customers to return to shops.

In 2020, Pret launched a paid loyalty subscription offer – a first of its kind for high-street food-to-go shops in the UK. The Pret Coffee Subscription would offer subscribers up to five barista-prepared drinks daily for a fixed monthly fee.

The goal was to open another channel to engage customers and provide a new, unique offering to help drive sales and expand Pret's revenue streams.

After a thorough vendor evaluation, they selected **Chargebee Billing** to handle the core subscription billing and **Adyen** for payment processing. With a hunger for innovation and this partnership, **the Subscription program was launched in just seven weeks.**

Initial Success of the Subscription Program

Pret's commitment to meeting customer expectations in both the digital and physical worlds makes its subscription model particularly unique. **The coffee subscription was an instant success.** Initially launched in the UK, it expanded with subsequent launches in France and the US. As the subscription became a big hit with customers, Pret embarked on a journey to further elevate and future-proof its offering, evolving the Coffee Subscription into Club Pret. Club Pret offers customers 20% off everything sold in the shop, on top of the five daily barista-made drinks, to further enhance the customer experience and give Pret's most loyal customers great savings and exclusive deals.

The Challenge:

Scalability, Churn, and More Personalization

“Generosity is a core company value at Pret, and the subscription program reflected this from day one,” explains **Balint Bertok**, Global Head of Subscriptions at Pret A Manger. “However, with great success and growth came churn and the need to optimize previously blanket discounts.”

Pret set out clear priorities to deflect churn and take its subscription business to the next level:

1. Develop a granular understanding of its customers
2. Build a robust and dynamic retention offer strategy
3. Enable frictionless digital transactions

“We decided to put our most loyal customers at the heart of our subscriptions and provide great value to them at every turn. By better understanding our customers’ wants and needs, we can be more proactive – rewarding them at the right time, reminding them that they can pause their subscriptions rather than cancel, or resolving any payment issues quickly and with ease. To do this at scale, we knew we needed the right tools and experts by our side,” said Balint.

The Solution:

Robust Customer Retention and Seamless Payments

01 Value-Based Retention and Experimentation

Recognizing the pressing need for a customer retention solution to support its subscription offering, Pret implemented **Chargebee Retention**, integrating it seamlessly with Chargebee Billing.

In April 2023, when the company launched **Club Pret**, Chargebee Retention was fully implemented to rescue customers on the brink of leaving.

Here's how Pret leveraged Chargebee Retention and what it made possible:

- **Adaptive Offers and Experimentation:** Operating in the high-velocity food & beverage industry, Pret constantly **fine-tunes the cancel experience and tailors promotions** to different customer segments. Those reconsidering their subscription receive well-timed promotions with varying discounts, a new development introduced in April 2022.
- **Increase in Customer Lifetime Value:** Combining the power of personalized retention and effective targeting, Pret **redirected over 44% of users who initiated the cancellation process**, a striking threefold increase compared to industry norms. This, in turn, resulted in an increased Customer Lifetime Value.
- **Agility and Flexibility:** Chargebee's user-friendly, no-code interface empowered local marketing teams to **manage retention strategies independently without needing input from the product team**. This included generating promo codes and manually applying discounts at the point of sale.



Having prior experience with Chargebee on the billing front made the implementation of the Retention solution swift and effortless. Our primary objective was to customize subscriptions to meet the unique needs of our customers. The implementation of Chargebee Retention, guided by our customer-centric approach and a commitment to experimentation, **yielded astounding results, notably boosting our retention rates, within the first 30 days.**

Balint Bertok
Global Head of Subscriptions



02 Effective Involuntary Churn Management

Pret's commitment to a seamless payment experience, achieved with the help of Adyen, led to impressive conversion and authorization rates (80-85%) without compromising security or increasing fraud. Sophisticated dunning management helped Pret prevent churn by alerting customers of a potential payment failure (e.g., insufficient funds or expired cards).

"The seamless integration of Chargebee with Adyen was a tremendous advantage. With Chargebee overseeing subscriptions and Adyen handling payments, we've consistently delivered recurring value that keeps our customers eager to stay. Beyond the technological harmony, we've also gained the support of two teams of experts who guide us at every step, continually introducing fresh ideas to evolve our subscription offering. It's truly a fantastic working relationship," said Balint.

The Result:

Subscriptions Fuel Market Expansion and Hunger for Innovation

- **4x Subscriber Spending Surge:** Within three months of its launch, Club Pret had 17.8 million redemptions, demonstrating its huge popularity with customers. Since then, Pret has been continually experimenting with and evolving Club Pret, transforming it into a significant revenue driver, with **subscribers spending 4x more than non-subscribers.**
- **Revenue Growth and Profitability:** Pret reported a return to **profitability in 2022** for the first time since 2018. Its **revenue rose by over 20%** in the first half of 2023 compared to the same period in 2022. Following the launch of Club Pret, digital transactions grew to account for 42% of transactions during the first half of 2023.
- **Subscription Program Growth:** Club Pret transactions have been growing month-on-month since its launch in April 2023, with one in four Club Pret transactions now including a purchase. On average, **subscribers save over £60 a month** by being a Club Pret member.

Following the success of Club Pret in the UK, the company has ambitions to bring Club Pret to new international markets, having recently launched the proposition in France.

We are immensely excited about the future of Club Pret – it's a huge part of the business. With Chargebee and Adyen on board, we have the reassurance that our subscription is robust and scalable – and with all the possibilities to experiment, optimize, and innovate our offering, we hope to share the 'Joy of Pret' with more people more easily than ever before.



Anne-Sophie de Weck,
Global Digital Director, Pret A Manger



See how Chargebee is a **trusted partner in 6500+ growth stories** and **scan the QR code** to request a demo.

