

Analysis of Subscription-based Health Brands Based on Corporate Strategy and Risk Management--A Case Study of LemonBox

Jingyu Sun^{1,a,*}, Xin Song²

¹Business School, University of Shanghai for Science and Technology, Shanghai, China

²Business School, University of Shanghai for Science and Technology, Shanghai, China

^a2469310982@qq.com

*Corresponding author

Abstract: This article examines LemonBox, an emerging subscription-based health brand, and explores the enterprise strategy and risk management challenges it faces in the context of the "Healthy China 2030" initiative. By conducting questionnaire surveys with both potential and existing consumers, this study validates the effectiveness of LemonBox's strategy from the perspective of user perception and behavior, while also identifying associated risks. The research finds that LemonBox successfully expanded the market by relying on a questionnaire and algorithm-driven personalized subscription model, establishing a scientific, convenient, and professional user perception, which confirms the effectiveness of its blue ocean strategy. However, this model also simultaneously raises user concerns regarding price sensitivity, effect trust, and data privacy, and transforms into systemic risks such as operations, compliance, and finance. Finally, based on the data-driven analysis results, this article proposes corresponding strategic suggestions, providing practical references for the strategic decisions and risk management of similar health brands.

Keywords: Subscription-based Health Brand; Corporate Strategy; Risk Management; Personalized Nutrition; LemonBox

1. Introduction

Under the deepening of the "Healthy China 2030" strategy, the widespread awakening of public health awareness in the post-pandemic era, and the multiple driving forces of consumption upgrading, the Chinese health consumption market is gradually transforming towards being proactive and personalized. The global personalized nutrition market is expected to reach nearly 13.4 billion US dollars by 2025, with a compound annual growth rate (CAGR) of 12.4% since 2020. Domestically, with the support of the "Healthy China 2030" planning outline, the scale of China's health industry will exceed 12 trillion yuan in 2025. Precision nutrition, as a key sector, is expected to have a market potential of over 100 billion yuan. Furthermore, in the context of the new economy, business model innovation has taken on the characteristics of platformization and customization, among them, the subscription-based business model, as an emerging business model, has gradually become an effective way for enterprises to obtain stable income and enhance user loyalty (Gao, 2024)^[6]. As a representative brand in this field, LemonBox, in line with the current era, precisely reaches its target users through the DTC model and subscription-based personalized services, and then enhances user stickiness and repeat purchase rate (about 30%) through refined private domain operations, successfully opening up a new growth path in the traditional health supplement sector.

At the same time, behind the high growth also lies risks, including external environmental risks and internal operational risks. As domestic and international mature brands such as Swisse also launch similar products, the market competition intensifies. In this context, this article will explore the strategic logic and risk management mechanisms of LemonBox. This not only helps understand the mechanism behind its rapid development but also provides strategic references for similar enterprises.

2. Questionnaire Research

To ensure objectivity and empirical validity, and to address the current lack of direct research on the

emerging case of LemonBox, this study, in addition to the analysis of public data, also employs primary questionnaire survey methods. The aim is to quantitatively evaluate the strategic effectiveness, identify perceived risks, and collect development suggestions from the perspectives of potential and existing consumers.

2.1. Survey Subject

This study focuses on the core target market of LemonBox - young people who are concerned about health management, have a certain level of consumption capacity, and have a high acceptance of new models. Given that "crispy young people" and "crispy college students" have become a widely discussed social phenomenon and have highlighted young people's concern and demand for health issues (Huang & Luo, 2025)^[3], and accompanied by a health consumption revolution led by young people that is reshaping the health preservation market (Zhu, Yu and Wang, 2025)^[2], this survey is further precisely targeted, with the 18-35 age group as the main sample, to explore the key factors influencing their subscription-based health brand consumption decisions and perceptions.

2.2. Questionnaire Design and Data collection

In order to explore consumers' attitudes and behavioral intentions towards subscription-based health brands, this study employed the Likert scale to investigate multiple influencing factors. It also asked about purchase channel preferences, renewal intentions, and usage preferences to understand the purchasing behavior characteristics of users, and collected suggestions for brand development from aspects such as products, prices, trust, services, and marketing.

The questionnaire was distributed through an online platform. Samples were screened based on the response of "whether they pay attention to health management", and those who answered "not very concerned" were excluded. A total of 109 questionnaires were received, eventually 106 valid questionnaires were obtained. The success rate of questionnaire collection was approximately 97.25%. The samples were mainly aged between 18 and 35, with the 23-26 age group accounting for the highest proportion, which was highly consistent with the target users of LemonBox. The reliability of the scale was tested, and it was found to have good reliability.

3. Analysis of the Strategy

3.1. Strategic Background

LemonBox was founded in 2017, with the brand concept of digital nutrition science, providing users with personalized nutrition solutions. Users complete a health questionnaire and can receive professional advice from AI nutritionists, as well as monthly customized daily nutrition supplement packages.

The data shows that the health literacy level of Chinese residents has risen from 8.80% in 2012 to 31.87% in 2024. Against this backdrop, young consumers are not paying more attention to health issues earlier or more proactively, and they view them as a "core asset" that requires long-term investment and meticulous management (Lu, 2025)^[1]. In terms of market size, the scale and future development trend of the vitamin industry in China have become the focus of the industry. Health consumption is no longer limited to physical products; it has also extended to personalized services (Lu, 2025)^[1].

3.2. Market Segmentation and Target Market Selection

In the early stage of entering the market, LemonBox did not choose to compete head-on with traditional health supplement giants in the broad mass market. Instead, it precisely segmented the health consumption market based on demographic factors, consumer psychology and behavior variables:

In terms of demographic factors, the target population is female white-collar workers in first- and second-tier cities aged 25-35, with 70% being from the post-90s generation. The questionnaire shows that 77.06% of the respondents are aged between 23 and 35, confirming the brand's precise targeting of young users. This group generally has a high level of education, disposable income, and is highly dependent on a digital lifestyle.

In terms of consumer psychology and behavior factors, they pursue a quality life and personal health management, but face problems such as insufficient knowledge and difficulty in choosing, as well as

extreme aversion to the cumbersome decision-making (such as bottled, large doses) and strong salesmanship of traditional health supplements.

Based on this, LemonBox clearly chose "digital natives with health anxiety and upgrade needs, but lacking professional knowledge and time, and valuing convenience and personalized experience" as its core target market. This choice avoided red ocean competition and entered a high-growth potential incremental market.

4. Strategic Implementation Analysis

4.1. Company-level Strategy

At the company level, LemonBox focuses on the health consumption field and aims to achieve growth by deeply exploring the potential of existing markets and products. This clearly reflects the "product development" and "market development" paths in the intensive growth strategy.

In the product development path, within the existing market of "health nutrition products", through technological innovation (customized model), new product forms and subscription-based service models are developed, significantly enhancing product competitiveness.

In the market development path, its innovative DTC subscription model is applied to more extensive health consumption scenarios, and it seeks to serve a wider user base (penetrating from first-tier city white-collar workers to a broader market), which belongs to the strategy of introducing existing products to new markets. Feng (2022) in her research believes that enterprises can establish a deeper connection with consumers through the DTC model^[5].

4.2. Business Unit-level (Competitive) Strategy: Hybrid Strategy and Blue Ocean Strategy

At the business unit level, LemonBox's competitive strategy is not simply "cost leadership" or "differentiation", but a successful combination of both, with typical blue ocean characteristics.

In the basic competitive strategy, LemonBox is located in the high-value area of the "strategy clock" model. Specifically, it is a hybrid strategy, pursuing both differentiation and relative cost advantages. LemonBox provides highly perceived value-added products and services through questionnaires and algorithms, differentiating it from standardized bottled vitamins. Jiang (2023) demonstrated in her research that the DTC model significantly simplifies the distribution process by eliminating the need for third-party platforms and middlemen distribution channels. This approach not only effectively reduces the cost of goods but also helps to establish a price advantage, and it also enables enterprises to have a more accurate market insight^[4]. At the same time, LemonBox uses the DTC model to eliminate the middleman markup stage of traditional distribution channels and focuses marketing expenses highly on digital content, relatively reducing costs, maintaining a price within the range that a target customer group can still afford, rather than luxury pricing. In addition, the traditional health care market is a classic "red ocean", where competitors compete within the known market, focusing on defeating competitors through cost leadership and other strategies. LemonBox, on the other hand, has shifted its strategic choice to implement the "blue ocean" strategy.

In the blue ocean market, LemonBox chooses to avoid competition and create a new market without direct rivals. It does not compete with traditional brands in terms of ingredients or on the shelves, but instead creates personalized health solutions. Secondly, it creates and captures new demands, attracts more non-consumers, reduces the professional threshold through questionnaires and intelligent reports, and simplifies complex health management into a service, significantly increasing the number of consumers. Moreover, LemonBox provides highly personalized services to create differentiation, reduces channel costs through the DTC model and lowers marginal service costs through digital services, that is, it pursues differentiation and low costs simultaneously, breaking the value-cost trade-off law.

The Figure 1 shows that more than half of the consumers recognize its high cost and premium pricing, but at the same time, a higher proportion of consumers consider it an investment in health. This precisely reflects the success of the creation stage in its blue ocean strategy. This cognitive basis is the market psychological foundation for it to avoid price wars and achieve value innovation.

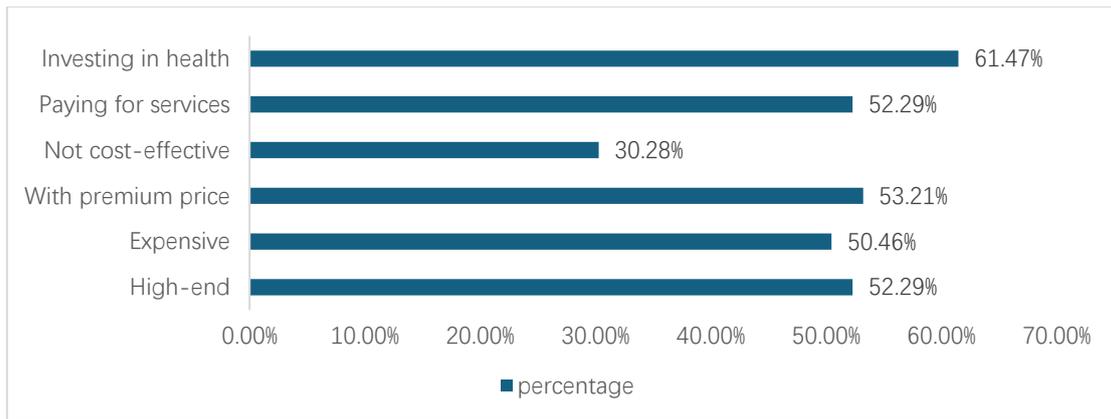


Figure 1: Price Attribute Cognitive Comparison and Analysis Chart

4.3. Functional Layer Strategy: 4P Theory

At the functional level, its marketing strategy is the key to implementing the above overall strategy and competitive strategy. The following will be analyzed based on the 4P theory of marketing.

4.3.1. Product Strategy

As shown in the word cloud diagram in Figure 2 and the questionnaire, 52.29% of the respondents believed that 'convenience' was the core advantage and supported the value proposition of the subscription model.

(1) Product Portfolio Strategy: Adopt the strategy of expanding the product portfolio. Under the core product line of "personalized nutrition solutions", continuously expand the depth of the product portfolio and the correlation.

(2) New Product Development Strategy: Its core product is a completely new product line, developed independently through a self-developed development approach, relying on internal algorithms and data capabilities.



Figure 2: Brand Strategy Value Perception Word Cloud

4.3.2. Price Strategy

(1) Basic Pricing Method: Mainly adopt demand-oriented pricing. The price is not based on cost, but on the perceived value created for customers (personalization, convenience, ease of use). Users pay for the value of the solution, not the cost of raw materials. Consumer perceived value refers to "the overall assessment made by consumers of the product's utility based on their perception of what they receive and what they give"^[8]. Customers with higher perceived value are more likely to experience satisfaction and have a purchase intention (Li, 2024)^[7].

(2) Main Pricing Strategies: Adopt skimming pricing. The chart Figure 3 shows that over 70% of the consumers believe that the price is slightly high or too expensive. This directly confirms the market perception of the "skimming pricing" strategy, indicating that the product is positioned in the high-quality and high-price range. As an innovative product, it sets a relatively high price when entering the market

to quickly recover research and development and marketing investments and shape a high-end, professional brand image.

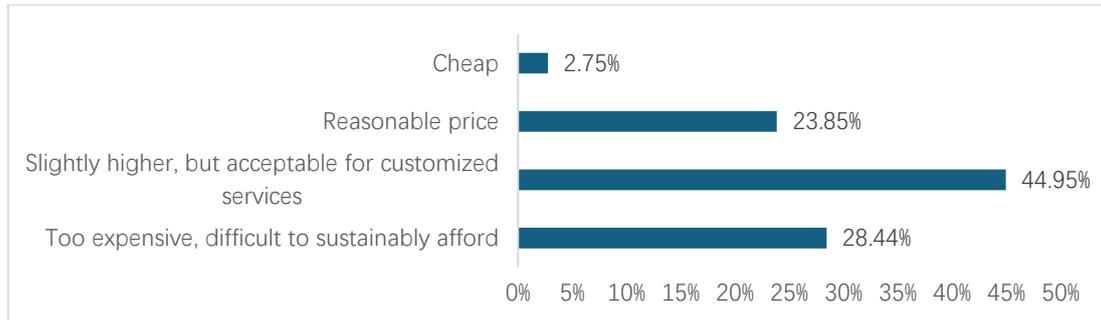


Figure 3: Price level perception distribution chart

4.3.3. Place Strategy

(1) Channel Type: Adopt the DTC model of direct channel, where the manufacturer directly faces the end consumers. This is highly consistent with its data-driven business model.

(2) Channel Strategy: Choose the exclusive distribution strategy, with all products sold only through the official channels of the brand. This ensures the consistency of brand experience, the integrity of user data, and establishes high channel control, which is its core strategic asset.

4.3.4. Promotion Strategy

Its strategy is a combination of "pull strategy" and "push strategy", but with the "pull strategy" as the main approach. As shown in the figure, the pure online DTC channel model adopted by LemonBox perfectly aligns with the purchasing habits of the target users. According to Figure 4, 72.66% of consumers prefer to purchase personalized nutrition products through online channels. This confirms the correctness of the brand's strategy of focusing on online promotion and sales, and also highlights its leading pull strategy.

(1) Pull strategy: Attract consumers to actively seek and purchase the product through large-scale content marketing (science article, social media education) and word-of-mouth marketing (user sharing).

(2) Push strategy: Deliver product information to potential users through precise digital advertising.

Marketing communication: Focus on public relations (PR) and word-of-mouth marketing. Through professional and trustworthy content, establish brand authority and trust, and reduce consumers' perceived risks.

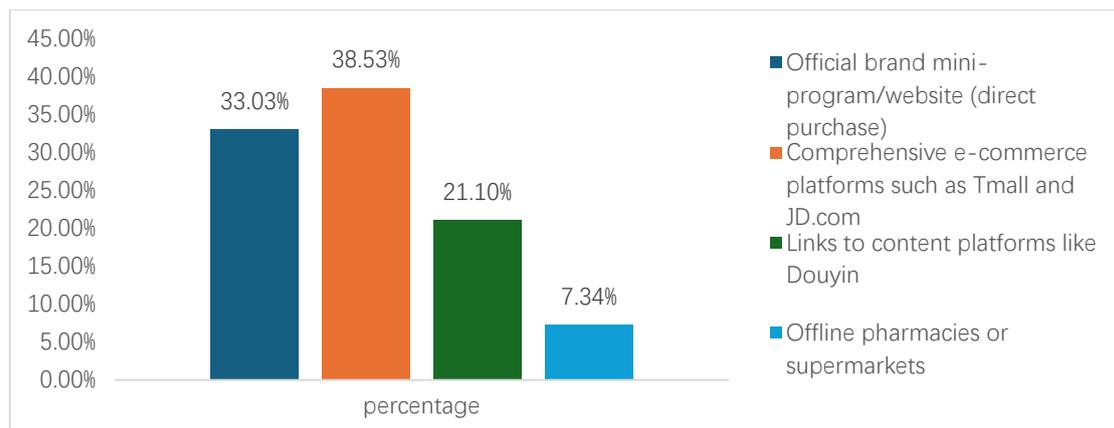


Figure 4: Consumer purchase channel preferences

5. Data-driven Strategic Recommendation

Based on the strategic analysis and questionnaire survey results, this study provides the following operational suggestions for LemonBox and similar enterprises, and summarizes the core findings.

5.1. Specific Suggestions for LemonBox

For LemonBox, consolidating its existing advantages and managing systemic risks are top priorities. This should be approached from two main aspects.

Firstly, at the strategic level, it is necessary to deepen its blue ocean innovation to build a more solid competitive barrier. This means not being content with the current personalized model but leveraging accumulated user data to develop advanced services such as continuous health trend tracking, thereby elevating customer relationships to long-term partnerships and effectively increasing user switching costs. This deepening direction directly addresses the 78.9% of consumers' demand in the questionnaire for "providing more intelligent and convenient subscription management", and is an extension of its core advantage.

Secondly, it must specifically respond to the three core risks revealed in the questionnaire: for financial risks, it can optimize the pricing structure and design more attractive long-term subscription plans. Figure 5 shows that 72.5% of consumers expect "clearer long-term subscription discounts", which can stabilize cash flow and directly address the market's pain point of price sensitivity (63.3% of consumers are concerned about the long-term price burden). For trust and compliance risks, it should proactively enhance transparency, such as regularly publishing data security white papers and actively seeking endorsements from authoritative medical institutions. This precisely aligns with the strong improvement calls from 73.4% of consumers for "strengthening cooperation with authoritative medical institutions" and 67.0% for "more transparently disclosing data security measures". For operational risks, it needs to focus on optimizing the user journey, especially simplifying the subscription management process, to enhance the experience and reduce user churn rates.

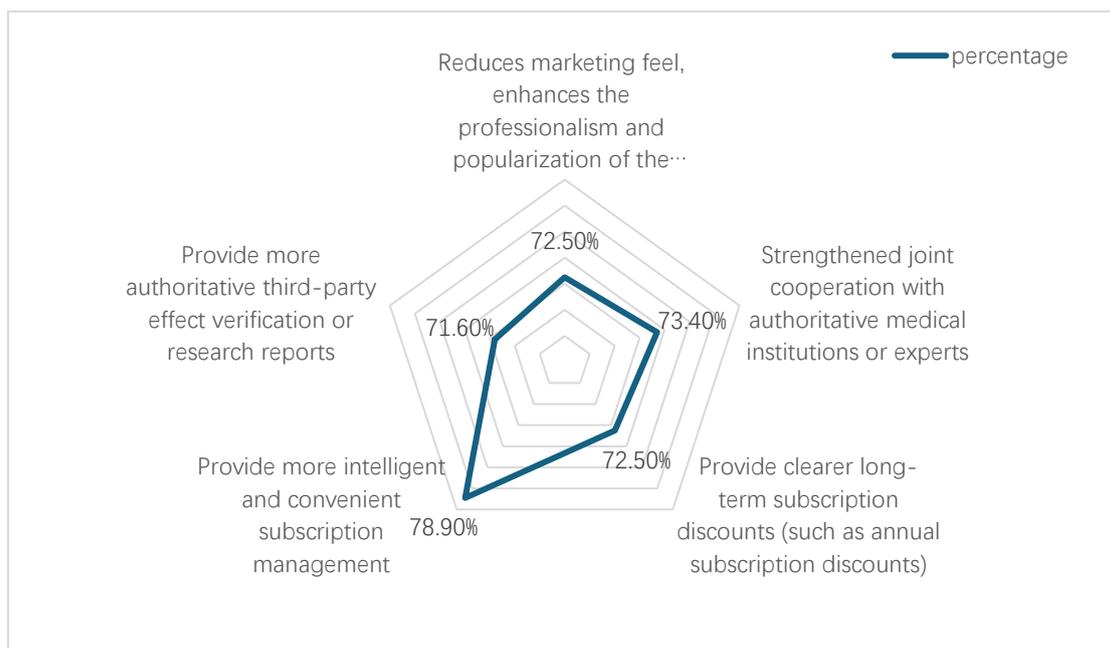


Figure 5: Consumer Core Improvement Demand Intensity Radar Chart

5.2. Implications for Similar Enterprises

LemonBox's practice provides important references for the industry. Firstly, the core of success lies in fundamental value innovation rather than simply imitating the subscription model. New entrants need to create blue ocean markets based on precise insights into unmet consumer needs. Secondly, adopting a DTC model means that enterprises will directly face the entire process of user experience and risks, which requires integrating risk management into the strategic core from the very beginning, especially ensuring data security and establishing a healthy user lifecycle value model. Over 62% of consumers in the questionnaire expressed concerns about data privacy and security, which warns all DTC brands that data security is the foundation of trust, not merely a compliance cost. Finally, building brand trust is a systematic project, and initial market education alone is not sufficient. Enterprises need to continuously consolidate trust through transparent communication and reliable evidence. A staggering 71.6% of consumers demand "providing more authoritative third-party effect verification or research reports",

which pushes competition to move from the marketing level to deeper scientific evidence and trust building.

References

- [1] Lu Yangjing. *Seizing New Opportunities in Health Consumption* [N]. *Economic Daily*, 2025-11-26 (005). DOI: 10.28425/n.cnki.njjrb.2025.010890. (In Chinese)
- [2] Zhu Yini, Yu Jichen, Wang Tingting. *Health Consumption Upgrading, Nurturing Becomes "Young People's Must-Have"* [N]. *Nanjing Daily*, 2025-04-08 (A04). (In Chinese)
- [3] Huang Qiwei, Luo Hengfeng. *The Group Portrait Characteristics, Causes Analysis and Guidance Strategies of "Crispy-Shell College Students"* [J]. *Beijing Youth Research*, 2025, 34(03): 46-51. (In Chinese)
- [4] Jiang Siwei. *A Brief Analysis of the New E-commerce Model "DTC" and Its Future Development Trends* [J]. *Brand Marketing of Old and Established Brands*, 2023, (08): 22-24. (In Chinese)
- [5] Feng Ping. *The Rise of DTC Brand Model in Cross-border E-commerce in the Post-Pandemic Era* [J]. *China Business Discussion*, 2022, (23): 17-19. DOI: 10.19699/j.cnki.issn2096-0298.2022.23.017. (In Chinese)
- [6] Gao Chenxi. *Research on Business Model Innovation and Competitiveness Enhancement of Enterprises under the New Economy* [J]. *Modern Commercial Research*, 2024, (24): 80-82. (In Chinese)
- [7] Li Yao. *Research on E-commerce Brand Marketing Strategies and Consumers' Purchase Intention - Based on the Mediating Role of Consumer Participation and Consumer Perceived Value* [J]. *Commercial Economic Research*, 2024, (14): 55-58. (In Chinese)
- [8] ZEITHAML V A. *Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence* [J]. *J Market*, 1988, 52(3): 2-22.