How FabFitFun Makes Money

Idea In Short

FabFitFun built a subscription business around quarterly boxes of full-size beauty, wellness, fashion and fitness products, letting members customize part of each box before it ships. Founded in 2010 by brothers Daniel and Michael Broukhim alongside Katie Echevarria Rosen Kitchens, the company started as a lifestyle newsletter before launching its first box in 2013. It has since grown past one million members and expanded into add-on sales, an online shop and brand partnerships that extend well beyond the core box. Leadership has changed hands several times since 2023, with Galen Smith, a former Redbox Entertainment executive, becoming chief executive in September 2024. This article covers how FabFitFun generates revenue, who its customers are and how it competes against rivals such as Ipsy and Birchbox in the subscription box market.

From a lifestyle newsletter to a subscription box

Daniel and Michael Broukhim were running a digital media agency building websites for celebrities when they started FabFitFun in 2010 as a side project, an online lifestyle newsletter aimed at women. Katie Echevarria Rosen Kitchens joined as a co-founder and now serves as editor-in-chief, shaping the editorial voice that still runs through the company's content. Three years after the newsletter launched, the company introduced its first physical subscription box in the spring of 2013, shifting from content to a product-based business model. That pivot from media to commerce set the pattern the company has followed since, using content and community to sell physical goods rather than the other way around.[1]

Funding fueled rapid subscriber growth

FabFitFun raised $80 million in a 2018 funding round led by Kleiner Perkins, a deal that valued the company at more than $1 billion and pushed it into unicorn status. The company used the capital to expand its product categories, invest in its technology platform and grow its subscriber base, which had already surpassed one million members by late 2018. That scale gave FabFitFun leverage in negotiating with brand partners eager to reach a large, engaged audience of women through box inclusion.2

The box experience drives the subscription

Members sign up by providing shipping and payment details, then choose between a seasonal subscription billed quarterly at roughly $79.99 per box or an annual plan billed upfront at around $259.96. After signing up, members receive an email prompting them to customize part of their upcoming box from a rotating menu of product options, or they can opt to let FabFitFun choose everything for them. Boxes ship once per season and typically include a mix of full-size beauty, skincare, wellness, fashion and lifestyle products valued well above the subscription price.

> FabFitFun's boxes are broadly positioned as a discovery tool for women, mixing categories that competitors like Ipsy and Birchbox generally keep more narrowly focused on beauty.

Add-ons and an online shop extend revenue past the box

Beyond the core subscription, FabFitFun runs periodic sales events where members can buy discounted add-on products not included in their regular box. The company also operates an online shop where both members and non-members can purchase individual items from past boxes or other products at standard retail prices. This dual structure lets FabFitFun monetize demand for specific products even among people who never fully commit to the subscription model, while giving existing members more ways to spend beyond their quarterly fee.

Leadership turnover raises questions about direction

FabFitFun has cycled through three chief executives since co-founder Marcelo Camberos stepped down from the role in January 2023, a level of turnover that stands out for a company that describes itself as profitable. Galen Smith, previously chief executive of Redbox Entertainment, took over in September 2024, inheriting a company still led day-to-day by founders Daniel and Michael Broukhim in a co-chief-executive structure. Frequent changes at the top can complicate long-term strategic bets, particularly for a subscription business that depends on consistent brand messaging and box curation to retain members quarter after quarter.3

Acquisitions push the company beyond a single box

FabFitFun acquired PupBox, a dog-focused subscription box business, from Petco in April 2024, extending its subscription commerce model into pet products for the first time. The company followed that with the acquisition of Boox, a packaging startup, signaling an interest in building business-to-business services around fulfillment and packaging rather than staying strictly a consumer subscription brand. Both deals suggest FabFitFun is trying to diversify revenue beyond its original women's lifestyle box, though neither acquisition has replaced the core subscription as the company's primary business.4

Competing in a crowded subscription box market

FabFitFun competes against Birchbox, one of the original subscription box companies founded in 2010, which built its business around customizable beauty and grooming samples. Ipsy, founded in 2011 by YouTube beauty influencer Michelle Phan, focuses exclusively on beauty products and layers in a rewards program and online community to drive engagement. Causebox, launched in 2018, differentiates on socially conscious and sustainable products across categories similar to FabFitFun's mix. Against these rivals, FabFitFun's advantage rests on full-size products and a broader category spread, though that breadth also raises per-box costs compared with sample-focused competitors.5

Key Partners

FabFitFun depends on beauty, wellness, fashion and fitness brands willing to supply products for its boxes, often at reduced wholesale rates in exchange for exposure to a large subscriber base. Payment processors handle the recurring billing central to the subscription model, while shipping and logistics partners move boxes to members each quarter. Charities and non-profit organizations occasionally partner with FabFitFun on cause-related product features, and media partners help extend the brand's reach through content and promotion.

Key Activities

Product curation and design sit at the center of FabFitFun's operations, since the company must select a rotating mix of items each season that feels fresh enough to justify renewal. E-commerce and logistics activities cover everything from processing customization choices to packing and shipping boxes on a quarterly cycle. Customer service and support handle billing questions, shipping issues and subscription changes for a member base built around recurring payments. Brand partnership management rounds out the core activities, given how much of the box's perceived value depends on recognizable product names.

Key Resources

FabFitFun's human resources, including its curation, merchandising and customer service teams, shape the day-to-day member experience. Intellectual property covering its brand, box design and customization technology gives the company a defensible identity in a market with several similar competitors. Financial resources built up through venture funding and ongoing subscription revenue support inventory purchases, marketing spend and the acquisitions the company has pursued since 2024.

Value Propositions

For women broadly, FabFitFun offers a wide variety of products tailored to different interests, letting subscribers discover and try new items in a convenient, semi-customized format. Beauty enthusiasts get access to skincare, makeup and haircare products from brands they may not otherwise sample, often at a lower effective cost than buying full-price individually. Fashion-minded members receive accessories and lifestyle items alongside beauty products, broadening the box's appeal past a single category. Health-conscious consumers get wellness-oriented items such as yoga mats, resistance bands, aromatherapy oils and healthy snacks mixed into the same subscription.

Customer Relationships

FabFitFun builds relationships through customer service channels designed to handle billing and shipping questions quickly, given how much subscription retention depends on smooth logistics. A loyalty structure tied to membership status rewards longer-tenured subscribers with perks and early access to certain products. The company also maintains an online community where members discuss products, share reviews and interact with FabFitFun's content team, adding an engagement layer beyond the transactional relationship.

Channels

Social media serves as FabFitFun's primary channel for reaching new subscribers and showcasing box contents through influencer and member-generated content. Community forums let existing members discuss past and upcoming boxes, creating word-of-mouth promotion that supports acquisition without direct advertising spend. The FabFitFun mobile app consolidates account management, customization choices and shop browsing into a single channel for active subscribers.

Customer Segments

Women in general make up FabFitFun's core customer segment, drawn to the box's mix of beauty, fashion, wellness and lifestyle products. Fitness enthusiasts represent a more specific segment interested in the wellness-oriented items included in each seasonal box, from equipment to supplements. Gift buyers form another segment, purchasing FabFitFun subscriptions or one-time boxes as presents for friends or family members rather than for themselves.

Cost Structure

Marketing and advertising expenses account for a significant share of FabFitFun's costs, given the ongoing need to acquire new subscribers in a competitive category. Technology and platform costs cover the customization system, mobile app and e-commerce infrastructure that support the subscription experience. Shipping and logistics expenses scale directly with subscriber count, since every member receives a physical box each quarter. Professional services and consulting costs round out the structure, particularly as the company integrates recent acquisitions like PupBox and Boox.

Revenue Streams

Subscription fees from seasonal and annual plans form FabFitFun's primary revenue stream, generating recurring income tied to quarterly box shipments. Add-on sales let members purchase discounted extra products during periodic sales events, adding incremental revenue on top of the base subscription. Partnerships and collaborations with brands generate additional income through placement fees and co-marketing arrangements, while the online shop contributes retail-price sales to non-subscribers and members alike.

Summary

FabFitFun's model depends on getting the box right often enough that members keep renewing, since the entire business rests on subscription retention rather than one-time purchases. Add-on sales, its online shop and brand partnerships extend revenue beyond the core subscription fee, giving the company multiple ways to monetize the same member base. Leadership turnover since 2023, including three chief executives in under two years, points to real strategic uncertainty even as the company says it remains profitable. FabFitFun's later acquisitions of Petco's PupBox and packaging startup Boox suggest an effort to diversify beyond a single subscription product into adjacent services. Whether that diversification pays off will depend on whether the core box business can keep its subscriber base stable while new ventures find their footing.