American University Kyiv

A Capstone Project

GROWTH STRATEGIES IN SUBSCRIPTION-BASED B2C STARTUPS: EVIDENCE FROM UKRAINIAN TECH ECOSYSTEM

СТРАТЕГІЇ ЗРОСТАННЯ У B2C-СТАРТАПАХ ІЗ БІЗНЕС-МОДЕЛЛЮ ЗА ПІДПИСКОЮ: ДОСВІД УКРАЇНСЬКОЇ ТЕХНОЛОГІЧНОЇ ЕКОСИСТЕМИ

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ABSTRACT

This capstone project investigates how Ukrainian subscription-based B2C digital startups perceive and implement their growth strategies while operating within venture-builder ecosystems. The research addresses the central question of how Ukrainian subscription-based B2C startups grow within venture-builder structures, utilize shared capabilities, and how this context influences their acquisition, activation, retention, and monetization strategies. To answer this, the study also examines questions related to experimentation velocity, funnel standardization, and the trade-offs between autonomy and centralized support.

The data were collected through seven semi-structured in-depth interviews with founders and C-level managers responsible for growth in venture-builder portfolio companies. Using a qualitative multiple-case design, all interviews were analyzed thematically across five constructs: acquisition, activation, retention, monetization, and venture builder ecosystem support.

The findings reveal strong convergence around ecosystem-wide growth playbooks, including quiz-first onboarding, email-driven retention, and performance-based acquisition. At the same time, substantial divergence arises from differences in team autonomy, resource-sharing arrangements, product maturity, and product launch strategies.

The study concludes that venture-builder ecosystems function simultaneously as accelerators and constraints: they reduce operational friction, diffuse best practices, and impose structural boundaries that shape strategic behavior. These insights have practical implications for founders and venture builders seeking to balance standardization with flexibility.

Keywords: *subscription-based startup; venture builder; growth strategy; B2C digital products; acquisition; activation; retention; monetization.*

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DEFINITIONS

Throughout this capstone project, several terms are used that may be unfamiliar to a wider audience. To ensure clarity, the following section provides brief explanations of key product, marketing, and operational concepts that appear frequently in the project.

A/B Testing

A method of comparing two versions of a product, message, or feature to see which one performs better with users.

Churn

The share of customers who stop using a product or cancel their subscription within a given period.

Customer Acquisition Cost (CAC)

The total cost of acquiring one new customer, including marketing, advertising, and sales expenses.

Experimentation

A systematic process of testing ideas, assumptions, or features to understand what improves product performance or user behaviour.

Growth team

In the context of this study, the term refers to a cross-functional group of specialists (marketers, analysts, product managers, etc.) who collectively drive the product's growth. Such a team integrates diverse competencies to influence metrics related to acquisition, activation, retention, and monetization.

Lifetime Value (LTV)

The total revenue a company expects to earn from one customer during the entire period they use the product.

Pivot

A significant change in product direction or business strategy based on new insights, learning, or market feedback.

Product-Led Growth (PLG)

A growth strategy where the product itself is the key driver of acquisition, activation, and retention. Users experience value quickly, which drives organic growth.

Product-Market Fit (PMF)

The stage where a product meets a clear customer need and retains users in a consistent and predictable way.

Recurring Revenue

Revenue that repeats over time (usually monthly or yearly) because customers pay for continuous access to a product or service.

Retention

The ability of a company to keep customers using the product over time.

Return on Advertising Spend (ROAS)

A metric that shows how much revenue is earned for every unit of money spent on advertising.

Subscription-Based Business Model (SBBM)

It is a model where customers pay a recurring fee (monthly, yearly, etc.) to get continuous access to a product or service.

Venture Builder

An organization that creates and supports multiple startups by providing shared resources, expertise, and operational help.

Shared Team

In the context of this capstone project, this term refers to a shared functional team inside a venture builder. These teams include specialists from one function (such as marketing, engineering, analytics, or design), each with their own lead, who support multiple startups at the same time instead of working on only one product.

CHAPTER 1. INTRODUCTION

Subscription-based business models have experienced rapid global expansion over the past decade, becoming one of the dominant revenue models in digital consumer markets. The subscription economy has grown significantly faster than traditional business models, driven by consumer demand for continuous access, personalization, and recurring value delivery. According to data published by Zuora, companies operating within the subscription economy grew revenues by more than 300% over a seven-year period, substantially outperforming the growth of companies in the S&P 500 index over the same timeframe (Zuora, 2023). Complementing this trend, market forecasts suggest that the global subscription economy continues to scale with estimated market size in the trillion-dollar range over the coming decade (Market.us, 2024). Together, these indicators underline the growing economic importance of subscription-based models in digital markets.

Rapid market growth does not automatically lead to sustainable success for subscription-based startups. As competition increases, acquiring customers becomes more expensive, but higher acquisition spending alone does not guarantee better results. Acquisition creates value only when it leads to a higher-quality customer base, reflected in stronger retention and usage over time. Therefore, long-term performance depends not on acquisition in isolation, but on how acquisition spending translates into post-acquisition customer behaviour. From this perspective, growth strategy is less about maximising user inflows and more about aligning acquisition efforts with long-term value creation (Livne et al., 2011).

From a strategic perspective, this reframes growth not as a process of maximising customer acquisition volumes, but as the creation and management of valuable customer relationships over time. In subscription-based models, long-term value emerges when acquired customers generate

repeated cash flows that exceed the costs of acquisition and servicing. In this context, customer retention plays a central role, as small improvements in retention rates can lead to large increases in customer lifetime value and profitability. Consequently, growth performance depends less on acquisition intensity alone and more on the firm's ability to retain customers and realise their long-term economic value (Gupta & Lehmann, 2003).

The use of subscription-based models in digital business is particularly relevant in the Ukrainian technology ecosystem, which includes thousands of product companies and continues to produce new ones despite prolonged uncertainty (Ukrainian Tech Ecosystem Overview, n.d.). Within this landscape, venture builders represent an established organisational model for creating and scaling multiple startups.

The remainder of this paper is structured as follows. Chapter 2 reviews the existing literature on subscription-based business models, growth frameworks, venture-builder operating model, and the Ukrainian startup landscape. Based on this review, the chapter identifies the research gap and formulates the research question guiding the study. Chapter 3 outlines the theoretical framework that informs the analysis. Chapter 4 describes the research methodology and data collection process. Chapter 5 presents the empirical findings from the multiple-case analysis. Finally, Chapter 6 discusses the conclusions and implications of the study.

CHAPTER 2. LITERATURE REVIEW

1.1 Subscription-Based B2C Digital Business Model

Subscription-based models shift consumer products from one-time purchases to ongoing access supported by recurring payments. Instead of selling a product once, companies focus on building long-term relationships and delivering continuous value. Subscription-based business models rely on three interconnected elements: value proposition, value creation, and value capture (Lindström et al., 2024). The value proposition in subscription models depends on making access easy, reducing commitment, and adding helpful service elements. These features increase convenience for customers and lower the initial cost of trying the product. Value creation is made through repeated interactions, which generate data that companies can use to understand behaviour, improve services, and build stronger customer relationships. Value capture comes from recurring payments, which require flexible operations capable of managing billing, integrations, and coordination between customers and providers. A subscription-based business model becomes sustainable only when these elements function as an integrated system. Both financial and non-financial metrics are essential to evaluating business performance, as recurring revenue, churn, retention, and service quality collectively define long-term value in subscription-based businesses (Lindström et al, 2024).

From an economic perspective, prior research shows that subscription pricing can outperform pay-per-use models in revenue generation, as recurring access fees allow firms to capture consumer value more effectively than usage-based pricing alone (Cachon & Feldman, 2011). Subscription-based business models have also been applied to physical consumer goods, where value is created through convenience, personalization, or inspiration rather than one-time transactions (Rudolph et al., 2017). Prior consumer research shows that models based on paid

access rather than ownership are mainly driven by convenience and efficiency (Bardhi & Eckhardt, 2012).

1.2 Contemporary Growth Frameworks

Modern digital consumer startups rely on growth frameworks that help structure how users discover, experience, and repeatedly engage with a product. While these frameworks differ in emphasis, they all aim to explain how early usage transforms into long-term retention and recurring revenue. Three approaches are especially relevant for subscription-based B2C companies: Product-Led Growth, AARRR framework, and growth loops. The approaches are not meant to be exhaustive, but were chosen by the author as applicable to this study.

Product-Led Growth (PLG) is a go-to-market and scaling strategy in which the product itself becomes the primary driver of acquisition, activation, retention, and revenue. According to Wes Bush (2019), PLG relies on letting users experience value before they pay, typically through free tiers, trials, or instant onboarding. Bush argues that frictionless entry points, a clear "aha-moment," and rapid time-to-value are central because they allow users to self-educate and self-convert without heavy sales intervention. In this model, growth emerges from product experience rather than marketing spend: users adopt the product, discover its value quickly, and naturally progress toward paid plans as their engagement deepens. PLG therefore shifts the focus of early-stage startups toward optimizing onboarding flows, reducing barriers, and designing the product in a way that continually reinforces usage and supports organic expansion.

In addition to PLG, many startups rely on lifecycle-based frameworks to structure how users progress from first contact with a product to long-term engagement. One of the most influential models is the AARRR framework (Acquisition, Activation, Retention, Revenue, and Referral) originally popularized by Dave McClure and later formalized in product management literature. Olsen (2015) describes how AARRR provides a clear structure for measuring user behavior at each stage of the customer lifecycle and for identifying where growth is created or lost.

AARRR is explicitly designed for digital products and emphasizes actionable metrics that teams can improve through experimentation. By breaking growth into measurable components, AARRR offers a practical foundation for understanding and optimizing the core levers of product-driven growth. Supporting this lifecycle logic, the qualitative research has mapped growth hacking strategies such as content, referral, revenue, and analytical practices into the same funnel stages, highlighting the central role of data-driven experimentation across the entire AARRR process (Feiz et al., 2021).

Growth loops extend this logic by demonstrating how user actions can generate compounding effects over time. Instead of treating growth as a linear funnel, loops show how one outcome can feed back into the system and create additional growth. According to Reforge (n.d.), a loop forms when each user contributes value (through engagement, sharing, or referrals) that leads to more users entering the product. This creates a self-reinforcing cycle where acquisition, retention, and monetization strengthen one another.

1.3 Acquisition, Activation, Retention, and Monetization

Modern growth frameworks view user growth as a step-by-step system where acquisition, activation, retention, and monetization build on each other. Ellis and Brown (2017) describe acquisition as the process of bringing new users to a product through paid ads, search, content, partnerships, or viral tools. They note that companies must experiment early to find the messages that attract users (language/market fit) and the channels that work best (channel/product fit). Activation focuses on helping users reach the “aha moment,” when they first feel the real value of the product. This requires mapping the user journey, finding where users drop off, and improving onboarding through repeated tests. Retention is key to long-term growth, since even small gains in keeping users lead to much higher profitability. The authors highlight the need to study churn with cohort analysis, build value habits, and re-engage inactive users with targeted communication. Monetization is presented not as extracting money from users but as improving

lifetime value (LTV) through clear pricing, easy payment flows, and upgrades or repeat use. Across all four stages, Ellis and Brown argue for a simple principle: growth comes from continuous, data-driven experimentation that reduces friction, increases value, and creates steady, scalable progress (Ellis & Brown, 2017). Prior empirical research demonstrates that acquisition and retention are interdependent processes rather than independent stages. Thomas (2001) shows that analysing retention outcomes without accounting for acquisition dynamics can lead to biased conclusions, supporting a lifecycle-based view of growth.

While these frameworks provide a conceptual structure for understanding how growth emerges across the user lifecycle, empirical research helps clarify which levers have the strongest practical impact within subscription-based models. Fosker and Cheung (2021) show that price is the only lever that consistently and significantly affects both acquisition and retention. Other commonly used mechanisms such as free trials, referral schemes, and loyalty points have limited or category-specific effects, indicating that pricing plays a central role in shaping growth outcomes in subscription-based models.

1.4 Venture Builders as a Mechanism for Launching New Startups

One of the central themes of this capstone project is the influence of venture builders on startup growth, making it essential to examine the literature that explores how these organizations support, shape, and sometimes constrain the development and scaling of new digital products.

Recent research on venture builders by Belingheri and Lechner (2025) finds that venture builders speed up time-to-market by giving founders immediate access to professional teams, shared infrastructure, and standardized processes. This support reduces operational risk and allows teams to focus on product and market validation rather than administrative tasks. The study also finds that centralized analytics and experimentation frameworks improve the quality and speed of testing, helping startups reach scalable models more quickly. However, the authors also identify important limitations. Heavy oversight can slow decision-making, shared teams can create

bottlenecks, and limited autonomy may reduce founders' ownership and motivation. The research concludes that "the balance between operational standardization and customization remains an open question. Highly standardized processes may drive consistency and efficiency, but they could also stifle the creative flexibility necessary to adapt to dynamic market conditions" (Belingheri & Lechner, 2025, p. 78).

1.5 Ukrainian Tech Startup Landscape and the Research Gap on Venture-Builder Models

Recent ecosystem reports show that Ukraine has developed one of the strongest technology sectors in Central and Eastern Europe. The country's most significant advantage is its human capital: a large pool of skilled engineers, product specialists, and digital entrepreneurs who continue to drive innovation despite wartime disruption (Brand Ukraine, 2023). The business environment also remains comparatively supportive, with a mature IT services market, growing product companies, and an expanding base of R&D centers (Ukrainian Tech Ecosystem Overview, n.d). According to Ukrainian Tech Ecosystem Overview platform data, Ukraine hosts more than 2,900 product companies, over 900 service firms, and dozens of R&D centers. Product activity is particularly concentrated in business productivity tools, marketing & media, finance, and gaming, forming the core verticals of the national tech industry.

These indicators suggest a dynamic environment for digital entrepreneurship, including subscription-based B2C startups that operate within venture-builder structures. However, despite the presence of venture builders, venture studios, and product-focused startup creation models in Ukraine, academic research has not yet explored how these organizations shape startup growth processes. While existing reports describe the overall strengths and constraints of Ukraine's tech landscape, no academic work currently examines how subscription-based B2C startups grow inside Ukrainian venture-builder environments. More specifically, the literature does not explain:

- how startups operating within Ukrainian venture builders structure their acquisition, activation, retention, and monetization processes;

- how these startups leverage shared teams, expertise, and experimentation infrastructure provided by venture builders;
- how internal ecosystem support influences their ability to test ideas, iterate, or reach product-market fit;

This establishes a clear research gap: academic literature does not analyze Ukrainian subscription-based B2C startups from the inside, that is, from the standpoint of the startups embedded in venture-builder environments.

Therefore, this study is built around the following research question: *how Ukrainian subscription-based B2C startups grow within venture-builder structures, how they utilize shared capabilities, and how this context influences their acquisition, activation, retention, and monetization strategies*. This fills a gap left by existing reports and contributes new insights into venture creation models in emerging markets like Ukraine.

CHAPTER 3. THEORETICAL FRAMEWORK

This section defines the conceptual lens used to analyse how subscription-based B2C startups grow within venture-builder environments. It brings together key theories and models from the literature and clarifies how they guide the interpretation of the data in this study. The theoretical framework does not describe the findings. Instead, it explains the concepts that structure the analysis and shows how growth, subscription economics, and organizational context will be examined in the following chapters.

This study examines growth in subscription-based B2C startups through the four core levers outlined by Ellis and Brown (2017), which represent the key stages and capabilities that shape performance in digital products.

Acquisition refers to the processes, channels, and capabilities that bring new users into the product. This includes both paid and organic sources, the testing of marketing messages, and the ability to acquire users at a cost consistent with long-term sustainability.

Activation captures the user's first meaningful experience of value. This is the moment when a new user understands what the product does and why it is useful. For subscription products, activation is a critical transition point that strongly predicts trial-to-paid conversion and early retention.

Retention reflects whether users return, continue using the product, and maintain their subscription over time. Retention is shaped by habits, perceived value, product experience, and ongoing engagement. It is a central outcome in subscription models, as recurring revenue depends on sustained usage.

Monetization includes the pricing structure, value proposition, and payment model. It covers how startups design tiers, trials, feature access, and incentives to convert users into paying subscribers and maintain willingness to pay over time.

During the research, one additional construct emerged from the data:

Venture-Builder Ecosystem Support captures the role of shared resources, standardized processes, and organizational infrastructure available to startups operating inside venture builders. This includes access to expertise, growth teams, data, capital, and established operating practices that influence how startups develop and scale.

Together these five constructs form the conceptual model for this research. They provide a structured way to analyse how startups develop their growth engines, where they face constraints, and how the venture-builder context shapes acquisition, activation, retention, monetization, and operational effectiveness. The model guides the comparison and interpretation of all empirical findings in the following chapters.

CHAPTER 4. METHODOLOGY

This study uses a qualitative research design to examine how subscription-based B2C startups grow within venture-builder environments. Because this phenomenon has not been studied in academic literature, qualitative interviewing offers the most suitable approach for uncovering processes, practices, and reasoning that cannot be captured through quantitative data alone. The goal of the research design is not to test predefined hypotheses but to understand how founders and senior operators describe their acquisition, activation, retention, monetization.

A purposive sampling strategy was used to select participants who hold direct responsibility for growth-related decisions in subscription-based startups within venture-builder ecosystems. The sample consisted exclusively of: (a) founders and co-founders, (b) C-level executives (e.g., CEO, CPO, CMO), (c) and senior growth or product leaders.

The inclusion criteria were:

1. The startup operates inside a venture-builder ecosystem.
2. The startup follows a subscription-based B2C business model.
3. The participant has decision-making authority over growth processes.

Data was collected through seven in-depth interviews. Each interview lasted approximately 40 minutes and followed the same structured guide to ensure comparability across cases. The interview guide included two components:

1. *A set of predefined questions* covering the five core constructs of the conceptual model: acquisition, activation, retention, monetization, and ecosystem support.
2. *Open-ended follow-up questions* that allowed participants to share unique insights specific to their startup, internal processes, and context.

Interviews were conducted online. To protect confidentiality, all responses were anonymized. No participant names, company names, or identifiable details were recorded or stored.

CHAPTER 5. RESULTS

This chapter presents findings derived from seven in-depth interviews conducted with founders and C-level managers of subscription-based B2C startups from Ukrainian venture-builder ecosystems. Each interview forms an individual case, enabling a cross-case comparison aligned with the five concepts defined earlier: acquisition, activation, retention, monetization, and venture-builder support.

Data analysis followed a thematic analysis approach, guided by the conceptual model developed in Chapter 3. The analysis proceeded in three steps.

Firstly, interview notes were analysed by identifying key statements and assigning them short labels ("codes") that reflected their meaning. This allowed grouping similar insights and comparing patterns across startups. Secondly**,** patterns and differences across startups were identified. The analysis focused on recurring practices (common growth patterns) as well as contrasting approaches or unique insights specific to individual companies. Then, codes were grouped into themes. These themes form the basis of the Results chapter.

To orient the reader, we begin with a brief overview of the seven cases, summarizing their core characteristics.

Table 1. Cases Overview

Case	Type	Industry	Product Description	Maturity
A	Web	Job-tech	A job-board for finding relevant job opportunities.	Early-Stage
B	Web	Job-tech	A tool for finding relevant job openings and applying to them.	Growth-stage

C	Web	Photo & Video	A tool for analyzing advertising creatives.	Early-Stage
D	Web	Fintech	A personal finance app.	Early-Stage
E	Web + Mob	Consumer Services Tech	A marketplace that connects users with experts.	Mature
F	Web + Mob	Media	A library of video content.	Mature
G	Web + Mob	Wellness	An app that provides guided meditation.	Growth-stage

5.1 Acquisition Engine

This section examines how the seven case-study startups acquire new users and structure their customer acquisition systems. Despite operating in different industries and product formats, the cases demonstrate a consistent reliance on paid performance marketing supported by complementary organic and search-based channels. At the same time, significant variation emerges across cases in channel diversification, geographic strategy, level of autonomy within the venture-builder ecosystem.

Table 2. Acquisition Overview

Case	**Primary Acquisition Channel**			
	Meta Ads	Google Ads	ASO/SEO	PR
A	X			
B	X			

C	X				
D	X	X			X
E	X	X	X		
F	X	X			
G	X	X	X		

Dominance of Paid Performance Marketing

Across all seven cases, paid acquisition serves as the primary engine of growth. Meta Ads is the single most frequently used channel and appears as a core acquisition source in all seven cases. In these companies, the initial market entry strategy relies heavily on iterative testing of audiences, creatives, and funnel variations to reach positive ROAS (Return on Ad Spend). This pattern suggests that, for subscription-based consumer digital products, social performance advertising remains the fastest route to early traction.

Google Ads plays a secondary but important role. In products with clearer intent-based demand Google Search and Display contribute significantly to high-intent acquisition (Cases D, E, F). Case D, a fintech example, relies more on Google Ads and PR than Meta, reflecting the higher trust threshold and stronger intent signals in financial services.

Channel Diversification as a Maturity Indicator

Although Meta Ads dominate initial growth, the more mature products (see Table 1) demonstrate deliberate diversification beyond a single channel. Cases E, F, G adopt multi-channel strategies integrating Google Ads, ASO (App Store Optimization), content-driven acquisition, referral mechanisms, and localized campaigns across different regions.

By contrast, early-stage cases (A, B, C) rely almost exclusively on Meta Ads during the initial phase, postponing diversification until positive unit economics are achieved. Case C has a

unique approach: founders validated demand through paid advertising even before building the full product, using acquisition as a testing mechanism for assessing product-market fit.

Geographic Expansion and Market Complexity

The cases differ substantially in their geographic strategies.

Global-first models (E, F, G) operate across multiple countries from the initial months, requiring complex localization, varied payment infrastructures, and distinct regulatory considerations. Their acquisition systems are therefore more diversified and require stronger analytics and creative production capabilities.

Regional-first models (A, B, C, D) start with North America or Europe only, where they can focus on a consistent set of acquisition channels and creative frameworks.

Geographic complexity correlates with the sophistication of the acquisition engine: the broader the market coverage, the more diversified and analytically intensive the system must become.

Creative Production

Creative production across all cases that rely on Meta Ads as either a primary or supplementary acquisition channel, creative testing emerges as a core operational component. These companies conduct high-frequency experimentation cycles, though the specific processes differ.

In Cases B, C, E, and F, teams have independently developed structured systems for creative production and deployment. While their internal workflows vary, the general model is consistent: a creative marketer produces new assets, a user acquisition manager executes campaigns, and strategic oversight is provided by other marketing team members. This configuration enables a stable cadence of at least two experiments per week, ensuring continuous iteration of messaging, formats, and audience combinations.

Case A follows a similar experimentation rhythm but outsources both creative production and campaign execution to an external marketing agency. Despite the reliance on external support, the pace and systematic nature of experiments remain comparable to the internally managed models.

Case G, by contrast, demonstrates the operational limitations of a shared-resource model. Because creative, acquisition, and analytics teams are distributed across multiple products simultaneously, the frequency of experiments is lower than desired, and production cycles are slowed by resource competition and centralized prioritization.

Impact of Venture-Builder Operating Models

A crucial differentiator across the cases is the degree of autonomy the product teams have in executing acquisition strategies.

In high and medium autonomy model**s** (B, C, D, E, F), product leaders independently manage channels, budgets, and experiments, allowing faster iteration and flexible testing cycles.

Low-autonomy models (Cases A and G) demonstrate a high degree of dependency on venture-builder leadership, which closely supervises the performance of portfolio products. Case A illustrates that even tactical decisions require approval from senior management, limiting the team's ability to independently adjust acquisition or funnel processes. Case G represents an even more constrained structure: it operates through shared acquisition, creative, and analytics teams shared across multiple products. In this model, prioritization is fully centralized, and resources are allocated according to portfolio-level objectives rather than the needs of individual products. Consequently, experimentation velocity decreases, and acquisition performance relies heavily on cross-team coordination instead of direct ownership or rapid decision-making within the product team.

Acquisition performance and experimentation velocity are therefore shaped not only by strategy, but also by the surrounding organizational structure.

5.2 Activation System

This section examines how the seven case-study companies convert newly acquired users into active users. Activation is defined here as the sequence of early-stage user actions (events) that meaningfully predict subscription conversion, and continued product usage. Although the products differ by industry, format, and market scope, the cases show a striking convergence around several activation mechanisms: quiz-based onboarding and emails. At the same time, the degree of personalization and the sophistication of onboarding flows vary substantially across the companies.

Table 3. Activation Overview

Case	**Activation Depth**	**Key Activation Metric**	
		Core feature engagement	Completing account setup
A	Low	X	
B	Low		X
C	Low	X	
D	Moderate		X
E	High	X	
F	High	X	
G	Moderate	X	

Quiz-First Onboarding as a Common Pattern

A central finding across the cases is that all seven products employ some form of quiz-based onboarding. The quiz typically appears directly after ad click-through or at the first touchpoint within the product and serves three primary functions: user segmentation, value framing, and conversion support.

The prevalence of this approach suggests that quiz-first activation has become a de facto standard in subscription-based B2C products launched within Ukrainian venture-builder ecosystems. The pattern appears regardless of industry and reflects a shared understanding that personalization during the first session materially improves conversion.

In Cases E, F, and G, dedicated product marketing or growth marketing managers oversee the quiz and run ongoing experiments on quiz length, messaging strategy, routing logic based on user responses, and tailored funnels linked to specific creative concepts.

Variation in Activation Depth Across Cases

Despite the shared quiz-first pattern, activation depth varies. Mature companies (Cases E and F) implement multi-layered onboarding systems with contextual explanations, interactive steps, and dynamic feedback based on user responses. These flows often include: instant plan recommendations, dynamic pricing or discount prompts, pre-checkout trust-building elements (social proof, testimonials, or product demos).

In contrast, earlier-stage products (Cases A, B, C) rely on shorter or more linear onboarding experiences, often due to limited resources or the need to maintain agility while iterating on the product.

Activation Metrics

Across all cases, activation is defined differently depending on product type and user journey; however, a unifying pattern emerges. In every startup, activation success is tied to a user

completing a core in-product action that reflects the product's main value proposition. And this action must occur after the subscription is created.

Regardless of whether activation refers to completing a profile, launching the main feature, engaging with personalized recommendations, or finalizing onboarding flows, the underlying logic remains consistent: activation is achieved only when a paying user meaningfully experiences the primary functional value of the product.

This shared characteristic suggests that, within Ukrainian venture-builder environments, activation is viewed not as a pre-purchase milestone, but as a post-conversion behavioural threshold that predicts early retention and LTV potential.

Role of Email During Early Engagement

Email emerges as the dominant channel for post-onboarding activation support. All cases use automated email sequences designed to re-engage users who abandoned the funnel, reinforce perceived value, or provide early product guidance. More sophisticated implementations (Cases E, F) include event-based triggers, segmented messaging, and A/B-tested sequences, whereas smaller teams rely on simpler chains optimized manually.

5.3 Retention Architecture

Retention in subscription-based B2C products determines long-term revenue stability and directly influences unit economics through LTV. Across the seven case studies, retention strategies display notable consistency: all companies rely on email-based communication as the primary mechanism for retention. Deeper retention capabilities (such as in-product personalization, long-term content cycles, or behavioral segmentation) vary significantly depending on product maturity.

Email as the Primary Retention Channel

All seven companies identify email as the dominant channel for maintaining engagement after the initial onboarding. Email serves several roles: onboarding reinforcement, reactivation, and value amplification.

The universality of email-driven retention underscores its effectiveness for digital subscription products: it is low-cost, scalable, asynchronous, and enables clear behavioral triggering. Even companies with limited resources (A, B, C) rely heavily on email to compensate for the lack of deeper product-side retention features.

Differences in Depth and Sophistication

Although all companies use email, the level of sophistication varies across cases.

More mature cases (E and F) implement segmented email flows based on user behavior; maintain content-driven retention loops (e.g., educational sequences, personalized recommendations); use event triggers (e.g., inactivity); A/B test messaging, subject lines, send times, and onboarding content.

Early-stage and Growth cases (A, B, C, G) rely primarily on simple linear email chains; run few or no segmentation-driven campaigns; have limited ability to build deeper engagement features due to constrained engineering capacity.

Feature Limitations as a Retention Barrier

A recurring issue across multiple interviews (especially in Cases C, F, and G) is the lack of sufficient features to sustain long-term engagement. Teams report that churn often results not from poor initial experiences but from the absence of deeper functionality that would justify continued subscription.

5.4 Monetization Design

Monetization mechanisms shape the revenue logic and long-term sustainability of subscription-based B2C products. Across the seven case studies, monetization structures

demonstrate a high degree of convergence around monthly subscription models, supplemented by pricing tests, regional adjustments, and paywall optimization. At the same time, meaningful divergence appears in the level of sophistication and frequency of experimentation.

Table 4. Monetization Overview

Case	Paywall Testing Frequency	Regional Pricing Strategy	
		YES	NO
A	Moderate		X
B	Moderate		X
C	Low		X
D	Low		X
E	High	X	
F	High	X	
G	Low		X

Pricing Experiments and Paywall Testing

Paywall experimentation is a consistent practice across all cases, although the frequency and depth of testing vary. All companies regularly adjust pricing, value framing, and checkout flows, but the intensity of these efforts differs depending on their maturity and operational structure.

Cases E and F demonstrate the highest frequency of paywall tests. These companies run structured, monthly experimentation cycles supported by dedicated analytics teams. Their tests often include changes in price points, trial durations, localized offers, and dynamic recommendation modules. This systematic approach reflects their higher operational maturity and allows ongoing optimization of the monetization funnel.

Cases A and B exhibit a more moderate level of experimentation. They refine paywalls periodically, but not according to a strict schedule. Instead, tests are typically triggered by performance changes, such as fluctuations in acquisition quality or early churn signals. As a result, their monetization experiments are reactive rather than part of a formal testing roadmap.

Cases C, D, and G show the lowest frequency of paywall tests, but for different reasons. Cases C and D are early-stage products still focused on validating basic subscription conversion and establishing a stable activation funnel, so paywall testing remains limited until foundational metrics are achieved. Case G, by contrast, faces structural constraints related to shared teams. Because product, analytics, and design resources are distributed across multiple products, iteration speed is slower, and the team has less autonomy to run frequent monetization experiments.

Regional Pricing

Regional pricing emerges as an important strategy in products operating globally (Cases E and F). These companies adapt subscription fees to local purchasing power and payment infrastructure, making their offerings more accessible across diverse markets. Regional pricing includes differentiated price points by geography, localized discounting, country-specific messaging around value

In contrast, cases A, B, C, D, G tend to use unified global pricing due to operational simplicity or limited international presence.

5.5 Venture-Builder Ecosystem Support

Venture-builder ecosystem support refers to the resources, expertise, infrastructure, and strategic guidance provided to portfolio startups by venture builders. This support shapes not only operational efficiency but also the strategic direction, experimentation velocity, and overall growth capacity of each company.

Across the seven case studies, ecosystem involvement varies from minimal infrastructural assistance to deeply integrated, fully centralized operating systems. These differences reveal how venture builders function as both accelerators and gatekeepers, influencing product evolution, market expansion, and organizational autonomy.

Table 5. Venture-Builder Ecosystem Support Overview

Case	**Support Received**			
	Operational infrastructure	Expertise	Strategic oversight	Day-to-day involvement
A	X	X	X	X
B	X	X		
C	X	X		
D	X	X		
E	X	X	X	
F	X	X	X	
G	X	X	X	X

Impact of the Operating Model on Growth Outcomes

The interviews show that venture builders provide several recurring types of support that shape how these startups operate and scale.

All products receive guidance in marketing and user acquisition, including help with channel strategy, creative production, media buying, and funnel optimization. Another common element is analytics infrastructure: shared dashboards, tracking systems, reporting templates, and regular analytic reviews that help teams understand performance and plan experiments more effectively. Some startups work with dedicated engineering teams, while others rely on shared

developer pools that distribute resources across several products. Creative production is another area where the ecosystem contributes significantly, offering copywriting, video production, design services, UGC development, and established creative testing frameworks. Back-office support (HR, recruiting, legal, finance, payment processing, and compliance) reduces operational load and allows teams to concentrate on growth.

Ecosystem Involvement

The interviews show that ecosystem involvement ranges from minimal support to a fully centralized model. At one end of this spectrum are companies like Cases B, C and D, which receive only the core operational infrastructure (such as analytics tools, legal setup, and HR processes) but make almost all product and marketing decisions on their own. Case C uses the ecosystem mostly to simplify operations while keeping complete control of its product and funnel. Case D depends on the ecosystem for infrastructure but not for acquisition or product strategy.

A part of the sample (Cases E and F) falls into a middle zone. These companies receive regular access to cross-functional expertise, and exposure to shared best practices, yet their product teams still maintain significant autonomy. Day-to-day execution remains their responsibility. However strategic decisions such as pivots, or market expansion are usually discussed with ecosystem leadership. The autonomy grows as they demonstrate stable performance over time.

At the opposite end of the spectrum are Cases A and G, but their low-autonomy models function in different ways.

Case A operates under strong oversight from venture-builder leadership. The team makes few independent decisions, as even tactical changes require approval from senior stakeholders. This creates a situation where autonomy is limited not by shared resources, but by intensive top-down management. As a result, experimentation is possible, but it is slowed by the need to coordinate with decision-makers who closely monitor performance and funnel changes.

Case G, by contrast, represents a structurally centralized model built around shared teams. Acquisition, creative, analytics, and CRM specialists work across several products at the same time, and all priorities are set centrally. Product owners cannot directly manage these specialists; instead, they submit requests that enter a common backlog used for all products in the portfolio. This approach improves execution consistency but slows down iteration, because every change depends on shared resource availability and portfolio-wide prioritization.

Strategic Benefits and Trade-Offs

Venture-builder support offers substantial advantages, but it also introduces constraints. Venture-builder support provides many advantages. Startups can reach the market faster thanks to existing infrastructure and shared expertise. Founders carry a much lighter operational load because legal, HR, and finance functions are handled centrally. They also gain access to experienced specialists, proven playbooks, high-quality creative production, strong analytics setups, and engineering resources. All of this reduces risk and helps teams work in a more structured, predictable way.

At the same time, there are trade-offs. Founders have less autonomy in both strategic and day-to-day decisions. The specific needs of a product may not always align with portfolio-level priorities. Highly centralized models can slow down experimentation, and shared teams may create bottlenecks in development or testing. It can also be harder to build a unique product culture or establish independent processes within the broader ecosystem.

5.6 Additional Insights

Across the interviews, founders raised several themes that do not fully fit into the core analytical categories but nonetheless illuminate important aspects of operating within a venture-builder environment.

One recurring idea concerns the relationship between autonomy and performance. Several respondents noted that decision-making freedom is not granted automatically but must be earned. As one founder put it, “If you want freedom here, you must first prove that your decisions work”. This suggests that autonomy functions as a performance-based mechanism rather than a structural default, creating an environment where data becomes the primary source of legitimacy.

Another insight relates to strategic pivots. Some founders highlighted that pivoting inside a venture builder can be both challenging and advantageous. On the one hand, pivots often arise from the pressure to find a viable market quickly. On the other, venture builders provide infrastructure, teams, and validated components that allow products to pivot faster and reuse prior work: previous assets, funnel learnings, and growth processes can be carried into the new direction with minimal overhead.

Founders also highlighted the importance of developing commercial clarity before investing heavily in product development. Rather than focusing on building a polished product from the outset, several stressed that even a minimal MVP (in some cases a spreadsheet-level prototype) is sufficient to test demand and validate core assumptions. The underlying message was consistent across interviews: early-stage teams should first learn how to sell the idea, understand whether anyone is willing to pay for it, and only then proceed to building a full product. As one founder summarized, “You have to learn how to sell first,” emphasizing that market validation, not feature depth, is the decisive factor in the initial phase.

Across nearly all examined cases, founders highlighted the exceptional importance of the so-called “Q5 period”. This is the window immediately after the Christmas holidays and before mid-January. This period consistently delivered unusually strong performance metrics on Meta advertising channels. Respondents noted that during Q5, advertising costs typically decrease, competition weakens, and audiences show higher intent to explore new digital products, resulting in significantly stronger ROAS compared to other months. For subscription-based B2C startups,

this period often became the most efficient time for scaling paid acquisition or testing new channels.

Several founders stressed that early-stage teams should avoid spreading themselves across multiple channels. As one noted, focusing on a single acquisition channel until it becomes predictable is often the only viable approach. At the same time, more mature founders acknowledged the risks of over-reliance on one source of traffic and pointed out the need for diversification once a product reaches stable traction. This tension between early focus and later diversification emerged consistently across interviews.

Finally, hiring philosophy appeared as a noteworthy theme. One founder argued that early hires shape not only capabilities but also the pace and identity of the product team. As they put it, "Skills matter, but values matter even more. The wrong early hires slow you down. The right ones become co-authors of your growth." This reflects a shared understanding that team composition is both a cultural and strategic choice, with long-term implications for product velocity and resilience.

Two founders noted that working within a venture-builder structure feels psychologically safer than building a startup independently. Receiving a stable salary significantly reduces personal financial pressure and allows founders to focus fully on experimentation, product development, and strategic decision-making. This sense of security is especially important during the early, uncertain phases of product creation, where the probability of pivoting (or even shutting down the product) remains high.

Finally, another important insight relates to the variety of strategic approaches used by venture builders when launching new products. Although each builder operates within a shared organizational structure, their product-launch logic differs substantially. Several recurring patterns emerged across interviews:

A. Some founders emphasized a highly pragmatic strategy: researching a rapidly expanding niche with strong revenue potential, identifying the market leader, and building a similar product while outperforming competitors in marketing execution and funnel optimization. This approach reduces uncertainty by leveraging proven demand and focusing innovation on go-to-market, not product concept.
B. In several cases, new products were built specifically for audiences that the venture builder already successfully served through its portfolio. This allows cross-promotion, efficient use of shared acquisition channels, and faster early traction. The logic here is "growing horizontally within the same niche" instead of entering unexplored markets.
C. Some founders stressed that their studios intentionally reuse business models they already have. This minimizes operational risk and shortens the time required to achieve predictable unit economics.

CHAPTER 6. CONCLUSIONS

This study examined how subscription-based B2C startups operating within Ukrainian venture-builder ecosystems build, scale, and optimise their growth models. Before presenting the conclusions, it is important to note the study's methodological limitations. The research draws on a small sample of seven startups, all embedded within different venture-builder structures, which limits the generalisability of the findings to other contexts. Insights are based on in-depth interviews and therefore reflect subjective interpretations of founders and C-level managers. However, the use of a structured interview guide and cross-case thematic comparison helps strengthen coherence and reliability across cases. Despite these limitations, the study reveals several consistent patterns.

The findings suggest that Ukrainian subscription-based B2C startups grow within venture-builder structures by leveraging shared infrastructure and expertise, while their acquisition, activation, retention, and monetization outcomes are directly shaped by the degree of autonomy, resource allocation mechanisms, and governance models embedded in the venture-builder context.

Across all cases, paid performance marketing (particularly Meta Ads) proved to be the core acquisition engine. More mature products (see Table 1) strengthened this foundation with additional channels, deeper analytics, and more systematic creative processes. Activation strategies also showed clear convergence: every company relied on a quiz-first onboarding flow, underscoring how essential personalization and early engagement have become in subscription-based B2C products.

Retention practices varied less than expected. Most teams leaned heavily on email communication, largely because they lacked the engineering capacity to build deeper retention features. As a result, early-stage retention in these startups was shaped more by communication

systems than by product mechanics. Monetization, on the other hand, showed meaningful divergence: while all companies used subscription models, only those at higher maturity levels actively tested pricing strategies, optimized paywalls, and experimented with conversion levers.

Operating models played a decisive role in performance outcomes. Products with greater autonomy moved faster, tested more ideas, and iterated more aggressively. In contrast, teams embedded in highly centralized, shared-resource environments benefited from expertise and infrastructure but faced slower decision-making and longer experimentation cycles. Venture-builder support amplified this dynamic: it accelerated development through access to resources and guidance but also introduced constraints tied to prioritization and portfolio-wide decision structures.

A notable pattern across the dataset is the strength of Q5, which consistently delivered superior results for paid acquisition due to reduced competition and higher ROAS. Finally, the venture builders themselves adopted different approaches to launching new products. Some replicated proven models in emerging niches, others leveraged existing audiences, and some reused familiar business models to reduce uncertainty.

The findings open several avenues for further investigation. First, a comparative study between venture-builder startups and independent startups could clarify to what extent operational structures shape growth velocity and unit economics. Second, quantitative research based on performance data (rather than self-reported insights) could validate observed patterns in acquisition efficiency, activation funnels, and retention behaviour.

Overall, this study helps explain how subscription-based B2C startups grow inside venture-builder ecosystems. The findings show that growth results depend not only on marketing or product decisions, but also on how teams are organized, how much autonomy they have, and how resources are shared. These insights can be useful for founders and venture builders who want to design growth systems that support both fast execution and long-term stability.

APPENDIX A. INTERVIEW GUIDE

This study used a semi-structured interview approach to gather insights from founders and growth leaders of early-stage subscription-based tech startups. This format allowed the author to ask the same core questions in every interview while still keeping enough flexibility to explore important topics in more detail when needed. All participants were asked a standard set of questions covering the key areas of the research. In addition to these core questions, the author also asked follow-up questions to clarify responses or dive deeper into specific issues raised by each respondent.

Section 1

Acquisition Engine

Q1	Which paid channels are most effective for acquisition?
Q2	Describe your overall acquisition philosophy or strategy.
Q3	How do you evaluate acquisition efficiency?
Q4	What is your North-Star Metric (the primary indicator of growth)?
Q5	Which secondary metrics do you track regularly?

Section 2

Activation System

Q1	How do you define an “activated user” in your product?
Q2	What onboarding tactics have proven most effective for activation?
Q3	How do you measure activation success?

Section 3

Retention

Q1	Which tactics most improve retention?
Q2	How do you handle churned users?
Q3	What is the single biggest factor limiting retention growth right now?

Section 4

Monetization

Q1	What pricing model do you use?
Q2	How often do you test pricing or paywall variants?
Q3	Do you use regional or behavioral pricing?

Section 5

Venture-Builder Ecosystem Support

Q1	How do you think your company's growth strategy would differ if it operated as a fully independent startup?
Q2	What internal limitations (e.g., team size, funding, infrastructure) made scaling more difficult?
Q3	If you could adjust one aspect of the parent ecosystem's governance to improve growth, what would it be?
Q4	In your opinion, what defines success for a portfolio company inside your ecosystem?
Q5	If full independence were possible, which resources or practices from the ecosystem would you still want to retain?

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