The Direct-to-Consumer (D2C) strategy isn't new. Traditional retail had become increasingly competitive and congested, and so consumers began to change their purchasing habits. Brands then realized that to adapt from the increase in customer demands and changes in consumer behavior requires access to customer data, something not easily achieved with traditional retail strategies. This gave the D2C approach fresh momentum during the last decade, as brands, through digitalization, started to unlock the benefits of selling direct to consumers.

This paved the way for brands to pursue a D2C strategy that allowed them to foster deeper connections with their consumers while taking control of the overall brand story. But shifting to a D2C approach is not easy, even for established brands. According to a <u>DEG</u> report, brands that want to become D2C must cope with:

- A growing competition. The increasing number of brands going direct and the benefits they gain did not go unnoticed by their retail counterparts. Traditional retailers are now implementing new D2C strategies as well. With years of experience selling directly to consumers, they know how to establish deeper relationships with their customers and are better at gaining access to consumer insights and buying behaviors. This allows retailers to accelerate their delivery of personalized shopping experiences.
- A rising demand for exceptional consumer experiences. As consumers call for better shopping experiences, D2C brands must ensure they can capture the right consumer data and utilize it to create personalized experiences. However, some brands still struggle with only 11% of consumers believing that D2C brands offer more personalization than traditional retail.
- Challenging customer acquisition. Acquiring new customers and ensuring brand loyalty can be challenging for both established and start-up brands. Brands have acknowledged the vital role of social media in the implementation of their D2C strategy. Social media, according to them, offers a level of exposure and credibility they may not be able to get with traditional retail. However, with more and more brands using social media as their key acquisition channel, getting ahead can be tricky.

Brands must navigate all these challenges to remain competitive. Here are some best practices that brands can adopt to establish a successful D2C strategy:

Rethink customer experience and brand loyalty.
A personalized experience is foundational to fostering brand loyalty. <u>Segment</u>, a data infrastructure company, states that 71% of consumers express some level of frustration when their shopping experience is impersonal. An impersonal shopping experience can be as simple as not having consistent product content across different e-commerce sites. And this all begins and ends with the management and distribution of accurate and relevant data. Data, when used intelligently, enables

brands to create more intimate connections with their consumers.

How to do it. Implement a solution and support it with processes that make data management and analysis easier. Obtain results by leveraging data to collect insights on consumer behavior, preferences and needs. Those insights can be used to provide a better experience for consumers, improve products, create timely campaigns and promotions as well as to discover more opportunities to innovate.

Develop an omnichannel shopping experience.
Streamlined online shopping experiences are key for a successful D2C model.
According to Accenture, 68% of millennial consumers demand an integrated and seamless shopping experience regardless of channel. This means D2C brands must ensure they have total control of their digital and offline sales channels. With more consumers gravitating towards online shopping, it is important for brands to blur the lines between a desktop experience, a mobile/tablet experience and an Apple Watch experience and pursue a holistic and cohesive approach that consumers can take advantage of, anytime, anywhere.

How to do it. Implement solutions that support the sharing of product content seamlessly and consistently across all digital and offline sales channels, business systems and customer-facing applications. These solutions must be able to syndicate product content, regardless of format, language, currency, etc. without the need for multiple distribution tools.

Technology is an important component of a successful D2C strategy. And it's not just having multiple and user-friendly e-commerce sites. From selecting the right platform for front-end websites to the integration of various back-end automation systems, choosing the right technology, and probably selecting an implementation partner,

are critical for supporting the D2C strategy.

• *Implement the right technology.* 

How to do it. Implement solutions that connect front and back-end systems seamlessly to optimize operational processes. These solutions must be able to cater to the demands of the distribution network, retail trading partners, marketplaces, and, most importantly, the consumers.

Adopting a D2C approach provides a wealth of opportunities for brands to increase sales and connect with customers, provided they are positioned strategically. However, embracing a D2C strategy is only the beginning. Putting it into action is where real change comes in.