How Adopting
D2C Is Helping Businesses
Reinvent Their Brand

Website

Manufacturer (Brand)

Consumer
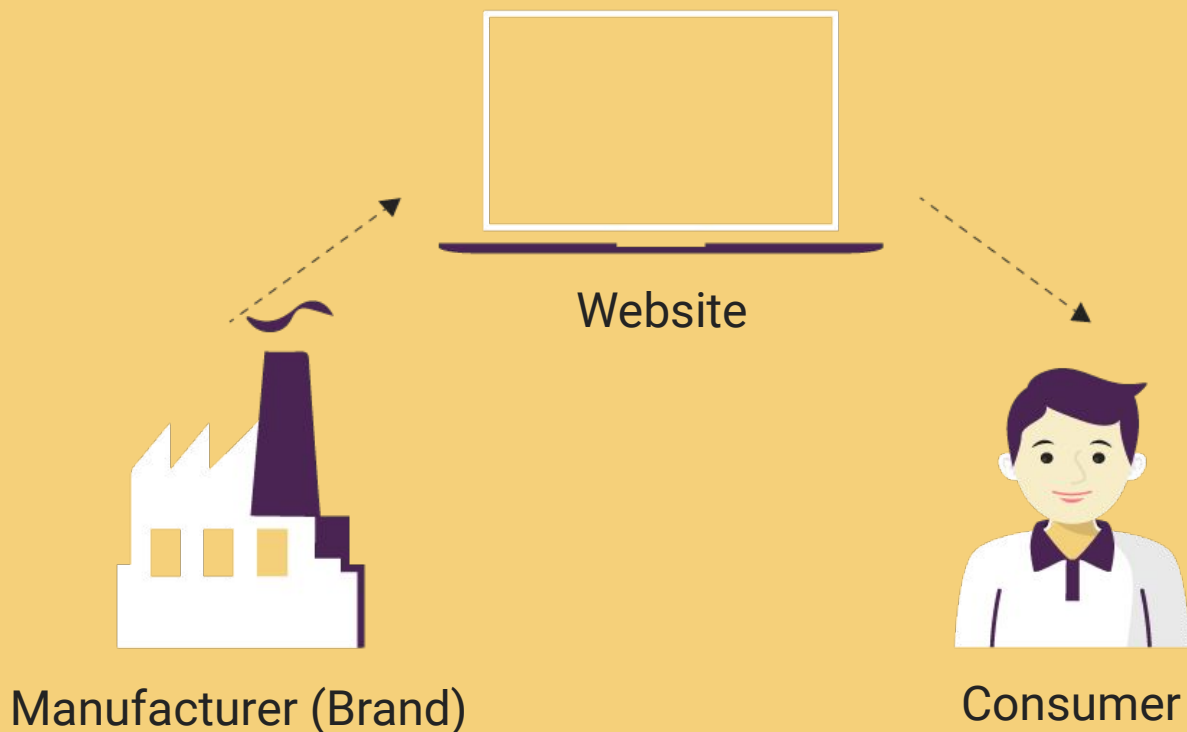
Why Enterprise Brands Are Keen On D2C Transition

The rapidly evolving retail business environment has compelled businesses to change the way they operate. Changing customer expectations and behaviour has pushed big enterprise brands to connect directly with their customers by adopting the D2C model.

Instead of using distributors, investing in high-end brand showrooms and selling their products through intermediaries, brands are increasingly adopting the direct to consumer approach. Going with the D2C model opens up immense opportunities for brands looking forward to growing in new markets.

Also, it gives them better control and allows them to connect better with their customers by offering them personalized omnichannel journeys. However, the decision to go D2C should be planned and executed in a way that it does not become unmanageable or negatively impacts the brand's relationships with existing retailers and distributors network.

Going with the D2C business model is a great leap for any brand. The transition should be backed with the right tech tools and marketing strategies with the aim to make the best of the existing market conditions. When implemented correctly D2C e-commerce unlocks new sales channels for brands, improves the customer buying experience and boosts conversions.

Manufacturer (Brand)

Distributor

Retailer

Consumer
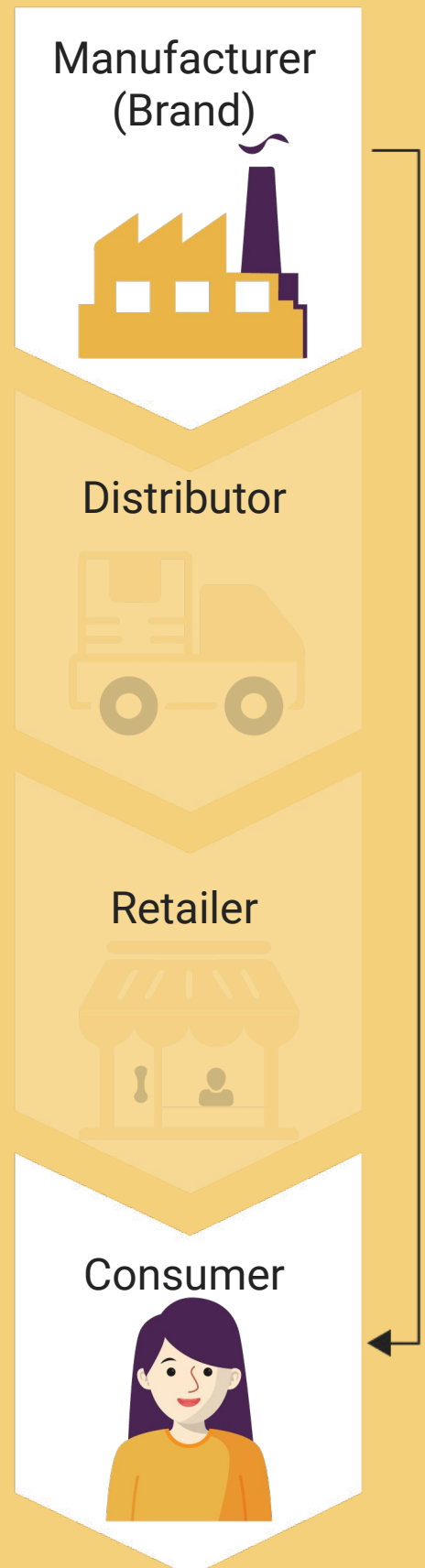
GROWTH OF D2C:
THE CHANGING LANDSCAPE FOR BRANDS

Growth of D2C ecommerce between 2016 to 2019

3X to 6X

52%

DTC brands selling online experienced surges in demand during COVID 19 whereas 80% of large retail stores faced a sales dip or closure

Buyers prefer to shop directly with the brand as compared to their retailers

55%

88%

Growth in orders for brand websites, compared to 32% growth in order volume on ecommerce marketplaces

Estimated size of the Indian D2C market by 2025

$100 Billion +

800 +

D2C brands in India in 2021

Expected digital D2C sales in the USA by 2023

$175 Billion +

MARKET OPPORTUNITIES FOR D2C BRANDS IN INDIA BY 2025

$43.2 Billion
Fashion

$5.4 Billion
Home Decor

The Indian D2C market is estimated to be worth $100 billion. India currently has 800+ D2C brands

$20.8 Billion
FMCG

$30.6 Billion
Consumer Electronics And Appliances

EXECUTIVE SUMMARY

In this whitepaper, we will discuss, what made D2C(Direct-To-Consumer) model popular with brands, what is D2C e-commerce, how it is different from the traditional retail business model, what are the benefits of selling directly to customers for big brands, how the D2C model is helping brands capture new markets, what are the challenges of going to the customers directly, how brands can overcome these challenges and why brands should prepare a plan to adopt the D2C business model.

In this paper, we also explore the challenges of going D2C, strategies to make the model work for a brand and technical solutions that make a brands transition to direct-to-customer seamless and quick. You will learn how brands can leverage future-ready turnkey ecommerce platforms to speed up their D2C journey.

Brands that are not yet considering the D2C model run the risk of losing loyal customers to competitors who have already made the switch and started delivering to their customers' doorsteps. StoreHippo, the leading enterprise ecommerce platform, offers the complete ecosystem for B2B, B2C, B2B2C and enterprise brands looking forward to building, managing and growing their direct-to-consumer presence.

WHAT WE WILL COVER

- **What Is D2C?**
- **D2C Vs Traditional Retailer**
- **D2C Business Model: The Key Drivers**
- **Benefits Of D2C For Enterprise Brands**
- **Challenges Of Going D2C**
- **D2C Transition: How To Make It Successful For Your Brand**
- **Digital Solutions Needed To Go D2C**
- **Successful D2C Brands: How Going Directly To The Customer Made A Difference**
- **Direct To Consumer: Redefining Your Brand's Success**
- **Conclusion & Outlook**

AUTHOR BIO

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CEO, Co-Founder, StoreHippo®

> "
> Rajiv Kumar Aggarwal is the CEO & Co-Founder of StoreHippo® an enterprise-grade SaaS-based e-commerce platform that offers D2C commerce solutions to enterprise brands of all sizes. Kumar is an industry veteran and highly skilled technologist with 20+ years of strong experience in Internet Technologies & E-Commerce. A keen observer of the ecommerce landscape, Rajiv has been quoted in leading digital and print media on topics like changing ecommerce dynamics, the latest technology trends, improving omnichannel and D2C customer experiences. "

WHAT IS D2C

Direct-to-consumer (or D2C) brands manufacture and sell their products directly to their customers. These brands do not have intermediaries like retailers, distributors, brokers, wholesalers, traditional stores or any other middlemen to take their products to the customers.

This model, where businesses sell directly to their customers allows D2C companies to save the middleman's margin and sell their products at lower costs to the end customer. Also, selling directly to the customers gives brands better control over their manufacturing, marketing, supply, distribution and fulfilment channels.

Your Brand   Middleman   Consumer

With the D2C ecommerce set-up, brands can experiment with diverse marketing, growth and fulfilment strategies on different channels. While they can sell directly on their brand website and mobile apps, they can also tie-up with retail shops to give their customers a better experience of their products. Brands can also experiment with different distribution and fulfilment models and further optimize their overall costs.

Going D2C has paid rich dividends for brands as well as startups looking to amp up their game. While Nike is expected to earn 2X more in 2021(as compared to 2016), many other brands from fashion, FMCG, wellness and grooming etc. have witnessed stupendous growth by adopting D2C e-commerce.

Business Model

TRADITIONAL RETAIL
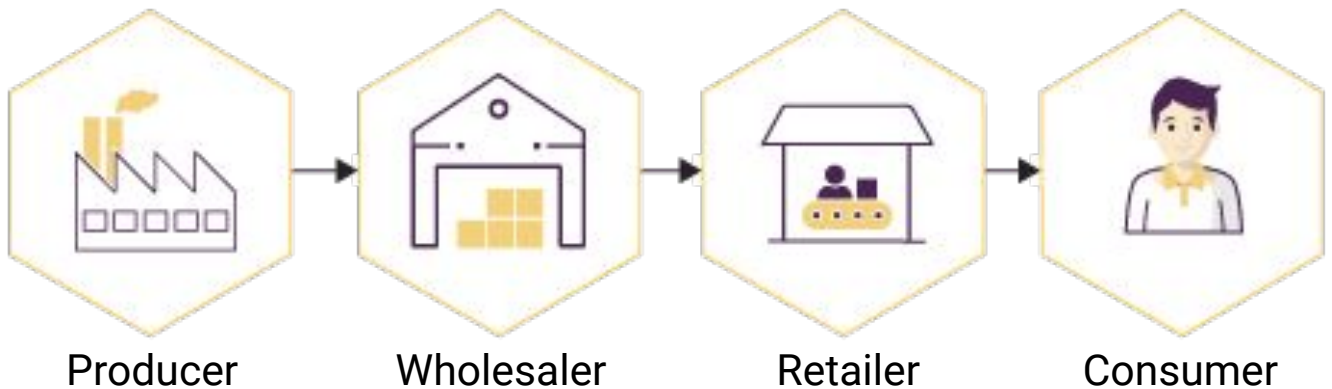
Producer → Wholesaler → Retailer → Consumer

The brand manufactures the products > sells them to wholesalers > sells to distributors> sells to retailers> finally bought by customers
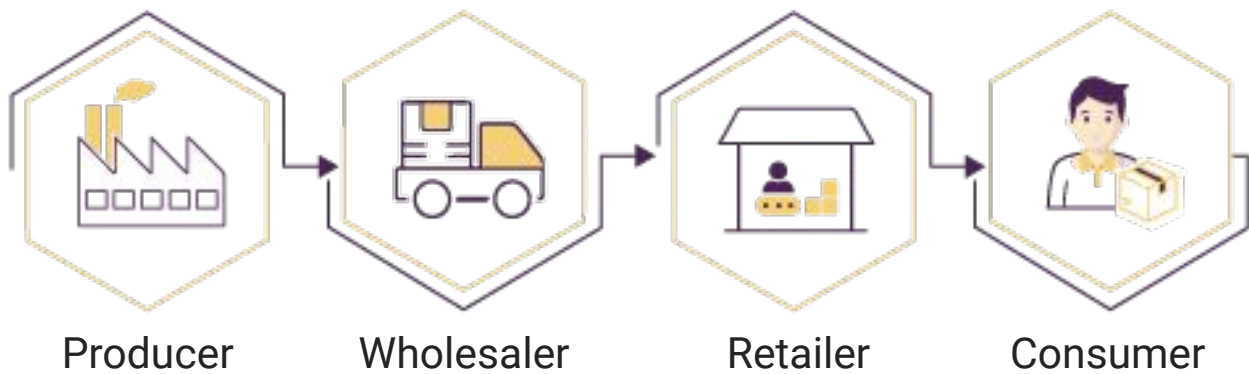
DIRECT-TO-CONSUMER RETAIL

Producer → ~~Wholesaler~~ → ~~Retailer~~ → Consumer

The brand manufactures the products > sells them directly to the customers through D2C e-commerce websites or mobile apps

Supply Chain

TRADITIONAL RETAIL

| Producer | Wholesaler | Retailer | Consumer |

Lengthy supply chain with wholesalers and other intermediaries

DIRECT-TO-CONSUMER RETAIL

| Producer | Wholesaler | Retailer | Consumer |

D2C business model has a shorter supply chain as there are no intermediaries

Customer Relationship

TRADITIONAL RETAIL

Difficult to build a direct relationship with customers through retail shops

DIRECT-TO-CONSUMER RETAIL

Strengthened customer relationship and long term loyalty due to direct interaction with the brand
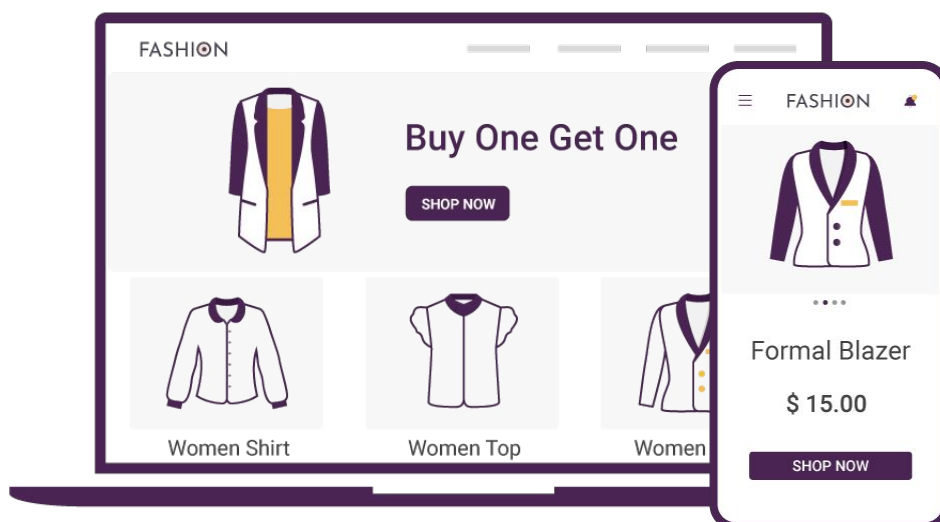
Branding

TRADITIONAL RETAIL

Branding and sales strategies are guided by retailers' guidelines and goals which gives limited control to the brand

DIRECT-TO-CONSUMER RETAIL

More control over branding and sales strategies. D2C model allows brands to plan personalised deals for customers

Digital Commerce Presence

TRADITIONAL RETAIL

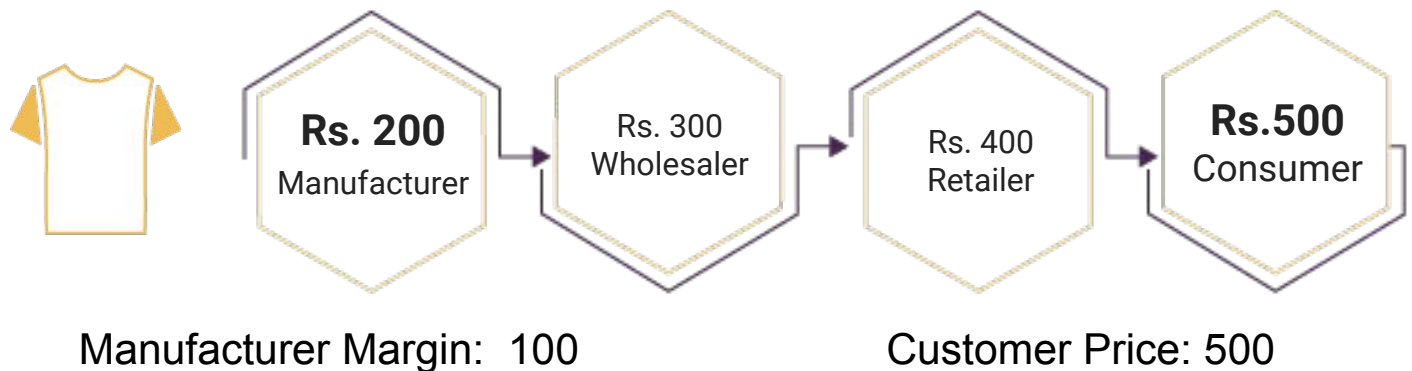Little or no digital presence

DIRECT-TO-CONSUMER RETAIL

Opportunity to leverage digital commerce for better brand reach

Pricing Models

TRADITIONAL RETAIL

Rs. 200
Manufacturer

Rs. 300
Wholesaler

Rs. 400
Retailer

Rs.500
Consumer

Manufacturer Margin: 100   Customer Price: 500

In Traditional Retail, the margin is distributed into multiple parts which affects manufacturer margin and inflates final pricing

DIRECT-TO-CONSUMER RETAIL

Rs. 200
Manufacturer

Rs. 400
Consumer
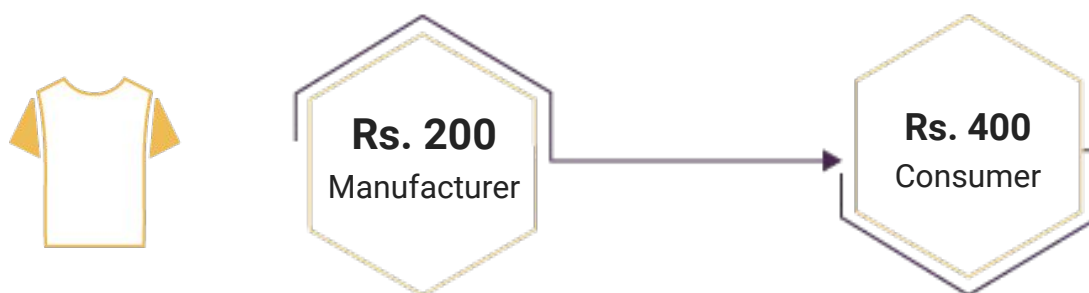
Manufacturer Margin: 200 (↑ from 100) Customer Price: 400(↓ from 500)

In D2C, the Manufacturer has higher margin and customer has to pay lessor price so it is win win situation

D2C VS TRADITIONAL RETAILER

	Traditional Retailer Business	D2C Business
How products are sold	The brand manufactures the products > sells them to wholesalers > sells to distributors> sells to retailers> finally bought by customers	The brand manufactures the products > sells them directly to the customers through D2C e-commerce websites or mobile apps
Business Model	Sell in bulk to intermediaries	Sell to individual buyers
Supply Chain	Lengthy supply chain with wholesalers and other intermediaries	D2C business model has a shorter supply chain as there are no intermediaries
Customer Relationship	Difficult to build a direct relationship with customers through retail shops	Strengthened customer relationship and long term loyalty due to direct interaction with the brand
Branding	Branding and sales strategies are guided by retailers' guidelines and goals which gives limited control to the brand	More control over branding and sales strategies. D2C model allows brands to plan personalised deals for customers
Digital Commerce Presence	Little or no digital presence	Opportunity to leverage digital commerce for better brand reach
Pricing Models	Difficult and cumbersome to implement pricing flexibility which results in inconsistent revenue flow	D2C brands can experiment with a variety of pricing models to offer greater pricing flexibility to customers. This ensures a constant revenue flow.

D2C BUSINESS MODEL: THE KEY DRIVERS

The D2C market has been growing at double-digit rates year on year. The growth rate of direct to consumer model is expected to be 19.2% in 2021. With the growth of digital commerce channels, brands have started taking note of customer buying preferences. Selling directly to the end customers has not only opened up new sales channels for brands but has also helped them understand their customers better.

The key factors accelerating the adoption of the D2C business model are:

Growth Of Internet Penetration

Customer journeys are becoming increasingly complex. 50% of customers use at least 4 touchpoints for shopping and before finalizing their purchase they connect with a brand on up to 6 touchpoints So brands need to register their presence on every channel loved and frequented by their customers.

Smartphone Revolution

Customers are increasingly turning to shop in online stores or through mobile apps. By 2024, online sales are expected to be 22% of global retail sales, a 3X increase in online sales as compared to 2015. With buyers preferring to get products and services at their doorsteps, going D2C offers brands the best opportunity to engage and convert their customers.

Decline In Offline Shopping

With so many products available in the market, customers are increasingly facing choice fatigue. This in turn results in choice avoidance and low conversions. D2C e-commerce helps brands narrow down the choices of their customers and helps them with quick conversions.

Changed Buying Behaviour

Customer journeys are becoming increasingly complex. 50% of customers use at least 4 touchpoints for shopping and before finalizing their purchase they connect with a brand on up to 6 touchpoints So brands need to register their presence on every channel loved and frequented by their customers.

Choice Fatigue

With so many products available in the market, customers are increasingly facing choice fatigue. This in turn results in choice avoidance and low conversions. D2C e-commerce helps brands narrow down the choices of their customers and helps them with quick conversions.

Increased Competition

With globalization and businesses going beyond borders brands are facing increased competition from other big and small brands. Brands are looking for ways to scale up and capture more markets and the direct-to-consumer model helps them in doing so.

Digital Payment Evolution

Digital payments saw a rapid increase in acceptance by buyers from every walk of life. Global digital payments market size is expected to grow more than 2X from $79.3 billion in 2020 to $154.1 billion by 2025. Acceptance of multi-channel digital payments and mobile wallets made it easier for D2C brands to sell to a wider audience.

The Pandemic Push

COVID 19 changed many things forever. The pandemic pushed the D2C trend further and made brands take note of the changing market dynamics. Despite the disruptions caused by the pandemic, direct to consumer brands did exceptionally well and forced other players to take the same route.

BENEFITS OF D2C FOR ENTERPRISE BRANDS

The success of direct to consumer brands has proven beyond doubt that the model is here to stay. Brands adopting the model can unleash new growth opportunities and benefit in the following ways:

FINANCIAL

Boost Revenue

Direct to consumer brands connect directly with their customers through one or more digital channels like ecommerce websites, mobile apps, social commerce etc. This boosts customer engagement and conversions resulting in better revenue.

Reduced Fixed Costs

With the D2C business model, a brand's fixed cost and capital expenditure (CapEx) are reduced substantially. This increases the brand's profit margin and helps them to pass on the benefits to customers as lower prices and discounts which in turn boost brand loyalty.

Better Profit Margins

With no middlemen to share the profit brands can earn better profit margins even after offering discounts to the customers. Also, brands don't need to spend on positioning their products in the retailers' shops which boosts margin.

OPERATIONAL AND STRATEGIC

Reduced Time To Market

Direct to consumer brands can quickly build a strong presence in new markets without the need to tie up with retailers. It becomes easier for brands to scale up to new markets with high growth demand and growth potential.

Freedom To Experiment

D2C makes brands more agile by giving them the freedom to plan new strategies and business models across different sales channels. Businesses can easily adapt new business models and pivot the business to maximize sales from the most successful channels.

Full Control Of Brand Identity

With no intermediaries like wholesalers and retail store owners, direct to consumer brands have full control over their brand identity. Also, brands can independently decide how they want to target their customers with the assortment of their offerings without having to consider the preferences of their retailers.

Better Understanding Of Market Performance

Interacting directly with customers gives brands a better understanding of customer choices, preferences and buying behaviour. Brands can use these in-depth insights to identify pain points, loopholes or any other issues and accordingly plan marketing strategies that give higher ROI.

EXPERIENCES AND RELATIONSHIPS

Leverage Multiple Sales Channels

The D2C business model allows brands to add multiple sales channels easily and quickly. Brands can sell on their brand website, mobile apps, leverage social commerce or even add out-of-box customer touchpoints using IoT devices.

Direct Interaction With Consumers

Interacting directly with customers gives brands a better understanding of customer choices, preferences and buying behaviour. Brands can use these in-depth insights to identify pain points, loopholes or any other issues and accordingly plan marketing strategies that give higher ROI.

Personalized Recommendations

D2C business model enables brands to utilize the customer buying and browsing data collected through digital tools. Brands can analyse this data for sending personalized recommendations that have a better chance of a conversion.

Going D2C offers a wide range of operational, financial and strategic advantages to enterprise brands. Selling directly to the consumers enables brands to be flexible and create disruptive strategies based on the insights they get from customer buying behaviour. Enterprise brands can chart a new growth trajectory by focusing on new products, smart pricing, experiences and customer relationships through their D2C channels.

CHALLENGES OF GOING D2C

While selling directly to consumers has a lot many benefits, the shift to the D2C business model has its own challenges. Brands can overcome these challenges by careful planning and choosing the right strategy, third party service providers partners etc. Here are the most trying challenges D2C brands face along with tips to overcome them:

Lack Of Planning

Going D2C is a huge transition for a brand that requires thorough planning. From choosing the right channels to assessing the value addition by changing your business model, reaching your customers directly involves a lot of careful planning. Not all products are the right candidates for going D2C and going with the wrong one can ruin your prospects of success.

Tips To Overcome
- Make a detailed plan to understand the purpose, limitations and goals of your transition
- Test small and go big gradually

Competing With Retailers

Shifting gears and moving to D2C e-commerce means that your brand's retailers are your biggest competitors now. The retailers who have been selling your products for quite some time have a better understanding of the market and customer preferences. To bring back your customers from retail stores to your brand website would need smart strategies.

Tips To Overcome
- Offer value-added services to encourage brand loyalty
- Personalize your offerings to engage and convert buyers

Finding The Right Technology Partner

D2C e-commerce success depends on choosing the right technology partner for your brand. Your technical solution provider should offer agile and flexible ecommerce solutions that help you keep pace with the changing requirements of the market. Also, it should have native support for a variety of business models.

Tips To Overcome
- Go with an advanced ecommerce solution built on MACH(Microservices, API-first, Cloud-native SaaS, Headless Commerce) architecture
- Build tailored solutions with best-in-breed third-party integrations

Order Fulfillment

Order fulfilment is the backbone of D2C companies' success. Since the customers are accustomed to fast deliveries from Amazon and other marketplaces and other retailers, brands going to customers directly need to plan a streamlined delivery solution to keep their customers happy.

Tips To Overcome
- Multiple shipping partners with trackable last-mile delivery
- Timely dispatch along with simple and quick returns and refund management

Marketing And Customer Service

Going direct-to-consumer also implies that the brands will need to re-align their marketing, sales and customer support strategies. This would mean hiring new teams as well as planning strategies for various channels (like online store, mobile apps, social sites etc.) where the brand plans to sell.

Tips To Overcome
- Modern tools and software for streamlining and automating multi-channel marketing
- Multi-channel customer support with help of AI-based chats, notifications etc.

D2C TRANSITION: HOW TO MAKE IT SUCCESSFUL FOR YOUR BRAND

For any brand moving to the D2C business model can be a lot to handle. While going directly to customers offers huge opportunities for growth but the whole transition will play out in different ways for different brands.

Brands with a strong offline presence but going online for the first time may have to plan a different strategy than an emerging brand that is new to the market or has a digital-native approach. It is imperative for brands to be clear about their goals and accordingly plan their strategy.

To chalk out a successful D2C approach, brands should work on the following points to transition smoothly to the new model:

Assess Your D2C Value

The very first thing the brands going D2C should consider is the value this move will bring to their business. Initially, this value might not translate into higher conversions, but if you are able to cut costs, improve profit margins, penetrate new markets and experiment with new product launches, D2C is an option worth considering. Along with these factors also consider the additional costs associated with the move, i.e, hiring new teams or partners.

Broaden Your Brand

Entering the market with the old products might not always be the best move when brands are planning to go D2C. Not every product can be the right choice for entering new markets. On the other hand, when niche products are launched considering the customer and market demands, it can take a brand to new heights of success.

The Right Business Model

In most cases, brands tend to follow the same business model even when to start selling directly to the customers. But with changing buying behaviour brands need to re-evaluate their business model and finds ways to connect, engage and convert customers in new ways, using diverse business models.

Plan To Go Omnichannel

Gone are the days when buyer journeys were linear on a single channel. Now brands need to reach their customers across multiple touchpoints. Going omnichannel is the way to future-proof a brand. Along with creating new channels for their customers, brands should also plan to offer a seamless buying experience across all channels.

Simplify Choices With Niche Marketing

With so many choices in the market, buyers are increasingly disconnected from brands. To build a brand value proposition, businesses going D2C should work on simplifying the choices for their customers. The marketing and SEO strategy should be so planned that it simplifies the selection process and gently pushes your buyers towards checkout.

Beat the Marketplace Experience

Customers expectations from direct to consumer brands are conditioned and shaped by buyer journeys on popular marketplaces like Amazon etc. Brands need to offer services that not only match but surpass the experience of buying on marketplaces.

Technology That Future Proofs Your Business

Choosing the right technology can give your brand a competitive edge. When brands going D2C are powered by advanced, future-ready, agile and flexible technology solutions they are positioned to build tailor-made solutions. Brands should think of long term and choose tech partners that can accommodate the brand's growth and dynamic changes.

Quick Go To Market

A quick launch is essential for the success of D2C brands. Reports suggest that brands that go to market fast, i.e, in less than 90 days with simple product offerings have a better chance of success. Brands should plan the complete buyer journey along with their digital launch, fulfilment services etc. and choose a partner that offers end-to-end ecommerce solutions.

DIGITAL SOLUTIONS NEEDED TO GO D2C

A successful transition to the D2C business model needs the support of the right digital platform. To offer direct ecommerce capabilities to a high-volume, fast-growing brand the ecommerce solution provider should be technologically advanced, flexible, feature-rich, easy to use and offer a complete ecosystem to build, run and grow the business.

StoreHippo, the most flexible ecommerce platform built on MACH(Microservices, API-first, Cloud-native SaaS, Headless Commerce) architecture can help your brand build tailor-made solutions for your D2C e-commerce switch.

Here is a list of essential digital solutions offered by StoreHippo to help your brand go to market fast and easily:

Omnichannel Selling Solutions

Direct to consumer brands can add any number of conventional(ecommerce websites, mobile website, mobile apps, social commerce) or modern customer touchpoints like (voice devices like Alexa, next-generation IoT devices) to go omnichannel. Using the headless commerce architecture, brands can enable commerce capabilities anywhere to engage their customers across channels and devices.

Leverage M-Commerce

73% of online orders are placed on mobile devices. Built on the mobile-first principle, StoreHippo enables brands to build a seamless mobile buying experience for their customers. Brands can convert their stores into PWAs and use the inbuilt mobile apps builder to build Android and iOS apps for their business. Brands also get a mobile admin app, a separate app for their vendors and delivery agents.

mobile apps builder to build Android and iOS apps for their business. Brands also get a mobile admin app, a separate app for their vendors and delivery agents.

Future-Ready Technology

Prepare your D2C business to build cutting-edge solutions powered by MACH architecture. Use the inherent flexibility, agility, scalability, security and reliability of MACH architecture for ecommerce to unleash your business growth. Easily extend the backend or frontend without disturbing the existing flow.

Out of Box Solutions

Brands adopting the D2C model need to evaluate and create new out of box solutions to suit the requirements of the new channels they decide to sell on. With support for a host of business models, online marketplaces, multi store ecommerce, 300+ inbuilt features, 120+ seamless integrations, StoreHippo enables brands to build tailor-made solutions in record time.

Personalised Buyer Journeys

D2C brands can go for extreme personalization to enhance the buyer experience across channels. From personalised landing pages, product recommendations, discounts, checkout and payment options, delivery choices etc. StoreHippo has everything needed to build the most engaging and conversion-oriented buyer journey.

Localization and Internationalization

Direct to consumer brands planning to go beyond borders need solutions that help them go glocal. With inbuilt solutions for building multilingual ecommerce stores, support for multilingual themes(including RTL), multi-currency payments, a powerful tax engine for adding taxes based on location etc. StoreHippo makes it easy for brands to implement localization along with internationalization.

SUCCESSFUL D2C BRANDS: HOW GOING DIRECTLY TO THE CUSTOMER MADE A DIFFERENCE

In recent years many traditional, as well as digital-native brands, have scripted history by going D2C. By cutting out the middleman and simplifying the sales process, brands were able to record unprecedented sales/profit along with unwavering customer loyalty.

Reputed brands, as well as new players, have benefitted from the agile D2C business model. Selling directly to the end customers has made D2C brands more relevant and better aligned to grow in the new-age markets driven by customer experience.

In this segment, we present a quick analysis of some of the most successful direct to consumer brands and how they charted their growth trajectory.

- "Just Do It" Like Nike
- Mamaearth: Winning With "Goodness Inside"

Nike, the leading sports and athletics products brand's business model is based on producing and selling footwear, accessories, clothing, equipment and some services to its customers. Traditionally it partnered with brick-and-mortar retail stores to sell to its customers. In 2009 they decided to go D2C while retaining their existing sales channels through offline stores. Following is how the new D2C e-commerce strategy worked for Nike:
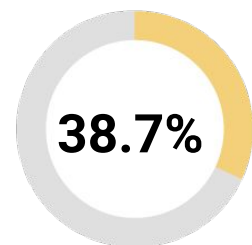
Nike's D2C Growth

5X +
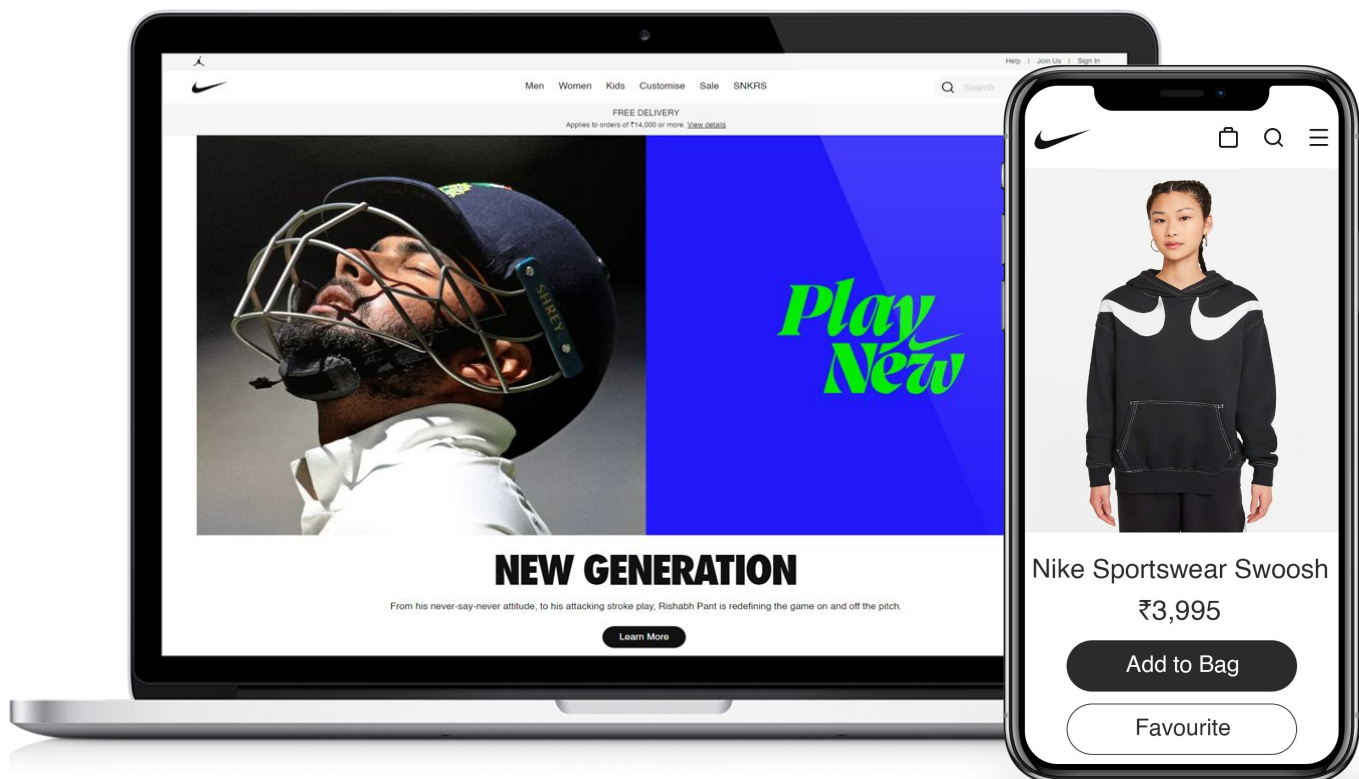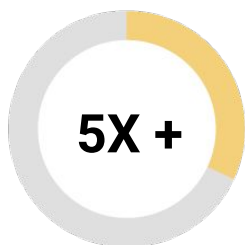
Growth in Nike's D2C revenue from 2009 to 2020

32%
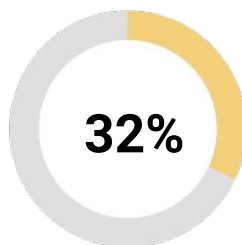
Growth in Nike's D2C revenue is expected from 2020 to 2021

38.7%

Nike's D2C revenue as compared to the brand's total revenue in 2021, growing more than 2.6X from 15% in 2010

What Nike Did To Go D2C

- Identified that D2C channel added the most value for their customers

- Offer extreme personalization through its D2C channel

- Designed Direct to consumer channel in a way that it was aligned and in cooperation with other channels rather than conflicting with any

- Offering exclusive products to D2C buyers ensured that its sales on Amazon like marketplaces did not compete with the D2C revenue

## How Nike Implemented Its D2C Strategy

- Used headless commerce to add multiple customer touchpoints and go omnichannel

- Launched Nike's mobile app. By scanning the product barcode the app gave customers complete product details, stock status, on which channels it is available(like, in-store, at nearby stores, or online), what variants and colours are available etc.

- Leveraged m-commerce to connect with the customers anywhere, anytime

- Used data-driven, personalised, real-time marketing to engage and convert buyers

Nike's D2C success story is an example worth emulating for brands that have long relied on the traditional retail model. With the right planning, choice of channels to sell and unifying the offline and digital buying experience for customers a brand can chart its D2C success just like Nike.

MAMAEARTH: WINNING WITH "GOODNESS INSIDE"

Mamaearth is a new-age Indian direct-to-consumer brand offering toxin-free baby care, mother care products along skin and hair care products for all ages. Started as a D2C brand (with 90% revenue from digital channels in the preCovid era), Mamaearth is pivoting the hybrid model with a network of 2000 retail stores.
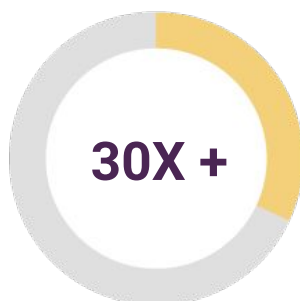
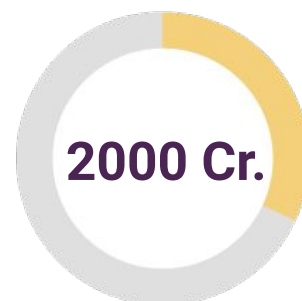This is how Mamaearth designed its successful D2C e-commerce strategy:
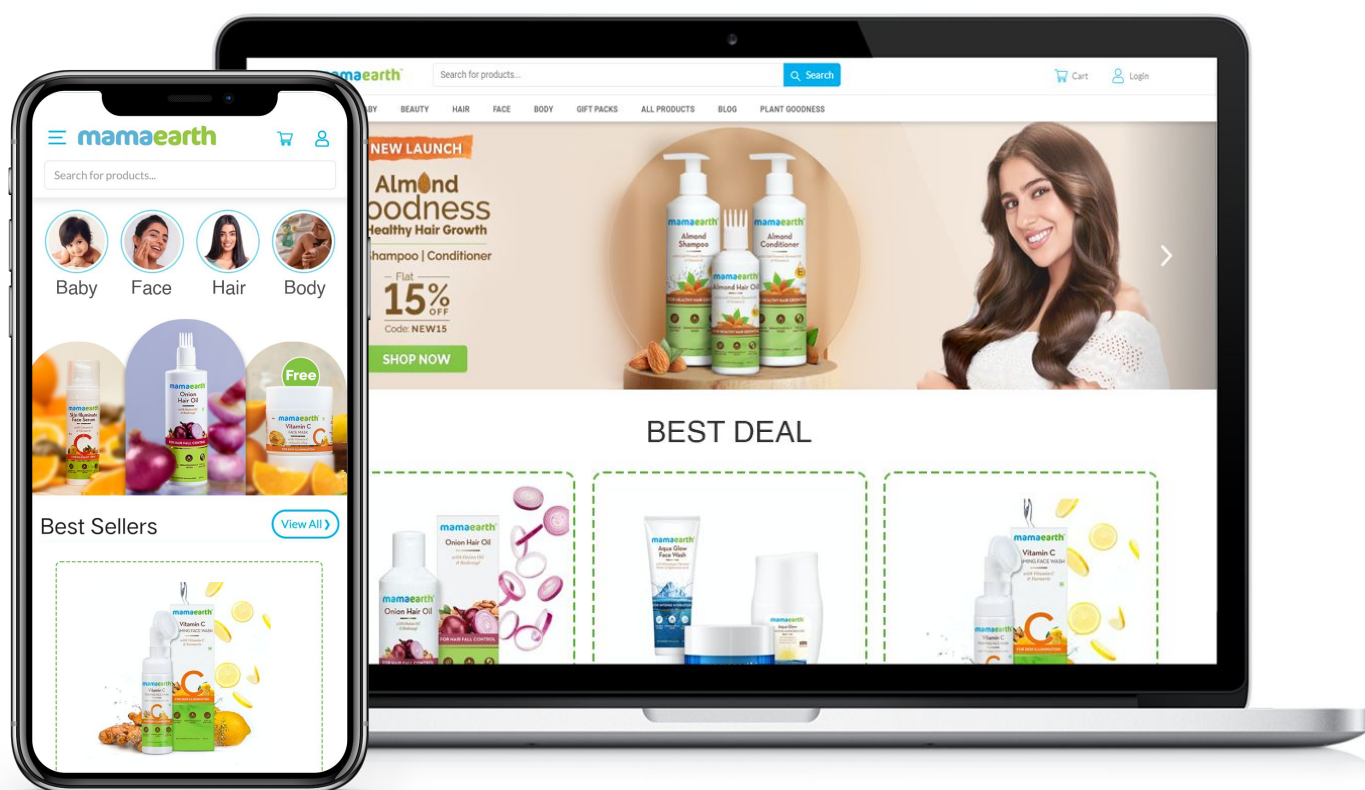
Mamaearth's D2C Growth

100 Cr.

Turnover in just four years from 2016 to 2020

30X +

Growth in Mamaearth's revenue from 2019 to 2021

2000 Cr.

Expected revenue growth of Mamaearth in the coming three years, a 4X growth from Rs. 500 Cr revenue in 2021

What Mamaearth Did To Go D2C

- Started as a D2C brand to control their brand identity and value proposition

- Offered unique products through D2C e-commerce that had a huge demand but limited or zero market availability

- Started as a baby care brand but quickly identified and introduced new products for every age group at affordable rates

- Partnered with retailers, dealers and distributors to create D2C channels that multiplied their sales potential

How Mamaearth Implemented Its D2C Strategy

- Went for omnichannel D2C by selling on its own website, popular online marketplaces like Nykaa, Amazon, Flipkart etc., social platforms like Facebook and even sold in-store through partner retailers

- Launched mobile apps to tap the rapidly growing mobile commerce market

- Built efficient digital solutions, introduced automation and went for best-in-breed software integration to support their multi-level supply chains for end customers (D2C) and retailers

- Built personalized marketing strategies (using influencers and movie stars) to connect deeply and directly with their customers

Mamaearth started as a digital native D2C brand that eventually diversified and ramped up its offline presence through retail partners. The hybrid D2C model combined with innovative products, not only helped Mamaearth reach new markets and customer segments but, also helped them successfully compete and win loyal customers in the market dominated by FMCG giants.

DIRECT TO CONSUMER: REDEFINING YOUR BRAND'S SUCCESS

Going D2C has enabled brands to tap new markets and realize their true growth potential. By adopting new business models and experimenting with different strategies brands have been able to register phenomenal growth. In this section, we will see how enterprise brands can easily go D2C to register unprecedented growth.

Here we present different use cases where brands selling through intermediaries like wholesalers, retailers, dealers etc. can build a variety of business models to go D2C. While some businesses may completely do away with the middlemen some can use their existing network of dealers and distributors to build a smarter, flexible and efficient hybrid D2C business model.

Different D2C Use Cases are:

Use Case 1:   D2C Online Portal Without Intermediaries

Use Case 2:   D2C Online Marketplace With Brand Dealers As Marketplace Sellers

Use Case 3:   D2C Online Marketplace With Fulfillment Through Brand Dealers

Use Case 4:   Go D2C With A Network Of Individual Dealer Shops

Use Case 5:   D2C Horizontal Marketplace Selling Brand Products Along With Ancillaries From Other Sellers

Your brand is selling multiple products to the end customers. Your wholesalers buy your branded items and then further sell them to the retailers on a certain margin. The retailers further add their profit margin and sell the products to the end customers. By adopting the D2C model your brand can create multiple customer touchpoints like a network of location-based sub-stores, mobile websites, mobile apps, social pages with checkout on your website etc. to sell and fulfil the orders directly to the end customers.

www.fashion.com

Manufacturer
(Brand)

Consumer

Social Media

USE CASE 2:
D2C ONLINE MARKETPLACE WITH BRAND DEALERS AS MARKETPLACE SELLERS
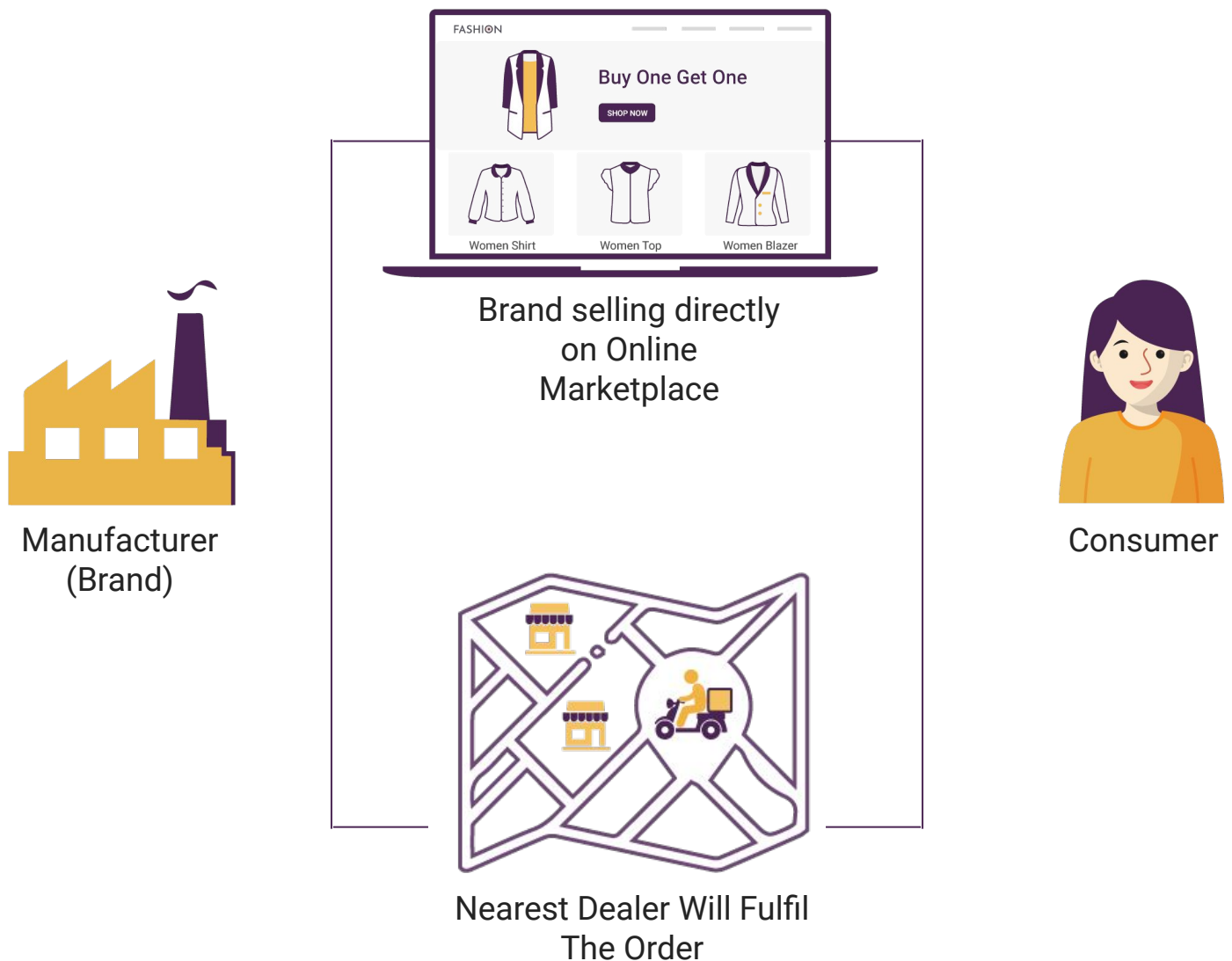
Your brand sells bulk products to the wholesalers (B2B). The product is then bought by retailers who sell it to the end customers. You do not want to eliminate your network of wholesalers and retailers but want to digitize your sales channels. By opting for D2C online marketplace solutions you can onboard your brand dealers as marketplace sellers. You can sell in bulk online through your dealers on our D2C online marketplace as well as marketplace apps. You can streamline your sales channels and reduce fixed costs and CAPEX.

Wholesalers, Retailers
as Sellers

Manufacturer
(Brand)

Consumer

FASHION

Buy One Get One

SHOP NOW

Women Shirt   Women Top   Women Blazer

Multi Vendor
Marketplace

USE CASE 3:
## D2C ONLINE MARKETPLACE WITH FULFILLMENT THROUGH BRAND DEALERS

Your brand sells bulk products to the wholesalers(B2B). The product is then bought by retailers who sell it to the end customers. You do not want to eliminate your network of wholesalers and retailers but want to digitize your sales channels. By opting for D2C online marketplace solutions you can onboard your brand dealers as marketplace sellers. You can sell in bulk online through your dealers on our D2C online marketplace as well as marketplace apps. You can streamline your sales channels and reduce fixed costs and CAPEX.

Brand selling directly
on Online
Marketplace

Manufacturer
(Brand)

Consumer

Nearest Dealer Will Fulfil
The Order

USE CASE 4:
## GO D2C WITH A NETWORK OF INDIVIDUAL DEALER SHOPS

Your brand traditionally sells products through dealers. You want to retain your dealer network but want to make your sales channels more efficient and less costly. Your brand can adopt the D2C business model and set up a network of digital sub stores for your dealers/retailers who directly sell your products to the end customers. While your dealers handle the sales independently you are in control of all the dealer sub-stores, what they sell, how the prices are marked, how the discounts are given etc.
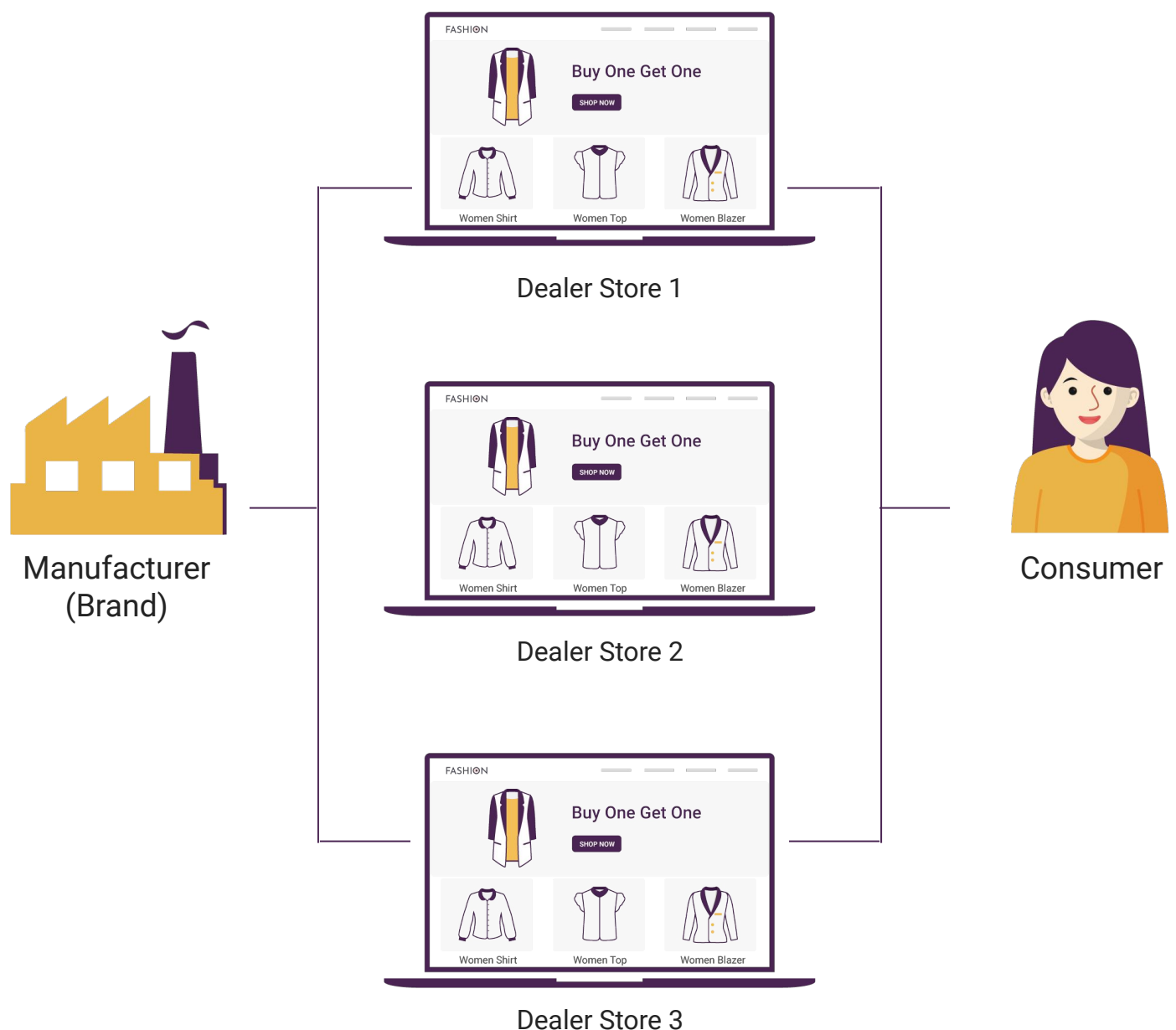
Dealer Store 1

Dealer Store 2

Dealer Store 3

Manufacturer (Brand)

Consumer

USE CASE 5:
D2C HORIZONTAL MARKETPLACE SELLING BRAND PRODUCTS ALONG WITH ANCILLARIES FROM OTHER SELLERS

You have a business selling your brand products to end customers. Your brand uses manufacturing partners who produce your products along with some other related/ supplementary products. You can pivot the direct to consumer model by building your own horizontal multi-vendor marketplace where you sell your brand's products as well as onboard different sellers selling supplementary products related to your industry.

Online Marketplace

Manufacturer (Partners)

Brand 1

Brand 2

Brand 3

Consumer
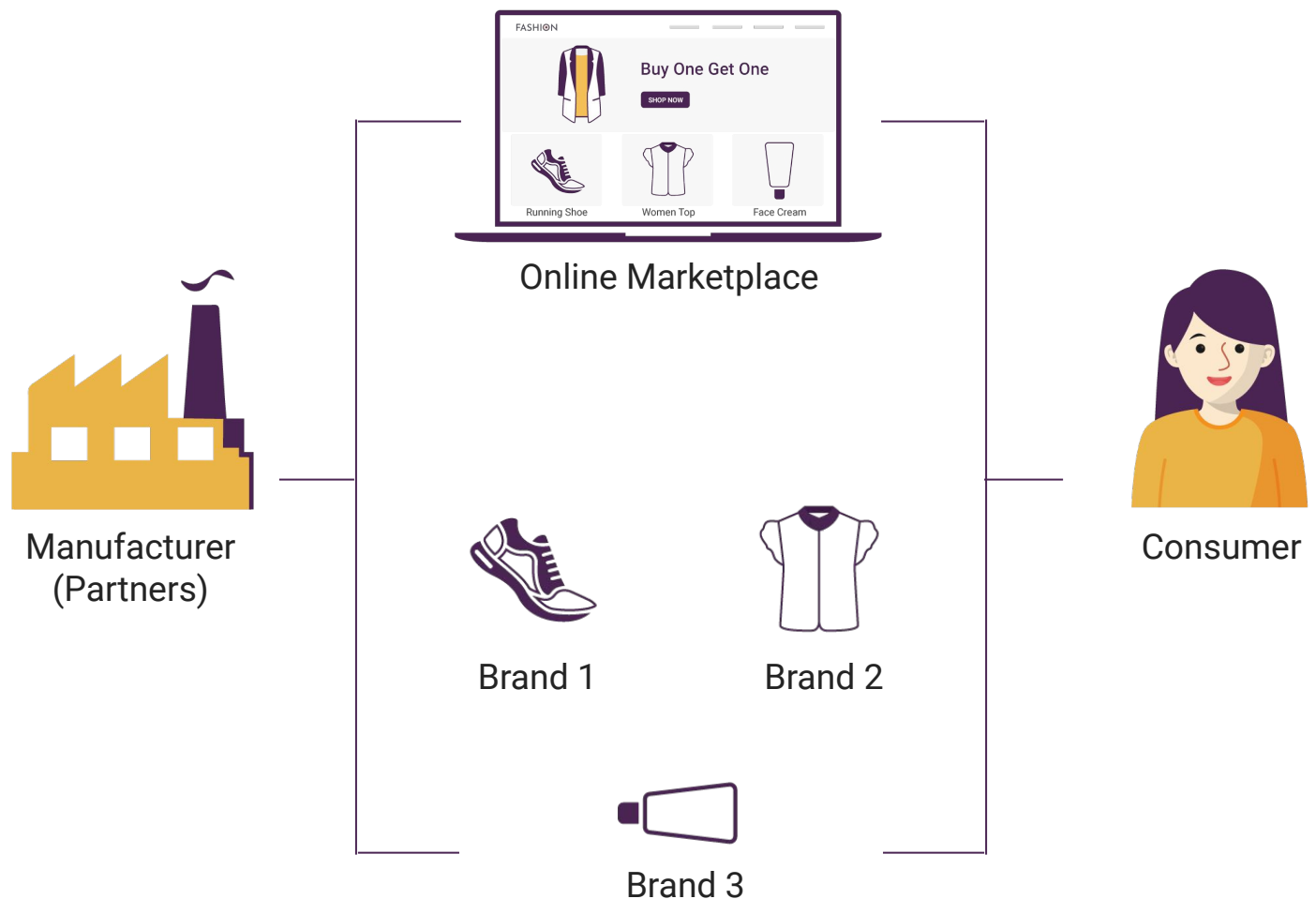
All these use-cases can be successfully implemented with future-ready tech partner StoreHippo. At StoreHippo brands get end to end D2C solutions and 300+ native features along with 120+ integrations to build tailor-made solutions for their business.

CONCLUSION & OUTLOOK

The success stories of D2C brands with rapid astronomical growth is proof that the model is here to stay. However, the growing competition, need for extreme personalizations, rapidly changing customer preferences and matching the customers' expectations can be quite a lot to handle for D2C brands.

Finding and implementing the right technology solutions along with the right strategies to handle these challenges is the biggest concern for brands planning to go D2C. Overwhelming as it may sound, all of these challenges can be handled smoothly by partnering with StoreHippo, the trusted D2C solution provider for global brands.

Our experience and expertise in building D2C e-commerce solutions for brands can help you build omnichannel solutions designed for growth. Built on the MACH(Microservices, API-first, Cloud-Native, Headless Commerce) architecture, Storehippo mobile-first enterprise ecommerce platform offers a complete ecosystem and unparalleled flexibility to brands planning to go D2C.

Whether you have already started your D2C journey or looking for next-generation solutions to build, manage and grow your direct-to-consumer brand StoreHippo will help you get started in no time.

Get Started With Your D2C Business model

RESOURCES

[StoreHippo: 360-Degree Ecommerce Solutions](#)

[StoreHippo Solutions](#)

[StoreHippo Technology](#)

[StoreHippo Headless Commerce](#)

[StoreHippo Go Global Solutions](#)

[StoreHippo Multilingual Solutions](#)

[StoreHippo Mobile Apps Solutions](#)

[StoreHippo Enterprise Ecommerce Solutions](#)

[StoreHippo Multi Vendor Marketplace Solutions](#)

[StoreHippo B2B Ecommerce Solutions](#)

[StoreHippo Multi Store Ecommerce Solutions](#)

StoreHippo Help Center

For the latest StoreHippo features and set up please check