

EBOOK

From B2B to D2C Online Sales

**Create a D2C webstore with the potential
to transform your business**



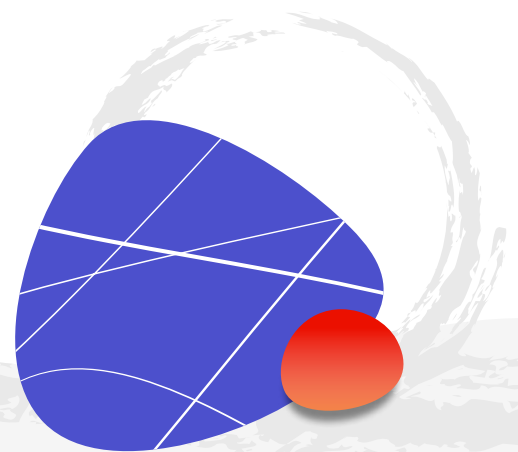
Consumer brand manufacturers are making a direct connection with their customers.

And that isn't just a trend—it's fast becoming essential business. In fact, 81 percent of consumers plan to shop from direct-to-consumer (D2C) companies over the next five years.¹ Big brands across the board, from Kellogg's to Coca-Cola, have gotten into the game and are showing how successful this model can be.

D2C is a practical and effective long-term strategy for many reasons. It yields more predictable and profitable revenue streams, nurtures customer relationships, helps build a global brand, and creates better products overall.

Increasingly, B2B companies are sitting up and taking notice of the potential and exploring how to start their own D2C storefront. In recent challenging economic times, D2C has become an even more compelling pathway to boost revenue, especially as retailers, distributors, wholesalers, and other channels continue to shrink.

Of course, getting from B2B to D2C takes more than changing up acronyms. It takes understanding what your end customers want, creating a strong marketing and promotion plan, and building a consumer-friendly website on the right technology platform. That's a lot to think about—it might even seem overwhelming.



This eBook can help you figure out if the D2C model is right for your business and, if so, how to get started.

D2C delivers the results

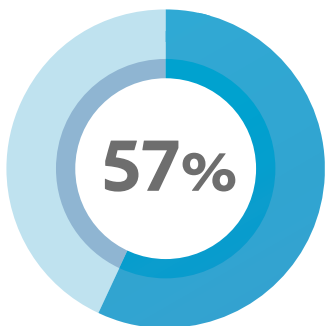
Let's start with the bottom line about a D2C digital commerce site: the data proves that it works. D2C is on track to reach \$18 billion in total eCommerce sales in 2020, up 24.3 percent from the previous year.²

Here's how a D2C website can help your business:

Connect with end customers who already know you

Though millennial buyers are often credited with the popularity of D2C, customers of all types trust manufacturers as the most authoritative source of product information. From research to purchase, consumers and business prospects trust and want to buy directly from manufacturers. A recent survey supports this, with 60 percent of respondents preferring to do research directly on brand sites.³ Plus, one-third of US consumers plan to do at least 40 percent of their shopping from D2C companies in the next five years.⁴

Building on this credibility can be a natural next step for brand manufacturers when there is already name recognition with end buyers. Take Performance Health, a 25-year-old global leader in healthcare products for rehabilitation and sports medicine. When they wanted to reach younger, active consumers with their popular pain reliever BioFreeze, they made the leap to D2C. Their eCommerce strategy worked, and [the results are paying off](#).



Digital commerce accounted for 56.9% of all gains in the retail market last year, showing that it is the primary growth channel for manufacturers.⁵

Gain sizable new revenue streams

Another reason B2B companies have turned to D2C is to make up for slowing growth in their traditional distribution channels. Retail outlets have stumbled over the last two years as consumers have increasingly turned to online purchasing. In 2019, for instance, total retail sales grew by only 4 percent, while eCommerce sales grew roughly 15 percent.⁵ In fact, 40 percent of US internet users expect D2C brands to account for at least 40 percent of their purchases within the next five years.⁶

“ We felt we could accomplish all our goals on a platform that allowed Performance Health to evolve and adapt faster than our competitors while exceeding our customers' expectations.

Kristin Greenwell

eCommerce Director,
Performance Health

Then the channel landscape shifted in 2020 as online shopping was more fully embraced by businesses and consumers. In April, 54 percent of companies surveyed agreed that incorporating more digital commerce into their strategies was effective, and that number rose to 64 percent in May.⁷ In fact, 43 percent of digital merchants are reporting continuing growth.⁸ At the same time, 35 percent of consumers said they're very likely to continue buying on the web, and about half are somewhat likely to continue purchasing this way.⁹

All of these indicators suggest digital commerce can be an excellent tool for diversifying revenue and improving profitability. In some cases, it has the potential to equal or exceed revenues generated by other channels.

Tap into a data powerhouse

With a D2C storefront, you'll have a much better picture of what your customers really want and can get key insights on an array of rich data sets:

- Products your buyers are searching for and, conversely, products they can't locate (This data can provide valuable insight for developing new products or streamlining your current offerings.)
- Products that are aren't selling as expected (Is it the promotional content? Pricing? Is there a feature missing that your customers want?)
- Identifying personas based on the buyer demographics, purchase frequency, average order value, and more, and then creating promotions based on that data
- Using product ratings, feedback, and reviews to make improvements and identify new market extension, upsell, and cross-sell opportunities

Is your B2B business cut out for D2C selling?

These are some of the major questions to ask yourself to determine if you have the right combination of dedication, nimbleness, and grit:

- Are we agile and willing to go beyond our comfort zone to take a calculated risk in our business?
- Do we have a defined vision of who we are and what success looks like?
- Do we have the patience to build a great, end-to-end customer experience?
- Are we open to different technology and operational approaches to figure out the best solution for our D2C business?
- Do we have industry or channel partners that we should consider working with for our site?
- Do we have the resources in place to make a long-term commitment to our D2C business?



Three out of four D2C brands have implemented reviews on their websites to date, making them the most deployed feature on eCommerce websites.¹⁰

D2C expansion—channel conflict or cooperation?

If you're seriously considering D2C, one important thing to take into consideration before you get started is the impact it will have on your other channels. Common questions to ask are: Will we be competing with our own channel partners? Will we oversaturate the market between our efforts and those of our channel partners?

However real these risks are, working with your channels directly ensures the best possible outcomes for everyone. Best practices include these:

- Limit the number of distributors in each region to minimize intra-channel competition
- Standardize pricing and discount policies to avoid price wars and keep all channels with high margins
- Engage in transparent and consistent communications with channel partners to avoid any misunderstandings

Support your channel partners

Ideally, you should find ways for your new D2C business to deliver real value to your partners as well. One simple but effective strategy is to share key consumer insights from your traffic and sales data that will help everyone sell more products.

Another approach that can also amplify your brand as a global presence is to refer consumers to channel partners for product pickup, installation, or servicing. For example, a strategy that's worked well for Yakima is to [provide buying options on their site](#). A customer can visit the brand's website to choose and configure a rack online and then, if they prefer, transfer the sale to a retail partner for in-person purchase and installation.

Finally, integrated campaigns—also known as 360-degree campaigns and omnichannel marketing—can be used to cross-promote channels. They require careful planning, but when done right they can be very effective. When these campaigns are successful, they raise brand awareness and generate new demand, benefiting everyone who sells your products.



Design an appealing consumer experience

Consumers have a lot in common with your business buyers. Everyone wants convenient shopping that's as simple as the experience they get on Amazon and other proven commerce sites. And everyone wants to find product information quickly and have instant access to the status of their orders.

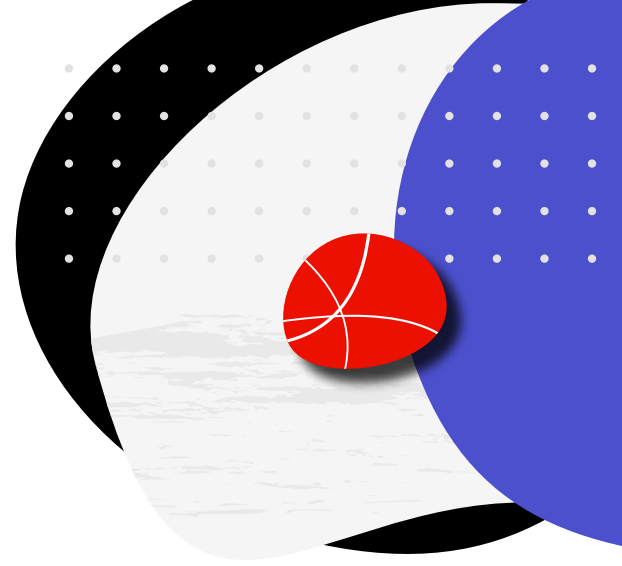
But consumers want more than just a solid experience. They want to be guided through the purchase process in a way that feels effortless. They also want to be entertained and to feel good about their purchases. To attract—and keep—these customers, consider adopting these proven strategies used by most D2C brands:

Personalize your shopping experience

The most successful digital commerce sites segment different types of buyers and serve them highly personalized—or even individualized—content, product recommendations, and offers. If done correctly, consumers do not find this approach intrusive. In fact, many welcome it. As one survey revealed, 54 percent of customers are fine sharing personal information with companies if it's used for a personalized experience.¹¹ Typically this information is website analytics, cross-platform data, location and demographic data, and customer support data.

One especially promising approach to commerce personalization is AI-powered recommendations based on customers' interests and website behavior. These recommendations help drive conversions. One survey showed that 49 percent of consumers bought a product that hadn't even been on their radar previously after seeing a personalized recommendation from the brand.

This tactic can also make a sale go even further: 40 percent said that they've purchased something more expensive than originally planned because the shopping experience was personalized.¹²



Offer excellent—and relevant—rewards

Reward programs are also a popular tool to nurture customer connections and increase loyalty and trust. 83 percent of consumers say loyalty programs give them a nudge to do business with those companies.¹³ Proven strategies include earned points, membership programs, cash back, special discounts, and subscriptions.

You can also use rewards to lure new customers. You can try classic offers like “buy one, get one free” or free shipping. You can also provide free or discounted add-on services with purchase, like an extended warranty or special discounts for monthly or annual subscriptions.

Create enticing product bundles

Bundles of products that go well together and include low-cost items for free can make shopping more appealing and convenient for time-strapped shoppers. This can result in a bigger sale overall and perceived higher value for the consumer. For instance, a customer who's buying a tent may also need an LED lamp and sleeping bags. A set of flashlights could be automatically added to the shopping cart for free.

Get to know your market

You have the products. You have the revenue model. You have the motivation. Now it's time to kick off your D2C website. And it all starts with research to identify your target customers.

Like most businesses that sell to other like-minded companies, you have B2B marketing know-how—but not necessarily expertise in selling direct to consumers. That means it's time to think like a consumer marketer and gather relevant information on consumers' demographics, purchasing behaviors, social media habits, marketing preferences, and more.

Depending on your internal resources and budget, there is a combination of tactics you can use to develop a marketing plan. You may have a large, dedicated budget. You may work on a shoestring. Or you may take a hybrid approach, doing the groundwork in house and then outsourcing your findings to an agency to build out your plan.

However you support your research efforts, begin your exploration by taking a close look at your existing ecosystem. You'll have a head-start knowing the distributors, retail outlets, and other channels that sell your products. Who are their customers? How do they market to consumers? What are some common data points across channels? These types of questions and answers form a baseline for research.

Here are some effective tactics for gathering additional information about your market:

- Research competitors' D2C sites to see how they appeal to their prospects and customers. Sign up for their promotions and newsletters, and check out their social media approach.
- Run quick surveys on Facebook, LinkedIn, or other social media to offer free products or incentives in exchange for key information from respondents (bonus: you'll get net-new names for your growing database).
- Develop a list of product fans to test out ideas on content, product offerings, refinements, and more. This also can lead to built-in buyers when you do launch your site.

Before you hire an agency

Moving from business-first to consumer-first is going to a completely different world. You may have a B2B marketing agency or consultants, but you likely don't have consumer experts on call. If you're considering outsourcing to a consumer-focused agency, here are some questions to help you select the right agency:

- Have you helped B2B companies create a D2C webstore? If so, did you focus on the front-end user experience, the back-end commerce logic and integrations, or both?
- Does your agency specialize in marketing, web design, user experience, systems integration, or all of the above?
- How do you measure ROI on marketing programs?
- Do you help with all aspects of D2C marketing?
- What are your typical rates and typical commitment levels?
- Do you provide marketing and communication services such as social media marketing, SEO/SEM, influencer marketing, content creation, and more?



Master the consumer-centric D2C website

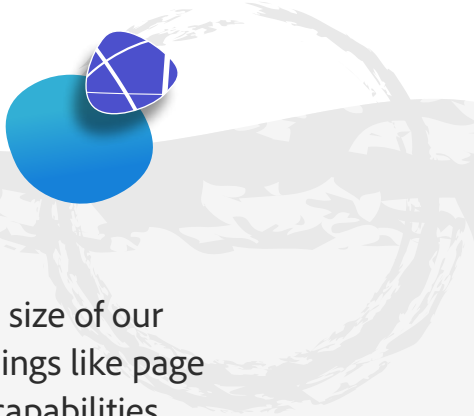
Quick. Stop and think about your favorite D2C brands' digital stores. What do they all have in common? Clear brand message. Consistent brand imagery through every shopping touchpoint. Clean design. Easy navigation. Strong calls to action. Convenience features like express checkout and subscriptions. A great mobile experience. And the list goes on.

All of these add up to an engaging customer experience. Again, depending on your budget, you can go through an internal evaluation to think through branding and messaging—or you can hire a marketing agency or consultant to do the work.

If you're going solo, a good way to start is a competitive audit. For instance, take what you've learned from researching your competitors initially, but then expand on that: What is the competition doing on their website to create a great customer experience (or not)? Develop some key features to compare, from product catalogues to recommendations ("You may also like..."), search, calls to action, customer service, and other areas.

Also, think outside your own industry to get inspiration from D2C brands you admire. What do you love about their sites? Is it the layout? The brand-building storytelling? The shopping experience? Use this to think about the broader design landscape of your own site's potential.

One D2C website approach that has been a hit with consumers is to make the buying experience easier by offering fewer choices. Popularized by Casper, the runaway D2C success in mattresses, the straightforward approach focuses on fewer product offerings instead of pages of options. Doing this cuts through "analysis paralysis" and simplifies the process so customers can come to a decision more quickly.



“ We are still a very small eCommerce team, relative to the size of our business. We wanted a platform that would streamline things like page building and product merchandising, while still offering capabilities for customization.

Katie Ehrhardt

Director of E-commerce,
RXBAR

Five ways to promote your new D2C brand

It is common knowledge that D2C websites tend to bring a fresher, more casual approach than B2B sites, which tend to stay more “buttoned up” for their audience. D2C is your opportunity to be authentic, lighten the tone, and create a more intimate connection with customers. The best part is that you can be creative, test ideas, and iterate as you go.

Here are five ideas to get you started.

1. Tap into social media to find and engage with potential audiences where they are. Focus on a few relevant channels that can amplify your brand personality, educate consumers, and deliver interesting content.

Take the cult beauty favorite Glossier. Their success started with 500 superfans who shared videos, photos, and other content across social media, and they have since grown into a D2C powerhouse. At the time of their online launch they already had 13,000 Instagram fans—and by the next day 18,000 plus.¹⁴ The brand appeals to a diverse range of ages, ethnicities, and lifestyles, and consumers relate to their no-nonsense, everyday approach to beauty. Their tagline “Come as you are” reinforces that perception.

2. Experiment with video formats and audiences. There are a host of channels to choose from, depending on the demographic you're going after—from Twitter to TikTok to YouTube. (Who can forget the granddaddy of them all—the viral Dollar Shave Club ad, which led to 12,000 subscribers in two days and \$100 million in revenue in the first two years?)¹⁵

3. Gather user-generated video testimonials (among other formats). There is no substitute for the living proof provided in the form of trustworthy messages from your own customers. Even better, this content takes zero budget to produce.
4. Launch an influencer marketing campaign. These have spiked in popularity in the past few years because they're effective. If you identify product users who are big believers in your product and a good match with audience demographics, influencers can help boost interest and sales.
5. Start an online community to get users to share stories and feedback. Engagement helps build relationships and can be mined for testimonials, influencers, ideas for new products, and more. For example, RXBAR encourages their customers to submit and share [recipes](#) made with their nut butters. Instant Pot encourages recipe sharing through their Facebook community group.

“ We think every woman should have the ability to be connected through her beauty knowledge, opinions, products, and routine.

Emily Weiss

Founder, Glossier

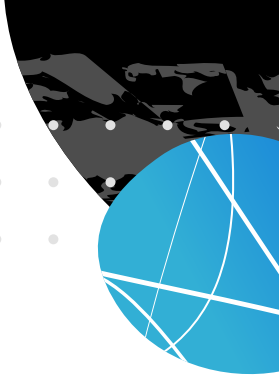
Ready to make the move?

Launching a D2C webstore alongside your B2B site means rethinking your business potential. But it's within reach if you have the motivation, creativity, and persistence to make it successful. Many B2B companies have jumped into this growing channel segment by understanding their market well, creating a robust marketing plan, and selecting the right commerce platform. Done right, a D2C webstore can open up a substantial—and reliable—new revenue stream.

Learn more at magento.com

Done right, a D2C webstore can open up a substantial new revenue stream.





ADOBE EXPERIENCE CLOUD

Leveraging deep customer intelligence, [Adobe Experience Cloud](#) gives you everything you need to deliver a well-designed, personal, and consistent experience that delights your customers every time you interact with them.

Built on the Adobe Experience Platform, leveraging Adobe Sensei machine learning and artificial intelligence, Adobe Experience Cloud gives you access to the world's most comprehensive suite of solutions across three clouds—Adobe Analytics Cloud, Adobe Marketing Cloud, and Adobe Advertising Cloud. And because it's from Adobe, it's integrated with Adobe Creative Cloud and Document Cloud so that the design of a great experience is inextricably linked to its delivery.

ADOBE COMMERCE CLOUD

Adobe Commerce Cloud combines Magento Commerce with Adobe Experience Cloud, providing an end-to-end platform to manage, personalize, and optimize the commerce experience across every touch point.

MAGENTO COMMERCE

[Magento Commerce](#) is a flexible, scalable commerce solution with integrated tools for managing, measuring, and optimizing every aspect of the commerce experience.

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²<https://www.emarketer.com/content/direct-to-consumer-brands-2020>

³<https://marketingland.com/survey-consumers-seeking-buy-directly-brands-vs-retailers-222955>

⁴<https://www.retaildive.com/news/81-of-consumers-plan-to-shop-direct-to-consumer-brands/539087/>

⁵<https://www.digitalcommerce360.com/article/us-ecommerce-sales/>

⁶<https://www.emarketer.com/content/how-d2c-brands-are-challenging-incumbents-with-earned-media>

⁷<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-global-b2b-decision-maker-response-to-covid-19-crisis>

⁸<https://www.klaviyo.com/covid-19-daily-ecommerce-insights>

⁹<https://www.winsightgrocerybusiness.com/technology/online-grocery-shopping-could-continue-post-pandemic-so-could-challenges>

¹⁰<https://www.yotpo.com/blog/d2c-marketing-2019/>

¹¹<https://www.retailcustomerexperience.com/news/consumers-expect-personalization-reveals-report/>

¹²https://www.accenture.com/_acnmedia/pdf-83/accenture-making-personal.pdf

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¹⁴<https://www.wsj.com/articles/how-founder-of-beauty-brand-glossier-crafted-the-launch-on-instagram-1412709998>

¹⁵<https://www.coredna.com/blogs/direct-to-consumer-brands#5>

