

# The Benefits of D2C eCommerce

For manufacturers, brands and distributors



## What does going D2C mean and how does it differ from B2C?

In a nutshell, D2C stands for direct-to-consumer and refers to brands or manufacturers, that bypass the middlemen such as third-party retailers, wholesalers or other marketplaces to sell direct to their customers, usually by means of an eCommerce website. B2C (business-to-consumer) usually involves the use of a middleman such as a retail store or the likes of Amazon.

**In 2020, D2C sales increased by 24.3% in the US alone. The same trend is seen throughout Europe.** - IMRG

### WHAT ARE THE BENEFITS OF GOING DIRECT TO CONSUMER?



#### Increased Profit Margin

By focusing on eCommerce, brands are able to sell to the customer at a lower cost and reap the full profit.



#### Gain Full Control

Brands can gain control over the end-to-end experience - product design, marketing and post-purchase experience.

**Web traffic on D2C shops has doubled in the last two years.**

- eMarketer

**86% of buyers will pay more for a better customer experience.**

- Forbes



#### Expand Market Share

Potential to reach larger audiences and expand their market share overnight



#### Better Conversion Rates

Increase conversions by not having products on sale alongside competitors.



#### Authentic Brand Experiences

Consumers trust manufacturer expertise. D2C provides a platform to offer up-to-date and accurate information to consumers.



#### A Goldmine of Data

By going D2C you'll have a goldmine of information that can help you build confidence in your product and marketing strategy.



#### Feedback Loop

A D2C channel can be a viable way to test the success of new products before passing them on to retailers.

### MANUFACTURER'S WEBSITES ARE A KEY SOURCE OF INFORMATION

**61% of consumers perceive OEM websites as (very) important**

Bain & Company

**Selling D2C is expected to grow by 71% this year to more than 40% of all manufacturers**

Forbes & The Economist

**40% will buy more from a company offering great customer experience.**

CEI Survey

**59% of respondents prefer to do research directly on brand sites**

Episerver



### THE DISTRIBUTOR DISCONNECT

**If a consumer chooses your product over a competitor on a retail site, you might have won a sale - but you've missed an opportunity to build a relationship.**



D2C eCommerce =

Brand Loyalty

X

Lifelong Customers

### WHAT'S MORE, THE MISSING DATA INSIGHTS ARE HUGE...



#### Consumer Insights

- Lifetime Value
- Lifecycle
- Brand Perception
- Consumer Retention



#### Transactional Insights

- Return on Investment
- Cross Sell & Up Sell
- Cost per Acquisition
- Behavioural Patterns



#### Product Insights

- Product Satisfaction
- Service Satisfaction
- Product Improvement
- Product Testing

### 3 LUCRATIVE SECTORS GOING D2C

**10.5%**



#### ELECTRONICS

Online sales of appliances grew by 10.5% every year between 2015 and 2019 compared with 1% at retail outlets. The pandemic has catapulted change forward years - with a quarter of global consumers more willing to buy appliances online than prior to Covid-19. Direct-to-consumer (D2C) channels are now powering a growing share of large appliance sales, putting manufacturers under intense pressure to reshape their strategies.

**20%**



#### WINE & SPIRITS

Direct-to-consumer (D2C) sales in the wine industry are through the roof. The D2C wine sale market brought in \$3.1 billion in 2017 and is expected to reach \$5.2 billion in 2022.

Currently, 62% of wineries in fact, while it makes up less than 10% of total sales, it makes up an estimated 20% of total profit.

**28% YOY**

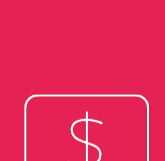


#### HOME & FURNITURE

They said you could never sell furniture online. Boy, were they wrong. New research reveals that the direct-to-consumer channel, largely driven by Wayfair and Amazon, was the fastest-growing sector in the furniture and bedding categories last year, far outstripping any other form of retailing for these products. Wayfair and Amazon reported a year-on-year growth rate of just under 28% in 2019.

### OUR SOLUTIONS

**Everything you need to go online in 5 steps**



STOREFRONT

COMMERCE ENGINE

ORDER MANAGEMENT

IN-STORE PICKING

THE LAST MILE

**Kickstart your D2C journey today**

Email [hello@naveocommerce.com](mailto:hello@naveocommerce.com) for a free 2-hour session with one of our consultants. \*

\*Limited to the first 5 enquiries



Sources: IMRG, Forbes, NChannel, eMarketer, Episerver, CEI, Sana Commerce, The Economist, Salsify, Business of Home and Bain & Company

Naveo Commerce is an international end-to-end eCommerce, OMS and Fulfilment technology company helping SMBs and Enterprise across all retail segments to manage and grow their business online.

The company was founded in 2020 following the merger of Digital Goodie and Maginus, unifying cloud-based Headless Commerce expertise, Order Management Systems and Fulfilment solutions to establish one of the only companies globally to be able to offer entire end-to-end commerce support to retailers.

The Maginus partnership with Magento and Episerver continues to operate as part of a consulting arm sitting under the Naveo Commerce brand. The company is financially backed by Black Dragon Capital.