



# TOP 5 INDUSTRIES THAT NEED TO GO DIRECT TO CONSUMER IN 2021

E-book by: **Jungleworks**



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# INTRODUCTION

B2B and B2C were the top two models followed by every industry to sell their products but with the effect of pandemics, industries are forced to shift their strategy with a better perspective. Looking at the situation, manufacturers have reacted to the pandemic by adopting the direct-to-consumer (D2C) model – both manufacturing and delivering products to the customers directly thus excluding the traditional third-party distribution channels.

This model was highly uncommon for manufacturers in the past. A sudden effect of the pandemic has set the business to expand and incur benefits and has also offered the perks to set for the long term.

It gave industries the authority to connect with the customers directly and serve them according to their needs excluding extra costs.



# WHY IS D2C GAINING GROUND?



D2C has led the businesses to operate and serve the customers directly by eliminating the old retail chain. This model is beneficial to the manufacturers as well as customers as it reduces the costs.

With a D2C model, industries can make more profits and identify opportunities to grow their business. Moreover, industries from every niche can help their customers with the latest collection and build direct relationships with them.

With these many advantages, businesses are grooming to set their business par with the embrace of the D2C model.

# THE TOP 5 INDUSTRIES THAT NEED TO UNDERGO TO D2C MODEL:

In simple words, Direct-to-consumer is an e-commerce strategy where manufacturers do not have to rely on the middlemen for sales of their products. The top 5 Industries that need to undergo is are:

## RETAIL INDUSTRY



2020 has led D2C to show its true potential. Consumers have started to turn to the brands' websites directly for the purchase of the product. This led to slower traffic on the e-commerce websites and led to shutting down the retail shops.

D2C is allowing the industry to develop a deeper connection with the consumers and building loyalty. On the other hand, it has also benefited the customers by enabling them to enjoy the superior brand experience and receive personalized offers.



This turn-in strategy is a win-win situation for both the consumers and the brand, making it a popular way of shopping. A great example of the retail industry is the “Allbirds - shoemaker company” that relied on old traditional models for sales. Between the years of working Allbirds needed to lower the price of shoe manufacturing with sustainable and non-traditional material to make the company viable. They came up with the D2C model. Cutting down the extra costs allowed Allbirds to spend more money on proprietary design, sourcing, and manufacturing. Well, without the D2C model Allbirds won't be Allbirds.

Summarising the scenario, it's a great opportunity for every retail industry to build fame and set their par.

## PHARMACY



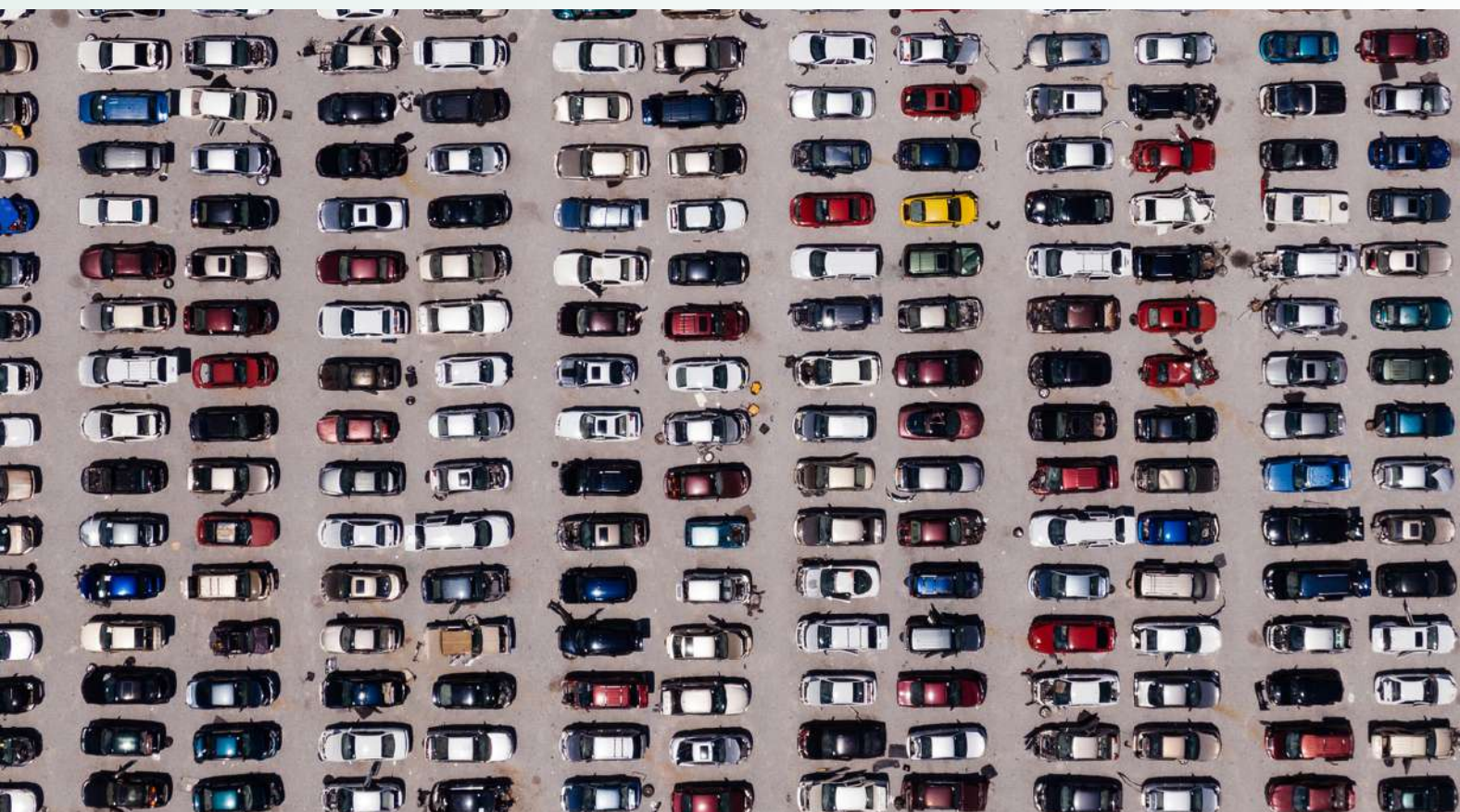
With the effect of the pandemic, people were unable to go to shops and buy medicine for themselves. In this situation, D2C emerged as a helpful and great solution as customers were able to buy the medicines easily from the industry itself and with direct delivery to them excluded out the long time gap. Not only this, a great boom in the pharmaceutical industry has been identified with the use of the D2C model.

The D2C model allowed businesses to connect the patients with doctors virtually to prescribe treatments online that previously required an in-person visit to the doctor. This trend is grasping the ladder and setting up the bar with enhanced ways of working.

Hims and Roman are one of the top brands in the Pharmaceutical industry. They have been able to achieve such success because they shifted their strategy to the D2C model. The companies have large investments from which they are advertising heavily, promoting free trials for the consumers, offering greater convenience to the customers at the low offered price.

D2C is set to boom the pharma industry if one goes with the trend and opt for it. Opting it out will benefit the companies and the customers, as they will be at ease with purchase and service.

## AUTOMOBILES





In order to exclude the extra cost or avoid any kind of disruption in the sales, the automobile industry should promote and educate their customers directly rather than expecting the dealers.

Talking about direct sales in terms of automobiles, we cannot ignore the leader of D2C in automobiles - Tesla, one of the most famous and most growing automobile companies nowadays with its effective D2C strategy.

Tesla adapted the D2C strategy because it had faced many issues while franchising its electric car with US dealerships. So, Tesla decided to educate and serve the customers directly. By owning the sales channel, Tesla has gained an advantage in the speed of its product development. Moreover, it is building and updating itself with a better customer buying experience. And now this strategy has led to the boom of the Tesla industry.

Considering its success factors, it is justifiable that automobiles with a D2C strategy can incur a good boom in the industry.

## HOME SERVICES





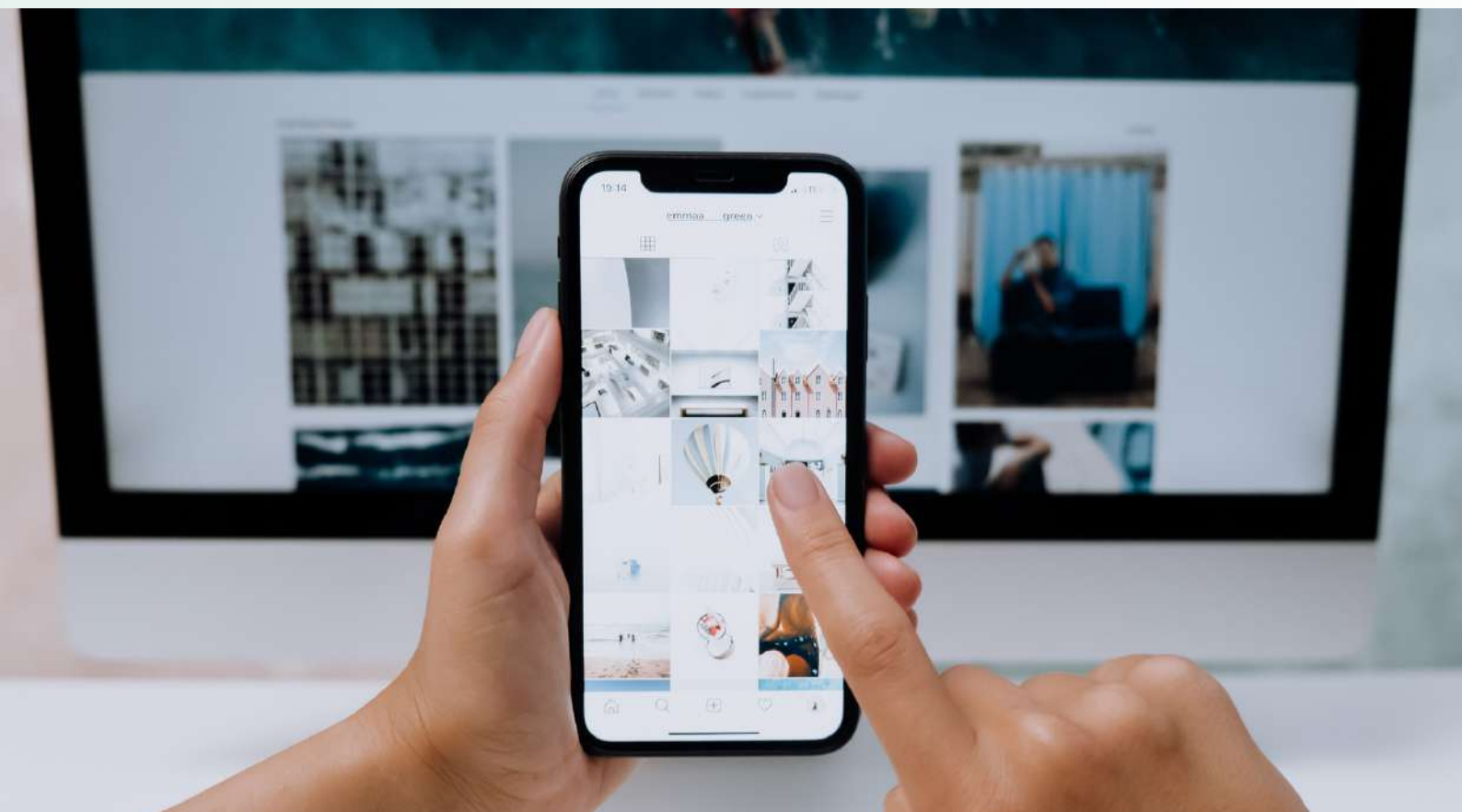
Due to the Pandemic, beauty and wellness industries had to find a solution to run their business. As a result, most of them decided to help their customers by not relying on third parties.

With the help of the D2C strategy, home services have stronger control over the end-to-end customer service experience. Highlighting the service of Urban Clap (now Urban Company), it has mostly satisfied the customers and led to the company generating its extra revenue by direct customer service.

With D2C service, Urban Company was able to grasp out to incur a 103% year-on-year increase in revenue during 2019-2020.

Shifting your retail strategy to D2C will help increase profits and run a business without any hassle.

## ELECTRONICS



The total global electronics hardware industry is about US\$2 Trillion. With this data, one can guess how much electronic industries are making in profits. But, due to the pandemic, not every company is making such money.

We have a vast list of brands serving D2C service and incurring a high amount of revenue.

With a start to it, Great Jones was one of the electronics industries with its D2C service that came to know easily how to get the customers message and be present for customers effectively. With its last year's launch of the product, "Potline", a personal SMS service where customers can ask questions and get advice about cooking, has been highly effective, with 98% open rates to the customers was considered to be a smart move by the company.

If we compare the B2C service to D2C, the electronic industry has more potential to boom by optimizing the D2C strategy.



# STRATEGY TO MAKE YOUR RETAIL D2C READY

While the barriers to entering the segment as a startup D2C brand are relatively low, make sure that you will face well-established giants like Amazon and Walmart. To make your industry comply with D2C service and exist in the market, the following strategies could help to get the utmost result.

## IDENTIFICATION OF YOUR PRODUCT/SERVICE AND MAKING AFFORDABLE



Start-ups need to ensure that they have a clear conception of the targeted product/service to maximize their wealth in the future. Industries with a shift and the startups need to ensure that price should be affordable to the consumers. A clear marketing strategy begins with the price, so while finalizing it out make sure to be pocket-friendly.



## SIMPLICITY IS THE NEW LUXURY



Most of the industries start with a variety of products and most with just one product. But, in the long run, the company with its one specified product grasps out the whole market. Taking an example of a famous d2c business, Casper-largest mattress selling company has started its journey with its one specified product built with great quality at an affordable price. Moving ahead, the fewer varieties and options with a greater quality will simplify the customers to have an easy choice.

Building an Audience involves the marketing of your company. Focus on the promotional tools, there are various social platforms to promote your business such as social media, websites, apps, and many more. Look upon the platform from which will help you generate a high audience for your industry. Make sure that the customer can easily shop from your promotional sites without any hassle. You can also opt for influencers to promote your product as it is one of the greatest marketing strategies prevailing right now. As it has been identified that the trendsetter gives rise to the sale of the product.

## BUILDING AN END-TO-END BRAND WITH EXCELLENT CUSTOMER SERVICE



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## OFFER A SUBSCRIPTION-BASED MODEL



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# CONCLUSION

These are the strategies for ensuring success for businesses using D2C service. You could be the market leader just by using the right tools and technology for your business. So when you plan to shift to the D2C strategy just follow the steps, use the mentioned strategies, and get ready to disrupt the industry.

Apart from this, if you are looking for the best delivery management platform that can help you scale your D2C business, Tookan's delivery management platform can be the best option for you. Tookan will help you deliver your products more efficiently, keep a real-time track, broadcast messages to delivery agents and employees, advanced analytics reports to visualize the business performance, and many more.

Providing the best services and a great experience is the only key to customer retention. So, have an edge in technology to deliver services in the promised time using Delivery Management Platforms.

**GET IN TOUCH WITH TOOKAN,  
DELIVERY MANAGEMENT PLATFORM,  
TO ENHANCE YOUR BUSINESS EFFICIENCY.**

