

How to Take Your B2B Brand Direct-to-Consumer

SELL ON

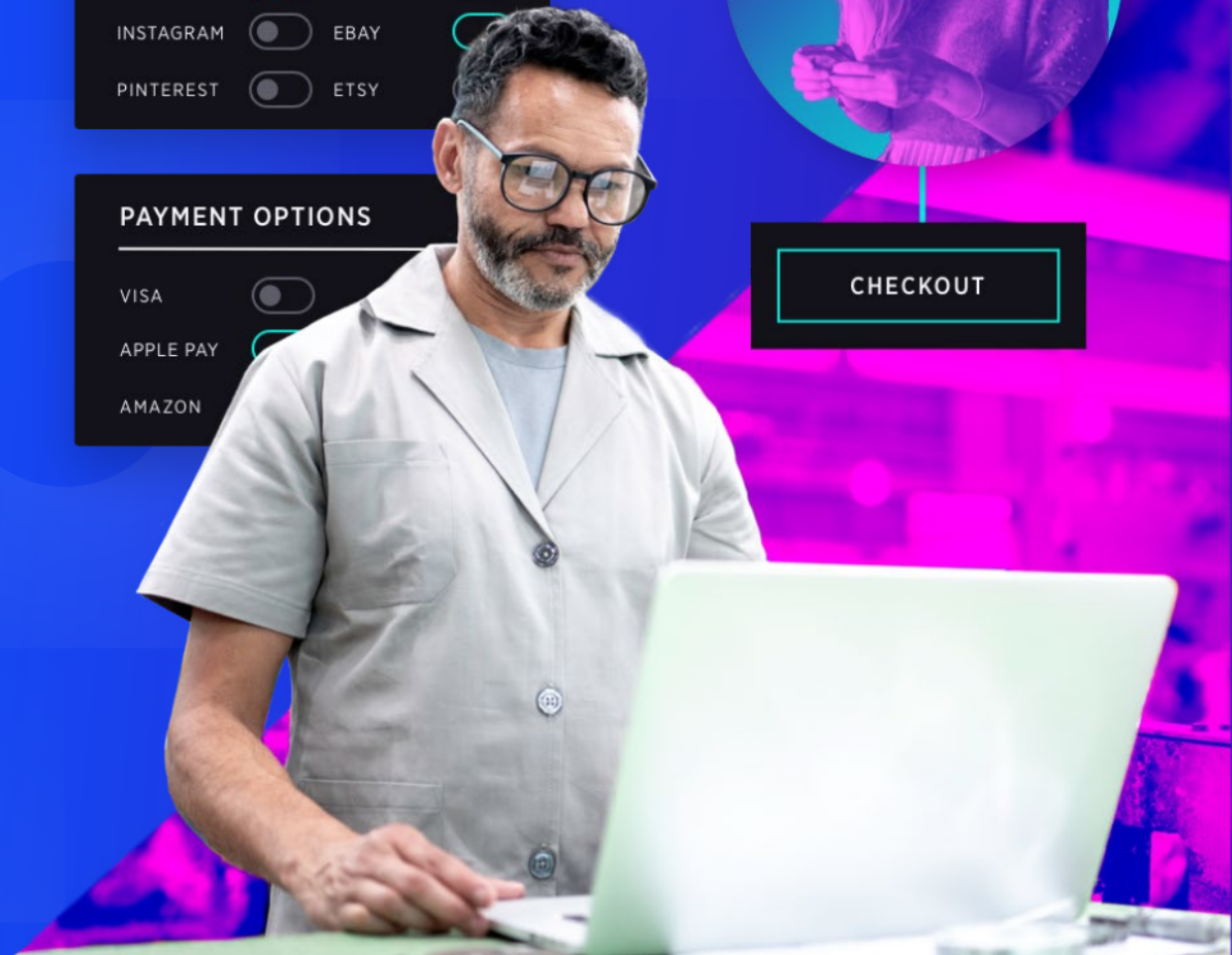
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PAYMENT OPTIONS

VISA	<input type="checkbox"/>
APPLE PAY	<input checked="" type="checkbox"/>
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CHECKOUT






Direct-to-consumer (DTC) commerce isn't new. However, between disruptor brands and evolving consumer shopping behaviors, it's growing at an accelerated pace.




For manufacturers and distributors, it isn't easy to transition from selling business-to-business (B2B) to selling directly to consumers. That's why we've put together this guide. It contains actionable solutions to the challenges you face when launching a DTC ecommerce website. Specifically, you'll learn:

- ▶ The benefits of selling directly to consumers
- ▶ Ways to address potential conflicts with your retailers and other channel partners
- ▶ Technology considerations for selling your products online
- ▶ Proven strategies for building brand awareness and marketing your products
- ▶ How to meet expectations for order fulfillment, shipping and customer service

Digitally Native Disruptors

With the rise of digital commerce, it's easier than ever for consumers to go straight to a brand's website when they want to buy a product. And new digitally native companies are taking full advantage of this unconventional path to purchase.



INVENTORY		
	Headphones	27,560
	Stereo	58,483
	Bass	41,100

In its [2021 DTC research report](#), Diffusion, an international, independent PR agency, reported that two in five Americans (43%) are familiar with DTC native brands, and of those with DTC familiarity, 69% have made at least one purchase within the last year.

The study also points out that certain industries (wellness, apparel, big retail and tech) are experiencing the biggest shift of consumers moving from traditional retail to direct to consumer.

This makes DTC competitors one of the biggest challenges many brands are facing right now.



Source: [eMarketer](#)

Of course, digitally native brands aren't the only obstacle. Counterfeit goods marketed by third-party sellers are popping up on global third-party marketplaces — and consumers are becoming increasingly frustrated. As many as [52% of U.S. consumers report](#) losing trust in a brand after unintentionally purchasing counterfeit products online.

The DTC Opportunity for Manufacturers

However, these same challenges also present new opportunities for manufacturers to launch a DTC ecommerce website.

For instance, consumers are already visiting brand websites, and they're ready to make a purchase. BrandShop's [2018 Consumer Preferences Survey](#) found that if given the option, 87% of consumers would buy products directly from a brand online.

Right now, consumer packaged goods (CPG) brands, like Ben & Jerry's, Clorox and Nestle, are leading the charge with DTC initiatives — and they're seeing a lot of success. An August 2020 study, [DTC And The New Brand Loyalty Opportunity](#), shows that in the past year, nearly 55% of consumers have used DTC channels to purchase CPG products or nonperishable items they use on a regular basis.

While manufacturers in some industries have moved forward launching DTC websites (no doubt accelerated by the pandemic), some are still hesitant to make this investment. In fact, as of now, [only 54% of manufacturers](#) want to sell online directly to consumers.

Advantages of Investing in a DTC Website

If you're still on the fence about why you should invest in a DTC ecommerce website, there are several advantages.

1. ADD A NEW REVENUE STREAM

Manufacturers are increasingly facing stiff competition for limited shelf space as retailers scale back physical locations — which has been compounded by the ongoing pandemic. And with more products piling up in warehouses, manufacturers need a solution to get them out the door.

As brick-and-mortar retailers temporarily or permanently close, consumers are going online to buy products they would normally purchase in store. A [trend that will continue](#) even after the pandemic ends.

Right now, manufacturers are in a unique position to help meet these consumer demands while making up lost sales due to shrinking retailer space.

Even if your business isn't facing these challenges, you still have the opportunity to reach potential customers that are looking for your product online.

For example, a [Retail TouchPoints survey](#) found that 33% of shoppers consider a brand manufacturer's website as the most influential resource when researching a potential purchase.

2. CAPTURE CUSTOMER BEHAVIOR DATA

Access to first-party data on customer behaviors isn't something that



manufacturers typically have. In most instances, feedback is filtered through dealers and retailers, and maybe social media channels if you have an active presence.

Even then, the majority of information is related to transactions. However, when you sell directly to consumers, you can collect a wide range of first-party data on their behaviors.

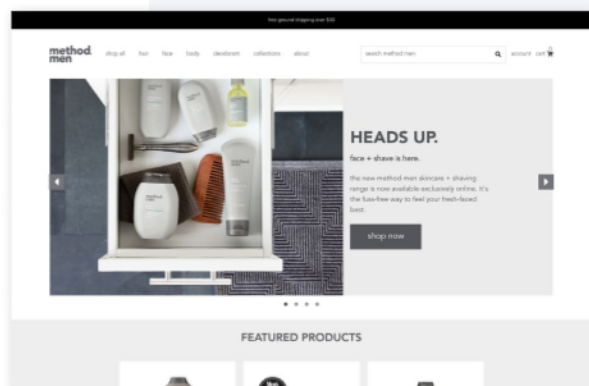
Combined with the transactional data from retailers, as well as your own website, you'll now have a better understanding of your customers. Leveraging this data, you can make strategic business decisions on everything from product development to packaging and pricing.

For instance, you might want to test a new luxury brand or launch a product in a new market. By testing these initiatives through a DTC ecommerce channel first, you can utilize the first-party data you collect to determine how to roll out these offerings to your retail partners.

3. BUILD CUSTOMER LOYALTY AND TRUST

Selling DTC gives you control over the entire customer journey, from the moment someone lands on your website until the product is delivered — and beyond.

Using the data you collect, you can create [customer-centric experiences on your website](#), such as recommending products based on recently viewed items. You can also send emails to gather feedback on how they like the product or send tips for how to use the items they purchased.



If your target market is millennials, a generation that represents 30% of total retail sales in the U.S., these types of customer-centric experiences are even more important. [Research shows](#) that their loyalty is directly related to their feelings on how brands treat them.

Plus, you're building trust with customers who want to be assured they're making a purchase from an official source — which is especially important if you're planning to [sell on third-party marketplaces like Amazon](#).

How to Overcome the Challenges of DTC Selling

Now that you know why it's the right time for manufacturers to start selling directly to consumers, let's review the challenges you might face, as well as solutions for overcoming them.



CHALLENGE #1

Navigating Channel Conflict with Retailers

As a manufacturer, the last thing you want to do is create conflicts with your retail partners because you're selling the same products in the same markets to the same customers. However, a direct-to-consumer channel results in greater brand awareness and incremental sales for all channel partners.



SOLUTION: Offer Different Products on Your Ecommerce Site

Not every product you manufacture ends up at your retail partners' stores. Maybe it's not as popular with their customers, or they don't have available warehouse or shelf space. Whatever the reason, you can use this to inform your product strategy for your DTC website.

Consider the following options:

- ▲ Offer products that the majority of your retailers don't carry
- ▲ Rebrand an existing product, and sell it exclusively from your site
- ▲ Create a luxury product that you offer at a higher price
- ▲ Sell replacement parts or accessories for your main products
- ▲ Provide a subscription-based service for your products
- ▲ Bundle diverse products into a custom package that only you offer

Make sure the products you sell on your website add value for your customers. This will help you differentiate from your retail partners and entice customers to shop directly with you.

If it's not possible to implement any of the tactics above and you do have to sell the exact same products, don't fall into the trap of thinking your best option is to undercut wholesalers and retailers on pricing.

Instead, follow the same pricing guidelines that you expect others to adhere to. Communicate your pricing structures — whether that's an MSRP, MAP or another type of policy — and give everyone a chance to be profitable.

However, be extra cautious if you're implementing any type of agreement so that it doesn't violate federal or state antitrust laws.

SOLUTION: Promote Your Retailers' Brick-and-Mortar Stores

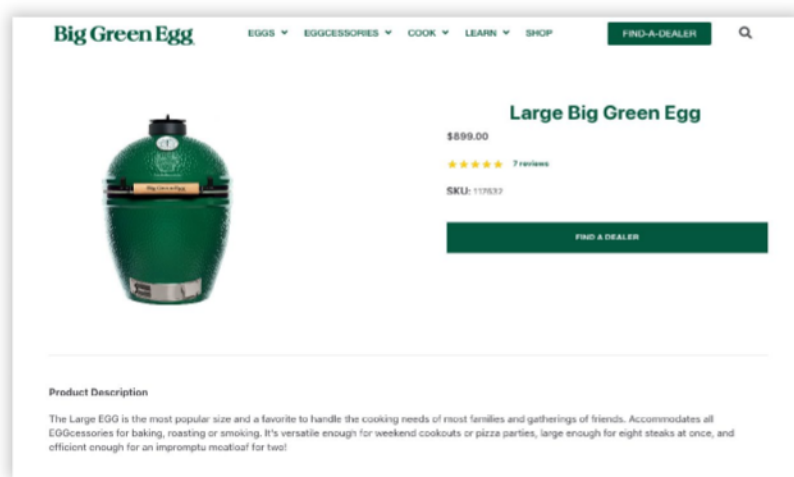
Another approach is to give customers the ability to find your products in stores.

For example, some consumers start their search for a product online with the intention of buying in-store because they want the item right away. To help the customer find the product they're looking for, you can direct them to a local retailer or dealer.

By doing this, you get the sale, and you keep your partners happy because they get increased visibility on your website.

BigCommerce merchant [Big Green Egg](#), known for simple to use, all-in-one grills, puts many of these strategies into practice. With a robust distributor network selling their grills on the ground across the country, they began the journey into DTC ecommerce in 2019, [selling smaller items like accessories and swag](#).

However, they make sure to continue to support their distributors that are so valuable to their business. As you can see, those looking to buy a Big Green Egg are directed to a local dealer when they visit the product page.



CHALLENGE #2

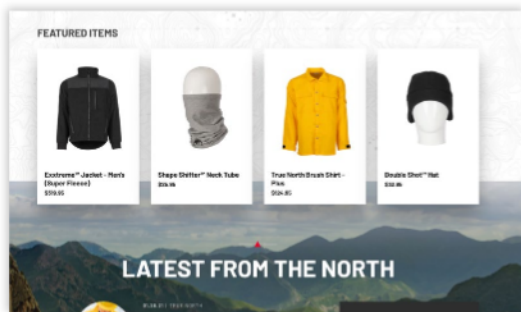
Integrating Technology for Ecommerce Operations

For your DTC website, you'll need new technology that facilitates selling to customers. Additionally, you'll need to integrate these new systems with your existing technology stack.

By creating a custom integration ecosystem, manufacturers can continue running their current business processes while onboarding another channel — without the need for any type of major overhaul.



SOLUTION: Select an Ecommerce Platform for Both B2B & DTC



If you conduct your B2B business offline, you'll need an ecommerce platform to start selling to consumers. However, if you're already selling B2B online, consider managing your B2B and DTC channels on one unified platform. For instance, True North Gear came to BigCommerce specifically because they wanted to expand both their B2B and DTC capabilities.

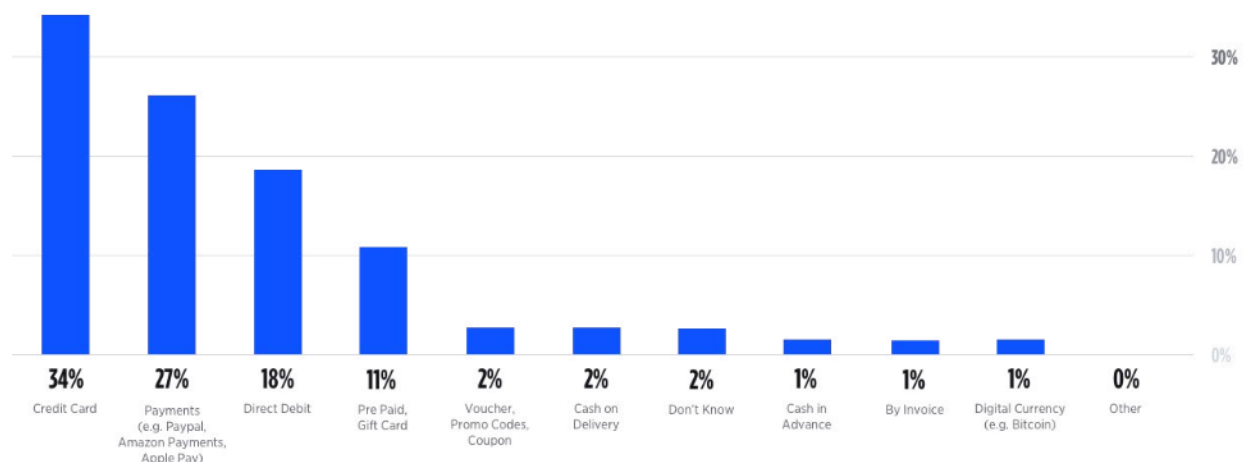


SOLUTION: Set Up Multiple, Convenient Payment Options

Similar to your B2B customers, your DTC customers will expect that you offer multiple payment options. However, as you can see from the data below, traditional B2B payment methods, such as invoices, ACH and checks, aren't preferred by DTC customers.

For your DTC website, select a payment service provider (PSP) that accepts credit and debit cards, as well as alternative payment methods. You can also consider buy-now, pay-later solutions, which are growing increasingly popular with consumers.

Which payment option do you prefer for online purchases?



Source: [Statista](#)

CHALLENGE #3

Attracting Customers to Your Online Store

Traditionally, manufacturers aren't responsible for generating interest in their products. That's one of the biggest benefits of working with retailers and distributors — they handle most of your marketing activities. But when going DTC, you're responsible for getting customers to your online store.



SOLUTION: Tell Your Unique Brand Story

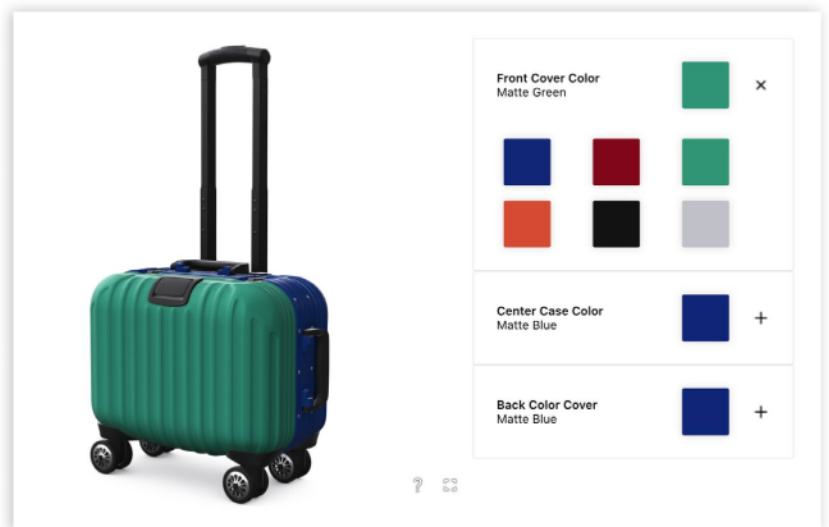
Every brand has a story. When building your DTC website, it's important to tell yours to create a connection with your buyers — especially if you're not as established in the market as your competitors.

Weaving together your unique story and your company values creates a compelling brand promise that can entice consumers to shop directly from your online store.



SOLUTION: Create Relatable Content that Educates Customers

Manufacturers have long faced the conundrum of how to represent products that are complex and highly customizable, especially in an era of direct-to-consumer. This means you'll need to pay special attention to the content on your product detail pages. Include elements such as 3D rendering, high-quality photography and descriptions that appeal to buyers' emotions.



As you create your DTC [content marketing plan](#), make sure to incorporate different types of content, such as videos or blogs, to educate your customers on how to use your products, as well as how the products will benefit them.

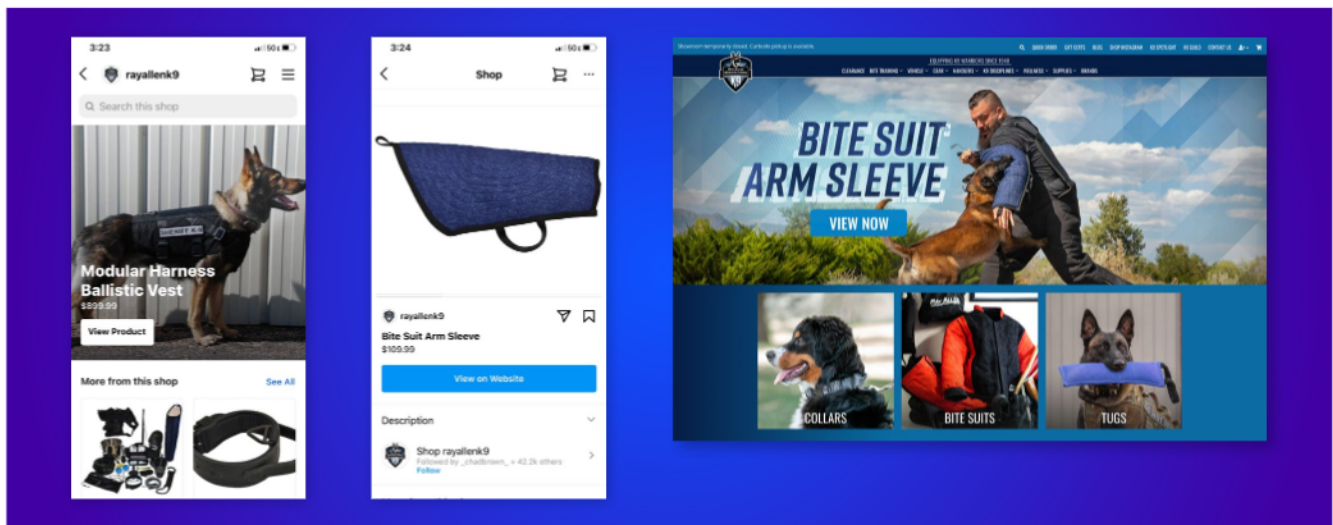


SOLUTION: Sell Through Social Media and Influencers

Content is only one piece of the puzzle. And combined with a [robust SEO strategy](#), it's an excellent long-term solution to market your DTC channel. However, to get visitors to your website right away, you'll need to harness the power of social media.

A popular strategy brands are choosing is to [sell directly on Instagram](#). For instance BigCommerce merchants can easily connect their ecommerce storefront catalogs to Instagram, which gives customers the ability to buy right from the app — rather than navigating away to a website.

In fact, when [Ray Allen Manufacturing](#), a manufacturer of Professional K9 training equipment and gear, launched its DTC store on BigCommerce, they took advantage of selling directly on Instagram and even [integrated it into their website](#).



Another growing trend is to [work with influencers](#). They act as a trusted resource, sharing genuine opinions and information on various topics, products and services with their social media following. Many digitally native DTC brands rely heavily on influencer marketing as [part of their marketing budget](#).

Through influencers, you can reach a highly-engaged, built-in audience to promote your products and drive sales. In fact, [some brands have reported](#) an average of \$5.20 for every \$1 spent on influencer marketing.

CHALLENGE #4

Managing Customer Expectations for Order Fulfillment

To get your DTC initiative off the ground, you can't forget to plan for what happens after the sale. Logistics has a significant impact on the customer experience and can ultimately impact whether a customer wants to buy from your brand again.

Tammy Tran, director of ecommerce at [method](#), a leading manufacturer of naturally derived, planet-friendly household cleaners and personal care products, advises, "If you're able to get an order to a customer as expected, the customer will likely consider their DTC visit a good experience. On the other hand, if a customer has an issue with their delivery, you'll need to make it easy for the customer to reach out with questions and resolve their issues quickly. To enable this, you need the right tools, people and capabilities in place — and it all needs to work seamlessly within your DTC technology stack."



SOLUTION: Outsource Fulfillment and Customer Service

Thanks mostly to [Amazon raising expectations](#) over the years, customers want their orders fulfilled and shipped fast. However, manufacturers typically don't have the infrastructure in place to meet these expectations.

If you don't have the resources or space available to handle fulfillment in house, you can outsource to a third-party logistics (3PL) company. 3PLs handle all the back-end logistics, including:

- ▲ Receiving your inventory
- ▲ Storing inventory in their warehouse
- ▲ Picking, packing and shipping the orders
- ▲ Processing returns

Then, you can link your systems together to ensure data flows smoothly from the customer's order to your inventory management software to your 3PL, and finally back to your customer.



However, fulfillment isn't the only area where customer expectations are high. [HubSpot researchers found](#) that 72% of buyers surveyed expect a response within 30 minutes when they're looking for customer support.

Fortunately, you can also outsource customer support. For example, contact centers can help with phone or live chat support, which is especially useful if you have a large volume of orders.

Another option is to add a chatbot to your ecommerce site. Chatbots, use artificial intelligence and can help customers find products or answer simple questions.



SOLUTION: Prioritize Fast and Flexible Shipping

If you do decide to manage orders in-house, make sure you prioritize shipping.

To make this work, you need to offer multiple shipping options, but without adding an unmanageable workload to your employees. For instance, with shipping software, you can:

- ▲ Consolidate orders from multiple selling channels
- ▲ Automate manual processes
- ▲ Rate-shop for the best carrier rates
- ▲ Batch print shipping labels
- ▲ Print packing slips and pick lists to expedite the picking process



Source: [ShipStation](#)



Start Your DTC Channel Today

Starting a direct-to-consumer channel doesn't have to be an impossible task for manufacturers. With a clear strategy for working with your retailers, flexible technology for ecommerce operations and a plan for back-office logistics, you can navigate any challenges you face.

