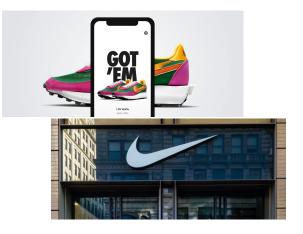
10 Winning Strategies for Direct-to-Consumer Success

By Chantal Joseph & David Battrick September 2023

In the dynamic world of Direct-to-Consumer (DTC) business, implementing the right strategies is crucial to stand out from the competition and build a sustainable business. Below are ten winning strategies that can help brands thrive in a competitive landscape and build lasting relationships with their customers.

Create A Tightly Curated Brand Experience

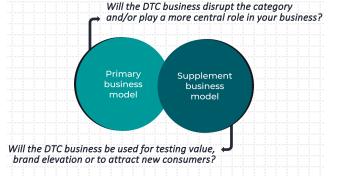
Crafting a unique and immersive brand experience is essential for DTC success. By aligning every touchpoint from packaging, website, and email with the brand's identity, brands can begin to engage with customers at deeper level, leading to establishing a strong emotional connection that fosters loyalty and advocacy.



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Have A Clear Value Proposition

A compelling value proposition distinguishes a DTC brand from its competitors. Clearly communicating the unique benefits of products or services builds trust and resonates with the target audience, leading to higher conversion rates and ultimately customer retention.



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Create A Connected Commerce Experience

Connected Commerce applies a customer centric, outcomes-based approach to seamlessly integrate Consumer & Commerce marketing strategies within the consumer journey. Leveraging retailer data for holistic planning and activation is the future of digital media.





Use LTV:CAC to Understand Profitability and Potential

Understanding the Lifetime Value (LTV) of customers in relation to Customer Acquisition Cost (CAC) is critical for sustainable growth. By evaluating profitability and potential, brands can assess the overall health of their business and make informed decisions about marketing spend and customer acquisition strategies.

Example	
Customer Lifetime Value (LTV)	\$800
Customer Acquisition Cost (CAC)	\$400
LTV:CAC Ratio	2.0x

You can calculate LTV:CAC ration by dividing your average customer lifetime value (over a given period) by the customer acquisition cost (over the same period).

Continuous 360 Media Strategy

DTC brands must maintain a full-funnel approach and robust media strategy. Adopting an integrated media approach that leverages multiple acquisition channels, including direct, paid, and organic. A 360 media strategy ensures a broad and consistent brand presence.



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Loyalty Starts Sooner Than You Think

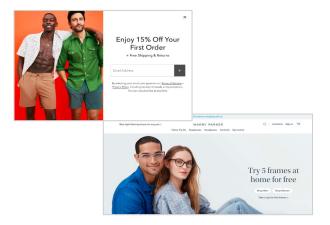
Building customer loyalty should begin at the first touchpoint. Prioritizing exceptional personalized experiences such as curated emails and promotional offers from the outset cultivates trust and encourages repeat purchases, transforming first-time buyers into loyal brand advocates.



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Always Be Closing the Sale

A proactive sales approach is essential in DTC. Employing personalized and timely tactics, such as abandoned cart reminders and upselling techniques, can significantly impact conversion rates and boost revenue.

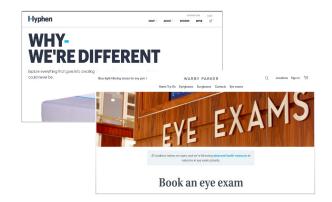






Go Beyond the Product

DTC brands can create a deeper connection with customers by extending beyond their core products. Offering engagement points through educational content, community building, or immersive experiences enhances the brand's added value that extends beyond the sale.



Stand Out From the Crowd

In a crowded marketplace, differentiation can be established through the right strategy. Incorporating unique selling points and highlighting innovation, initiatives or culturally relevant moments will enable you to break through the noise.

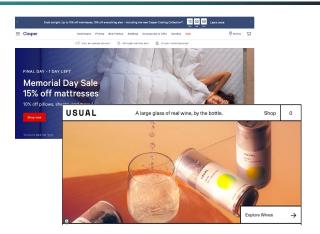




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Optimization Drives the DTC Model

Continuous optimization is the cornerstone of DTC success. Regularly analyzing data, A/B testing strategies, and refining customer experiences can lead to iterative improvements that drive growth and efficiency.



These winning strategies are just a handful of ways to position your DTC business to thrive and evolve in this rapidly evolving landscape. Emphasizing customer centricity, differentiation, and optimizations will empower brands to build a DTC model that brings forth value.

Contributed by Chantal Joseph, Director, DTC Commerce Media & Innovation and David Battrick, SVP DTC Practice Lead at <u>TRANSACT</u>, Omnicom's practice dedicated to providing connected commerce consulting and eRetail services.