

# 4 Ways DTC Brands are Mastering the Customer Experience

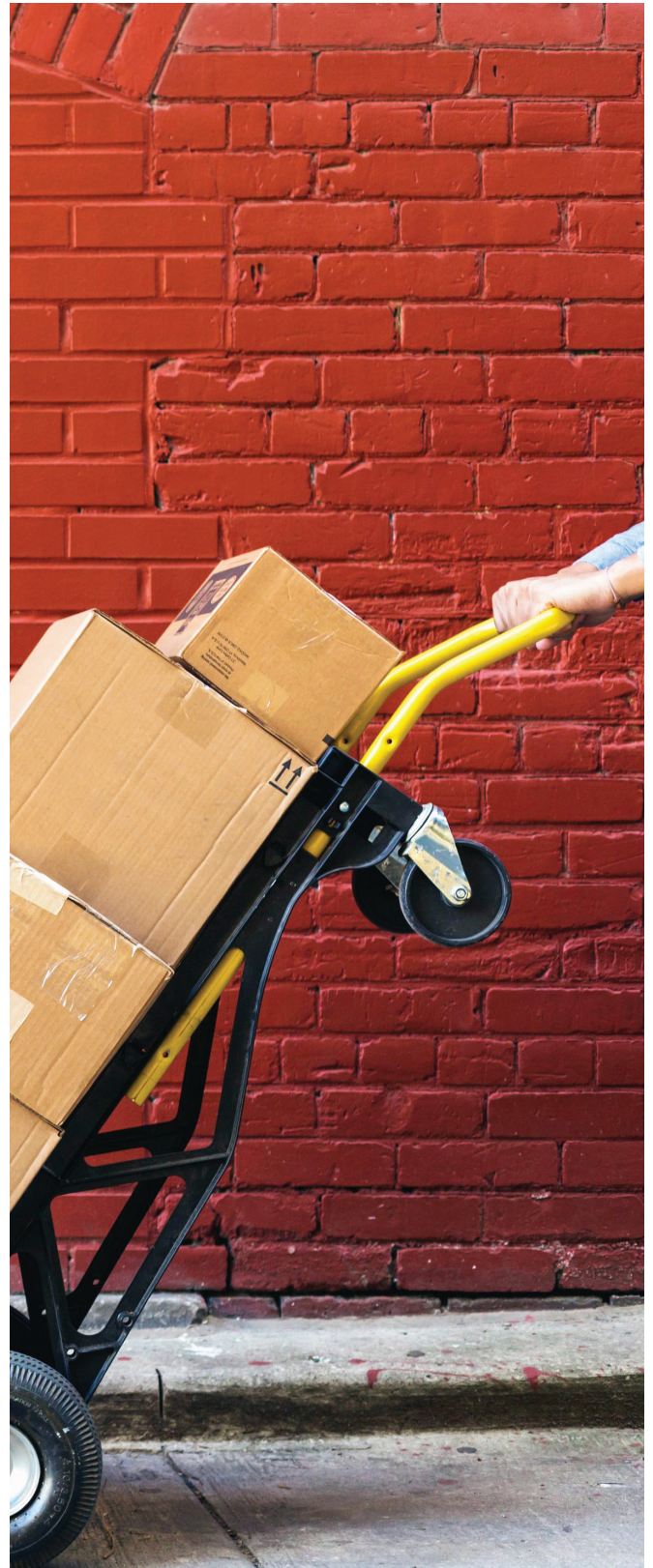




Direct-to-consumer (DTC) businesses are upending entire industries and putting customers first. By cutting out the middleman and selling directly to the consumer, rather than through a retailer or third party, DTC businesses are exploring new ways to reach customers with amazing and transformative experiences. Learn why DTC businesses are creating experiences that truly connect with customers, and how you can do the same to create meaningful and memorable experiences of your own.

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# The DTC Revolution

Convenience, personalized service, and memorable experiences—that's the modern customer expectation. But who owns the customer? As more brands start to deal directly with the people buying their products, the dynamics of customer experience are changing.

Over the past decade, there has been a fundamental shift in the ways we shop, seek service, ask for help, and consume in general. With this comes a fundamental shift in the way companies approach customer experience. We used to go to a neighborhood store, ask for a specific product, or have one recommended for our needs, buy it and drive home. Today, we never have to leave the couch—with one-click buying options, competitive pricing, and all the reviews we need to feel confident in our purchase. Now the challenges come from information overload and lack of personalization.

Brands need to figure out how to engage their customers and own the relationship, without an in-store presence.

**In fact, 78% of consumers expect to have the same experience from online and in-store retailers.**

The traditional supply chain and wholesale retail model of the past has led to a lack of engagement with customers—**now it's time to reconnect.**

Just as it has become easier for customers to get in touch with companies across an array of channels, it is also becoming more difficult for traditional companies to understand and speak directly to the specific needs of their customers, at scale. But DTC companies can communicate directly to their audience, before, during and after the sale. And that's why the popularity of DTC brands is growing so rapidly. Forty percent of US internet users expect DTC brands to account for at least **40% of their purchases** within the next five years.





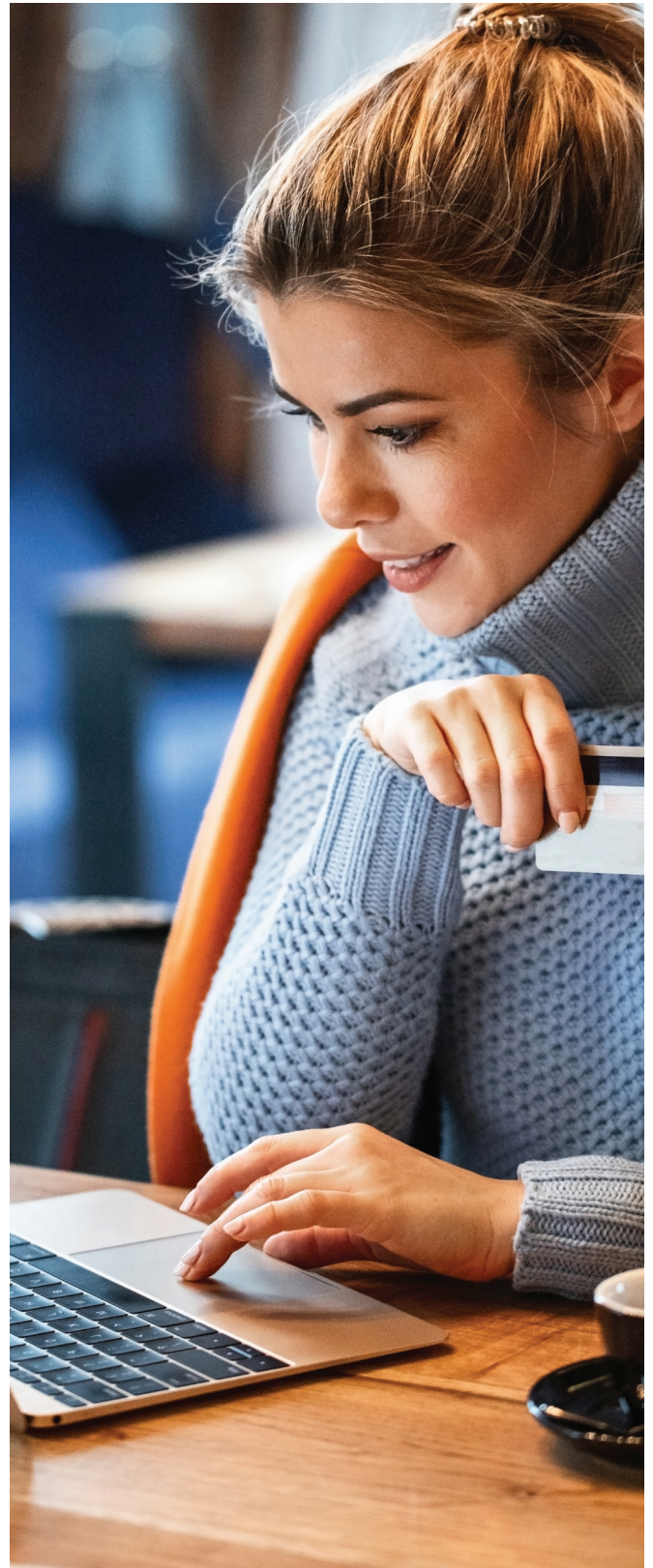
This growing paradigm requires a new way to look at acquisition, service and loyalty, and requires a holistic view of how every customer journey interconnects. For retail and direct-to-consumer companies, this means every customer has to be clearly identified, no matter which channel or part of the journey they're in. Whether they're engaging via chat to ask about a new offer, searching for a new item, facing delayed service, or being proactively engaged with by your support team—you need to know who they are and how they've interacted with you in the past.

Agility is now more crucial than ever before in order to stay competitive. Amazon has shifted customer expectations of speed and availability, and most can't match the sheer breadth of their product options. Instead, companies have to offer value in different ways.


[According to PWC](#), 94% of senior-level executives believe delivering personalization is critical or important to reach customers, and according to a recent Kustomer survey,

## **67% of consumers expect brands to know them and personalize how they interact.**

This is where new, modern, online and connected companies are succeeding. They have a complete understanding of the experience that customers now expect from brands, and their ability to use that experience to set themselves apart from the legacy competition. Let's look at what these next-generation brands have mastered to lead the DTC movement, and understand how they're putting the new rules of retail into action.







## Rule 1 Own the Customer Relationship

Gone are the days of transactional relationships with consumers. Today, customers want to feel like a valued part of the brand, and often choose where to shop because they identify with a brand and believe in their mission and values. DTC brands can own this customer relationship without having to rely on a third party to promote their goods, or fear that a third party may tarnish their brand identity. With a DTC model, a relationship can begin before a transaction, and continue as a constant dialogue far past checkout.

This is why so many modern DTC brands are finding success building deep connections with consumers over shared values. Companies like Cotopaxi and Bombas have “giving back” at the core of their strategy, which has naturally led to a community of advocates that feel as though their values are reflected in the brands they do business with.



**With complete control over the customer relationship, DTC brands are able to build trust and deep connections with a community of customers, and these customers become advocates, not just buyers.**





## Rule 2

# Know Everything About Your Customers

Imagine having a conversation with a friend, but not being able to remember anything about that friend, or any interactions you've ever had with them previously. It would be difficult to have a truly personal or meaningful conversation. That's how traditional retailers have historically interacted with consumers, with a large blind spot around customers' preferences and behaviors.

Digital-first brands don't have to deal with this problem. Every aspect of the online journey can be adjusted to meet customer needs, and with the right technology can be available to staff in a single view. You'll be able to know a customer's preferences, buying history, sentiment, previous interactions with the brand, status of their orders, even their preferred channels of communication. **You'll no longer be interacting with Customer #45634, but with a valued human being who feels heard and appreciated.**

Hyper-popular beauty and skincare provider Glossier makes buying their products as intuitive and personal as possible. To replace the experience of trying on makeup at a counter in a department store, Glossier creates an immersive, digital journey. Customers can get a personal consultation from a member of the gTeam, who is prepared to provide all the support they might need over the channel of their choice, and has all the necessary context and information about their shopping history.

Additionally, DTC brands like Glossier are able to use customer data to inform business decisions. If you document why customers are reaching out, you can use this information to optimize UX, make product or fulfillment tweaks, or even open a new store location.





## Rule 3

# Delivering Personalized Products and Experiences

The spread of e-commerce has created a paradox. In the heyday of big box stores, a huge selection of products and styles used to add value. Customers did most of their shopping in a physical space, as it was still faster, cheaper, and more accessible than shopping online. A large number of stores and a wide selection meant customers were more likely to shop and find what they were looking for. However, the near-infinite amount of choices provided by Amazon and other big box stores and marketplaces has flipped this notion on its head.

**Now, customers are overwhelmed with choices.** If you search the word “soap” on Amazon, you get over 60,000 results. Picking a simple product becomes paralyzing as you try to weigh price, benefits, ingredients, and other factors all at once. And having your product feedback heard or incorporated can feel hopeless.

Focusing on a few good items done right, at a fair price point, is key to tapping into modern shopping trends, and encourages brand loyalty and repeat business by making products that become an essential part of customers’ lives.

Some high growth DTC brands, such as hair care company Prose and dog food company The Farmer’s Dog, even incorporate customer feedback into their product. Through proactively seeking feedback from customers, these leading brands ensure that both their products and service are exceptional, and they keep their customers coming back time and time again.



## Rule 4

# New Ways to Buy: Subscription and Shared Ownership



The DTC revolution has helped popularize new models of shopping and owning. Digital tech makes it easier to connect everyone and everything, putting surplus or unused goods to use, and creating experiences that effortlessly sync with our everyday lives.

For example, Lola has inverted the consumer product goods (CPG) model and turned shoppers into subscribers. Their organic, high-quality hygiene products arrive at your doorstep month after month, with minimal effort required. The longer customers are subscribed, the more Lola learns about their preferences, and can suggest additional items from their suite of products or surprise and delight them in new ways. Traditional CPG brands can't compete in their current form—which explains why big manufacturers are creating or spinning off CPG subscription brands of their own.

The new normal for retail also means fundamental changes in behavior. One of the biggest shifts: changing attitudes about ownership. Companies like Airbnb and Lyft meet a desire to pay less in exchange for giving up sole possession.

Why own a car when it's so convenient to ride in someone else's? Why stay in a hotel when you can stay in someone's house for less? Rent the Runway provides a similar solution for your wardrobe. Why buy a new dress for every one of your friends' weddings when you can rent one for a tenth of the cost?

New models build a new community, and also put customer service at the forefront. **If you're looking to keep customers coming back month after month with a subscription model, delivering a seamless experience in between deliveries is essential.** DTC brands must be available on any channel, at any time, and treat customers in a personalized manner.

The direct-to-consumer revolution is shaking the foundation of how we think about doing business. As digital advancements make it even easier to cut out middlemen and deliver totally new kinds of experiences, customers will come to demand the same kind of convenient experiences they get from DTC brand from traditional ones. Those that can innovate, adapt, and bring a higher caliber of experience and smarter ways to buy will be the ones that succeed. Those that don't will lag, unable to bring a truly modern experience to their customers.



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## About Kustomer

Kustomer is the customer service CRM platform helping contact centers and businesses reimagine service and support in today's customer-first world. Kustomer enables personalized, efficient and effortless customer and agent experiences by delivering unprecedented views of a customer's history, facilitating continuous omnichannel conversations and using intelligence to automate repetitive tasks and surface knowledge.

To learn how Kustomer helps DTC brands deliver exceptional customer service, visit [Kustomer.com/Demo](https://kustomer.com/Demo)

