

Established consumer goods manufacturers and Direct-to-Consumer (D2C) strategies: How to build capabilities for manufacturers' own D2C brands

Abstract:

Increasingly, consumer goods manufacturers sell their products directly to consumers and bypass retailers. They set up Direct-to-Consumer (D2C) strategies. Instead of using existing brands to sell directly, the manufacturers have started to build their own D2C brands. Prior research has not adequately studied how manufacturers build their dynamic capabilities for their own D2C brands. To address this gap, the author used a multiple case study design among six different own D2C brands possessed by large consumer goods manufacturers. The author finds that the manufacturers launch their own D2C brands to reduce retailer dependency and gather customer data. Seizing this D2C opportunity requires a new to the company iterative way of working and a lot of media investments to create brand awareness. Additionally, they benefit from company-wide expertise such as legal services. Regarding the reconfiguration of resources, the manufacturers need new technologies and to enlarge the D2C teams.

Keywords: Direct to Consumer, Consumer Goods Manufacturer, Dynamic Capabilities

Track: Retailing & Omni-Channel Management