



CASE STUDY

Digital Strategy: How to Drive D2C Growth

Digital Sales: It has never been more important for companies to build an online presence. In 2020, the pandemic accelerated digital transformation, resulting in a record-number of people shopping online. As more companies operate in the online space, consumers can more easily compare and contrast products and price points, drastically intensifying competition. It is essential, therefore, for brands to employ the right levers to stand out and power sustainable online growth.

We supported a German-based consumer startup selling care and hygiene products exclusively online, to develop their digital strategy. The startup had initially sold their products via third-party eCommerce platforms, but was now looking to build and scale up their own direct-to-consumer (D2C) channels. Together with the team, we worked to scale overall revenues, decrease costs, and set-up a growth management organization ready for future growth.



How we Create and Elevate Digital TopLine Power

We enable: We enable you to activate the most relevant digital channels to reach your customers.

We empower: We navigate you towards your future digital business.



We elevate: We elevate your pricing decisions to the next level by combining data, machine learning, and software.

We expand: We fuse marketing with digital to boost your return on ad spend, and customer lifetime value.

Case Study: Supporting a Startup in Rapidly Scaling Two D2C Brands

Situation & Objectives

We supported a German startup, specializing in consumer care and hygiene products, wishing to develop their direct-to-consumer (D2C) channels to scale two of their D2C brands.

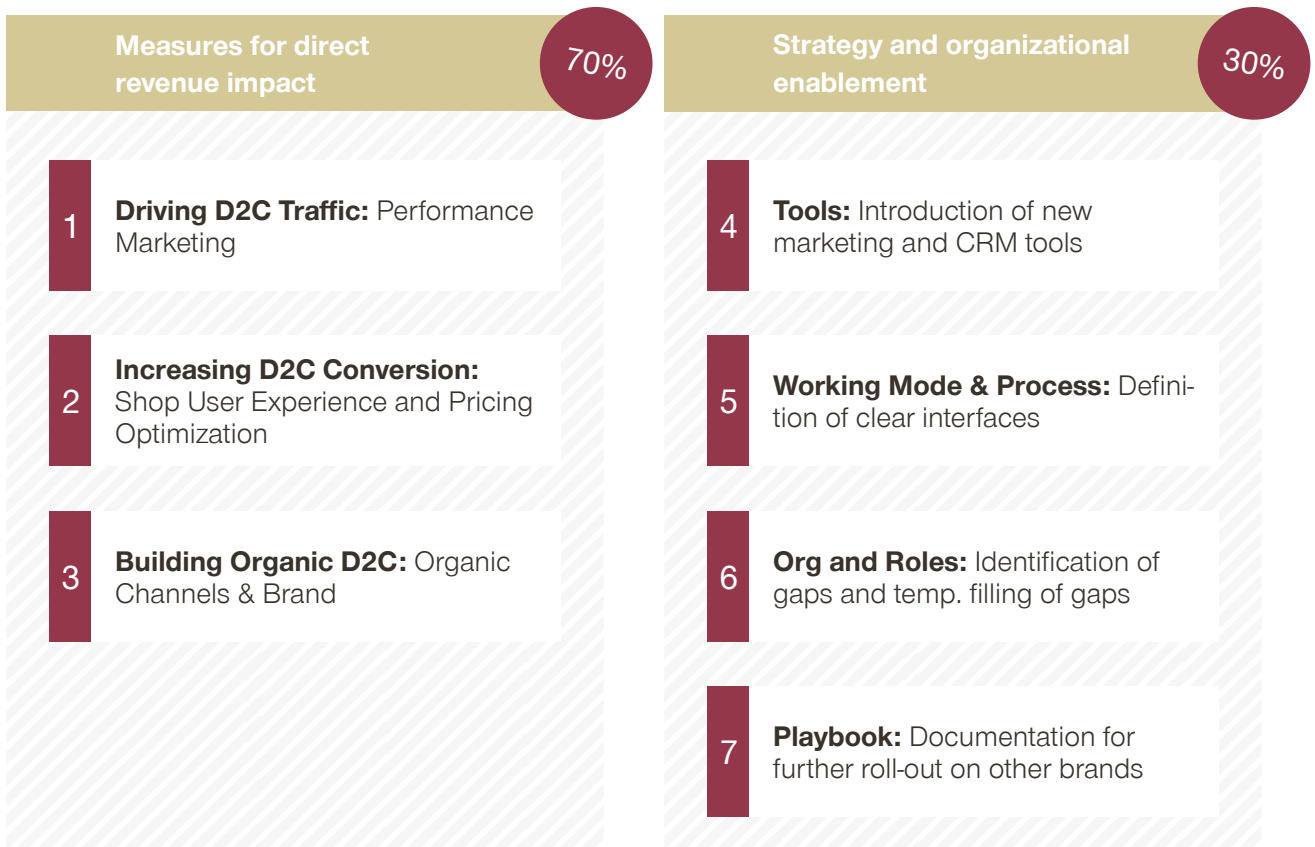
To prove to investors that they could be successful in D2C channels, beyond third-party eCommerce platforms, we had to:

- Scale overall revenue, specifically D2C revenue
- Showcase a path to decrease blended costs of customer acquisition
- Set up growth management in the interim chief marketing officer (CMO) role, and transfer knowledge to the team

Approach & Solution

To do this we focused the majority of our time on measures with direct revenue impact, while furthering organization enablement in parallel. Our approach was data-driven, so as to quickly identify the most promising path to grow, and scale the D2C brands in question. We also set up tools, processes, blueprints, and a playbook for long-term organization enablement.

We mainly focused on measures with direct revenue impact, while also furthering organization enablement



Impact

D2C monthly revenue run-rate increased by **+2,700%**

The project was extremely successful: The overall monthly revenue run-rate increased by around 450 percent while the D2C monthly revenue run-rate increased by over 2,700 percent. Organic sales share rose, while average order value increased by 37 percent, and shop conversion rate increased by 90 percent. Finally, customer acquisition costs decreased, even while pursuing this aggressive growth.

This was achieved by focusing on two goals in parallel in close collaboration with the client's team. The first goal focused on hands-on scaling and proof of concept for the D2C channel in three steps:

First, we aimed to increase the overall D2C traffic through performance marketing. An example of how we did this was by launching more than 1,700 ad sets, and the upwards testing of 450 new Google keywords.

Secondly, we worked to increase D2C conversion through shop user experience and pricing optimization, by for instance, overhauling the entire D2C online shop template, conducting four pricing tests, localizing to six markets and launching six new products.

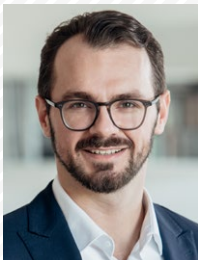
Lastly, we drove the buildup of organic channels. We did this by sending over 30,000 emails with the newly created CRM system, for example, or by scaling up the Instagram channels follower growth by a 1000 percent.

The second goal was to provide the client with the tools, processes, structure, and playbook to better analyze and utilize data in D2C – in other words organizational enablement. Therefore, we not only boosted growth in the short term, but set our client organization up for long-term success.

“It was great to work with such a high-growth, high-speed startup. It was truly fantastic to see the direct impact of our work on the client's topline within weeks.”

Kaja Andritzke
Manager, Simon-Kucher Elevate

Contacts



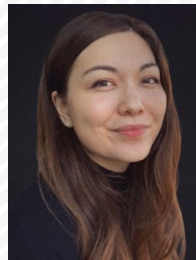
Conrad Heider

Partner

Tel. +49 30 986018 100

conrad.heider

@simon-kucher.com



Kaja Andritzke

Manager

Tel. +49 30 986018 102

kaja.andritzke

@simon-kucher.com

About Simon Kucher & Partners

For over 30 years, Simon-Kucher & Partners has been helping hundreds of clients around the world address their strategic and marketing challenges. We are regarded as the world's leading top-line advisor and thought leader. We have served more than 100 of the Global Fortune 500 companies, and our clients come from all major industries.

Simon-Kucher Berlin Office

Edison Höfe
Schlegelstrasse 26 b
10115 Berlin
Germany

