7 Steps to Direct
to Consumer (D2C) eCommerce

How you as a B2B company in the manufacturing
sector can sell directly to your end customers

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A changing manufacturing sector

The world's leading manufacturing companies are changing their sales strategies. Inspired by this trend, German B2B companies are also looking at new possibilities: The Internet – especially userfriendly content management and eCommerce platforms – allows them to bypass intermediaries and sell their products directly to end customers. Nevertheless, certain parameters should be noted in order to ensure successful entry to D2C. Different laws apply to direct sales on one hand and sales to intermediaries on the other. These companies are also faced with the task of digitalizing their production brands and devising a completely new sales strategy and customer approach. Whoever manages this can leverage huge potential. In this white paper, we show you how you can harness the advantages of direct sales and outline Direct-to-Consumer strategies in B2B.

– David Märte, Head of Line of Business Manufacturing Industry adesso SE

The strategically correct approach to direct sales

Applied correctly, D2C is not just a profitable sales strategy. It also allows companies to collect valuable customer data for themselves and extract the right findings from it. When introducing D2C, effectiveness depends on using the right methodology. The basic goal is to generate a new high-performance sales channel without neglecting the other sales channels and partners, while working in line with a digital corporate strategy.

– Guido Ahle, Head of Line of Business Digital Experience adesso SE

D2C requires technically flexible solutions

Within D2C, modern information technology and digitalization play pivotal roles. The main focus is to support the company-internal digital and eCommerce strategy with a suitable piece of technology. In doing so, special attention must be paid to the scalability, reliability and time-to-market efficiency of the shop solution. Furthermore, it is important that the technology is flexibly adjustable and expandable. After all, customers' wishes and behavior are constantly changing – as are the demands on technology.

– Robert Queck, Head of Competence Center eCommerce adesso SE
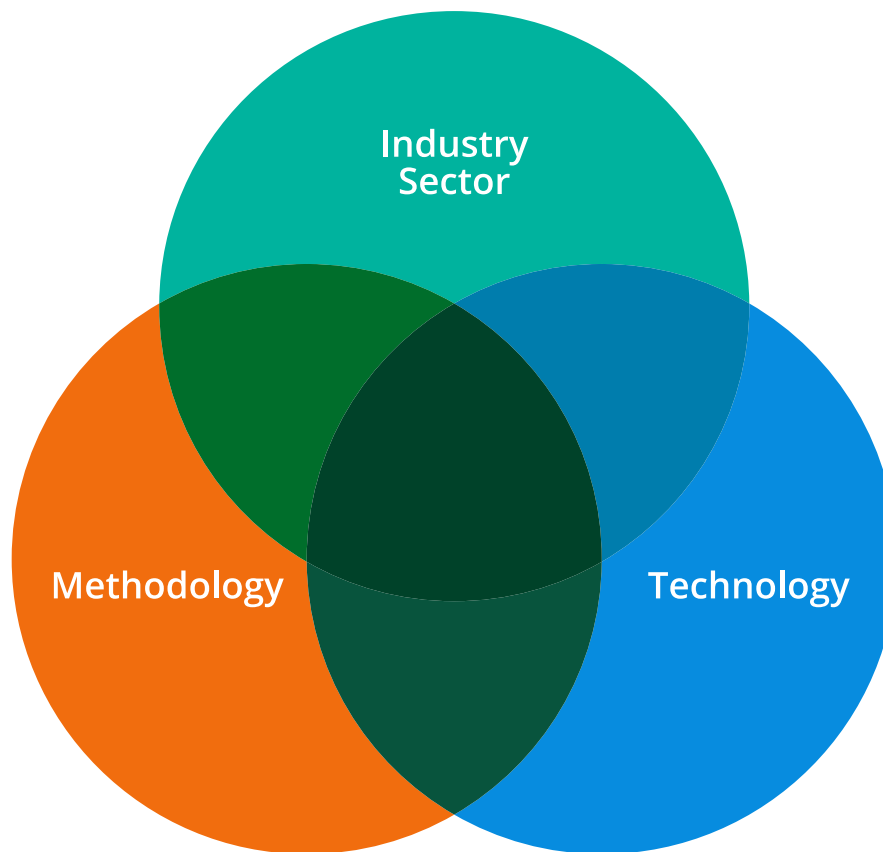
D2C: Background, opportunities and challenges

D2C or Direct-to-Consumer in the manufacturing sector is a phenomenon of the digital age and specifically of this century. By the start of the 2000s, the sales structures in B2B were clearly defined: Manufacturers produced their goods, sold them to a network made up of intermediaries or wholesale dealers, who in turn supplied to smaller dealers locally or to the end users. At the turn of the millennium, more and more companies focused on establishing online shops and therefore on an accompanying online sales strategy also.

The traditional B2B sales channels remained intact for another while – but not for long. Influenced by increasingly strong international competition with digital customer experience strategies, the demands on B2B companies increased. This especially applied to customer focus and personalization. Many wanted to stop relying on sales through individual dealers alone, preferring literally direct and very personal interaction with the consumer. "Direct-to-Consumer" as a new form of sales was born.

What is D2C in the B2B context?

It makes no difference whether the "consumer" in D2C refers to a consumer in the traditional sense, i.e. a private individual, or the company which brings the product to its ultimate destination – for example a craftsman's business or restaurant. What matters is that D2C bypasses the intermediaries that stand between manufacturing companies and the end customer. Therefore, what large B2C brands have already mastered to perfection also becomes interesting to the producing companies in industry.

Opportunities for the manufacturing sector

In most cases, manufacturing companies are reliant on their dealer network. As regards D2C, many of them are still at the initial stages. eCommerce following the D2C principle is far more than just another method of selling products. Direct sale increases brand recognition, is an additional growth driver, can increase revenue and transforms customer experiences. For the first time, producing companies are able to obtain data-based far-reaching findings on their end customers. This provides them with the opportunity of creating target group-specific content and of establishing credibility and trust. But this is precisely the point where the challenges also lie. All goals and success metrics must be taken into account both strategically and technologically.

Various types of D2C

Many brand article manufacturers are setting the example: D2C is the tried-and-tested method in order to interact with the end customer directly, exchange data and findings and to create tailor-made products. For manufacturing companies, regardless of whether B2C or B2B, there are several D2C op-
tions, including:

- Sale via online marketplaces
- Establishment of an online shop (B2B and/or B2C)
- Multi-tiered dealer programs

In this white paper, we examine direct sales via an online shop, where the data exchange takes place directly between the producing company and the end customer (instead of traditionally over intermediaries).

Traditional Sale Process

- Manufacturing company (B2B)
- Wholesale Dealers
- Distributor
- Retailers
- End customer (B2B/B2C)

D2C via online shop

- Manufacturing company (B2B)
- End customer (B2B/B2C)
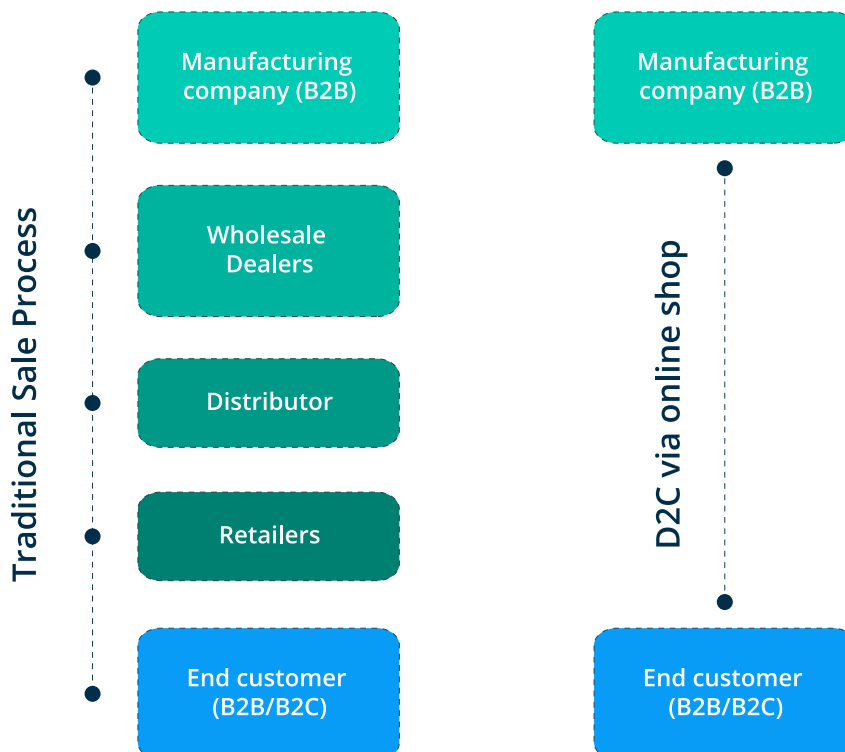
7 recommendations for starting a D2C online shop successfully

|		
1	**Initiating**	>> Defining goals, project scope and MVP with roadmap
2	**Learning to understand**	>> Target groups and needs in D2C
3	**Shaping the customer experience**	>> Compile UX and marketing strategy in a customised manner
4	**Gathering data**	>> Defining customer data for key findings
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6	**Selecting technology**	>> Identifying the rights solutions for the project
7	**Going live**	>> Implementing the go-live of the online shop's MVP and continuously improving it

Initiating
Defining goals, project scope and MVP with roadmap

1

Goals and project scope

As in all digital projects, before introducing a D2C sales strategy, you should determine the status quo and the intended destination: What is your company's digital maturity level? Do you already have digital corporate goals with corresponding visions? Should D2C be another strategy of the traditional manufacturing company? Or do you want to establish a start-up as a speedboat in addition to the traditional company? Should D2C have a specific product and target group right from the start? In which (foreign) market can you test the D2C project with-out complications in order to avoid having to remove historical sales structures right away?

Ideally, you should start with a short, intensive workshop phase with professional support. This is where you define goals, visions and project scope and determine your digital maturity level. There are various approaches for such workshops; we recommend the "interaction room". In this room, all relevant business specialist and IT experts work together as an interdisciplinary team under the guidance of a method and specialist coach. The team jointly defines and visualizes all requirements and develops doable solutions for the topics and questions concerning the introduction of "Direct to Consumer".
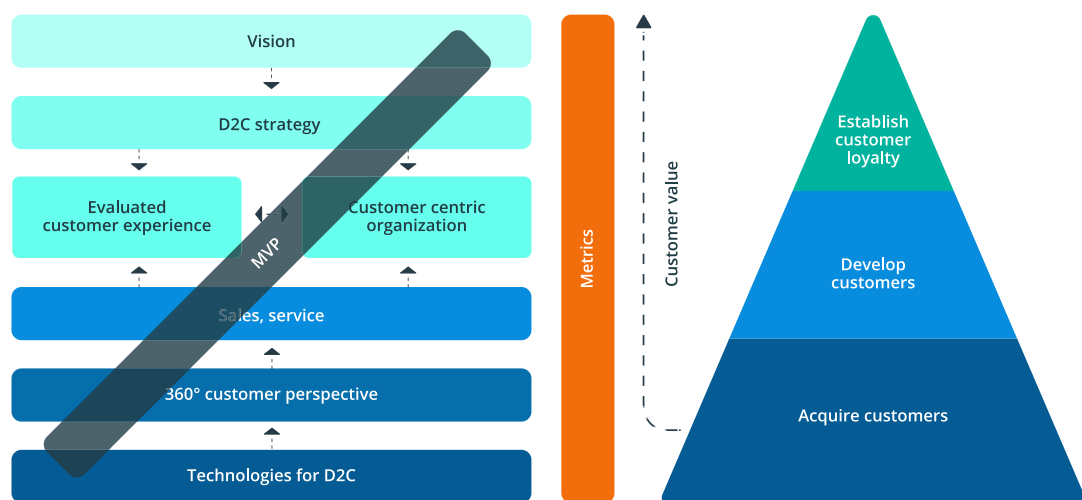
The MVP for a D2C-based approach is like a project-related cross section (vertical prototyping) through all levels. This is particularly suitable for cases in which there are still functionality or implementation issues to be clarified. Then, completed parts can already be implemented before the requirements for the rest have been fully defined.

MVP (Minimum Viable Product) and Roadmap

Within the scope of a D2C strategy, the interaction room is already set up so that in addition to the vision and the strategy, the individuals involved also receive a roadmap for the upcoming project at the end. For this purpose, the team prioritizes and evaluates the various requirements in terms of their value and risk drivers.

During the subsequent implementation of the online shop, your approach to an MVP should be marked by agility. In sharp contrast to the traditional waterfall method, the principle here is: the journey is the goal. After the MVP has been launched, you acquire significant findings step-by-step and develop it by making flexible adjustments to a multi-functional and scalable online shop. The result is generally much better conceived, more purposeful and also more cost-effective in the long run.

2 Learning to understand
Target groups and needs in D2C

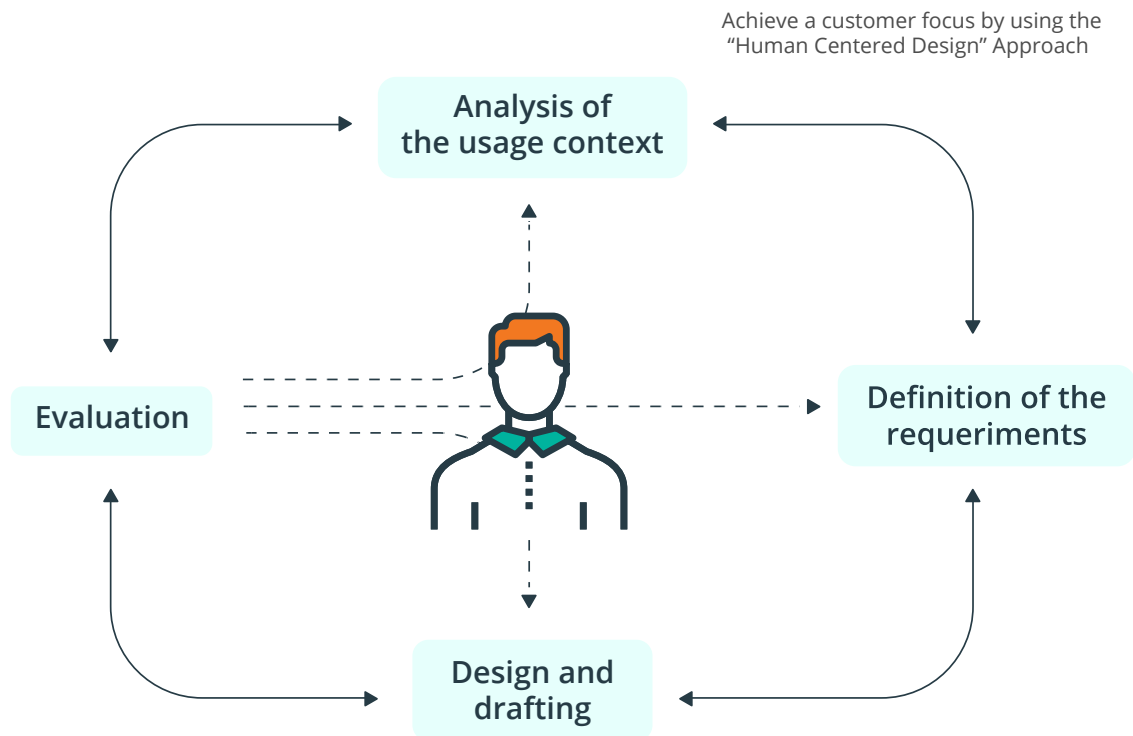### Learning to understand the target groups

During this phase, you define which users and thus potential customers you wish to target and how you move them around the website or online shop. You should then satisfy their need there by providing a suitable information, product and service offering. In order to shape this, you must firstly understand the individual needs of your (potential) customers. This is precisely what the Human Centered Design (or User Centered Design) approach enables: getting to know the customers and their expectations so that you can impress them with customer-oriented solutions.

Understand users' needs and derive requirements on this basis

Start by gathering as much knowledge as possible on the potential customers and users: What are their demands and expectations? What roadblocks are standing in their way? In the process, you can combine various sources and methods from the areas of user experience and digital marketing:

- user research,
- market research studies,
- CRM data,
- experience of employees with customer contact,
- web analysis tools,
- social media, and many more

Compress the information on your users into personas. Customer Journey Maps visualize their routes during their search for a solution: how users get to the online shop, how they move around once they get there and where they finally conclude their transaction. As part of requirements engineering, capture the resulting specifications for the user interface (UI) and the technical infrastructure of the online-shop in the form of use cases and user stories.

Achieve a customer focus by using the "Human Centered Design" Approach

Analysis of
the usage context

Evaluation

Definition of the
requeriments

Design and
drafting

Sample requirements on product presentation & check-out:

We have defined some typical requirements for the manufacturing sector which could be relevant to your D2C shop also:

- **Product information:** Offer all the (technically necessary) information which customers need in order to be convinced by your products. As well as descriptions and photos, this can be in the form of other high-value content presented in how-to videos, 360-degree photos or exploded-view drawings.

- **Product comparison:** Offer the users assistance to help them find their way around the large product offering. For example, filters or a direct comparison to similar products regarding technical details, weight, height or similar characteristics.

- **Individual prices:** New customers want to negotiate discounts, while existing customers have usually agreed their own prices over the course of the business relationship. They want to avail of these in the online shop also. Therefore, the UI as well as the system must be able to display customer-specific prices.

- **Availability:** The users want to know how many items are still on stock and when the product will be delivered to them. This also applies to various versions of the same product.

- **Delivery addresses:** It is often the case that online shop systems allow only one or two delivery addresses as standard. In the manufacturing sector however, customers often have several branches or production facilities to which the products should be delivered. Therefore, the customer should be able to distribute his orders across various delivery addresses.

- **Direct and subscription order:** Existing customers, in particular, really appreciate when they can re-order frequently used products quickly and smoothly. To do so, users should only have to enter the item number or product name without searching through the catalog. Thanks to direct ordering, the products are placed in the shopping cart in just a few clicks. The subscription order goes one step further and enables a regular delivery without additional check-out processes.

- **Payment methods:** Make sure that you offer all payment methods (escrow account or purchase on account, payment terms etc.) which your customers want and require for their invoicing processes.

- **Customer evaluations:** The credibility of your shop and the trust in your products increases if you enable customers to rate your products and show their ratings to other users.

Sample service requirements:

In the online trade, the customer experience and consequently the purchase is above all a question of a good user experience. So what does the customer need in order to continue to experience the service as such in the future?

- **Customer account:** When logged in, the customer should be able to see the information that is specifically relevant to him, for instance, order history, overview of receipts, shopping lists or repeat orders. The customer's own field staff also have to be able to access the customer data smoothly from all locations. Ultimately, many customers want to re-order products without a hitch via Whatsapp. This provides the greatest flexibility in terms of both time and location, for example, if they order directly from a building site.

- **Various roles and approval processes:** In the B2B area, the buying process usually involves several employees. Therefore, you should incorporate various roles in the process. For example, one employee configures a product and places it in the shopping cart, another employee then checks the cart and sends it off.

- **Transparency regarding orders and order changes:** The flexibility you offer users on the product pages, at the check-out and in the customer account must also be maintained regarding shipping and logistics. This means: The customer should always be kept up-to-date on the status of his order. As soon as he makes changes, the new delivery times, delivery addresses or similar, must be communicated reliably and transparently.

- **Multichannel customer service:** Contact with your customer service department should not be via the traditional communication channels such as phone only. It should be possible via the digital touchpoints at which you get in contact with the customer (so-cial media, email, chatbot in the shop, or elsewhere) also.

3

Shaping the customer experience
Compile UX and marketing strategy in a customized manner

Develop ideas for solutions based on the requirements

We have now clarified the user requirements, but how should you respond to them in concrete terms and make them tangible? Draft ideas for the perfect online shop which fulfills the users' wishes using the "design thinking" creative method.
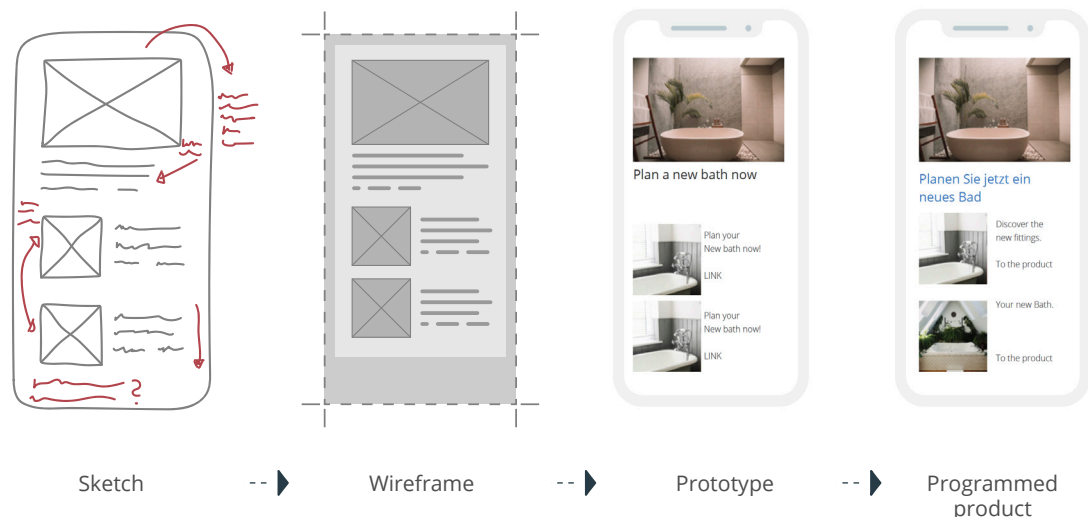
On the one hand, this revolves around good information architecture, a factor which has a major influence on the user experience (does the user find what he is looking for on the website/in the shop?), and on the SEO ranking (does the user find the website/shop via Google?).

On the other hand, you must design the User Interface (UI). For example, define what the landing page should look like in order to secure the user's trust and to prompt them to a conversion (whether by registering for the newsletter or by buying products).

Visualize the ideas in the form of wireframes and prototypes which are then tested by users. If the test shows that the customers' need is not as yet precisely fulfilled, adjust the idea for a solution again and again and keep testing until the result is deemed impressive and can be programmed.

Win the user over through storytelling

Alongside the design and layout of the website/online shop, in this phase, you should define the particular story your company wants to use to pique the potential customer's interest. For this purpose, compile a content marketing strategy aimed at two user stages: One group are the users who know exactly what they want – you should answer their search with suitable blog articles or product pages (site search); the other group are the users who have a problem, but no specific image of the solution as yet. They are looking for inspiration and advice (browsing, merchandising, recommendations).
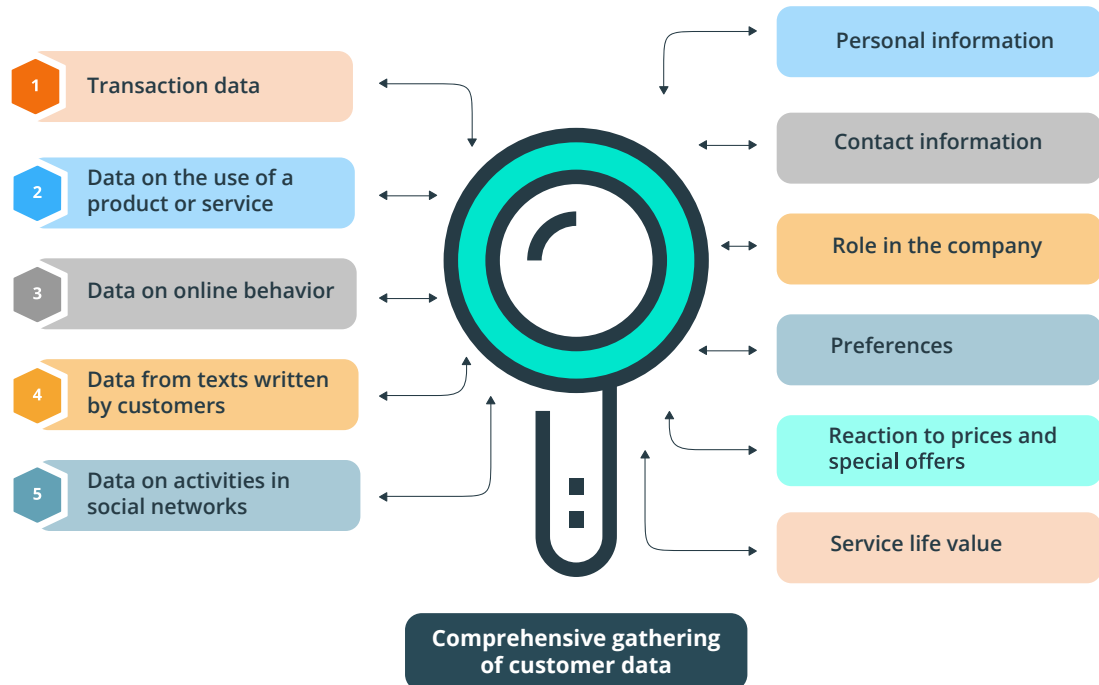

Sketch — ▶ — Wireframe — ▶ — Prototype — ▶ — Programmed product

Gathering data

Defining customer data for key findings

4

Customer data in the D2C

If your company manages to leapfrog the intermediaries, your major advantage is getting closer to the customer. This allows you to establish a personal, and therefore sustainable, customer relationship and to create increased customer loyalty in the long run. Comprehensive customer data management is a prerequisite for being closer and more personal.

How customer-focused is your D2C shop really? To assess this, define Key Performance Indicators (KPIs) for the development and success of your shop. Taking this as your orientation point, plan a tracking strategy which you implement with the help of an analytics system.

1	Transaction data
2	Data on the use of a product or service
3	Data on online behavior
4	Data from texts written by customers
5	Data on activities in social networks

Personal information

Contact information

Role in the company

Preferences

Reaction to prices and special offers

Service life value

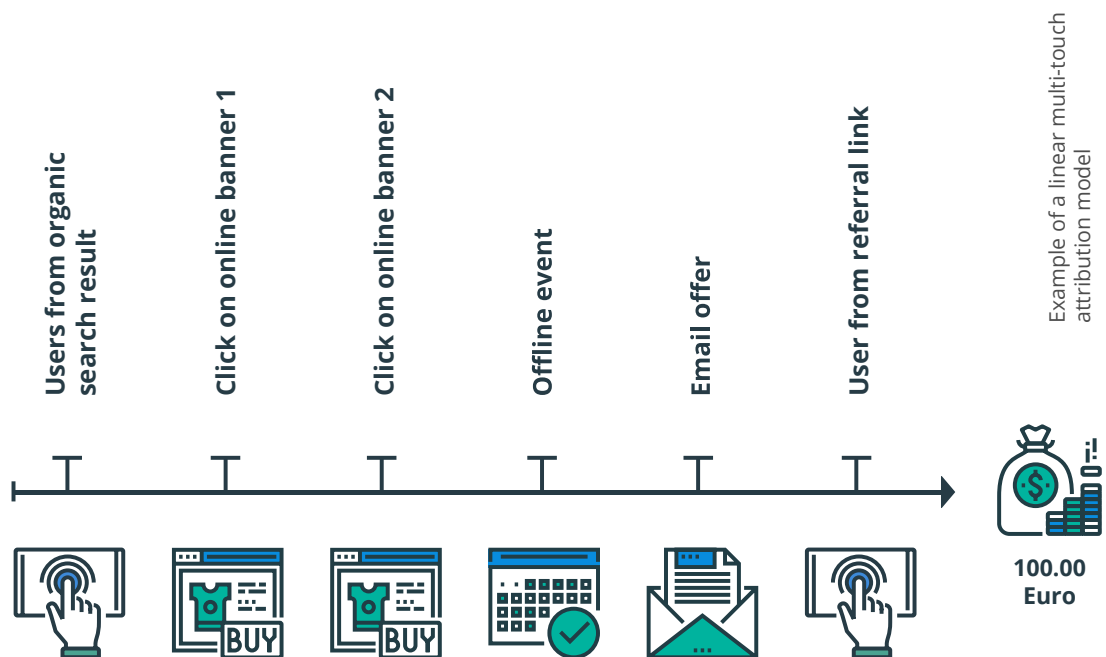**Comprehensive gathering of customer data**

Sample KPIs for your online shop:

- **Visibility in search engines:** How visible is your site compared to other companies on the market?

- **On-site search:** What do users search for on the website? And what are their movements subsequently and how do they convert to customers?

- **Keyword ranking in search engines:** Where does the page rank in relevant term searches?

- **Performance:** How long does the online shop (especially mobile) take to load? From the viewpoint of both UX and SEO, a short loading time is extremely important and has a major influence on customer satisfaction.

- **Impressions and clicks:** How often were, for example, advertising materials played and clicked on?

- **Users and user sources:** How many users access your shop? What is the origin of the users who interact with your online shop and become a lead or customer? On this basis, what conclusions can be drawn regarding the success of your marketing measures?

- **Leads:** How many users get in contact, for example, by subscribing to the newsletter, downloading a white paper, calling (phone tracking) or completing and submitting contact forms?

- **Sales & conversion rate:** How many products are sold? What do the sales consist of? Are there anomalies in the specific product groups, distribution of new and existing customers, average order value or frequency of online orders?

- **Shopping cart abandonment:** How many shopping carts are abandoned before check-out? On this basis, what conclusions can be drawn regarding UX and marketing measures?

- **Return rate:** What conclusions do the returns point to regarding product quality and service?

- **Customer satisfaction:** How happy are your customers with the experience in your shop and with your products? Would they recommend your brand to others?

- **Customer acquisition rate or customer lifetime value:** Do customers order repeatedly in your online shop (indicating a positive experience)? Or are there more individual purchases? Do special cross-selling and up-selling offers influence the customer acquisition rate?

- **Revenue, profit & Return on Investment (RoI):** How much revenue does the online shop generate and how much profit is left over after all costs have been subtracted from the total revenue? Are cost and benefit at an acceptable ratio?

When designing and setting up your tracking, pay attention to the following:

- **Conversion tracking** should identify the conversions with differentiation using suitable tracking pixels, for example in order to evaluate where a user came from or what sites he visited before the purchase.

- The tracking strategy should include **all touchpoints of the customer journey** (for example, including social media, Google Ads or affiliate platforms).

- The data from the various sources should merge into one **dashboard**, so that it can be viewed and evaluated as a whole.

- The conversion is allocated to a Touchpoint or a data source with the help of an **attribution model**. Choose the model that suits you, for example the first-click model (the conversion is assigned to the first touchpoint) or the time lapse model (the click directly before the conversion is evaluated higher than a click from a few days beforehand).

- The tracking should be able to differentiate between **new and existing customers** (for example, by having existing customers use a login which causes a special cookie to be placed).

Users from organic search result

Click on online banner 1

Click on online banner 2

Offline event

Email offer

User from referral link

Example of a linear multi-touch attribution model

100.00 Euro

Using this tracking and dashboard, you can capture the data that is suitable for your KPIs right after the MVP launch. By doing this, you can experience how the users find the shop and whether there is still room for improvement regarding UX and marketing. Starting from the launch, you should review the figures and channels on a regular basis and critically scrutinize and continually optimize your measures. The tracking provides you with the well-founded basis for your UX and marketing decisions and therefore also for the success of your D2C sales.
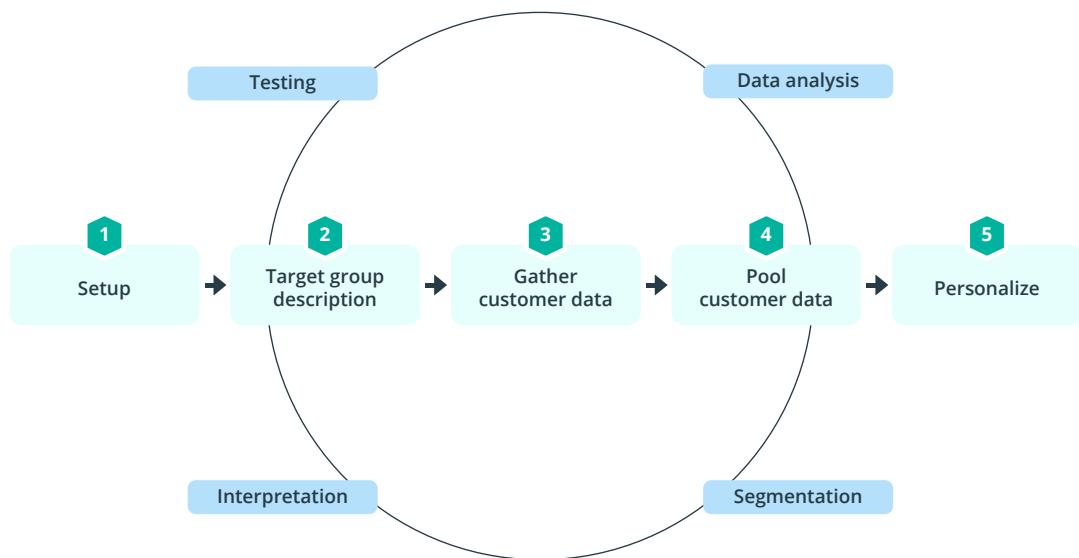
Personalizing
Devising unique products and services

5

Customers also want tailor-made products and services online
Colors, shapes, performance scopes, service specifics, price models – in the age of digitalization and global markets, the diversity of items on offer to consumers is gigantic. Search engines make these product ranges even more transparent and comparable. Ultimately, only the providers who offer personal products and services equipped with valuable information, and do so at exactly the right time via the right channels, will be noticed and taken into consideration. Ensuring this requires getting to know the "C" in Direct to Consumer in detail.

From the traditional sales channels in the manufacturing sector, customers are used to making individual agreements with their field sales staff. Potential online customers now expect these benefits from your D2C shop also. The rule of thumb is: The more precisely the information on the website and in the shop fulfills the users' expectations, the more likely they are to order once or repeatedly. Personalization is the key to success here. From a technical viewpoint, this can be done easily nowadays. First, you gather your users' and online customers' data based on the descriptions of your target groups. Pool this data in a way that makes sense and design personalized content and offers for the corresponding customer and user groups.

If you are planning personalized special offers, differentiate between the personalized elements which are visible to logged-in users (i.e. existing customers) and those which are visible to non-logged-in users (i.e. additionally for new customers and interested parties).

>> Product recommendations

Provide buying recommendations for products which are suitable to the customer's search or purchase history, industry affiliation, location or position in the company.

Show spare parts, additional products and consumables which are suited to the products that the customer last viewed, noticed or bought.

Existing customers with a customer account should be able to view the last item they ordered as well as their wish lists. In addition, the use of teasers about suitable marketing campaigns is promising, as well as dashboards that can be individually designed.

>> Product configuration

Products consisting of various elements, and therefore have different forms as regards their application and their effect, should be enabled for online configuration by the member of sales staff (or ideally by the customer himself). After all, people are familiar with this from the configuration of kitchens or cars also.

Make sure that your product configurator has a feasibility check. It is only possible to design product variants whose implementation is really possible.

The products can be configured in a playful way using gamification elements. Your customers enjoy doing this, which subconsciously contributes to brand loyalty in their minds.

>> Content marketing

Offer the correct technical data sheets or instructions on using the device, based on the users' requirement.

Take the user by the hand and, with the help of product advisory content, explain which product is suited to which purpose.

Offer product training in the form of videos, webinars or personal meetings so that you can explain the handling of particularly complicated products, thereby positioning yourself as an expert.

>> Price setting

Offer suitable advertising campaigns to the various user groups.

Pique the interest of both new and existing customers with tailor-made discounts.

If you have agreed personal prices with existing customers, allow them to avail of these online too.

Selecting technology

6

Identifying the right solutions for the project

The suitable technology depends on their requirements

Customer's diverse demands on D2C impact the choice of the technology which you should use in implementing the online shop. Above all, you need various application programming interfaces (APIs), for example with payment service providers, logistical service providers, business intelligence solutions or even the linking of customer data from the shop system with other systems such as the ERP, CRM or newsletter tool.

In principle, there are two different technological strategies: the traditional enterprise approach and the agile speedboat approach. A recommendation can never be given categorically here, rather only as a tendency and taking into account potential must-have criteria. These may be:

Cloud vs. on-premise solutions

In on-premise software, the usage license is bought or rented out on a once-off basis. Users themselves are responsible for looking after updates. Cloud software, on the other hand, is accessible via the Internet and stored in external data centers. A usage right is bought or rented here. For example, one benefit of on-premise solutions is that purchasing the software does not generate any running costs. On the other hand, their maintenance leads to additional outlay. In cloud software, maintenance, updates and backups are the provider's responsibility and are included in the price. In principle, it can be stated that: If you are planning an innovation scenario with speedboat orientation (i.e. customer-oriented time-to-market innovation), the advantages of a cloud operation predominate as this is more efficient. After all, the services and systems already exist and have been tested by other customers in parallel.

Microservices vs. integration

IT infrastructures can be distinguished as follows: In what is referred to as monolithic integration, the maximum number of applications which are required for various processes are integrated into one system – this avoids interfaces. Microservices, in contrast, describe individual applications with a specific core function which can be developed, implemented and executed independently from other services. In the microservice architecture, the various core functions are linked. The developers can work on the microservices in parallel. This is why, for agile business innovation reasons, microservices and the speedboat approach is usually the option chosen. This allows you to count on existing products and services, which saves you time and helps you avoid dead-ends. If you have to decide between integrated and microservice products in relation to the architecture, proceed as follows: In integrated products, the functions which will not be used for the foreseeable

future should be evaluated negatively – namely multiplied by the corresponding individualization requirement. The more time pressure is involved, the more weight this formula carries.

Note also that microservice architectures can be combined especially well with a headless solution. A headless commerce platform separates frontend and back-end, while exchanging their data via interfaces separately. Other applications or microservices can also be integrated via interfaces. This approach allows innovations to be implemented in a fast and flexible fashion and enables you to offer the customer a uniform customer journey across all touchpoints.

Grow smoothly with scalable technologies

In digitalization, scalability is the game changer. Used properly, it enables you to transform non-physical product components into fantastic cost-benefit ratios. Have your visitor numbers multiplied by ten? No problem with the online shop. Do you have customer inquiries from Africa? Doable without any issue online. This list could go on and on with many examples. Scalable technologies enable you to operate all customer-oriented activities involving intensive communication utilizing in-house capabilities.

Finding the right eCommerce in D2C through commercetools

Based on our experience, flexible, lightweight headless commerce solutions are tried and tested, if companies want to get an eCommerce solution started in a fast and agile manner and fulfill the customer needs time-to-market. This kind of technology is offered by commercetools GmbH.
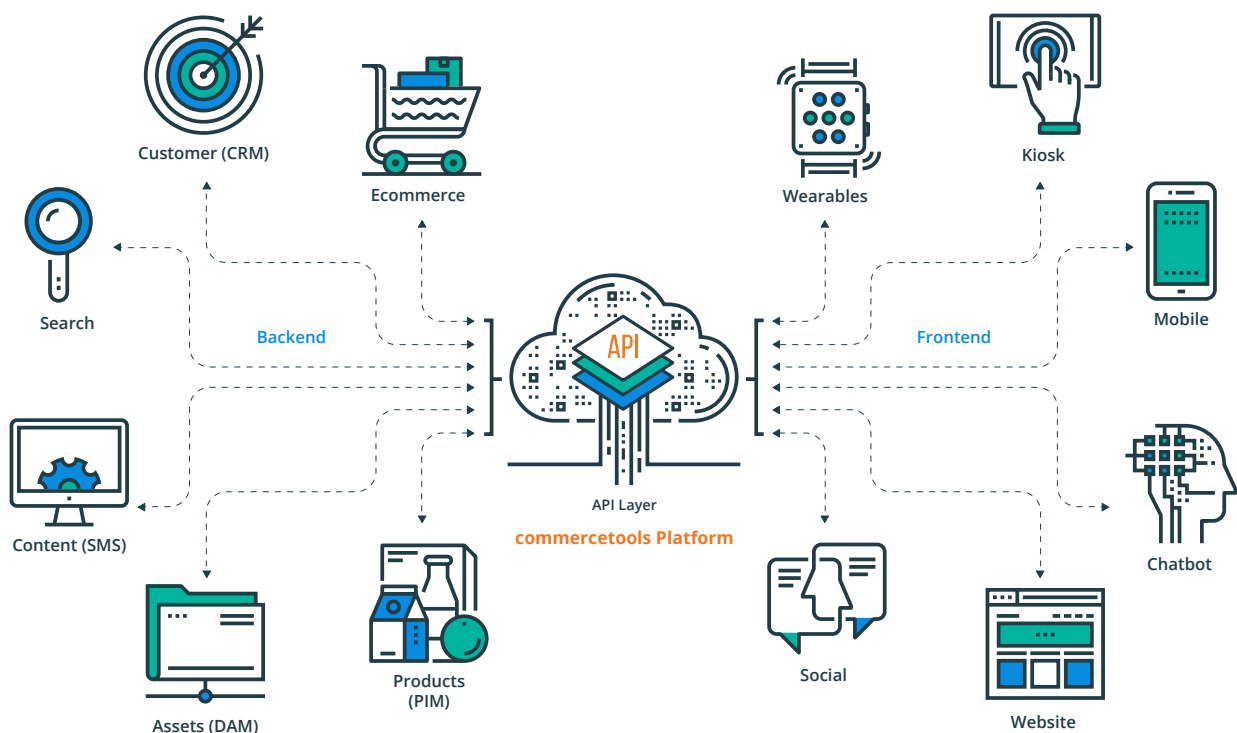
Enable inspiring shopping experiences across all channels and add new touchpoints quickly and easily

commercetools enables you to operate various touchpoints at the same time: From mobile apps and social media through language assistants and chatbots. Thanks to the agile, component-based architecture, you can switch to a contemporary trading technology and respond to new customer demands more quickly and at a lower cost. In this way, it ultimately boosts your profitability. Even if you want to connect your commerce system with other touchpoints such as AR/VR and IoT applications or car commerce, you can do this easily using commercetools.

Therefore, you do not need to create a business case every time for a new back-end for each touchpoint. This means you are always one step ahead of the competition and show your customers that you understand and can respond to their needs and suggestions.

Shape User Interfaces in a customized manner and increase users' loyalty to your brand

A headless solution allows you to be completely free in the way you design the UIs of your website, shop, app or other touchpoints. Compared to an integrated, monolithic piece of software, no design or structure is set here. Instead, you have full control of how you want to present the identity of your brand in the frontend and can thereby make sure your websites and apps are not similar to those of the competitors.

Carry out tests in order to improve the digital offering without posing a hazard to the system's stability

In the headless environment of commercetools, you can review the user experience with user tests or A/B tests in the frontend without posing a hazard to the entire system architecture. After all, frontend and backend are separate and do not mutually hinder the processes. So if you want to find errors or carry out improvements, you can do so without disturbing the operation at other touch-points. In contrast, with a traditional, integrated commerce architecture, you would have no choice but to modify frontend and backend code at the same time. To achieve this, sometimes the entire system has to be shut down for maintenance which then leads to loss of revenue and unsatisfied customers.

Scale on an individual basis and at a time of your choosing

In an uncoupled headless environment, you can expand the frontend and the backend separately. Assuming that frontend now receives a lot of data because advertising campaigns are bringing a lot of users to the website, the backend is not limited in terms of its performance capacity. In D2C also, you can attract attention to your digital offering on an ad-hoc basis or in certain seasons, without your commerce touchpoints losing performance.

Ensure that your online business processes are matched by a service-oriented headless cloud solution which is integrated via API, aligned with a best-of-breed infrastructure and features commercetools as a core functionality. Assemble your RFP very easily:
https://moderncommercerfp.com/

Going live

Implementing the go-live of the online shop's MVP and continuously improving it

As already mentioned at the start of this white paper, we recommend the MVP approach for all project components and phases. It offers the perfect combination of the smallest-possible project scope with simultaneous functional use of the online shop, similar to a test market. The MVP comprises all relevant functions of a good online shop: From a set-up on products, detailing pages, the shopping cart with order function and everything which is necessary and important for the order process – including payment functions and connection to ERP systems and CRM.

The only important thing here is that indeed everything is not yet available in its full width or depth. Use this MVP to gather the initial data, user experiences and other experience-based findings. From now on, derive all steps from the experience with the MVP.

How to design a Minimum Viable Product (MVP)
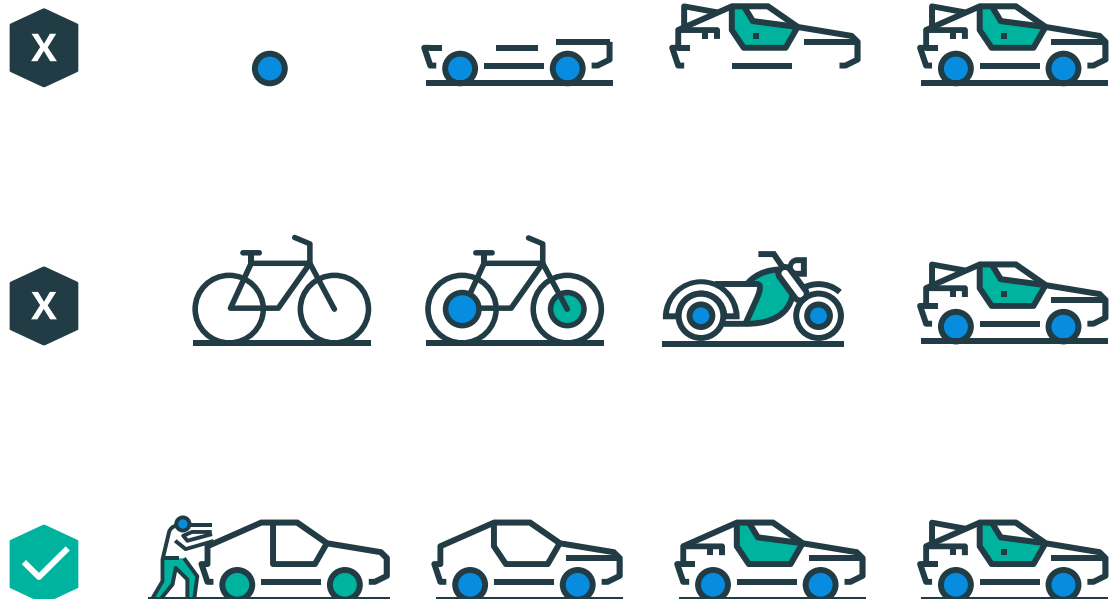
Your next steps: Continuously improve and expand the shop

Evaluate data: Once the shop is live, the user data arrives. Measure the success based on the data and the defined KPIs. This is how you and your developers obtain good insights on whether the users find what they need in the shop and can satisfy their need.

Optimize the UI: The data shows, for example, where there are a lot of jumps or whether the conversions happen smoothly and whether you need to optimize accordingly in the UX design topic.

Optimize the data exchange between frontend and backend: The same applies to product-side information and its processing in the backend systems – you can obtain valuable findings here too and continuously improve your shop.

Expand personalization: Other features such as personalization, offers (cross-selling/up-selling) can now be tested and adjusted in peace and applied if successful.

Expand and scale the shop: Based on the use of the MVP, derive other requirements which you implement incrementally in a scrum-based manner, so that the shop can expand its functionalities as well as users and products.

Outlook and trends

Current studies from various sectors show: Direct-to-Consumer (D2C) brands are achieving more and more recognition. From the automotive sector through pharma, insurance, the textile industry and more – manufacturing companies see great potential in direct sales. D2C is indispensable for anyone who wants to address his target groups in a personalized manner, obtain detailed findings and insights into consumer behavior – in both B2C and B2B – and customize his production based on his end-customers' requirements in the future.

Smart manufacturing and Artificial Intelligence for forward-looking and smart service offerings

Through Smart Manufacturing (SM), the Industrial Internet of Things (IoT, also referred to in Germany as "Industrie 4.0") as a specific application becomes a reality. The special feature here: Smart Manufacturing is networked, intelligent, predictive and flexible – and this only works if the right conclusions are drawn from the right customer data. Customer feedback also plays a key role here. In order to implement SM, the machines on the assembly lines need to be equipped with various sensors in order to gather more detailed data on their status and performance. This information was usually stored on individual systems in local databases in the past. This data was only used to find out the cause for system failures after they had occurred.

Smart Manufacturing changes this. Thanks to AI and a good database, you can often see the system failures before they happen. By networking eCommerce & production, all actions of the company, from production and sales through marketing, can be perfectly adapted to the customer. This creates a closed system in which you can avail of all information at any time and use this for the optimal customer experience. Smart data processing underpins all these future-oriented technologies and possibilities. You can gather initial experience with customer data through a D2C project.

Takeaway in 10 points

1   **Define clear goals for your new sales strategy towards D2C:**
How concrete is your project scope? The most successful way to determine goals and scope is to do so during a workshop involving all relevant stakeholders.

2   **Stay agile and flexible en route to your D2C online shop:**
The best way of doing this is by defining an MVP and a roadmap on this basis.

3   **Dive into your target group's world:**
Based on the human-centered approach, figure out your customers' needs and demands in order to enable customer-oriented offers.

4   **Fulfill their requirements on product presentation and check-out:**
What information and offers do your customers need to order from you directly? Using data and customer feedback, review regularly whether your product presentation as well as the order and payment process successfully provide this.

5   **Fulfill the requirements on progressive service offerings also:**
Think your processes through: where in the online shop is service expected? In what form and scope?

6   **Based on the requirements, develop overarching ideas for solutions:**
Visualize your ideas from sketches, wireframes and prototypes through the finished product. Arrange for users to test this, then implement it with agility. You improve it continuously.

7   **The customer data is the "gold" of your D2C sales strategy:**
The key factor here is the quality and significance of your KPIs, for which you should track the relevant data comprehensively and in good time.

8   **Regarding tracking – you should note a few things as you take action here also:**
Not only the KPIs are relevant, but also the tracking strategy itself, which is only good if it goes over all the customers' touchpoints. This is the only way to get to the right conclusions.

9   **The right customer data brings you to personalized products & services:**
You must get as close as possible to the customers' wants and needs here. This refers to the products themselves, but also enablers such as an individual price and payment model, product recommendations, product configurators and much more.

10   **In the end, an online shop can only be successful if it is based on the appropriate eCommerce solution:**
Indeed, this is why the technology and provider selection is high priority for you.

About commercetools

commercetools is the world's leading platform for next-generation B2C and B2B commerce. To break the market out of being restrained by legacy suites, commercetools invented a headless, API-first, multi-tenant SaaS commerce platform that is cloud native and uses flexible microservices. This enables customers to deliver the best commerce experiences across all touchpoints.

Founded in Germany in 2006, commercetools has worldwide offices spanning the US, Europe and Asia Pacific, with a customer base of Fortune Global 500 companies across industries.

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About adesso

adesso is one of the leading independent IT service providers in the German-speaking world, focusing on providing consultancy and individual software development services for the core business processes of companies and public administration.

The Digital Experience business unit combines the creative services of a digital agency (formerly ARITHNEA GmbH) with the expertise of an experienced IT consulting firm. We design customer-centric processes along the customer journey through the interdisciplinary collaboration of digital marketing, user experience and IT know-how. This results in unique e-commerce, CMS and CRM solutions that not only work but above all feel good.

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