the catch

Strategic Inspiration

CATCH OF THE WEEK

THERMOMIX. REVISITING THE DTC VETERANS

DANIEL CÓRDOBA-MENDIOLA · 14/01/2021

THERMOMIX. REVISITING THE DTC VETERANS

A good DTC (Direct to Consumer) approach is one of the most strategic decisions that companies should be taking in the immediate future.

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THE GREAT STRATEGIC TAKEOUT

It is worth reviewing and analysing the old hands at DTC to learn about their strategies and decisions beyond how to sell: the way they structure their portfolio and the role innovation plays are particularly relevant.

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WHY SHOULD I READ THIS?

A key lesson from COVID has been the definitive take-off of DTC, which has gone from a token alternative to a fundamental change in the way brands communicate with their consumers.

THERMOMIX. REVISITING THE DTC VETERANS

WHAT ARE WE TALKING ABOUT?

Thermomix is the leading player in contemporary DTC in Spain, just as the likes of Avon, Tupperware, Venca and the publishers Círculo de Lectores and others were a number of years ago.

Without dealing with conventional retail, these brands build a dialogue with consumers based on empathy and closeness, complicity and the insider sensation. They foster a sense of pride of belonging that goes beyond being a member of a club as the boundaries between the buyers and sellers of the brand are blurred.

When conventional retail is experiencing one crisis after another, these brands become great sources of inspiration, not so much in their RTM as in the way they build an emotional dialogue based on empathy and everyday life.

There is much to learn (for both the good and the not so good) in the way in which you buy a Thermomix and how you engage with the brand after your purchase. It is all relevant and worth analysing: the way you request information through the website, demos (in person or virtual) before you buy, shipping, strategies of attracting new customers, loyalty programmes and promotions.

But beyond this, there are two aspects that are very relevant from which we can take first-rate strategic inspiration: the product portfolio and the role that innovation plays.

Unlike other brands in the world of household appliances, Thermomix adopts a strategy more akin to that of Tesla than Bosch. Thermomix has a single product and the customisation possibilities are very limited and focused on two scenarios: gifting and maintenance.

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WHAT ARE WE TALKING ABOUT?

There are no premium or light versions, or product variations especially designed for specific diets. Nor is there a variety of colours or formats. Thermomix does not make special editions or limited collections. It is all about the same product, which helps sales, and the brand uses it as the RTB in the huge potential and features of the appliance.

In addition, innovation plays a key role in understanding the brand's strategic approach to its product truth. Its approach is something called "phoenix innovation" as the product is fully regenerated in each version, and the older version is eliminated. Unlike, for example, Apple, which maintains its previous product versions for a time when it launches a new model, Thermomix morphs into a new reincarnation.

This approach has its risks, particularly if the regeneration is not as good at attracting new customers and encouraging existing customers to renew their appliances. Equally, it also has great advantages as it ensures the premiumness of the proposal because there is no other product range against which they have to justify improvements and simplifications. And even if competitors emerge (which the naturally legally confrontational Thermomix has tried to put a stop to by employing the same arguments as Nespresso), the brand continues to maintain its stronghold in the world of multi-functional household appliances.

Finally, a good takeaway is the potential to transform the reality of a product into advantages for all kinds of lifestyles. The brand (particularly in Spain) must improve the sales pitch to single-parent families, mixed households and diets based on moral and non-medical preferences. Here, the insights are different, although the benefit and the RTB are the same.

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LINKS AND WHAT TO FOCUS ON

Thermomix_products
Thermomix_Live the shopping experience

_ How to present the advantages of the product
_ Community weight and sales method as product benefit and RTB
_ Transversality when presenting product opportunities and advantages
_ Casting at photo shoots

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WHY YOU SHOULD BE INTERESTED

More and more categories include DTC (Direct to Consumer) pure players that subvert the established processes and contact consumers in a different way. It is crucial to learn from them and consider whether our brand can become a DTC pure player or incorporate some of those elements of their success.

WHAT TENSION DOES IT RELIEVE?

Empathy and closeness in the sale of the product help to improve access to these technologically advanced proposals that offer many benefits which may not apply equally to all targets.

FROM A STRATEGIC PERSPECTIVE:

A new way of rejecting premiumness, the construction of brand narratives and of creating a sense of community around an almost universal moment: the kitchen in the home.

WHO MIGHT BE INTERESTED?

All categories, particularly those that already have players who are transforming their e-commerce in a strategic approach similar to that of DTC brands.

WHERE DO I IMPLEMENT IT?

The key lessons go beyond the product and the category as the DTC approach represents a fundamental development in the way in which contemporary brands communicate with their consumers today and in the future.

HOW DO I IMPLEMENT IT?

By being aware that implementing a DTC vision entails significant changes in the go-to-market strategy and the coexistence of the usual channels.

HOW INNOVATIVE IS IT?

As we have seen, DTC is not new, but the way in which it informs the portfolio structure and the effect innovation can have on a brand is.

KEY CONCEPTS:

DTC, household appliance, home, innovation, portfolio.

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I WANT IT FOR MY COMPANY/BRAND. WHAT DO I NEED TO KNOW?

WHO IS USING IT ALREADY?

It is worth reviewing the major disruptors in the DTC world: from the pure players like Casper or Dollar Shave Club to the mixed players like Nike Adventure Club.

THINGS TO KEEP IN MIND:

DTC can present challenges to be addressed with today's network of customers/ distributors/points of sale, who may perceive the brand as competing with them.

HOW DO I GET A CLEARER IDEA?

Visiting the website of some of the industry's leading companies:

Heritage: Avon, Tupperware, Venca

Contemporaries: Nike, Dollar shave club, Westwing

HOW DO I SHARE IT WITH MY NETWORK?

There is a lot to learn from the way they sell you a Thermomix.

I'M INTERESTED IN FOR MY BRAND. TELL ME MORE!

The Hunter has developed strategic DTC approaches in companies and brands in a variety of categories, from mass market to lifestyle. If you want to know how to implement these lessons yourself, contact us and we will explain it to you.

I WANT TO KNOW MORE

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Strategic Inspiration

The Catch is The Hunter's strategic think tank, via which the inspiration needed to take the best strategic decisions is shared in the form of resources, content and original ideas, which can be understood easily and applied immediately.

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