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Strategic Inspiration

CATCH OF THE WEEK

DONUTS NOW: WANT TO DIVERSIFY YOUR BUSINESS?

CARLOS RODRÍGUEZ · 15/07/2021

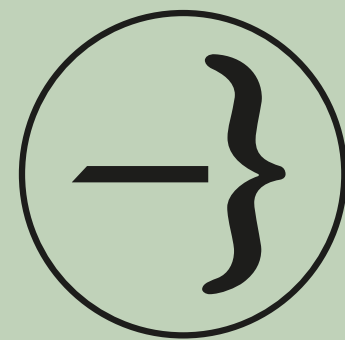
DONUTS NOW: WANT TO DIVERSIFY YOUR BUSINESS?



Direct-to-consumer (DTC) is an important tool brands in our field have starting using to diversify their businesses, open up new channels and establish a new kind of consumer-brand relationship.

DONUTS NOW: WANT TO DIVERSIFY YOUR BUSINESS?

THE GREAT STRATEGIC TAKEOUT



DTC is about more than ecommerce. This is a business model (primary or secondary) and should be seen as such, with its own value proposition conceived in line with the reality of DTC.

DONUTS NOW: WANT TO DIVERSIFY YOUR BUSINESS?

WHY SHOULD I READ THIS?

Because it's a clear and direct way of diversifying our business without compromising our core business.

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WHY IT IS INTERESTING?

As we all know, our environment has changed completely. In fact, the pandemic has simply accelerated a series of phenomena that marketing, and consultancy teams have been pointing out for years. One such phenomenon is disintermediation: the result of the eruption of new technologies, new emerging consumer profiles and the appearance of disruptors like Amazon on the scene, which have completely transformed the way we buy and interact with brands.

DTC is one more expression of this phenomenon. As the name suggests, this is about selling direct to consumers without any intermediaries (retailers or other outlets) getting involved. In a way, DTC is an evolutionary step forward from ecommerce.

With DTC, brands create a business model with a value proposition based on this direct sales model. This means brands no longer have the limitation of brick-and-mortar stores. They can also set up subscription services or offer multi-packs or other offerings tailored to the moment of consumption.

Donuts recently launched its own DTC service with Donuts Now. It isn't aiming to replace traditional sales channels, rather, it represents an additional channel specifically intended for direct sales to consumers. There isn't just more variety; it has been designed to tap into occasions of consumption (birthdays and other celebrations) and includes a subscription service as well as a gift service.

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WHY IT IS INTERESTING?

This business model has many advantages to offer brands. As well as being the perfect tool for obtaining consumer intelligence and preferences - including small-scale innovation testing - it also means you can establish a direct dialogue with consumers and offer a 100% brand-controlled experience. In short, the brand can express its proposition in a much more tangible way.

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WHAT IS THE UNDERLYING NEED?

Convenience. Accessibility

WHAT TENSION DOES IT RELIEVE?

It facilitates the purchase of products or services you would normally find on traditional channels.

STRATEGIC OPPORTUNITIES:

- _Brand premiumisation.
- _Portfolio diversification.
- _Creating a new channel.
- _100% control over the experience.
- _Small-scale product and service testing.
- _Obtaining consumer intelligence.

WHO MIGHT BE INTERESTED?

Any brand that wants to establish a different, current and direct dialogue with consumers.

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

This content comes from The Hunter's strategic inspiration tank. If you would like to know how over 15 years of research and mapping enable us to make strategic recommendations that are innovative and culturally relevant, please get in touch with us.

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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