



**PLAN FOR TAKING YOUR  
CPG PRODUCT DIRECT  
TO CONSUMER (DTC)**



*DTC can compliment a retail channel, as long as there is no conflict.*

When you decide that Direct to Consumer (DTC or D2C) sales are right for your CPG marketing efforts, you need a roadmap to increase your chances of success. If you want to pivot your business from channeling through retailers to DTC or are launching a new enterprise and are exploring options, here is a detailed plan for this approach.

## CPG BRANDING AND YOUR DTC APPROACH

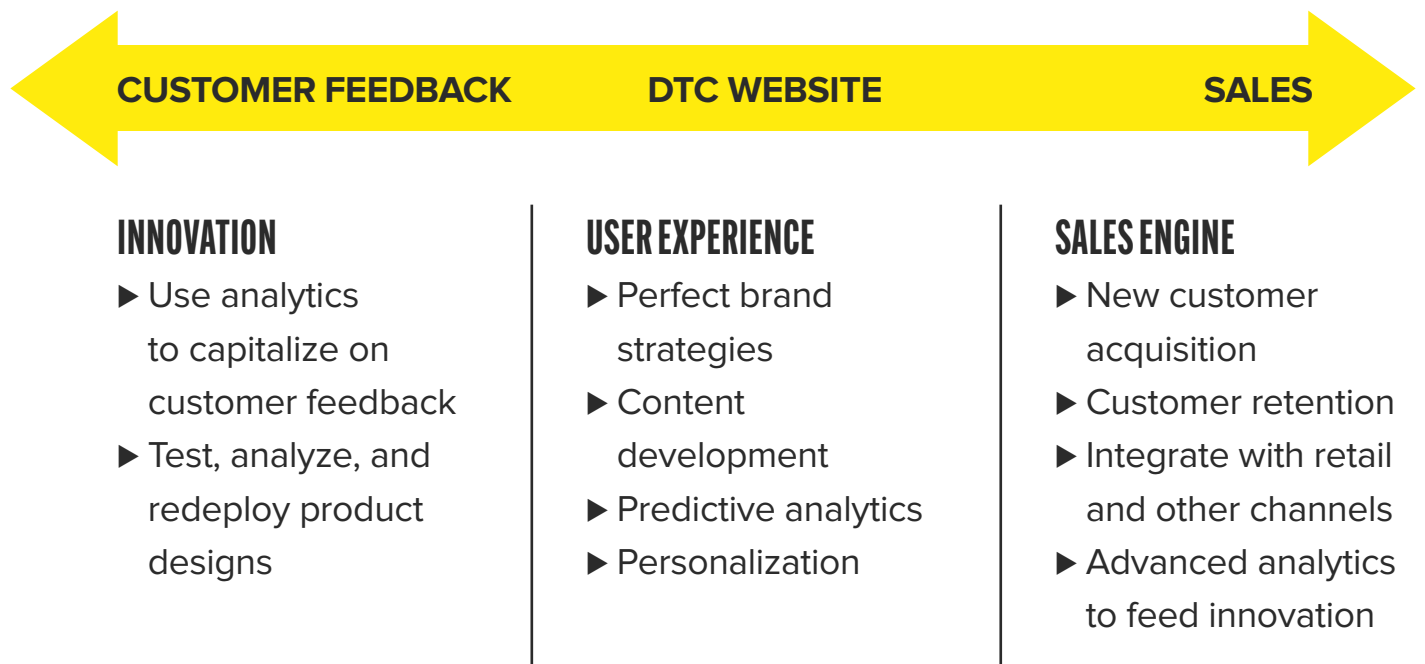
Instead of relying on the middleman to deliver your products, many CPG branding teams have launched new direct to consumer initiatives online. There is less risk, faster iteration, and higher profits when you do DTC well, but there is also increasing competition in this space.

However, we know enough now about CPG marketing in the DTC space, that a playbook is taking shape. Consider the following steps when launching your DTC CPG branding efforts:

# 01

## DEFINE THE ROLE OF THE DTC EFFORT.

Consider how your retail partners will work with an emerging ecommerce strategy. Integrate your DTC approach to avoid any channel conflict. Document your benchmarks and website goals, as well as what you hope to achieve. It could look something like this:



**02****USE DTC AS A WAY TO BUILD CUSTOMER RELATIONSHIPS FOR THE LONG-TERM.**

Once you've determined the role your DTC effort will play, you must decide what value the website will offer to existing and new customers. Why would they visit, why would they buy, and what would keep them coming back for more? The goal of this step is to determine the unmet consumer needs your website will fulfill. How can you differentiate the site from retailers (and manage any channel conflict)? Consider pricing in this step as part of the consumer value.

**03****DETERMINE HOW YOU WILL EXECUTE THESE STRATEGIES, IMPROVE THEM, AND REDEPLOY**

In true agile fashion, CPG marketing teams launching a DTC strategy must prepare for the fast pace of these interactions by using innovative, agile techniques to help you fail fast, course correct, and redeploy for the win. Consider your partnerships as part of this process and how you can leverage fulfillment outsourcing over in-house to stay ahead of the competition.

**04****MEASURE YOUR EFFORTS TO JUSTIFY THE EXPENDITURES, ESPECIALLY AT FIRST.**

Developing a sustainable economic model for your DTC channel requires a way to measure margins versus revenue and customer lifetime value. Look closely at three categories:

1. General market indicators
2. Gross margins per customer
3. Year over year growth
4. Capital investment break-even date
5. Cash flow



Adding DTC to an existing revenue channel can make tremendous business sense for your company. Consumers will continue to demand both personalization and convenience, and DTC can allow even the most traditional enterprise organizations a way to provide both.

**Hangar12 is at the forefront of CPG marketing strategy and more.**

**SUBSCRIBE TO OUR BLOG**  
**TO STAY UP-TO-DATE WITH OUR LATEST INSIGHTS.**  
**OR JUST SEND US AN EMAIL AT**  
**[INFO@HANGAR-12.COM](mailto:info@hangar-12.com)**



**HANGAR 12**