

A photograph of a small metal shopping cart with red handles, filled with several cardboard boxes. The boxes have a shopping cart icon printed on them. The cart is placed on a laptop keyboard, which is slightly out of focus. The background is a bright, warm-toned bokeh, suggesting an indoor setting with natural light. The overall image conveys the theme of e-commerce and direct-to-consumer sales.

WHITEPAPER

Jumpstart your **Direct to Consumer** Journey in **four weeks**

For last couple of months, we all are experiencing unprecedented disruptions. Customer buying patterns have transformed almost overnight. As digital channel becomes the dominant norm, digital commerce, and service capability-development is key to realize revenue, retain customers, and ensure business continuity.

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As customers and businesses shift behaviours and operations to a digital-only paradigm, some telling trends are rapidly emerging and leaving your business in either one or both categories

- **Facing a surge:** Essential products struggle to keep up with demand and are placing extreme pressures on the supply chain e.g. online grocery sales in America has grown 2x, and 1.3x in the UK during the recent months according to Adobe Digital Index.
- **Need to quickly rewire:** Previous eCommerce laggards like grocery have been thrust into the mainstream, fast and dependable local delivery is commonplace – from the local deli to new entrants like Costco and Publix who have made the transition to home delivery at scale in a matter of days. We are also on a similar journey to help our customers jumpstart a **Direct to Consumer (DTC) website in less than four week's time.**

Recent statistics shows that in just the last couple of weeks, the online orders have surged extremely for packaged goods such as, US online orders have increased by **56%**, and the online sales in UK crossed **22%** last month.





ii) Know your end customer better

One customer equal One profile. It might sound irrelevant or unrealistic to some companies, but this pandemic would most-certainly leave behind few attitudinal shifts (esp. amongst young people) and some buying behavior changes. So, companies need to start thinking of how to engage with the customers beyond just a sale. Such as:

- **Invest into innovative ideas** and try to keep your customers engaged on a daily basis via contests, such as Lego Ideas - a Lego web shop where you can submit your Lego design and ideas which gets voted by the community & then they announce the winners every week. Now, it might sound simple but not many companies are investing in building a day to day engagement channel for the customers today.
- **Allow flexibility with subscriptions**, let your customer update & modify the subscription bundle as and when they want. This will help you reduce the overall percentage of subscription cancellations.
- **Improve customer experience** with better recommendations based on past order history, cross-sell & upsell etc. All these small functionalities lead to enriched buying experience and adds to customer satisfaction.

iii) Relook at the supply chain

One of the areas hardest hit is the supply chain – both on the supply-side and demand-side. The key to maintain value to the customer is on-quality and on-time delivery. So, companies need to relook at the supply chain and tighten all the weak points quickly.

- **Realign your supply network:** COVID-19 has clearly put businesses at risk. Particularly, ones with high dependency on one geography for instance China for supply of goods, raw materials etc. It might have been a cost-effective move from procurement perspective but now it's high time for companies to re-evaluate their supplier network. A good starting point could be to look for alternate suppliers in nearshore. Another, long term plan could be to create a transparent multitier supplier network such as tier 1 suppliers, tier 2 supplier etc. as a contingency. This will require a very exhaustive risk assessment and mapping of suppliers based on location, business impact etc. but it will help companies to be prepared & avoid closing of manufacturing units/plants in future.
- **Demand planning:** To make sure you can fulfil customer demand for essential products continuously and not run 'out of stock'. It's important to know the realistic end customer demand in order to estimate inventory. So, companies need to work with the sales and operations planning team to get fair estimate of actual demand and optimize the production accordingly.

This will enable companies to run plants at reduced capacity with limited workforce and yet be able to fulfil end customer necessities.



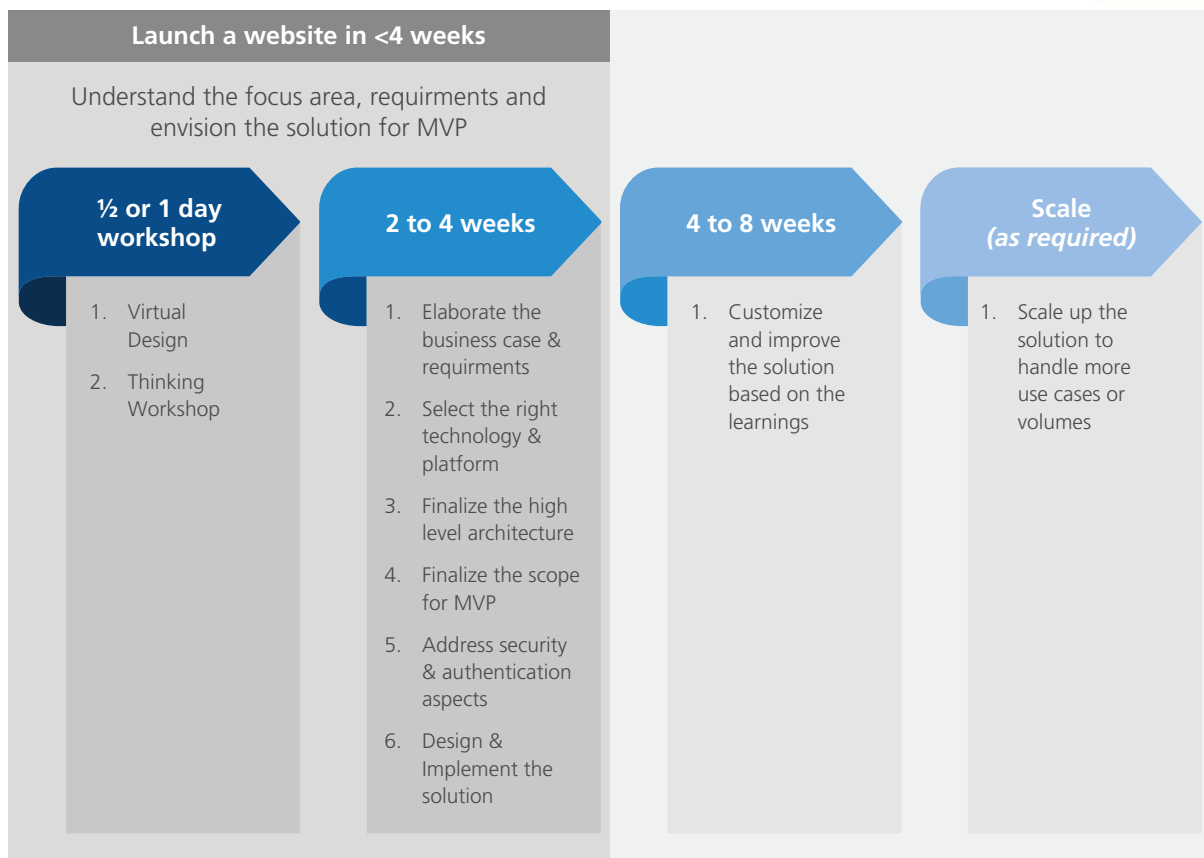
- **Order fulfilment:** Improvise the order fulfilment process by narrowing the gaps in logistics capacity.

A very simple way is to run stress test and look at the current fulfilment model such as location of your warehouses, transportation time, frequency of replenishment of store inventory, additional time & cost incurred to move stock from one warehouse to another if needed etc. These simple exercises will help you understand the minor as well as major issues in the fulfilment process which in turn delays 'home delivery' or even 'click and collect' of orders. Recently Walmart US, announced express delivery service to deliver orders to customers' doorsteps in less than two hours' time using stores as mini warehouses.

So, we can start with minor provisions such as realistic demand planning, addition of people to order preparation & order delivery team etc. to make sure customers don't have to wait for weeks to get their groceries. If you fail to fix these gaps quickly and be available to fulfil customer demands, they will switch to competitor brands unless they are satisfied.

Below is LTIMindtree's framework to help build a D2C website in less than 4 weeks.

A HIGH-LEVEL PLAN TO LAUNCH WEBSITE IN <4 WEEKS' TIME



HERE ARE THE FIVE MAJOR MILESTONES TO LAUNCH A WEBSITE IN FOUR WEEKS' TIMEFRAME

01

Define a roadmap & what you want to achieve in near future

1. High-level vision of business and target customers
2. What is the business case, problem statement & expectations
3. Budget
4. Timeline

02

Technology stack & high-level architecture decision

1. eCommerce platform decision (such as Shopify, BigCommerce etc.)
2. Required system integrations (Product Information Management - PIM, Pricing Information, Product Imagery, Payment Integrations, Shipping Provider etc.)
3. External Integrations such as ERP systems (Order Export/Import, Inventory Information)
4. Strategy for data and content migration if required

03

Design & implement the solution to launch the website

1. Finalize the scope and design for the MVP
2. Identify the major milestones
3. Resource planning
4. Finalize prerequisites for project kick-off such as software and platform licensing
5. Project kick-off
6. Follow short iterative development cycles with regular feedback from business

04

Launch Website

1. Soft launch website to controlled customer base
2. Gather customer feedback and work on critical brand impacting issues
3. Launch website

05

Enhance & maintain

1. Add new features & capabilities in smaller iterations
2. Test & Learn (A/B Testing)

So, what's next on your list?

In this 'new normal' digital-only paradigm, CPG companies need to rethink their digital strategy through innovation, customer relations and alternate operating models. Prioritize customers at the epicenter of operations and align customer acquisition & retention strategies around it.

If you are responsible for sales in a CPG company, now is the time to focus on your eCommerce strategy, capabilities, skills and partnerships as the #1 item on your shopping list.

Reach out to us at info@ltimindtree.com to jumpstart your direct to consumer journey today!



About Authors



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Anshuman leads the LTIMindtree Interactive Business globally. He leads cross-functional teams to drive innovation and create new digital products, services, and processes that improve customer experiences and drive revenue growth. He brings in multi-disciplinary, global, and cross-industry digital transformation experience by partnering with his team and LTIMindtree customers to solve critical business outcomes at scale and non-linear costs. His specialism includes business innovation, design and change, and systems thinking.



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Amrita is based in London and partners with LTIMindtree customers to unlock digital commerce opportunities. She collaborates with her customers to understand their unique business needs and develop customized ecommerce solutions that deliver measurable results like improved sales and time-to-market. She has worked with several retailers and consumer goods companies throughout her career to build their Direct-to-Consumer, Direct-to-Professional, B2C, and B2B commerce propositions. Her specialism includes improving time-to-market, conversion optimization, and scaling personalization programs.

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