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How a DTC model can grow your beauty brand

Consumers expect beauty brands to offer consistent and customized communication across multiple channels, and desire more personal interactions, wanting to feel part of a community they can trust. As a result, many beauty brands are moving towards a direct-to-consumer (DTC) model to leverage irst-party data and create personalized products and experiences, whilst fostering a one-to-one relationship with the customer.



In fact, DTC ecommerce sales in the US are expected to reach \$151.20 billion in 2022, an increase of 16.9% from 2021

(Econsultancy)

MAJOR BENEFITS FOR BEAUTY BRANDS GOING DTC



First-party data.

Brands can leverage first-party data generated by digital tools and channels to tailor products and experience according to customer preferences and needs.



Customer relationship.

A DTC model enables beauty brands to own the relationship with the customer and communicate brand values on every interaction.



Global reach.

Brands can quickly reach new audiences and markets and, combined with relevant partnership with DTC providers, they can improve their fulfilment and operation strategies to offer fast delivery worldwide.

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of consumers prefer to buy from brands directly, while a further 40% of shoppers say they will purchase from a DTC brand in the next five years. (The Drum)



of consumers expect that more than 40% of their spending will go toward direct-to-consumer brands in the next five years. (invesp)









Technology

Partnering with DTC providers can help beauty brands to launch or scale their ecommerce sites quickly and efficiently and leverage first-party data to adapt and tailor their offerings to their customers.

With customers wanting to connect with brands across multiple touchpoints, a DTC platform enables brands to sell products and interact with customers across several channels, while leveraging first-party data to quickly launch and test new products according to customer preferences.

Fulfilment & operation

Today, 42% of customers expect a maximum 2-day shipping option for every online purchase they make (UPS). To enable efficient international fulfilment, beauty brands are partnering with DTC providers that employ the right technologies and tools to enhance the end-to-end process, from manufacturing to delivery.

Most importantly, a DTC model can give brands full control over their customer service, enhancing customer service excellence at every interaction.

Digital services

With customers expecting more personal brand interactions,

DTC beauty brands can leverage the power of first-party data to create localised advertising strategies to ensure sustainable and international growth. 86% of consumers look for advice and recommendations from social media influencers (DMI) and by partnering with the right influencer platform, brands can establish strong relationship with influencers to reach and connect with new audiences through impactful influencer campaigns.

Download our report to know more about the benefits of a DTC model for beauty brands.



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<u>Get in touch</u> for more information on how THG Ingenuity can enhance your DTC capabilities and scale your business to new markets.