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**CONSUMER GOODS INDUSTRY'S D2C Imperative**

accenture PRESENTS THE ECONOMIC TIMES

# CEO Breakfast

**CONSUMER GOODS INDUSTRY ROUNDTABLE**

**CONSUMER CONNECT INITIATIVE**

**Purva Bhatia**

FMCG brands are looking to reach out to consumers in ways that have never been done before. The approach is different and so are the tools to reach out to the end consumer. Legacy consumer packaged goods (CPG) brands are exploring ways to reach consumers directly through digital channels. Then there are pure direct-to-consumer (D2C) brands emerging which are built on pillars that are new and significantly different from what consumers have been used to. The common factor among both is reaching out to consumers and building successful brands. How are D2C companies creating a compelling value proposition? Industry experts discussed the challenges and opportunities at The Economic Times CEO Breakfast Consumer Goods Roundtable, presented by Accenture. According to Manish Chowdhary, Co-CEO, WOW

## D2C: BUSINESS MODEL INNOVATION IN CONSUMER GOODS

The digital world has given manufacturers new ways to engage consumers. The disruptions accelerated by the pandemic make a strong case for new as well as legacy brands to adopt direct-to-consumer strategies

### KEY TAKEAWAYS



With the surge in online shopping CPG companies will need to bolster direct-to-consumer offering

D2C strategy has helped disrupt the brand-consumer relationship providing easy and direct access to one another

The most important aspect of the direct-to-consumer model is the customer experience

Data plays a significant role in creating a winning D2C strategy. Companies must learn how to analyse and utilize data optimally

Upskilling and hiring people with digital acumen will be critical

Skin Science, e-commerce has been dramatically changing and evolving. 50% of health and beauty products are now sold online. "When we started in 2013, the internet revolution was just taking off. Today, consumers are looking for something innovative and brands such as ours are directly listening. D2C model is taking off and is here to stay," he said.

There are other trends pushing companies

Attracting and hiring right people and then retaining them is a core challenge today. There is a dearth of talent that can understand and deliver the phenomenal product visions that you have

**VARUN ALAGH**  
 Co-founder & CEO, Honasa Consumer (Mamaearth)



We are always open to partnering with exciting D2C brands that are coming up in terms of investment, bring in our strength, and see how we can multiply with this partnership

**HARSHA VARDHAN AGARWAL**  
 Director, Emami



Organizations or founders who have the knack of listening to and picking up what consumers want, and can continue to build excitement around it will stand out from the rest

**MANISH CHOWDHARY**  
 Co-CEO, WOW Skin Science



With such volatile market, companies need to innovate and launch new products swiftly. Data is at the heart of it. There is an increasing trend of collaborating with independent and experienced third-party innovators to dramatically reduce the product development cycle and quickly test new variants to get a competitive advantage

**MANISH GUPTA**  
 MD & Lead-Products Accenture in India



We are going through very interesting times. Established FMCG companies are entering the D2C space as D2C startups continue to disrupt established category plays. Eventually, we will see both the models converging with the consumers being the biggest beneficiaries of this disruption

**ANURAG GUPTA**  
 MD & Lead- Strategy & Consulting Accenture in India



Strategy & Consulting, Accenture in India.

Technology has a big role to play in offering new experiences for customers and creating opportunities for brands to grow. "The adoption of digital technologies is helping a lot in enabling the interaction between companies and consumers. Data is highly critical now. Organizations need to become data-driven companies," said Manish Gupta, Managing Director & Client Group Lead- Products, Accenture in India.

Going forward, success will depend on how companies are able to use data and technology. However, utilizing the data effectively remains a challenge. "Companies need to start leveraging the data now. Digital native companies are already doing it as their fundamentals are based on data. A lot of companies still need to get the basics of data right," added Manish.

One of the challenges in

utilizing the data optimally is attracting and retaining skilled talent. "Finding skilled workforce is definitely a big challenge for all companies at present. From a data perspective, it is a new domain and there are not many people with the right skills out there," remarked Agarwal.

Even if companies overcome the hiring challenge, D2C isn't an overnight success strategy. It requires an extensive amount of time, effort, the right mindset, and investments to succeed. Not all companies may be D2C ready. The solution then lies in the convergence of the two models. "We have seen that in retail space. There have been traditional stores and purely online stores. The sector is seeing a convergence of the two there. The same will be true for consumer goods companies," concluded Anurag.

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