

CUSTOMER ENGAGEMENT

CPG DIRECT TO CONSUMER

WHAT'S DRIVING CONSUMER PACKAGED GOODS BRANDS TO TAKE A DIRECT-TO-CONSUMER (DTC) APPROACH?

Can a Consumer Packaged Goods (CPG) brand count on a go-to-market exclusively through the retail channel? Not anymore! CPG brands realize that reliance on any single distribution channel can be detrimental to success, so many choose to also sell their products directly to consumers online, limiting their exposure should a retail channel disappear.



8,600+

U.S. retail stores shuttered in 2017¹



E-commerce (including D2C) will account for

50%

of U.S. CPG sales growth through 2025²



82%

of CPG brands said **selling DTC improved customer relationships**³

A RETAIL APOCALYPSE...

Clothing stores and entertainment chains Q1-Q3 2017 data⁴



6,752

announced store closings



2,502

Apparel



1,933

Home entertainment



735

Footwear



553

Department stores



415

Misc. Retail



240

Bookstores



165

Jewelry stores



155

Sporting goods

For CPG brands, customer experience (CX) is the new competitive battlefield that can create a competitive advantage that attracts and keeps customers. CPG companies are reducing the steps it takes to reach the consumer.



81%

of brands will compete on the basis of **customer experience**⁵



52%

of consumers go straight to **brands' website**⁶



2/3rds

of consumers expect **direct brand connectivity**⁷



Leveraging DTC channels such as a website, mobile apps, email marketing automation systems, call centers, physical direct mail and SMS texts allows a CPG brand to achieve a better understanding of consumer behaviors and preferences—something that can be impossible to get when you sell through a retailer.



40%

of US internet users

expect DTC brands to account for at least

40%

of their purchases within the next 5 years⁸

DELIVERING HIGHLY RELEVANT, PERSONALIZED CONSUMER INTERACTIONS IN A REAL-TIME, OMNICHANNEL WORLD

Customers want a brand to reach – and recognize – them where they are (channel) in the moment of interaction. A DTC approach will provide CPG brands a comprehensive and up-to-date understanding of consumer behaviors, preferences and intent at every stage of the customer buying journey.

54%

of consumers **expect to receive a personalized discount** within 24 hours of making themselves known to a brand⁹

40%

of consumers **purchased more from a retailer that provides a personalized shopping experience** across all channels¹⁰

51%

of consumers **say it's important to receive a personalized experience** all digital channels within a brand¹¹



Direct-to-Consumer innovators report significant improvement across every measure of customer engagement – awareness, acquisition, satisfaction, mindshare, and profitability.¹²

BUT BRANDS ARE STRUGGLING TO MEET RISING OMNICHANNEL CONSUMER EXPECTATIONS

73%

of consumers feel that **brands are struggling to meet customers' rising expectations** for a personalized experience¹³

61%

of brands say it's **increasingly difficult to manage the number of customer touchpoints** they have¹⁴

WON'T A DTC APPROACH DAMAGE OUR RELATIONSHIP WITH OUR RETAIL CHANNEL?

A compelling reason for CPG brands to sell directly to consumers is the ability to create a direct branded relationship with that consumer that enables them to collect customer data, something they struggled to get their retailer partners to share. Armed with a single view of a customer from data collected across an omnichannel customer path-to-purchase experience, brands can bring invaluable insight and market test data to their partners, making it a win-win for the brand and the retailer.

54%

manufacturers who sell **directly to the consumers have seen growth in sales** via their channel partners¹⁵

50%

of CPG manufacturers said that their **D2C approach boosted sales** for their channel partners¹⁵

HOW REDPOINT GLOBAL OPTIMIZES CUSTOMER ENGAGEMENT FOR CPG BRANDS

The RedPoint Global Customer Engagement Hub revolutionizes how CPG brand marketers deliver a highly personalized and consistent customer experience across every interaction touchpoint (single point of control)

Recognize the Customer:

Leverage context to deliver a single view of the customer and deliver on brand promise. Connect all data sources (first, second, and third-party) and types (batch & streaming) using the RedPoint Customer Data Platform.

Know What the Customer Wants:

Make machine learning accessible to marketers to determine the next-best-action. Leverage in-line analytics and real-time decisioning to drive personalization at scale and deliver the next best offer to a segment of one.

Deliver it to Each Customer:

Make data available to the entire enterprise in real-time to intelligently orchestrate omnichannel engagement across every touchpoint (digital & traditional) at the speed and cadence of the customer.

About RedPoint Global Inc.

RedPoint Global is a leading provider of data management and customer engagement technology. RedPoint's Customer Engagement Hub provides a unified view of a customer, determines the next-best action and orchestrates interactions to drive highly-personalized and contextually relevant customer engagement across all touchpoints. Leading enterprises use RedPoint's Customer Engagement Hub to help them achieve sustainable profitable revenue growth. For more information, visit www.redpointglobal.com or email contact.us@redpoint.net.

¹IAB 2-18

²IRI & Nielsen

³Forrester

⁴Retail Apocalypse

⁵Gartner

⁶Multi Channel Merchant

⁷IAB 2-19

⁸YouGov

⁹Segment, 10-17

¹⁰Needs source

¹¹2018 BRP Digital Commerce Survey

¹²Forbes

¹³Harris Poll

¹⁴Needs source

¹⁵Forrester Research)