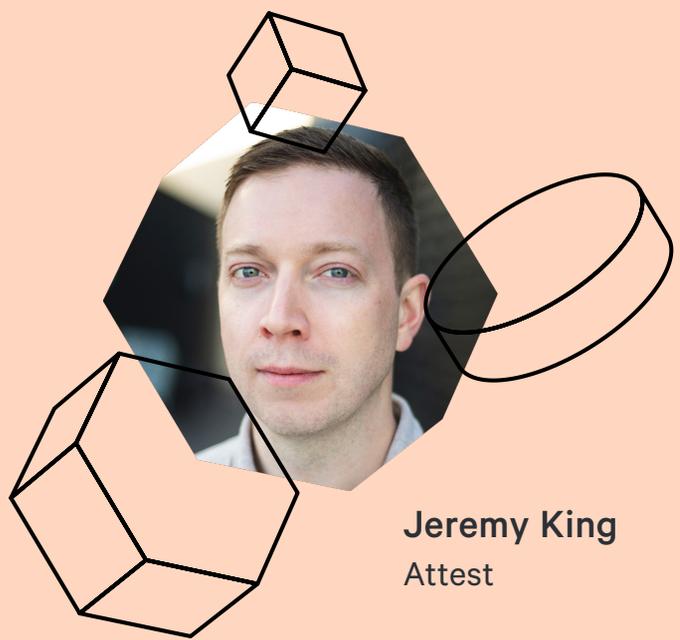


D2C Digest UK

Essential insight for
D2C founders and
brand leaders



From the CEO



Jeremy King
Attest

Welcome to our first D2C Digest; where we distil a ton of D2C consumer insight and expert interviews into one unmissable publication. Why D2C? Well because we're working with more and more awesome D2C brands, like Bloom & Wild, Graze, Oddbox, Gymshark and DRY. The direct-to-consumer sector is booming and Attest is helping brands like these to unlock further growth by giving them access to reliable, high-quality consumer data.

We think it's an exciting time to be in D2C. Our research into the sector shows that Millennial consumers, in particular, are committed to online shopping and very open to trying new brands. Even as we move forwards and begin to put the pandemic behind us, many shopping

habits developed during this time will stick. And it means there's a lot of opportunity for D2C brands.

Alongside the latest consumer data, in this issue of the D2C Digest, we'll look at growth stories from letterbox flower brand Bloom & Wild and beverage brand DRY. Both show what's possible when brands are able to make discoveries about their consumers. Sometimes all it takes is that one, key piece of insight to find huge success. We'll also hear from two brand leaders on what it takes to grow a thriving direct-to-consumer business. We hope this issue leaves you feeling optimistic and inspired, and if you'd like to hear even more D2C chat, why not check out the [Wax Lyrical](#) podcast?

WAX LYRICAL

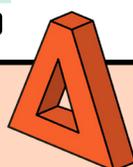


Jeremy King, CEO & Founder of Attest

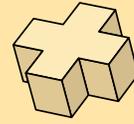
“The purpose of the high street will change... and the best retailers will be the ones that jump on that fastest. D2C is going to make it a different basis of competition and more dynamic. And I think that's a healthy thing for the high street.”

A WAZON PRODUCTION





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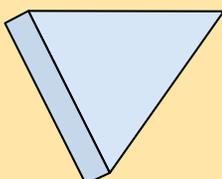
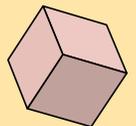
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Back to the shops? The D2C winners and losers



01



Who's leading the return to the high street?

Gen Z are excited about shopping IRL but Millennials will keep on clicking.

Millennials are more committed to online shopping than their Gen Z counterparts, a survey of 1,000 UK shoppers aged 18-40 shows.

Half of shoppers aged 26-40 say they’ll maintain their online shopping activity despite physical stores being open again, in comparison to 46% of Gen Z (those aged 18-25).

Despite being the most digitally native demographic, Gen Z are keener to get back to shopping IRL; a third say they will shop online less post-pandemic (countered by the 17% who say they will shop online more, this is a net reduction of 16%). Millennials will also cut back on ecommerce but not by as much; 29% will shop less versus 16% who will shop more (a net reduction of 13%).

76% of consumers aged 18-25 agree they “can’t wait to return to shopping in physical stores.” That’s compared to a lesser 68% of Millennials.

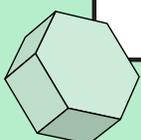
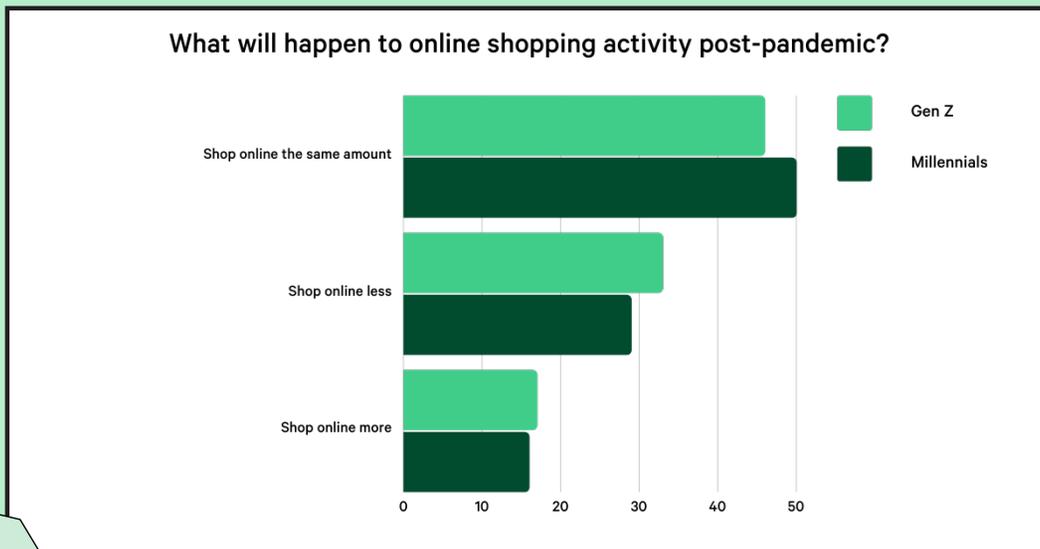
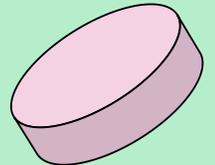
Despite this, both demographics show strong commitment to shopping online in two particular categories. Nearly 54% of Millennials and 57% of Gen Z say they will prefer to shop for

clothing, shoes and accessories online, while 50% and 48% respectively will prefer to shop online for electronics, home appliances and tech accessories.

57% of Gen Z prefer to shop online for clothing & accessories

On the other hand, food and drink is the category they’re most likely to abandon; 54% of Millennials and 51% of Gen Z say they’re more likely to shop for this category in physical stores.

Elsewhere, Millennials show greater intent than Gen Z to continue shopping online for all other categories, including furniture and homewares (36.5% versus 27%), gifts and flowers (37% versus 30%) and toiletries, makeup and health supplements (36% versus 32%).



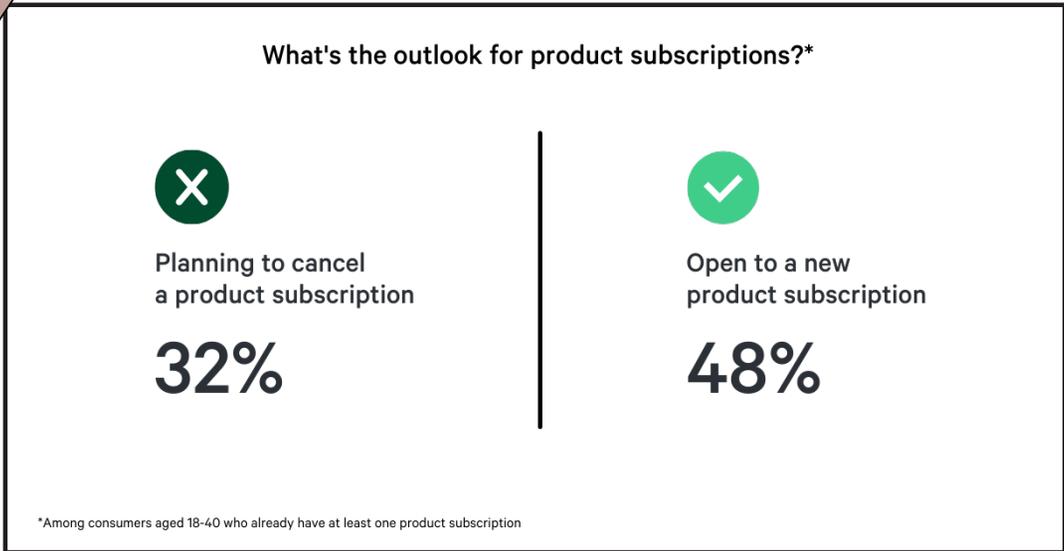
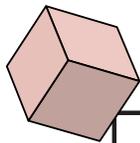
Millennial men most likely to take out new product subscriptions

Millennials are more likely to have received products by subscription than Gen Z during the last six months (16% versus 13%). And while equal amounts took out subscriptions during the pandemic, Millennials are more likely to have had product subscriptions already in place.

The older demographic show more satisfaction with their subscriptions with less intention to cancel; 32.5% of Gen Z who currently have a product subscription plan to cancel one soon versus 31% of Millennials. And of those who already have a subscription, Millennials show more intent to take out a new one; 52% versus 44% of Gen Z.

31% of shoppers aged 18-40 are open to a new product subscription

Looking at respondents overall, the notion of receiving products by subscription remains broadly of interest; over 31% of both demographics say they’re open to taking out a new product subscription this year. Interestingly, Millennial men show the most intent to shop for product subscriptions in 2021 (34%).



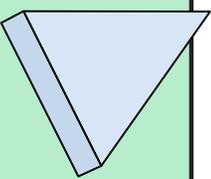
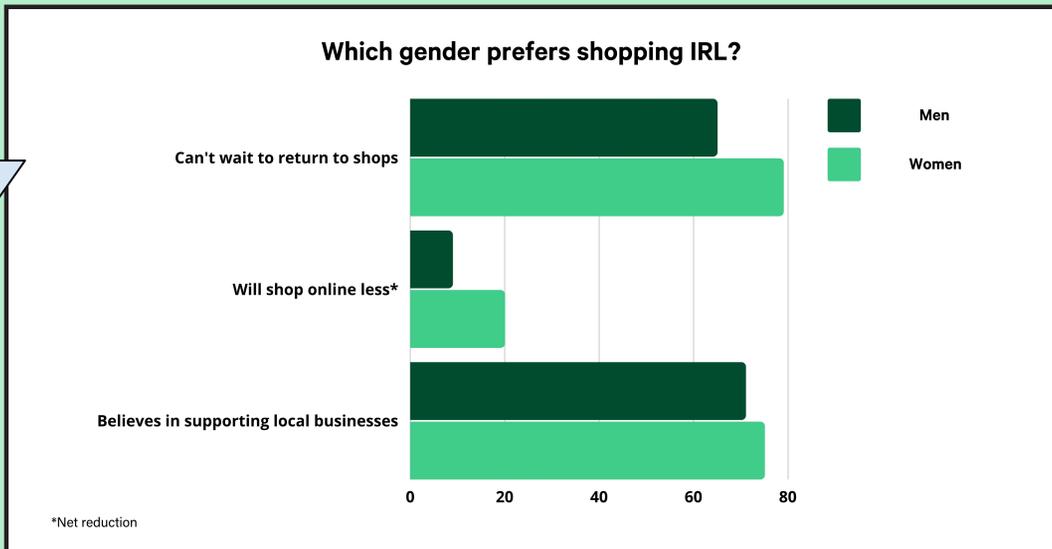
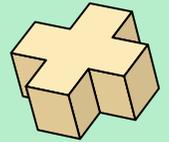
Women have missed shops the most

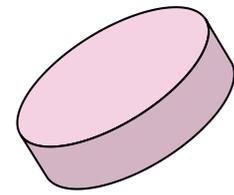
The return to the high street is very much being led by women; 79% of women say they can’t wait to get back to the shops versus 65% of men. Gen Z females especially want to hit the shops; 83.5% versus 68% of males. The sentiment is echoed by 75% of Millennial women, while Millennial males are the least eager to return to physical stores (61%).

Men in general are far more likely to stick with online shopping; we see a 9% net reduction of planned online shopping activity among men, compared with 20% of women. The smallest net reduction is seen among Millennial men; 6% will shop online less versus 12% of Gen Z males.

Women are also more likely to say they care about supporting local businesses than men. Just over 75% of females say shopping locally is important to them versus 71% of men.

6% of Millennial men will shop online less post-pandemic





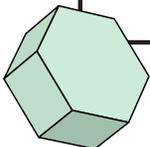
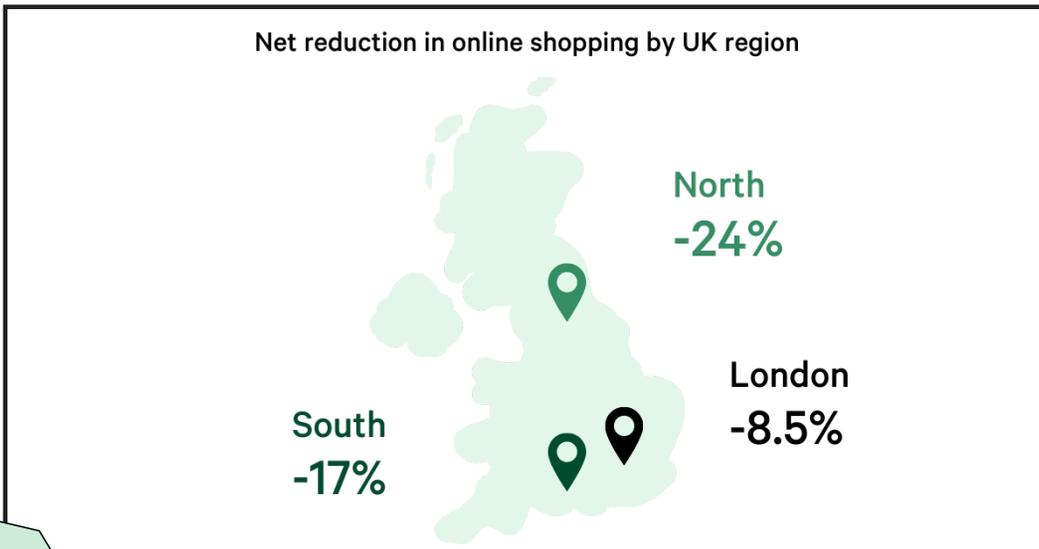
Northerners show more support for local businesses

People who live in the north of the UK are most excited to get back to shopping in physical shops (81% can’t wait) and they show the most intent to decrease online shopping activity (a net reduction of 24%). Northerners also show the most desire to support local businesses (76%), indicating there’s a possible correlation between a consumer’s personal values and how keen they are to return to stores.

Their counterparts in London, on the other hand, are least likely to think shopping locally is important (66%). People in the capital are also the most likely to be planning on maintaining or increasing the amount they shop online, showing the lowest net reduction of 8.5%. Consumers in the capital also remain the most open to taking out new product subscriptions (37%).

8.5% of Londoners plan to reduce online shopping activity

In the south of the UK, shopping locally is also important (75% agree) but people there remain more likely to stick with online shopping than those in the north (a net reduction of 17%). And while 70% of shoppers aged 18-40 in the south agree they can’t wait to get back to physical shops, this is significantly less than their counterparts in the north (81%), highlighting a north/south divide when it comes to the return to the high street.



02



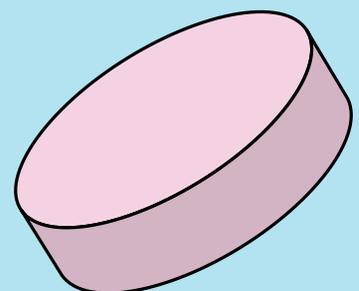
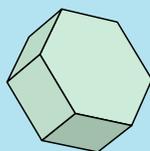
Where to find your D2C customers post-pandemic

What makes someone check out a new D2C brand - and what convinces them to give it a try? We have the answers.

With life beginning to return to normal in the UK and consumer confidence growing, shoppers have their wallets in hand and a spending renaissance is anticipated. While consumers have more choice where to spend their money now that shops are re-open, fortunately for the growing ecommerce and direct-to-consumer (D2C) industries, a large percentage are still committed to online.

D2C brands are especially well positioned to benefit from a spending renaissance, with many people having discovered D2C shopping during the pandemic. Our data finds that attitudes to buying directly are resoundingly positive; 72% of respondents like shopping directly with their favourite brands online. And they're not only interested in the brands they know and love; 84% say they're open to trying new brands.

So, with this in mind, what can D2C brands do to get discovered by new customers and, ultimately, win them over?



Marketplaces are an important distribution channel

Selling via marketplaces invariably means having to give up control - on everything from customer experience to profit margins. It's the reason brands like Nike have decided to withdraw from Amazon. But while cutting ties with marketplaces might be ok for big names like Nike, can smaller brands afford to ignore them?

They certainly play an important role; 71% of respondents agree that marketplaces help them to discover new brands. What's more, thanks to the confidence conferred by the likes of Amazon, brands can increase

their chances of being purchased for the first time. More than half of respondents (53%) say they're more likely to try a new brand on a marketplace than directly with the brand's own website.

With that said, marketplaces are not the primary place for consumers aged 18-40 to start their online shopping journeys. Across all product categories, respondents said they were more likely to begin their search elsewhere. But interestingly, Gen Z respondents do show more preference for marketplaces than their Millennial counterparts, especially in the following categories:

Gen Z vs Millennial preference for marketplaces



Food and drink:
22% versus 12%



Gifts and flowers:
22% versus 12%

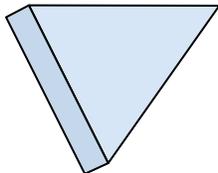


Furniture and homewares:
17.5% versus 11%



Pet care products:
17% versus 11%

71% say marketplaces help them discover new brands



Search engines dominate discovery

Where consumers start their shopping journeys varies from category to category, but most frequently they'll begin on a search engine. Google et al. are the preferred starting point for gifts and flowers, electronics, furniture and homewares, kids stuff, pet care and sporting goods.

There's only one category where shoppers are more likely to head directly to a specific brand's website and that's food and drink. Although clothing and accessories is a close second (people shopping in this category are marginally more likely to start on a website selling multiple brands). Those looking for toiletries, makeup and health supplements are also most likely to begin with a multi-brand retailer.

1 in 10 Gen Z consumers start a clothing shopping trip on social media

Meanwhile, social media is becoming a more popular starting point for shoppers, whether that's heading to a brand's page for inspiration or actually being able to purchase directly from the platform (i.e. Instagram Shopping). This trend is largely being driven by Gen Z. In comparison to Millennials, roughly twice as many Gen Z consumers start their shopping journeys on social media across most of the categories. The leading category for social media shopping is clothing and accessories; over one in 10 people aged 18-25 say they begin their search there.

Where are people most likely to start online shopping journeys?



Search engines

Gifts & flowers
Electronics
Furniture & homewares
Baby & kids stuff
Pet care
Hobbies & sporting goods



Single-brand retailers

Food & drink



Multi-brand retailers

Clothing, shoes, bags & accessories
Toiletries, makeup & health supplements

Go social to get eyeballs on your website

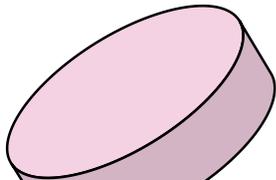
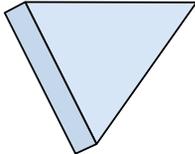
Word-of-mouth is the top driver for brand discovery

We asked respondents what would most persuade them to visit the website of a new brand. The importance of word-of-mouth is no secret and, indeed, getting a recommendation from a friend is the number one thing that would persuade someone to check out a new D2C brand.

Of course, getting people talking about your brand relies on providing stand-out products and a great customer experience. But beyond this, D2C brands can really grow their audience through social media advertising; seeing an ad on a social media platform is the second factor most likely to drive consumers to a new website. Gen Z, especially, respond to social media ads, placing them almost on a par with a recommendation from a friend.

Rounding out the top three is 'ranking high in search results,' which figures given that search engines are where most shoppers start their journeys. PPC and SEO are particularly important for attracting Millennial shoppers - this demographic responds to search results above social media ads.

Least likely to be credited with driving consumers to a brand's websites were all forms of traditional media, including TV and radio adverts, billboards, and newspaper and magazine ads, although these mediums often work on a subliminal level meaning people might be more influenced than they realise.



Discounts and delivery are primary purchase drivers

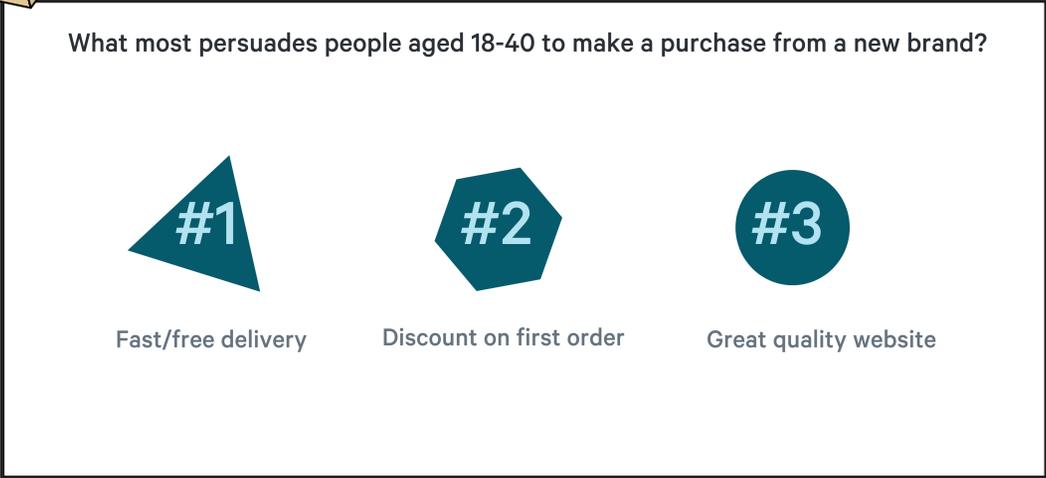
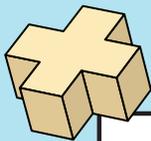
Getting consumers to visit your website is one thing, getting them to actually buy something is another. So what convinces people to get their wallets out? According to our research, providing fast/free delivery is the number one thing that persuades consumers aged 18-40 to make a purchase.

Also ranking highly is offering a discount on the first order. It comes in second place for both demographics, but is more of a motivator for Gen Z. We see a divergence between the two demographics when it comes to the third biggest purchase driver. Millennials are more motivated by a great quality website, while Gen Z are persuaded by a free gift. Millennials also give more preference to brand personality than Gen Z, although it comes in fifth place for both demographics.

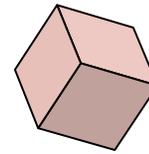
The least important factors in securing a first purchase are providing instant chat/responsive customer service or showing commitment to a particular social or environmental cause. Both demographics rank CSR last, with Millennials only fractionally more motivated by brand purpose.

That's not to say these last two factors are not important, but it's likely they are push factors rather than pull factors. Customer service only becomes important when the consumer has a negative experience. Likewise, a company with a poor CSR track record will deter consumers.

A great quality website is important to Millennials



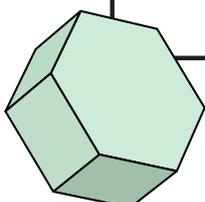
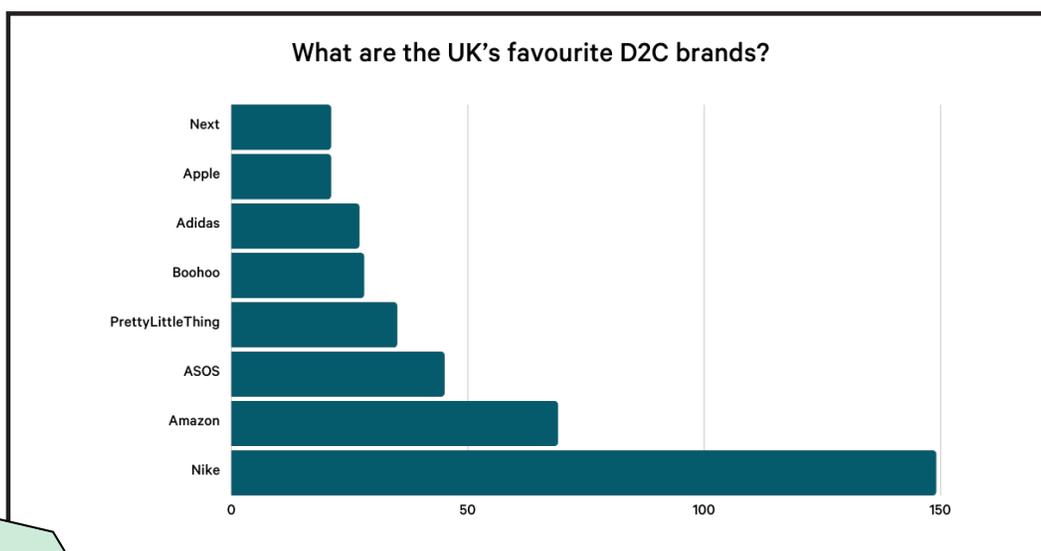
Nike is the favourite D2C brand



For emerging D2C brands wanting to model themselves on those that are already successful, who should they look to? We asked respondents to name a brand they like to shop with directly online. Nike was the most-named brand by a big margin, perhaps indicating that their decision to ditch Amazon was the right one.

Amazon itself was the second most-named brand - and the site does sell a large range of Amazon branded products - although we're unable to tell if respondents were referencing the marketplace's D2C offering or misunderstood the question.

Meanwhile, online-only clothing retailers ASOS, PrettyLittleThing and Boohoo also feature prominently. One thing all of these brands have in common is strong social media. This includes working with of-the-moment influencers to champion their brands, encouraging user-generated content and making products available to purchase in-platform. D2C brands targeting the younger consumer will want to consider a similar strategy.

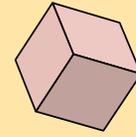


03



How to use TikTok for brand building (and get millions of likes)

TikTok is a hotbed for brand discovery - find out how your brand can get in on the act.



During lockdown, TikTok skyrocketed in popularity reaching an eye-watering 800+ million monthly active users. But the big question is, with people returning to normal life, will usage of the video platform drop off? According to our research, it's only going to get stronger.

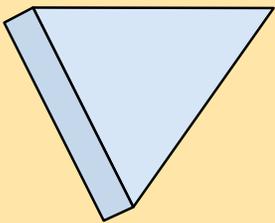
In a survey of 500 UK TikTok users, 54% of people said they will maintain their usage of the platform over the next six months, while 33% will increase it. Only 13% of people who currently use TikTok think their usage will reduce.

What's more, TikTok has become an important place for consumers to discover brands; 79% of respondents to our survey agree they have

discovered new brands through TikTok, while 54% have purchased a brand after seeing it on the platform.

The power of TikTok to drive purchasing was seen earlier this year when users went wild for Little Moons Japanese mochi ice cream balls. Going to 'big Tesco in search of Little Moons' became such a craze that it pushed sales up by more than 1000%.

So should more brands be getting in on the TikTok act? And how can they go about doing it in a way that will resonate with this unique audience? Let's take a look...



Which demographics can brands reach on TikTok?

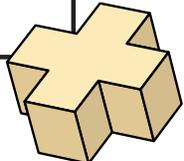
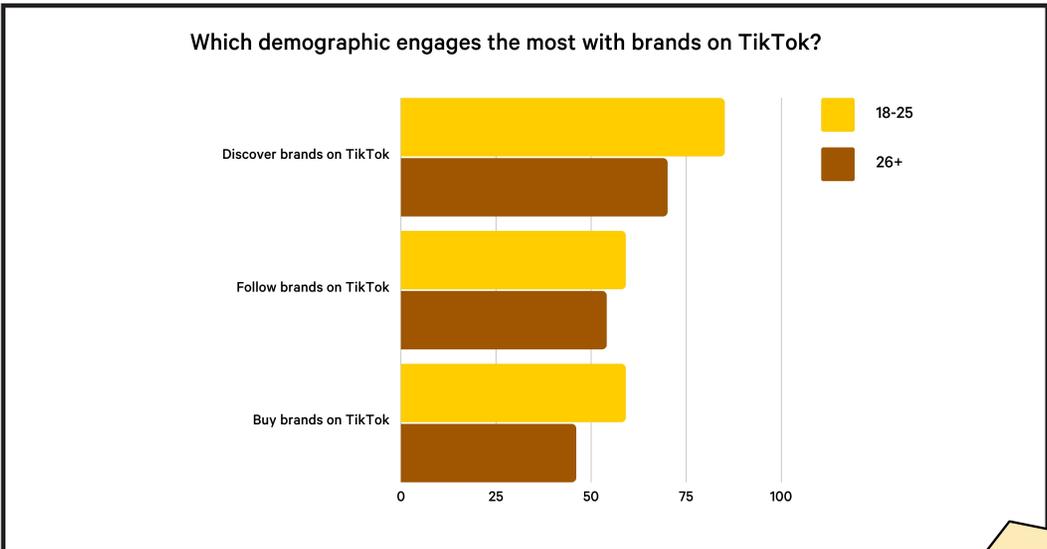
TikTok is often thought of as a Gen Z platform but it's not exclusively youngsters; 43% of respondents to our survey were aged over 25. And what's interesting is that this is the audience showing the biggest growth potential.

Nearly 92% of people in the older age group plan to maintain or increase their usage of the platform in the next six months (including 39% who'll use it more). This is in comparison to 84% of users aged 18-25 (29% of whom intend to increase their usage).

Both demographics largely believe the platform helps them discover brands but it is the younger users who claim to be more engaged with brands there. Just over 59% of TikTok users aged 18-25 say they follow brands on the platform and the same amount say they've gone on to buy brands after seeing them in videos. A lesser 54% of users aged 26+ follow brands on TikTok and 46% have made a purchase.

We see a similar difference in engagement when we split the data by gender - women are more interested in brands on TikTok than men are. Nearly 62% of women follow brands on the platform versus 52% of men. And there's a huge gap when we look at who's being driven to make purchases; 65.5% of women say they've purchased a brand they've seen on TikTok versus 41% of men.

92% of people aged over 25 plan to maintain or increase their usage of TikTok

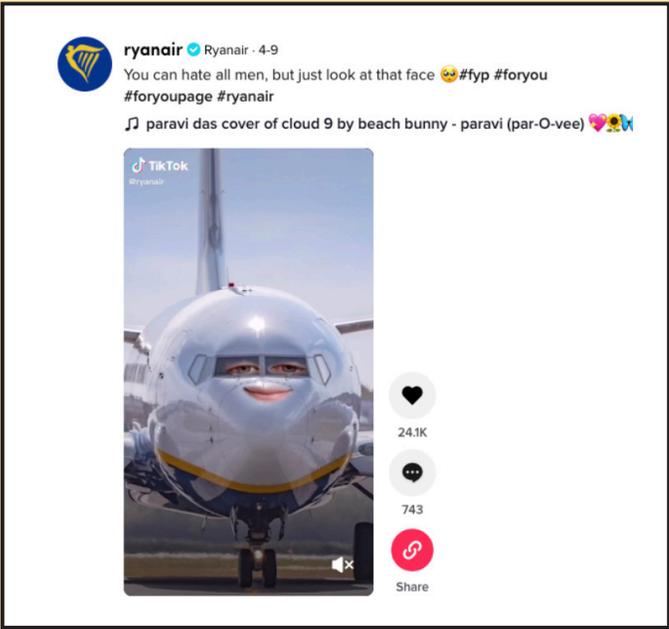
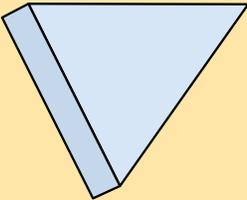
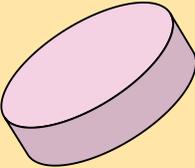


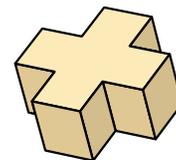
What content do TikTok users want from brands?

Brands wanting to make a mark on TikTok need to put effort into creating suitable content. TikTok comes with its own distinctive filters, stickers and music that render videos made for the platform easily identifiable. It's also known for its homemade, authentic style, which even the slickest of brands need to get on board with in order to fit in.

We asked respondents to our survey what type of content they most like to see from brands on TikTok. The top answer by a big margin was 'funny content'; 74% of Gen Z and 72% of those aged 26+ agreed. Ryanair is one example of a brand that's found success by leaning into the weird side of TikTok with humorous content often centered around trending memes and formats (the brand's content has chalked up 11 million likes).

74% of Gen Z want funny brand content on TikTok

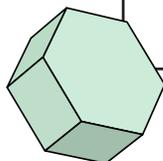
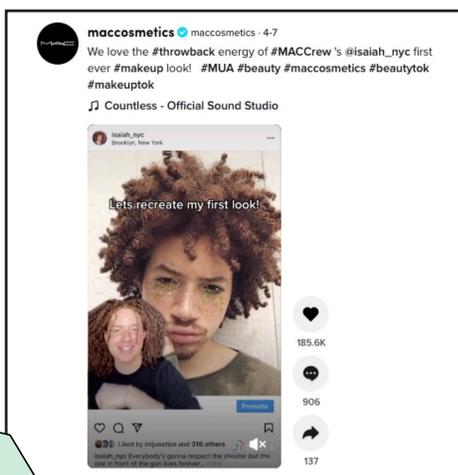




The second-most liked type of content are tutorials (46% Gen Z, 44% 26+). Some brands lend themselves to this more than others, but a great example is MAC Cosmetics, which uses TikTok to show how its products can be used on “all ages, all races, all genders”.

TikTok is also well known for its dances and lip-syncing - and users like it when brands either join in with what’s trending or start their own challenges, although this content is a bit more popular with older users. 41% of those aged 26+ like to see dancing and singing from brands, compared with 36.5% of those aged 18-25.

The beauty of starting a lip sync or dancing challenge is that, if it takes off, brands can bag themselves masses of user-generated content. This is exactly what happened for e.l.f. Cosmetics; their viral dance challenge #EyesLipsFace resulted in 3 million user-generated videos with literally billions of views.



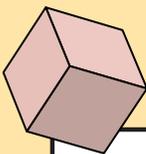
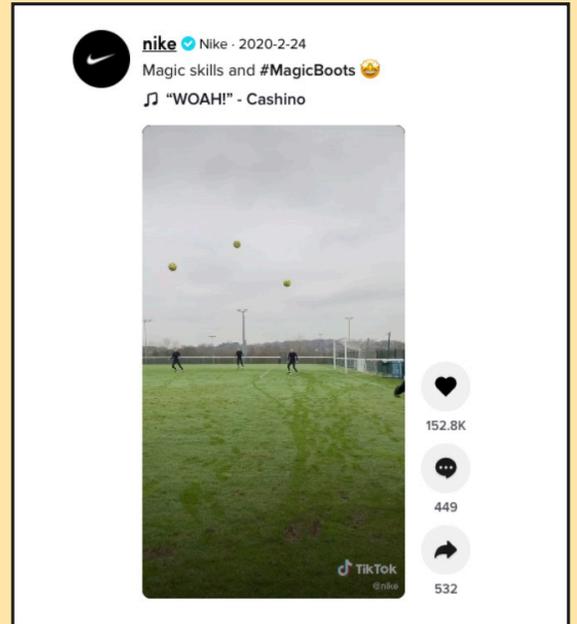
Beyond the top three content types, our survey found that educational and topical content is welcomed from brands (38% of the older age group like this content, as do 35% of the younger demographic). Collaborations with influencers are fifth most popular, although this content type is notably more popular with Gen Z (33% versus 25%). Meanwhile, 29% of both age groups say they like it when brands run hashtag challenges.

The least popular content type is live broadcasts. Gen Z especially are not in favour, with only 16.5% saying they like to watch live content, for example, interviews or Q&A sessions. The older age group remain more open to this type of content, with 25% saying they like it.

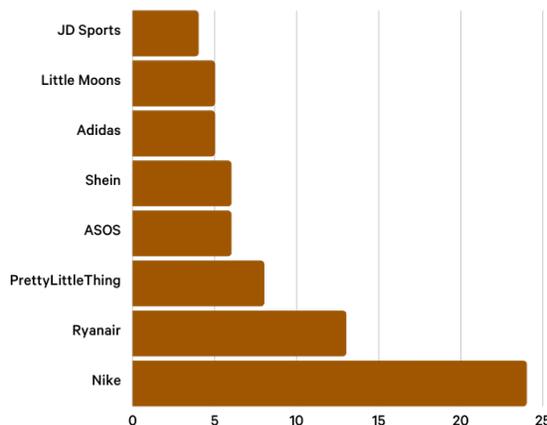
Which brands are smashing it on TikTok?

Nike, which has 1.4 million followers on TikTok, was the brand most likely to be named as one creating good content on the platform. So what's special about Nike's content? It mostly centres around challenges led by sports stars, like #TheReplay, where users are encouraged to post and tag their skills. Then there are humorous spots like #MagicBoots, where footballers get impressively upgraded capabilities thanks to Nike football boots (and a little bit of CGI).

Overall, Nike's content contains a good mix of all the elements (comedy, skills, challenges) that users like to see on TikTok. Other brands to enjoy notable mentions included Ryanair and PrettyLittleThing.



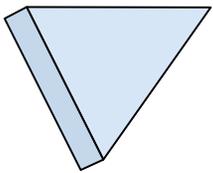
What brands are creating good content on TikTok?



What could TikTok do for your brand?

With a growing user base - and one that's open to discovering new brands - TikTok holds potential for all sorts of different brands. Our data shows the platform is not only useful for brands targeting Gen Z, but can also be used to reach other demographics - even if this is done indirectly, as in the case of Little Moons.

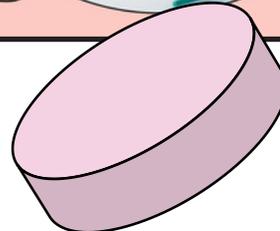
To learn how Little Moons expanded its TikTok success into the mainstream media in order to snag higher value, older customers, check out our [on-demand webinar](#) produced in partnership with The Grocer.



How Little Moons used consumer profiling to boost sales by more than 1000%



Attest | **little moons**
MOCHI ICE CREAM

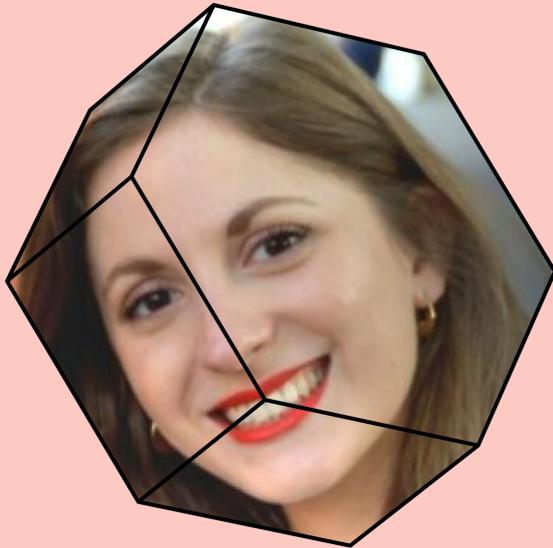


04



Red roses are a cliché – the customer insight that gave Bloom & Wild their most successful Valentine’s Day

Not selling red roses resulted in 4x Valentine’s Day sales growth for D2C flowers brand Bloom & Wild. But why ditch the flower of love?



Charlotte Langley

Brand & Comms Director,
Bloom & Wild



Valentine’s Day 2021 was Bloom & Wild’s most successful to date. The D2C flowers brand boosted sales by four times and secured 51% more press coverage. And it all came down to one crucial piece of consumer insight – red roses are a cliched Valentine’s gift.

On the back of this insight, Bloom & Wild made the radical decision to not sell any red roses for Valentine’s Day. Here, Charlotte Langley, Brand & Communications Director at Bloom & Wild, explains why they had complete confidence in their plan.

But first, how did the credibility of the red rose – the traditional flower of love and passion – come into question? Langley says it was the launch of Bloom & Wild’s new brand platform ‘Care Wildly’ that gave them pause for thought. The platform celebrates the honest feelings and real relationships that sit behind the flowers we send to people we love.

“We just questioned whether red roses were really feeding into and supporting our Care Wildly ethos, and if they were really helping our customers show they care.”

The team wanted to know what UK consumers thought about gifting red roses on Valentine’s Day, so they used Attest to survey them. The results backed up the doubts they’d had internally. “We found that 79% of people would prefer to receive a thoughtful gift rather than something traditional, like red roses,” says Langley. “58% of people thought red roses were a cliché. And they actually came bottom as the least favourite gift that people had received for Valentine’s Day. So that gave us confidence that we had correctly sensed growing reluctance towards those sort of Valentine’s Day clichés.”

The most talked-about flower brand

“We try to be insight-driven in everything that we do.”

Now they had the insight about red roses, how should they action it? Langley realised this was an opportunity not only to improve the product offering and experience for customers, but also to generate some noise for Bloom & Wild.

“Our ambition was to be the most talked-about flower brand on Valentine’s Day in the press and on social.”

She adds: “The survey that we ran on Attest really helped give us confidence in the decision to stop selling red roses. But also, with strong stats like that, we were confident that we’d have a compelling story to take to the press that would help us on that goal to being the most talked-about brand.”

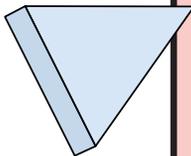
Bloom & Wild’s decision to turn their backs on red roses had the desired effect, sparking debate across the nation. They achieved impressive media coverage, with 30 articles that specifically mentioned the campaign (not just their bouquets,

which generally enjoy attention at the time of year). Overall, coverage was up by 51% year-on-year.

“This survey gave us those key stats that we could share with the press and helped us show that there’s a broader trend, which is worth writing about.”

As a result of the No Red Roses campaign, Bloom & Wild enjoyed their biggest ever Valentine’s Day. But did they achieve their goal of being the most talked-about flower brand?

Langley reveals: “Yes we did. We secured more press coverage than any of our key competitors. And importantly we generated some brilliant conversation in our social channels as people shared the beautifully thoughtful demonstrations of love they’d experienced. We were thrilled that the message had clearly resonated with our audience.”



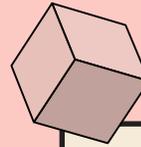
The power behind the flowers

The success of the No Red Roses campaign has reinforced Bloom & Wild’s commitment to putting consumer insight behind their business decisions. Staying in regular contact with their audience allows them to both validate their own ideas and find fresh inspiration.

“In the past, we’ve run surveys on other seasonal moments, like Christmas to help us get into the customer mindsets and give us inspiration for how we message around those times of year.” Langley adds that Bloom & Wild also use Attest to monitor the effectiveness of their marketing campaigns.

“We track shifting key metrics, like awareness and consideration very carefully and also how our brand is perceived. That helps us to make sure that our media plan is working and that the creative is working hard. And also it helps us to identify areas of opportunity, like new products or how we can better serve the category drivers or overcome barriers.”

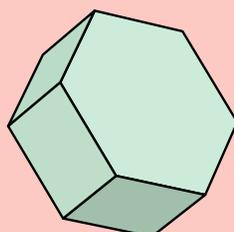
In addition to consumer surveys, Bloom & Wild use focus groups and user testing to make sure their business is truly customer-centric. Consumer research has also been central to helping the company expand into new markets. “We try to be insight-driven in everything that we do,” says Langley. “Research and insight is really important in shaping our product offerings.”



For example, when we launched our Christmas tree range, it helped us understand things like, what size tree do people want, how much are they prepared to pay for it, what are the key pain points that we can solve?”

But it’s not just about ideation; it’s about iteration. Langley concludes that getting consumer feedback at every stage is the best way to improve customer experience and, in turn, maximise that all-important Net Promoter Score.

“We test everything from big creative things, like TV ads, down to smaller creative decisions, like e-commerce photography. We’ve also tested educational communications, like our flower arranging guides. We observe customers interacting with our product and our site so that we can make sure that we’re understanding how people do that. We’re always focusing on our customer experience and how we can make it even better.”

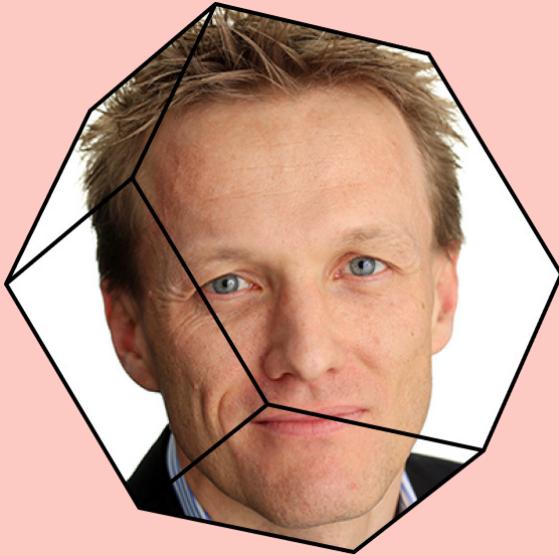
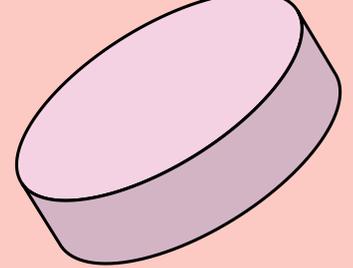


05

Beauty Pie CMO Rob Weston on the beauty of the D2C model

Ask not what your customer can do for you, but what you can do for your customer, says Beauty Pie.





Rob Weston

CMO, Beauty Pie

BEAUTY PIE™

Beauty Pie is the D2C brand Elle magazine describes as a “game-changer” and Glamour calls “disruptive and brilliant.” The beauty subscription business gives shoppers access to luxury skincare and cosmetic products directly from laboratories at a vastly discounted price.

We sat down with Beauty Pie’s Chief Marketing Officer Rob Weston to find out how a consumer-first approach can succeed in winning D2C brands hoards of loyal fans.

You have recently joined Beauty Pie, following an esteemed career across big retail brands such as Samsung, M&S and John Lewis. What drew you to Beauty Pie?

“I had spent enough time in oil tankers and was looking for a rocket ship. In Beauty Pie I found one.”

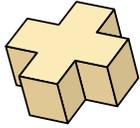
Beauty Pie is completely changing the face of the beauty industry, can you share more about your unique D2C/ subscription business model, and your current growth?

“Beauty Pie is the first online-only D2C buyers’ club for luxury beauty and health products, where every day, thousands and thousands of people can shop direct from the world’s best labs.

And because we do not add markup nor middlemen costs, we can afford to concentrate on the quality of our products, while allowing our members to shop up to 80% off typical retail prices.

“We are all about the product as it is the ultimate loyalty driver. We are about empowerment, self-worth, and teaching women (and men) that they deserve a bigger piece of it, even if ‘getting more’ starts with the price of an amazing moisturiser.

“Our business model has proven extremely resilient during the global pandemic, and we continue to grow exponentially in terms of memberships and product sales, and also workforce.”



“Make decisions because they are the right thing to do, not because you’re chasing a quarterly earnings target. Success follows the consumer-minded.”

With this phenomenal growth and success, you’re really leading the way in the growing world of D2C. If you had to map-out a few core choices and ingredients to build a successful D2C business, what would they be?

“Leverage the opportunities that digital can bring - whether that is in an app or on your desktop or on your journey home from work. It’s about helping you shop whenever you fancy and building an experience for the customer around that digital piece.

“The importance of having the right mindset is something that our founder, Marcia Kilgore, drilled into me from the very get go. When thinking about what to do, whether that be place, pricing or subscription types, speak to the customer, engage with them on their terms and let them tell you the answer. There are lots of exciting opportunities for D2C players to work with new partners and pop ups, and we will see a big blend of the digital and bricks and mortar world.”

What are the secret sauces for D2C success?

“Number one is engagement: empowerment is ultimately about helping customers to engage on their own terms. Being digital is an advantage as it brings convenience (especially during these uncertain times!) and digital storytelling is key. It is important to recognise that nowadays, most stories are conversations, which is where being transparent comes in. Be as transparent as possible and take people with you on the ride. Be human. Do not be a corporation. You only control the narrative until you publish it, so what you say must match what you do.”

On the other hand, what are some of the pitfalls or classic mistakes you’ve seen across D2C?

“One of the most common ones is the lack of a compelling USP. I am a strong believer in the WHAT and WHY behind a company, and if a D2C brand fails to clearly provide answers to these questions, it will not

appeal to consumers when competing against others. “Separately, most D2C brands use their website as their main channel and therefore having a malfunctioning website is an obstacle as it provides a complex customer journey, and limits SEO benefit which all negatively impact sales.”

Finally, could you share one piece of advice for businesses starting out on their D2C adventure in 2021?

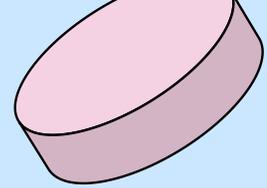
“Play to your strengths. Do what the big brands cannot do. And enjoy the benefits of being small. This means turning on a dime, making cross-functional decisions at light speed. Have conversations with your customers and the community at large - don’t talk at them. And make decisions because they are the right thing to do, not because you’re chasing a quarterly earnings target. Success follows the consumer-minded.” ▲

06

How DRY have ridden the growth of the sober curious movement

Low and no alcohol drinks are having a moment in the US. Here's how DRY have used Attest to understand the new opportunity.





Founded by Sharelle Klaus, 15 years ago, DRY was a brand ahead of its time; created to elevate the art of non-alcoholic celebratory drinks with sophisticated, crafted options. Finally, the market is now catching up.

Growth of the sober curious movement and a burgeoning low and no alcohol drinks segment stateside has changed the game, and, in this case study, we'll look at how DRY have used Attest to understand the new opportunity.

Chief Revenue Officer, Betsy Frost says the company is going through a “second wave of start-up” after rebranding their core product from Dry Sparkling Soda to Dry Botanical Bubbly and ramping up their focus on direct-to-consumer sales (D2C).

“After our initial growth curve, we have relaunched under our brand purpose, social drinking for everyone,” she says.

While the US is still some way behind places like the UK in terms of market maturity, the interest in non-alcoholic beverages has reached a tipping point.

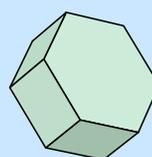
“When Sharelle started the company, the conversation around zero-proof was largely around recovery and pregnancy. Today, people are either drinking less or walking away from alcohol altogether as part of their health and wellness routines. But they don't want to give up the ritual of social drinking and are looking for things that

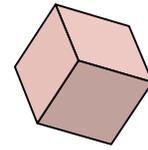
are interesting, sophisticated and fun. We are now seeing all kinds of offerings enter the market, which is exciting for everyone.”

Unfortunately, the change in tide came at a time when traditional routes to market were disrupted. Pub and bar closures due to coronavirus meant that manufacturers had to switch from on-premise to off-premise and seek out retail placements. This isn't an easy pivot, but alongside the challenge came an opportunity – new demand online. “Emerging brands that were planning 2019/2020 launches pivoted to the digital space as their core route to market quickly,” Frost says. “And with sober curious consumers connecting over Instagram, an efficient marketplace has quickly emerged.”

DRY have leveraged the increased demand to grow their D2C offering, while also benefiting from a national retailer footprint, established over the last 15 years. This has put DRY several steps ahead of their competitors, but the company are now seeking to push the whole sector forward by joining forces with other low and no alcohol brands.

“We have national distribution in a category that is emerging so we're trying to create a new category space. We're building a collation so we can go in and do it together because there's really no place for any of this to land in-store at the moment.”





Innovating in zero-proof

As innovation in the craft non-alcoholic beverage space has exploded, DRY continue to innovate on what zero-proof can deliver.

Frost and her team have been innovating to expand DRY’s product range and used Attest to help refine their first launch of DRY Botanical Bitters & Soda.

“The first inspiration came from our own team’s behaviour and home experimentation and we heard the need for more interesting, less sweet options from a lot of our friends and fans,” Frost explains. “But, we needed better intuition if the job we were trying to do was being translated in the first moment of truth.”

Frost, who was previously a marketing director at General Mills, adds that Attest has helped them to navigate challenges presented by the pandemic during the product development process.

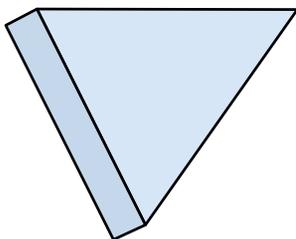
“Our original plan was to demo the product in store and at some bars and tasting rooms where people are drinking or looking for alternatives, to try and buy, but we were unable to do that because of the pandemic.”

Instead, DRY worked with small focus groups and then used Attest to validate the findings on a larger scale. Frost terms the research method “quasi-quant” because the quantitative stats are grounded in qualitative research.

“I’ve been using Attest to get gut, first moment of truth, reactions to concepts and to expand my sample sizes,” she says. “I’ve been doing in-depth focus groups with people, showing them the shelf set, seeing what they see, understanding where the brand is versus other brands, and then using Attest.”

“It gives me a larger sample size of a random group of people to see if what I am getting on a micro-level holds or to highlight gaps or warning signs in the feedback from a smaller, tip of the spear group. The directional look from Attest has also helped me come up with areas to dig deeper in qualitative conversations or refocus. For example, if I see 65% of people who highly like this product concept are men and my early interviews were primarily with women, I wanted to make sure that I was getting input from the right people.”

“We need to make sure we stay close to how people respond and are inspired by the category.”



Insight when you need it

According to Frost, she had a “high need” for insights when DRY signed up with Attest. At General Mills, she worked alongside a team of consumer researchers, but now that she doesn’t have those resources, getting data is more of a challenge. Frost has tried other self-service research tools but says Attest has several advantages.



“The Attest interface is fast and makes creating and analyzing surveys and pulses easier than other tools I have used. I can field and get results back within eight hours and the variety of marketing research templates and direct analyst support has also been very helpful. On the backend, it is easy to filter by question, segment audiences and find insights directly in the tool.”

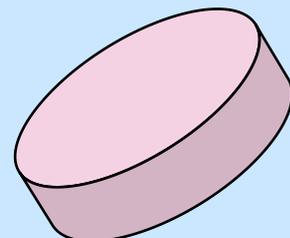
The real-time nature of the platform has enabled her to bring up-to-date insights into recent

meetings with retail stockists: “The week before a meeting with one of our most important customers, we wanted to bring something more to the table. I was able to use the platform to directly reach their shoppers and bring in new, actionable data to the conversation.”

Looking ahead, Frost plans to use Attest for message testing and continued innovation work. Following DRY’s rebrand, she’s keen to see if the brand’s original customer base understands the new direction and how to best drive new penetration.

“Over the past year, we have seen the consumer and the zero-proof marketplace evolve rapidly. There are multiple non-alcoholic spirits, beers and ready to drink options that have just launched in the last 24 months and consumers’ adoption of alcohol alternatives has accelerated.

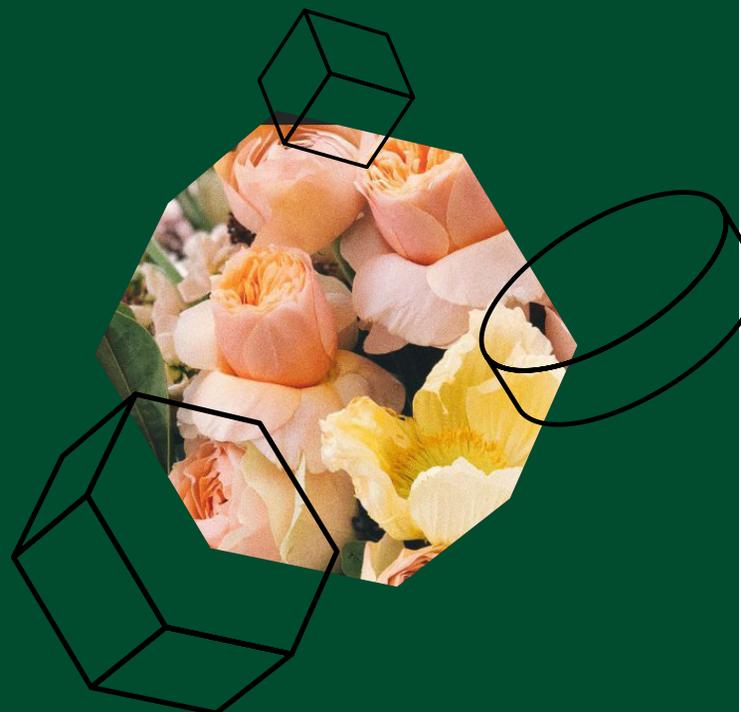
“What started as a sober curious trend, has moved to *something I might just incorporate as an alternative for tonight* and we need to make sure that we continue to stay close to how people respond and are inspired by the category.”



07

Bloom & Wild CEO Aron Gelbard on the secrets to D2C success

Bloom & Wild has built its success on four pillars - and staying true to them as they grow is helping the brand flourish.





Aron Gelbard
CEO, Bloom & Wild



Growing a direct-to-consumer (D2C) brand from a tiny seed to a flourishing business is no small feat. Bloom & Wild is the flowers and gifting company that's recently secured £75 million in Series D funding.

CEO and Founder of the company Aron Gelbard gave us the low-down on the importance of building D2C businesses on strong foundations.

You've experienced amazing growth and are leading the way for the D2C business model. If you had to map out a few core choices for early-stage D2C businesses, what would they be?

"We tried to define a few pillars on which we would look to build

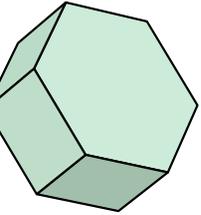
our company at the beginning and we've really stuck to those. Those pillars are supply chain, technology, physical product and proposition. And I think we figured out early on that we needed to be advantaged and differentiated across all of those.

"In our case, supply chain innovation meant developing a shorter, less expensive, more sustainable approach. For technology, it meant investing in bespoke technology in a way that others in our category didn't. Proposition initially meant letterbox flowers but I think now it means something much broader than that as we expand into more categories including hand-tied bouquets, plants and Christmas trees, for example. "We really embraced those pillars and looked to use those to build advantage. And then

from that advantage, we were well-positioned to raise money. We continue to get better at those things. And those things are probably a sensible starting point for most D2C businesses."

What are the D2C businesses that inspire you and what makes them stand up against those that don't perform as well?

"Two later stage businesses that I've looked at a lot are [Graze](#) and [Gousto](#). With Graze, I guess my inspiration for letterbox came from them. I think also just the innovativeness of the product within the category has been super interesting. And the way that they've embraced data and technology in a bespoke fashion has been really interesting too.



“With Gousto, I think we’ve learned more about operations and building out of supply at a greater scale. They’ve become increasingly focused on sustainability and impact and that has been really inspiring. Our own sustainability commitments have benefitted from that inspiration.”

“It’s the best possible time to try and be creative and see if you gain traction.”

And could you pick out one or two earlier stage D2C brands that you think are doing something wild or new or exciting?

“I’d say one early-stage business that I really admire and think is doing really well is Motley, a jewellery brand. They’re actually building a business that feels like a hybrid between D2C and platform in a really interesting way. So, on the one hand, they’re a D2C jewellery business. On the other hand, part of their mission is to be a way that jewellery designers can be discovered and grow.

“It’s more sustainable for the designers than trying to start out on their own because it’s hard to finance your cost of production or designing for some other large retailer where you make a terrible margin and you have no creative freedom. And I think that Motley’s embracing of mission within a D2C context is really interesting and something that we can all consider as we think about building innovation into our businesses.”

What are some of the pitfalls or classic mistakes you see D2C companies make?

“Well, there’s quite a few; discipline on unit economics, raising as much as you can, spending it as quickly as possible, not thinking about the right level to spend for different types of activity and the return that you get on that investment.

“Overlooking ROI seems to be the single biggest one. People will have a £100 cost-per-click on Facebook and they know that the margin is £10 and that the customer probably isn’t going to repeat and that’s just never going to make sense. D2C businesses are certainly going to destroy value doing that.”

Could you share one piece of advice for businesses starting out on their D2C adventure right now?

“Just embrace it and dive in. This is a unique time for D2C and ecommerce. People’s shopping habits have changed and I expect much of that change to be permanent. While some of us will return to buying as little as possible online as soon as we can, many of us have become so accustomed to using the internet that the market opportunity is therefore so much bigger.

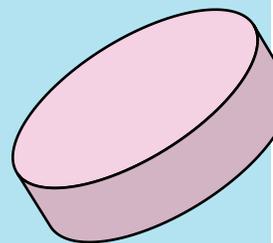
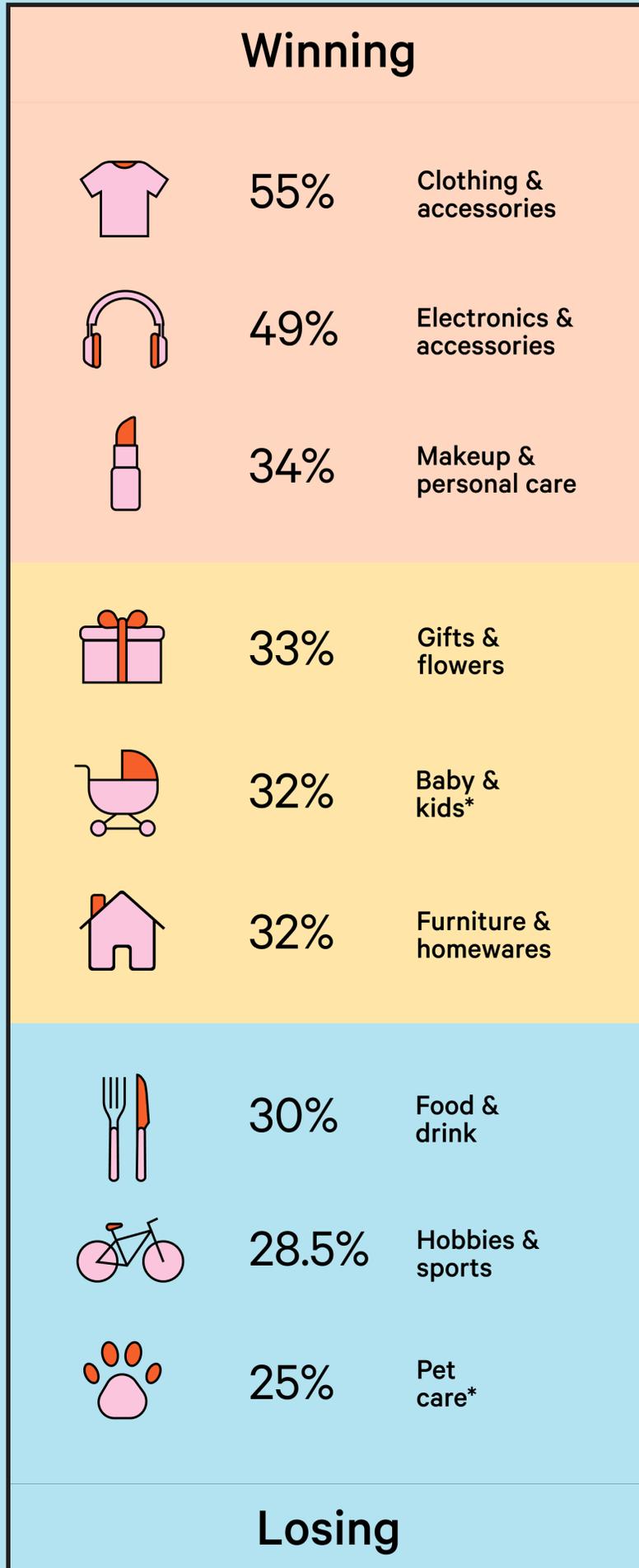
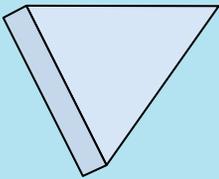
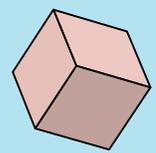
“I think there’s space for people to innovate in more categories. Categories that might not have been either big enough or mature enough to support D2C innovation in the past can now support new, innovative businesses. It’s the best possible time to try and be creative and see if you gain traction.” ▲

08

Back to the shops? The D2C winners and losers

Which direct-to-consumer categories will people prefer to shop for online post-pandemic? Attest surveyed 1,000 UK consumers aged 18-40 about their preferences...





*Data filtered by parents/pet owners



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