Direct-to-consumer growth without the growing pains.

Five key challenges for fast-growing direct-to-consumer sellers, and how to overcome them.

Online sales accounted for more than 100 percent of all gains in retail in 2020, while sales through all other channels—including stores, catalogs, and call centers—actually declined, according to Digital Commerce 360 estimates. What's more, those offline channels are likely to remain in limbo for months or even years to come. For manufacturers and other B2B sellers who rely on brick-and-mortar retailers to move their products, this is a big problem.

To compensate for smaller wholesale orders, a growing number of B2B organizations are selling directly to consumers (D2C) online. It's a proven strategy that widely known manufacturers such as Nespresso and Nike were finding success with long before the pandemic. In fact, direct sales represent one-third of Nike's revenues.

However, while D2C selling may not be as complex as selling to businesses, it comes with its own unique challenges—especially if your consumer-facing web store is growing faster than originally anticipated. The key to maintaining your rapid growth is to continually monitor performance, identify opportunities for improvement, and take decisive action.

This eBook identifies five key growing pains that can stymie your D2C growth—and how to overcome each one.

1. Your web traffic has increased but your site is slowing down.

If your D2C marketing strategies—such as SEO, paid advertising, email campaigns, etc.—have been successful, your web traffic should be increasing. This will mean more page views and, hopefully, more transactions.

But sometimes success can introduce new challenges. For example, increased web traffic can result in longer page load times. Not only will some customers leave your site if pages take too long to load, but Google now considers page load speeds in its search rankings. Moreover, large volumes of transactions can cause processing lags and even freeze the end user's internet browser.

If you want to remain competitive, improving the performance of your digital storefront should be your top priority. The time to act is now—before your next big holiday sale or high-profile marketing campaign.
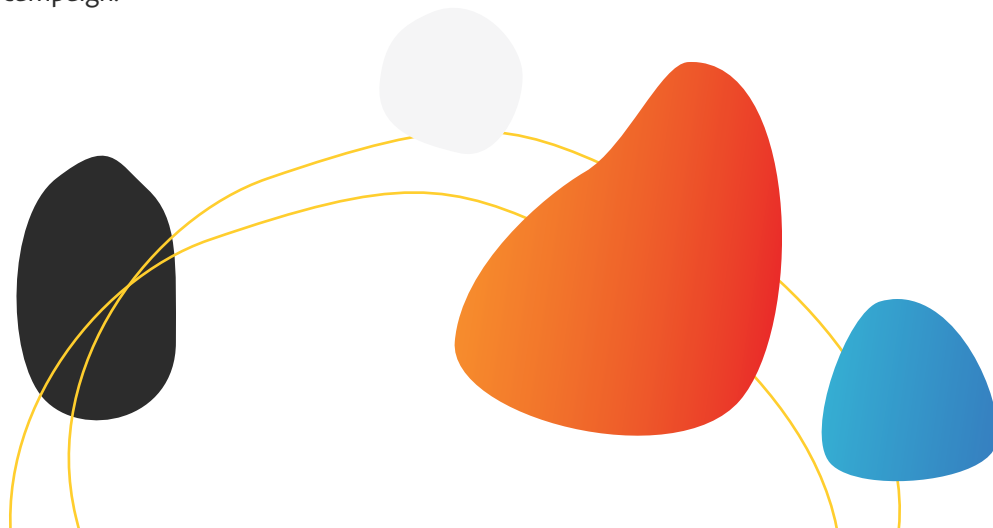
How to tell if site speed is a challenge.

The following metrics can help you gauge how well your D2C website is handling traffic and transaction surges:

- **Uptime/downtime vs. transaction volume:** If you see a correlation between high transaction volumes and downtime, then increased transaction volume may be causing your site to crash.

- **Transaction processing speed:** If it's taking longer on average to process a transaction, then growing transaction volume may be slowing down your checkout process.

- **Average page load time:** If page load times are increasing, then your site may be struggling with high volumes of web traffic.

Strategies to improve site-wide speed.

If your site is having difficulty handling growing volumes of traffic or transactions, it's time to take a closer look at your infrastructure. For example, if you run your D2C website on premises, you may want to consider moving to the cloud, which can scale more easily and is less expensive to operate.

If your D2C website is already in the cloud, you'll want to take a closer look at your service agreements. Ideally, they should include options for scaling your site in response to traffic and transaction increases—such as during major holidays or sales—and adding new capacity to your site to support sustained, long-term growth.

Wyze Labs rises to the challenge.

After Wyze started selling its low-cost wireless camera Wyze Cam direct to consumers, they had to deal with occasional "sales surges" of more than a million transactions in a single day. They also experienced sporadic web traffic spikes of 8x–15x baseline.

While all this growth was good news, it also presented a worrisome challenge. The company's Woo Commerce web shop couldn't handle the traffic loads, creating a cascade of problems ranging from database management and reporting issues to payment gateway delays.

They solved these challenges by switching to the Adobe Commerce platform with a managed cloud infrastructure. The changes were striking. The old website had taken eight seconds to load, but the new site was lightning fast with page loads at just two seconds. Similarly, the old Wyze web shop had been able to handle 20 orders per minute maximum—but the new one could support up to 850.

Read the full case study.

2. Maintaining the several sites you're running takes up all your time.

Easily maintaining multiple digital channels is essential to scaling your D2C business. According to an Adobe survey of e-commerce companies, 49 percent of respondents said the single most popular growth strategy is starting a new e-commerce site.

However, maintaining multiple B2B and B2C sites can be extremely time-consuming, especially if they're each running on different platforms or even on different instances of the same platform. Each site may have to be maintained by a separate team or third-party contractor with a distinct skill set. Product information and digital merchandising updates may require making manual updates to multiple systems.

Also, managing content updates across multiple sites can be wildly inefficient. Your team must learn how to use a different administrative function for every commerce platform you run while ensuring product and pricing information stays consistent across all your sites. Depending on the platforms you're using, these updates may also require you to get help from IT.

Additionally, you may have to integrate each e-commerce platform with your ERP system to ensure a two-way data flow so information like product availability and pricing, customer purchase history, shipping status, new orders, etc. can be continually synchronized. Moreover, each integration must be periodically updated and maintained.

For D2C sellers, cumbersome site maintenance requirements can be a major obstacle to future growth.

How to tell if multi-channel maintenance is a challenge.

These questions can help you assess if multi-channel maintenance is becoming a problem for your D2C sales effort:

- Are your D2C websites running on the same platform as your B2B/wholesale platform?
- How many members of the commerce team are actively involved in site updates each month? About how many hours do they spend on it?
- How many members of the IT team are actively involved in site updates each month? About how many hours do they spend on it?
- Is the information on any of your D2C sites consistently out of date?
- Would you update site content more frequently if the process was less time-consuming?
- Is sales data from your D2C sites promptly transferred to your ERP and other key back-end systems?

Strategies for streamlining and simplifying multi-channel maintenance.

If maintaining your D2C sites is absorbing an inordinate amount of time and resources, you may need to take a closer look at your e-commerce environment. Ideally, you should only need a single, unified e-commerce platform to run all your digital stores across all your lines of business. This includes your B2B sites as well.

Moreover, you should be able to easily maintain all of them through a single back end and rely on a single, shared product catalog. That way, changes to product information are automatically made across all your sites.

While the idea of switching multiple sites to a single platform can seem daunting, it will save you both time and money over the long haul as well as set the stage for faster growth.

ASUS builds a dream experience for gamers and resellers.

Computer manufacturer ASUS is known for the Republic of Gamers (ROG), its high-performance and highly customizable gaming line of computers and laptops. Until recently, its regional business in Singapore sold ROG products exclusively through a network of resellers based in retail stores. It was a successful strategy—but they thought they could do better.

First, they wanted to improve communications with resellers and streamline the purchase and distribution of ROG products. Second, they wanted to add D2C sales with a tailored experience that resonated with their gaming community. To accomplish both these goals, they needed an e-commerce platform with a unified approach to B2C and B2B selling that combined a flexible, customizable front end with automated back-end processes.

ASUS Singapore chose Adobe Commerce as the commerce platform for their D2C and B2B sales. Since the project's launch, revenue has grown by 56 percent. Web sessions have jumped by more than 32 percent, and page views have improved by more than one-third.

Read the full case study.

Since launching the project, ASUS Singapore has seen:

+56%
in revenue

+32%
in web sessions

+33%
in page views

3. Your product listings are often out of sync with actual inventory levels.

It is critical that product listings accurately reflect product availability. Otherwise, customers may place orders that cannot be fulfilled for days or weeks. This can damage business and customer relationships, leading to negative reviews and social media posts.

But syncing inventory data is a challenge when you're selling through multiple B2B and D2C commerce sites and other channels. At many organizations, inventory is stored in the ERP system. This means that your commerce platform should be able to both transmit and receive inventory data in near real time.

When you start ramping up your D2C presence, syncing inventory data and quickly updating product listings with accurate availability data become increasingly important.

How to tell if synchronizing inventory is a challenge.

These questions can help you evaluate if syncing inventory data is an issue for your D2C web stores:

- Is product availability data on your D2C websites typically accurate? Is it also accurate on your B2B sites?
- Do your customers often order products that are actually out of stock?
- How often is product availability data in your e-commerce system updated? Does updating entail running a batch process and/or manually uploading files?
- How quickly are backorders communicated to your company's operations team?
- Can customers get accurate updates on the status of backordered products?

Strategies for synchronizing inventory levels.

To sync inventory data, your e-commerce platform must be closely integrated with your ERP. This means your e-commerce platform, at a minimum, must provide flexible APIs that developers can use to build a connector. Even better is choosing a pre-built connector that can be easily modified for your environment.

If your e-commerce platform is well known to systems integrators and widely implemented, it's more likely you will be able to find these connectors. A solutions partner that knows your e-commerce platform and Adobe's **Magento Marketplace** is a good place to start.

4. Your competitors offer a personalized experience—one that you can't match.

As e-commerce becomes the default way to shop, consumers are offered more choices than ever. Increasingly, customers prefer websites that offer a personalized experience—one that includes relevant content, tailored product recommendations, intelligent search, and individualized offers.

The success of Amazon and Netflix is a testament to how effective personalization strategies can be at driving extreme growth. A survey by Accenture found 91 percent of consumers are more likely to shop with brands that recognize them and provide relevant offers. Research by BCG, meanwhile, shows that best-in-class personalization can increase average order value (AOV) by 10–20 percent.

But personalizing your D2C site can be challenging, especially if your business is configured toward B2B selling. And if your D2C site is built on an aging platform, you may not be able to take advantage of emerging personalization technology powered by artificial intelligence (AI).

91%
More than 90 percent of consumers are more likely to shop with brands that recognize them and provide relevant offers.

10-20%
An increase in AOV of 10-20% can be attributed to best-in-class personalization.

How to tell if personalization is a challenge.

These questions can help you ascertain how well your D2C website is delivering a personalized experience:

- Does your website refresh content often (e.g., every day or every week)?
- Does your website serve up personalized content, promotions, and product recommendations based on shopper behavior?
- Does your website offer personalized product recommendations? If so:
    - Do you use machine learning/AI to generate recommendations?
    - Do you provide recommendations in real time?
    - Do your recommendations perform well with new and existing customers?

- Does your website offer a rich product experience rather than simple, text-based listings? If so:
    - Does it integrate multiple media, videos, and/or 3D imagery?
    - Does it let shoppers "test-drive" your product via augmented reality?
    - Does it include user-generated content?

- Can customers easily check their order status?
- Does your website offer live chat? If so:
    - Is it easy to start?
    - Is it powered by humans or AI rather than a manual script?

- Does your website offer intelligent search powered by AI?

Every "no" answer to these questions is an opportunity to make your D2C customer experience more personalized and increase AOV.

Strategies for delivering a smarter and more personalized D2C experience.

AI promises to make it vastly easier to deliver a personalized experience. Without AI, creating personalized experiences typically entails setting up complex rules on which products to recommend to which customers and when—rules that must be frequently updated. This level of effort is out of reach for all but the biggest organizations with a multitude of dedicated business analysts.

Until fairly recently, integrating AI into your D2C web presence meant hiring a team of developers. Again, this made AI-powered personalization accessible to only the very largest sellers. Today, affordable AI personalization tools are widely available. With these tools, you can easily deliver personalized content, product recommendations, and offers without the need for extensive customizations.

Another way to make your D2C experience richer and more personalized is to combine AI-enabled insights with augmented reality (AR). AR can help you transform product listings into a personalized product experience. Examples include allowing shoppers to try on clothes in a virtual dressing room, virtually install an appliance in their kitchen, or simulate the look of new siding on their house.

However, to deliver a personalized experience that really stands out, you need more than just AI and AR. You need an intelligent commerce approach that anticipates individual customer wants and needs, and then delivers experiences in a frictionless and integrated way. If your D2C websites don't offer a great deal of personalization, researching platforms that offer intelligent commerce is a great next step.

5. You attract a lot of mobile visitors, yet your mobile conversion rates are poor.

It's an unavoidable fact of D2C commerce that shoppers are engaging brands more on their mobile devices. In fact, mobile traffic accounts for 60 percent of visits to e-commerce sites, according to Adobe's *Digital Economy Index*. But the experience must be seamless, or mobile shoppers will end their journey rather than make a purchase.

According to user research, having to enlarge a mobile screen to touch a link or button ranks among the most frustrating elements of the mobile user experience, suggesting many websites are not optimized for mobile. Other common issues include:

- Small text and images
- Limited functionality that requires mobile users to switch to desktop mode
- Tiny forms
- Insufficient product information

If your mobile site isn't delivering the conversion rates you want, you may need to revamp your mobile user interface.

How to tell if mobile selling is problematic.

Asking these questions can help you determine if you're offering a mobile experience that appeals to consumers:

- Are you satisfied with your mobile conversion rates?
- Can customers easily shop without downloading a mobile app?
- Did you optimize your web design and experience for mobile devices?
- Can customers easily shop on their mobile devices? If so:
    - Can they view product information without zooming and pinching?
    - Can they easily fill out payment forms?
    - Is text large enough to be legible?
    - Can they access all website functions without switching to desktop view?
    - Can website content be viewed offline?

Any "no" answer represents an opportunity to improve your mobile experience and capture more mobile purchases.

Strategies for improving your mobile experience.

A growing number of organizations are using Progressive Web Apps (PWAs) to deliver a great mobile experience. Google introduced PWAs as an alternative to responsive web pages and mobile apps. They are designed to be mobile first, meaning they are fast, text fits comfortably on reduced screens, and forms are simple and easy to use.

PWAs can deliver richer mobile experiences with a single code base straight from the browser. This means you build one PWA that can be used to provide a great experience on any device, whether it's a mobile phone, tablet, or desktop.

Additionally, PWAs are able to load key content and functionality even in offline or low-bandwidth situations. Shoppers can access a cached version of the site, as long as they've visited before. PWAs' intelligent approach to caching also speeds page load times, because only changes to the site—not offline cached pages—have to be rendered.
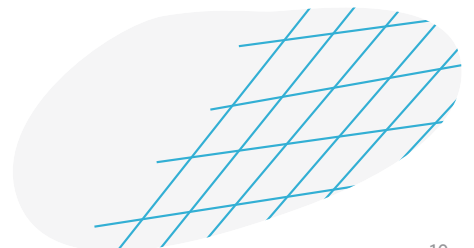
Finally, PWAs offer an "app-like" experience, meaning they can access native smartphone capabilities like the camera in the same way that mobile apps do. But, as noted above, you don't need to build a separate PWA for each device's OS.

Not surprisingly, many well-known brands—including Alibaba, Google, Lyft, Starbucks, Twitter, Uber, and The Weather Channel—use PWAs to design unique mobile experiences. If you're thinking about updating your mobile D2C experience, it may be time to look into PWAs.

Pentair goes from 35 websites to one.

Pentair helps businesses and consumers get the most out of their H2O, from home water filtration to industrial water management and everything in between. Until recently, they sold their diverse range of water-related solutions through 35 separate websites across North America alone. For customers, simply finding the right information to start their buyer's journey was a major challenge.

When Pentair decided to consolidate their online experience onto one global website, they needed an e-commerce platform with unified B2B and B2C features that could also integrate seamlessly with their experience management platform, Adobe Experience Manager. Adobe Commerce was the natural choice.

The native integration of the two platforms has allowed Pentair to spend much less time managing and updating their websites—and their IT and marketing teams to focus on other, business-critical projects.

Learn more about Pentair's digital experience journey.

Take the next step.

D2C selling can help your B2B business compensate for lagging orders. However, it can be difficult to scale, especially when you run your D2C and B2B online sales on multiple e-commerce platforms. Fortunately, a single unified commerce platform—combined with the right infrastructure, intelligent commerce technologies, and mobile functionality—can help you achieve your most ambitious D2C goals.

Read our guide, Finding the Best of Both Worlds.

Adobe Experience Cloud

Adobe Experience Cloud is the most comprehensive suite of customer experience management tools on the market. With solutions for data, content delivery, commerce, personalization, and more, this marketing stack is created with the world's first platform designed specifically to create engaging customer experiences. Each product has built-in artificial intelligence and works seamlessly with other Adobe products. And they integrate with your existing technology and future innovations, so you can consistently deliver the right experience every time.

Adobe Commerce

Adobe Commerce is the world's leading digital commerce solution for merchants and brands. With Adobe Commerce, you can build engaging shopping experiences for every type of customer—from B2B and B2C to B2B2C. It's built for enterprise on a scalable, open-source platform with unparalleled security, premium performance, and a low total cost of ownership. Businesses of all sizes can use it to reach customers wherever they are, across devices and marketplaces. It's more than a flexible shopping cart system. It's the building block for business growth.

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