6 Questions You Need to Ask Yourself Before Launching a Direct to Consumer Brand

These questions are often overlooked and lead to problems, if not addressed early on.

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The last few months have been an accelerant for ecommerce, and one particular sector that has gained popularity is the Direct to Consumer (DTC) sector. There is a common misconception that DTC is all about eradicating the middleman to make profit, but that's easier said than done. A DTC brand is usually sold online using an ecommerce store and specializes in a specific category and a specific market before scaling to other categories. Some DTC brands also open a limited number of physical retail stores, along with their main ecommerce platforms.

Before you kick off your DTC brand, you need to know why you want to do it and if you're ready for it. Don't forget to ask yourself the questions below before you start:

Have you thoroughly analyze what you (and your team) are good and aren't good at?

This is a tough one, especially to begin with. As a founder of

a DTC brand, you will be well versed in a few aspects, but there will be some aspects you're weak on. Instead of upskilling in a short amount of time of the weaker aspects, hire a team that is the best at your weak spots and let them help you build the brand. This might even mean hiring a complimentary co-founder, depending on the skill sets you're looking for.

Related: 5 Tips to Scale a Successful Direct-to-Consumer Brand in 2020

Are you ready to handle end-to-end customer journeys and have the right platform?

If you're taking the ecommerce route, build a website you've always dreamed of. Building a good website that makes the consumer journey great is tough. A lot of times, websites and co-founders take the customer journey for granted. If you really want to stand out as a brand, think about how you can best enhance the customer journey.

A great starting point here is to pick a platform that helps you scale. You have multiple options such as Shopify, WooCommerce and SquareSpace. It's easier to start with a scalable model than shift once you are doing well. It is really crucial to evaluate which platform is right for your business in the long term. Each ecommerce platform has its own set of features and capabilities. Ideally, you should choose a platform that is affordable, scalable, secure, easy to use, allows for seamless payment and customizable.

Are you operationally ready?

If you are planning to go DTC, chances are you will have to store the products in a warehouse, either rented by you or

operated by a third party. This warehouse is where you pack the products and ship them. As the business grows, you will realize this is an area that needs excessive planning. It can become extremely time-consuming and distracting if you do not plan ahead of time. Assess your capabilities and work to ensure the supply chain is solid. If you think you're better off outsourcing fulfillment, get a third-party logistics (3PL) partner early in the relationship and fulfill the orders with their support.

Related: 4 Things the Fastest-Growing Direct-to-Consumer Companies Do That You Aren't Doing

Why should a customer buy your product?

Give your consumer multiple reasons to buy your product or service. In today's day and age, consumers have multiple options available to them. What does your brand offer that other brands do not offer? If you can confidently answer this and have your customers believe in it, you're on the right track. If you're a brand that is considering expanding its distribution from retail to D2C, think creatively about what you can offer that your retail partners cannot.

How will you generate sales?

To truly get your startup up and running, you need to generate sales. The earlier you do and at the lowest cost possible, the better off you'll be. Early sales also help with early feedback on improving your products and services. Unfortunately, many business owners ignore the important conversations with their early customers and fail to develop a competitive advantage before others do or their companies go out of business. Ensure you have this question answered before you begin.

Are you thinking about retention?

A key component that is often overlooked is the power of retention. The customer being acquired is only the first step of the journey. DTC allows you to own the journey with the customer. Make sure every touchpoint is improved. Cultivate the relationship deeper and build an honest long-term bond. This helps build the brand and it allows increased profitability. The cost of having a repeat customer is a lot lower than trying to gain new customers. Having this as a mindset before you begin is a lot more important than having a mindset around the acquisition.

Put in all the effort you can to launch a DTC brand. It will take time. It will take a lot of research, testing and continuous improvement. What can truly make or break your brand is your belief in the idea and your team. As you continue to grow, scale your strategies to maintain ties with all stakeholders, including customers. They can help you make your products, services and business better. It will not be easy, but with the right growth mindset and the right steps starting off, a DTC business can work.

Related: Omnichannel Isn’t the Death of the Consumer Brand; It’s the Path to Growth. Here’s Why.

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