



ADOBE SUMMIT 2022 | BRAND MANUFACTURERS MUST REINVENT CUSTOMER RELATIONSHIPS (CONVERSATION)

VIDEO TRANSCRIPT

Watch as Vikalp Tandon, Managing Director and Global Commerce Lead, Accenture, discusses why brands must reimagine their customer relationships in this era of disruption. Learn more: <https://accntu.re/3iMJHFH>

0:00 [Music]
0:05 hello everyone
0:06 my name is Vikalp Tandon I'm the global
0:10 commerce lead for Accenture
0:13 and i welcome you to the session today
0:15 thanks for
0:17 finding time
0:18 today the topic is how do you accelerate
0:21 growth to direct to customer
0:24 it's a very interesting topic for me um
0:27 in my commerce practice
0:29 we are often engaged by brands
0:32 who are going to their customers
0:35 indirectly through resellers through
0:38 intermediaries through
0:40 e-tailers
0:41 to sell their products
0:43 and the question is
0:45 do they need to go direct
0:47 and if the answer is yes how do they go
0:50 get direct without cannibalizing
0:54 all their existing channels to which
0:56 they have sold
0:57 for such a long period of time and have

0:59 very well established relationships
1:02 and
1:03 we will try to tackle these two
1:06 questions in this presentation
1:09 but when the last time
1:11 I was giving this presentation somebody
1:14 just paused me right there
1:15 and asked this question
1:18 what does direct to customer mean do I
1:21 need to sell something directly to the
1:23 customer is that what you're talking
1:25 about and i thought that was a very
1:27 sincere question so i wanted to raise
1:28 this hair too
1:30 so the answer is yes maybe um
1:33 you know if you uh if you are um
1:38 think about uh if you are a ketchup
1:41 manufacturer
1:43 you won't be selling
1:45 directly through your website but wait
1:48 till you think about
1:51 dollar shave club
1:52 nobody will go buy a razor
1:54 online but now dollar shave club created
1:57 a reason for you to buy that razer
2:00 online
2:01 so there was a reason there was an offer
2:03 that was a subscription offer
2:06 similarly everyone was thinking about
2:08 within the gm family



2:10 would you ever bypass the dealership
2:12 model
2:13 and the answer was no because they don't
2:16 want to cannibalize that channel
2:18 but they found a very unique opportunity
2:22 where they sold fleets of cars
2:24 with maintenance
2:26 and with insurance built into it
2:29 to businesses and to
2:31 retired communities in Florida
2:33 and Arizona that became a reason didn't
2:36 kind of cannibalize the existing channel
2:38 but created a new channel for them
2:42 and there could be many reasons for you
2:44 to think about it right it could be
2:45 meeting the customer expectations that
2:47 your existing channels are able to meet
2:49 such as sustainability recycling
2:52 environment growth is a great example of
2:55 a company and that is promising their
2:57 customers to reduce plastic eliminate
3:00 plastic have safer chemicals
3:02 in day-to-day
3:04 cleaning supplies um and hey you go
3:07 there's a reason for you to buy directly
3:08 from them
3:09 because they will only sell directly
3:12 so yes direct to customer does involve
3:15 uh setting selling directly
3:17 but it may involve
3:19 other ways to engage with your customer
3:21 as well
3:22 you can still use your existing channels
3:24 to sell through but the pre-purchase and
3:26 the purchase journeys could be managed
3:28 by you
3:29 so now having these basic principles
3:31 let's dive right in on how do we answer
3:34 those two questions where we started
3:36 with
3:37 so first
3:38 and foremost
3:41 we all know and have established that
3:44 digital is dominating commerce
3:47 and
3:48 it has further accelerated during covet
3:52 it is less important to know that it is
3:54 going to triple in the next five years
3:57 which is the case and it's astonishing
4:01 but it is more important to know what it
4:03 do it will do to your business

4:06 so the
4:07 impact of digital is
4:10 that it is creating new habits in the
4:12 customers
4:15 and these habits are there to stay for
4:17 the longest period of time
4:19 think about
4:21 the only way the customer only two years
4:23 back used to buy is to either buy
4:25 completely digitally so they go to
4:27 amazon and buy something or they go to a
4:29 store
4:30 a grocery store
4:31 a convenience store and buy the same
4:33 stuff
4:35 but this physical digital
4:37 combination that was established by
4:40 covered
4:41 is going to stay here it's a new habit
4:45 they have new expectations they are more
4:46 aware about their environment
4:49 they want to make sure that the products
4:51 that they are buying are safe
4:55 become part of a circular economy as
4:57 compared to creating more waste
4:59 they're seeing new offers
5:02 being provided to them subscription
5:04 offers
5:05 they not only have to go to a screen to
5:07 buy something they can go to a coffee
5:10 machine and there's a smart pantry
5:12 running on that machine and they can buy
5:13 through that smart pantry i mean think
5:15 about Keurig a brand that we all know
5:18 has a way to sell to a grocery store has
5:20 a way uh to sell through
5:22 their website in the mobile app now you
5:24 can also buy from the machine itself
5:27 it's a new

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