

Direct-to-Consumer Brands Upended Retail—Now They're Changing the Agency Model

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Direct-to-consumer (DTC) brands such as Warby Parker, Casper and Everlane have shifted how brands interact with their customers. By cutting out the middleman and establishing online relationships with customers directly, guaranteeing swift delivery and painless buying experiences, as well as positioning themselves as a better alternative to the status quo, DTC brands are carving out a new retail experience.

These brands are also setting up new agency relationships. The shift to a more direct customer relationship also means a change in the type of work these brands need from their agency partners. Branding must tell the product's story, and then once a consumer interacts with the website or app, that messaging needs to continue telling that story while pushing them further down the purchase funnel. Then, the buying experience has to mirror the expectations set by the brand message. The delivery and post-customer service also needs to be in line with that messaging. Traditional retailers setting up digital solutions like buy online, pick up in-store (BOPUS) or other online-to-

offline (O2O) strategies should be thinking of the same journey and brand messaging.

For DTC brands, communication work has to be aligned across brand, product and technology. Branding and communications agency Gin Lane, which works with brands like Everlane and Dia&Co., looks at the product market fit, considers how to test it, and then takes what they've learned and expands it over every touchpoint that works with the technical foundation.

Nick Ling, Gin Lane's CEO, sets up his agency teams to work as closely with the DTC's team as possible. "We'll often have clients in which our team feels like a very direct extension of themselves. Often our team will be almost the only people who are working on that company, so there's virtually no layers of management between our team and the entrepreneurs.

"We try and stay as lean, iterative and responsive as possible, because plans often change between when [a client] starts working with us and when we actually launch. So as much as we can be leaning shoulder to shoulder with them, it works," he said.

Ling has also found the early days are crucial for developing a brand voice, which really gelled through Gin Lane's work with Everlane and Reformation. "We started doing positioning. We then started seeing that content was ... necessary for just about every brand in a bunch of different incarnations. It was something that [DTC brands]—especially for ones in earlier stages—struggled with at the beginning: finding their voice, replicating that voice, scaling their voice. So we started to build a content division, and it's everything from copywriting to strategy work, social, editorial and photography."

Though brand voice is critical, it's meaningless without a product that resonates with consumers. Mohan Ramaswamy, founding partner at digital product agency Work + Co., which boasts an enviable list of customer-centric brands including Nike, Disney, Apple and Virgin America, now counts a growing number of DTC brands among its portfolio. "We've decided to partner with [DTC brands as] they figure out how to go to market. And really think through everything from their technology stack to how they would implement their consumer

experience online first, and then drive sales on the brand experience. Then ultimately, for some of them, we figure out whether there is a physical footprint for them."

D2C companies start building their brands as digital experiences, rather than a product a consumer might first encounter in-store. That means cost to entry is much lower, and there's not an immediate need to have a retail distribution system in place. "D2C brands have been able to be a little more disruptive ... they don't have that legacy footprint and all of those upfront costs," Ramaswamy said. "What makes them a good fit for a digital agency is that they don't necessarily have that fragmented or federated brand marketing structure that you would see at a Unilever or P&G."

Brand consultancy Derris, whose founders started out at a public relations firm, discovered through early work with Warby Parker that DTC brands had specialized communication needs. There was a want to tell interesting stories about the product, but also a need to build out the branding strategy, and that often required hiring two different agencies.

"How do you service a business like Warby Parker from a communications perspective under one roof? How do you have people who understand fashion and accessories and that world, but who can also speak technology, business, brand and corporate social responsibility?" said Jesse Derris, co-founder of the consultancy. "We started to realize very quickly we were doing something more than traditional communications."

Harry's, the DTC razor brand, was an early client, and Derris was on board ahead of its launch in May 2013. "What was fascinating about being involved early is we were involved in things that PR firms don't traditionally do. Things like positioning, how to approach content, partnerships and collaborations, and all sorts of other customer touchpoints."

Digitally native brands demand a leaner, more flexible go-to-market approach that ultimately demands a different agency model. "It's really evolved into positioning, content, strategic consulting, and then, also, communications as a vertical," Derris added.

