

Purple's CEO on D2C Brands, Mattresses in Boxes and Why They're Considering a Physical Location

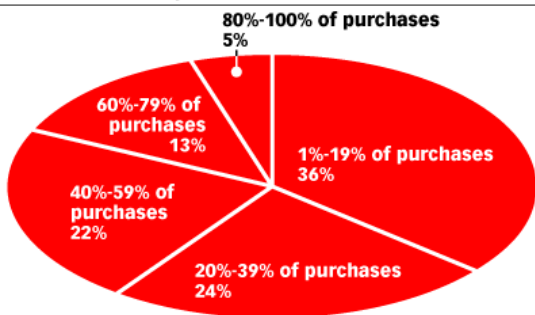
Article

Direct-to-consumer (D2C) brands are disrupting the retail space. These companies use an array of tactics to attract business, from offering low prices to targeting shoppers who care about ethical consumption to simply providing a more convenient experience.

In a Diffusion survey conducted last year, 40% of US internet users said they expected D2C brands to account for at least 40% of their purchases within the next five years.

How Much Do US Internet Users Expect to Purchase from Direct-to-Consumer (D2C) Companies in the Next 5 Years?

% of respondents, Aug 2018



Note: ages 18+

Source: Diffusion, "2018 Direct-to-Consumer Purchase Intent Index" conducted by YouGov, Oct 4, 2018

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"The promise of D2C is really what drives consumers to the channel," said Joe Megibow, CEO of mattress retailer Purple, who recently spoke with eMarketer during the 2019 CommerceNext conference. "It's a very customer-centric channel—or the intent is for it to be customer-centric—which means less friction, easier ways to buy, and essentially building something that's servicing how the newer consumer wants to engage with brands."

Watch the full interview with Purple's Joe Megibow below.

Purple, similar to Casper or Leesa, sells mattresses directly to consumers. And like many other D2C brands that have already established their online customer bases, Purple is exploring brick-and-mortar options. The company has landed partnerships with Mattress Firm and Macy's, leveraging their retail spaces to promote its products.

"There are two sides to our storefront strategy," Megibow said. "We now have mattresses you can lay on in over 1,500 stores—which means the majority of the US is within a 30- to 40-minute drive of being able to lay on a bed. That's Part 1 of the strategy.

“The other part is that we’re building a brand and trying to showcase the difference of our brand—and it is about our technology and our innovation. We have launched a couple of showrooms that really allow us to bring the technology and the experience to life. And it's a lot of interactive and experiential displays where we can really show how and why [our products] work, and give the broader story across our assortment.

"We do expect that we will be expanding that. And while we may be in thousands of retail channels within our various partnerships, we want to make sure we've got these anchor stores around the country where we can really bring the brand and the technology to life.”