

D2C vs Marketplaces:

Which channel is right for your eCommerce brand?

What is D2C?

D2C is short for direct-to-consumer. In eCommerce, D2C refers to a company that sells its own products directly to the end consumer - without any distributor network or platform.

B2C, on the other hand, involves selling to customers by using a third-party website.

Several famous brands operate in both D2C and B2C spheres.



D2C Website vs Marketplace

Let's look at some of the differences between having your own eCommerce website and placing your product on an online marketplace.

	Marketplace	ECommerce Website
Definition	A website where a seller (brand or 3P) can list, promote, and sell products	A brand-owned website
Audience	Attracts massive audience numbers	No privilege of pre-existing traffic
Cost of selling	Referral fees	Website maintenance & development, platform fees
Retention	Little to no brand recall	Better brand recall
Barriers to entry	Stringent entry norms	No barriers to entry
Seller Tools	Product research tools, Sales reports, Marketplace ads etc	KIT management, Third-party apps, such as repricing tools, product recommendation plug-ins, and live chat
Sustainability	Business-friendly model with speed to launch	Effort-intensive to launch

D2C: The Goods & The Bads

Benefits:



Incremental Profits:
No middleman to eat a pie of their retail price



Tailormade Customer Experience:
Super-personalized experience for customers with data



Higher brand loyalty:
Upper hand in building customer loyalty

Pitfalls:



Everything falls on your shoulder:
From marketing to sales to distribution



Differentiating factor:
Struggle to get enough exposure to products



Search engine and social media:
SEO game needs to be on point

Over 60% of online product searches start with Amazon so any aspiring D2C brand needs to be mindful of the eCommerce marketplaces if they want to grow forward.

Which is best for your D2C store?

Marketplace is the suitable choice if you want to reach a broad audience and create early traction.

However, if the objective is to build an independent brand by curating your audience and set yourself up for long-term success, websites are the go-to option.