Case Study

PROJECT OVERVIEW

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Digital Strategy and Market Sizing Assessment for a Leading National Wholesaler

The client is a leading distributor in the automotive tires, parts, and accessories industry, working closely with independent and leading automotive retailers.

Clarkston partnered with the client to identify the feasibility of entering the Direct-to-Consumer (DTC) eCommerce space and to better understand the overall opportunity size and leading market trends across the automotive and other industries (e.g., retail, consumer, technology, media, and several others)

Clarkston conducted a series of interviews with internal stakeholders and key customers to gain a better understanding of the potential for DTC capabilities in this market. Leveraging this first-party data, Clarkston created a business case to weigh the strategic and financial impacts should the business adopt a DTC platform. Paired with this business case and assessment, Clarkston provided in-depth market research and analyses to help the client understand the competitive landscape and opportunities to outperform in the market and capture new growth.

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INDUSTRY:

Automotive

PRODUCTS AND SERVICES :

Wholesale distribution and direct-to-consumer sales via e-commerce platforms

PRIMARY OBJECTIVES:

- Perform Voice-of-Customer (VOC) interviews with customers to gain their perspective of the DTC market, deducing their level of comfortability with eCommerce and other competitors in this space.
- Assess and develop a business case of potential DTC entry, outlining the strategic and financial benefits/costs involved of building a DTC platform.
- Provide market and industry expertise and in-depth competitive benchmark analysis to understand leading practices in-and-out of the automotive industry.

RESOLUTION:

- Identified client's most critical challenges and assessed level of executive and organizational alignment on potential DTC entry.
- Conducted VOC interviews to gain customers' perspectives and deduce their level of comfortability with DTC offerings.
- Developed and analyzed primary research via a DTC survey to understand opinions and feasibility of the DTC eCommerce space for tires.
- Conducted 'Out of Industry' research to identify leading practices on entry in the DTC space.
- Developed financial and operational models to determine market size and create several potential business case scenarios outlining potential benefits and costs.

KEY BENEFITS:

- Helped client further gain internal alignment on the strategic opportunity for entering the DTC space.
- Developed insights from VOC interviews, VOC survey, and competitor analysis to develop four potential D2C operating models.
- Presented findings on potential DTC entry risks from various stakeholders and external research within the industry.
- Created recommendations based on market sizing assessment and business case to show the potential opportunity and benefits for DTC entry.
- Created detailed analysis of implementation and operational costs required to successfully set up a DTC platform.
- Defined critical next steps to how the client should enter the DTC eCommerce space.

Understanding of market size and competitive landscape historical and projected growth trends

Financial business case outlining cash flows and NPV across a variety of scenarios

Executive alignment to move toward the company's new digital ambition

CONTACT US

2655 Meridian Parkway | Durham, NC 27713 | Phone: 800-652-4274 | www.clarkstonconsulting.com