



ALERT

Bold Ideas. Compelling Research. Unparalleled Service

[About Us](#)

[Services](#)

[Events Center](#)

[Press Center](#)

 [Print PDF](#)

March 20, 2002

Consumer Direct Initiatives Make a Comeback

Many Americans are taking advantage of online grocery shopping. And this trend is spurring more interest among companies in consumer direct initiatives--with good reason. For retailers, online grocery shopping offers an additional channel with very high upside: loyalty, increased shopping cart value, and incremental customers. For Consumer Packaged Goods (CPG) manufacturers, it offers an additional way to collaborate with retailers. It also gets manufacturers closer to the end consumer, which helps them in their efforts to understand consumer preference and shopping habits.

The dot-com explosion saw many e-retailers enter the channel, especially in the United States. Most were entrepreneurs who were not involved in brick-and-mortar grocery outlets. The majority of them failed when they ran out of money and time. In Europe, grocery retailers cautiously approached the consumer direct channel and have had some good success. Now, a few years later, North American grocery retailers are stepping back into the game and starting to see the potential. CPG manufacturers are also getting involved as the industry has acknowledged to them that consumer direct initiatives are not an effort to disintermediate the retailer. Instead, such initiatives are a collaborative opportunity to grow a new channel. Frankly, consumers don't want a truck from Kraft and then a truck from Unilever pulling up to their steps. There must be consolidation and delivery of the entire shopping basket, which can be accomplished most effectively by using existing retailer's infrastructures.

Last year, Procter & Gamble founded the Consumer Direct Forum, an industry group of manufacturers, retailers, and technology providers. The forum met together to share experiences about the consumer direct market. Their goal is to identify and resolve obstacles encountered by the channel--particularly supply chain challenges. AMR Research has taken a thought leadership role in this forum as it incorporates into an independent association with membership and conferences, and we are actively seeking new members. If you are interested in learning more about the Consumer Direct Forum or would like to get involved, please contact me at kromanow@amrresearch.com.

--Kara Romanow

[HOME](#) | [CLIENT SECTION](#) | [SEARCH](#) | [CONTACT US](#)

Questions, comments, or problems regarding this service?
Please contact webmaster@amrresearch.com

Copyright © 2002 AMR Research, Inc.