

ECOMMERCE

Bought In Bulk

HOW BRANDLESS, BOXED AND DOTE SEEK TO SIMPLIFY THE ETAIL EXPERIENCE. **BY ANN-MARIE ALCÁNTARA**

Since Amazon's inception, the ecommerce giant has shaped the industry. Fast shipping? Amazon has same-day. Zombie Plant Grow Kit? Check.

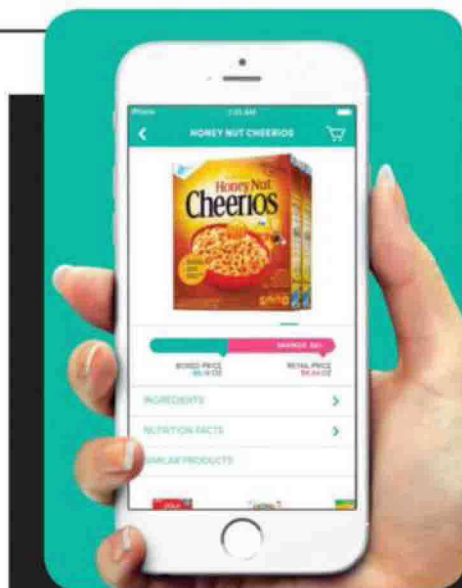
And yet, despite the convenience, some ecommerce sites are finding that not all shoppers want to buy through Amazon—or a big-box retailer for that matter. These nicheetailers have discovered consumers that need a simpler way to buy products, and as a result, are filling holes to meet their specific needs and at the same time diluting some brands' identities.

"For some brands, online is the only way to directly interact with the consumer," said Neil Stewart, CEO, commerce, Wunderman. "Focusing on their ecommerce operations—offering the best service and price—can enable them to own the entire customer journey and lock brands out."

Take Brandless and Boxed, two companies aiming to disrupt two industries—consumer product goods and wholesale—with a personalized transparent experience. Brandless sells 250 products for either \$3 or two for \$3 or even three for \$3. Consumers pay a dollar for shipping on the first order and \$5 on future purchases, or pay an annual membership fee of \$36 to receive free shipping.

"There's this perception that better costs more," said Tina Sharkey, co-founder and CEO of Brandless. "We're trying to democratize access [and] trying to make better things available to more people at better prices."

Brandless emphasizes that customers avoid the "brand tax"—paying a markup for a brand and its logo—and save an average of 70 percent across the product line. While Amazon gives consumers a wide selection of goods, Brandless' strategy lets shoppers choose a relatively cheap



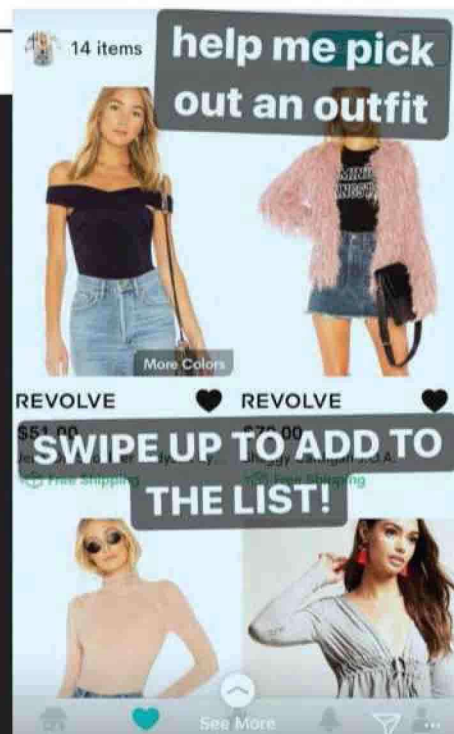
BOXED

70 percent of its shoppers are returning customers.

Sells an average of 10 products per basket.

BRANDLESS

Offers 250 products under \$3. Users save an average of 70% by avoiding the brand tax.



DOTE

Average monthly user views about 200 products. Average monthly user visits app 3.9 times a day.

"[DOTE ISN'T] ONLY ABOUT MAKING MOBILE SHOPPING EASY, BUT ALSO LEVERAGING ALL THE AMAZING THINGS THAT YOU CAN DO WHEN YOU HAVE PEOPLE SHOPPING ON YOUR PHONE THAT YOU CAN'T DO ON ANY OTHER PLATFORMS."
LAUREN FARLEIGH,
CO-FOUNDER AND CEO, DOTE



and transparent product instead. The target customer is someone who is looking for products that are clearly labeled (such as organic, non-GMO items), have special dietary needs or live in an area where accessing these items on a daily basis isn't easy.

Boxed simplifies buying in bulk online while saving money on unit cost. Boxed faced two challenges: how to ship packages fast and deliver them without damage. The company didn't share any specific numbers, but stated that it has "significantly" reduced damage rates to the packages by automating its facilities and bringing on distribution experts.

The company separated itself from traditional wholesale companies with a group ordering feature (and no membership fee). Consumers can share a link with household members, allowing anyone to add items to their cart. The tool makes sense—especially when you consider the target demographic the company wants to reach. Unlike other companies, Boxed wants to reach a

wider millennial demographic from ages 18 to 45, with an emphasis on people having their first child. Group ordering lets different types of households, from young millennials to new families, shop more collaboratively.

Boxed is building its own brand through a private label set to reach 100 products by May—and 70 percent of its shoppers are customers who are "consistent users" and return to the site.

Then there's Dote, a company geared toward young women, from ages 15 to 25. It created a "mobile mall" that eliminates the need to download apps for more than 130 retailers, allowing consumers to shop and check out from those brands without leaving the app. Besides its native checkout experience, a driving part of Dote's appeal is its deals section and list-building functionality. Users can create lists of items they like and when a product goes on sale, the app alerts the user. When a consumer places an order on the app with different retailers, they are each

processed separately, with the retailer on the hook for fulfillment.

The average monthly user views about 200 products in a session and visits the app 3.9 times a day. According to Dote, there's a waiting list of retailers wanting to join the app.

"[Dote isn't] only about making mobile shopping easy, but also leveraging all the amazing things that you can do when you have people shopping on your phone that you can't do on any other platforms," said Lauren Farleigh, co-founder and CEO of Dote.

By keying in on the most convenient aspects of ecommerce, these companies found ways to fill a gap in the market.

"Customer loyalty has shifted to focus on the overall experience rather than the brands themselves, and building a great customer experience is centered around delivery process, speed of service and ease of access," Stewart said.

ANN-MARIE ALCÁNTARA IS A TECH REPORTER FOR ADWEEK, FOCUSING ON ECOMMERCE. @ITSTHEANNMARIE