

The Direct Brand Initiative Strategic Partners:











<u>Indirect Brand Economy, 1879 - 2010</u>

"Indirect Brands" are characterized by value-creation based on dominating O&O, high-barrier, capital-intensive supply chains with value extraction accomplished through a series of third-party handoffs (brand to publisher to retailer).

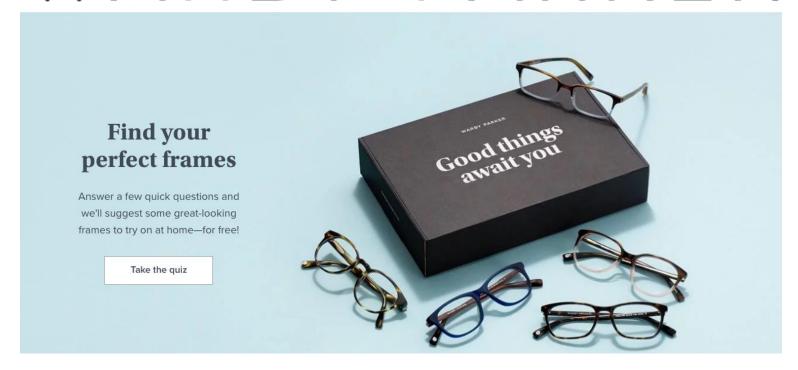
Direct Brand Economy, 2010 -

Direct Brands create value through low-barrier, capitalflexible, leased or rented supply chains, with value extraction accomplished primarily through the direct relationships between the company and its end consumers.



Direct Brands Today

WARBY PARKER





Seven primary characteristics of direct brands

- 1. Direct brands are centered around individual consumer relationships and the data they provide
- Direct brands are Web-native
- 3. Direct brands are socially closer to the consumer
- 4. They are "maniacally focused" on consumer experience
- Direct brands use content as a differentiator
- 6. They define content more broadly than incumbent brands and partners
- 7. Their mission is central to their story





Behind the Curtain Determining Which 250 to Watch



KPIs behind the IAB 250 Direct Brands to Watch

The 2019 IAB 250 Direct Brands to Watch combines data from multiple (at least three) sources: Dunn & Bradstreet, Rival IQ and CB Insights and contains data used to define indices to capture the relative position of the D2C businesses within the specified domain.

KPIs that will be included (but not limited to) in the ranking algorithm:

- Total Funding
- Last Date of Funding (since we don't have the start date)
- Revenue (D&B**) if data available last three years
- Employees (D&B**) if data available last three years
- Year started, aka number of years in business
- Mosaic Score (CBI)
- Number of Funding Entities
- Max valuation till date
- # Of job Posting, if data available
- Acquisition type if applicable

- Social Media metrics data from Rival IQ. Priorities are
 - Instagram
 - Facebook
 - Twitter
 - Cross-media mentions: blogs, posts, shares, reviews, articles etc.
 - Search
- Social Velocity YoY, or, other short-term measures QoQ, MoM, trend and growth of the social channels.
- Other measurable features from the company profile (CBI)
 - Business models, such as subscriptions or other
 - Category type, marketplace dynamics of the sectors



The approach

- Identify digital native companies within Dunn & Bradstreet SMB list with look-alike match to Direct Brands across categories
- Select those launched 2010+
- Using data collection from multiple sources, create IAB Company Score: Economic Efficiency (e.g., Revenue; # Employees)
 Financial Confidence (e.g., Revenue; Funding; Partners; Max Valuation
- Identify Direct Brands with tangible products vs Services;
- Using social metrics from Rival IQ plus additional sources for QA, create IAB Social Velocity Score:
 y/y Social Footprint by volume and growth
- Rank within Category for insights

Data Sources

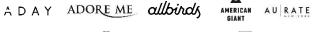
- Dunn & Bradstreet
- CB Insights
- Rival IQ
- Public Filings
- Partner Insights
- Proprietary Benchmarking Survey: Founders' Insights







APPAREL & FASHION

























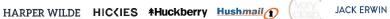








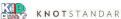














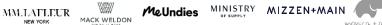








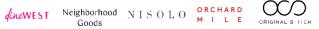










































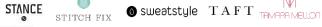


































BEAUTYLISH |

OARS

+ALPS





BEAUTY

LOLI

PINROSE

BEER/WINE/ALCOHOL



Curology FACETORY

SCENTBIRD









HOBBIES & LIFESTYLE







































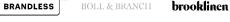


HOME & APPLIANCE















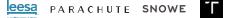
















PERSONAL CARE







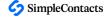












































Revere Health 110013

₩ NATUREBOX





soylent























GLAMSQUAD



MEMEBOX

bluum









FOOD/BEVERAGE/HOUSEHOLD/PET

EDUCATION



Bulu Box

DESERT FARMS.

Love with Food

SUN BASKET



DIRTYLEMON



HEALTH-ADE Kombucha





HUNGRY HAR EST

NOW NOW





Splash VINEBEX Winc





















Top 20 in Revenue



1. STITCH FIX

Apparel & Fashion

2. Grove

Food / Beverage / Household / Pet

3. fab*fit*fun

Apparel & Fashion

4.



Hobbies & Lifestyle

5.



Baby Care & Parenting

6. Blue Apron
Food / Beverage / Household / Pet

7. SUN BASKET

Food / Beverage / Household / Pet

8. BEAUTYCOUNTER

9.



Food / Beverage / Household / Pet

10. THRIVE

Food / Beverage / Household / Pet

11. TOORDASH

Food / Beverage / Household / Pet

12. UNTUCKit

Apparel & Fashion

13. BIRCHBOX◆

Personal Care

14. FRAMEBRIDGE

Home & Appliances

15.



Apparel & Fashion

16. ADORE ME

Apparel & Fashion

17.



DOLLAR SHAVE CLUB

Personal Care

18. Glossier.

Beauty

19.



Apparel & Fashion

20.



Personal Care



Top 20 Largest Employers



1. STITCH FIX

Apparel & Fashion

2.



Apparel & Fashion

3.



Food / Beverage / Household / Pet

4. SUN BASKET

Food / Beverage / Household / Pet

5. DOORDASH

Food / Beverage / Household / Pet



Food / Beverage / Household / Pet

7.



Baby Care & Parenting

8. TRESHLY
Food / Beverage / Household / Pet

9. FRAMEBRIDGE

Home & Appliances

10. STHIRDLOVE

Apparel & Fashion

11. SOLE/SOCIETY

Apparel & Fashion

12.



Beauty

13. Blue Apro

Food / Beverage / Household / Pet

14.



Hobbies & Lifestyle

15. UNTUCKit⊾

Apparel & Fashion

16.





Apparel & Fashion

18. BIRCHBOX+

Personal Care

19. Grove

Food / Beverage / Household / Pet

20.



Personal Care



Top 20 Largest Social Footprint



Apparel & Fashion

2. BRANDLESS

Home & Appliances

3. BARK BOX

Food / Beverage / Household / Pet

4. POSHMARK

Apparel & Fashion

5. IIPPIC

Dairy-Free. As It Should Be.

Food / Beverage / Household / Pet

6. SimpleContacts

Personal Care



Apparel & Fashion

8. MOMENT

Hobbies & Lifestyle

9. ALOHA

Food / Beverage / Household / Pet

10. care/of

Wellness & Fitness

11. Curology

Personal Care

12.



Food / Beverage / Household / Pet

13.



Beauty

14. soylent

Food / Beverage / Household / Pet

15. ONE DROP

Wellness & Fitness

16. dormify

17. LIVELY

Apparel & Fashion

18. **Osmo**

Hobbies & Lifestyle

19.



Wellness & Fitness

20. ★★ Ô POSTMATES

Food / Beverage / Household / Pet



Top 20 in Social Velocity



Personal Care

2. BRANDLESS

Home & Appliances

3. LOLI,

Beauty

4. hims

Personal Care

5. **tru**brain

Food / Beverage / Household / Pet

6. BRIGHT CELLARS

Alcohol / Beer / Wine

7. SimpleContacts

Personal Care

8. FACETORY

Beauty

9. **YUMI**

Food / Beverage / Household / Pet

10. NOMATIC

Hobbies & Lifestyle

11.



Beauty

12. BE∧UTYLISH

Beauty

13.



Wellness & Fitness

14.



Apparel & Fashion

15. 👈 doordash

Food / Beverage / Household / Pet

16.



Wellness & Fitness

17.



Apparel & Fashion

18.



Apparel & Fashion

19.



Apparel & Fashion

²⁰. Curology

Beauty



78 of the IAB 250 Direct Brands have a Subscription Model



























































FOUR T FOUR

DAILY HARVEST



















FRESHLY



FUEGO

в 😡 Х



GOBY



gwynnie bee



























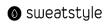


































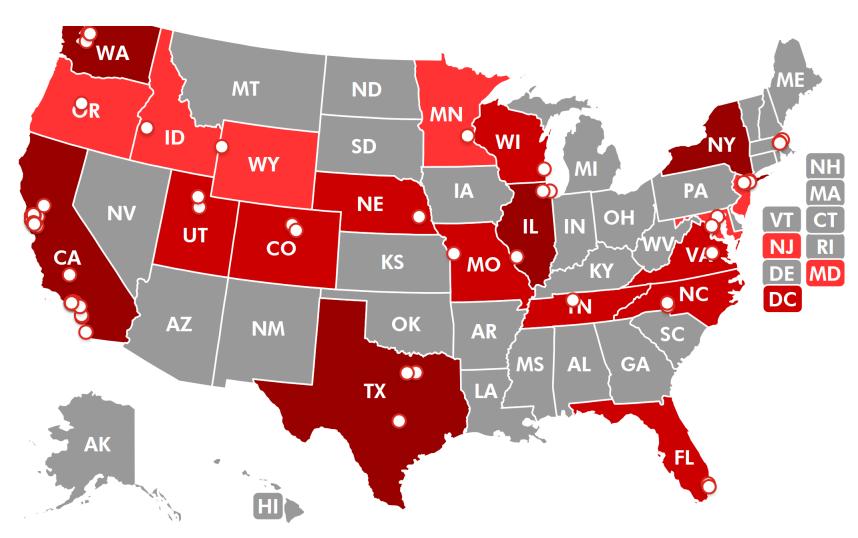






California & NY: Headquarter Hotspots

- 1.California
- 2.New York
- 3.Texas
- 4.Illinois
- 5. Massachusetts





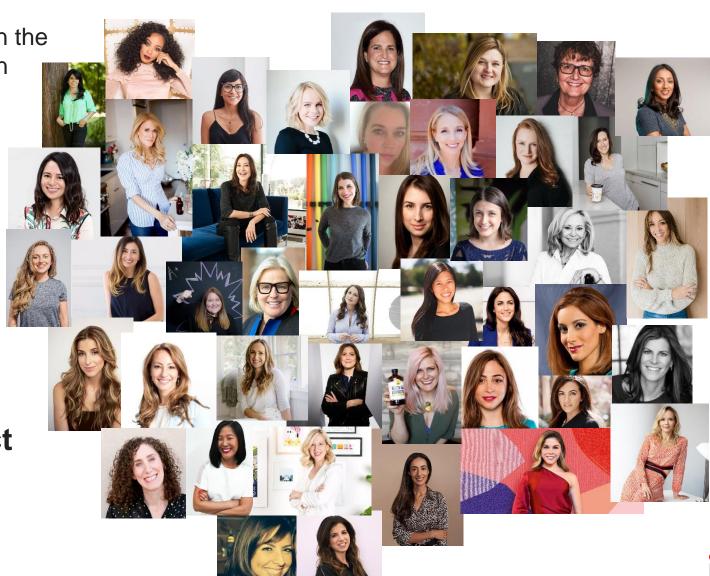
No Glass Ceiling: Direct Brand Women Leaders

Of the CEOs who lead the companies on the 2018 Fortune 500 list, just **24** are women

There are **60** women running the 2019 IAB 250 Direct Brands to Watch

5% of Fortune 500 CEOs are women

vs. 25% of IAB 250 Direct Brands to Watch Founders



No Glass Ceiling: Women Lead 7 of 10 Companies on the IAB Direct Brands to Watch

APPAREL/ FASHION: 28

A Day **AUrate BOW & Drape** Carbon38 Cuyana **Dagne Dover** Dia & Co. **Draper James Fame and Partners Gwynnie Bee Harper Wilde** Lively M.M Lafleur **Monica and Andy Orchard Mile** Reformation **Rent the Runway Rockets of Awesome** Schoola Stitch Fix **Sweatstyle Tamara Mellon** The Real Real Thesis **Tomboy Exchange** True & Co. Yellowberry

BEAUTY: 8

Glam Squad Glossier Ipsy LOLI Beauty Madison Reed Oars & Alps Pinrose Stowaway

HOBBIES/ LIFESTYLE: 5

Goldie Blox KiwiCo Paravel Please and Carrots

FOOD/BEV/ HOUSE/PET: 4

Boxtera
Daily Harvest
Health Ade
Kombucha
Yumi

PERSONAL CARE: 4

Beauty Bakerie Birchbox Teadora Thinx

WELLNESS/ FITNESS: 4

Capsule HelloFlo One Drop Ritual

EDUCATION: 2

Educents LittleBits



The Backers

Leading Investors	# of 250 companies funded
Lerer Hippeau Ventures	18
Forerunner Ventures	16
Greycroft Partners	13
Grace Beauty Capital	13
Great Oaks Venture Capital	12
Maveron	12
	11
500 Startups New Enterprise Associates	11



Thank You!



Powered by: Dunn & Bradstreet Rival IQ

With special thanks to:

CB Insights (Nick Schuk, you rock!)

MDRK Consulting ("Dr. K" and Sumi)

