CASE STUDY DANONE

How Danone manages consumer goods shortages with a digital direct-to-consumer (D2C) strategy powered by MACH®.

Danone is a leading global food and beverage company built on four businesses: Essential Dairy and Plant-Based Products, Waters, Early Life Nutrition and Medical Nutrition.

With products sold in over 120 markets, Danone's portfolio includes brands present worldwide such as Activia, Actimel, Alpro, Volvic, Evian and more.

COMPANY SIZE
30 Billion EUR

MARKETS
120

HEADQUARTERS
Paris, France

INDUSTRY
Food & Grocery

**BUSINESS MODEL**
B2C, B2B, D2C

WORKED WITH PARTNERS
Lab Digital, Google Cloud

The Challenge

As a corporation housing multiple brands and present globally, Danone has historically relied on local distributors to sell its products. However, Danone recognized this distanced approach toward consumers is no longer suitable for the digital age.

To maintain its world-leading position in multiple sectors, such as #1 in dairy and plant-based products and #2 in child nutrition, the company needed to connect directly with consumers to build loyalty and trust.

As a socially responsible company, this strategy was fuelled in the wake of the baby formula shortage in Europe in 2013 and, more recently, during the COVID-19 pandemic. To manage consumer goods shortages, Danone needed a digital direct-to-consumer (D2C) strategy in place, with a modular, cloud-native solution to adapt to sudden supply chain changes and local consumer demand.
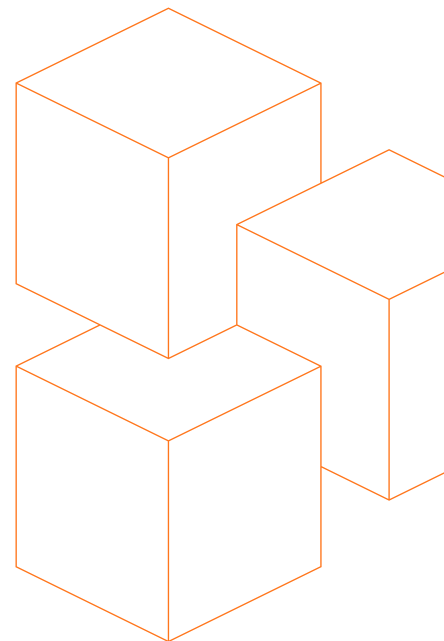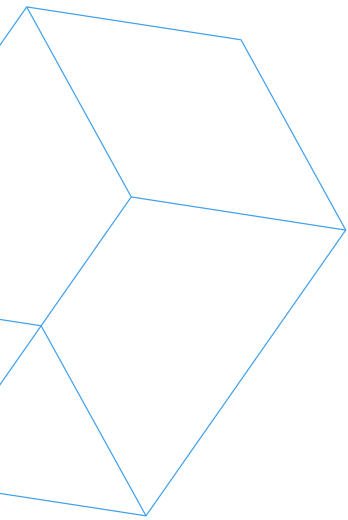
The Solution

Danone needed to build an eCommerce solution to handle the baby formula shortage and, so, turned to a MACH-based stack by commercetools. With the right tools, Danone was able to create tailored online consumer experiences across multiple markets in weeks.

For the baby formula deployment, Danone added rules to limit the number of units purchased, making sure the shortage in stores wasn't replicated online. A similar setup was implemented across markets severely impacted by COVID-19, with the addition of a cart function to brand websites. These functions helped consumers access nutrition products they couldn't find in-store.

In addition, Danone opted to deploy commercetools on Google Cloud. This cloud-native approach enables the company to scale web capacity without online crashes due to traffic spikes.

> "Across our markets, we use a range of different web content management systems. We chose commercetools because it can easily plug into all of them, which is really attractive for a decentralized tech organization, and also minimizes the cost and time to deploy. It's also future-facing, enabling us to pick and choose from the most effective components for a more modular system in the future.

LUKE O'CONNELL
HEAD OF DATA AND TECHNOLOGY, DANONE

Why it was a success

Since implementing commercetools on Google Cloud, Danone has successfully managed consumer goods shortages by changing commerce functions on its eCommerce sites without disruption.

As a next step, the company has expanded its D2C strategy into local markets. In the United Kingdom, Danone's healthcare division has deployed commerce functions, enabling B2B customers to order medical samples directly from its website, instead of paper-based forms. Now, Danone can gather and analyze sampling data, helping sales reps tailor conversations with healthcare professionals.

These single, yet connected deployments show how far Danone has come with the commercetools on Google Cloud infrastructure. As part of the "Renew Danone" plan, the company continues to explore new routes to connect consumers directly, manage shortages, streamline sales processes and more.
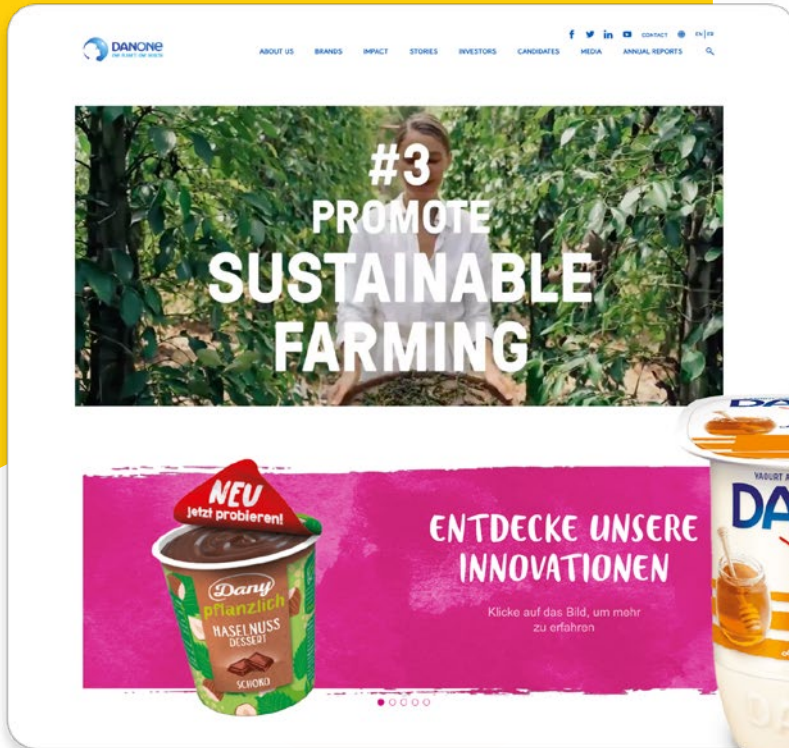
commercetools

commercetools features for Danone

Pricing
Flexibility to offer different types of pricing, discounts and subscriptions for brands with different products.

Shopping cart
Faster checkouts with locale-based pricing, discount rules and more.

PIM (Product Information Management)
Limitless customization to store any range of products offered by Danone's brands.

About commercetools

Munich-based **commercetools** is a technology disruptor delivering an industry-leading eCommerce SaaS solution. Today, some of the world's most iconic brands trust commercetools to enable their digital customer experiences. As the visionaries leading the modern MACH (Microservices-based, API-first, Cloud-native and Headless) architecture movement, commercetools gives companies the agility to innovate and iterate on the fly, merge on and off-line channels, drive revenue and future-proof their business.