

From digital to loyalty: Unpacking the customer experience in Brazilian FMCG digitally native vertical brands

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Abstract

Objective: This study aimed to analyze how Brazilian fast-moving consumer goods startups born in digital environments - also known as DNVBs (digitally native vertical brands) - are adopting effective customer experience (CE) practices in order to maximize their purchase recurrence rates and growth. In fast-moving categories such as food, beverages, cleaning or hygiene products, repeat purchases generally occur in shorter cycles and, for this reason, this research chose to target these sectors, thus observing the potential application and effects of CE in this context.

Method: In-depth qualitative interviews were conducted with seven executives from Brazilian companies operating under the DNVB business model within the fast-moving consumer goods (FMCG) sector. The research instrument was based on a review of CE literature and questions regarding recurring purchases in this product category. The interviews were subsequently transcribed, analyzed and constitute the results of this study as proposed by Cheron et al. (2022). This report adheres to the COREQ checklist ensuring transparency and rigor in the presentation of qualitative research findings (Tong et al., 2007).

Results: All seven fast-moving DNVBs investigated employ at least some CE practices. Post-purchase satisfaction surveys and the proximity between leaders and their customer service teams proved to be the central pillars for most of these companies. In this group of companies, the trend towards business growth was observed, as was the use of purchase recurrence metrics, yet subscription programmes remain technically complex and often misaligned with the business model; accordingly, only two companies have implemented them successfully, underscoring a need for further technical support and innovation. The relationship between company growth and the application of CE techniques has not yet been shown to be sufficiently relevant: managers have initially prioritized evaluations of the quality of products and aspects of services, such as delivery times.

Contributions: The research identified a still small number of CE management practices being applied by these startups in the day-to-day running of their businesses. It also revealed frustration on the part of these leaders in exploring emerging technologies that are effective in improving their metrics, demonstrating opportunities for researchers and startups in retail technology that can address this type of management need. The research also sheds light on the agenda of companies born in the digital age, operating their own channels, and the challenges that entrepreneurs or executives in the fast-moving consumer goods industry may encounter when undertaking business in this segment.

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Introduction

New startups have been established with the premise of offering consumer goods directly to end customers, without traditional intermediaries such as retailers, but rather adopting *e-commerce* to carry out these transactions (Dunn, 2016). These startups have developed their value chain, sometimes with their own manufacturing or, in other cases, with partners to produce the products. In general, these companies have also sought to understand customer perceptions in order to ensure innovative aspects in the purchase, use and after-sales experience of these products, offering them at a cost-benefit ratio that can be considered fair (Lipskier, 2023). This is the business model of DNVB-type companies, *digitally native vertical brands* (da Silva et al., 2024).

Competition is fierce in the *fast-moving consumer goods* (FMCG) market, such as food, beverages, toiletries and cleaning products. New DNVB companies launching products in these categories have to compete for customers attention with large established companies, some with more than a hundred years of history (Thain & Bradley, 2014). The challenge for these new companies is not only to win the first purchase, but also to build customer loyalty and ensure repeat purchases. To do this, it is necessary to consider various factors that influence consumer's purchasing decisions, such as the frequency with which they visit the same point of sale or the influence of promotions (Koll & Plank, 2022).

Given these challenges, considering customer perception in order to execute the strategy and thus offer the ideal products, as advocated by Lipiskier (2023), seems to be just the tip of the iceberg on how the topic of customer experience can be relevantly connected to the DNVB business model. When considering definitions of "*customer-centric*" companies, it became clearer, especially in the 2000s, that we weren't just talking about those that adopt CRM tools or satisfaction survey techniques. In fact, offering adequate CE has become so complex that it now involves the entire business and its various departments (Gulati & Oldroyd, 2005). CE management would therefore consist of a set of practices that can help organizations prepare to meet the requirements of customers who are increasingly independent and choosing their own ways of buying (Lemon & Verhoef, 2016). The authors noted that the literature still has gaps to be explored when it comes to CE connected to business results (Wetzels et al., 2023).

In the United States, companies such as Bonobos (founded in 2007), Warby Parker (in 2010), and Dollar Shave Club (in 2011) were some of the most prominent examples of businesses developed with this premise, within a landscape of over 350 DNVBs (IAB, 2018). U.S. Census Bureau (2025) data indicates that e-commerce accounted for a substantial 16.1 percent of total U.S. retail sales in 2024, highlighting the significant role of online commerce in the U.S. market. In Brazil, the DNVB trend has been observed with increasing momentum since 2012 (approximately five years later), with companies such as Amaro (a women's clothing company, born in 2012), Pantys (an absorbent panty company, founded in 2017), and Sallve (a beauty products company, in 2019) (Pedroso & Silva, 2022). In contrast, Brazilian e-commerce represented only 9 percent of total retail sales in the country in 2024 (ABComm, 2025). Those distinct market realities, shaped by differences in e-commerce penetration and DNVB adoption timelines, demonstrate the highly particular context of the Brazilian market as an emerging economy.

In this vein, this research, based on its in-depth interviews, has the potential to shed more light on local FMCG *startups* and be a starting point for further studies aimed at making this connection, especially in the Brazilian market and other emerging countries. The focus is to understand **how Brazilian fast-moving consumer goods startups, born in digital environments, are adopting good customer experience practices to maximize their purchase recurrence and drive growth.**

The article emphasis is on bringing executives' views on how they perceive the end consumer, meeting their requirements and understanding how this alignment of expectations could contribute to the success of these *startups*. The value could be noticed by new companies that consider fast-moving consumer goods in their strategy, but the findings should also benefit established industries and companies that want to better understand the potential impacts that a customer experience program can have on their bottom line.

Theoretical background

DNVBs, verticalized digital native companies

In 2007, with online retail already popular among various consumer segments, entrepreneurs began to create startups designed to offer new consumer goods products directly to these end customers (Dunn, 2016), without intermediaries (Gassmann et al., 2014) and also taking advantage of lower barriers to entry and investments, with e-commerce as the starting point for their operations (IAB, 2018). It is worth noting, however, that despite being born in the digital world, the main assets of these companies were not their digital platforms themselves, such as their own websites or apps, but rather their products and the relevance of that brand to the customers (Dunn, 2016). This makes the focus on products even more important and, as noted by Lipskier (2023), the skills to manage practices such as product development, a production chain and even their own after-sales management processes (Li et al., 2013) become fundamental to the success of these companies.

After certain stages of validating their products in the digital environment (Leimstoll & Wölflé, 2021), it was common for these companies to later explore complementary distribution channels for their products through physical stores (Dunn, 2016) or through online *marketplaces*, retail systems that bring together thousands of brands interested in offering their products and that, for reasons of convenience, customers choose to centralize their purchases (Reinartz et al., 2019). Brands that are born opt to join these types of channels to supplement their revenue, even if this represents a certain opening for reintermediation in part of their value chain with customers (Chircu & Kauffman, 1999).

Consumer goods

Fast-moving consumer goods are essential products in consumers' lives, playing a critical role in categories such as food, personal care, cleaning products, beverages and pet items. Nestlé, Procter & Gamble, Unilever and Pepsico are among the leading conglomerates behind hundreds of brands in these segments, generating billions of dollars in global revenue (Thain & Bradley, 2014).

Since 2020, the emergence of the COVID-19 pandemic has accelerated a relevant phenomenon in consumer purchasing behavior, with the search for convenient digital channels where fast-moving items can also be purchased online, also generating pressure on how these organizations plan their distribution and on consumer expectations in general (Tuan et al., 2022). In Brazil, sales of fast-moving consumer goods categories accounted for 15.8% of the total share of e-commerce in 2023 (NielsenIQ, 2024).

The evolving Customer Experience (CE) and its importance for DNVBs

Customers respond to stimuli presented to them and the results of these perceptions are what Becker & Jaakkola (2020) consider fundamental in building the perception of *customer experience* (CE). For the authors, it is through the results of these interactions that companies are able to influence decisions, achieve customer satisfaction and generate perceived value in the use and consumption of products.

The subject of CE as a whole is not new and has changed significantly since the 1960s in a series of cycles. Lemon & Verhoef (2016) outlined these cycles in time frames, identifying references in the literature that began with understanding: (a) customer buying behavior in the 1960s, progressing to (b) customer satisfaction and loyalty in the 1970s, (c) the service quality movement in the 1980s, (d) relationship marketing in the 1990s, (e) customer relationship management (CRM) in the 2000s, culminating in modern concepts of (f) customer centricity and customer focus by the mid-2010s and (g) customer engagement techniques since then, very much focused on the potential of digital channels for sales and relationships.

From the perspective of *startups* and small companies whose focus tends to be more transactional (which is often applicable to DNVBs with fast-moving products), Homburg et al. (2015) observe that entrepreneurs seeking to implement CE practices at this stage tend to prioritize, first and foremost, building an organizational culture that drives the search for consistency in deliveries and the ability to make quick optimizations based on customer *feedback*. For Klaus et al. (2012), companies that are already at a more mature stage in CE tend to expand their practices so that they don't just respond reactively to

feedback, but are able to use a culture of CE to proactively influence customer behavior and consequently their perception.

This evolution in maturity would make it possible to rethink how to represent a company that adopts a customer-focused business model (Osterwalder et al., 2013). Moormann & Palvolgyi (2013) call this approach an "*outside-in*" reading that should initially consider the factors of **(a) the environment**, which involves available technologies, current legislation and what the company's competitors have already been practicing. The second would be the **(b) organization**, with clarity on strategy, business model and the products and services offered. Finally, at the center would be the **(c) "world of customers"**, a context which, for the authors, involves meeting the basic needs of the customers for whom the product was "contracted" (Moormann & Palvolgyi, 2013).

And finally, investments in a CE program, and even the preparation of a customer-focused business model, are expected to provide measurable results, as Wetzels et al. (2023) noted in their survey of 273 companies: While 57% of the companies in the cluster considered to be at the "forefront" of CE had recorded growth of more than 11% over a three-year period, in the cluster of companies at the "back" of adopting good *customer experience* practices - a similar level of growth of more than 11% over three years had been recorded by only 26.9% of the organizations taking part in the panel.

Repurchase, recurrence and growth

Leahy (2011) explored the relationship between consumers and fast-moving consumer goods (FMCG) brands and identified that the often impersonal nature of traditional commerce could be an obstacle to a meaningful relationship between companies and consumers, resulting in unsatisfactory returns for companies trying to invest in relationship programs aimed at increasing recurrence.

By contrast, the digital environment offers an arena that facilitates the establishment of trust. Fang et al. (2011) observed that in this online environment, quality becomes a critical component for repurchase, suggesting that operational failures (such as delays in delivery or problems in after-sales stages) have a more profound negative impact on the likelihood of repurchase than the success of previous experiences. This indicates that in the digital environment, it is vital to keep operations flawless and invest in aspects such as convenience to boost repurchase rates

Customers' perception of the transactions managed by companies adhering to the DNVB model can therefore be assessed from two perspectives: (1) the association of metrics directly linked to customer satisfaction with the quality of the online transactions themselves (Khalifa & Liu, 2007); and (2) from the perspective of the quality of the consumer goods sold, which will be noticed when the items are used (Wolter et al., 2017).

In terms of recurrence, an additional advantage made possible by the use of *e-commerce* systems is the adoption of subscription models and recurring purchases - an increasingly common strategy among digital retailers, seeking precisely to remove friction and boost repurchase and continuity (Tan & Chen, 2021)

This desired continuity, which is therefore beneficial for growth in results, can be favored by well-managed customer experiences, which Wetzels et al. (2023) identify as a differentiator for companies: those that implement effective customer experience management programs would be better able to consider all direct and indirect interactions with the consumer, creating a virtuous cycle that would stimulate loyalty and repurchase (Lima et al., 2024). Kerschbaumer et al. (2023) stress the importance of building these strong bonds with customers, mentioning that "customer satisfaction is a critical first step in building a relationship and thus forming brand attachment".

Research method

This study adopted the approach of contributing to theory-building about the adoption of customer experience practices by DNVBs focused on consumer goods, based on the assumptions proposed by Eisenhardt & Graebner (2007). This strategy allows us to explore issues that are still little known. Here, the 'cases' are the interviews conducted with the executives of these startups. Using several cases (or interviews) allows for an analysis with the potential to offer theoretical insights as well as comparisons between them, although they are not necessarily representative from a sampling perspective. As

Eisenhardt and Graebner (2007) explain, each case functions as an experiment that helps build a theory based on the real data we collect

A relevant challenge in qualitative approaches is the importance of ensuring the quality and reliability of the data obtained, seeking to obtain effectively applicable findings, so thematic analysis (Nowell et al., 2017) was also adopted. The field was observed through qualitative research, consisting of interviews with executives from organizations that meet the characteristics of DNVB business models. The COREQ (*consolidated criteria for reporting qualitative research*) checklist was adopted as a methodological reference and this article declares 100% of the checklist's 32 items for reporting in qualitative studies (Tong et al., 2007).

The selection of executives to take part in the qualitative research was based on their participation in the ideation of fast-moving consumer goods *startups* in Brazil. The research instrument took into account the breakdown of the main question into seven categories, as shown in Table 1.

Questions for In-Depth Research and Coding				References
Main question <i>How are Brazilian fast-moving consumer goods startups, born in digital environments, adopting good CE practices to maximize their purchase recurrence rates and growth?</i>	How Brazilian startups of fast-moving consumer goods, born in digital environments...	Q1.1	Adaptation to the DNVB model	Lipskier (2023), Dunn (2016)
		Q1.2	Acting as a company fast-turning	Thain & Bradley (2014)
	...are adopting good CE practices...	Q2.1	Customer centricity	Becker & Jaakkola (2020) Moormann & Palvolgyi (2013)
		Q2.2	CE practices adopted	Homburg et al. (2015) Lemon & Verhoef (2016)
		Q2.3	CE program	Klaus et al. (2012) Wetzels et al. (2023)
	...in order to maximize your purchase recurrence rates and your growth?	Q3.1	Purchase recurrence rate	Leahy (2011), Fang et al. (2011), Tan & Chen (2021) Lima et al. (2024)
		Q3.2	Growth	Kerschbaumer et al. (2023) Wetzels et al. (2023)

Table 1: Authors' systematic overview of in-depth research

In all, during the mapping process, eighteen (18) potential executives were identified for participation in the survey and the sample obtained in this research was seven (7) participants (see Table 2). About the non-participants, (1) one executive formally refused to take part, (1) one executive agreed to take part, but it was not possible to reconcile the interview with his schedule and the remaining (9) nine did not respond to the invitations.

Four of the executives interviewed [A], [B], [D] and [F] were initially approached via the social network *LinkedIn*, where the corresponding author introduced himself as the researcher and they responded positively. Executive [C] was already part of the corresponding author's relationship cycle, as they both worked in the consumer goods retail market and have *networks* with other companies compatible with the DNVB model. Two participants were referred to the corresponding author by their master's program supervisor [E] and [G].

All the interviews were conducted remotely via the *Google Meet* videoconferencing tool, with audiovisual recordings made with the authorization of the interviewees. The duration of the interviews and the dates on which they took place are shown in Table 2. The meetings took place without the

participation of people unrelated to this research. There was no need to repeat the interviews. The transcripts of the interviews were returned to the participants via e-mail for any comments or corrections.

Executive	Industry	Position / Role	Conducted on	Session Length
A	Pet food	Founder	Oct / 2023	58 minutes
B	Beverages	CEO	Oct / 2023	1 hour and 2 minutes
C	Healthy frozen meals	Head of Customer Experience	Nov / 2023	48 minutes
D	Cleaning products	Founder	Dec / 2023	1 hour
E	Food supplements	Founding duo	Dec / 2023	50 minutes
F	Vegetable milks	Founder	Feb / 2024	38 minutes
G	Ice cream	Founder	Feb / 2024	44 minutes

Table 2: Participants in the panel of experts, by the authors.

The interviews were conducted personally by the corresponding author (male, with practical experience in topics related to technology and customer experience and a student in the Professional Master's program in Entrepreneurship at FEA-USP in São Paulo, Brazil). At the time of the interviews, the corresponding author held a position as a technology executive in a Brazilian women's fashion retailer. The interviewees were informed about these characteristics of the interviewer, including interests in the topics and objectives relating to this stage of the research. During the interviews, the researcher recorded field notes. Issues of data saturation were not discussed with the interviewees, but with seven participations, this study falls within a sample that Guest et al. (2006) suggest achieves around 70% coverage in relation to the participants' perceptions.

The research adopted a semi-structured, semi-open and semi-directive interview approach (Cheron et al., 2022), thus ensuring the existence of a research instrument with ten central questions related to the themes. As a point of caution, Cheron et al. (2022) warn that this type of approach requires caution on the part of the interviewer to ensure a moderate degree of flexibility that does not result in interviews that may be difficult to compare with each other during the subsequent stage of analyzing the information produced. Another risk is that of bias on the part of the interviewees, who may have a preference for conveying a more successful story than the reality (Carolyn & Neale, 2006). It is therefore necessary for the researcher, during the interviews, to also take actions to mitigate this risk, including ratifying the confidentiality of the information transmitted. The first interview [A] was considered a pilot test of the instrument (guide), which was deemed suitable for moving forward with the agenda with the other interviewees.

Following the model proposed by Nowell et al. (2017), the transcripts were used to identify the common themes that contributed, and these should form part of the consolidated results that are presented among the research findings. MAXQDA24 Analytics Pro software (version 24.2.0) was used to support the coding process and support the analysis of the interviews and their transcripts between March and April 2024.

Results

Fast-moving consumer goods companies born in the digital age

The first interview questions probed how each participant's business aligned with the DNVB model (Dunn, 2016) as well as delving into their motivations for undertaking fast-moving consumer goods.

Three of the seven businesses were designed with this business model in mind, and the entrepreneurs noted that an advantage of the model was that it allowed them to take steps to validate the business.

If it hadn't been born digital, to be quite honest with you, it wouldn't be alive. As I said, we launched during the pandemic and, at that time, it was practically impossible to enter and register with large supermarkets, retailers and distributors, given the timing, wasn't it? The DNVB strategy ended up being crucial to the success of the business [B].

I think the emergence of DNVB was important because we validated a lot of things, reworked the product, redesigned the packaging because of it and we made a lot of changes. I think that when we went to the physical point of sale, it was good, because we had already learned a lot about what could go wrong. Now imagine having a problem with a thousand [points of sale] [E].

I spent some time at Singularity [in Silicon Valley]. We started studying a lot about American DNVBs and how it was happening. It was a concept that almost nobody knew about in Brazil. I think the big concern with the quick turnaround is the amount of investment in visibility, because if you want to be in someone's memory every week or sometimes several times a week, which is our case, it's very expensive [G].

The other businesses had the characteristic of having originated in digital and following the basic DNVB primer pointed out by Lipskier (2023) in a more accidental way, without these entrepreneurs being focused on specifically reproducing the model, having only had access to these definitions later.

I'm vertical because I control the whole operation from start to finish. In other words, from the selection of the ingredients, the development of the diet, then the logistics operation is done by us in the warehouse and the delivery is outsourced, we control all the points [A].

We like to call it foodtech but it's also a DNVB, it was born out of this pain, I don't think it was for most people, but we've always focused on customer pain [...] in a practical way [C].

We identified a need of ours, and when we went to look for information [about our product category, in mid-2015], it was very difficult to find it on the internet. If we couldn't find it, we said: other people aren't finding it either, so let's create this content that will be very favorable for us. So, naturally, we set up our e-commerce and blog [...] and it generates organic traffic for us. [D]

[We started with] a very simple site, we made the site and sold it, and at the time it was a lot. We sold everything and I said: Wow, cool. We have a product that fits. They started using it, I started getting feedback, they started liking it [F]

The adoption of Customer Experience practices

Centrality

Three of the companies demonstrated that they had structured an initial view of customer perception when defining their business plans, bringing repertoire on the Customer Centric view (Moormann & Palvolgyi, 2013) and examples of how the DNVB model also contributed to validating products and customer profiles (Lipskier, 2023).

We have this customer centric vision and from the moment we have this direct contact with the customer and we're storing all the feedback, we're... I, for example, do a lot of one on one interviews with my top performing customers, to understand why they came, what makes them stay and this gives us some guidelines [A].

All these launches came very much from customer input, still 100% DNVB model, that's where we launched the most products, right at the beginning, right? So basically, all the items that were launched came from listening to customers and listening to feedback [B]

I remember very well starting to read [...] about the importance of the customer being at the center of the strategy. And I have a lot of friends who work, who have worked in market research for very large companies [who supported us in this] [D]

Companies [C] and [E] and [F] listen to feedback later, with the products already on the market. This approach had already been noted by Lemon & Verhoef (2016) as relevant, although potentially replaceable by more technology-driven methods such as digital sentiment analysis and advanced data capture techniques.

Now [five years after the company became active] we're managing to do a lot more of this, and it's exactly from the insights we got from our survey of [customers who stopped buying]. This customer's pain [...] has always been price and promotion. "It's too much for my pocket to keep buying and I'm waiting for a promotion to make me buy

again". We finally addressed a pain that was something we'd been turning our backs on for the last five years and, as a result, we even managed to bring in a different audience profile [C].

We carry out biannual surveys with customers to get feedback on the products, to also get feedback on the pain of what they want and what pain the market hasn't filled yet. So we try, as far as possible, because working with physical products there is no such thing as agility, especially when it comes to food, but we try, as far as possible, to be as agile as possible and try to bring more assertive solutions [F].

Companies [E] and [G] focus on feedback collected from customer service, and therefore exclusively on post-purchase moments (Lemon & Verhoef, 2016).

You, [the Customer Service team], have the best chance of bringing us insights into what we need to do, either to improve, or what we're already doing well so we know what we're also doing well, because they're the face of the [company] with the customer. The first complaint that comes in will hit him before it comes to us. Praise too. So we say to him: You're the one who has the greatest chance of changing this company [E]

In terms of flavors, in particular, we had to tinker a lot. For example, when we launched the kids line, there was a lot of demand for, "Look, you have a very nice [product] [...], but we went to see and, in Brazil, the most requested flavors are [...]". And we didn't have [...]! So we launched a line [of these flavors]. This channel with the customer has always been great [G].

Practices

It was possible to observe a selection of practices applied to CE management. Companies [A], [B], [E] and [F] showed more focus on satisfaction surveys or exclusively monitoring via comments on social networks. The practice, also known as *social listening*, presented by Lemon & Verhoef (2016) as techniques focused on customer engagement, observed in studies from the mid-2010s onwards.

You have NPS, right? You have everything from Google reviews, for example. We have Google reviews and we have, I don't know, 1,000 pets a month [A].

There's also a lot of social listening [...], so we listen a lot on our networks to what the public is liking or not liking, what they're praising, and of course, what they're liking, we keep doing and what they're not liking, we tend to talk about, understand how we can improve, right, even to always change in a positive way. We also have surveys that we run, not very often and not very boring, but we have some small surveys that we run with the customer base and we send them by WhatsApp, we receive the data and we compile these surveys [B].

We haven't done it for a while, but we released a survey to our customer base, even to understand more and get to know them, a bit about their behavior and also to find out about their experience with the product. We got feedback that 92% of people are satisfied with the product, a very good number [E].

We have the experiences that, after the customer buys, they receive an e-mail and rate the experiences, so we can also measure them there [F].

Company [C] was more emphatic about obtaining data to visualize more stages of a customer journey. This was the first mention of this technique in the interviews, which also refers to more advanced CRM techniques, noted by Lemon & Verhoef (2016) much cited in studies from the 1980s onwards, during the total quality movements.

[The company uses] Metabase, to manage the data and then we can build some other tools, for example, one that we use a lot is a customer journey dashboard, we call it "customer journey", because when a customer contacts us, I can put their email there and find out how many purchases they've made, which items they've consumed the most, how many times they've contacted us, all their purchases and how many times they've used a coupon or not. This is a tool on the dashboard that is very important for my team so that they have autonomy in terms of service [C].

For companies [D] and [G], user community tools and customer committees proved to be complementary tools. Moormann & Palvolgyi (2013) treat community issues as one of the relevant components within a customer centricity framework.

We also created a community on WhatsApp and I have a person dedicated to this community because there I have two groups, one group where we talk only about how to use [the products]. [This] took away a little of the issue of one person going to Customer Service, taking an insight. Now people take their insight to a group with other people who identify with the insight. [...] It's very, very, very rich [D].

We worked [...] to build relationships with these ambassadors of children or even families who were excluded from food due to certain restrictions. We worked with these people. There are a lot of sports-related events [...] and we became a major sponsor [of this sport] in Brazil. [We ran a CRM, taking the 30 customers who ordered the most and

asking: "Was the taste good or not?". We created like a client committee where we were in contact all the time. Every time we were going to launch a new flavor or something new, we would gather these customers [...] as if they were beta customers [G].

CE program

It was possible to notice that companies [A] and [F] were not yet structuring elements of CE programs, seeking to capture feedback from teams first:

The stage we're at today is still very, very early for us to do this. I have very direct contact with everyone in the team, it's a [small] team and I'm very one on one with everyone, so our communication dynamics are very good. But I haven't thought about it in a more structured way, I never have. It's more organic [A].

So, to date, it's all very organic and with very well thought-out investments. But we certainly want to map out this complete journey and we really want to implement it [F].

On the other hand, companies [B], [E] and [G] have materialized their EC practices in the form of reinforcing the focus on aspects of quality of experience. In the typology proposed by Klaus et al. (2012), they could already be close to falling between the initial category of "preservers" and the category of "transformers". These companies already declare that they are convinced of the influence of CE practices on their results, starting at this stage with the improvement of existing processes:

What we've taken great care of in the business, right from the start, is the customer experience on all channels and customer service. A year or so ago, we redid our entire website with UX in mind, to make the experience [...] easier, faster, [...] more intuitive. [...] It's not just the User Experience platform in the digital area, but how the merchandise is received - how it's packaged, if it's done with care. We add stickers, little thank you card, we put genuine attention in the package. So we take a lot of care of that and a lot of care of the physical experience [B].

We were born with this view of the customer and initially focused on meeting the deadlines we promised, that was the idea, we tried to squeeze as much as possible and we've been playing with this from the beginning. The shorter the deadline, the higher the online sales, right? But if you promise a deadline that you don't deliver, you end up selling once, you lose credibility with the customer and maybe the repurchase rate drops. We've been playing on the edge of this deadline so that we don't lose the sale but also don't discourage or frustrate the customer to the point where they don't buy from us [E].

We surf a lot on benchmarks, so we look a lot at what a brand has done well and try to do the same. Store experience too, we've always used benchmarks a lot, we've always traveled, we've looked a lot, because that's what retail is all about, you're kind of inspired by each other, trying to use something that worked and you have to do a lot of rice and beans before you start inventing fashions [G].

Companies [C] and [D] demonstrate a strong focus on customer service, reinforcing the idea that the point of contact is not merely a passive support channel, but a critical element in sustaining positive customer experiences (Klaus et al., 2012).

We started out with a very strong service aspect. Fortunately, as a born digital startup, we have consistently maintained this orientation. More than providing service, it's being able to understand what the main points of friction are. Today we monitor three major CE indicators, apart from operational ones. Obviously, within my customer service I'm very concerned about my SLA, my average first response time, my average waiting time [C].

In 2019, in a more structured way, because that's when we plugged customer service into the research area and we had this manager who took care of it... because normally, if you look at other consumer goods companies, customer service is normally plugged into operations. But the operations people, at least the ones I know, are very concerned about the SLA, the experience, the deadline, but they're not concerned about understanding what the customer is asking for, [or] why, in fact, they're dissatisfied [D].

Consequences in relation to growth and buybacks

Purchase recurrence rate

All the companies reported monitoring buyback rates. Most of them related that they were achieving satisfactory results. It can be seen that, for them, online activity may be contributing to this success (Fang et al., 2011) at levels generally not explored by traditional fast-moving consumer goods companies, which tend to have little governance over repurchase (Leahy, 2011).

We understood that the customer should buy at least once a month, at least the repurchase customer, right? So we looked at the base a lot, cross-referenced it with the frequency of purchase and if they weren't recurring, we started to activate them, right? How's your stock?", "We miss you" and there were always special conditions for this customer: "If you've already bought the first time, from the second purchase you'll get a 10% discount on all your purchases" [G].

Two of the companies are successfully running subscription models and taking advantage of this method to make their purchase recurrence rates even more sustainable and frictionless, with the system, automatically, sending new items to customers at predetermined intervals (Kerschbaumer et al., 2023):

Our [monthly] retention rate is 89% [...] and that's what I told you, it's very good. [That's why] I think the subscription model brings you many benefits if it makes sense for your business. Firstly, financially, [and secondly] it forces you to be customer centric [A].

30 % of the total online shopping base are subscribers. And the target for 2024 is 50%. Our growth is very much focused on this repurchase model. The investment in the community itself and in subscriptions and buybacks, I think that was the big learning of the year, it's the big highlight in the figures too and it's what makes us able to project 2024 with more certainty, you know? Because these are more permanent changes [D]

The other businesses showed frustration with their previous attempts to implement subscription programs by claiming that, from a technical perspective, the programs were not well fitted or formatted to meet their requirements:

We launched [a subscription model] as an MVP, so we're doing the process manually, internally, but we still don't have a structured subscription plan at [the company], but that's what I'm interested in and want to do. We have a 46% repurchase rate in our e-commerce, which we take great care of [B].

We tried [subscription programs], but we went for the most complex model there was. But then [the customer] forgot, they didn't want to get paid. What we tried to do was cashback so that the person would buy again, but again, we did it [in a way] that was very complex [...] it made the customer behave in a way that we wanted them to and not their natural behavior [C].

We look at it from the first month and it's not necessarily a metric, it's not a repurchase target, because if I were to draw up my target, the repurchase rate would be very low because I would want to grow the customer base very quickly. But our experience shows that, of e-commerce sales, on average 30% to 40% are from customers who are repurchasing [monthly]. We [long ago] already saw this possibility of the customer subscribing. Some customers subscribe to receive. We also have some subscription cancellations. Why do we have cancellations? The client will usually only subscribe if they have confidence that it will be good and when they do, sometimes they say: "I subscribed, but I subscribed more than I needed". Then they come and cancel. What is important for us to be studying now? How the person manages the subscription, like we can do on Amazon, you know? Change the frequency, change the product, by yourself [E].

There were, our website had a "subscription model", and [there were] three. Nobody did it properly [G].

Growth

The seven companies interviewed expressed different approaches to measuring their year-on-year growth, sometimes in transactions and sometimes in turnover. Six of them have recorded growth (Wetzels et al., 2023).

In terms of transactions, we grew in 2022 versus 2023, we grew by more than 40% and that's up to November, right? January to November, January to November. We managed to grow transactions by 40%, conversion by more than 40%. The automatic transaction, which is the subscription, grew by 677%. Discounts and benefits for subscribers must always be the best. We can never have discounts that are more advantageous than for the recurring customer, you know [D].

We grew a lot and from the first to the second year, we grew 500 %, from the second to the third year, we grew 200 % and from last year to now, we've reached stability [...] 12 % from 2023 to 2024. We managed to make a smaller leap and we consider that we have reached this stability, which I think is also normal [F].

The highlight for companies [B], [E] and [G] is the fact that their growth is mainly driven by distribution via indirect channels. In this current growth cycle, they are demonstrating maturity and scale compared to the model initially thought of as exclusively operated via direct channels. Observing how much the DNVBs' reintermediation cycle has worked for them as a growth driver and reverberating Dunn(2016)'s view that this business model "doesn't just end at digital".

This year we're going to grow by more than 80% compared to last year, and the previous year was practically the same. This year will be a good year for sales and if we make a mistake we'll exceed 90% growth, but now it's 84% compared to last year [B].

We've grown a lot. If you think about turnover, fine, we launched in April 2022 and last year we made R\$493,000.00. This year, 2023, I'm imagining, let me even look here, I was working on my financials just now... I believe we're going to close at R\$1,600,000.00. So we've grown four times, okay, it's not complete [E].

We've always grown a lot because we've grown through expansion, right? So, as we were very small, we left Minas Gerais, Uberlândia and went to Belo Horizonte, where we doubled in size. Then we went to São Paulo, in five neighborhoods, tripled in size, went to ten neighborhoods, doubled again, and went to Rio de Janeiro. [From the point of view of sales in existing regions, disregarding expansions] I'm very stable, with a few valleys [G].

Discussion

In general, compatibility with the DNVB business model was positively validated by the participants, even at times when it required clarifications of the definitions during the interviews [Q1]. This finding suggests that while the model itself is attractive to entrepreneurs (Dunn, 2016), its conceptual maturity within startups may still be evolving. The characteristics of the DNVB - particularly the absence of traditional intermediaries and reliance on *direct-to-consumer* digital channels - can provide these *startups* with better access to run some of the customer experience practices, since the digital environment allows for greater proximity to end customers (Lipskier, 2023).

It is noteworthy that, although all seven Brazilian companies acknowledge the importance of customer-experience (CE) best practices, their leadership adopts CE programs, practices, and metrics in markedly different ways when seeking to drive growth and repeat purchases (see Table 3).

The scope and sophistication of CE practices [Q2] varied widely across the companies studied. However, when looking specifically at CE programs, we do not observe comprehensive initiatives that span the entire customer journey (Klaus et al., 2012). Most reported actions were concentrated in post-purchase activities, such as complaint resolution or satisfaction tracking, revealing a limited and reactive view of customer experience. Structured efforts to support first-time purchases, reduce friction in decision-making (Becker & Jaakkola, 2020), or actively encourage repeat behavior were rare. This suggests that, despite operating in high-frequency consumption categories, these companies still treat CE more as a downstream function than as a strategic lever aligned with the business results (Wetzels et al., 2023).

This narrow scope may also reflect the maturity level of the companies. As suggested by Homburg et al. (2015), startups in early stages tend to prioritize product validation and rapid growth over formal CE initiatives. Our findings confirm this tendency: the companies that demonstrated more sophistication in CE were generally further along in their life cycles. For them, CE gained relevance as their business models matured and focus could shift beyond core operations. Still, even among these more mature DNVBs, opportunities to design holistic experiences that foster loyalty, habit formation, and sustainable growth (Lemon & Verhoef, 2016) remain underexplored.

Finally, regarding recurrence and repurchase [Q3], the study did not identify a direct causal relationship between company growth and the application of CE practices. This reflects the complexity already discussed by Kerschbaumer et al. (2023) and Wetzels et al. (2023), who argue that CE outcomes are often mediated by contextual factors such as market maturity, business model configuration, and organizational capabilities.

Most companies in the sample were entering a stage of stability and growth. This scenario enabled some of them to explore subscription models to encourage repeat purchasing, provided their products aligned with customer needs and routines (Leahy, 2011). However, only two companies had successfully implemented this mechanism. For the others, technical and operational limitations still posed significant barriers to adoption.

This finding is particularly thought-provoking in the context of digitally native vertical brands, which are theoretically better positioned to experiment with data-driven and technology-enabled models (da Silva et al., 2024). The limited diffusion of subscriptions among these companies suggests that, despite their digital DNA, retail technology infrastructure and experience orchestration remain challenging capabilities to develop in practice.

Lastly, regarding channel strategy, an interesting tension emerged between verticalization and diversification. While DNVBs initially rely on *direct-to-consumer* proprietary channels to ensure experience control and data richness (Lipskier, 2023), some companies in the sample began exploring intermediated formats as they scaled. This move toward marketplaces or physical retail can support growth (Dunn, 2016) but also challenges the consistency of CE practices designed for fully owned journeys.

Results / FMCG DNVB participants				[A]	[B]	[C]	[D]	[E]	[F]	[G]
How Brazilian startups of fast-moving consumer goods, born in digital environments...	Q1.1	Adaptation to the DNVB model		<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>
	Q1.2	Acting as a quick turnaround company		<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>
...are adopting good practices of EC...	Q2.1	Customer centricity	At the start of the business	<i>x</i>	<i>x</i>		<i>x</i>			
			Thereafter			<i>x</i>		<i>x</i>	<i>x</i>	<i>x</i>
	Q2.2	Tools adopted	Surveys	<i>x</i>	<i>x</i>			<i>x</i>	<i>x</i>	
			Data Analysis			<i>x</i>				
			Customer Committees				<i>x</i>			<i>x</i>
	Q3.3	CE program	Buying Journey		<i>x</i>			<i>x</i>		<i>x</i>
			Service channels	<i>x</i>		<i>x</i>	<i>x</i>		<i>x</i>	
	...in order to maximize your purchase recurrence rates and your growth?	Q3.1	Purchase recurrence rate	By subscriptions	<i>x</i>			<i>x</i>		
Without subscriptions					<i>x</i>	<i>x</i>		<i>x</i>	<i>x</i>	
Q3.2		Growth	Direct channels	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	<i>x</i>	
			Other channels		<i>x</i>			<i>x</i>		

Table 3: Relationship between companies and their adoption of practices connected to and derived from CE programs. Adapted by the authors.

Conclusions

This study examined how seven Brazilian DNVBs in the *fast-moving consumer-goods* (FMCG) sector interpret and implement customer-experience (CE) practices. It was possible to observe that the companies interviewed have adopted some techniques that fall within the group of CE practices presented by Lemon & Verhoef (2016), with the adoption of satisfaction surveys proving to be the most widespread, both because of some listening to the target audience at product launches and then with post-purchase surveys, generally one-off, carried out by the companies with the customer base. Three of the companies associated EC more with the customer service channel. These reports show that most of the companies are still at an initial level of maturity in their understanding of the tools. This could also

indicate gaps in how other CE tools are addressed in entrepreneurial training, which may have limited the success of these initiatives.

Regarding recurrence metrics, although each leader treats the metrics and performs their measurement with particularity, six of the seven companies demonstrated satisfaction with their current growth cycles and the extent to which the business was recording an increase in turnover or transactions on a comparative basis (annual or monthly). Two of the companies actually have successful subscription programs, while the others demonstrated that technically the subscription program is not a trivial thing to implement. Here, technological gaps, whether in the availability of tools or qualified teams to design experiences that could make sense with the public, could have contributed to maximizing the success of these initiatives. The growth of the companies has occurred mainly via direct channels, with the exception of one of the companies (company G) whose channel that made sense is entirely intermediated by meal ordering apps (such as those operated by the Brazilian *iFood* or the Colombian *Rappi*), demonstrating that *marketplace-type* platforms can function as a channel in certain product categories - a path to be considered by other entrepreneurs as well.

Thus, although the use of certain CE tools by the businesses was observed, the interviews with the seven leaders showed that concern for the quality of their products and services has the potential to be at the top of their priorities for achieving better results: a vision of a "getting the basics right", which would match this category of fast-moving items offered by companies that claim to be agile and vertical.

The study contributes to the literature by highlighting the potential gaps between theoretical conceptions of customer experience (CE) and its practical execution in digitally native firms (DNVBs). It reinforces the importance of understanding CE as part of a broader strategic and technological ecosystem, rather than as a stand-alone initiative. Future research could explore whether DNVBs are truly achieving digital maturity in practice - particularly regarding the adoption of structured customer experience practices and data-driven capabilities. This includes investigating how disintermediation through new social commerce platforms like TikTok Shop, WeChat, or WhatsApp may affect their ability to control the customer journey and sustain loyalty over time.

Limitations

This research relied on the perceptions of 7 (seven) Brazilian executives who were already operating their businesses with relevant market visibility in their segments during the interviews. Future studies could look at consumer goods DNVBs in earlier stages of operation or managers of discontinued businesses as a way of identifying further learnings and/or risks. From the point of view of coverage, four of the companies interviewed are in the city of São Paulo (SP), one in Uberlândia (MG), one in Porto Alegre (RS) and one in Curitiba (PR), demonstrating the concentration of this sample in the south and southeast regions of Brazil as a point of attention - it is therefore relevant that, in future analyses, we consider the search to expand this coverage by identifying companies from other regions of Brazil. Limitations related to the entrepreneurs' understanding of the concepts of DNVBs and CE were also noted. Future studies could also focus on the perception of the end customers of these companies, since this study focused exclusively on the testimony of this leadership group.

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