

Dollar Shave Club (2018, LBS)

- *Full Name of the Case:*
- *Teaching Note(s) Available? Yes*
- Case is available through Harvard Business Publishing (product #: LBS150-PDF-ENG)

Dollar Shave Club (DSC) is an American company founded in 2011. An online “direct-to-consumer” brand, it sells personal care items (primarily razors) through a subscription model, with a millennial-friendly marketing approach and strong customer engagement. It is part of a wave of new companies that have forcefully bypassed “old” methods of reaching customers, in favor of a more direct method delivered via a new type of business model.

The case, set in 2016 just as Unilever was about to acquire DSC for \$1bn, traces the history of razors, and delves into the business model of the dominant incumbent (Gillette), which is known for having introduced the “razor/blade” revenue model innovation in 1921(!), as well as numerous product innovations. The case then goes over Dollar Shave Club’s business model and marketing in more detail, including its approach to sourcing through an external manufacturer, its affordable and flexible revenue model (comprised of monthly subscription options), and its leaner marketing initiatives on social media platforms such as YouTube and Facebook.

Given the marketing theme of the case, its primary suggested use is with **Chapter 8** (value propositions of business models). However, since in the introduction and closing the case takes the perspective of large incumbent P&G and asks how the company should respond to the disruptive challenge from Dollar Shave Club, it could also be fruitfully used together with **Chapter 4** (disruptive BMI), **Chapter 10** (BMI in established firms) or **Chapter 12** (BMI strategy in the digital age).