

## **Douglas (2020, University of Cologne)**

- *Full Name of the Case:* Expanding the Traditional Retail Model: Douglas' Path Towards a Multichannel Beauty Platform by Werner Reinartz and Nico Wiegand (2020)
- *Teaching Note(s) Available?* Yes
- Case is available through [The Case Centre](#) (reference: 520-0102-1)

Douglas is a German chain of retail stores selling premium beauty products. As the European leader in this area, it has a large number of physical stores in numerous European countries, as well as a strong ecommerce presence. It is currently owned by CVC Capital Partners, a private equity firm.

The case describes the challenges Douglas has faced against the rise of digitization in the beauty retail industry. It discusses Douglas' attempts to transform from a traditional "pipeline" business model to a "platform" business model, led by CEO Tina Müller's vision for Douglas to become a beauty "destination." As such, the case can be used to highlight the fundamental properties of business models introduced in **Chapter 1**, in particular the differences between traditional value/supply chains and business models (see Exhibit 2 in **Chapter 1**).

Furthermore, the case offers an opportunity to emphasize and discuss the importance of value creation for *all* business model stakeholders (**Chapters 1 and 8**); shows the challenges of business model innovation in established firms with significant legacy assets (**Chapter 10**); and in general highlights the importance of having a well-thought through business model innovation strategy (**Chapter 12**). In addition, the case allows the instructor to dive deeper into the topic of platform business models (**Chapter 12**).

Specifically, Douglas has partnered with hair and beauty salons to offer a beauty services booking service (which also provides detailed data on customer preferences and trends, and therefore allows for more targeted marketing). The company has also expanded its online ecommerce concept. In addition to its existing online retail business, it opened its online store to third-party sellers, who offered high-quality items complementary to the Douglas brand.

Given the plethora of changes, the private equity owner of Douglas wonders whether the platform is doing well, and what the prospects are for the future.