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E-commerce Trends That Will Shape Your 2021 Strategy

Agenda

- Introduction
- Key trends
- Microsoft view of eCommerce
- B2C – an overview
- B2B – an overview
- Questions

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INNER CIRCLE
for Microsoft Dynamics

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Microsoft Partner
Microsoft

- Gold Application Development
- Gold Cloud Business Applications
- Gold Cloud Platform
- Gold Cloud Productivity
- Gold Data Analytics
- Gold Data Platform
- Gold Datacenter
- Gold Enterprise Resource Planning
- Gold Security

Arbela by the Numbers

210+ Resources	7 US, UA, UK, DK, CA	8 Arbela D365 Products	21 Languages Spoken	30 Nationalities
26,000+ Seats of Dynamics	85+ D365 Subscriptions	30+ Azure Subscriptions	100+ Arbela IP Clients	83% Active on Licenses
4 Integrated Practices	9 Gold Certifications	500+ MS Exams Passed	4 X as a Service's	3 Countries for CSP

Industry

Arbela Health	Manufacturing & Distribution	Other Industries	Connected Field Service
Pharma Medical Device Nutraceuticals Biologics	Building Materials Industrial Goods Aerospace Tier 2/3	Engineering Services Retail Services Media & Entertainment	Energy Distribution Fleet Maintenance

Microsoft Stack

TECHNOLOGY
- Dynamics 365 Sales
- Dynamics 365 Customer Service
- Dynamics 365 Field Service
- Dynamics 365 Finance & Supply Chain
- Dynamics 365 Customer Insights
- Dynamics 365 Human Resources
- BI & Analytics
- Azure

PRODUCTS
- Audit & Security Manager
- Arbela Data Insights
- One Step Consolidation
- Master Data Centralization

SERVICES
- BI as a Service
- Marketing as a Service
- Security as a Service
- Customer Engagement as a Service

Business Challenges in Unprecedented Times

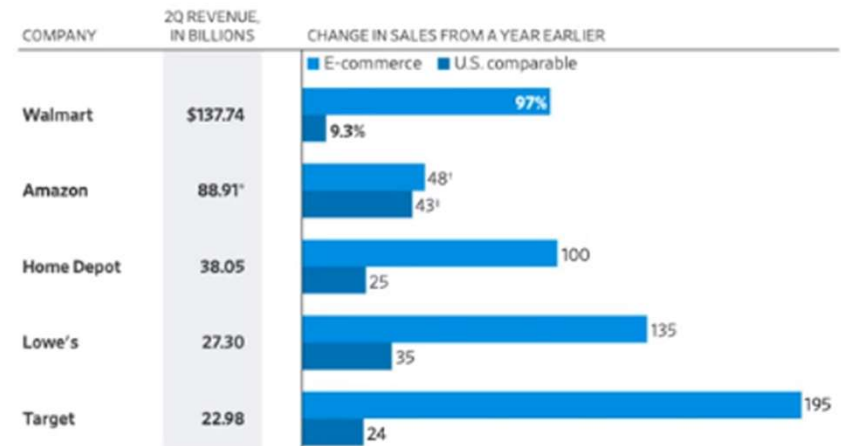## Fear of the Unknown

Global Pandemic (no bubble)
- Economic Collapse
- Supply Chain Disruption
- Shelter in Place
- Phased Re-Openings
- Employee Safety
- Changing Consumer Habits

Businesses are scrambling to:
- Pivot business models to meet Customer trends
- Streamlining Operations to reduce cost
- Stabilizing Supply Chain
- Promoting Employee Safety

Ringing the Register
Some of the nation's largest retailers have reported strong sales growth, helped by more customers ordering online.

COMPANY	2Q REVENUE, IN BILLIONS	CHANGE IN SALES FROM A YEAR EARLIER
		E-commerce / U.S. comparable
Walmart	$137.74	97% / 9.3%
Amazon	88.91¹	48¹ / 43¹
Home Depot	38.05	100 / 25
Lowe's	27.30	135 / 35
Target	22.98	195 / 24

Forbes Status of eCommerce under Covid

$52B Increase

75% increase on Memorial Day $2B → $3.5B

10% Increase in Mobile Sales

195% Increase in BOPIS (buy online pickup in store)

SERP volatility chart
US | SEMrush Sensor Data

Category	SERP Volatility	Change, %
Books & Literature		187.67%
Hobbies & Leisure		119.83%
People & Society		106.90%
Health		96.47%
Pets & Animals		96.36%
Science		87.84%
Home & Garden		74.67%
Autos & Vehicles		74.59%
Computers & Electronics		72.15%
Business & Industrial		70.06%
Beauty & Fitness		68.63%

Source: SEMrush

SEMrush

Trends in eCommerce for Microsoft

Engage customers across channels

Give your customers the option to purchase when, how, and where they want—on any device—by delivering a frictionless and consistent engagement across online and offline channels.

Build loyalty and exceed expectations

See a comprehensive view of each customer on a unified commerce platform, respond to their needs at every level of engagement, and foster lasting relationships through intelligent tools that strengthen your brand.

Get everything to build and run digital commerce

Grow your business with an end-to-end commerce solution that scales to your needs across both traditional e-commerce and emerging channels.

Streamline and optimize your retail operations

Create personalized, friction-free commerce experiences and integrated, optimized back-office operations through ingrained and pervasive AI and machine learning.

Get the flexibility and security you need

Meet your operational requirements with flexible deployment options along with a configurable and scalable platform that adheres to global compliance and security standards.

B2C

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The Basics - Amazonfication

- Ease of experience
- Fast shipping & always available products
- Ease of returns (RMA's) and Refunds
- Multiple payment methods
- Exemplary Customer Service – beyond a call center (Social Media, Chat on website, email)

Building Loyal Customer Base & Hyper Personalization

- Segmenting and scoring your targets and customers
- Content is king
- Buyer Journey Mapping is Critical to attracting and retaining your customers
- Influencer marketing & targeting requires knowing your targets and tailoring advertising early in the buyer cycle
- Interactive Product Visuals (3d Modeling, Augmented Reality)

48% increase in sales when personalized to seller

65% of brands are increasing influencer marketing

Focus Points

Seamless transition from online to instore and vice-versa

- Carry on the experience between online and instore
- Direct them to find what they need
- In-Store / Curb-side pickup

Advertising

- Knowing your future buyers – how to identify them, what data is required, how can we segment our buyers into various customer journeys, focus and target them in the right way
- Absolute must is building brand awareness. 3:1 or 5:1 depending on industry of Branding to Offer target marketing
- Build trust of your brand, associative / influencer marketing

Learn what your buyer does and doesn't do when purchasing your products

- Create recommendations, upsells, cross sells powered by AI
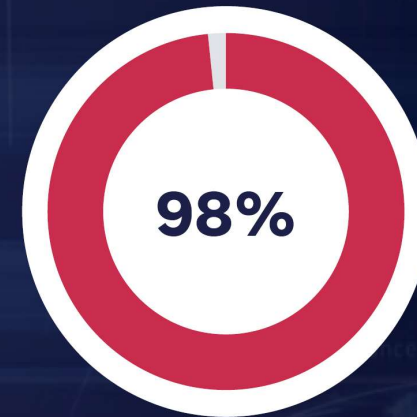- Bring in insights from your eCommerce site about the journey and behavior of users

B2B

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Manufacturers are rapidly embracing ecommerce

Key Stats

98% have, are implementing, or are planning to implement an online sales channel

Overall revenue generated via online channels **50%**

Manufacturers are already selling direct to consumers (D2C) **67%**

98%

The top 3 challenges with current e-commerce experiences are:

1. **32%** Limited product data
2. **30%** Inaccurate product information
3. **30%** Checkout process is too long or complicated

To solve this challenge of poor customer experience

Manufacturers invested in a new platform **36%**

Manufacturers invested in more personnel **35%**

Source: Sapio Research 2021

Ecommerce helps manufacturers meet business goals

B2B E-COMMERCE HELPS ORGANIZATIONS MEET BUSINESS GOALS

87%
Personalize customers' buying experience

85%
Support sales staff

85%
Generate new revenue

81%
Reduce cost of sales

80%
Support innovation

74%
Play a role in the organization's digitization strategy

Source: Sapio Research 2021

Education & Branding is Key

- Be known for what you do
- Instructional Videos
- How to guides
- Installation guides
- Influencer walkthrough of your products
- Leadership type posting
- SEO Optimized Content
- For SMB companies – 5:1 up to 10:1 of your advertising is about Brand awareness before offers can be effective
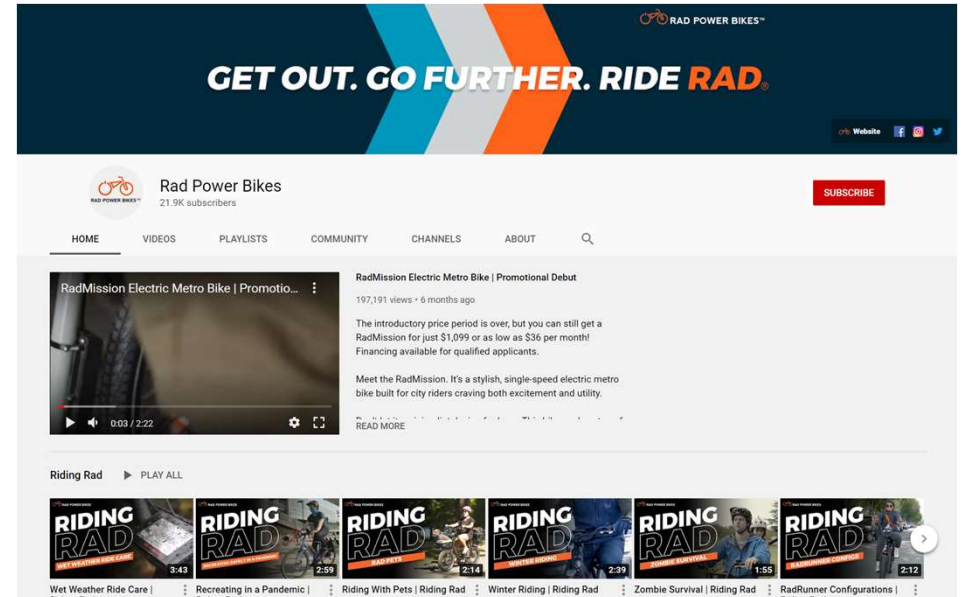
Configurators and Configuration Insights

- Configuration insights
  - Inform your engineers and marketers on how customers are interacting with your products options and configurations
  - How many people selected the option and then deselected it once they saw the price update?
  - How many people looked at each color?
  - Did anyone select a certain wheel?
- Cross-sell, Up-Sell in Configurator

Select Color

Midnight Silver Metallic $1,000

Select Wheels

19" Gemini Wheels   Included

Tow Hitch

High strength, Class II steel tow bar. Capable of towing up to 3,500 lbs

Select Option $1,000

Importance of CRM

- Link to CRM
  - For B2B sellers – often the commerce platform is leveraged by not direct end customers
  - The same rules apply to abandoned shopping cards
  - Did someone abandon a configured product?
  - Were they rate shopping?
  - Did they leave because of lack of stock?
  - Was the sales to technical in nature and they got lost?
  - Follow-up and availability are large drivers to online purchases

63% Avg Abandonment Rate	56% Of abandoned carts are related to unexpected costs
43% of those costs are related to high shipping costs	Follow-up emails on abandoned carts have a 43% open rate and 21% clickthrough rate
42% of buyers in B2B believe they don't get answers faster enough	31% indicated that sellers don't follow-up unless asked

Chat Bots in eCommerce

- Chat bots are the preferred support method of millennials
- Ease of creating chat bots is becoming easier, leveraging pre-built AI and bot-builders
- Know when to hand off to a live agent seamlessly

60% of consumers have leveraged chat bots in the last 12 months

By 2021 – 80% of online companies will have chat bots

Price Optimization

- Price Optimization
- Travel industry has perfected this for years – the value of a flight is dependent on how many people have purchased it, how close to the flight date, key travel patterns and more
- Optimizing the pricing with your clients utilizing AI over time – you can maximize the value of your products and raise prices slowly over time

Tracked prices

Santa Ana to Bangkok ↑$799
Cheapest flight · Round trip $789

Los Angeles to San Jos... ↓$595
American · Round trip $616
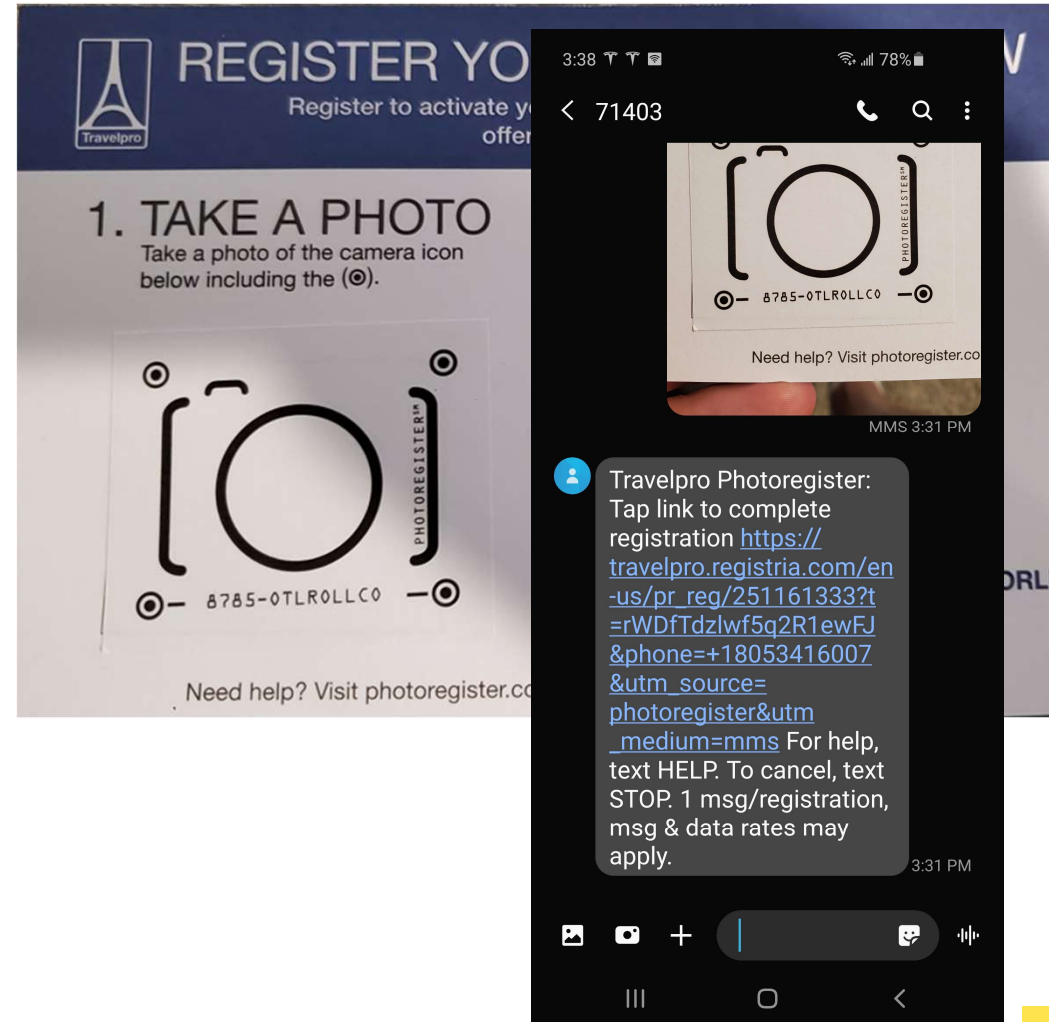
The Growing Mobile Trend

- Mobility is critical
- Anytime | Anywhere access to buying
- Optimizing your website
- Optimizing the experience for both desktop and mobile

The growth in mobile shopping vs. physical shopping and desktop shopping is outstanding. By 2021, mobile is predicted to dominate online sales, driving **54% of all sales**.

The predicted growth of mobile commerce from 2017 to 2021
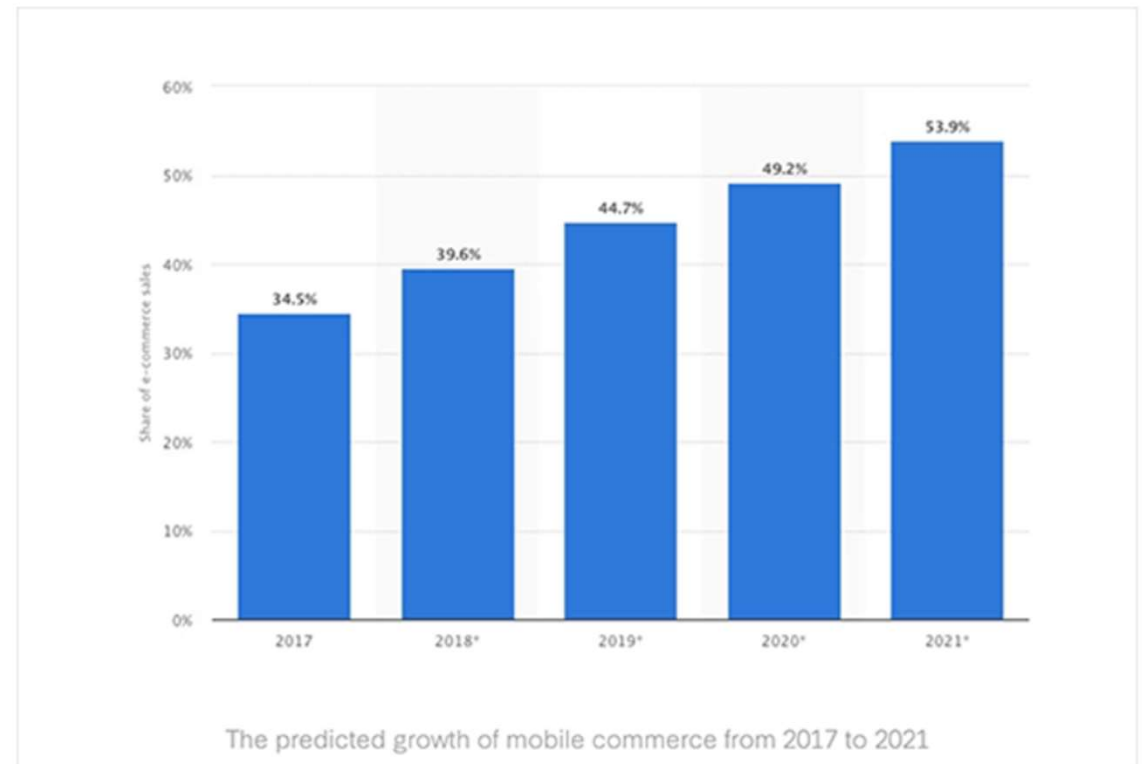
Connect with your End Customer

- Selling direct and through wholesale/retail channels
  - If selling through retail /wholesale channels – make connecting with you directly seamless and dead simple
  - Warranty cards connect you with your customers