

# THE FUTURE OF RETAIL ECOMMERCE TRENDS & INSIGHTS

1.14.21

NetElixir™



# ABOUT ANTHONY TURCO

Sr. Business Development Manager of NetElixir

- 11+ years fine tuning B2B and B2C ecommerce strategies
- Driving performance using a cross-channel, full-funnel approach
- Expertise in a wide range of digital investment channels for a diverse set of industries
- Financial and Entrepreneurial based solutions



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**"WITHOUT CONTINUAL  
GROWTH AND  
PROGRESS, SUCH  
WORDS AS  
IMPROVEMENT,  
ACHIEVEMENT, AND  
SUCCESS HAVE NO  
MEANING."**

**BENJAMIN FRANKLIN**

# AGENDA

ABOUT NETELIXIR

RETAIL ECOMMERCE TRENDS

THE NEW ONLINE SHOPPER

2021 RETAIL ECOMMERCE PREDICTIONS &  
RECOMMENDATIONS FOR MARKETERS



WE HELP ECOMMERCE BRANDS  
**FIND & ENGAGE**  
HIGH VALUE CUSTOMERS

&

**ACQUIRE**  
GAME CHANGING INSIGHTS

# OUR SOLUTIONS

- **PAID SEARCH & SHOPPING**
- **SEARCH ENGINE OPTIMIZATION**
- **SOCIAL MEDIA MARKETING**
- **AMAZON MARKETING SERVICES**
- **ANALYTICS CONSULTING**
- **ECOMMERCE TECH DEV**

# PARTNERS



# CLIENTS



AFTER THE WEBINAR ENDS, PLEASE TAKE A MINUTE TO COMPLETE OUR

# SHORT SURVEY

JOIN THE CONVERSATION AND  
SHARE YOUR THOUGHTS

**USING #NXINSIGHTS**



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# ABOUT UDAYAN BOSE

Founder & CEO of NetElixir

Founded PartyBingo.com (PartyGaming plc)

Guest Lecturer:

- Johnson School of Management, Cornell University
- City University of New York, Baruch
- Indian School of Business



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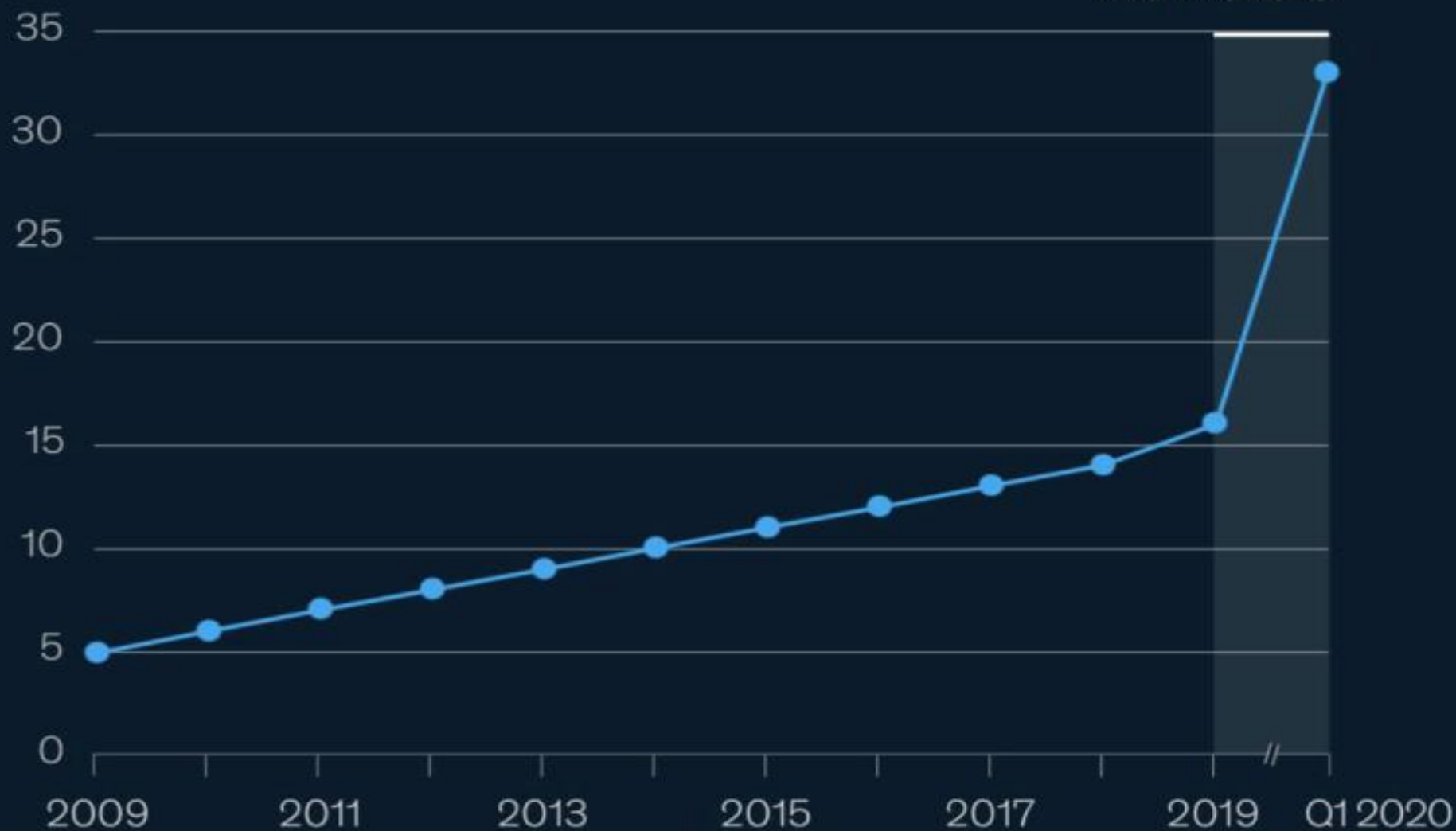




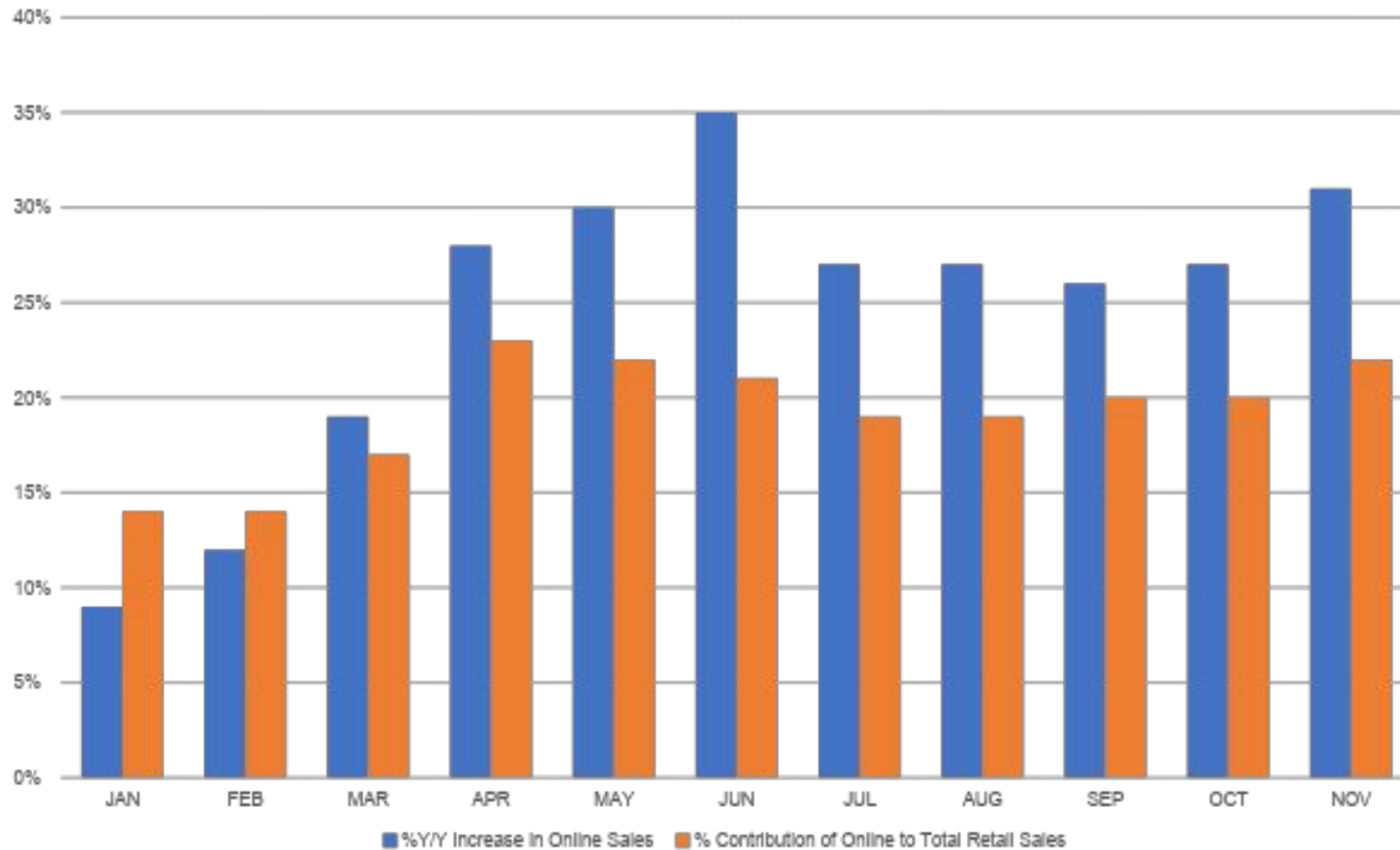
# RETAIL ECOMMERCE TRENDS

## US e-commerce penetration, %

10 years' growth  
in 3 months



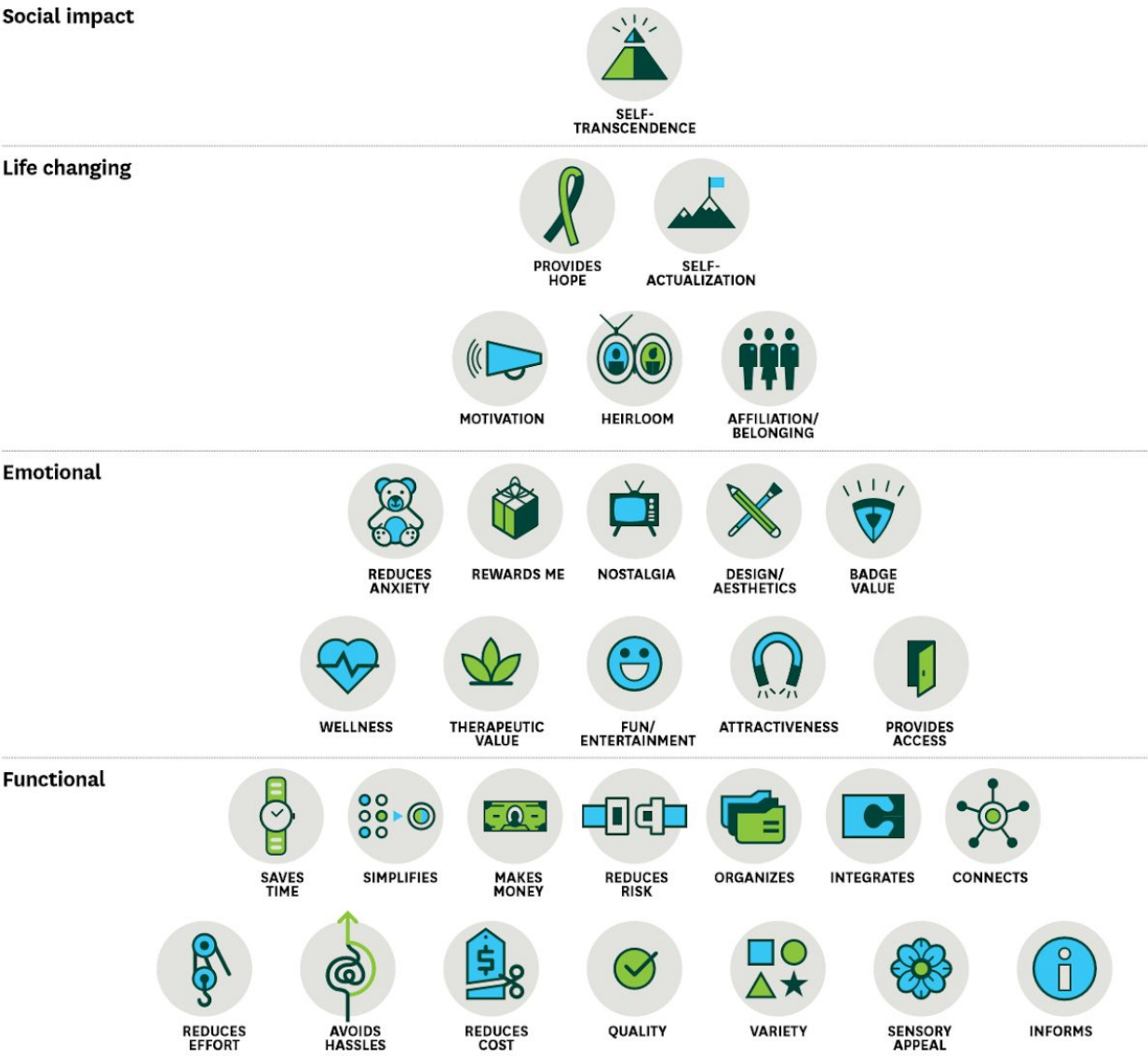
eCommerce Sales Boom (2020)



A man wearing a white t-shirt with a 'United Pixelworkers' logo and sunglasses is lying on his back on a floor. The floor is densely packed with hundreds of smartphones and tablets of various models and colors, arranged in a circular pattern around him. The scene is dimly lit, with the light source coming from above, creating a dramatic effect. The man has his arms outstretched and a slight smile on his face.

# THE NEW ONLINE SHOPPER PERSONA

# CONSUMER VALUE ELEMENTS HAVE CHANGED



# AT HOME DINING BOOMS

People feel increasingly stretched, so think of convenience from the perspective of the consumer; making the entire shopping experience from planning through to use as simple, easy, and quick as possible.



## DoorDash Soars in First Day of Trading

The delivery company's shares closed at \$190 each, 86 percent above its initial public offering price of \$102, in a sign of investor appetite.



CONSUMER

## Peloton Stock Soars as Gyms Close and Home Workouts Spike

By Eric J. Savitz March 17, 2020 4:14 pm ET

Text size — +



Photograph Courtesy Peloton

With gyms closed and many people stuck at home, investors are warming to shares of [Peloton Interactive](#), on the obvious theory that people will shift their workout spending to home-based options like Peloton's connected stationary bikes.

Bank of America analyst Justin Post this morning repeated his Buy rating and \$36 price target on Peloton shares (ticker: PTON), noting that the stock is benefitting

Buy  
Hold

## Emergent Trends & Implications

| CONCEPT                          | IMPLICATIONS   |
|----------------------------------|--|
| <b>Revamped Routines</b>         | <ul style="list-style-type: none"><li>• How might consumers expect retailers / restaurants to provide added safety practices when consumers transition back to in-person interactions?</li><li>• How might brands reimagine ways to support consumers' new daily rituals and routines?</li></ul>   |
| <b>Contact-Free Interactions</b> | <ul style="list-style-type: none"><li>• How might business reimagine the customer experience as eCommerce shifts from a convenience to a necessity?</li><li>• How might businesses rethink their physical offerings in new, safe ways?</li></ul>   |
| <b>Safe Supply Chain</b>         | <ul style="list-style-type: none"><li>• How might consumer anxiety about points of contamination across the supply chain endure?</li><li>• How might businesses create sanitization procedures and / or educational content to help consumers understand what's safe (e.g., communicating sanitization protocols, how-to unbox safely)?</li><li>• How might companies communicate the active role they are playing in ensuring the safety of their employees, products, and broader communities?</li></ul> |

# Consumer Expectations in Retail

FROM

Come and get it.

TO

How can we get this to you?

Going forward, consumers will expect evolved experiences in both physical retail and mobile commerce — from ones that are one-sided today, to multi-way, mobile exchanges of goods, information and experiences.

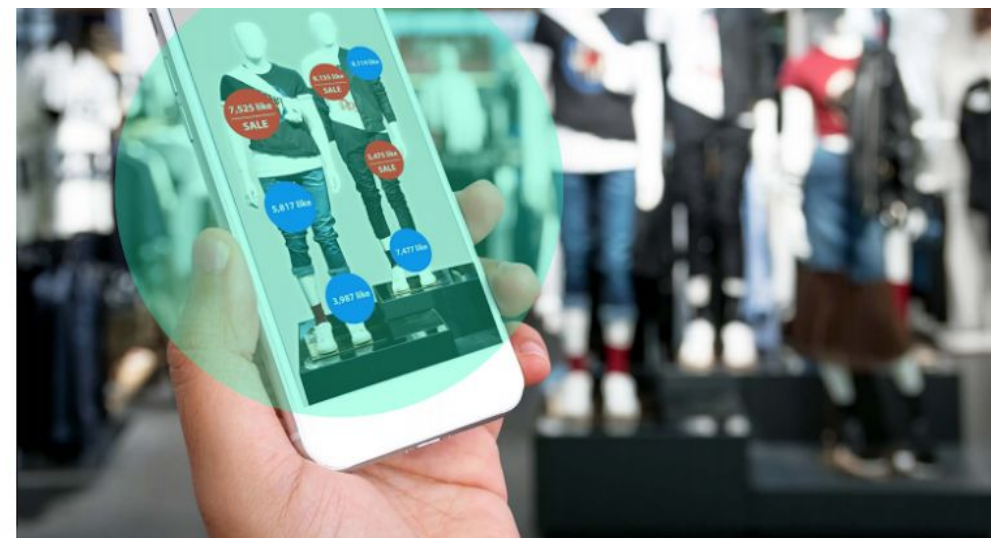


I think there will be a consumer expectation of information. You're walking by a retail store and you see something you like, you can get a lot of information about that particular product. I think augmented reality is going to be a standard in every walk of life — from museums to car dealerships.

—FINANCIAL EXECUTIVE, RETAIL



Convening in-category, adjacent industry and out-of-category partnerships



**THE TRANSACTION NETWORK FOR MOBILITY:** Car parts manufacturer ZF Friedrichshafen's Car eWallet is the first automotive block chain that enables cars to become business entities on their own to autonomously consume services like parking or charging.<sup>[25]</sup>

**DELIVERY WHERE YOU ARE WITH DOMINOS:** With the launch of Domino's Hotspots in 2018, customers can have their pizza delivered to parks, beaches, and more.<sup>[27]</sup>

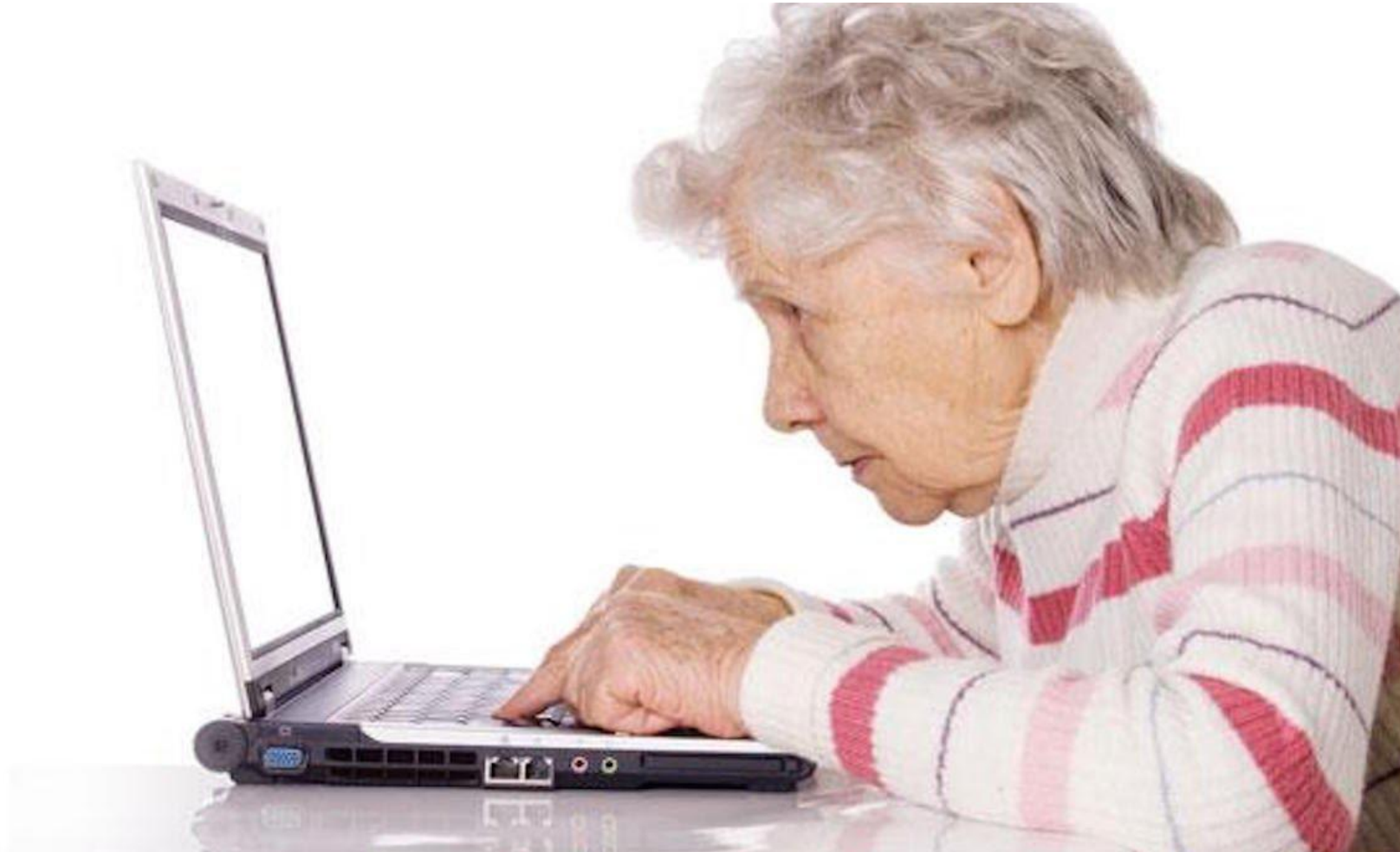
**WALMART'S NEW "SCAN & GO" TECHNOLOGY** allows customers to scan items as they shop, and pay using Walmart Pay for a quick, easy, touch-free payment experience.<sup>[26]</sup>

A group of five young adults (three men and two women) are sitting outdoors on the grass, smiling and looking at a tablet held by one of the women. They are dressed in casual clothing like plaid shirts and jeans. The background is a blurred natural setting. The text 'HOW ARE YOU ADAPTING TO THE NEW CUSTOMER EXPECTATIONS?' is overlaid in large white capital letters.

# HOW ARE YOU ADAPTING TO THE NEW CUSTOMER EXPECTATIONS?

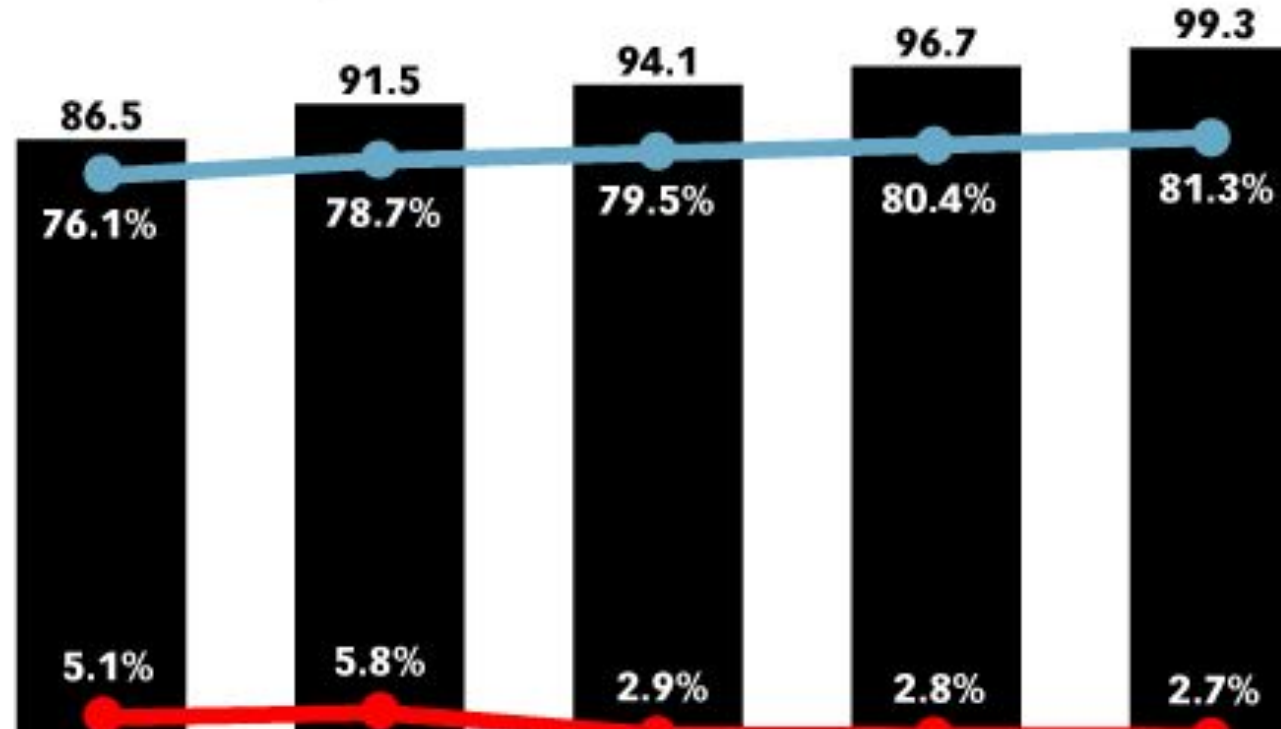
## FIRST TIME ONLINE SHOPPERS

Prolonged lockdowns led to the emergence of first time online shoppers. Once these shoppers were able to break the initial barrier of successfully completing an online purchase, they not only brought more, but also felt comfortable making frequent purchases. Around 17% of all first time online shoppers have continued to shop regularly online. Moreover, their average order value was 12% higher than other shoppers.



## US Digital Buyers Ages 45+, 2019-2023

millions, % change and % of internet users



# 7.4 MILLION

## NEW DIGITAL BUYERS IN 2020

# WHICH CATEGORY HAS BEEN SUCCESSFUL IN WINNING NEW SHOPPERS?

| Category         | Change in % New Orders (2020 vs 2019) |
|------------------|---------------------------------------|
| Apparel          | -3%                                   |
| Food & Gourmet   | +7%                                   |
| Gifting          | +8%                                   |
| Home Furnishings | +3%                                   |
| Home Décor       | +4%                                   |
| Pet Supplies     | +3%                                   |
| Hardware & Tools | +3%                                   |

## OBSERVATIONS

- Food and Gifting experienced the biggest jump in new shopper wins.
- Interestingly, even though larger and mid-size retailers acquired new shoppers, their % new shopper orders remained more or less flat (+1.2%). On the other hand, SMBs that were nimble and aggressive with new customer acquisition saw their % new shopper orders change by 8% vs 2019.

*DISCLAIMER: This presentation provides an informative overview based on data collected from a select set of NetElixir's clients belonging to the retail categories discussed. It does not purport to be a comprehensive analysis of all retailers within any particular category. Before acting on any information, you should consider its appropriateness to your particular circumstances and marketing objectives. Accordingly, NetElixir assumes no liability for the information presented.*



# HOW WELL DO YOU KNOW YOUR NEW CUSTOMERS?

# ALWAYS CONNECTED

The era of the smartphone has seen us live online in the here and now, as we do offline.

Mobile technology will continue to shape retail, both as a commercial channel and a communication medium.



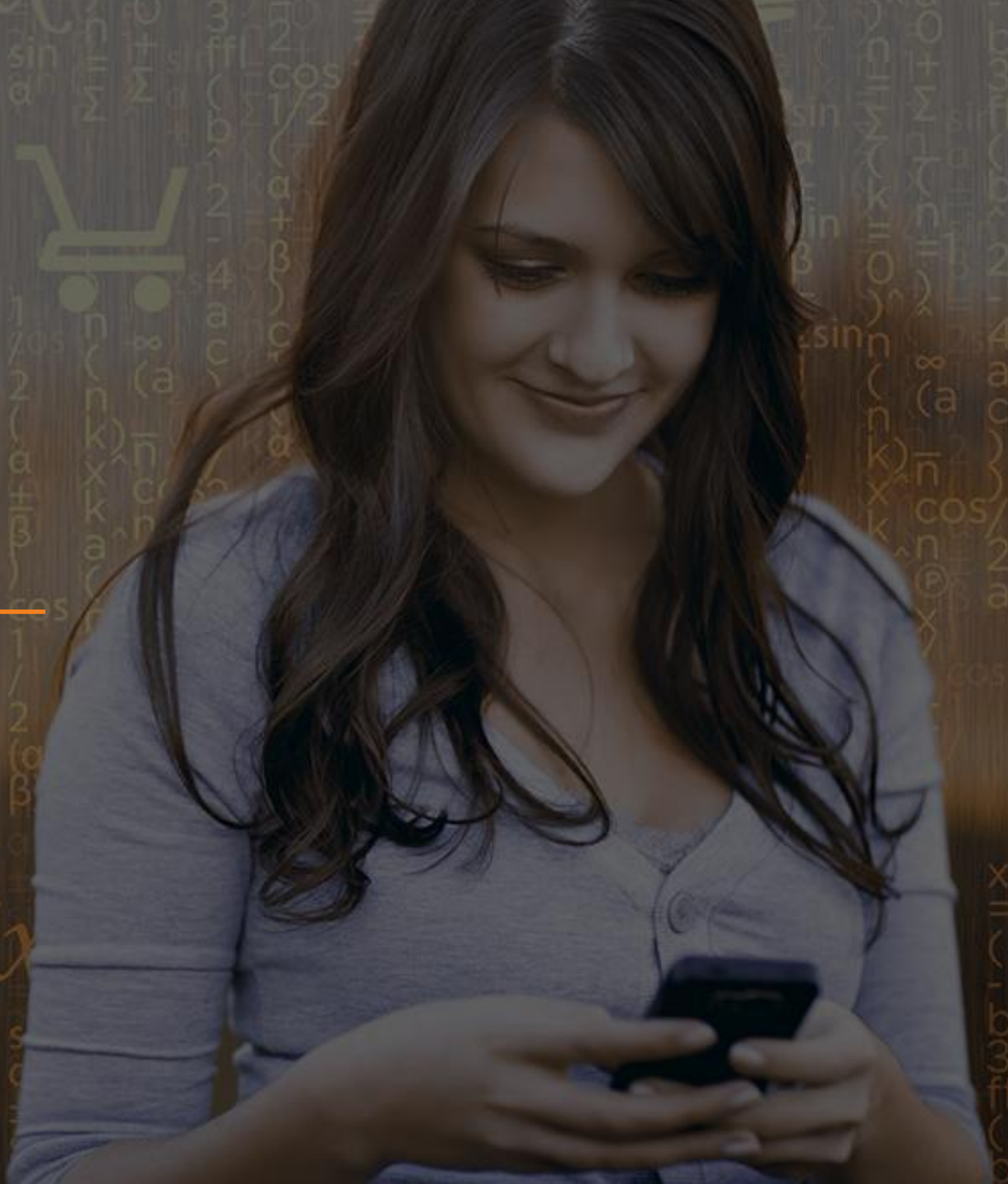
# MOBILE IS DRIVING MORE SALES THAN EVER BEFORE

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43% 48%

2019

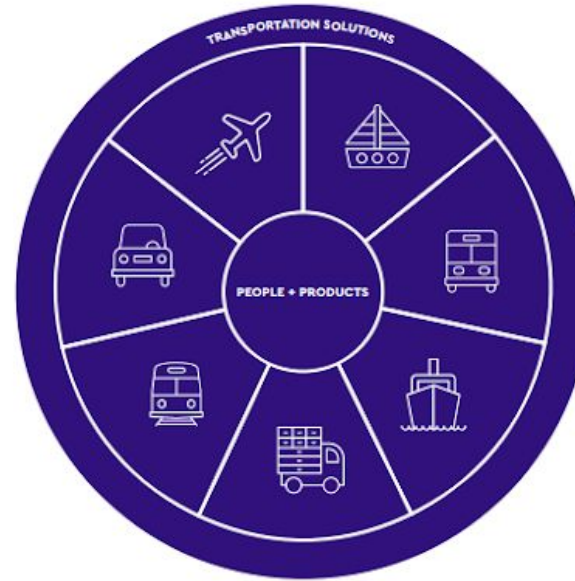
2020



PRODUCTS



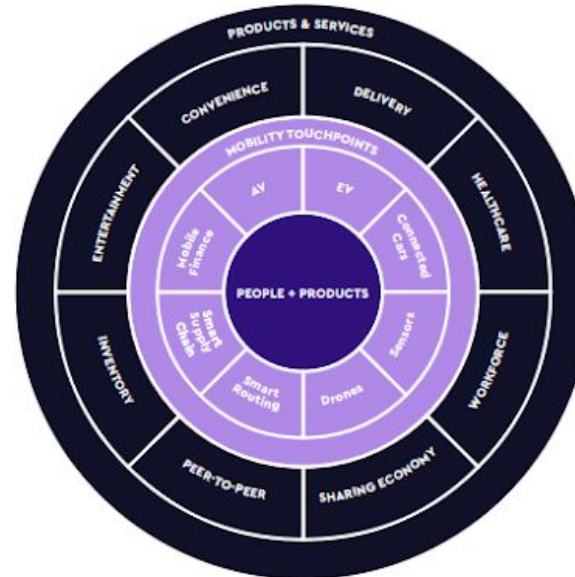
CONNECTED EXPERIENCES



FROM

**A NARROW DEFINITION**

Mobility as the providers moving people and products.



TO

**A MOBILITY PLATFORM**

Any brand tapping mobility to transform the customer experience.

# AR/VR WILL TRANSFORM SHOPPING EXPERIENCES FOREVER



Apple's AR glasses are rumored to be under works.



Facebook announced it has a Research version of a limited function smart glasses in collaboration with RayBan



**ARE YOU PREPARED FOR THE  
CONNECTED WORLD?**



# 2021 RETAIL ECOMMERCE PREDICTIONS & RECOMMENDATIONS FOR MARKETERS

# Y/Y ECOMMERCE SALES GROWTH WILL BE MUTED IN Q1, 2021

|                          | JANUARY   | FEBRUARY   | MARCH   | Q1, 2021   |
|--------------------------|---|--|---|--|
| Y/Y Ecommerce Growth (%) | 12%   | 15%  | 5%  | 9%   |
| Key Drivers              | Macroeconomic factors. Unplanned purchases in certain categories during holidays leading to a surge in returns. Ongoing pandemic. Overall socio-political uncertainty. 12% Y/Y growth will be driven by staple categories like grocery. | As more and more people get vaccinated, consumer sentiment improves leading to an increase in product purchases for certain categories that had been negatively impacted (ex. Travel). Demand unpredictability leads to product stockouts. | Overall online sales continue to be strong. However, when compared to the abnormal surge in online sales between March 15-March 31, 2020, the Y/Y increase seems low. | Online Sales will continue to be in the range of 18% of total retail sales. It can be safely said that the pandemic led to an online sales jump equivalent of 2 years. |



# HOW CAN MARKETERS THRIVE IN 2021?

## RECOMMENDATIONS

# BRAND PURPOSE

WHAT DOES YOUR BRAND STAND FOR?



CUSTOMER MOST LIKELY  
TO BUY BETWEEN 7 PM  
TO 9 PM

69% OF PURCHASES  
HAPPEN WITHIN 24  
HOURS

8% OF ALL CUSTOMER  
JOURNEYS STARTED WITH  
A PAID SEARCH CLICK

IN Q1, 2017 AVG. BAG  
VALUE DECREASED BY  
5%

DIRECT CLICK TRAFFIC:  
45% FIRST CLICK &  
54% LAST CLICK



CUSTOMER MOST LIKELY  
TO BUY BETWEEN 5 PM  
TO 7 PM

19% OF PURCHASES  
HAPPEN WITHIN 24  
HOURS

6% OF ALL CUSTOMER  
JOURNEYS STARTED WITH  
A PAID SEARCH CLICK

IN Q1, 2017 AVG. BAG  
VALUE INCREASED BY  
15%

DIRECT CLICK TRAFFIC:  
48% FIRST CLICK &  
61% LAST CLICK

# CUSTOMER PERSONAS

## WHAT ARE THE “NEW” CUSTOMER PERSONAS FOR YOUR BUSINESS?

# **RAPID EXPERIMENTATION**

**BUILD THE PRACTICE OF RAPID EXPERIMENTATION  
USING YOUR CUSTOMER DATA TO MAKE YOUR  
MARKETING CAMPAIGNS MORE EFFECTIVE**

# TAP INTO THE POWER OF MOBILE + EXTENDED REALITY

CREATE CONNECTED EXPERIENCES  
AROUND VARIOUS CUSTOMER ENGAGEMENT POINTS

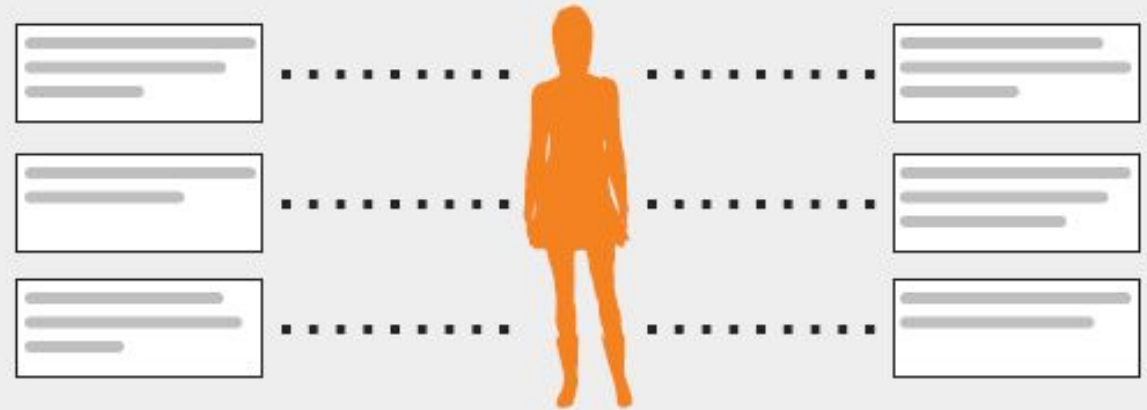
# PARTNER ECOSYSTEM

**CREATE A PARTNERSHIP ECOSYSTEM  
THAT HELPS YOUR ORGANIZATION COMPETE AND WIN  
THROUGH INSIGHTS, INNOVATION, AND AGILITY**

REQUEST YOUR FREE **DIGITAL MARKETING SCORECARD**  
TO HELP YOUR CAMPAIGNS EXCEED YOUR 2021 GOALS.

[www.netelixir.com/scorecard](http://www.netelixir.com/scorecard)  
Special offer valid until 1/31/2021

## 1. DIGITAL MARKETING STRATEGY



**SEARCH, SOCIAL, AND AMAZON**

# Q&A



THANK YOU

NetEl<sup>ix</sup>ir<sup>TM</sup>

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