

A DIFFERENT HOLIDAY: OPPORTUNITIES & CHALLENGES IN A COVID WORLD



**CONNECTING
THE DOTS**

Holiday Strategies From Retail Leaders

SEPTEMBER 10, 2020



**CONNECTING
THE DOTS**
Holiday Readiness Summit For Retailers

Confidential

NetElixir™

AGENDA

INTRODUCTION

ABOUT LENOVO

10 YEAR PARTNERSHIP: LENOVO & NETELIXIR

IMPACT OF COVID-19 IN ONLINE COMMERCE

Q&A



WE HELP RETAIL 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

NetElixir™

PARTNERS



CLIENTS



Confidential



ABOUT UDAYAN BOSE



Founder & CEO of NetElixir
Founded partybingo.com (partygaming)

Guest Lecturer:

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



[linkedin.com/in/udayanbose](https://www.linkedin.com/in/udayanbose)

NetElixir™




PLEASE TAKE A MINUTE TO COMPLETE OUR

SHORT SURVEY


JOIN THE CONVERSATION AND
SHARE YOUR THOUGHTS

#NXHOLIDAYREADY2020

 @netelixir

 @netelixir

 @netelixir

 @teamnetelixir



LENOVO IS 39 YEARS OLD
FOUNDED IN 1984



LENOVO'S VISION IS TO BECOME ONE OF THE WORLD'S GREATEST **PERSONAL TECHNOLOGY COMPANIES**

Accomplish this through:



Smart Devices

Lead in PCs and be respected for our product innovation and quality.



Convergence

Provide an ecosystem of smart devices, services and applications powered through the data center to help people connect to what really matters.



Culture

Be recognized as one of the best, most trusted, and admired companies to work for and do business with.



TODAY LENOVO HAS 24.5% MARKET SHARE & IS THE **#1 PC COMPANY IN THE WORLD**

- Lenovo's Data Center Group is #1 in the World in performance
- Motorola is an iconic brand that launched the first mobile phone





Lenovo™



PAID SEARCH GROWTH BETWEEN 2010 & 2020

REVENUE

+1347%

REVENUE CONTRIBUTION

8%...17%

IN 2010

IN 2020



CONNECTING THE DOTS

Holiday Strategies From Retail Leaders

- Leads Lenovo's global online sales team and has been responsible for expanding Lenovo's footprint to over 90 countries worldwide.
- Prolific keynote speaker and guest lecturer in classrooms where he speaks on big data, predictive analytics, customer journey and satisfaction, social and data driven engagement marketing, and developing skills to drive a high effective and agile global web organization

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A DIFFERENT HOLIDAY:

OPPORTUNITIES & CHALLENGES IN A COVID WORLD

PRESENTED BY AJIT SIVADASAN



Smarter technology for all

Impact of COVID-19 in Online Commerce

Ajit Sivadasan, Head of Online Sales | Sept 10, 2020



We are at an inflection point in human history that parallels the industrial revolution

From healthcare to education to entertainment, disruption of business models happening in a dramatic manner

COVID-19 is accelerating disruption of business models even faster



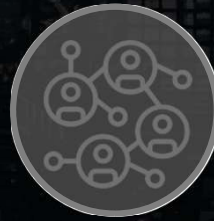
1

Connected Health

33% of global population born after 2001¹



Demographic Shift



The Connected Individual



4

Content = Currency

Value derived from content ownership



Traditional Home/Car Ownership



2

Pay to Use

Eschew ownership for convenience



Transportation Revolution



3

Democratized Education

"Learn from Home" the new normal



Experiential Commerce



5

Retail Redefined

eCommerce growth to 22% of global retail sales by 2023²

Lenovo

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1: <https://www.bloomberg.com/news/articles/2018-08-20/gen-z-to-outnumber-millennials-within-a-year-demographic-trends>

2: <https://www.emarketer.com/content/global-ecommerce-2019>

COVID-19 affects everyone **PROFOUNDLY** and introduces new challenges at **WORK, HOME and COMMUNITY**



Consumers

Care for Family - Food, Hygiene & Safety

Financial Security
Work from Home
Care of Children
Learn from Home

Everything is On-Line

- Entertainment streaming, e-Sports
- Restaurant & Grocery Delivery
- Education
- Virtual Health & Fitness
- New Online Shoppers



Small Business

Survival Mode - Preserve Cash Flow

Care of Employees
Leverage Gov't stimulus

Innovation & Partnerships

- Digital sales / interactions
- Curbside & Delivery Services
- Offer new Virtual services
 - Online fitness
 - Fashion Virtual "Try-On"
 - Video consultation



Enterprise

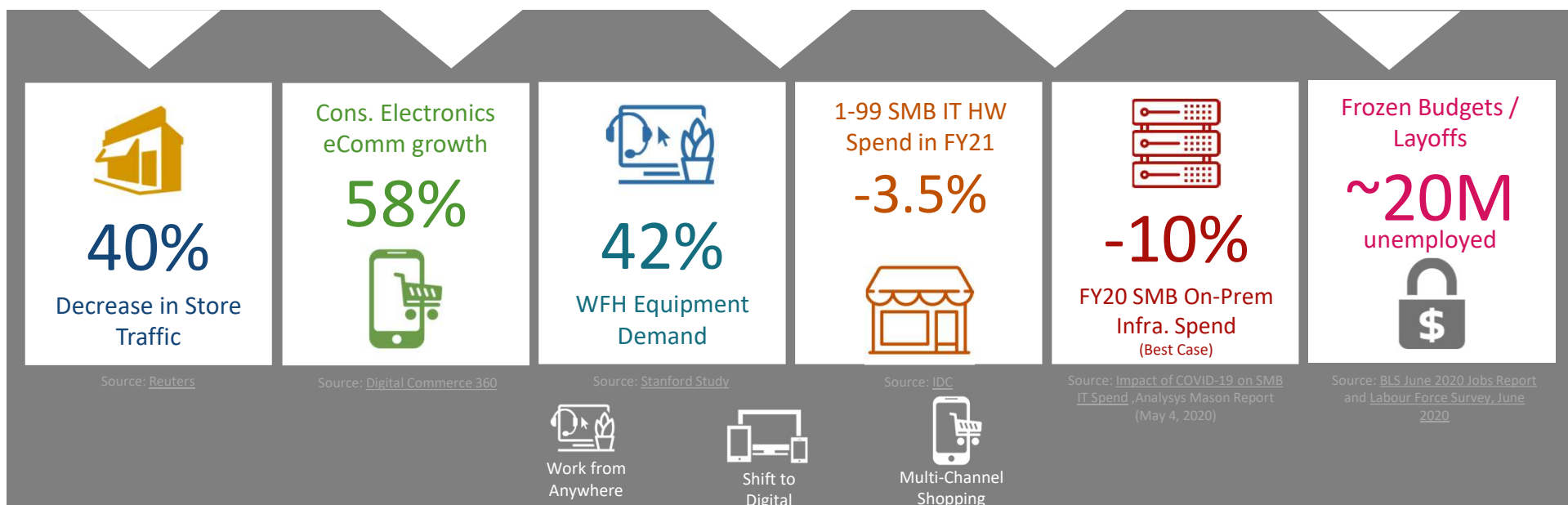
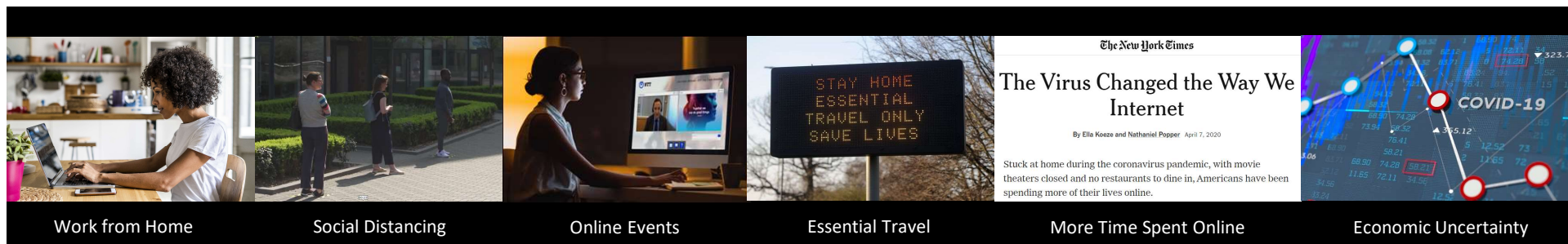
Take care of Employees & Customers

Preserve jobs
Build up Cash Reserves
Continue Operations → Remote workers

"Consumerization" of B2B buying

- Video, Tele & Online Sales now @ 90% ¹
- Business shifted to Online Sales
- US Retail business will drop 10% in 2020²

MACROECONOMIC TRENDS FAVOR ECOMMERCE, BUT **SMB ACTIVITY REMAINS ANEMIC**, WITH LOWER HW INFRASTRUCTURE SPENDING EXPECTED YOY



The shift from retail to e-tail has been a seismic event, and brands must adapt to meet demands in the new market

“

COVID-19 has changed business forever. We think that over the next couple of months, we will see an even bigger focus on experience – driven e-commerce, as the competition heats up where our customers are now putting so much of their attention online.”

- John Copeland, VP of Consumer and Marketing Insights at Adobe

ZARA

Investing \$1B in eCommerce & closing
1,200 Stores

(Source: [CNN Business](#))

**BED BATH &
BEYOND**

Converting 25% of NA Stores into
fulfillment centers to support
eCommerce

(Source: [BizJournals](#))

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-40% YoY

RETAIL STORE FOOT TRAFFIC

(Source: [Reuters](#))

+55%

INCREASE IN JULY ONLINE SPENDING

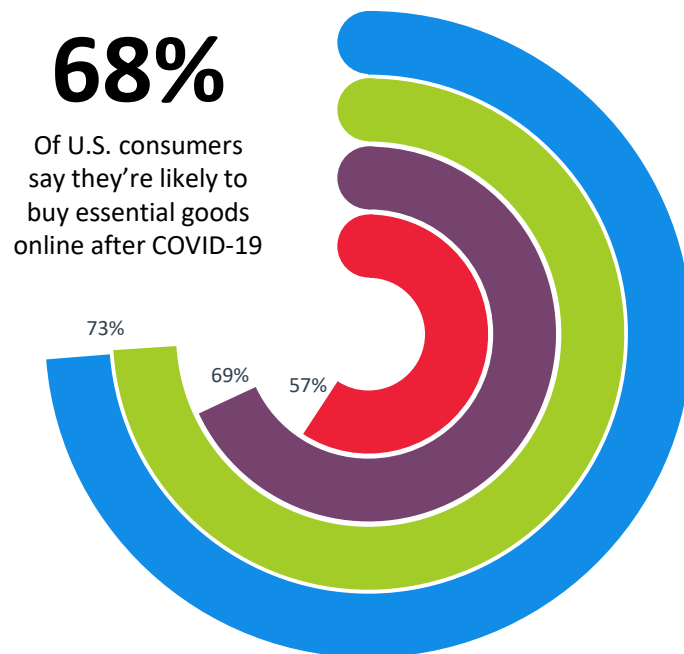
(Source: [Adobe](#))

4-6 Years

RATE AT WHICH COVID-19 ACCELERATED ECOMMERCE
GROWTH VS PRIOR ESTIMATES

(Source: [Forbes](#))

CHANGES IN CUSTOMER BEHAVIOR ONLINE



The eCommerce Bump will persist after pandemic subsides

Ample evidence exists to believe that the pivot towards online shopping will continue after the pandemic subsides, as both digital native and older demographics balance the need for social-distancing with the convenience of online shopping. This is predicted to encompass both traditional online sales, as well as those purchases typically associated with a quick trip to the grocery store or a big box outlet.



GEN-Z



Millennials

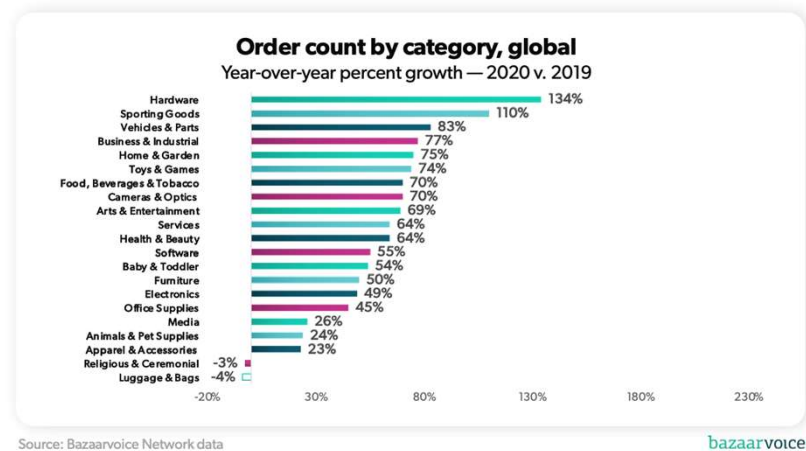


Gen X



Baby Boomers

AS CUSTOMERS SPEND MORE TIME AT HOME, HOME GOODS AND WORK/LEARN FROM HOME PRODUCTS HAVE GROWN AT EXPLOSIVE RATE – REINFORCING THE NEED FOR SOLUTION SELLING



SHIFT TO VALUE & ESSENTIALS²

US | 40% of Americans looking to save money while shopping

WW | Discretionary category sales -30% to -60% net intent vs pre-COVID

LOYALTY DISRUPTION²

US | 75% of consumers have tried new brands & shopping methods, primarily driven by convenience and value

HOMEBODY ECONOMY²

US | 73% waiting for milestones before engaging in out-of-home activities

MOVE TO VIRTUAL WORKFORCE²

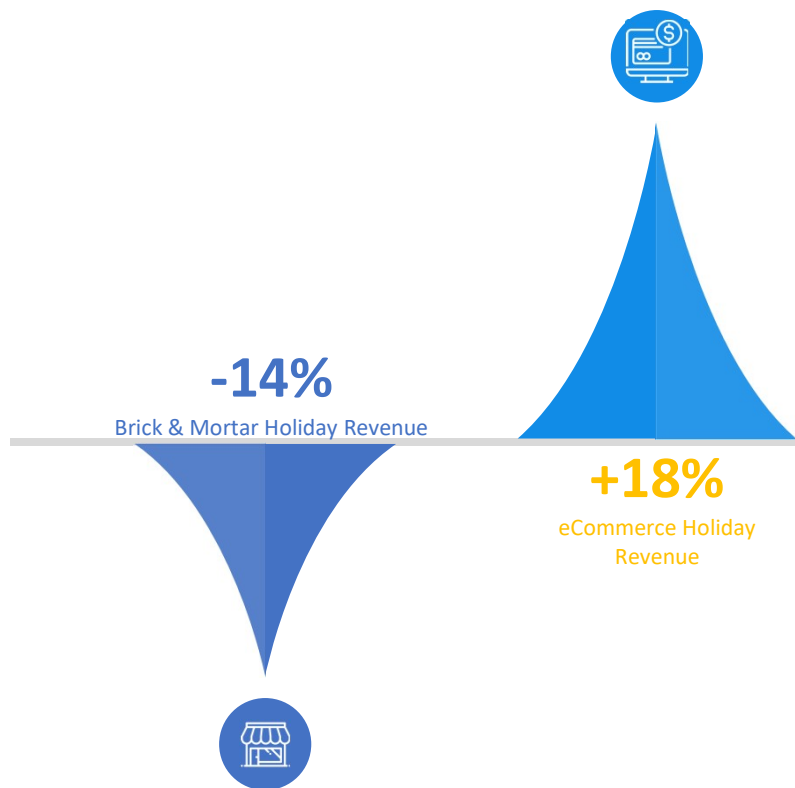
French Automaker PSA | Non-production staff fully remote from now on

Twitter | portion of workforce will continue working from home forever

GLOBAL EDTECH INVESTMENTS³

WW | Overall market for online education projected to reach \$350B by 2025 (from \$19B in 2019)

THIS HOLIDAY– THE OUTLOOK FOR ECOMMERCE REMAINS STRONG, WITH 18% GROWTH EXPECTED IN 2020



US Adults Who Plan to Do More Than Half of Their Holiday Shopping Digitally This Year, by Age, May 2020 % of respondents in each group

18-25	74%
26-30	81%
31-38	82%
39-55	74%
56+	60%
Total	71%

Source: daVinci Payments, "The Future of Payments," July 14, 2020

256840

www.eMarketer.com

Coronavirus Impact: Level of Interest US Adults Have Toward Methods Used for Holiday Shopping, by Method, May 2020

% of respondents in each group

Shopping online	47%	42%	10%
Shopping in-app	37%	45%	18%
Click and collect	32%	50%	18%
Shopping in-store	25%	52%	23%
Shopping via social media	22%	49%	29%

■ More interested ■ No more or less interested ■ Less interested

Note: vs. prior year; numbers may not add up to 100% due to rounding
Source: Salesforce, "Snapshot Research Series: Wave 2," May 27, 2020

255857

www.eMarketer.com

Source: eMarketer

EVOLVE, OR PERISH

Brands have to step up their strategic thinking to stay ahead of the curve in a rapidly evolving market environment.

- Sanjay Bhan Hero MotoCorp

HOW BRANDS CAN ADAPT



VALUE OVER PRICE

With personal financial uncertainty lingering, behaviors have shifted to category purchasing vs brand purchasing



EDUCATION OVER PROMOS

Striking a balance between empathetic solutions-oriented messaging vs promotional content



SOLUTIONS, NOT PRODUCTS

Build and deploy marketing efforts at how they are differentiated *for customers*, rather than *from competitors*.



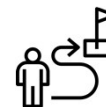
LOYALTY

Develop programs and efforts meant to retain existing customers. A company with 5% attrition will have 77% of customers over 5 years, while one with 15% will lose half.



DIGITAL TRANSFORMATION

Invest in infrastructure intended to meet customer needs remotely while remaining pragmatic about continued focus on social distancing



PURPOSE, ACCELERATED

Evolve the brand to show purpose & leadership – and set yourselves apart. Example: Microsoft made Azure cloud service free to nonprofits taking on COVID-19

How can we as Leaders shape the next normal ?

Navigate the Now

1. Lead with Purpose
2. Take care of employees & customers
3. Build up cash reserves

Plan for Recovery

1. Accelerate digital & analytics engines
2. Be ready to capture early demand

Lead in the new normal

1. Rethink ecosystems
2. Virtualization – *Do not expect to return to traditional means of conducting business*

Q&A

ALONG THE ROAD TO RECOVERY

SEE HOW CORONAVIRUS PANDEMIC RESHAPED
ECOMM TRENDS & ONLINE SHOPPING BEHAVIOR
FOR 7 RETAIL CATEGORIES

REQUEST OUR EBOOK

VISIT
[NETELIXIR.COM/HOLIDAYS](https://netelixir.com/holidays)



DIGITAL MARKETING HOLIDAY BLUEPRINT

NETELIXIR HAS TEAMED UP WITH GOOGLE & MICROSOFT TO OFFER
20 FREE PERSONALIZED CONSULTATIONS



IMPROVE YOUR CHANCES OF SUCCESS DURING THIS HOLIDAY SEASON

**SIGN UP @
NETELIXIR.COM/HOLIDAYS**

SPACE IS LIMITED



ABOUT:

Lenovo is a technology company founded in Beijing in 1984. They have since become the #1 PC company in the world. They are well known for their ThinkPad, IdeaPad, and Yoga series of laptops, and many of their products include the latest Intel Core processors and other standout technology.

CHALLENGE:

NetElxir joined forces with Lenovo in 2010 and immediately started working to grow their business. Over the past ten years, our team has developed a robust account management strategy that ensures significant growth year-over-year. Each year, we are challenged to continually develop and test new ideas to optimize and improve campaign performance.

One particular challenge each year is the holiday season. Lenovo earns 20% of its annual revenue over the Cyber 5: the sale days from Thanksgiving to Cyber Monday. In order to maximize those sales, NetElxir must be nimble and efficient in our account management. We have to adjust to the fast-paced promo changes, sometimes hourly, that accompany the holiday time period. We have to understand how customers will react each year and determine which audiences to target during the holiday season. Ultimately, we need to ensure consistent YOY growth for Lenovo. A precise plan of action for both the holiday season and the rest of the year is critical to maintaining our record of success.

SOLUTIONS:

To prepare for the big holiday season, NetElxir studies consumer activity around smaller holiday events, like Labor Day and Presidents' Day. We see what sorts of ads customers are clicking on and what ad language resonates with them. We test callout extensions, sitelinks, and other ad options. We study what audiences our ads are performing well with so we can maximize them later in the year.

During the Cyber 5, we revise content constantly, making headlines specific to the day and calling out the exact deals available at that time. The team maximizes ad real estate by communicating deals and offers across ad formats and extensions while ensuring that the language isn't redundant. Between just Thanksgiving and Cyber Monday, the team makes hundreds of thousands of optimizations to ensure outstanding performance for Lenovo.

Ten years on, NetElxir has a well-established standard of practice for this account. Our strong processes and templates built around machine-learning-driven solutions ensure both Cyber 5 and year-long success.

INDUSTRY: Electronics



A DECADE OF HOLIDAY PREPARATION & YEARLY SUCCESS



RESULTS:

+1,347% revenue over 10 years

Paid search revenue contribution increased from 8% in 2010 to **16.5% in 2020**

+92% YOY Black Friday revenue 2018 vs. 2019

SERVICES

PaidSearch

SEO

MarTech

SocialMedia

Amazon

Analytics

[NETELIXIR.COM/CLIENTS/TESTIMONIALS](https://netelixir.com/clients/testimonials)

10
YEAR

NetElxir + Lenovo
GROWTH PARTNERSHIP

The background of the image features a person's hands holding several shopping bags of various colors (brown, yellow, and patterned). The background is a light beige color with a pattern of faint, repeating mathematical formulas and symbols, including \sin , \cos , π , λ , α , β , γ , δ , ϵ , ζ , η , θ , ι , κ , λ , μ , ν , ξ , \omicron , π , ρ , σ , τ , υ , ϕ , χ , ψ , ω , α , β , γ , δ , ϵ , ζ , η , θ , ι , κ , λ , μ , ν , ξ , \omicron , π , ρ , σ , τ , υ , ϕ , χ , ψ , ω . There are also small yellow shopping cart icons and price tags scattered across the background.

THANK YOU

NetElixirTM