## A look at

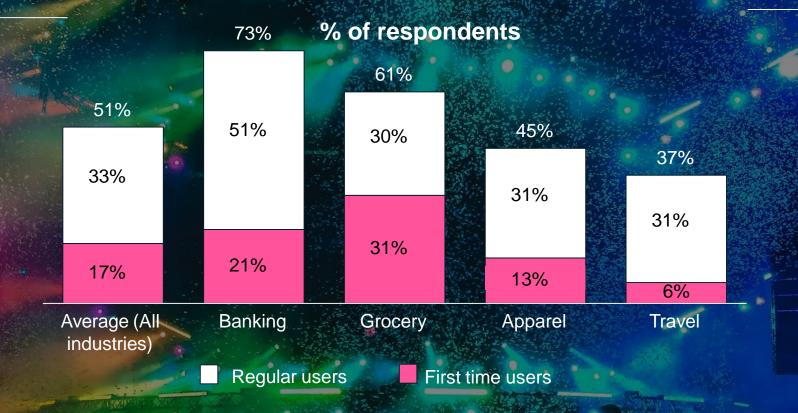
# E-COMMERCE IN THE POST-COVID WORLD

BLINK Perspective on the transformation of commerce

Sid Singh



## An Unprecedented ACCELERATION OF ECOMMERCE



## Coupled with a cross category increase in FIRST TIME USAGE

Mckinsey: Adapting to the next normal in retail: The customer experience imperative

# New Winners in the New Normal

Supermarkets, convenience stores, department stores, e-commerce specialists and hardware stores are those we call Pure Retail, and they account for the majority of places in the 2020 BRANDZ Retail Brand ranking

Brands that can move with the times and provide services that make a meaningful difference to people's lives are always in demand

#### **TOP 10 FASTEST-GROWING BRANDS 2020**

	Brand	Category	Brand Value 2020 \$M	Brand Value % Change 2020 vs. 2019
1	<u> (</u> lululemon	Apparel	9,669	+40%
2	COSTCO	Retail	28,677	+35%
3	amazon	Retail	415,855	+32%
4	TARGET	Retail	10,590	+27%
5	Walmart 🔀	Retail	45,783	+24%
6	/🖓 JD.COM	Retail	25,494	+24%
7	sam's club 🔇	Retail	6,808	+19%
8	<b>E</b> CAlibaba Group 阿里巴巴集団	Retail	152,525	+16%
9	JT SHRINAT	Retail	2,802	+15%
10	Flipkart 🙀	Retail	4,659	+14%

# NEW RULES OF THE GAME

Growing brands have significantly stronger levels of Salience, which means they spring readily to mind when a consumer thinks of a category. They also provide experiences that consumers love, and they are far more distinctive in people's minds than other brands in their category

	Growing Brands	Stable/ Declining
Exposure: Salience Index	125	108
Experience: VQ Brand Experience Index	110	105
Distinctiveness: VQ Brand Experience Index	120	105

The average of all Brands is 100

In grocery, e-commerce penetration, which has risen from 2 - 3% before the crisis to 8 -10% during its peak, is expected to settle at 5 -7%, by year's end.

Most first-time customers (~86%) are satisfied/very satisfied with digital adoption and majority (~75%) plan to continue using digital post-COVID

# CHANGES ARE HERE TO STAY

Mckinsey: Adapting to the next normal in retail: The customer experience imperative

# "The greatest **DANGER** in times of turbulence is not the turbulence. It's to act with **YESTERDAY'S LOGIC**."

- Peter Drucker -

EVOLVED CONSUMER EXPECTATIONS

THE EXPERIENCE IMPERATIVE

**HYGIENE AS KEY** 

SHOPPING AS ENTERTAINMENT

EVOLVED RULES OF MARKETPLACE

DIGITAL SHELF MANAGEMENT ECOMMERCE AS MEDIA CHASING DEMAND

## DECODING TOMORROW'S NORMAL

# THE EXPERIENCE IMPERATIVE

**1. EVOLVED CONSUMER EXPECTATIONS** 



<sup>1</sup>Comparison of total shareholder returns for publicly traded companies ranking in the top ten of Forrester's CX Performance Index from 2007–09.

Source: Forrester Customer Experience Performance Index (2007–09)

Learning from 2008 – cx leaders are MORE RESILIENT During Recessionary periods. Experience QUEKER RECOVERY

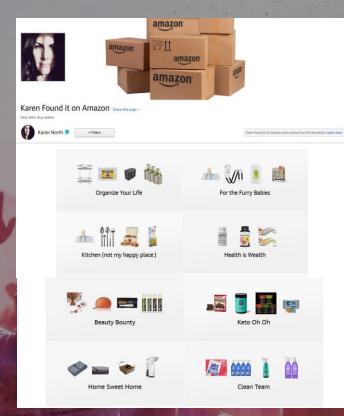
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### GOOD UI/UX STARTS WITH stopping powe

211MN items of content produced / min. 28% viewed online before we move on. 1.7s average seconds on mobile. 2.5s average seconds on desktop.

### CX goes beyond UI/UX – Custom Brand Pages and Influencer Managed pages



## Amazon influencers Program



### Custom Brand Pages

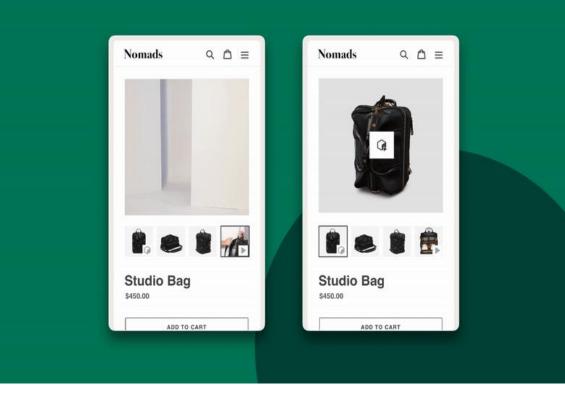
## **IN-STORE EXPERIENCE GOES DIGITAL**

Online try-ons Zero Contact shopping Virtual appointments AR/ 3d shopping



## PRODUCT CONTENT EXPERIENCE

Shopify, which allows its merchants to add 3-D models to their product pages, found that conversion rates increased by **250 percent** when consumers viewed 3-D products in AR.



# EVOLVED CONSUMER EXPECTATIONS Shopping as ENTERTAINMENT

The CONVERGENCE VESTREAMING AND E-OMMERCE that has become china's favourite way to shop. For the uninitiated, live commerce is best described as the \*\*INFOMERCIAL REBOOT."





In China, for example, Taobao Live made it easier for brick-and-mortar retailers to join its livestreaming channel platform, leading to a 719 percent increase in participating merchants in February 2020



Global celebrities are taking note of the trend's success to sell their own brands: Kim Kardashian sold **15,000** bottles of her perfume in a few minutes with Viya, China's top livestreamer

## On-demand TV becomes an entry point into shopping



# EVOLVED CONSUMER EXPECTATIONS SAFETY OS CX

# SafeX is hygiene\*

COVID-19 has heightened the NEED TO 'SIGNAL HYGIENE', with a growing importance of safe delivery modes, including curb-side pickup and aggregator delivery

\*No Pun Intended

# CURBSIDE PICKUP

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New SAFEX fulfilment models: buy online, pick up in store (**BOPIS**) grew 34%.

Grocery/Meal kit delivery up by 38%

74% consumers want to use **contactless checkout** in the future Safe delivery modes are increasingly important to consumers—winning on 'SafeX' matters in digital and omnichannel.

	Growth in past 6 weeks, %	Consumers intending to continue in the long term, %
BOPIS	34	59
Meal kit delivery	38	51
Safe and contactless checkout	9	74
QSR drive-through (vs go in person)	7	50

Source: McKinsey COVID-19 US Consumer Pulse Survey, April 20–26, 2020, n = 1,052, sampled and weighted to match US general population aged 18 years and over.

### China's e-commerce stocks rise in May

Stock price % change compared to IPO price



Growing **consumer-to-business** (C2B2C) eCommerce models have been in the right place at the right time.

These models – where commissioned shopping agents build orders, negotiate terms and become last mile delivery points for their local communities – had already been growing rapidly before the crisis – the growth has only accelerated post covid

## A smart solution for your life.

key

APR BARN

Key by Amazon gives you the freedom to enjoy keyless smart access and receive Amazon packages delivered inside your garage, home and car.

## EVOLVED RULES OF COMMERCE DIGITAL SHELF Management

## AMAZON TELLS SUPPLIERS IT WON'T ACCEPT NEW SHIPMENTS OF NONESSENTIAL ITEMS UNTIL APRIL 5

E-commerce giant prioritizes food and medical supplies while halting delivery of other consumer goods

By Garett Sloane. Published on March 17, 2020.



### CLOROX RESPONDS TO GOUGING ON AMAZON, TURNS OFF ADS AS CLEANING WIPES RUN LOW

# Winning the ENDLESS SHELF



With waves of panic buying and stockpiling of essentials, The big implication is to MONITOR availability on a near-real time basis.





The ideal load time for peak conversions is no more than 2.7 seconds (and every 100-millisecond delay above that can reduce conversion by up to 7 percent. Converting Content x Content that PRODUCT product brand x eCom converts CONTENT search pages synergy The first page of Amazon listings receives nearly two-thirds of all product clicks.

#### **ACCELERATED TIME** TO MARKET



**REDUCED TIME SPENT CREATING PRODUCT** LISTINGS

DAM

CENTRALIZED ASSET MANAGEMENT

**MEDIA TO SHELF SYNERGIES** 

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Кеу	site Res Produce of 1st F	cts	Benchmarks Offer Compliance Competitive pricing Key Customer Programs



#### ASSORTMENT AND AVAILABILITY



Availability ull Product Range In Stock Tracking



RATINGS AND REVIEWS





Ratings Quantity Quality



CONTENT



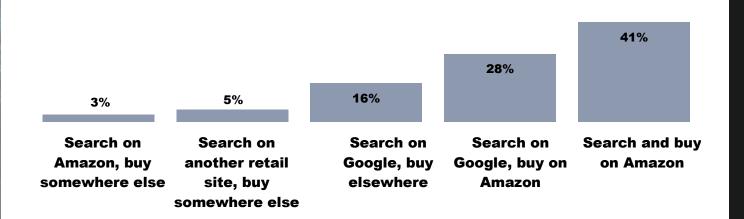
#### Basic Product Title Main Image 2ndary Images Description & Features

Enhanced Videos Expanded Descriptions Selection Tools

# EVOLVED RULES OF COMMERCE CHASING DEMAND CCOSS channels

Over half of marketers (53%) say the Covid-19 pandemic has caused 'radical' or 'significant' changes to the customer journey, according to an exclusive survey of 477 UK brand marketers conducted by Marketing Week and its sister title Econsultancy.

## CONSUMER JOURNEYS ARE A LOT MORE COMPLEX



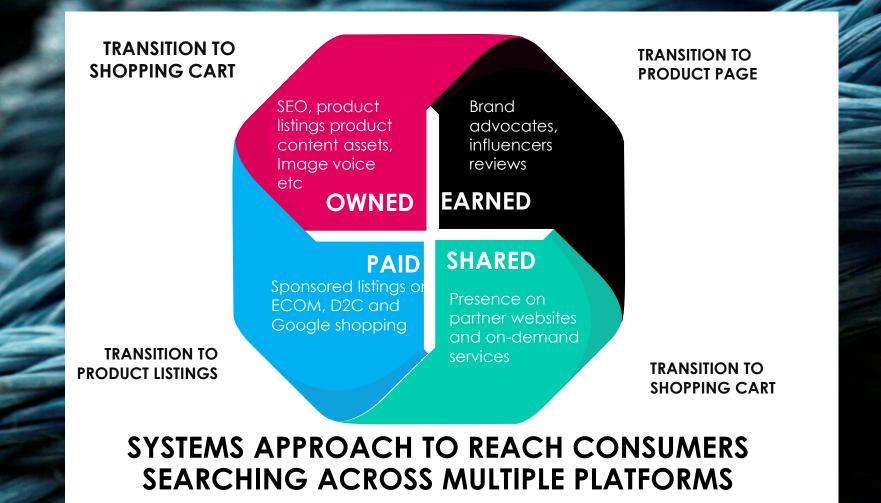
Amazon is now more popular for searching products than Google

How often do you use Amazon to discover new products or brands?



#### Rise of image and voice search







### SYSTEMS APPROACH TO REACH CONSUMERS SEARCHING ACROSS MULTIPLE PLATFORMS

EVOLVED RULES OF COMMERCE

6

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225

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# Ecommerce as PAID MED

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K+MXJ+J

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37

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Q(X+9)=11731

27

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201%

12-2=14(K)

(3x2+1)(3x2.

3

(X+3)

+1:1

Z.T.

7.12

**COMPETITION FOR PAID VISIBILITY ON ECOMMERCE IS HEATING UP AS** MARKETERS CHASE DEMAND VS CREATING DEMAND

Client spending was up 67.3% on Sponsored Product ads and 118.3% on Sponsored Brand ads compared with Q1 2019. Tinuiti reported a 47% increase in client spending on Sponsored Brand ads, with Sponsored Product ad spending growing 24%.

 $P(x) = 2 \times 50$ 

Amazon reported 44% growth in Q1 2020 in its "other" sales line item, which primarily includes advertising revenues.

#### US Amazon Sponsored Product Ad Performance Metrics, Q1 2019-Q1 2020

316x/2 Z= 2+6

	Cost per click	Clickthrough rate	Return on ad spending
Q1 2019	\$0.96	0.39%	\$5.57
Q2 2019	\$1.04	0.40%	\$5.82
Q3 2019	\$1.03	0.39%	\$5.59
Q4 2019	\$1.08	0.34%	\$5.08
Q1 2020	\$1.06	0.35%	\$4.83
—% change QoQ	-2%	3%	-5%
—% change YoY	10%	-10%	-13%

Note: based on campaigns analyzed by Pacvue, broader industry metrics may vary

Soúrce: Pacvue, "Advertising on Amazon 2020 Q1 CPC Report," April 23, 2020

254964

www.eMarketer.com

## New **Realifies** facing marketers



1+1-2 0

X+==0

As more buying moves online, the entire impulse buying category (confectionaries, beverages etc) are at risk



As more buyers buy exclusively online, the balance of consumer data depth tilts heavily towards eCom vs Brands



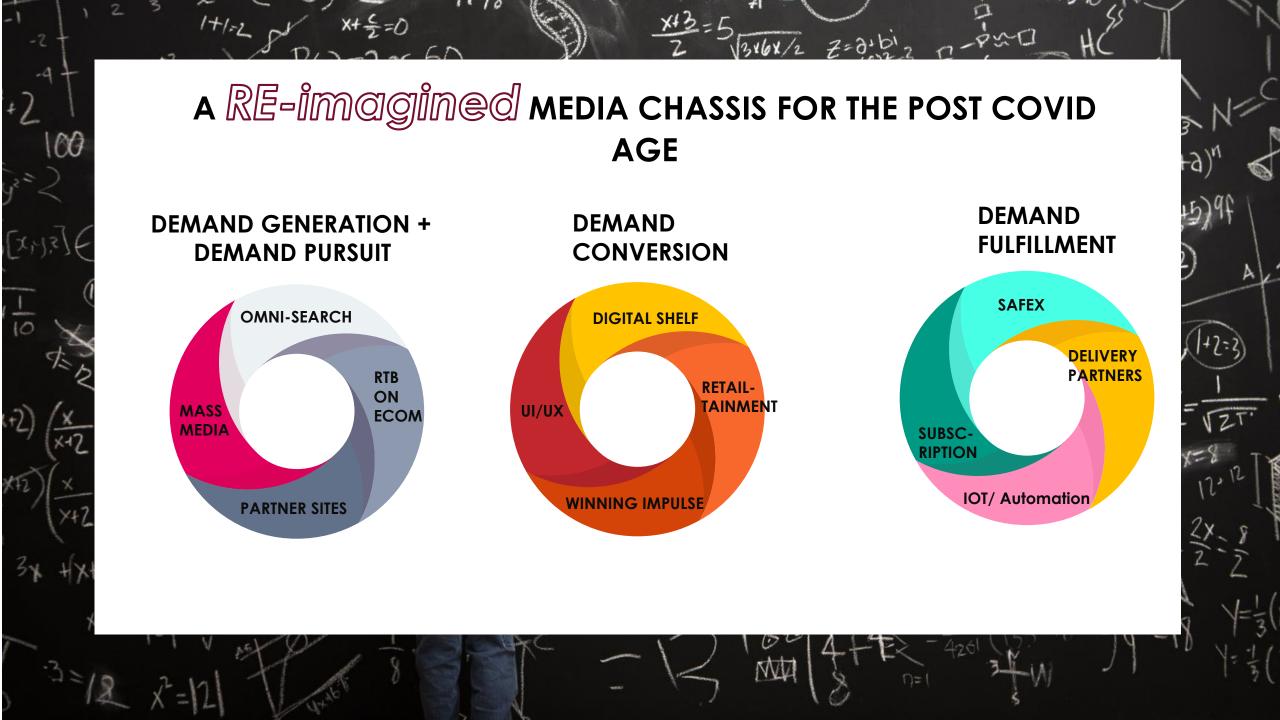
Z= a.bi

316×/2

Decline in travel retail and rise in cross-border ecommerce



Does spending more on ecom media mean additional budgets or budget shifts?







1+1=2 08

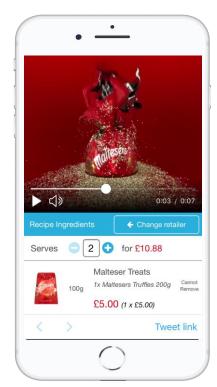
 There's no need to call -- we'll have your groceries ready for a speedy handoff It's that easy

Check In Not Now Video

"On Demand/Click and Collect" -

Testing the 'how to'-impulse, delivery time, cost, portfolio to showcase

BLINK CASE – Internal and confidential



#### "Shoppable Content"

How can we reduce friction between "I want" and "I Buy"?

W



3×6×/2 Z=2+bi

#### "Snackable Moments"

How can we drive purchase/ fulfillment at near immediacy? EVOLVED CONSUMER EXPECTATIONS

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