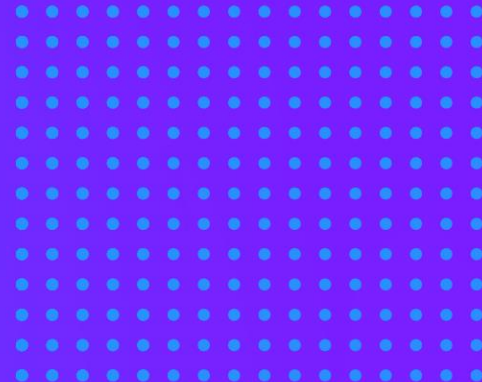# Opticon

Anticipating the future of B2B commerce: top trends and insights

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Polaris

Agenda

1. Market trends
2. Customer Experience
3. OmniChannel
4. Quick Insights

01

Introduction

Market Trends

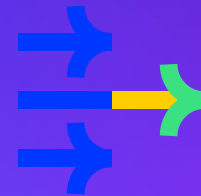# Economic headwinds impacting B2B growth

Rising Inflation
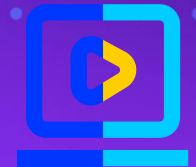Increasing costs fall on end customers leading to increased market competitiveness

Labor Challenges
Difficult to source and retain critical CSR and sales roles to deliver high-touch service

Supply chain disruptions
Unpredictable product inventory and decreased order fulfillment lead to lost sales

Increased Digital Expectations
Need to invest in digital savvy purchasing channels

B2B surpassed B2C in eCommerce Sales

$2.1 Tr.

$1.3 Tr.

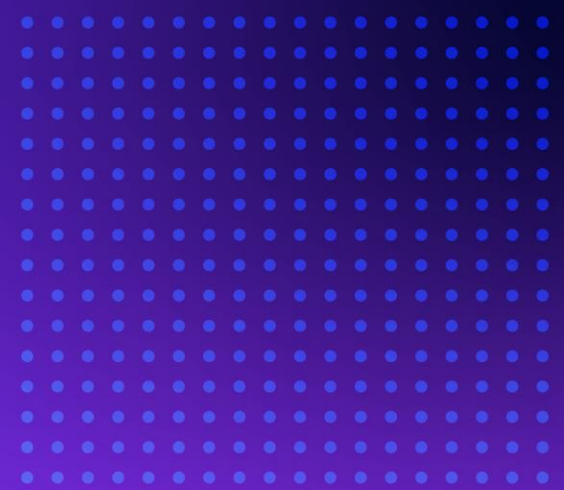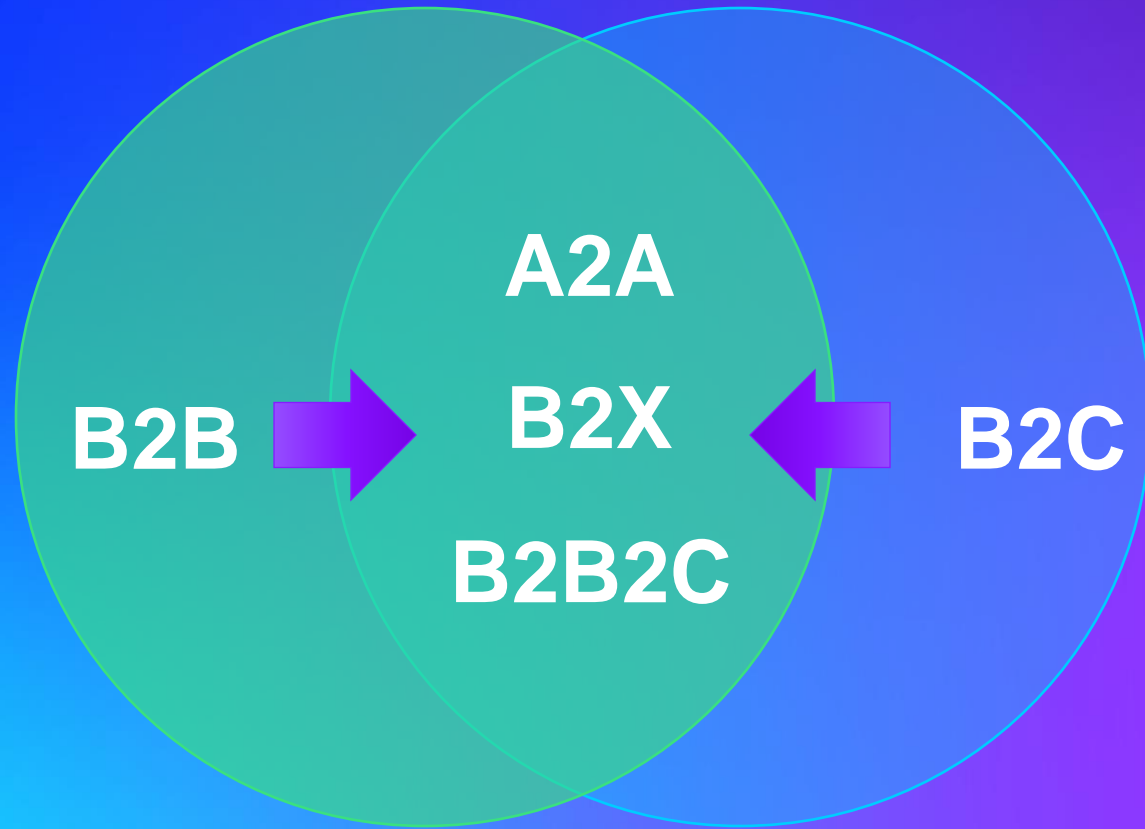eCommerce Sales 2023
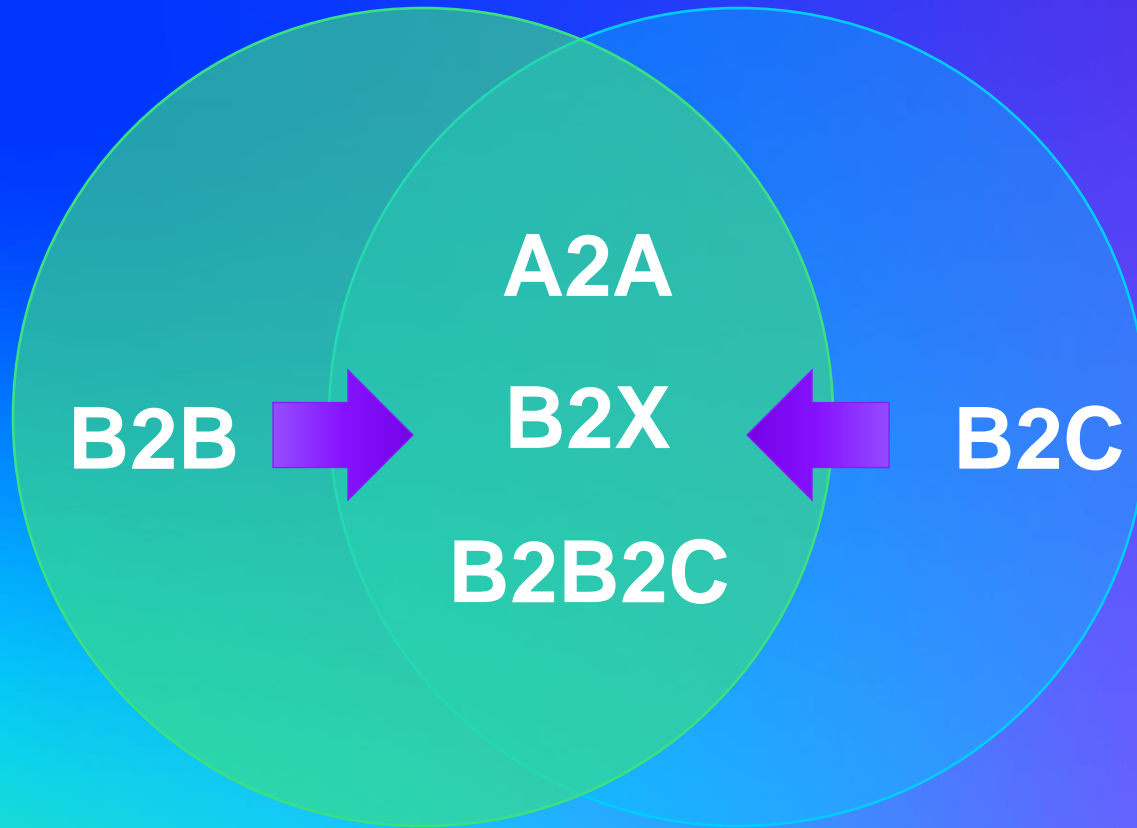
■ B2B ■ B2C

B2B & B2C Converging

B2B

B2C

B2B & B2C Converging

B2B → A2A B2X B2B2C ← B2C

Why?

- Building relationships is key
- Customer Data
- Competitive pressures
- Grow customer base…efficiently

Use of B2B and B2C Commerce Business Models

24% Mostly B2C but Some B2B

20% B2C Only

18% B2B Only

19% Mostly B2B but Some B2C

18% Both B2B and B2C Equally
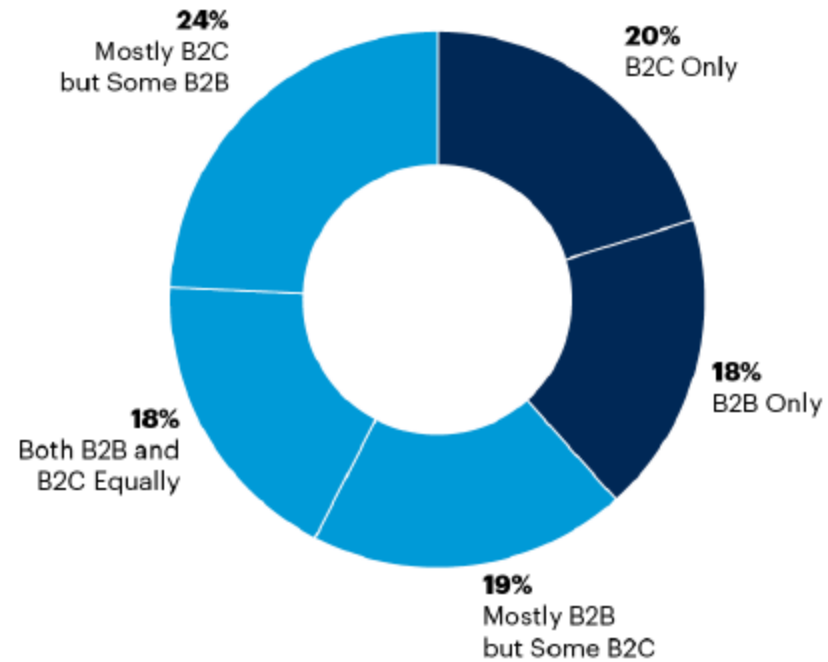
n = 88 members (research circle plus external circle)
Q. To whom does your organization sell via digital commerce?
Source: Gartner Research Circle Digital Commerce State of the Union 2019 Survey
729073_C

Gartner

61%
engaged in both B2B and B2C digital commerce

Direct to Consumer (D2C) Business Model Impact
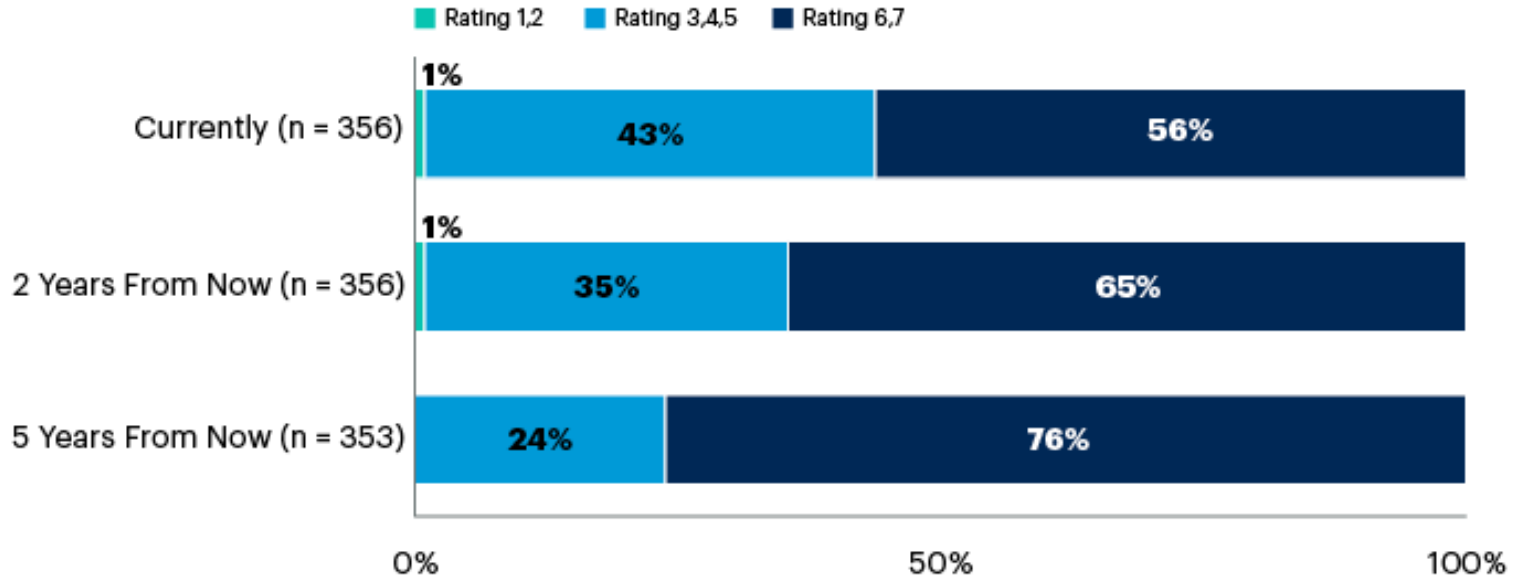1-Extremely Negative Impact to 7-Extremely Positive Impact

Legend: ■ Rating 1,2 ■ Rating 3,4,5 ■ Rating 6,7

Currently (n = 356): 1% | 43% | 56%

2 Years From Now (n = 356): 1% | 35% | 65%

5 Years From Now (n = 353): 24% | 76%

n = n varies for each time period; supply chain professionals, excluding DK

Q. Overall, how do you see the impact of adopting a D2C business model in achieving your organization's business objectives currently, two years from now and five years from now?

Source: 2021 Gartner Business Model Impacts Due to Shift to Direct-to-Consumer (D2C) and End-User Survey

771495_C

POLARIS

Off-Road   On-Road   Snowmobiles   Marine   Military and Commercial

Global Leader in Powersports

- Founded in 1954
- Serves 100+ countries around the globe
- Headquartered in Minnesota

Polaris enhances the riding experience with a robust portfolio of parts, garments, and accessories.

WORLD'S MOST TRUSTWORTHY COMPANIES 2023

Newsweek

statista

Polaris Story

B2B

B2C

POLARIS

Manage channel conflict

D2C

DTC/B2C going B2B

allbirds

- ->

Sell directly to customer

DTC going B2B

allbirds

DICK'S SPORTING GOODS

NORDSTROM

REI CO·OP

B2B

B2C

D2C

02

Customer Experience

Connecting with your Customers

Customers have so many choices...

Customer Experience Builds Loyalty

Loyalty requires both economic and emotional engagement with your customers

"A brand's loyalty strategy must be about forging and leveraging an **emotional connection** with its customers by identifying **key moments in customer journeys** that spark and shape emotions."

"How to evolve your loyalty strategy amid changing global conditions." Mary Pilecki, Cole Walsh with Emily Collins, Benjamin Nagle, Christine Turley. Forrester, August 16, 2022

Personalization Is Key to Winning Business

Consumers   Business Buyers

84%
83%

84%
of customers
say being treated like a
person, not a number, is very
important to winning
their business

State of Personalization

Buyers expect you to understand them…

83%

of B2B buyers believe personalization enhances their purchasing experiences

56%

of B2B decision-makers believe it's critical to personalize their buyers journey

65%

of B2B buyers feel vendors aren't demonstrating an adequate understanding of their needs

State of Personalization

And when it comes to revenue impact…

79%

of businesses that exceed revenue goals have a documented personalization strategy

1.4x

Personalization in B2B sales can lead to revenue growth

When it comes to personalization…

" Show me only products that matter to me

" Make the purchase process fast and seamless

One size does NOT fit all

" Show me only promotions that are relevant to me

" Surprise me with things I didn't even know I wanted
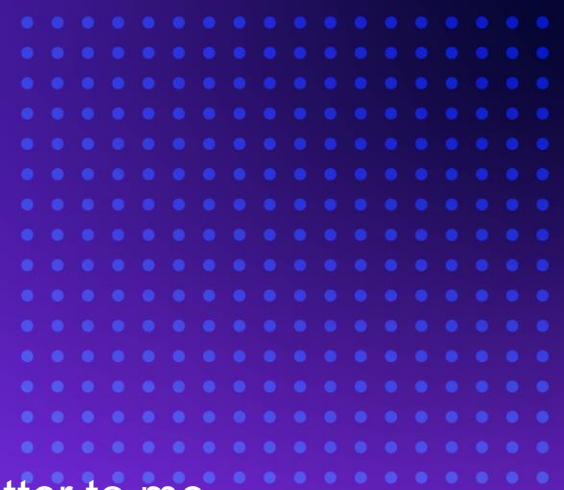
Solid foundation with 4 key pillars
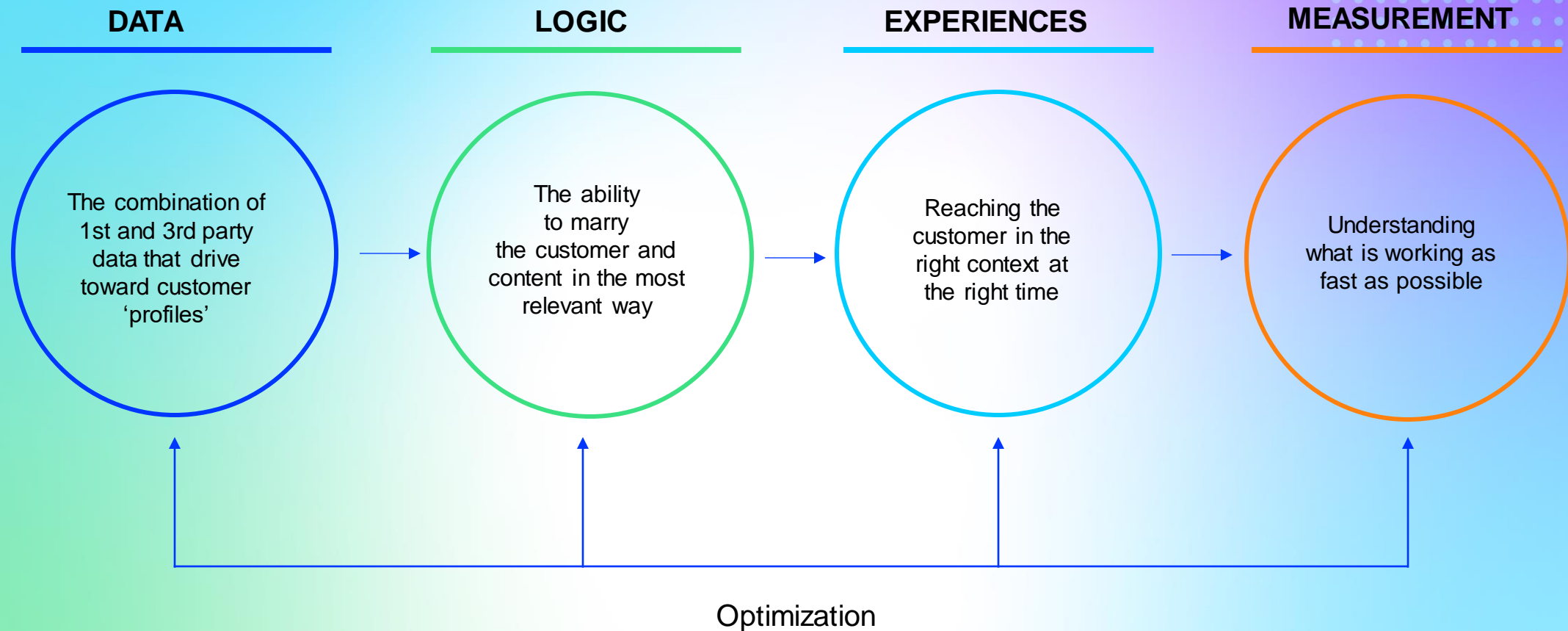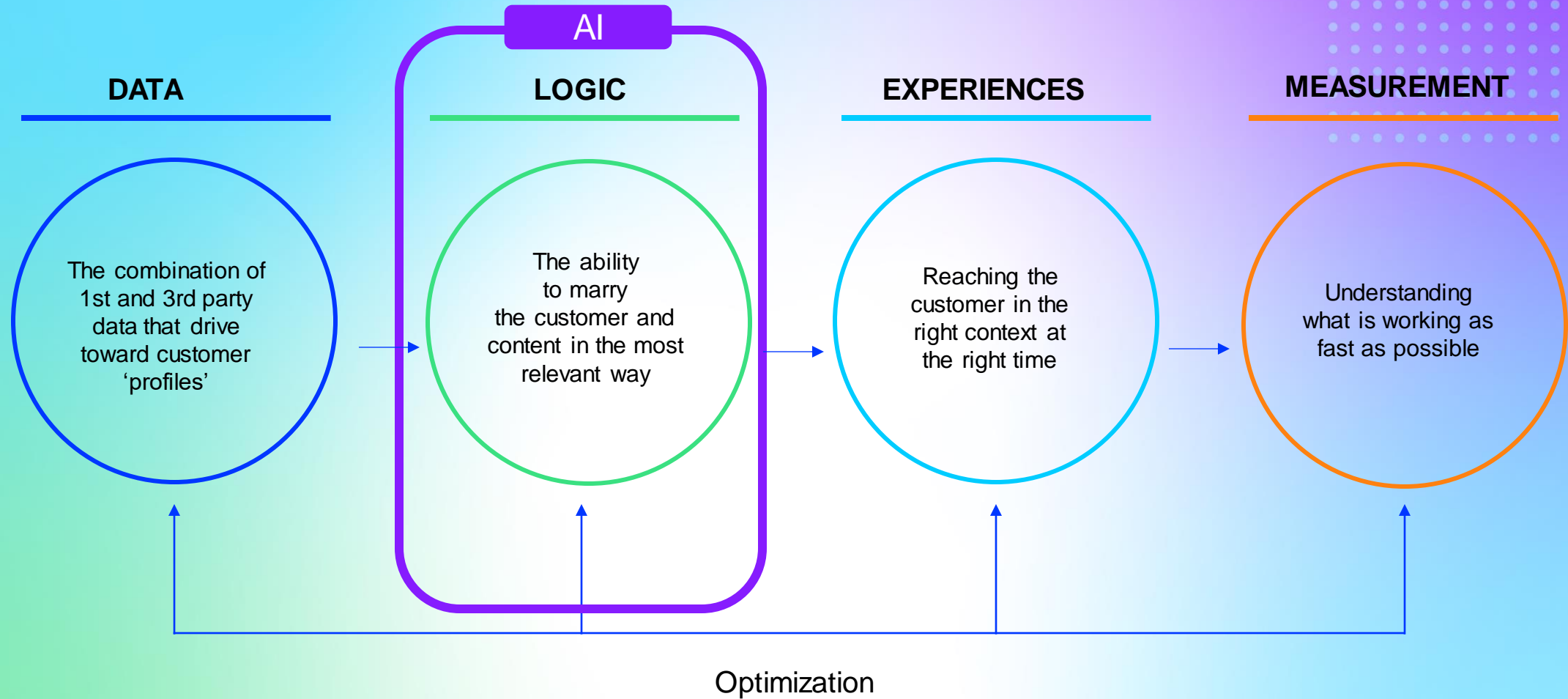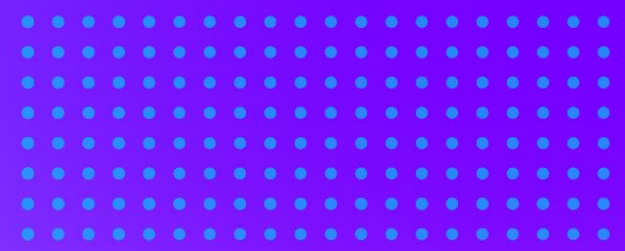
DATA

LOGIC

EXPERIENCES

MEASUREMENT

The combination of 1st and 3rd party data that drive toward customer 'profiles'

The ability to marry the customer and content in the most relevant way

Reaching the customer in the right context at the right time

Understanding what is working as fast as possible

Optimization

Solid foundation with 4 key pillars

AI

DATA	LOGIC	EXPERIENCES	MEASUREMENT
The combination of 1st and 3rd party data that drive toward customer 'profiles'	The ability to marry the customer and content in the most relevant way	Reaching the customer in the right context at the right time	Understanding what is working as fast as possible

Optimization

AI adoption has grown by 270% in the past 4 years

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Advantages of AI

Where's the value in B2B?

- Analyze large volume of data
- Improved ad targeting
- Smarter recommendations
- Better customer experience
- Improved search experience
- Detailed customer data

Use Cases

Improve Self Service: Have advanced conversations with customers

A virtual agent which can bring data from FAQ pages, knowledge base, help center or other content pages and provide this to customers in a conversational way.

Customers are able to ask the agent questions and get contextual, conversational responses.

Additional tools:

- Adaptive Search
- Mobile Voice Search
- Mobile Image Search

Improve Experience: Understand what your customers are asking

As customers shop around for the best supplier before they make a purchase, you want to make sure you can engage with them to discover your unique selling point of your product offerings.

Additional tools:

- AI Product Recommendations
- Auto-Generate Lists
- Promotions
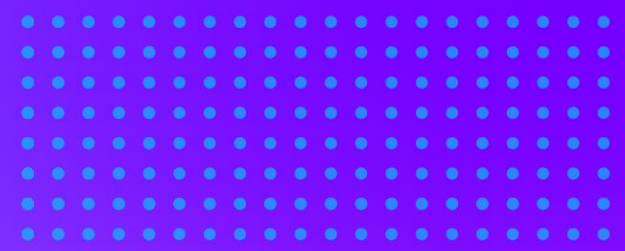
"I love Polaris, I want Polaris to love me"

"I love Polaris, I want Polaris to love me"

"I love Polaris, I want Polaris to love me"

"I love Polaris, I want Polaris to love me"

"I love Polaris, I want Polaris to love me"

How important is CX to Polaris?

- Experience that drives engagement in high value actions with frequency

- Customer is in the center of everything we do

- Centralizing our customer data and leverage to personalize CX

03

OmniChannel

Meeting your Customers where they are

80%

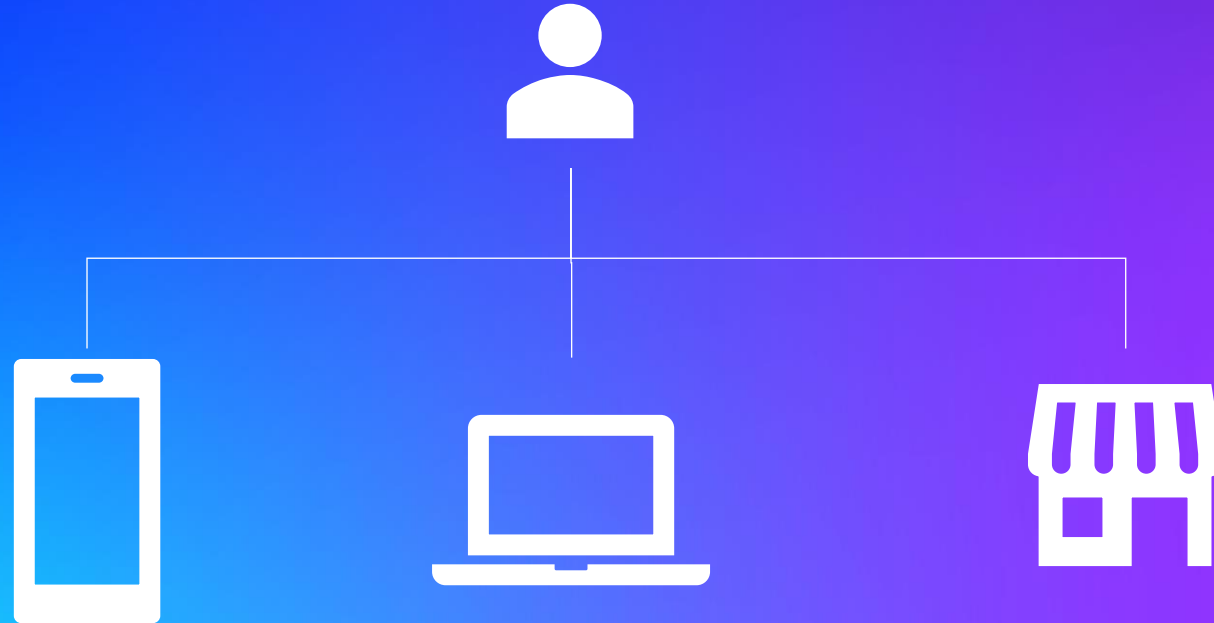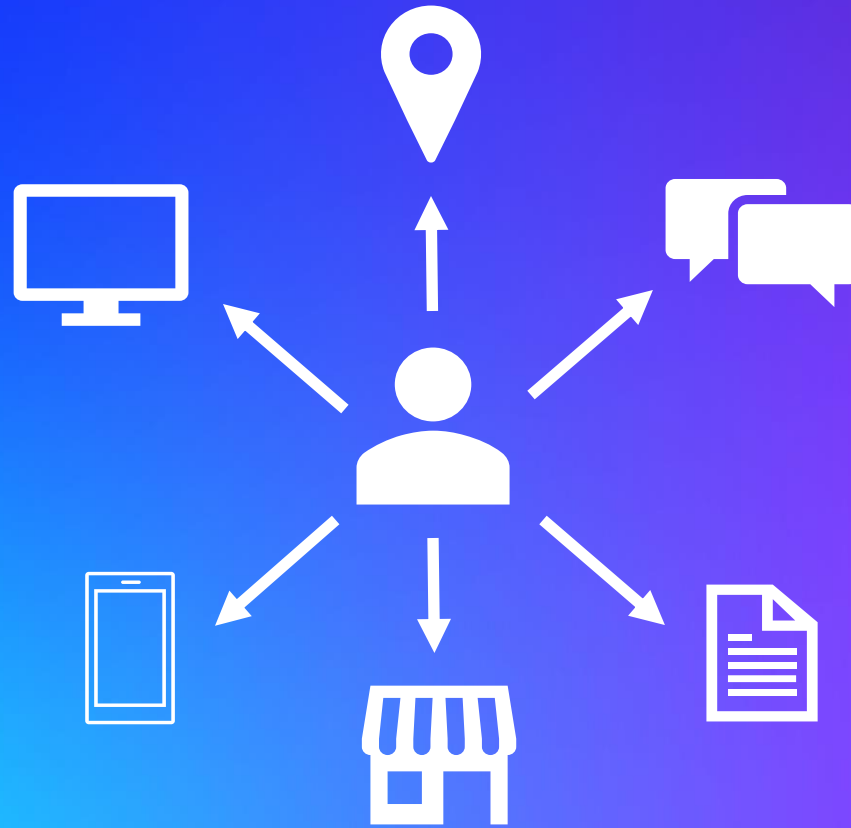**According to Gartner, by 2025 80% of B2B sales interactions between suppliers and buyers will occur in digital channels**
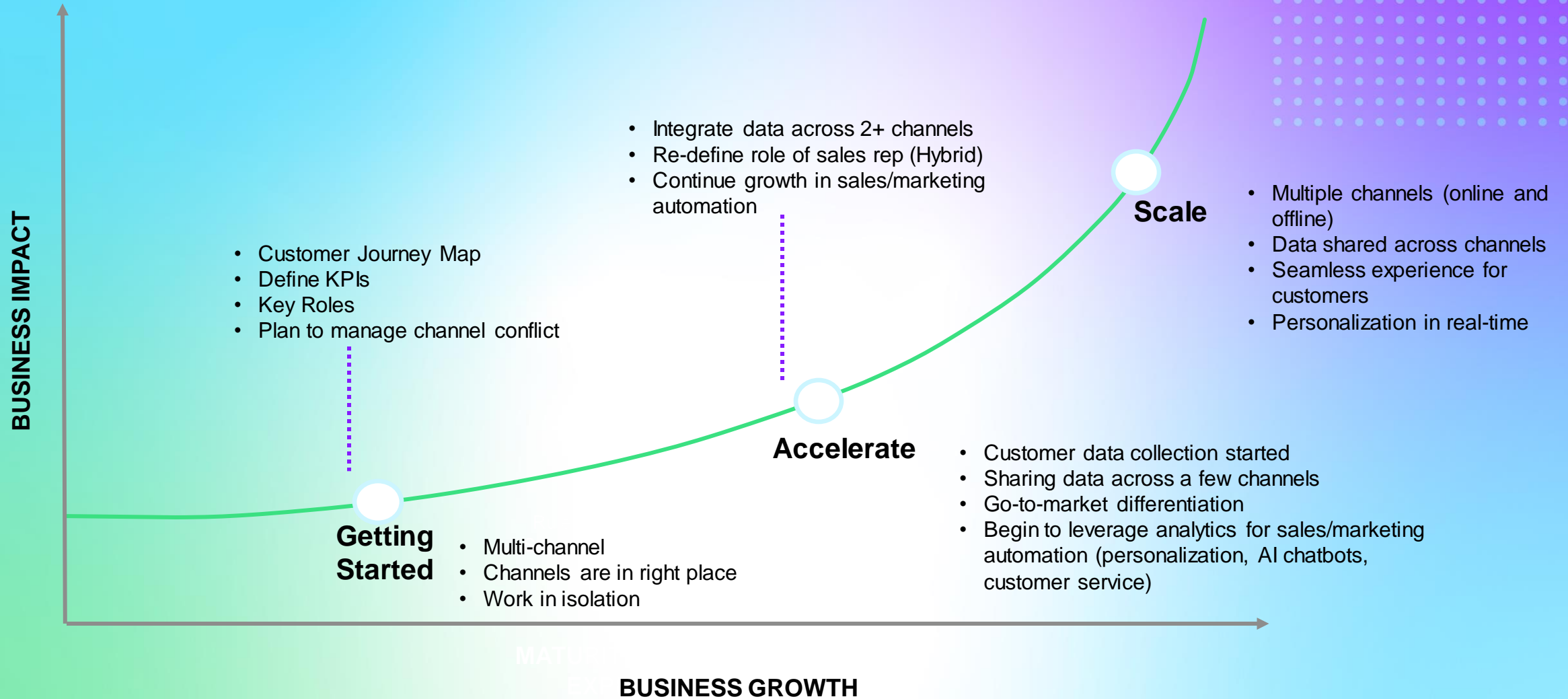
Multi-channel vs. Omnichannel

Multi-channel vs. Omnichannel

What's Important to Customers

- Personalization

- Product Availability Online

- Real-time and always available customer service

- Consistency

- Mix of traditional sales, remote and self-service

- Ability to purchase in any channel

Omnichannel Maturity

BUSINESS IMPACT

BUSINESS GROWTH

- Integrate data across 2+ channels
- Re-define role of sales rep (Hybrid)
- Continue growth in sales/marketing automation

- Customer Journey Map
- Define KPIs
- Key Roles
- Plan to manage channel conflict

Scale
- Multiple channels (online and offline)
- Data shared across channels
- Seamless experience for customers
- Personalization in real-time

Accelerate
- Customer data collection started
- Sharing data across a few channels
- Go-to-market differentiation
- Begin to leverage analytics for sales/marketing automation (personalization, AI chatbots, customer service)

Getting Started
- Multi-channel
- Channels are in right place
- Work in isolation
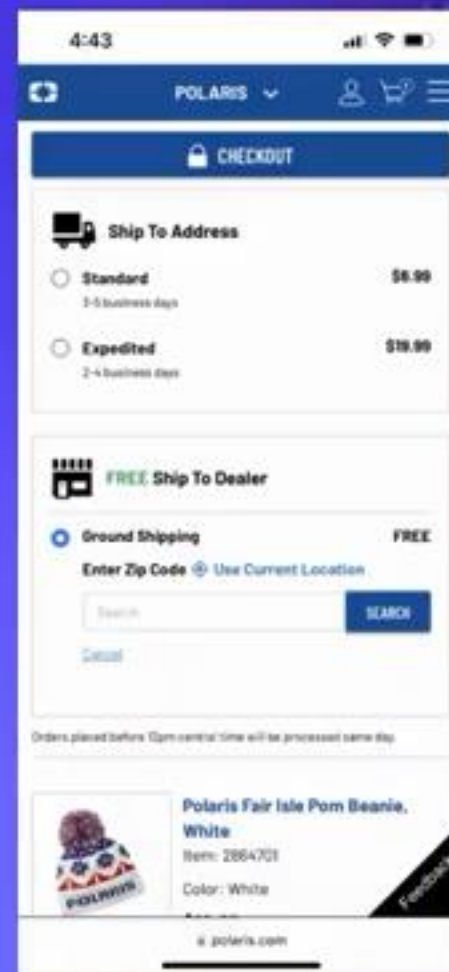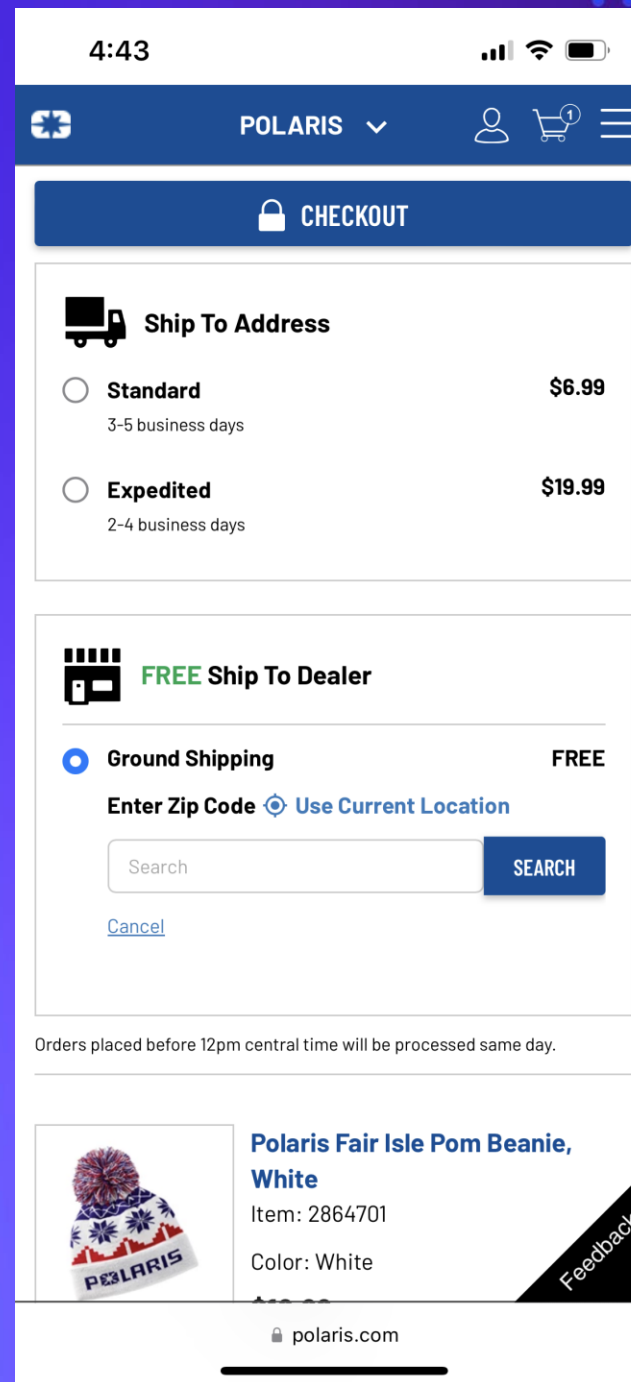
Originally sold only through the dealer

Now they are focused on meeting customer where they are at

Mobile traffic continues to grow
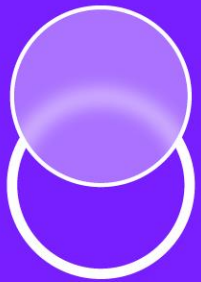
75% of online traffic in last 30 days

POLARIS

OmniChannel is a competitive differentiator

- Offline to online and online to offline

- Polaris is focused on evolving with the customer

Quick Insights

Market Evolution of CMS

The commerce market has evolved from monolithic CMS architectures, to offering highly composable commerce platforms. However, organizations who need to compose are often left foundationless by vendors who offer limited out-the-box feature support.

Monolithic

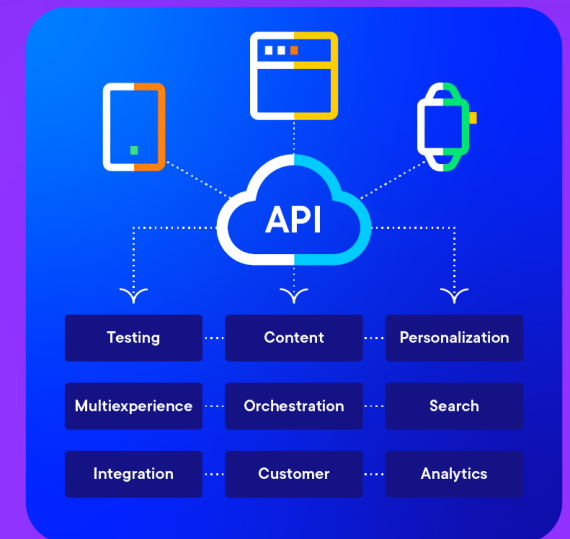Front-end presentation and back-end functionality are tightly coupled in single code-base

Testing	Content	Personalization
Multiexperience	Orchestration	Search
Integration	Customer	Analytics

DIY Composable

DIY combination of providers selected for each back-end and front-end component

API	API	API
Testing	Content	Personalization
API	API	API
Multiexperience	Orchestration	Search
API	API	API
Integration	Customer	Analytics

Composable Platform

Out-of-the-box functionality that can be configured/decoupled as needed

| API |
Testing	Content	Personalization
Multiexperience	Orchestration	Search
Integration	Customer	Analytics

Commerce Sessions

| Session	When	Location
Everything you need to know about the commerce roadmap	Wednesday, 2:30 pm	Pacific Ballroom 21
Next gen personalized commerce: using AI, promotions and beyond	Thursday, 11:00 am	Pacific Ballroom 19
How mobile is changing the market: the importance of mobile for driving commerce forward	Thursday, 12:00 pm	Pacific Ballroom 15-16
Experimenting with AI to Optimize B2B Content: Making Bold Bets Pay Off	Thursday, 12:00 pm	Pacific Ballroom 19
Optimizely Commerce Blueprint: Roadmap to success (Workshop)	Thursday 2:15 pm	

Highlights

Convergence of business models between B2B and B2C as organizations drive to connect with their customers and expand their customer reach

Continued focus on personalization and the use of AI in personalization to drive trust and loyalty with your customers

Omnichannel is the best way to provide a consistent experience across channels that customers expect – where are you at on the maturity model and how do you grow?

Thank you!
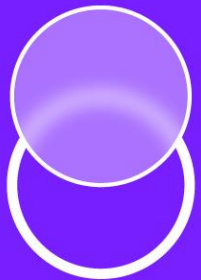
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