

Course title: Digital Strategy and Action

“Always-On” Customer and
Technology Insight

Dr. Shakhlo Ergasheva

Industries are embracing change



We have seen two years worth of digital transformation in the last couple of months. — No industry has been left untouched by the global health crisis of 2020. Change is happening—along with innovation and lessons for progress.

Satya Nadella,
CEO,
Microsoft



Retail

Even in the face of unprecedented disruption, you can engage with customers more meaningfully to create strong, long-lasting relationships.

[With commerce] we now have the tools and insights we need to adapt to the market and roll out new experiences faster and more strategically than we could before.”

Miia Suortii,
Director of Digital Marketing,
Ste. Michele Wine Estates



Healthcare

Consider new solutions to solve old problems, such as virtual visits to meet with patients in a physically safe environment while improving efficiency and provider accessibility.



Manufacturing

Have the data and analytics to be agile and flexible, and adjust to new customer needs, thus improving the customer experience.



Financial Services

Enable employees to serve customers and work from anywhere with continuous remote access to everything.



Government

Modernize outdated platforms to reduce costs, improve scalability, and meet compliance requirements.



Professional Services

Leverage modern solutions that help you expand your reach, know your clients and enhance customer relationships, while continuing to employ strategies to optimize your brand performance.

“Our mobile sales force, using MS Dynamics 365 with Cincom CPQ, is able to develop, manage, and track a Quote, add and save a configuration and provide a document output representing solution options to the customer quicker than ever before.”

Jeniffer Wells,
Senior Analyst
BGE HOME

Business Applications trends

Business Applications insights in 2020

A new normal

74%

of companies expect some permanent shift to remote working¹

...with more involvement

72%

of B2B buyers reported if their buying process has changed, it has become more collaborative rather than centralized to a single executive²

...from a changing buyer group

73%

of Millennial workers are involved in decisions to purchase products or services for their companies³

Heavy digital investments that will only increase due to the recent market conditions

23%

of companies say that they have increased their spending, or invested new funds, into technology or infrastructure spending since the pandemic⁴

2022

Globally, spending on digital transformation efforts is projected to reach \$2 trillion by 2022⁵

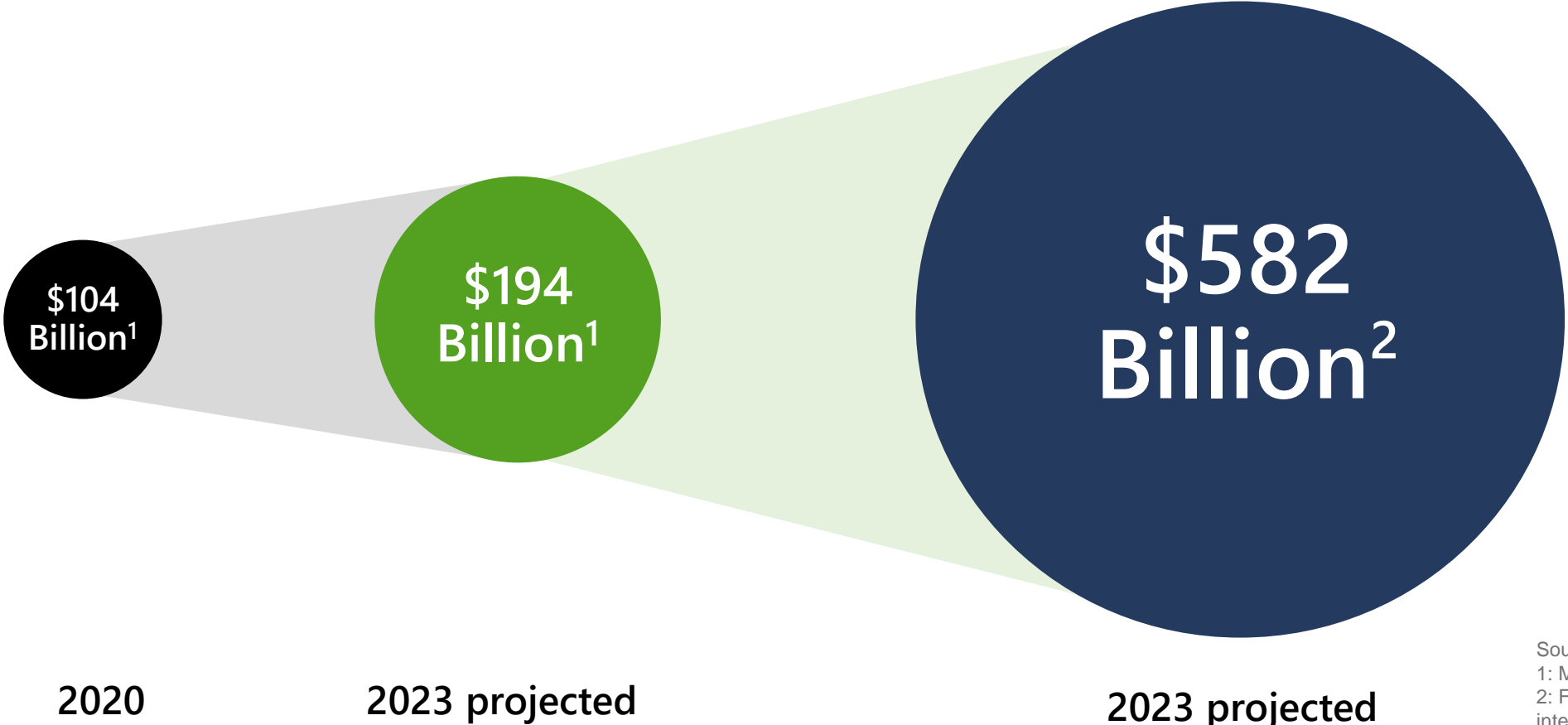
\$1.1T

The global spending on the Internet of Things (IoT) is forecast to reach 1.1 trillion U.S. dollars in 2022⁶

Business Applications Opportunity

Cloud Market Opportunity

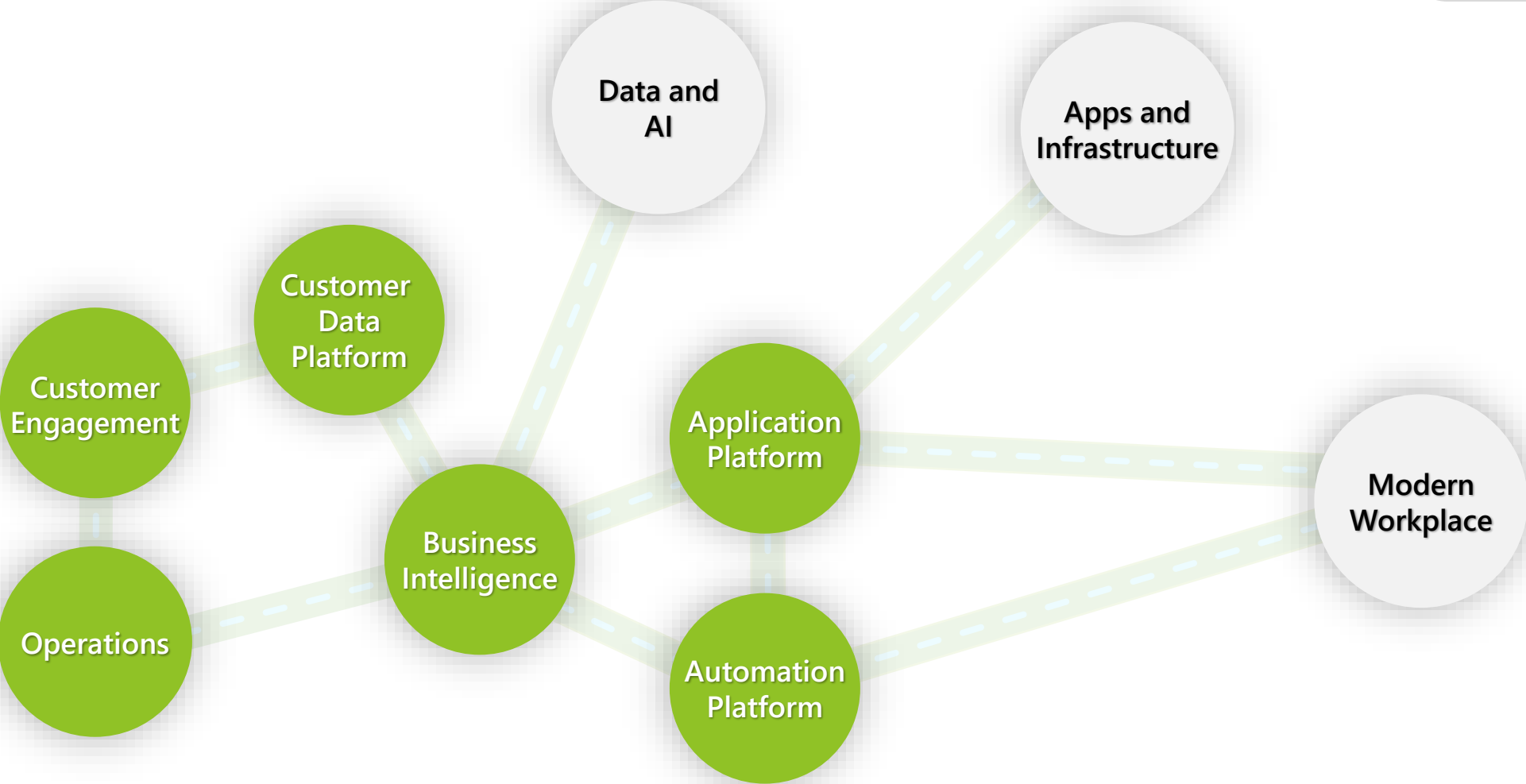
Services Opportunity



Sources:
1: Microsoft internal research, 2020
2: Forrester TEI, 2019 and Microsoft internal research, 2020

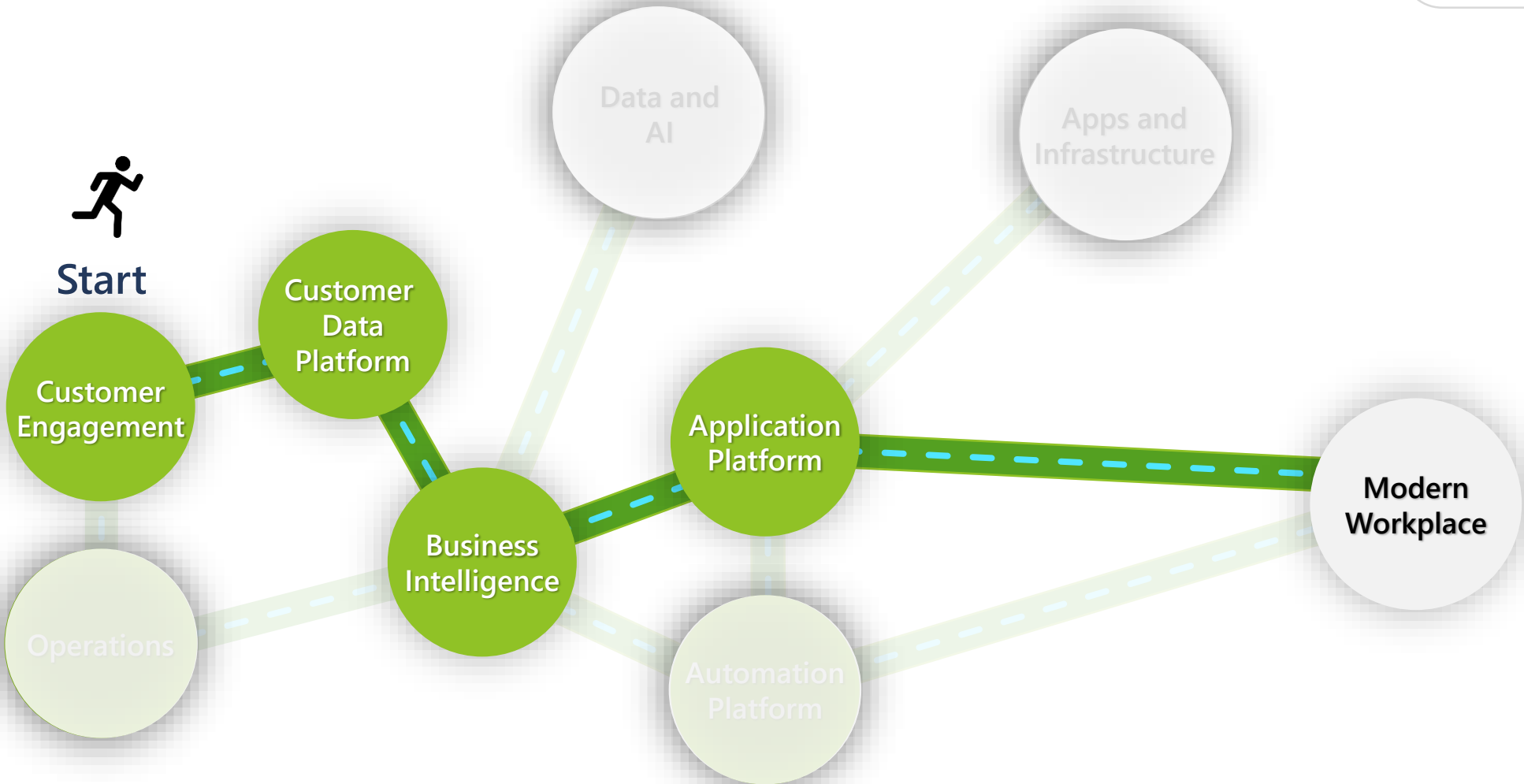
Six cloud markets, many possibilities to start and expand your practice journey

- Business Applications Cloud Markets
- Other Solution Areas



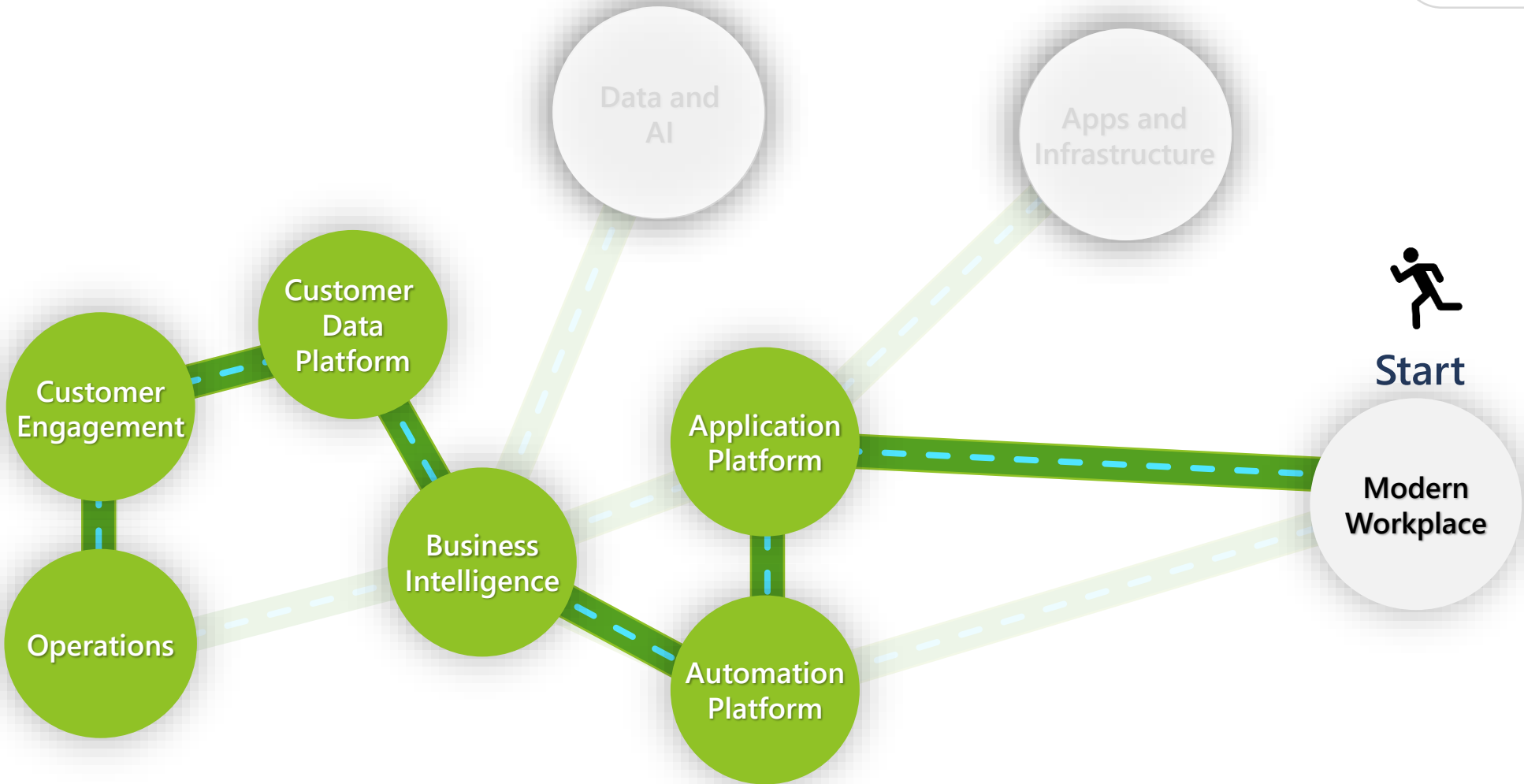
Here is an example of a partner's practice journey from **Customer Engagement**

- Business Applications Cloud Markets
- Other Solution Areas



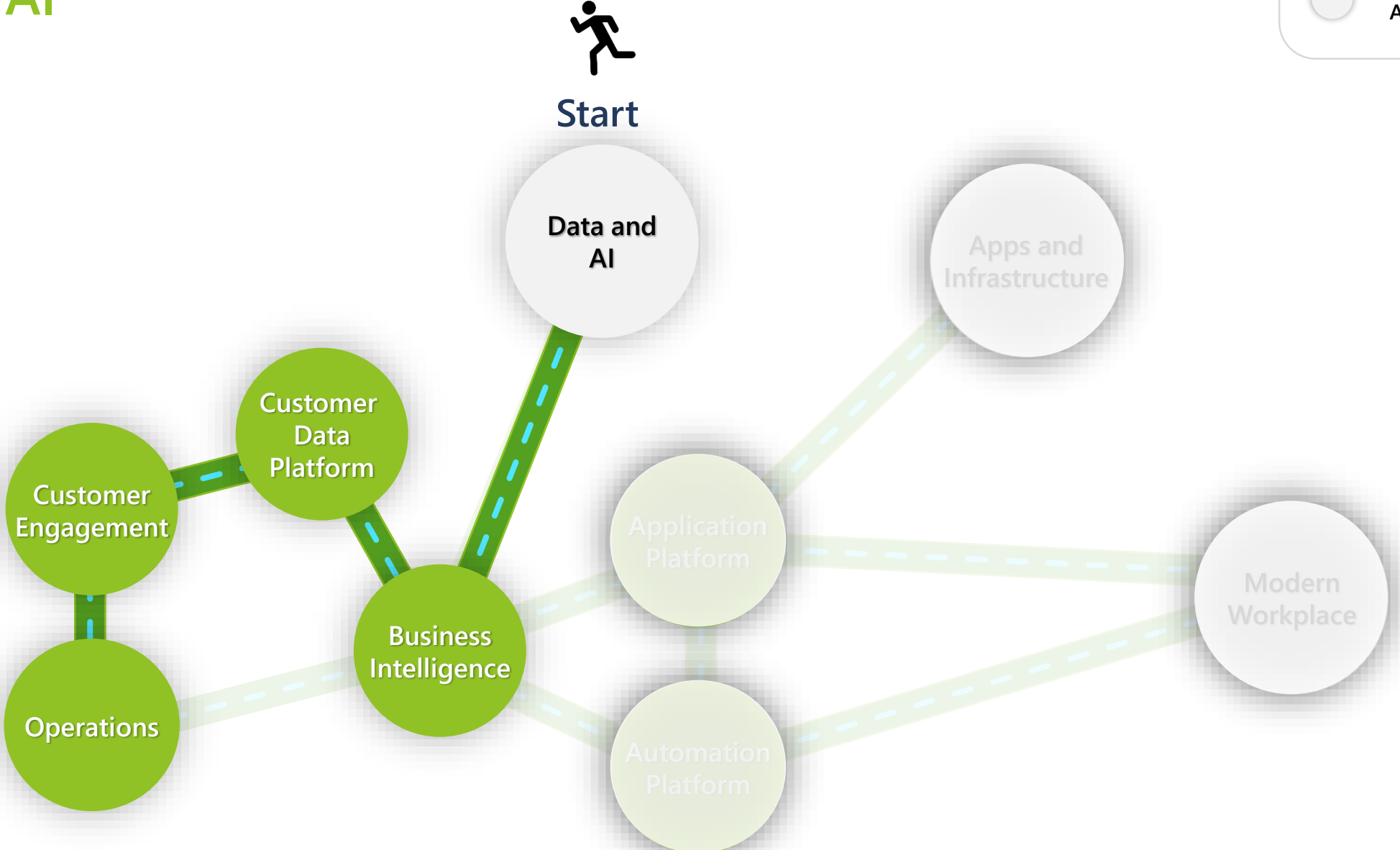
Here is an example of a partner's practice journey from **Modern Workplace**

- Business Applications Cloud Markets
- Other Solution Areas



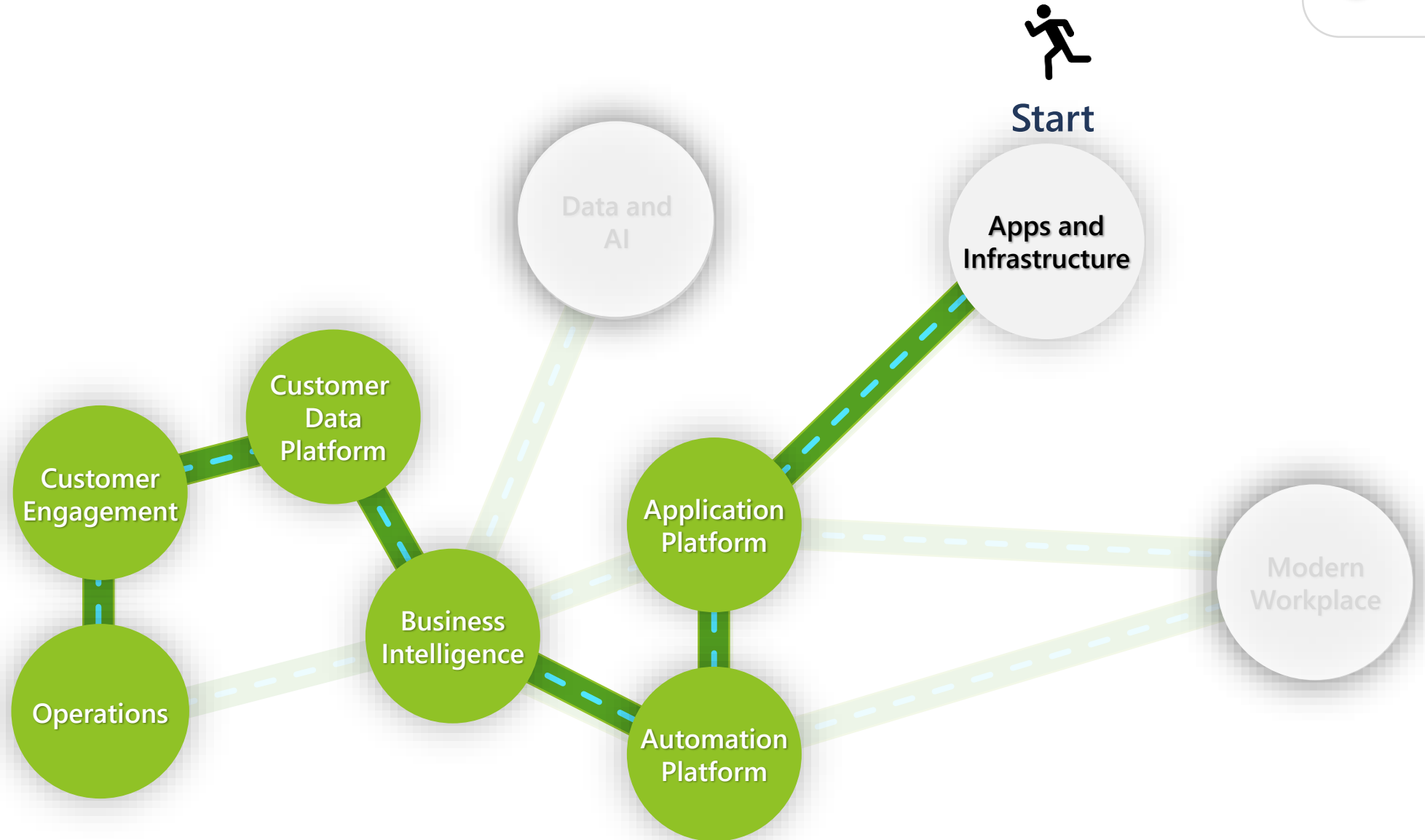
Here is an example of a partner's practice journey from **Data & AI**

- Business Applications
Cloud Markets
- Other Solution Areas

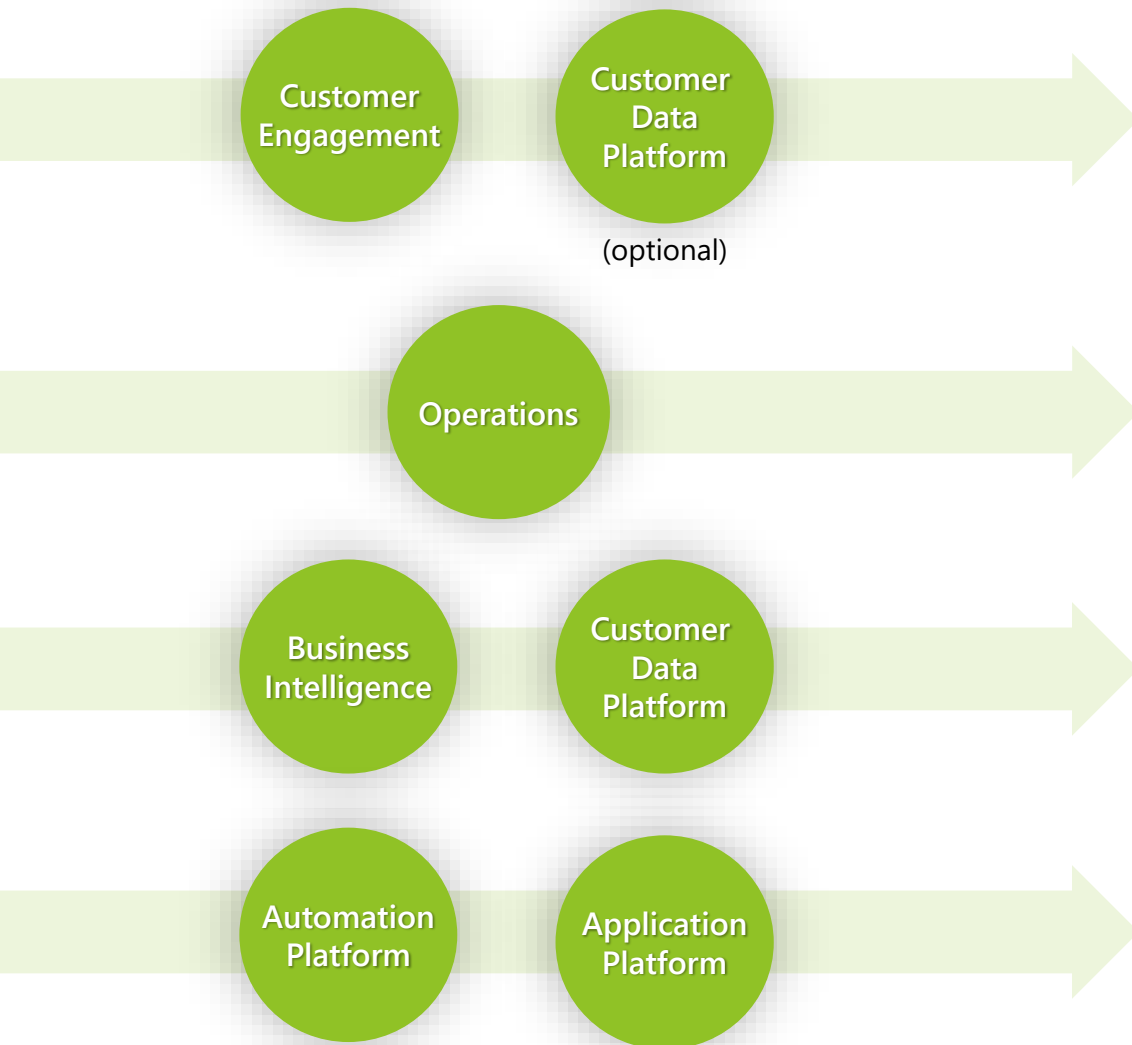


Here is an example of a partner's practice journey from **Apps & Infrastructure**

- Business Applications Cloud Markets
- Other Solution Areas



Enter these cloud markets with six Business Applications plays that deliver the capabilities and innovations that deliver customer value and grow your practice.



Activate Digital Selling

Enable Always-On Service

Build a Resilient Supply Chain

Manage Financial Risk & Reduce Fraud

Generate Value with Proactive Insights

Build Agile Business Processes

Big opportunity for services partners

Three-year analysis shows **40%** ROI and **\$12M** NPV on building a Business Applications practice¹



\$1

Every \$1 of Microsoft Business Applications licensing margin...



On average, represents **\$10** of Business Applications partner services revenue for enterprise¹



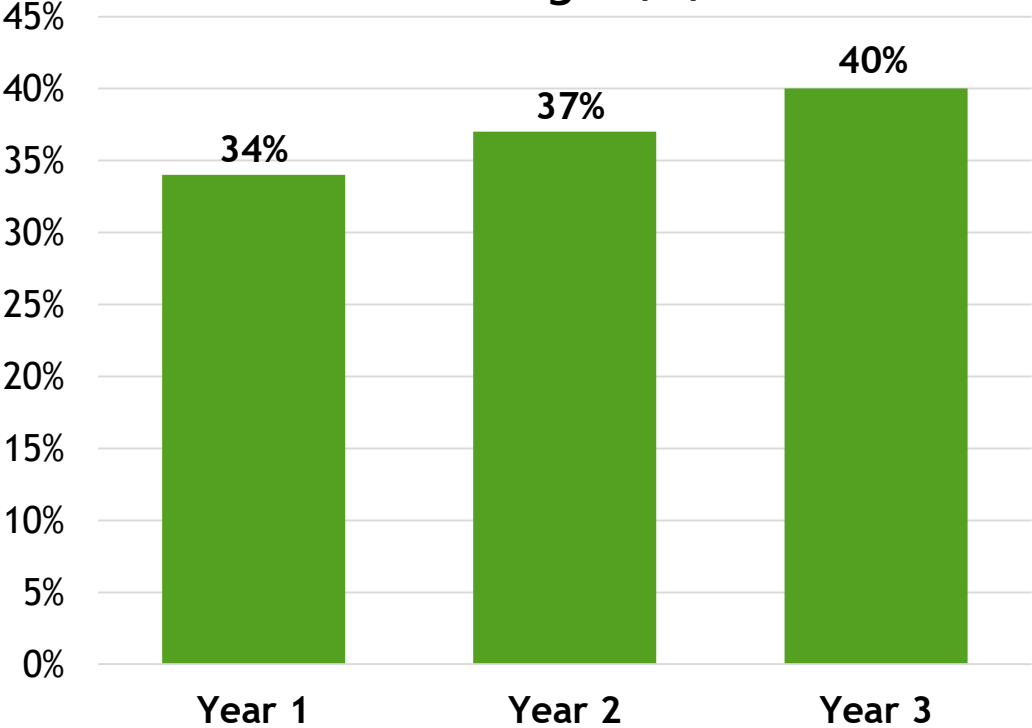
And **\$3** of partner services revenue opportunity for SMB¹

1. Research based on Forrester The Partner Business Opportunity For Microsoft Business Applications, 2019

Growth of a practice

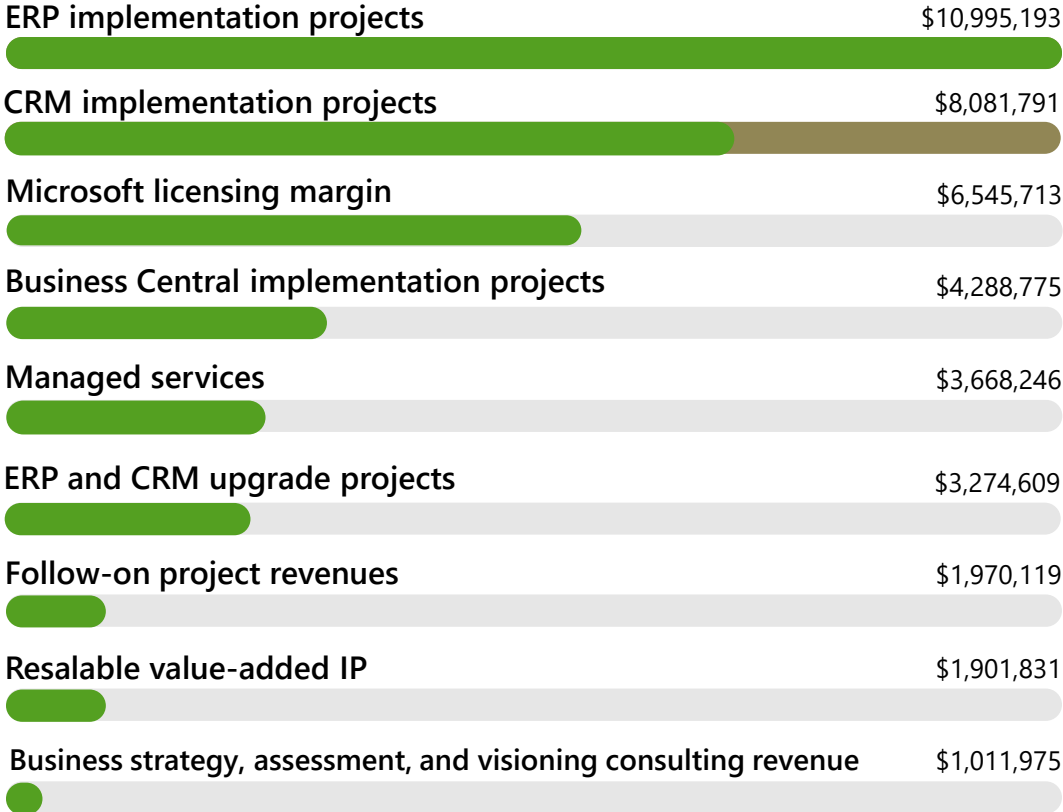
Typical business applications profit margin and mix over three years for a combined CRM and ERP practice

ERP & CRM Combined Practice Gross Profit Margin (%)



Three-year gross profit projection

by revenue stream



Total: \$41.7 million

Why Microsoft Business Applications



Microsoft cloud platform

Join thousands of other partners on a market-leading platform that offers unified, customizable, and intelligent business applications and IP that span across industries



Accelerate business growth

Build your practice with competencies. Easily expand your practice through connected, unified, and intelligent workloads



Reach more customers

Grow and expand your practice with access to Microsoft's channels, partner ecosystem, go-to-market support, co-sell opportunities, and Microsoft AppSource

Grow your practice with Microsoft cloud platform

Broad portfolio

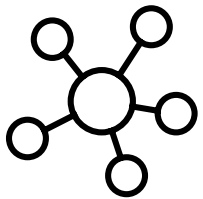
of applications and innovations to start and grow

20,000+ solutions

on Microsoft AppSource;
1,200+ Business Apps
certified apps

Extend and build

across the Microsoft cloud platform



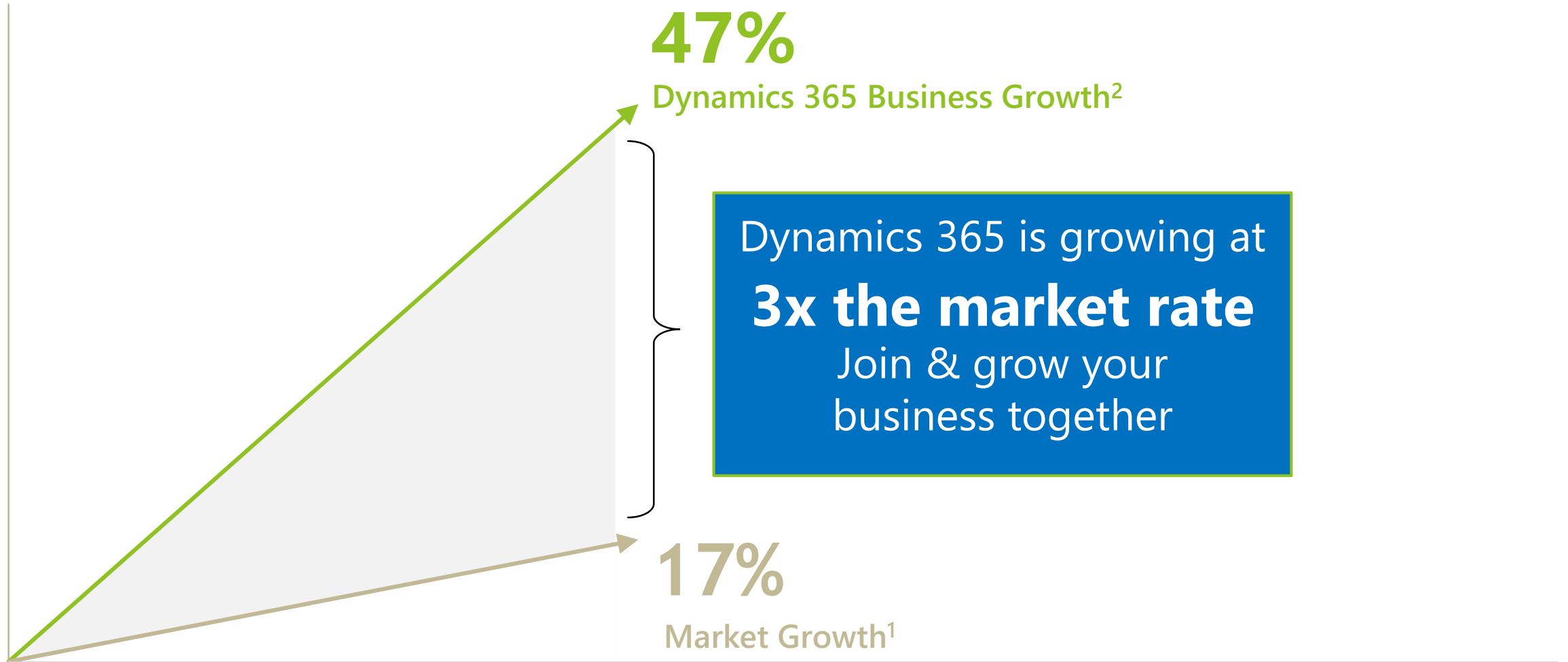
Microsoft
cloud
platform

Start and grow your practice from any of our innovation areas across Customer Engagement, Operations, Customer Data Platform, Business Intelligence, Application Platform, or Automation Platform

Use our growing ISV solutions and add your own to the marketplace

Take advantage of the easiest cross-compatibility on the market from Azure, Dynamics 365, and Power Platform and extend them with your solutions

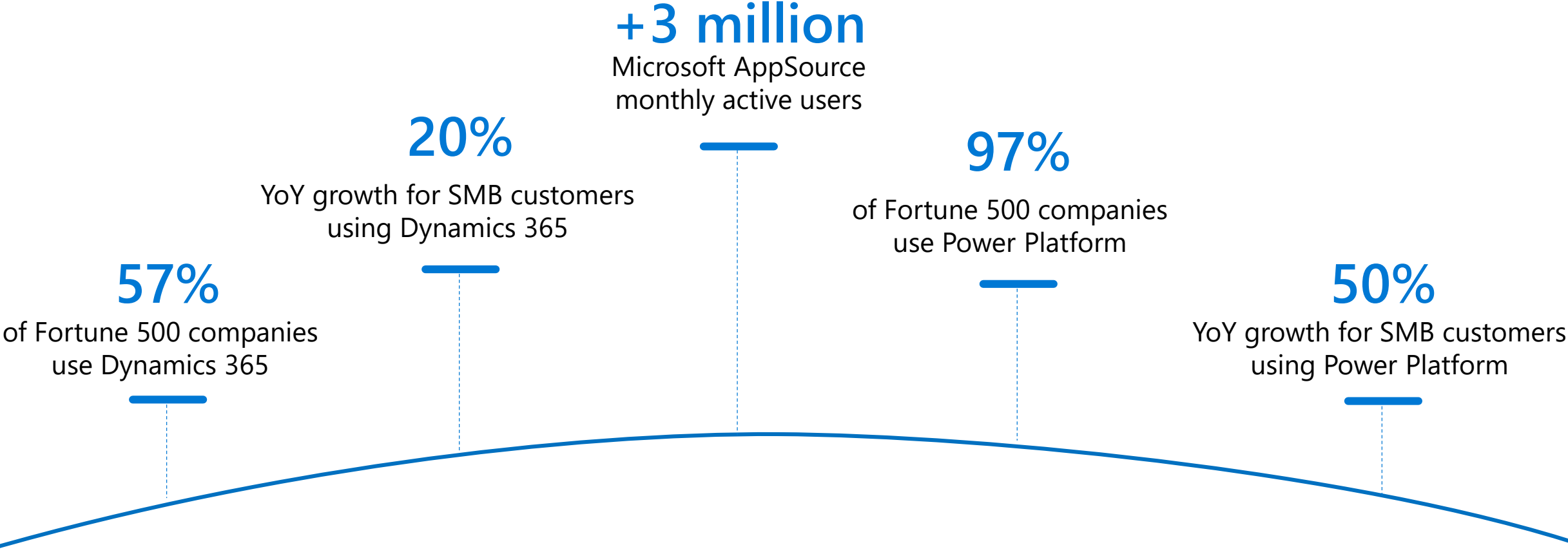
Accelerate business practice growth



1. Market Growth research, Gartner, 2019
2. Microsoft Earnings, [earnings report](#), 2019

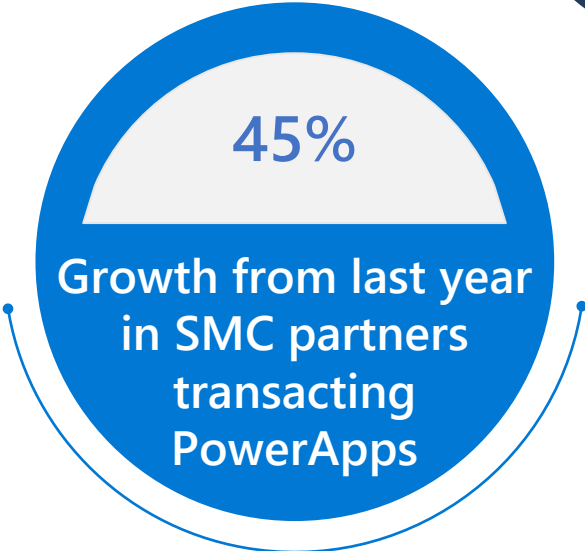
Reach more customers

Reach more potential customers with Microsoft's Business Applications sales and services engines



Business Applications momentum

Join our rapidly growing ecosystem in Business Applications



Next steps

We have additional resources and opportunity deep dives on each of our core sales plays for Dynamics 365 and Power Platform. Please note you will need to login with your MPN credentials to view some of these assets.

Download the Partner Playbook

Learn how to get started as a partner.

[→ Learn more](#)

Develop a competency

Demonstrate your proven expertise in delivering quality solutions in a specialized area of business.

[→ Learn more](#)

Take advantage of partner incentives

Accelerate business growth with partner incentives that will help you reach more customers.

[→ Learn more](#)

Dive deeper into partner opportunity

Get more details on the practice area where you want to develop your business.

[→ Activate Digital Selling](#)

[→ Enable Always-On Service](#)

[→ Build a Resilient Supply Chain](#)

[→ Build Agile Business Processes](#)

[→ Manage Financial Risk & Reduce Fraud](#)

[→ Generate Value with Proactive Insights](#)

Shoppers: Browsers and Buyers

- ▶ Shoppers: 89% of Internet users
 - ▶ 73% buyers
 - ▶ 16% browsers (purchase offline)
- ▶ One-third of offline retail purchases influenced by online activities
- ▶ Online traffic also influenced by offline brands and shopping
- ▶ E-commerce and traditional commerce are coupled: Part of a continuum of consuming behavior

What Consumers Shop for and Buy Online

- ▶ **Big ticket items (\$1000 or more)**
 - ▶ Travel, computer hardware, electronics
 - ▶ Consumers now more confident in purchasing costlier items
- ▶ **Small ticket items (\$100 or less)**
 - ▶ Apparel, books, office supplies, software, and so on
- ▶ **Types of purchases depend on level of experience with the Web**

How Consumers Shop

- ▶ How shoppers find online vendors
 - ▶ Search engines
 - ▶ Marketplaces (Amazon, eBay)
 - ▶ Specific retail site
- ▶ 27% of Internet users don't shop online
 - ▶ Trust factor
 - ▶ Hassle factors (shipping costs, returns, etc.)

Trust, Utility, and Opportunism in Online Markets

- ▶ Two most important factors shaping decision to purchase online:
 - ▶ **Utility:**
 - ▶ Better prices, convenience, speed
 - ▶ **Trust:**
 - ▶ Most important factors: Perception of credibility, ease of use, perceived risk
 - ▶ Sellers can develop trust by building strong reputations for honesty, fairness, delivery

Digital Commerce Marketing and Advertising: Strategies and Tools

- ▶ Internet marketing (vs. traditional)
 - ▶ More personalized
 - ▶ More participatory
 - ▶ More peer-to-peer
 - ▶ More communal
- ▶ The most effective Internet marketing has all four features

Multi-Channel Marketing Plan

1. Web site
2. Traditional online marketing
 - ▶ Search engine, display, e-mail, affiliate
3. Social marketing
 - ▶ Social networks, blogs, video, game
4. Mobile marketing
 - ▶ Mobile/tablet sites, apps
5. Offline marketing
 - ▶ Television, radio, newspapers

Strategic Issues and Questions

- ▶ Which part of the marketing plan should you focus on first?
- ▶ How do you integrate the different platforms for a coherent message?
- ▶ How do you allocate resources?
 - ▶ How do you measure and compare metrics from different platforms?
 - ▶ How do you link each to sales revenues?

Establishing the Customer Relationship

- ▶ Web site functions to:
 - ▶ Establish brand identity and customer expectations
 - ▶ Differentiating product
 - ▶ Inform and educate customer
 - ▶ Shape customer experience
 - ▶ Anchor the brand online
 - ▶ Central point for all marketing messages

Online Advertising

- ▶ Online advertising

- ▶ Display, search, mobile messaging, sponsorships, classifieds, lead generation, e-mail
- ▶ Fastest growing form of advertising
- ▶ Advantages:
 - ▶ 18-34 audience is online
 - ▶ Ad targeting
 - ▶ Price discrimination
 - ▶ Personalization

Traditional Online Marketing and Advertising Tools

- ▶ Search engine marketing and advertising
- ▶ Display ad marketing
- ▶ E-mail marketing
- ▶ Affiliate marketing
- ▶ Viral marketing
- ▶ Lead generation marketing
- ▶ Social, mobile, and local marketing and advertising

Search Engine Marketing and Advertising

- ▶ Search engine marketing (SEM)
 - ▶ Use of search engines for branding
- ▶ Search engine advertising
 - ▶ Use of search engines to support direct sales
- ▶ Types of search engine advertising
 - ▶ Sponsored links (keyword paid inclusion)
 - ▶ Keyword advertising
 - ▶ Network keyword advertising (context advertising)

Search Engine Marketing (cont.)

- ▶ Search engine optimization (SEO)
- ▶ Social search
 - ▶ Utilizes social graph (friend's recommendations, past Web visits, Facebook Likes, Google +1's) to provide fewer and more relevant results
- ▶ Search engine issues
 - ▶ Paid inclusion and placement practices
 - ▶ Link farms
 - ▶ Content farms
 - ▶ Click fraud

Display Ad Marketing

- ▶ Banner ads
- ▶ Rich media ads
- ▶ Video ads
- ▶ Sponsorships
- ▶ Advertising networks
- ▶ Advertising exchanges and real-time bidding

Reference and source

1. Banking on Digital Growth: The Strategic Marketing Manifesto to Transform Financial Brands by James Robert Lay | May 8, 2020
2. Digital Transformation: Survive and Thrive in an Era of Mass Extinction by Thomas M. Siebel and Condoleezza Rice | Oct 1, 2020
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7. Agile Strategy Management in the Digital Age: How Dynamic Balanced Scorecards Transform Decision Making, Speed and Effectiveness by David Wiraeus and James Creelman | Aug 11, 2018