Where Champions Sharpen Their Skills

2018 Association Executives Council (AEC) Summer Meeting

The Amazon Effect
Experience

- Distribution
- Manufacturing
- Automotive
- Electrical
- Plumbing
- HVAC

Data Done Right!
Disruptors

- Airbnb
- Netflix
- YouTube
- Pandora
- Google
- Apple
- Tesla
- Wikipedia
- Skype
- PayPal

Data Done Right!
“Disruption displaces an existing market, industry, or technology and produces something new and more efficient and worthwhile. It is at once destructive and creative.”

-Clayton Christensen
-Harvard Business School
“Disruption causes vast sums of money to flow from existing businesses and business models to new entrants.”

— Jay Samit
Professional Building Industry

$63+ Billion spent in Alternate Channels
Major Disruptors – Building Industry
Data
Right!
10.1% Sales Growth
• 30% Pro Sales
• DIY Low $, less Frequently
• 40% Pro Sales with more than $500+
Home Depot's E-Commerce Growth Story

Annual web sales, in $billions

- $1.79 (2012)
- $2.75 (2013)
- $3.76 (2014)
- $4.67 (2015)
- $5.58 (2016)

OnLine

19.3%

Source: Home Depot
WHEN YOU’RE A PRO, TIME IS MONEY

The Home Depot is dedicated to saving you both

4%/45%/$45B/2X

› Multiple delivery and pickup options
› Flexible credit & discount options
› Specially-trained sales associates
› Dedicated parking and checkout lanes

Data Done Right!
Indoor Garden

Home Depot’s 2017 sales: $9.6 Billion
Appliances

Home Depot’s 2017 sales: $8.1 Billion

Refrigerators

Ranges

Dishwashers

Atlantic Business Chronicle Mar 2018
Paint

Home Depot’s 2017 sales: $7.99 Billion
Lumber

Home Depot’s 2017 sales: $7.79 Billion
Tools

Home Depot’s 2017 sales: $7.38 Billion
Kitchen and Bath

Home Depot’s 2017 sales: $7.38 Billion
Plumbing

Home Depot’s 2017 sales: $7.36 Billion

Atlantic Business Chronicle Mar 2018
Building Materials

Home Depot’s 2017 sales: $7.34 Billion
Flooring

Home Depot’s 2017 sales: $7.08 Billion

Atlantic Business Chronicle Mar 2018

Data Done Right!

DATAgility
Data Management Services
The Ultimate Disruptor

Data Done Right!
Industries that Amazon has Disrupted

- Grocery
- Fashion
- Pharmaceutical
- Automotive
Parts Locator

Shop by vehicle: Year  Make  Model  Go

Enter your vehicle info
Find parts that fit
Impact of Amazon & Automotive

2016
2.4 Billion

Source: Hedges Company
77.6m Americans live in ZIP codes where Amazon offers Prime Free Same-Day Delivery

Source: Bloomberg analysis of data from Amazon.com and the American Community Survey
Impact of Amazon & Automotive

2016: 2.4 Billion
2018: 6.9 Billion

Source: Hedges Company
Amazon B2B Strategy

- Fragmented Industries
- Multiple Verticals
- Slow Digital Adoption
- Low cost, High Moving Products
- Broaden/Deepen Product Offering
- Expand from SME to Enterprise
$1.3 Trillion
Why is Amazon so successful? How are they changing buyer expectations?

• 1
• 2
• 3
• 4
• 5
• 6
The Amazon Effect

- Easy to Use
- Broad Selection
- Robust and Trusted Content
- Personalized & Consistent Customer Experience
- Fast, reliable, on-time, low cost shipping
- Best Price
Amazon Threat to Distribution

- 298 Companies
- 67% Distributors
- 33% Manufacturers

industrial, safety, electrical, building materials, janitorial, oil and gas products, HVACR/plumbing and hardware, power transmission/ bearings sectors as well as chemical and plastics, pulp and paper, chemicals and plastics, grocery/foodservice and pharmaceutical

Source: Real Results Marketing
Distribution Strategies

- Omni Channel Capabilities
- Product Mix Strategy
- Value Added Services
- Content
Traditional
- Customers shop Brick and Mortar

E-Commerce
- Customers shop online via websites

Multichannel
- in Store
- Website
- Mobile
- Social Media
- Market Place

Omnichannel
- Customers engage anywhere via integrated, seamless experiences
Home Depot - Omni Channel Strategy

- Pick Up in Store
- Cross Store Inventory
- Return in Store
- Deliver from store

- Branch Locator
- Full Order History
- Search History
- Push Notification Alerts
- Dynamic ETA
- Specified Shipping Windows
- Express Check Out
- Automated Return Process
- Full Back End Integration across all Channels
270 Million Cell Phone Users in the US
30.1 Million Cell Phone Users In Canada

77% of all Americans own a smartphone
67% of all Canadians own a smartphone

Data Done Right!
Click to Call and Product Locator

- **Online Orders**
- **In-Store eReceipts**

**eReceipts**
This feature allows Pros to:

- Sign up for a Pro Account
- Easily add In-Store receipts
- Review any Pro In-Store Receipt transaction
- Quickly re-order from past purchases

**SIGN IN**

**CREATE ACCOUNT**

**Ohio Township #4123**
112 Ben Avon Heights Rd Pittsburgh, PA 15301

MON-SAT: 6 a.m. - 9 p.m.
SUN: 8 a.m. - 7 p.m.

**STORE MANAGER**
Philip W. Rogers

**GET DIRECTIONS**
**IN-STORE LAYOUT**

**SERVICES**
- Pro Delivery Truck
- Tool Rental Center
- Penske Truck Rental
- 24/7 Propane Exchange

**Pro Desk** (412) 630-5413

**Fax Pro Desk** (412) 630-5402

**Send Pro Desk an Email**

**Data Done Right!**
Knowledgeable Sales Team

Customer Interactions

- In Store
- Phone
- Email
- Fax
- Text
- Live Chat
- In-Person
High Spending
High Frequency

Low Spending
High Frequency

High Spending
Low Frequency

Low Spending
Low Frequency
“Brodest Selection” Drives Where B2B Buyers Start

“I typically start my research for products and services I buy for work on an online site because it is:”

- Where I find the broadest selection: 38%
- The most credible source of product details and information: 24%
- Easiest to use: 22%
- Where I already make my personal purchases of products and services: 7%
- Where I get the best customer service: 3%
- Where I consistently find the lowest prices: 0%
- Other: 4%
- Don’t know: 1%

Base: 183 B2B online buyers
Endless Aisle

500,000 to 2.25 million to 9 Million.... and growing
Key Concerns

- Pricing pressure: 70%
- Fast order fulfillment: 63%
- Excellent user experience: 59%
- Wide variety of products: 58%
- eProcurement capabilities: 41%

Source: Real Results Marketing
# Product Strategy – High Cost, Complex

## Compare Similar Pressure Tanks

<table>
<thead>
<tr>
<th>Price</th>
<th>$474.62 /pallet/lt</th>
<th>$576.45 /each</th>
<th>$778.28 /pallet/lt</th>
<th>$863.08 /pallet/lt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>Amtrol</td>
<td>Water Worker</td>
<td>Amtrol</td>
<td>Amtrol</td>
</tr>
<tr>
<td>Ratings</td>
<td>★★★★★ (0)</td>
<td>★★★★★ (64)</td>
<td>★★★★★ (0)</td>
<td>★★★★★ (0)</td>
</tr>
<tr>
<td>Equivalent Capacity (gallons)</td>
<td>44</td>
<td>315</td>
<td>62</td>
<td>86</td>
</tr>
</tbody>
</table>

**Data Done Right!**
Amazon Business Market Place

• High Traffic Channel
• Expand Customer Reach
• Digital Enablement
Amazon Business customer count tops 1 million in the U.S.

Bill Briggs | Jul 26, 2017

Adding 10,000 each week

$1 Billion in 1 Year
Amazon Product Strategy

Source: Real Results Marketing
Amazon Business Market Place

- Market Place Fees
- Limited Control
- Customer Ownership
- Sales Shifting
Marketplace

- Offer More
- Learn More
- Sell More
Shifting the Focus

- Value Added Services
- Product Bundling
- Product & Services Bundling
- Product Unbundling
- Product as a Service
Data Done Right!
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- Where I consistently find the lowest prices: 0%
- Other: 4%
- Don’t know: 1%

Base: 183 B2B online buyers
Product Info Drives Where B2B Buyers Finish

“I typically make my final purchase of products and services I buy for work on an online site because it is:”

- The most credible source of product details and information: 26%
- Easiest to use: 17%
- Where I get the fastest delivery/shipment: 15%
- Where I consistently find the lowest prices: 14%
- Where I already make my personal purchases of products and services: 11%
- Where I find the broadest selection: 7%
- Where I get the best customer service: 7%
- Other (Please specify): 3%
- Don’t know: 1%
Rheem
Marathon 85 gal. 1 Year Tall 4500-Watt Electric Non-Metallic Tank Water Heater

- Plastic tank won't rust; ideal in hard water applications
- Lightweight jacket and tank make it easier to install
- Same-day installation in most areas. Call 1-855-400-2552 by noon.

$1523.08 each

GET IN-HOME INSTALLATION
A licensed pro will deliver, set it up, and remove your old unit. What to Expect

Quantity: 1

Add to Cart

Data Done Right!
# Product Specifications

## Dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Depth (in.)</td>
<td>20.25</td>
</tr>
<tr>
<td>Product Height (in.)</td>
<td>70.25</td>
</tr>
<tr>
<td>Product Width (in.)</td>
<td>28.25</td>
</tr>
<tr>
<td>Tank Valve Size (in.)</td>
<td>0.75</td>
</tr>
<tr>
<td>Water Connection Size (in.)</td>
<td>3/4</td>
</tr>
</tbody>
</table>

## Details

<table>
<thead>
<tr>
<th>Feature</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amperage (amps)</td>
<td>18</td>
</tr>
<tr>
<td>Application Type</td>
<td>Commercial</td>
</tr>
<tr>
<td>Finish Family</td>
<td>Grey</td>
</tr>
<tr>
<td>First Hour of Delivery (gallons/hr)</td>
<td>91.0</td>
</tr>
<tr>
<td>Fuel Type</td>
<td>Electric</td>
</tr>
<tr>
<td>Indoor/Outdoor</td>
<td>Indoor</td>
</tr>
<tr>
<td>Maximum Temperature (°F)</td>
<td>181</td>
</tr>
<tr>
<td>Minimum Temperature (°F)</td>
<td>90</td>
</tr>
<tr>
<td>Nominal Tank Capacity (gallons)</td>
<td>86</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Feature</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery Rate at 100°F Rise (gallons/hour)</td>
<td>18.2</td>
</tr>
<tr>
<td>Required Volt Connection</td>
<td>240</td>
</tr>
<tr>
<td>Returnable</td>
<td>90-Day</td>
</tr>
<tr>
<td>Tank Warranty</td>
<td>5 Year</td>
</tr>
<tr>
<td>Water Connection Location</td>
<td>Top</td>
</tr>
</tbody>
</table>

## Warranty / Certifications

<table>
<thead>
<tr>
<th>Certification</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certifications and Listings</td>
<td>UL Listed</td>
</tr>
<tr>
<td>Part Warranty</td>
<td>1 Year</td>
</tr>
<tr>
<td>Labor Warranty</td>
<td>No Warranty</td>
</tr>
</tbody>
</table>
Basic Search

Other Commercial Electric Water Heaters shoppers like to browse by:

- **Brand:** Rheem
- **Water Heater Profile:** Tall
- **Price:** $1000 - $2000
- **Fuel Type:** Electric
- **Review Rating:** 3 & Up

---

**Rheem Marathon 85 gal. 1 Year Tall**
4500-Watt Electric Non-Metallic Tank Water Heater

Model: MH2085245

**Rheem Marathon 105 gal. 1 Year Tall**
4500-Watt Electric Non-Metallic Tank Water Heater

Model: MH2105245
Beyond the Basics

Product Overview

The 85 Gal. Tall Marathon non-metallic electric water heater provides hot water with peace of mind. Plastic tank eliminates the need for anode rod and prevents smelly water. Rigid foam insulation covers the entire tank for maximum efficiency. Bowl shaped tank bottom drains completely for easy service and sediment removal. Lower titanium heating element for superior resistance to lime buildup. Factory installed temperature and pressure relief valve offers added protection. Offers 5-year tank and 1-year parts warranty in commercial applications.

California residents: see Proposition 65 information.

- First hour rating of 91 GPH
- 5-year tank and 1-year parts warranty in commercial applications
- Lower element is made of titanium steel for resistance to lime buildup
- Bowl-shaped tank bottom drains completely for easy service and sediment removal
- Plastic tank eliminates the need for an anode rod and prevents smelly water
- Non-metallic tank and jacket resists corrosion
- Factory-installed temperature and pressure relief valve enhances your safety and offers peace of mind
- Thermally-fused upper element protects against dry firing
- Tough molded polyethylene outer shell resists dents, scratches and soft air
- Recessed brass drain valve is out of the way of brooms and scrubbers
- Designed for easy replacement of your existing water heater
- Call 1-855-400-2552 before noon for same-day service in most areas. or Visit our Water Heater Installation page for more information.
- Click here to check out our buying guide on water heaters
- Click here for more information on Electronic Recycling Programs

Info & Guides
- Instructions / Assembly
- SDS
- Use and Care Manual
- Warranty

You will need Adobe® Acrobat® Reader to view PDF documents. Download a free copy from the Adobe Web site.
Product Relationships

- Accessories
- Superseded
- Upsells
- Repair Parts
- Substitutes
- Cross References

Related Products

1) BoilerMate 41 gal. Hybrid Electric Indirect Water Heater
2) 10 Gal. 3 Year 208-Volt 15 kW 3 Phase Commercial Electric
3) 100 Gal. 3-Year 76,000 BTU Low NOx Natural Gas Medium Duty
4) 20 Gal. 3 Year 240-Volt 2 kW Commercial Electric Point-Of-Use

Ametek invented the indirect-fired water heater over 30. More +
Perfect Fit 10 gal. electric boosters are designed. More +
The Perfect Fit Medium Duty Gas water heaters. More +
The Perfect Fit Commercial Electric Point of Use. More +
Interactive Parts List

Always use Genuine OEM parts for safety, reliability and performance.

Drag to spin image (Shift + Drag if zoomed in) - Click to zoom in

Click the small image below to reset

SWITCH, HEAT, E-Z I-866SH

Parts Town #: STA2E-200543
Mfr.: STAR
Mfr. P/N: 22-200543
List Price: $ 30.13
On Hand: 29
Unit of Measure: Each

ADD TO CART
What Challenges Do Distributors Face?

- 1
- 2
- 3
- 4
- 5
- 6
Association Initiatives

• 360 Digital Education
• Technology Symposium
• B2B Marketplace
• Data Content Exchange
• Market Research
“Our customers are loyal to us right up until the second somebody offers them a better service!”

- Jeff Bezos