



Developing a Digital Sales Strategy

The key to thriving during these challenging times

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Powering clients to a future shaped by growth

F R O S T  S U L L I V A N

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INTRODUCTION: DIGITAL IS THE NEW NORMAL IN THE POST-COVID-19 ERA

Newsflash: complete reinvention is nothing short of what companies need to accomplish to remain competitive nowadays. In the fast-paced global economy, a successful business must be an agile organization—one that can anticipate and respond quickly to changing economic, regulatory, and market conditions. However, no one anticipated the COVID-19 pandemic. With no time to gather data, consider options, install systems, or retrain staff, business leaders have been forced to pivot their business operations in near-real-time in response to the latest health recommendations and government restrictions. Without a clear end date to this crisis, organizations now realize that their scramble to survive is not a temporary patch until things return to normal. The new normal is constant change.

This pandemic has led to a tremendous transformation in customers' behavior, as well. People's lives have been completely transformed. However, while they are now facing uncertainty in their lives every day, they also have higher expectations for every dollar they spend. Research shows that today's consumer is much more cautious and risk-averse than ever before.¹ He is impatient, anxious, much more alert and prioritizes companies that are empathetic and able to adapt to the new reality. This consumer demands more and pushes brands to look for agile and flexible solutions. Companies need to adjust to this new consumer to turn this challenge into a sizable opportunity quickly.

With COVID-19 triggering a 60%-80% drop in physical visits to stores and increasingly contactless transactions expected by customers, digitization has emerged as key to survival. Hence, more than 95% of companies have accelerated their digital transformation.²

As social distancing continues, the relationship between brands and consumers has become less face-to-face and more remote. This has led to forward-thinking companies enhancing their digital presence and to customers embracing digital shopping like never before. There has been a cultural shift: people got used to interacting with companies through the digital realm, and now they are looking forward to it. The new consumer is a digital-first persona and presents a whole new set of challenges and opportunities for businesses. Companies that had previously invested in digital tools have found it easier to cope with these new challenges.

As the world's economy transitions to a new normal, it is paramount for companies to protect and increase revenues. Those able to set the necessary measures to assure growth will stand as winners when this crisis passes, as it eventually will. To do that, companies need to redesign their relationship with their customers and spur their digital presence.

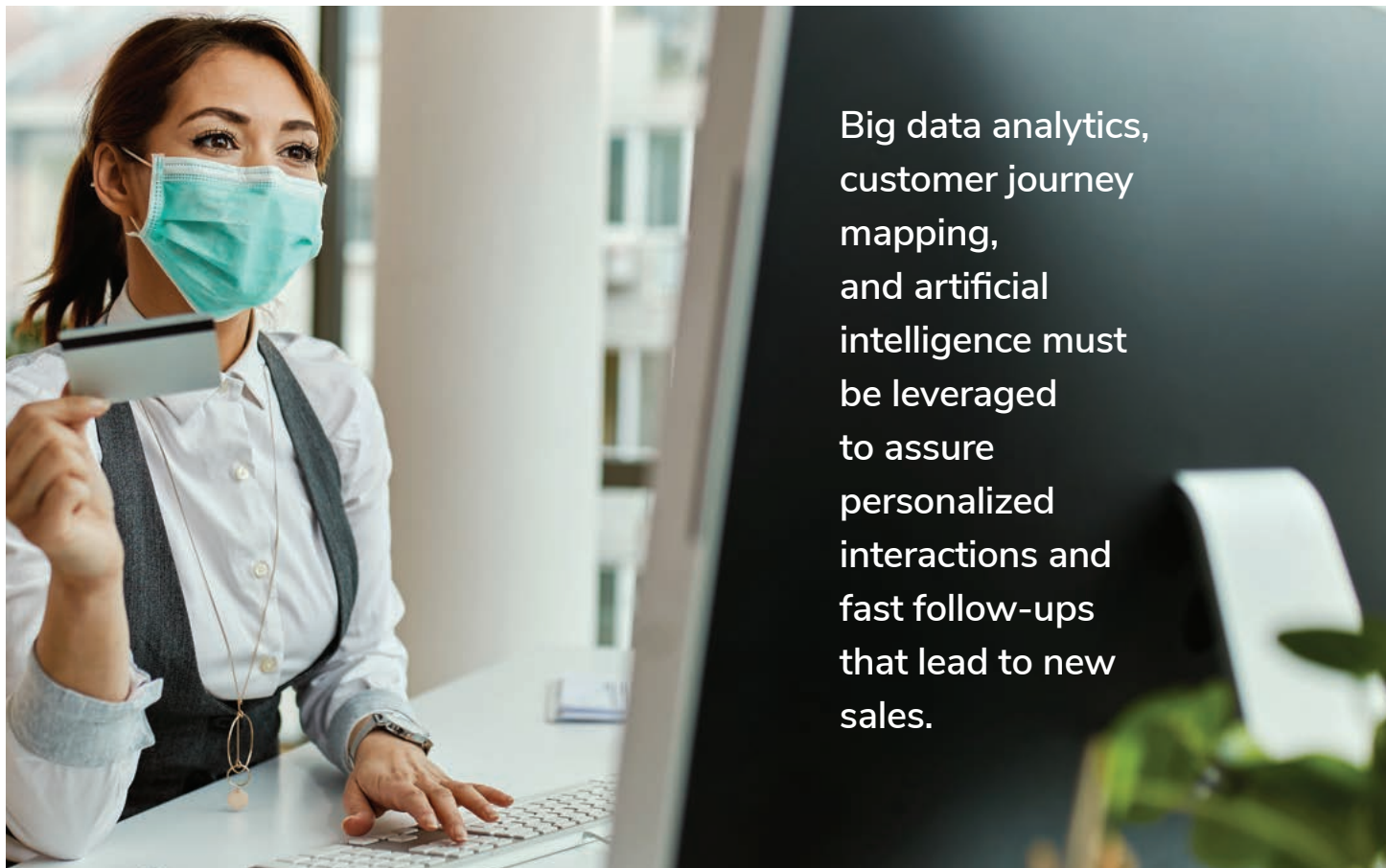


ACCELERATING SALES ALL AROUND

Traditional sales took a significant hit as a result of the COVID-19 pandemic. Except for a few industries, such as grocery and food delivery, cloud-based communications, and healthcare equipment, all of the major economic sectors saw increasing challenges during the first half of 2020. One of the biggest and hardest lessons companies have learned from this pandemic is how critical it is to stay ahead in terms of digitization. Opportunities abound for those that are willing to seize them. A tech-based strategy and a robust digital presence is a sine-qua-non to bring effectiveness into sales processes. Companies recognize the need to apply technology to increase sales.

Not surprisingly, 92% of companies say transforming digital communications is extremely or very critical to address COVID-19 business challenges, while 95% expect their organization to find new ways of engaging customers. Having robust digital capabilities has become a must for companies that want to remain relevant to their customers that have shifted a significant part of their shopping online.³ In the United States, online spend reached \$73.2 billion in June, up 76.2% year-over-year, while the first six months of 2020 have driven \$368.8 billion.⁴

In this context, customers expect nothing less than total convenience and frictionless interactions. This elevates the challenge for companies as they need to accommodate a seamless customer experience through their entire journey while coming up with relevant content to attract new buyers. Furthermore, to drive new sales, businesses must leverage customer data to reach out to consumers with the right offer at the right time, while becoming aware of the main pain points that lead to cart abandonment.



Big data analytics, customer journey mapping, and artificial intelligence must be leveraged to assure personalized interactions and fast follow-ups that lead to new sales.

DEEP DIVE IN FORWARD-THINKING INDUSTRIES

The entire economy is at the edge of severe disruptions. Most industries around the world were significantly impacted by the COVID-19 pandemic and are embracing the digital space to adapt to new market dynamics. Among those to experience major transformations are the financial services, retail, and insurance industries. This paper intends to outline some of the dynamics impacting those key industry verticals.

Financial Services

The first half of 2020 has been completely disruptive for financial services institutions. As social distancing measures became the norm in most countries worldwide, there was a massive uptake in the adoption of digital channels.

The scenario for both sales and customer service interactions is now mostly digital. Although this trend was already in motion pre-COVID-19, the current pandemic substantially accelerated it. Whether or not they had been tech-savvy before 2020, restrictions on visiting physical branches led customers of all ages to engage financial services organizations via digital channels.

Furthermore, the competitive dynamic in the financial services industry had significantly intensified in recent years as a result of the entrance of a large number of fintechs and neobanks, which base their business on digital assets. Although this competence is developing on several fronts, the main one is the digital realm. Moreover, digital journeys have become an intrinsic part of the customer experience (CX), and CX has become one of the main differentiators in this industry. According to research by Frost & Sullivan, 60% of the companies in this sector indicate that improving their CX is one of the three main business objectives for this year. Therefore, offering a personalized, convenient, omnichannel experience available on the device and channel of preference of each consumer is a fundamental challenge they face. Currently, more than 70% of all interactions with banks are digital and even more so in the case of Millennials and younger generations.⁵

There is no doubt that the financial services industry has entered the digital world and is advancing by leaps and bounds. Traditional banks, credit agencies, and fintechs are taking advantage of advanced technologies to transform their operating model, raise their value proposition, and ensure their competitiveness in an increasingly crowded market.⁶ Neobanks and fintechs have enabled an agile and uninterrupted digital experience and managed to attract new clients to the world of finance, while traditional banks are taking advantage of their massive brand recognition, broad clientele and reputation as trusted institutions to migrate traditional bank customers to a digital environment.



In the new normal, the digital world is the main arena for battling for customers in the financial services industry. In 2016, 20% of banking products were available online; this figure climbed to 57% in 2019⁷ and is likely to be higher by the end of 2020. It is estimated that there are 50 to 80 digital interactions per each customer's visit to a branch. Even more, the ratio of digital to physical interactions is more disproportionate when considering the increased use of banking websites. Summarizing, most touchpoints with clients and prospects have become increasingly digital, and so have the opportunities to convert and up-sell them. The current environment provides a unique opportunity for financial services providers to leverage their digital presence and spur sales.

Retail

Retail is one of the industries undergoing substantial changes and where Frost & Sullivan expects to see some of the most interesting innovations in the forthcoming years. Before the COVID-19 pandemic, the scenario in retail was changing rapidly as a result of the increasing pressures from highly informed buyers, growing competitive demand, and lower entry barriers for new competitors. Many new players established new business models and are forcing traditional retailers to modify theirs.

The COVID-19 pandemic brought tremendous shifts in the retail landscape. While social distancing measures led to many physical stores closing, there was substantial growth in online sales. Some e-retailers experienced their fastest growth during this pandemic.⁸ E-commerce websites significantly increased their online traffic, and the number of visits to these sites was augmented by billions on a global scale.⁹ The number of online transactions grew in high double-digits or even triple-digits in most countries around the globe on a year-over-year comparison.¹⁰ Online sales increased by similar figures for some of the most important global brands.¹¹



It is unknown how the pandemic and lockdowns will unfold in the coming months. And although on-site sales are gradually rising as shops reopen,¹² online sales are expected to continue to grow with the “new normal.” Research shows that consumers might be willing to limit on-site sales mostly to grocery shopping while embracing online shopping for everything else in the future.¹³ Even grocery delivery is expected to have significantly higher levels of traffic, compared to pre-COVID-19 times.¹⁴

Whatever the outcome is, the retail landscape will not be the same after COVID-19. Sales strategies will need to be different than a year ago and much more supported by digital technologies and data-driven decisions. Moreover, personalization stands out as a key example of how digital technology is changing retail as 30% of eCommerce sales come from recommendations, and 80% of consumers expect retailers to offer personalized recommendations.¹⁵ Frost & Sullivan's research shows that technology has now reached an economically viable cost level, which opens a wide range of technology-based options for retailers looking forward.

Insurance

The insurance industry faces myriad challenges, including:

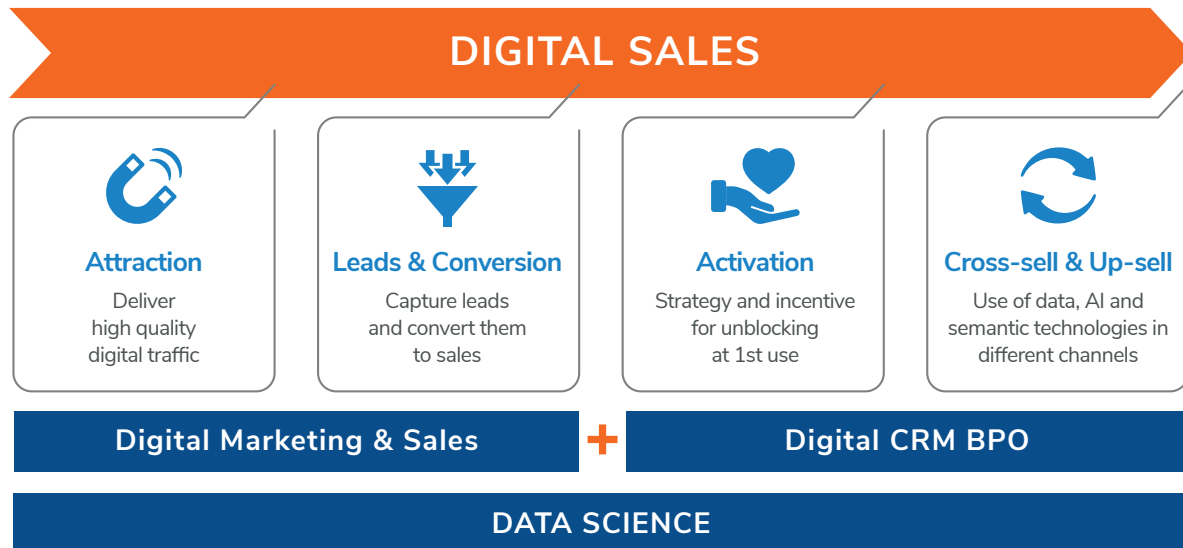
- Low interest rates and stagnant growth have been the norm during the past five years, putting pressure on insurers' bottom-line results. In many mature markets around the world, penetration across both life and non-life segments has dropped during the past 10 years and the number of policies sold has fallen¹⁶; thus, the need for re-invention has never been greater in this industry.
- The arrival of more nimble competitors is significantly increasing the pressure on traditional insurers. Competition is now spreading from InsurTech platforms and technology vendors, which are leveraging emerging technologies to offer richer customer experiences.
- Most traditional insurance firms are lagging in terms of innovation, technology adoption, and developing a robust digital strategy, mostly due to organizational silos, multiple distribution channels and legacy technology that slows down the speed at which new strategies need to be deployed.¹⁷
- Consumers are increasingly demanding unique and personalized experiences; 45% of C-level executives of insurance companies believe that the rapidly evolving customer needs will be the top challenge for them in the forthcoming years.¹⁸
- Insurance brokers are still unable to open their branches, impacting new sales. This situation is hurting listed companies' valuations, reducing companies' financial strength and their financial capacity.¹⁹



This cocktail is generating the perfect storm for a massive transformation across the industry, based on data-driven digital technologies that allow insurance providers to come up with cost-effective, flexible, and relevant value propositions. Customers expect easy, convenient, and digital-first journeys to acquire any kind of insurance policy (e.g., life, home, health) and will settle for nothing less. The upcoming 24 months will likely define winners and losers in the industry, who will be reinvented and accommodate current challenges and market trends, and who will be left behind. What is clear is that, in this context, insurers can't afford to decrease investments in innovation or overlook their transformation.

ATENTO: A BUSINESS PARTNER TO SPUR YOUR DIGITAL SALES

Companies today require trusted partners that can spur their overall sales, improve their bottom line, and thrive in the post-COVID-19 era. Atento developed a unique, integrated digital sales solution. The suite combines digital marketing tools with Atento's multiclient sales portal and omnichannel platform, allowing completion of the sales cycle, from attraction to sales conversion, for any product or service. Leveraging a skilled team with experience in the digital sales market, Atento blends digital marketing and sales skills with its unique digital CRM BPO expertise.



Source: Atento

Atento's end-to-end digital sales solution can also integrate retargeting strategies and actions, focusing on customers who initiated a buying process but did not complete the transaction. Retargeting actions for these customers can deliver up to 70% sales conversion for clients of Atento's digital sales solution. The solution can also incorporate an anti-fraud module that allows for integration with anti-fraud and credit agencies to complete the sales cycle with total security. As of August 2020, Atento has completed over 540,000 sales and 14.5 million contacts with high-potential customers while generating savings of up to 45% on operating costs.

Case 1. Credit card issuer

Source: Atento

Thanks to its predictive models and analytics capabilities, Atento provides an optimized investment while helping companies define the best digital marketing and sales strategies to generate qualified leads. Acting upon these leads, through automation and its omnichannel platform, Atento engages with customers at every touchpoint of the sales cycle via chat, bots, apps, email, or SMS with or without the intervention of human agents. The results are an increase in the sales conversion levels, enhanced customer experience, and a significant reduction in cancellation rates and in time and cost per sale made.

THE LAST WORD

Fact: the COVID-19 pandemic is set to accelerate the adoption of digital sales. Research shows that this crisis sped up companies' digital communications strategy by an average of six years; 97% of enterprise decision-makers believe the pandemic is expediting their company's digital transformation.²⁰ But the current crisis mostly accelerated ongoing processes. The "new normal" has little "new" and much of "fast-tracked." The migration to digital channels was among us before the pandemic and is set to become the norm in the forthcoming months and years.

People have now incorporated the habit of buying online, along with internalizing its advantages and challenges. Moreover, it is uncertain if the world is going to experience new pandemics or additional waves of the current one, which means that businesses need to follow a socially distant model to operate under new contingencies. Frost & Sullivan expects a noticeable surge of interest and activity in the digital sales landscape once businesses start to come out of the reaction phase and plan for the rebound in the "new normal."

“ The migration to digital channels was among us before the pandemic and is set to become the norm in the forthcoming months and years.

In this different world, companies must find new ways of interacting with consumers to spur sales and increase revenue. Yet, the mere adoption of technology is not enough. Consumers are not thinking in terms of physical or digital, but in terms of the outcome they want to achieve and the experience they have along the way. Moreover, while digital sales need to be based on actual data, this data is only useful if the end user can understand, predict, or automate something better in real-time or near-real-time: it needs to drive an outcome. This is why companies must rely on guidance from experts to lead them through their transformation paths while making sure that their customer journey becomes frictionless, memorable, and personalized.

ENDNOTES

- 1 [EY. Future Consumer Index: How to serve the 'Anxious Consumer' after COVID-19](#)
- 2 [Twilio. COVID-19 Digital Engagement Report](#)
- 3 [Twilio. COVID-19 Digital Engagement Report](#)
- 4 [Adobe Digital Economy Index. June 2020.](#)
- 5 [Bankingly.](#)
- 6 According to [Finnovista](#), there are 441 fintechs in Mexico, 380 in Brazil, 200 in Colombia, 112 in Chile, and 110 in Argentina.
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- 9 [Statista.](#)
- 10 [COVID-19 Commerce Insight.](#)
- 11 [COVID-19 Commerce Insight](#) and [Consumidor Moderno.](#)
- 12 [Adobe Digital Economy Index. June 2020.](#)
- 13 [McKinsey & Company. Consumer sentiment and behavior continue to reflect the uncertainty of the COVID-19 crisis.](#)
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- 15 [Frost & Sullivan. Digital Transformation Beat: The State of Retail - Observations from NRF 2020](#)
- 16 [EY. 2020 Global Insurance Outlook](#)
- 17 [EY. 2020 Global Insurance Outlook](#)
- 18 [Deloitte. "A demanding future. The four trends that define insurance in 2020."](#)
- 19 [Community of Insurance. Impacto en seguros.](#)
- 20 [Twilio. COVID-19 Digital Engagement Report](#)

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