



Mindtree

A Larsen & Toubro Group Company

Focus on Digital Customer Experience to Defend & Grow Amid Disruption and Beyond

#ReimagineNewNormal

Summary

We are experiencing unprecedented disruptions. The global workforce has shifted to working from home, financial markets are in turmoil, furloughs are escalating, and uncertainty is a daily theme. Consumer buying patterns have transformed almost overnight. The travel industry has largely shut down and restaurants have shifted to take-away only, as consumers shift their attention to immediate needs with a local focus. With major events cancelled, billions of viewers of all ages are now captive to a screen, gaming and consuming content for over 12 hours each day. As consumers and businesses alike shift behaviours **and operations to a digital-only paradigm**, some telling trends are rapidly emerging and leaving your business in one of the three categories:



Super Surge:

Essential products struggle to keep up with demand, leading to extreme pressures on the supply chain. For instance, online grocery in America has grown 2x, and 1.3x in the UK during the recent months according to Adobe Digital Index.



Rapid Rewire:

Previous ecommerce laggards like grocery have been thrust into the mainstream; fast and dependable local delivery is commonplace – from the local deli to new entrants like Costco and Publix, who have made the transition to home delivery at scale in a matter of days. Media companies have dropped paywalls, throttled content quality, and are using the enormous digital trail to train their personalization, provenance and advertising algorithms.



Suspended State:

The travel industry has experienced a steep drop in demand. IATA estimates that revenues may drop by 20% or more. Sellers in the so-called non-essential categories space are rethinking how to maintain relevance and introduce new selling and service models to a consumer with new priorities.

Along the way, brands are scrambling to understand the disrupted consumer, and align messaging, service, and support activities to build confidence, ensure continuity and protect revenue and jobs. According to psychologists, during a crisis, the human brain is wired to:

- 1 Hold on to long-held practices:** Tried and tested wins over experimentation right now (you would also see this on supermarket shelves).
- 2 We look for additional information,** and opinions and authoritative people, trusted institutions, and companies (internet usage is up 50%)
- 3 We believe the first message.** We simplify messages and repurpose new information to confirm to existing beliefs (e.g. using 'cancellable' in ad copy is performing well).

Well-known brands and brand extensions might do better than challenger brands right now – every consumer’s mindspace is dominated by more critical and stressful questions, so the cognitive load associated with trying new things will be a burden for most consumers. **However, execution also becomes paramount** – all of us are seeing empty supermarket shelves, random price gouging by marketplace sellers on Amazon, unpredictable delivery dates etc. A known brand that can give me what I need, at a price point that is fair, and get it on a date that I can rely on – this is what most consumers want right now. A combination of changing-behaviour, pressure of distribution channels, and upcoming cost-pressures **warrant a recalibration of the Customer Experience Strategy across engagement journeys**. In our analysis, three themes emerge:



1. Rethinking Brand Awareness & Promotion:

With events cancelled, and people spending more time indoors, the usual out of home top-of-the-funnel tactics require a rethink. Prior to this crisis, many businesses were spending 50%+ of their ad-spend on Digital. Now is the time to better understand and accelerate the use of paid and earned digital media. Bringing more insights at speed to optimize display, content marketing and paid search ROI, focused attention across earned channels like SEO. As an example, in February, L’Oréal in China moved their entire ad spend online, and experienced an uplift in sales.



Research has shown that increased or sustained advertising spend during recessions leads to increased and sustainable market share – and digital is a great medium to make your ad spend go further.



2. Revaluating the digital-first customer journey:

Clearly the migration to digital channels has been well underway for some time. **Data-driven marketers have been exploiting deeper insights** to deliver complex journeys across multiple channels, realizing better results through higher precision in segmentation & audience targeting, personalization, and real-time optimizations. However, the current disruptions, are accelerating this need as engagement-paradigms, buying-patterns, and consumer-expectations have made a dramatic shift. We are already seeing dramatic shifts. For example, in China, during the outbreak, Nike's engagement on digital channels was up 80%, and online-sales were up 30%. With stores darkened and shoppers largely confined to their homes, **digital channels are the key to defending and even growing the business**. In order to do this, it's vital to understand the moving customer-journeys, adapt & enhance the content strategy, reevaluate mobile capabilities, optimise campaign decisions & delivery, engagement using emerging channels (e.g. messaging, voice, and AR/VR) – along with a non-linear delivery plan.

3 Digital Commerce/ Service:

As digital channels become the dominant norm, digital commerce and service capability maturation is key to realizing revenue, retaining customers and ensuring business continuity. Already we have seen a 50%+ increase in ecommerce revenues from the same period last year and nearly 9% increase in first-time online shoppers. Consumers across sectors are being directed to and turning to online shopping and service channels like never before. Even in sectors with lesser ecommerce adoption like grocery, fashion and high-value goods, digital commerce is driving revenue at previously unforeseen rates. Similarly, **service channels are under pressure to better** respond to customer needs through digital channels both to meet the increased demand as offline channels darken, but also leveraging newer digital tools like messaging-based channels and online self-service tools to mitigate staffing challenges.

So, what can we do about it?

Learn from previous crises

In the last few recessions, many businesses stayed rigid in the face of a diminished consumer demand, and eventually struggled, or disappeared. Many other brands **increased their market share through innovation, customer relations and addressing frugality** via **pricing models**. In few months' time, when we are (hopefully) past this crisis, things would most likely go back to normal. However, as we have seen in the past, it most-certainly would leave behind few **attitudinal shifts** (especially amongst young people) and some buying behaviour changes. A historical **drop in consumer confidence**, and ensuing depletion of demand would also mean smaller pots of money to spend – including sales & marketing – while facing a greater competition for wallet-share.



New normal would require new thinking

Standing apart in the new world requires an innovative approach to customer-engagement and pricing models. Likely, it would be even more important to double-down on your digital priorities. It inherently allows for non-linear scale, frugality and alternate operating models. Here are few things that we think you should do:

01

Launch or expand **Direct to Consumer (D2C)** as a priority. New entrants can set up a simple ecommerce site for USD 50k -250k and you can be **up and running in six weeks**. Subscription models can be had for USD 30k-40k/mo. on an annual contract including maintenance & upkeep. If pureplay D2C doesn't work for you, exploring a combination of own-brand site, online retail and online marketplace can help you cater to the new consumer behaviours and try new commercial models.

03

Kickstart your B2B Digital Strategy: Digital Commerce drives 50% of revenue for 39% of B2B sellers. Even before the crisis hit, B2B Buyers were reporting a shift to a younger demographics, more online research before contacting the vendor and higher reliance on mobile. Taking your B2B strategy online can both help you scale your operations, address the long-tail and reduce reliance on face-to-face selling. You can also think of models where you Sell-Online & Fulfil via Distributor so as not to alienate your current channels. A simple B2B commerce system or a Direct to Professional site can be put in place for as little as USD 140k. Similarly, a well design customer-care platform can increase first call resolution times by 25% and increase cross-sell by 60%.

04

Creative Assets are expensive to produce. Optimising the creative process can help you improve time to market, improve asset reuse, avoid rights-infringements, thereby resulting in standardisation of messages and cost-reduction. One of the leading beauty company is using our Shoot to Site framework to **save 20% on digital asset creation**. [Read more about it.](#)

02

Leverage data to optimize marketing activity. Data-driven marketing enables better decisioning across channels at each stage of a customer's journey. With a 360° understanding of customer preferences, attitudes, attributes and behaviours from across enterprise and marketing systems we are able to activate optimized segments, target relevant audiences, reframe propositions, maximize spend effectiveness, deliver effective offers, automate complex campaigns, accelerate buying cycles, improve conversions, and mitigate service issues. It can help you increase your online revenues by 8%. On the other side, ad publishers can utilize their nuanced understanding of consumers to drive growth in private ad marketplaces by up to 20%.

05

If you are already online, **consider new operating models**. The crisis will impact cashflow in the near term. Austerity that might follow may require a cost-efficient commercial & operating model. A platform-driven, automation-powered, and AI enabled approach coupled with globally distributed teams to deliver Marketing Operations and Technical Operations can reduce cost and time-to-market by 33%, while ensuring compliance. Leveraging Artificial Intelligence/ Machine-learning for content, commerce and technology operations can be a game changer. It can help to improve quality and SLAs and optimise spends by 20% in first year.

Transforming your Marketing Operations

	Customer Exp. & Content	Integrated Marketing Comms.	Digital Commerce	Data and Measurement
Operational Competencies	<ul style="list-style-type: none"> Customer Segments Customer Journey Design Creative Asset Management 	<ul style="list-style-type: none"> Data Management Dialog Management Campaign Management Lead Management 	<ul style="list-style-type: none"> Price Management Catalogue Management Campaign Management Logistic Management Product Information syndication 	<ul style="list-style-type: none"> Customer Information ROI Calculations Reporting Analytics Conversion Tracking
Our Proposition	Accelerate the Content Lifecycle with our Shoot to Site accelerator- proven to save over 20% costs while accelerating the creative process, reducing time to market.	Turbo-charge your Search Engine Marketing through Smart SEO. Artificial Intelligence and also to address the long-tail inventory.	Our Direct to Consumer & B2B Commerce Technology & Operations accelerators can get your Digital Commerce initiatives up and running in no time.	Jumpstart your data-driven marketing journey through DecisionMoments™. Gather marketing insights and customer-journey intelligence

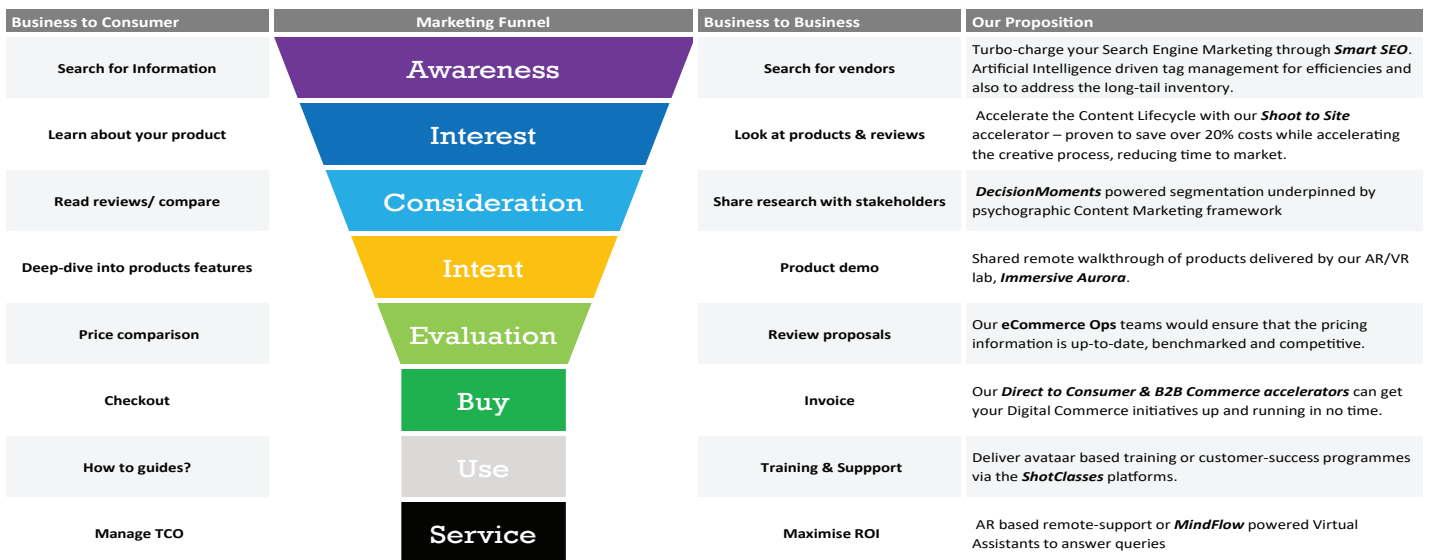
Underpinned by Mindtree's AI-Powered, Automation-enabled, globally-distributed, Digital Marketing Operating Model

Mindtree can help transform your Marketing Operations through its AI-powered, Automation-enabled, globally-distributed operating models

What about B2B?

These trends aren't just restricted to consumers, but extend to B2B as well. With most of the sales force & customers homebound, there's an opportunity to reach out to your buyers online. **While B2B buying habits are fundamentally different, B2B buyers are the same people** (50% are millennials) who are experiencing superior engagement and commerce online. For example, the percentage of B2B buyers conducting their purchase-journeys online was 89%. The ongoing trend, coupled with the current need, is an ideal combination to think about B2B marketing & commerce. It's a step that will not only help you from directing the sales bandwidth to new sales but also provide relative protection against future disruptions.

B2C and B2B: Different yet synergetic



Underpinned by Mindtree's AI-Powered, Automation-enabled, globally-distributed, Digital Marketing Operating Model



Get in touch

If your business is rethinking its approach to Digital experiences, get in touch. We know the technology ecosystem and are fluent with globally distributed marketing & web operating models. We will bring our accelerators for a rapid time to market and keep it risk-free by offering a pay-as-you-go commercial model.

About Mindtree

Mindtree [NSE: MINDTREE] is a global technology consulting and services company, helping enterprises marry scale with agility to achieve competitive advantage. "Born digital," in 1999 and now a Larsen & Toubro Group Company, Mindtree applies its deep domain knowledge to 300+ enterprise client engagements to break down silos, make sense of digital complexity and bring new initiatives to market faster. We enable IT to move at the speed of business, leveraging emerging technologies and the efficiencies of Continuous Delivery to spur business innovation. Operating in 18 countries and over 40 offices across the world, we're consistently regarded as one of the best places to work, embodied every day by our winning culture made up of over 21,000 entrepreneurial, collaborative and dedicated "Mindtree Minds."