

**KELLTON TECH**

**WHITEPAPER**

# **DIGITAL TRANSFORMATION 3.0**

Essential Lifelines for Business  
Continuity amid **COVID-19**

# INTRODUCTION

The novel coronavirus pandemic has been a colossal human tragedy, bringing the world to a grinding halt. In a measure to contain virus infections, governments around the world have announced unprecedented lockdowns; however, the implications continue to grow. The crisis has triggered the biggest recession with businesses shuttered, supply chains hampered, and customer needs changed considerably. Leaders are pushed to operate in new ways to absorb the shock and navigate financial and operational challenges as efficiently as possible. But the survival will come to those who can best manage the change. The COVID-19 has caused the unthinkable, and the fight for business continuity demands an extraordinary response.

This whitepaper intends to provide business leaders an insight into the current state of disruption across six sectors—**Education, Insurance, Healthcare, Media and Entertainment, Telecom, and Retail**—and how digital technologies have emerged as a savior to help them lead through uncertainty.



## 1

# EDUCATION

The education industry has relatively been slow in adapting to digital disruption. With centuries-old, lecture-based approaches, outmoded classrooms, and an entrenched resistance to eliminate institutional biases, it has been far from being a frontrunner of change. However, the COVID-19 events have raised the red flags for the sector and pushed its path to digital innovation 3.0—making e-learning more accessible than ever, enabling savvier teaching ecosystem, and enhancing day-to-day operations while reducing efforts, costs, and risks.



## 5G Technology Demonstrates Importance

Rapid advancements in the 5G technology are helping schools and colleges disseminate information with a multiplier effect and embrace the 'learning anytime, anywhere' culture, which has largely been evasive in many aspects.

## INDUSTRY TRENDS BEGINNING TO TICK

### Distance Learning Brings Order to Chaos

The lockdown has provided a breathing space to the education industry, helping it build the digital-ready infrastructure to deal with the pandemic. Online classes have become the most viable solution to ensure an uninterrupted flow of education. Many schools and colleges have built intranet systems and enabled a shift towards video broadcasting and real-time communication tools such as Zoom, WebEx, and WhatsApp to provide learning at home.

### Exams and Evaluations Get an Intelligent Transformation

The role of online learning solutions in conducting exams and assessing students' performances has always remained a point of contention. However, with the recent popularity of Automated Online Proctoring solutions, the concerns have been laid to rest. Using audio-visual analytics and suspicious browsing activity that get recorded during classes, these platforms monitor conscious and unconscious movements and postures of the students to spot anomalies, warn or block the candidate immediately, and avoid fraudulent activities to ensure a cheat-proof process.

## Teachers Embrace Digital

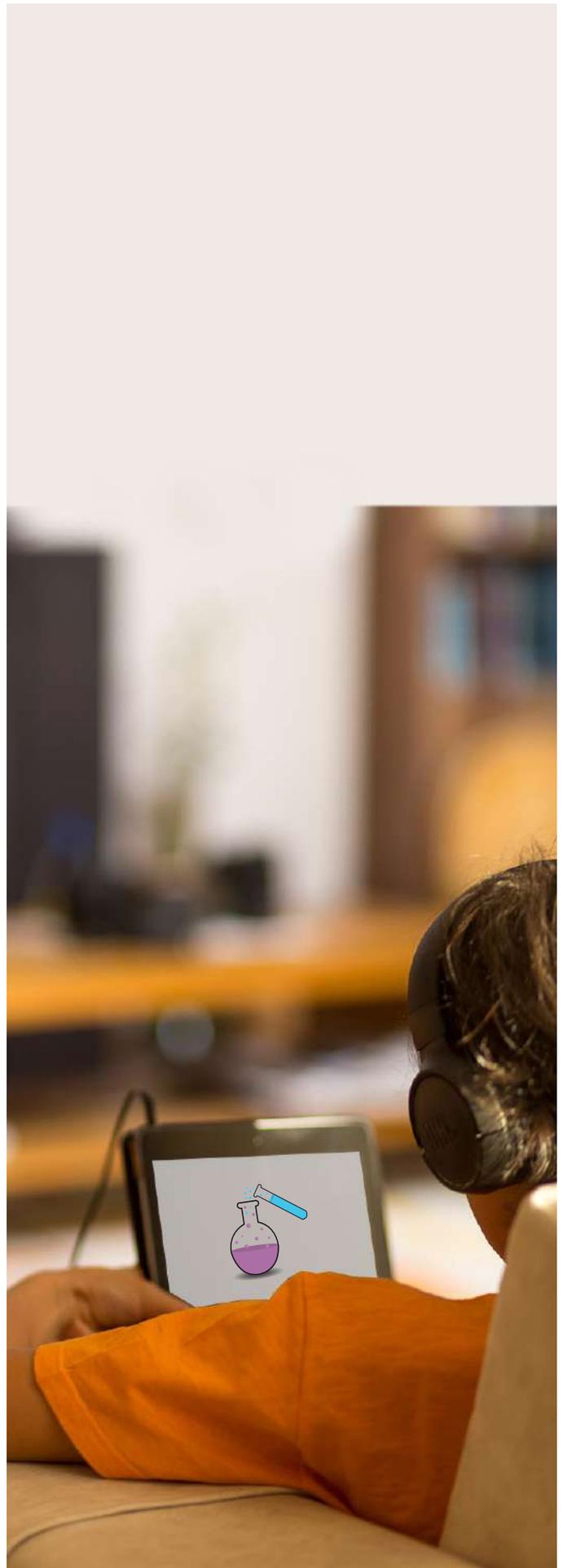
In the wake of COVID-19, teachers have ended up facing the immediate need of conducting online classes for the homebound students. However, a key issue at hand is their digital skills shortage that can potentially hold back the promise of digital learning. Fortunately, the educational institutions have been quick to act and accelerated efforts to help their workforces scale and adapt to the new dynamics of work.

## EdTech Players Gain a Good Mileage

With COVID-19 causing academic institutions to shut down, EdTech firms have found a level playing field to grow. They are increasingly making use of interactive apps to ensure massive engagement in live-streaming classes, providing online tutorials, and innovating around different virtual measures—all to reinforce their position as a bankable alternative for learning.

## Private-Public Partnerships Lead the Change

In the fight against the viral outbreak, public and private organizations have come together to make sure that learning never stops. For instance: the Ministry of Education (MoE) in China formed a consortium of educational institutions to build a cloud-based remote learning platform and upgrade the existing educational infrastructure, aiming to replace classroom learning with digital learning. As time goes by, we may see a force of coalitions emerging to encourage the adoption of online learning and benefit students at large.



# POTENTIAL CHALLENGES

## Immediate

- The urgency to rapidly reexamine and restructure operations can thrust educational institutions into a catch-22 situation. With no use cases at disposal, the process may derail and bare the operational divide.
  - Delivery of education through virtual learning platforms is an overarching objective to survive the disruption. However, the lack of IT resources and limited faculty experience can create daunting challenges.
  - Educational entities must carefully consider in what ways, how, and when to provide student well-being services so as to fulfill their obligation towards holistic learning. With remote engagement modalities in order, loss of human touch can affect the quality of such services.
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## Short-Term

- The sudden shift in distance learning can impact the levels of education services and may cast a shadow over enrolments for the upcoming year.
  - Rapid scale-up of the remote access ecosystem can increase the entry points for hackers to access, thereby leaving data security in jeopardy.
  - The success of distance learning depends on the availability of requisite infrastructure in the target households. Without access to the right devices, the agenda of imparting virtual education as the world follows social distancing will bite the dust.
  - The internet is still a luxury. Not everyone has seamless internet connectivity.
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## Long-Term

- Achieving Title IV compliance can be tricky with truncated academic cycles, uncertain enrolment status, and the battered landscape around waivers that hamper revenues.
- Financial loss can force school and college institutions to either shut down or enter into new coalitions, thereby exposing them to long-term insolvency and unemployment risks.
- Children, especially those of a young age, are getting too much screen time, which may prove harmful for their well-being.



## PRACTICAL NEXT STEPS

- 1 Educational institutions must begin with accessing their current systems' capacity and create a multifaceted digital learning strategy that addresses both short- and long-term goals while calibrating the risks involved.
- 2 Schools and colleges must curate existing content, align it with the curriculum, and plan on how to make the additional content available. A number of institutions have collaborated with publishing firms to access their inventories of knowledge, and alternatively, have translated open education resources from other languages.
- 3 Questions such as how to distribute the content, what devices should be used, how connectivity can be consistently ensured, and how teachers should be trained, must be addressed with a rational approach to foster an outcome-driven culture.
- 4 The challenges of bridging the learning gap with lockdown orders in place can be overcome by enabling a digitally facilitated teaching ecosystem. Educational entities must instill confidence in teachers/professors to help them make a seamless transition from chalkboards to digital screens, and promote inclusiveness within the new environment.
- 5 Communication is the driving force behind remote learning and needs to be done consistently and reliably. Institutions need to nurture channels that don't interrupt workflows, encourage open and productive interactions, and improve human experiences across the board.

For a near-obsolete education system, the journey to enabling digital transformation at a relatively shorter time can be rough, but if implemented successfully, it can be a lesson in resilience and lead the world in the direction of great promise.



## 2

# INSURANCE

The insurance industry is well-prepared with foresight and strategic astuteness to mitigate pandemic-led risks. But, the fears of financial burnout loom large. The coronavirus crisis has thrown the lives of consumers out of order. Faced with uncertainty, they are increasingly trying to get a sense around their coverage and filing claims to safeguard themselves against the odds. In response to this sustained high demand, the insurers are experiencing a twofold challenge: the pressure of staying solvent and the urgency of expanding digital channels to benefit consumers at large.

## POTENTIAL CHALLENGES

The COVID-19 pandemic has scarred revenue prospects for the insurance sector. As more and more consumers are seeking to avail coverage benefits, insurers are struggling to keep their claims reserves for draining off. Moreover, to avoid freeloaders from prospering, insurers are taking extra caution in evaluating the legitimacy of claims, leading to time-lags for requests to be notified and paid out.

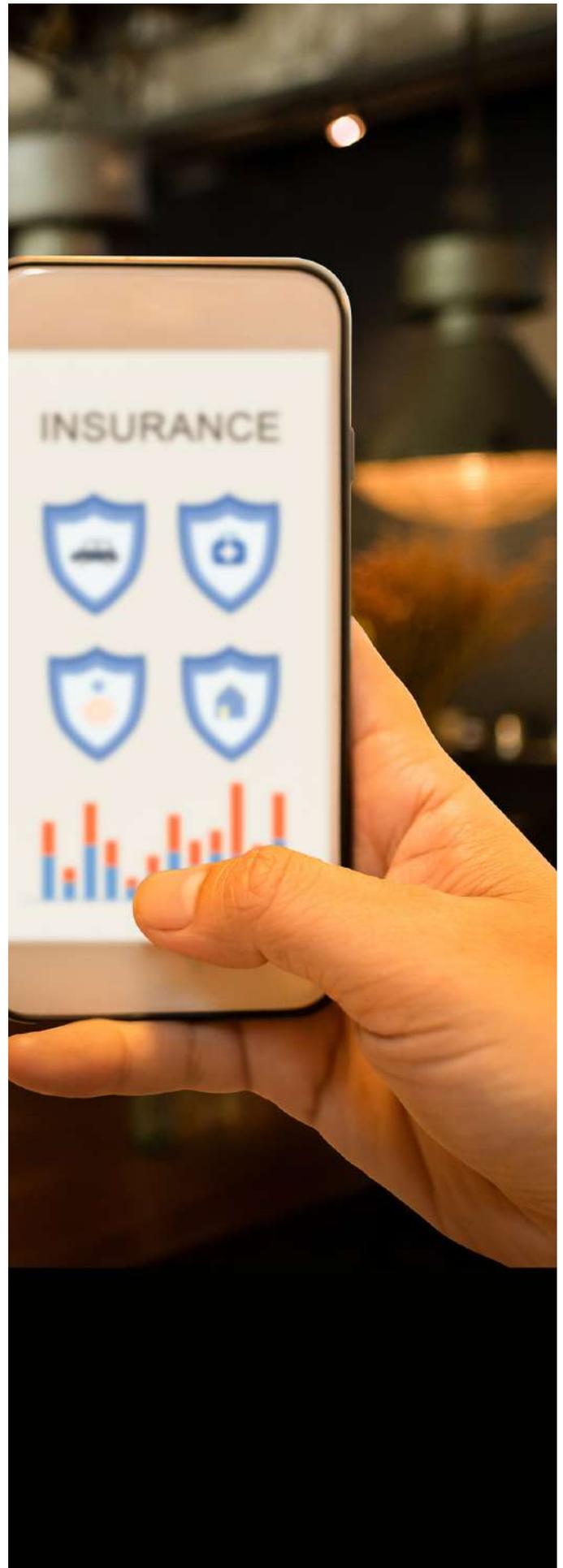
The impact of poor investment income due to crashing equity markets and interest rates is reflecting on the insurers' balance sheets, the consequences of which will play out with time. A report has estimated that insurers have lost over 48% of the market value since the disease broke out, with life and health insurance carriers booting out with 58% in the loss. Moreover, the cost of COVID-19 testing and treatment is leaving a little room for profits, and to compensate the gap, insurers will feel pushed to consider a hike in premium rates, thereby creating a burden on consumers and impacting their normal-day budgets.

Insurance carriers with a limited risk portfolio are most vulnerable to the economic impacts of the coronavirus outbreak. However, those with a broader value proposition have so far appeared relatively immune to the global downturn. The key to continuity, therefore, lies in adopting a holistic risk management approach, which is understandably a big ask in these unsettling times.

## BUSINESS IMPERATIVES TO WITHSTAND THE TIDE

### Practical steps to be followed across the board

- 1 Expand the value proposition/product portfolios to cater to diversified market needs  
Reengineer core systems to drive and sustain digital transformation
- 2 Explore new opportunities of partnerships with InsurTech leaders, start-ups, and solution aggregators to foster and bolster innovation
- 3 Harness the power of connectivity and consumer data for personalized behavioral targeting
- 4 Leverage demographic analytics to anticipate customer needs and provide services with a proactive level of support
- 5 Enable data minimization to ensure security and regulatory compliance



## Practical steps to be followed by life insurers

- 1 Digitize marketing and distribution as part of a seamless omnichannel experience to enable anytime, anywhere experiences for customers
- 2 Rethink the value proposition in terms of new technologies; define how new technologies, such as AI, Machine Learning and IoT, can contribute to increased financial wellbeing
- 3 Regulatory compliance; ensure process integration and data sharing to meet new regulatory requirements efficiently and cost-effectively and improve visibility into financial performance and risk profiles
- 4 Avenues for cost optimization across the value chain; evaluate all the available levers to achieve increased cost - efficiency

## Practical steps to be followed by non-life insurers

- 1 Rethink sales processes and enable the agent of the future with the required training, support, and digital toolset for every human touchpoint
- 2 Focus on the workforce, reskill existing resources wherever possible, and determine the low-value tasks to be handled via automation
- 3 Find the intersection of compliance, efficiency, and competitive advantage; harmonize finance, risk, and data management systems through seamless integrations
- 4 Invest to supplement cost efficiency and innovation
- 5 Set the strategy for sustainability and climate change



# POTENTIAL USE CASES ACROSS INSURANCE VALUE CHAINS

	PRODUCT & SERVICE	MARKETING & DISTRIBUTION	UNDERWRITING	ONBOARDING	CLAIMS	SERVICING
ARTIFICIAL INTELLIGENCE	<ul style="list-style-type: none"> <li>CUSTOMER SEGMENTATION</li> <li>AUTOMATED DEMAND ANALYSIS</li> <li>RECOMMENDATION ENGINE</li> </ul>	<ul style="list-style-type: none"> <li>INTELLIGENT CUSTOMER ENGAGEMENT</li> <li>SMART SCHEDULER FOR AGENTS</li> </ul>	<ul style="list-style-type: none"> <li>PROCESSING OF UNSTRUCTURED DATA FOR INSIGHTS</li> <li>NLP FOR EMPLOYEE DOCUMENT SEARCH</li> <li>ENHANCED PRICING &amp; RATING PERSONALISATION</li> </ul>		<ul style="list-style-type: none"> <li>FRAUD PREDICTION</li> <li>AUTOMATED CLAIM ADJUSTMENT</li> </ul>	<ul style="list-style-type: none"> <li>BOTS ASSISTANCE FOR SELF HELP</li> </ul>
INTERNET OF THINGS	<ul style="list-style-type: none"> <li>REAL-TIME DATA OF CUSTOMERS</li> <li>USAGE BASED INSURANCE</li> <li>DEMAND ANALYSIS</li> </ul>	<ul style="list-style-type: none"> <li>DYNAMIC DISTRIBUTION MODEL</li> <li>PRECONTRACTUAL INFORMATION</li> </ul>	<ul style="list-style-type: none"> <li>CONTINUOUS RISK EVALUATION</li> <li>DATA COLLECTION</li> <li>PERSONALISED PRICING AND RATES</li> </ul>		<ul style="list-style-type: none"> <li>CLAIM NOTIFICATION</li> <li>DRONES FOR INSPECTIONS</li> <li>FRAUD DETECTION</li> </ul>	<ul style="list-style-type: none"> <li>SELF HELP CHANNELS</li> </ul>
ANALYTICS	<ul style="list-style-type: none"> <li>CAMPAIGN EFFECTIVENESS TRACKING</li> <li>PROSPECT ANALYSIS</li> <li>MARKET ANALYSIS</li> </ul>	<ul style="list-style-type: none"> <li>AGENT PRODUCTIVITY</li> <li>PRICING OPTIMISATION</li> </ul>	<ul style="list-style-type: none"> <li>FRAUD ANALYSIS</li> <li>RISK ANALYTICS</li> </ul>	<ul style="list-style-type: none"> <li>PROPENSITY MODELING</li> </ul>	<ul style="list-style-type: none"> <li>FRAUD DETECTION</li> <li>EXPENSE MANAGEMENT</li> </ul>	<ul style="list-style-type: none"> <li>CALL VOLUME FORECASTING</li> <li>PRICING OPTIMISATION</li> </ul>
ROBOTIC PROCESS AUTOMATION	<ul style="list-style-type: none"> <li>RISK MANAGEMENT</li> </ul>	<ul style="list-style-type: none"> <li>AGENT SETUP</li> <li>CAMPAIGN AUTOMATION</li> <li>LEAD GENERATION</li> </ul>	<ul style="list-style-type: none"> <li>AUTOMATED ASSESSMENT</li> <li>PRICING AUTOMATION</li> </ul>	<ul style="list-style-type: none"> <li>POLICY ALTERATIONS</li> <li>CALCULATE QUOTE</li> </ul>	<ul style="list-style-type: none"> <li>CLAIM ASSESSMENT</li> <li>EVALUATE FRAUD</li> <li>PAY-OUT AUTOMATION</li> </ul>	<ul style="list-style-type: none"> <li>HELPDESK AUTOMATION</li> </ul>
BLOCKCHAIN	<ul style="list-style-type: none"> <li>IDENTIFY MANAGEMENT &amp; AUTHENTICATION</li> </ul>	<ul style="list-style-type: none"> <li>ON DEMAND INSURANCE</li> <li>REINSURANCE</li> </ul>	<ul style="list-style-type: none"> <li>SMART CONTRACTS</li> </ul>	<ul style="list-style-type: none"> <li>RISK PREVENTION</li> </ul>	<ul style="list-style-type: none"> <li>AUTOMATED PAYMENTS</li> <li>CLAIM PROCESSING</li> <li>FRAUD PREVENTION</li> </ul>	<ul style="list-style-type: none"> <li>ASSET TRACKING</li> </ul>
MOBILITY & EXTENDED	<ul style="list-style-type: none"> <li>REGULATORY REPORTING</li> </ul>	<ul style="list-style-type: none"> <li>PRODUCT LAUNCH</li> <li>TARGETED SALES &amp; MARKETING</li> </ul>	<ul style="list-style-type: none"> <li>DOCUMENT SUBMISSION</li> <li>RISK INSPECTION</li> </ul>	<ul style="list-style-type: none"> <li>CLAIM ASSESSMENT</li> </ul>		<ul style="list-style-type: none"> <li>REGULATORY REPORTING</li> <li>REMOTE ASSISTANCE</li> </ul>

## 3

# HEALTHCARE

The global healthcare system is on the war footing with COVID-19 and has been stretched to capacity. Doctors and medical professionals are unyielding in their efforts to save lives, but the constant surge in the number of cases has left them at a breaking point. Preparing the medical infrastructure to tackle the colossal human tragedy has so far remained a daunting challenge. Though nations across the globe are rising to the occasion—ensuring medical supplies at disposal, establishing new quarantine centers in a matter of days, and rolling out innovative techniques to boost diagnostics and research—the rapid transmission of the virus has brought the healthcare industry to its knees.

But, every cloud has a silver lining. The COVID-19 pandemic has exposed deficiencies in the health system and given new impetus to medical technology in unexpected ways. Leaders and organizations have formed deeper collaborations to boost the resilience of patient care and make faster progress at curing, managing, and preventing all diseases, including coronavirus.

## POTENTIAL CHALLENGES AND IMPACT

We expect the impact of COVID-19 on the healthcare system will be specific to the areas below:



### HIGHER COSTS OF RAW MATERIALS



### SUPPLY CHAIN DISRUPTIONS



### FLUCTUATING DEMAND FOR DRUGS



### INTERRUPTION IN OPERATIONS



### REGULATORY AND COMPLIANCE CHALLENGES

## Higher costs of raw materials

The lockdown situation across the globe has increased the chances of shoot-up in the cost of raw materials used for making drugs.

## Supply chain disruptions

The coronavirus pandemic has wrecked the steady state of supply chains across every industry, including healthcare, and triggered the biggest economic downturn.

## Fluctuating demand for drugs

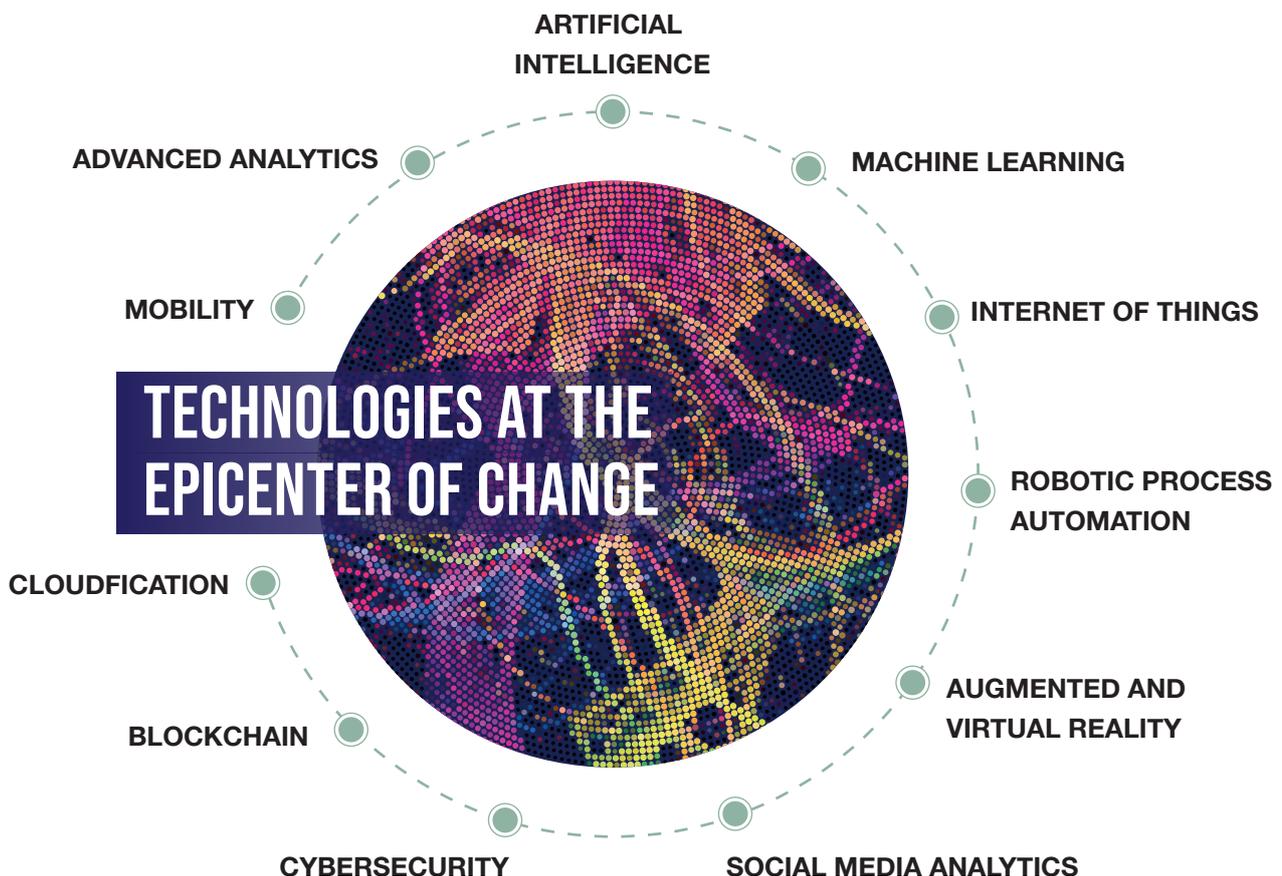
As drug discovery abounds, the pharmaceutical industry will see an inconsistent shift in demand.

## Interruption in operations

COVID-19 has led to daunting operational impacts and continues to reflect the unwinding pressure on the global healthcare ecosystem.

## Regulatory and compliance challenges

The snowballing demand for drugs and the lockdowns in various countries may force the FDA to allow relaxations.



# CAPTURING INITIATIVES THE HEALTHCARE INDUSTRY MUST TAKE

## Demand and Supply Management

- Simulate scenarios that assess operational risks as the pandemic-led disruptions become more critical and sweeping
- Address the impact of additional border closures and reductions in freight options on lead times that could require changes in the inventory position

## Business Continuity and Workforce Empowerment

- Enable employees to work remotely through digital collaboration
- Deploy tools to reduce silos and optimize critical R&D, supply chain and commercial

## Stopgap Management

- Facilitate digital/virtual connections with patients, healthcare providers, patient organizations, and partners and suppliers

## Patient Engagement

- Leverage call centers, digital dashboards, and virtual methods to empower patients and provide information on clinical trials, care, and investigational therapies

## Research and Development

- Improve collaboration through the integration of assessment devices such as MRI scans and laboratory equipment to provide far more accurate and granular information on each patient
- Adopt interoperable data platforms that enable effective collecting, synthesizing, analyzing, and communicating of information to move from volume- to value-based research, drives better patient outcomes

## Manufacturing and Supply Chain Optimization

- Optimize supply chains to maintain profitability with smaller production runs and shorter drug lifecycles
- Supply chain security remains a key priority, and the need to prove the chain of custody has never been higher. Pharmaceutical manufacturers must increasingly use AI, IoT, and blockchain technologies to add visibility, transparency, and full product traceability, along with monitoring the condition of sensitive drugs in transit.

## Quality Inspection

- Increase the resolution of data collected using IoT and analytics. And, instead of inspecting parts as the primary quality activity, companies must inspect their suppliers' quality and processes to address downstream quality issues.

## Marketing and Packaging

- Leverage data to create a single comprehensive view of patients and enable insight-driven treatment and marketing
- Ensure data privacy to build fully compliant global marketing communications for life sciences

## Commercialization

- As patients become more empowered, the life sciences industry needs to better serve them not only through medical exploration, but also through services that can smoothen out the road for access—from diagnosis, therapy to reimbursement.
- In addition to empowering patients, pharmaceutical companies must look for ways to empower physicians with the right information and support to improve diagnosis and drug prescription.

## Post-Market Monitoring

- The use of Fitbit or other connected health wearables must be increased since patients are more willing than ever to share their data with physicians and other parties they trust.
- Organizations must shift towards identity-driven IoT platforms to gain the value of real-time data from connected health wearables while minimizing the security and data privacy risks.



## 4

## MEDIA AND ENTERTAINMENT

The COVID-19 pandemic has left multiple industries at a teetering edge. However, the impact on the media and entertainment (M&E) sector can rightly be defined as a bag of mixed offerings. While certain segments such as films and events are on the slide with social distancing norms in place, consumption models for OTT, online gaming, and print media show buoyant growth. Confined to their homes, more and more people are streaming content to stay focused and avoid shelter-in-place fatigue. But, this surge in demand isn't equally mapped in terms of supply. New content creation, from movies, sitcoms, to live sports, has been stalled for an unstated length of time, which in turn has left livelihoods of millions of freelance artists and contractual employees on the line. The contraction in the overall ad-spend is also worrisome and has dented the revenue growth for the M&E sector. With no monetization and dwindling cash reserves, business continuity remains a poll issue.

## IMPACT AND IMPLICATIONS

### PRINT



#### Gets on the Right Foot

- Readership has risen amidst coronavirus-led lockdown, and projections indicate that the ad monetization could improve once the restrictions are lifted.
- The aura of credibility around print media has strengthened in the face of fake news seeping into the mainstream.
- Monetization remains a pain point with advertisers holding up their investments.
- Print media is in the midst of digital transformation due to the pandemic, opening a new door of monetization opportunities.

### OTT



#### Continues to Chug Along

- OTT consumption across demographics and devices has skyrocketed as people are home-bound and have no place to go for recreation.
- Ad spends have plummeted, but revival is on the cards once normalcy returns; digital allocations may double.
- Content pipeline has dried up. Given so, OTT players with a diversified pool of content library can afford to survive.

# TV



## Viewership Rises, but No Fresh Spell of Content

- Viewership has sharply increased; however, the arrival of new content amid COVID-19 remains a question.
- Monetization has declined with advertisers scaling back.
- The pandemic is expected to help the chances of TV moving towards OTT platforms.
- Sports events could gain greater traction once the recovery begins.

# FILMS



## It's Pack Up Time

- As theatres around the globe shut down, footfalls decrease and so is the revenue. Mid-term release pipelines may face disruption with crowding of projects and restart of on-hold projects.
- Recovery planning may vary depending on demographics, experiences, and perceived risks from social gatherings.

# RADIO



## The Show Goes On

- Content pipelines are consistently running with radio jockeys working from home.
- A sizeable increase in the user base has been recorded with a lot of curiosity piqued around the COVID-19 news.
- Advertising revenues have taken a hit; however, some branding initiatives have been turned into CSR
- Percentage of transit listeners has dropped since people aren't commuting or traveling, but are staying at home.

## PRACTICAL NEXT STEPS

The success of media and entertainment (M&E) players depends on how they respond and ride the waves of disruption. Some planning imperatives they must follow are:

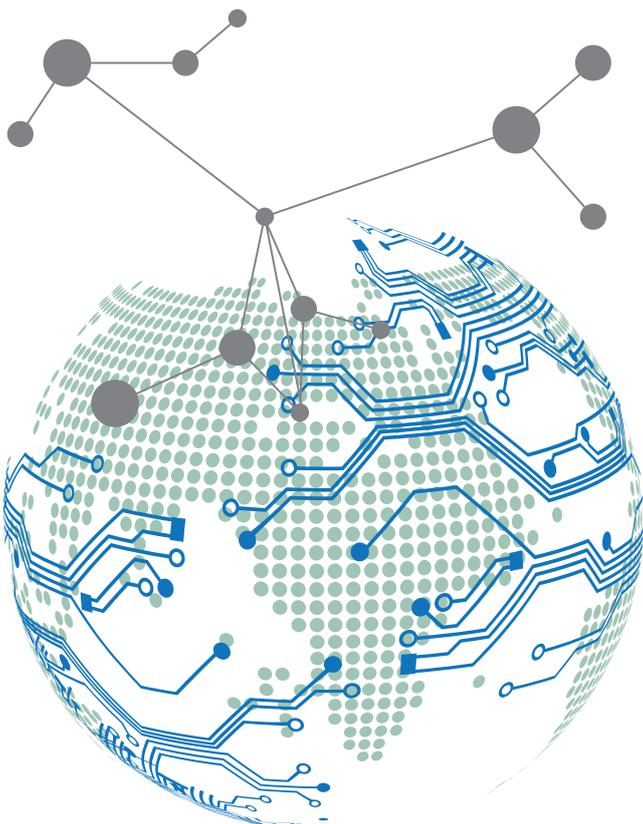
- 1 Conduct an impact assessment on your employees and your ecosystem of partners, stakeholders, and contractors.
- 2 Draw up contingency plans and figure out ways in which new content can be generated in these trying times.
- 3 Check the availability of government stimulus that may be announced to supplement the Media and Entertainment sector.
- 4 Reassess cost structure to stay afloat and stave off revenue decline.



## 5

# TELECOM

With the prevalence of shelter-at-place orders and social distancing, people around the world have hunkered down at homes, consuming an inordinate amount of data for work-related and recreational activities. Interestingly, data networks have also been deployed by many countries to track the spread of the novel coronavirus and methods that contain it. Though this escalating consumer demand is helping the telecom industry scale its growth trajectory, the catch lies in the predicament of ensuring network uptime in the face of the rapidly increasing networking needs. With ambiguity in planning, enterprises are finding it hard to navigate what's coming next and are exposed to a high degree of future uncertainty.



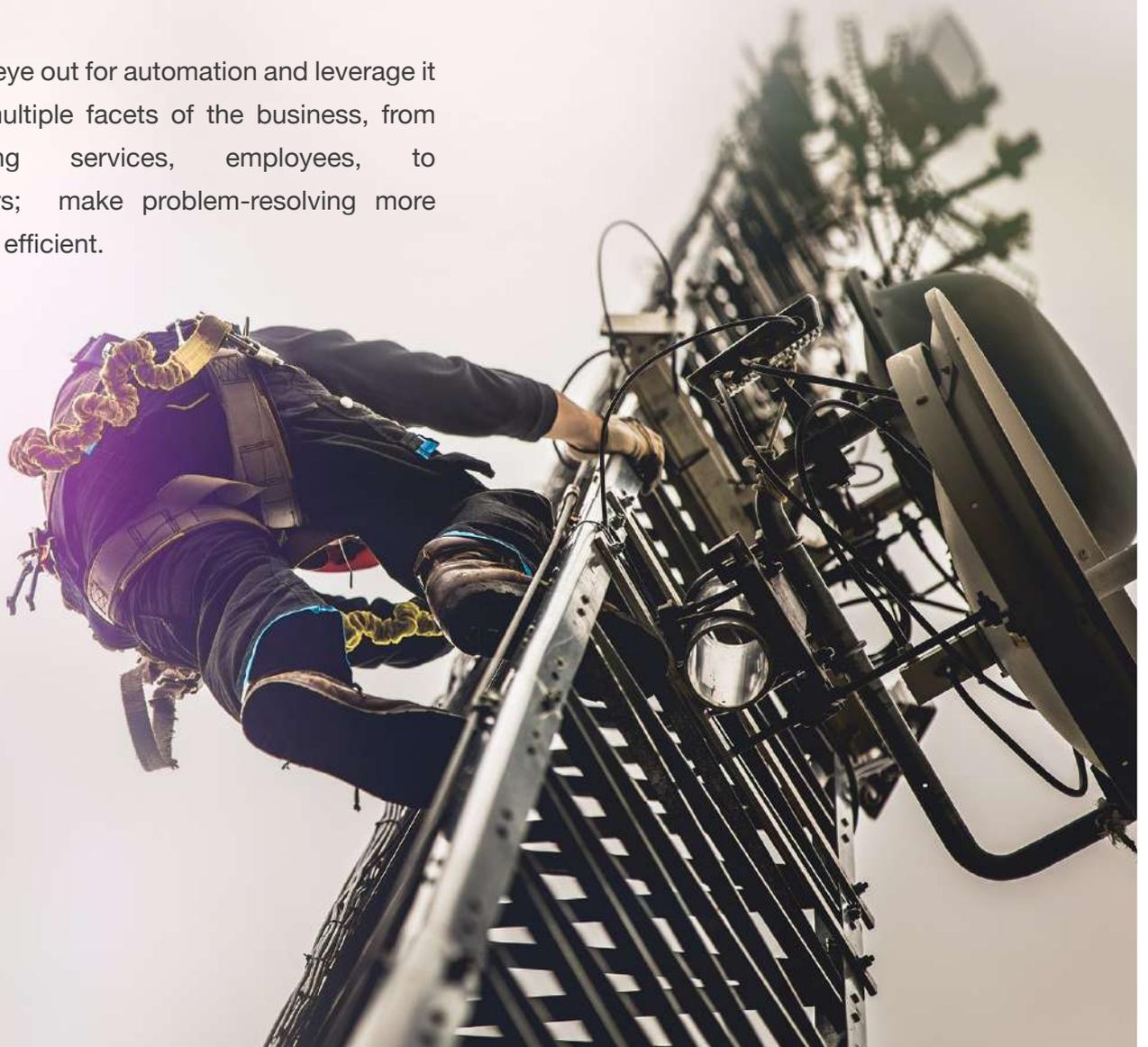
## POTENTIAL IMPACTS AND THE AFTERMATH

- The skyrocketing demand has strained networking services apparent in the form of intermittent connectivity and recurrent downtimes.
- Telecom is a people-intensive industry, and the widespread lockdown situation has left telecommunication companies (telcos) in a precarious state where there is insufficient manpower to cope with the rising demand.
- The ripple effect spreading through telecom operations, supply chains, and workforces is unprecedented and has become a roadblock against future investments, financial planning, and CAPEX projections. It was believed that 2020 will be the year when the 5G technology will boom. This is no longer the case under current circumstances.
- Several B2C industries relying on telcos can suffer grave losses as the mounting threat of recession delays capital funding for the long term. Industries such as call centers are the prime target in the B2C realm that can face lousy connectivity and experience a drop in their efficiency to solve service requests, compounded by the issues with cash flow.

# KEY MEASURES TO COUNTER ADVERSITIES

## Solutions for leaders across the board

- Take measures to enhance the strength of network connectivity and mitigate potential outages that may further add up to the woes of social distancing.
- Reinforce B2C industries and help them contribute optimally on the demand side; operators can mull over the various possibilities of increasing capability by borrowing spectrum from competitors.
- Keep an eye out for automation and leverage it across multiple facets of the business, from networking services, employees, to customers; make problem-resolving more agile and efficient.
- Work for change by closely monitoring changes in government policies and draw out a framework for faster compliance.
- Make complying with tax laws and regulations a priority and draft contingency plans to satisfy accreditations on time.



## Solutions to optimize customer care and engagement

- Assess the impact of COVID-19 on different segments of customers based on demographic data and introduce measures to best support them.
- Provide intuitive networking tools to customers working from home or on the frontlines free of cost or at a nominal fee.
- Encourage customers to use self-service portals to meet the spike in demand while maintaining sustained support value.
- Enforce a policy that's customer as well as commercial-friendly to help partner firms stay afloat in these times of crisis.

## Solutions to combat operational risks

- Deploy analytics to zero in on the business-critical cases and prioritize them via proactive and efficient communication.
- Create contingency plans for dependent members such as suppliers and help them traverse through the crisis.
- Create a support model for B2C partners.
- Improve tech-enabled plans to assure real-time access, information, and assistance



## 6

# RETAIL

As COVID-19 brings the world to a halt, retailers face remarkable continuity challenges. At a time when demand is volatile, supply is fluctuating, and capacity is constrained, the sentiment within the industry remains grim, and revival seems a long, hard struggle. Out of 558 US manufacturers surveyed in March, over 78% anticipated a financial impact while 36% agreed on facing supply chain disruptions. The UK economy stagnated in Q4 (2019), with retailers bearing the brunt in both supply and demand. In India, top associations predicted that the industry will take about a year to recover. With six months of unsold inventory and rapidly shrinking profits, a survival plan is the need of the hour.

Having said that, we believe that the COVID-19 pandemic brings a hopeful prospect where we could see the retail industry embracing digital transformation to overcome disruption. This is a ripe time for retailers to transform as agile businesses and set the ground for intelligent operations.

## THE RISE OF DIGITAL 3.0 AND HOW IT CAN BEAT THE RETAIL BENCHMARKS



### Digital Commerce

With social distancing mandates around the world, non-essential bricks-and-mortar stores have shuttered—thus, tipping the scales in the favor of Digital Commerce. Early signs suggest that digital revenue increased by 41% in the first 15 days of Q1 (2020), giving the much-needed head start to retailers in digital transformation. A YoY comparison by Salesforce Global Shopping Index revealed that retailers experienced a 16% surge in online traffic growth. Additionally, the average spend per visit spiked 4%. These numbers are proof that digital commerce is riding into the spotlight amid COVID-19 and can help retailers identify more productive avenues.

## Artificial Learning and Machine Learning:



The trend of Personalized Marketing is inching towards the mainstream to aid retailers in serving customers better. Companies are making investments in Artificial Intelligence (AI), Machine Learning, and Analytics that allow them to access insights into customer behaviors and deliver personalized offers/services through the right channel at the right time. In the ongoing pandemic-led era, these digital technologies can help retailers provide weekly or monthly boxes of essentials to customers that will be auto-delivered.

## Robots and Drones:



Adoption of robots and drones revolutionized home delivery, but the trend couldn't be taken afar due to multiple dependencies. The pandemic, however, has accelerated the testing and adoption of robots and drones for home delivery to ensure that those in quarantine receive essentials on time, but without fearing the contamination.

## Augmented Reality:



The potential of AR/VR technology for the retail industry is no secret. However, in a new world where retailers are reeling from customer loss, the technology has moved to the center stage. Establishing AR/VR practices would mean that retailers can help customers see or feel a product virtually at the point of purchase.

# AREAS RETAILERS MUST FOCUS ON

We have identified five key areas where retailers must focus on, to find stability in these unsettling times, avert long-term implications, and remediate performance immediately.

## 1 Address Demand Fluctuations:

Forecast market dynamics and manage demand to plan for unexpected market turns.

## 2 Shore Up Cash Reserves:

Keep a close tab on the cash situation and strategize about how to tackle expenses.

## 3 Weigh Up Long-Term Supply Challenges:

Understand risks, identify direct and indirect consequences, and build contingency plans. indirect consequences, and build contingency plans.

## 4 Safeguard Employees:

Enforce remote work policies to stem the spread of infection while also ensuring business as usual.

## 5 Engage with Customers:

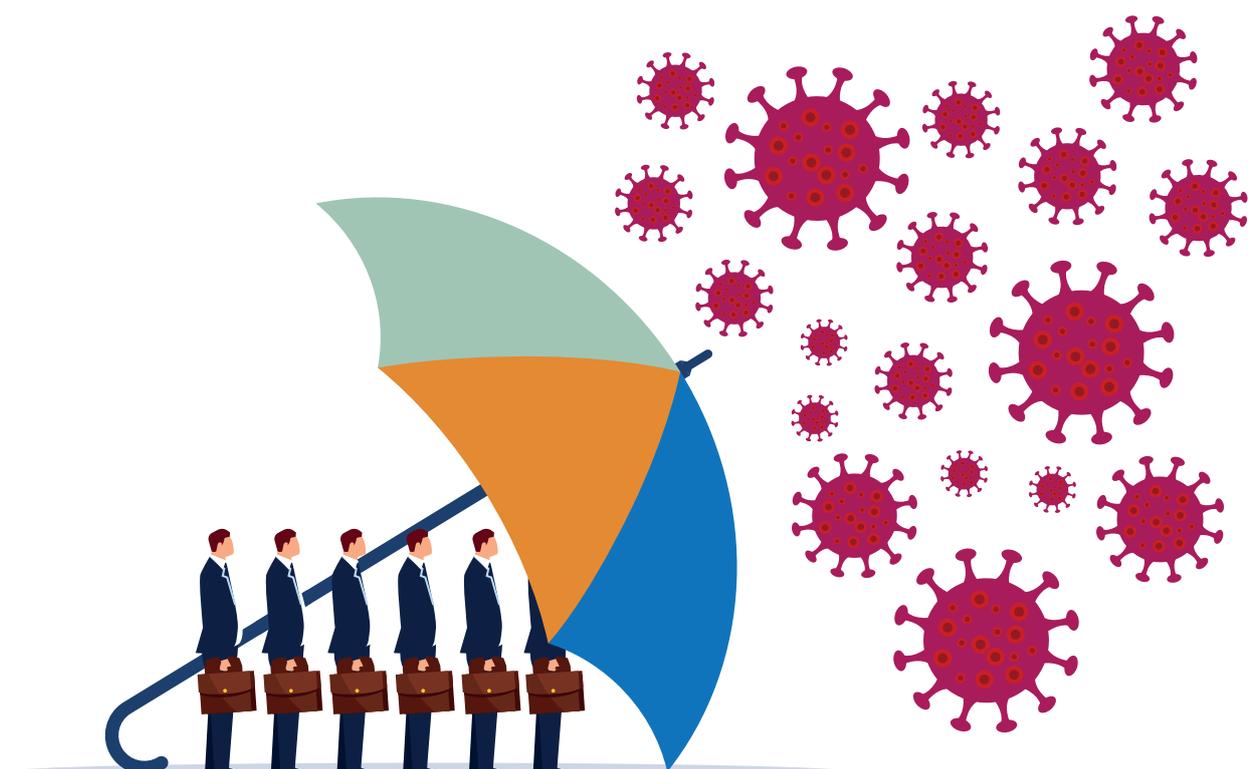
Draw up a firm customer engagement strategy to maintain trust and resonance in the market.



# NAVIGATING THE COVID-19: GOING ABOVE AND BEYOND THE LOCKDOWN CURVE

The COVID-19 outbreak has redefined disruption as we know. The pandemic has left an acute impact on small and mid-size businesses. Less developed economies are feeling the force of the headwind more than advanced countries. And, all business sectors are disrupted in this new scenario. However, the scale of the impact differs. Aviation, travel, and hospitality industries are among the worst-hit and continue to face losses. For a few sectors such as consumer goods and oil and gas, the drop in the national and global demand has led to serious continuity challenges.

Despite so, the coronavirus crisis has been an accelerant in its own right and is helping leaders refocus on the need of expanding to digital. Almost every sector is making a transition from traditional to digital models of working and identifying opportunities that might significantly help survival chances. Those who haven't invested in understanding what it takes to plan for disruptions are benchmarking their efforts with others and rolling out digitally-backed contingency plans. Challenges are emerging, but organizations can steadfastly commit to building crisis management strategies, underpinned by digital processes, agile processes, and reconfigured cost structures, on the order of two to three months, and revive growth.



## ABOUT KELLTON TECH

Kellton Tech is a 'Born Digital' technology consulting and services company founded on the belief of 'Infinite Possibilities with Technology.' The company has helped startups to Fortune 500 clients build disruptive Digital Transformation solutions and leverage technology as a competitive differentiator for their businesses. Driven by deep domain knowledge and technology expertise, Kellton Tech adds value to client relationships by being a Trusted Partner. A rapidly growing company, Kellton Tech has been placed four times on the Deloitte Technology Fast 50 India list and has been recognized by Forbes Asia as one among the Top 200 companies in 'Best under a Billion' 2017 List. With operations across the US, Europe, India, and Asia-Pacific, the team of 1500 dedicated Kelltonites is consistently on the lookout for the next competitive advantage.

Kellton Tech is a "Born Digital" technology consulting and services company with operations across the US, Europe, and Asia. Our team of 1,500 plus dedicated Kelltonites takes a technology agnostic approach to deliver innovative solutions that drive exceptional business value, empowering...

**"Infinite possibilities with Technology"**



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