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**ESCUELA DE POSGRADO**



**Consulting Report – Agencia B12 –**

**Launching of Comparatodo in Peru**

**THESIS TO OBTAIN THE DEGREE OF  
MASTER IN BUSINESS ADMINISTRATION GIVEN BY  
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## **Abstract**

Agencia B12 is a Spanish company specialized in digital marketing with offices in Spain, Mexico, Colombia and Peru. The firm has innovation at its core, and constantly develops tailor-made digital and traditional marketing strategies for its clients based on four values: innovation, passion, integrity and trust. Agencia B12 works primarily with clients in the telecommunications industry, and most of its revenue come from large players in their respective regions (such as Movistar, Claro and Entel in Peru). Given its highly concentrated client portfolio, Agencia B12 constantly seeks new business ventures to diversify their sources of revenue. As part of the firm's diversification efforts, Comparatodo, a Price Comparison Website (PCW), was developed internally to benefit from such a growing and attractive industry (PCW).

Comparatodo is currently operating in Spain, and Agencia B12 is planning to expand the website's presence in other Latin American countries, starting in Peru. This report conducts an extensive research about Peru's most promising industries and products for Comparatodo based on market size, pricing, and complexity of sales. Additionally, an analysis of direct and indirect competitors in Peru was conducted. As a result, the proposed solution is to first position Comparatodo as a PCW player in the telecommunications and financial services industry in Peru. The implementation plan is to be executed in 17 weeks and it involves different business units and personnel in the organization responsible for launching and maintaining Comparatodo. The key enablers supporting Comparatodo's expansion in Peru are: already developed platform in Spain, internal IT department, experienced staff, extensive knowledge of digital marketing, few competitors, and opportunities in multiple industries.

## Resumen Ejecutivo

Agencia B12 es una compañía española especializada en marketing digital con oficinas en España, México, Colombia y Perú. La empresa tiene como enfoque principal la innovación y desarrolla constantemente estrategias de marketing digital y tradicional a la medida para sus clientes en base a cuatro valores: innovación, pasión, integridad y confianza. Agencia B12 trabaja principalmente con clientes de la industria de telecomunicaciones y la mayoría de sus ingresos provienen de los jugadores más grandes en las regiones donde opera (como Movistar, Claro y Entel en Perú). Dada su cartera de clientes altamente concentrada, Agencia B12 se encuentra en la búsqueda de nuevos negocios para diversificar sus fuentes de ingresos. Como parte de los esfuerzos de diversificación de la empresa se ha desarrollado de manera interna Comparatodo, un sitio web de comparación de precios, con el fin de beneficiarse de esta industria tan atractiva y en crecimiento.

Comparatodo opera actualmente en España y la empresa planea expandir su presencia en otros países de Latinoamérica, iniciando en Perú. Este reporte realiza una extensa investigación de las industrias y productos con mayor promesa en el Perú para Comparatodo en función a su tamaño del mercado, precios y complejidad de ventas. Además, se realizó un análisis de competidores directos e indirectos en el mercado peruano. Como resultado, la solución propuesta es posicionar a Comparatodo como un sitio web de comparación de precios en la industria de servicios financieros y telecomunicaciones en Perú. El plan de implementación consta de 17 semanas e involucra a diferentes unidades de negocio y personal de la empresa responsable del lanzamiento y mantenimiento de Comparatodo. Los habilitadores claves que respaldan la expansión de Comparatodo en Perú son: contar con la plataforma ya desarrollada en España, departamento de TI interno, personal experimentado, amplio conocimiento de marketing digital, poca competencia y oportunidades en diversas industrias.

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## Chapter I: General Situation of the Organization

### 1.1 Presentation of the organization

#### 1.1.1 General overview of the company

Agencia B12 is a digital marketing company that goes beyond the traditional offerings of a digital marketing agency. Founded in 2014 in Spain, it is part of the Spanish group *Telestant*, which has over 25 years of experience in marketing and telemarketing services with a focus and expertise on the telecommunications industry (Agencia B12, n.d.; e-Show Magazine, 2013; Telestant Grupo, n.d.). The company's strategy is based on innovation. The marketing and sales team develop a tailor-made strategy for clients, which results in driving sales and retaining customers online and offline. Agencia B12 (n.d.) focuses its efforts with clients on three main pillars: Digital Agency, Contact Centre 2.0, and Database Management.

As part of Grupo Telestant, the firm is part of an international corporation which centers its operations in Madrid, Spain. Agencia B12 is committed to continue expanding internationally, with offices set up in Mexico, Colombia and Peru. These offices supervise and develop business operations in the country in which they are established, with Peru being the exception as it is accountable for the operations in Peru, Chile, Brazil, and Argentina.

The company differentiates itself from other agencies since it provides its clients with an "end-to-end" service that starts with defining a digital marketing strategy for the client. From the initial stage, it applies different business intelligence and data analysis tools that allows the client to understand and monitor the behavior of their customers. Such monitoring allows the customer to refine and personalize the interaction with its client base. Finally, it converts the potential customers to actual customers through its own call centers (e-Show Magazine, 2013; Computer World, 2013). Other agencies do not have call centers, therefore their service finishes when a lead is generated and derived to the client.

### **1.1.2 Mission, vision and values**

Agencia B12 is built upon four values that guide every decision they make: innovation, passion, integrity and trust. The company puts their customers at the forefront of their operations and are committed to their success by providing superior solutions to their client's users. Innovation is the backbone of its strategy, as they use it to attract clients, retain them and gain their loyalty. Having a digital DNA goes hand in hand with the client's brand and strategy which supports optimal success and profits. Agencia B12 sees the value in integrating knowledge and uses this to build a tailored strategy for each client. Finally, the company employs a results-oriented model, which ensures they bring together the most appropriate sales and marketing combination to deliver high quality and profitable results.

### **1.1.3 Industry overview - Digital marketing**

Traditional marketing strategies such as television, radio, newspaper and magazine ads are no longer as effective as they once were. The increasing access to internet in several markets has dramatically transformed the industry. These techniques have lost their effectiveness since consumers often choose their object of interaction and are always connected (Opreana & Vinerean, 2015). Digital marketing is a direct result of the wide reach of internet and technology. Although the concept was first mentioned in the 1990s, the mainstreaming of internet and social media in the early 2000s has made digital marketing a required strategy in any major firm (Fierro, Arbelaez, & Gavilanez, 2017). Digital marketing is an essential tool for a firm to gain market share in most, if not all, industries. Customers from the developed and the developing world are connected and bombarded by information daily, and traditional marketing tools do not have the same reach. Particularly in Peru, the high penetration of the internet has contributed to the local transformation of the marketing industry. In fact, digital advertising investment is ranked second in the overall advertisement industry, only behind television ads. The digital advertising industry grew by S/. 241 million

in the past 6 years, and analysts predict the continuity of such growth given the country's increased digital footprint (El Peruano, 2018).

In 2017, Peru had 22 million internet users, which is a 67.6% market penetration. Additionally, the country had over 40 million mobile phone subscriptions, which is approximately 130% market penetration (OSIPTEL, 2018a). Given Peru's large connectedness, the country currently has 64 digital marketing agencies that are also Google Partners (Adnabu, n.d.). These agencies are highly specialized with service offerings in various platforms, creating a highly competitive and price sensitive industry. The economic growth, political and social stability in Peru will continue to bring more people online, thus, increasing the need for cost-effective digital marketing agencies. Industry members must continue to innovate and find strategic solutions to generate revenue and retain clients.

### **1.2 Industry analysis - Porter's Five Forces**

Michael Porter's Five Forces analysis is a framework that highlights the competitive forces in a given industry. Each of the five forces culminates around an industry's competitive rivalry (Lucidchart Content Team, 2018). Figure 1 summarizes the assessment of the digital market industry based on the analysis of Porter's five forces.

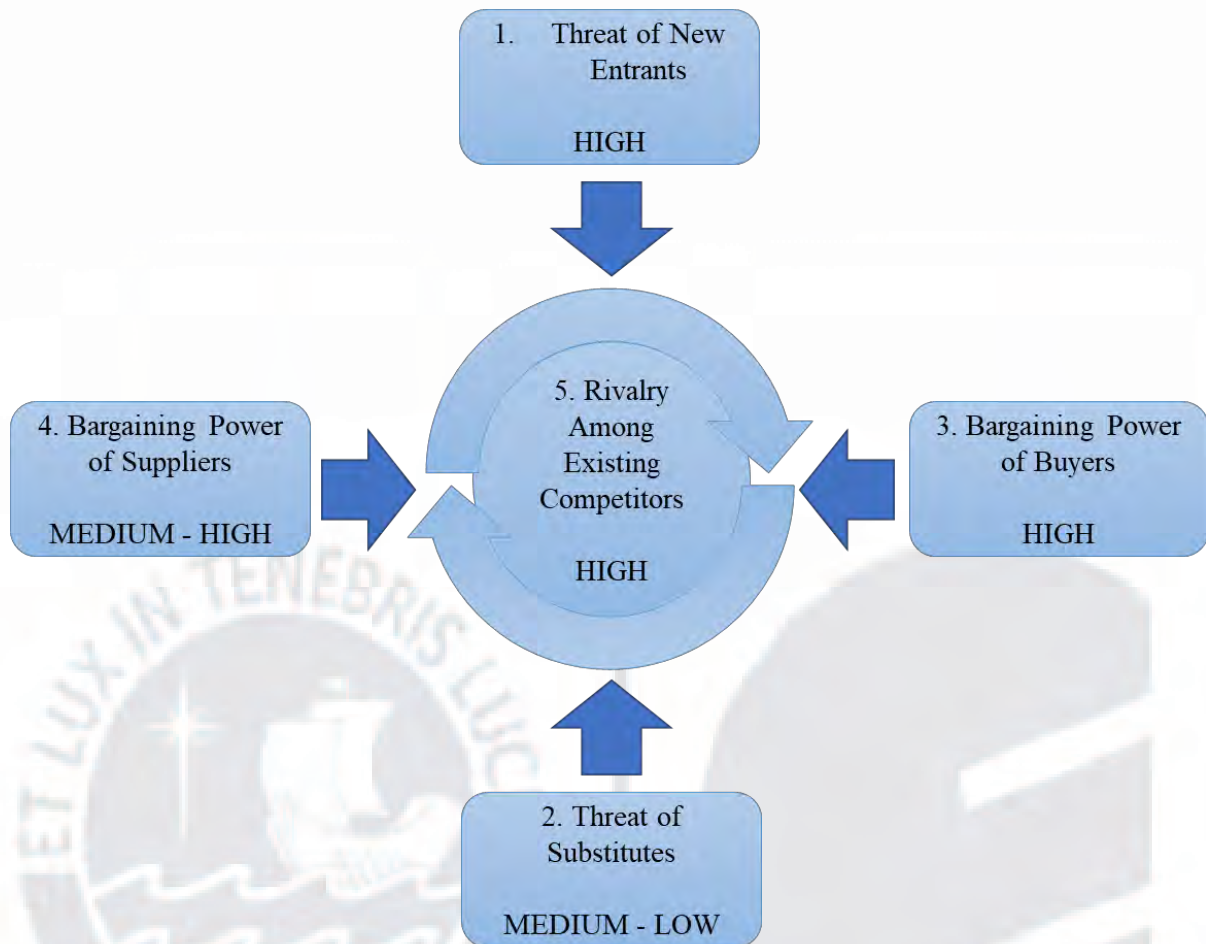


Figure 1. Porter's five forces.

Adapted from Harvard Business School (n.d.). The Five Forces. From Harvard Business School: <https://www.isc.hbs.edu/strategy/business-strategy/Pages/the-five-forces.aspx>

### 1.2.1 Threat of new entrants

The threat of new entrants in the digital marketing industry in Peru is high. Given Peru's growing internet penetration rates and recent economic prosperity, more customers are going digital. According to Adnabu (n.d.), there are 60 Digital Marketing Agencies in Peru (with a Google Partner Badge). Moreover, the costs of opening a new digital marketing agency can be quite low if the entrant decides to run the business from home or using a shared space/virtual office (Profitable Venture, n.d.). Although new entrants may face low entry barriers, firms already operating in the market have existing contracts with firms that were developed over a large period. The expertise and data collected during such contracts is a major competitive advantage against new entrants. Therefore, although the threat for new



entrants is high, existing firms can leverage their positioning based on existing contracts and strong relationships with clients. In the case of Agencia B12, new entrants will likely not be able to obtain large advertising shares without establishing strong relationships first.

### **1.2.2 Threat of substitutes**

The threat of substitutes in the digital marketing industry is medium-low, although there are no agencies utilizing Business Providing Outsourcing (BPO) and Customer Relationship Management (CRM) with a clear digital positioning. Agencia B12 is the only one in the market providing such service. Given the number of players in the market, along with the low barriers for entry, clients have a wide range of firms offering different digital marketing strategies (other than BPO/CRM). Moreover, the cost for substituting agencies for a customer is relatively low as there is little to zero initial investment when signing a new contract. In fact, Agencia B12's main clients have contracts with other marketing agencies, in which they compete on market share for each specific client. Clients can easily and without any cost choose to provide the firm with less market share in their marketing budgets. Additionally, larger firms may choose to manage their marketing initiatives in-house to increase efficiency and streamline costs/procedures, which would limit or completely extinguish Agencia B12's participation.

### **1.2.3 Bargaining power of buyers**

The bargaining power of buyers in the digital marketing industry in Peru is high. Agencia B12 works with a limited number of clients in the telecommunications industry, which creates an unbalanced buyer/seller relationship. Telecommunication firms can explore new partnerships with other agencies at a relatively low cost to switch, while Agencia B12 would need to invest in extensive business development efforts to achieve larger contracts with new clients. Agencia B12 depends on not only strengthening marketing contracts with existing contracts, but also expanding their portfolio with each client, offering a wide range



of digital solutions. In this industry, the digital marketing agency depends much more on the client than vice-versa. Particularly in Agencia B12's case, a large portion of their revenues come from one client, and if such partnership ceased to exist, the firm would suffer major revenue losses. Such buyer power creates an unbalanced relationship where Agencia B12 needs to constantly create value for their services and innovate to maintain such contracts.

#### **1.2.4 Bargaining power of suppliers**

The bargaining power of suppliers in the digital marketing industry is medium-high. Infrastructure (i.e. software and hardware) is a major supplier in the digital marketing industry, and it is heavily characterized by a wide range of products and low-cost options. The cost for purchasing technology has been decreasing and buyers can choose from several platforms and providers (i.e. web provider, servers, hardware) (Fawkes, 2006). Digital partners working with Agencia B12, such as Google, Facebook and other online channels, directly affect the firm's marketing strategies. These partners have a relatively high bargaining power since they dominate their respective markets and have large market shares. Qualified labor force is another major supplier in the digital marketing industry. Skilled computer technicians, computer programmers and developers are in short-supply, and in high-demand in the labor market, creating an increase in wages due to the proportion of their scarcity (Ali, n.d.). With such shortage of skilled workers, firms need to provide employees with benefits that go beyond monetary compensation. These benefits can cost and represent a large portion of payroll expenses, having a direct effect on a company's performance. Given the industry's heavy competition, firms need to pay special attention to increased payroll expenses and find innovative and cost-effective strategies to obtain and retain employees. Working towards the "Great Place to Work" designation, for example, is a sustainable and cost-effective method to increase employee satisfaction, thus, decreasing staff turnover.

### 1.2.5 Rivalry among existing competitors

Competition rivalry in the digital marketing industry in Peru is high. Peru has many digital marketing agencies (64), along with low barriers for new entrants. Existing competitors in the digital marketing industries have high profiles and are large companies with increased customer loyalty and larger advertisement contracts. Similarly to Agencia B12, larger competitors have substantial technological support and the expertise in specific industries (i.e. telecommunications, automotive, financial services). Lastly, competitors also have extensive expertise in retaining skilled labor and can provide sufficient remuneration. Figure 2 shows the current competitors of Agencia B12 in Peru and their market share, in which Agencia B12 is identified as *Grupo*.

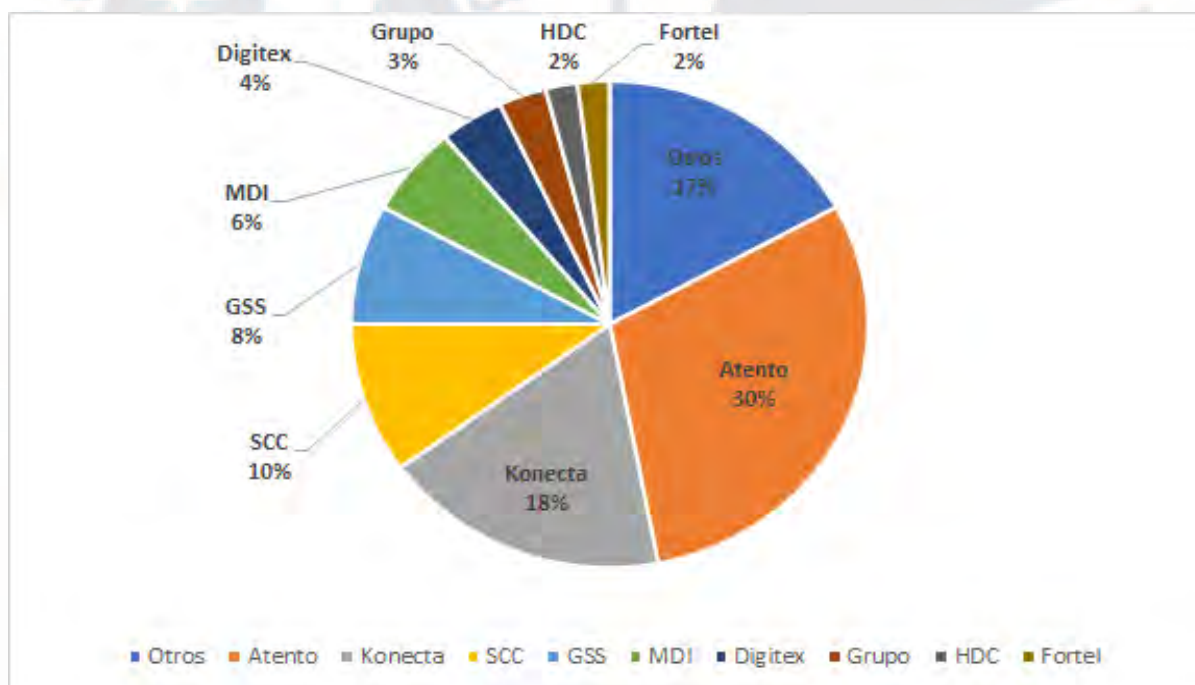


Figure 2. Current competitors of Agencia B12 in Peru (CRM/BPO) - 2018.

### 1.3 External analysis (PESTLE) - Opportunities and threats

The PESTLE analysis is a tool used to assess a country's environmental influences with the purpose of guiding strategic decision-making. It covers the political, economic, social, technological, legal and environmental situation of a given country (Ruziwa, 2015).

As such, to gain a better understanding of the Peruvian digital marketing industry, the following PESTLE analysis will be used to analyze the external environment.

### **1.3.1 Political**

Peru is in a period of political stability after an unstable period that started since the election of Pedro Pablo Kuczynski (PPK) in 2016, who was forced to resign in March 2018 as part of the corruption charges for his suspected participation in the “Lava Jato” corruption scandal. Since April 2018, the President has been Martín Vizcarra, who previously served as PPK’s first Vice President. Vizcarra, since taking power, has started to negotiate with the different parties that compose the Congress of Peru, which is dominated by the Fuerza Popular party led by Keiko Fujimori (BBC, 2018).

Vizcarra’s government has aimed to work on reforms to reactivate the economy, which has suffered from slowdowns after a very successful period in the 2000’s in which the Peruvian GDP annual growth averaged 6.1%. He has also aimed to make reforms to tackle corruption as one of his priorities as this is a sensible issue for most of the population. In fact, another important issue his government has considered, is to continue with the decentralization process of the Peruvian economy, as most of it is centered around Lima. This has contributed to the rise of social issues in Peru’s “forgotten regions”. Protests and strikes in these areas have substantially increased in the last decade (Jaquette and Lowenthal, 2018).

The Peruvian government has been affected by notorious corruption scandals which have decreased the trust of the population in its institutions. The Peruvian population, in its majority, see these institutions as entirely corrupt and this contributes to a loss of leadership, union, justice, and a significant increase in crime. Also, this has been shown by the fact that no political leader (e.g. President Martín Vizcarra, Congress Majority Leader Keiko Fujimori) or institution (e.g. Congress, Justice Power) has over 25% of public support. This has contributed to the rise of new leaders such as independent Julio Guzmán and the left-

wing leaders Verónica Mendoza and Gregorio Santos (Campos, 2018). Similarly to other Latin American countries, Peru has advanced good governance practices but still faces corruption and lack of trust by its citizens. In overall, Peru does not currently have violence initiated by political interests and is generally perceived as a safe place to do business.

### **1.3.2 Economic**

Peru's GDP growth has suffered a significant slowdown in 2014 with a rate of 2.4%. Such a low rate has not been experienced since the start of the 21st century at the end of Alberto Fujimori's presidency (except in 2009 due to the 2008 Global Economic Crisis). Since then, the growth rate has averaged 3.1%, which is still a slow, given the potential of the Peruvian economy. Peru's main export, copper, has suffered from a price decline since 2014 and it has a direct effect on GDP growth (Focus Economics, 2018).

Since 2014, because of the weakening Peruvian economy, private investment has decreased along with fiscal income and consumption. This has led the Peruvian government to implement two policies aimed to maintain its economic competitiveness. The first policy focuses on fiscal prudence and effective monetary and foreign exchange management. The second policy is aimed to encourage foreign investment into new mining projects. Although the country has experienced economic deceleration, Peru's net international reserves have remained stable at 29% of its GDP, and its gross public debt (24.7% of GDP) remains one of the lowest of the region and the world (World Bank, 2018).

### **1.3.3 Social**

Peru is a multiethnic and multilingual country due to its historical roots. Home of various ancient and indigenous cultures (i.e. Inca Empire), Peru was one of Spain's most important colonies. Peru has attracted many Spanish immigrants and became independent in 1821. Peru's current population of over 31 million people is composed by 45% Amerindian (indigenous people), followed by 37% mestizos (mixed race people), 15% Caucasian and the

rest being composed by Afro-Latin, Japanese and Chinese descendants. Its principal language is Spanish, which is spoken by over 83% of the population, followed by Quechua with 13% and 4% by other indigenous languages such as Aymara. Peru is primarily Christian (80%) as a direct result of the Spanish colonial times. Peru has been highly influenced by the cultures it has been exposed to in its history and this is reflected in its food, religion, culture and values which are the backbone of the current Peruvian society (Central Intelligence Agency, 2018).

Peru represents the fourth most populated country in South America, only surpassed by Brazil, Colombia and Argentina. Its capital is Lima, with a population of nearly 10 million people in 2018 and represents over 30% of the total population. It is most densely populated in the coast region, followed by the highlands and finally the jungle. It also has a moderately young population, with Peruvians below 25 years forming the clear majority of it. In addition, its population is expected to peak at 43 million in 2070 (World Population Review, 2018).

#### **1.3.4 Technological**

According to OSIPTEL, Peru's telecommunications regulator, the number of internet users in the country reached 22 million in 2017, which is 66.5% of the population. This is a huge increase compared to the year 2000, as only 9.7% of the population had internet access that year (OSIPTEL, 2018b). Also, over 6 million Peruvian households have access to home or mobile Internet with the Internet access rate tripling during 2012 and 2016. In addition, most of the growth in the Internet market has been led by the rural and lower than average income population. Lastly, over 60% of Internet active users in Peru connect to it daily with the most popular use being search engines by 76% and social networks by 89.9% (Andina, 2017).

Additionally, mobile subscriptions have reached 40 million, with a penetration of 130% of the total market. Peruvians mostly own one or more mobile subscriptions which has become more apparent by the entrance to the Peruvian mobile market by two new players,

Entel and Bitel. Both have entered the market to break the Movistar and Claro mobile phone market duopoly. Most of the mobile subscriptions are situated in Lima and Callao with the rest of those being composed by the coastal departments, highlands and the jungle in this respective order (Ministerio de Transportes y Comunicaciones, 2017).

Finally, the total number of Internet users who shopped using e-commerce services in 2017 was approximately 3 million. The clear majority of these are daily users who mostly look for fashion and electronics, and have a mobile internet subscription, as 57% of purchases through the Internet are done via smartphones. This market is new in Peru and is mostly dominated by platforms such as Mercado Libre, OLX and the local websites of retail stores such as Falabella or Ripley. As the market continues to grow, new companies, based as virtual stores are entering the market such as Linio, Lumingo and Juntoz (Peru Retail, 2018).

### **1.3.5 Legal**

The most relevant legal frameworks are related to e-commerce and user data privacy. Law 27291 is the basis of the e-commerce legal framework in Peru. It states that electronic mediums can be used to manifest will and the use of electronic signatures. Peru has different laws in the Free Trade Agreements (FTA) it has signed, and which mostly cover markets outside South America such as the USA, South Korea and Canada (Justia Perú, 2000).

The personal data and privacy protection of customers is regulated by the following laws: 27489, 27697 and 27863. These regulate the central entities of risk data and protection to the data owner, which is mostly used for private companies like Equifax or government entities like INDECOPI, which protects intellectual property. In addition, the information security of these services is regulated by Law NTP-ISO/IEC 17799:2007 EDI, which establishes a code for good practices for information security. At last, taxes are regulated by SUNAT, the national tax regulation institution, via Resolution N° 333-2010, which implements tax services for electronic payments (Iriarte, E., 2013).



### 1.3.6 Environmental

This factor comprises the environmental factors that will affect the implementation of the project. However, given the firm's digital presence, it is hardly relevant in our analysis.

Peru is a megadiverse country with three distinct ecoregions: *costa* (coast), *sierra* (highlands) and *selva* (jungle). A rich country in flora and fauna, it has 84 of 103 existing ecosystems and 28 of 32 of the planet's climates. Additionally, it is home to over 400 species of mammals, 2,000 species of fish, 300 reptiles, 1,800 birds, and more than 50,000 plants. Still, some of the current environmental problems that threaten Peru's biodiversity are the following: deforestation, illegal mining, spills and illegal coca farming (Frommer's, 2018).

### 1.3.7 Opportunities and threats

Table 1. *Agencia B12's Opportunities and Threats*

Opportunities	Threats
<ul style="list-style-type: none"> <li>● High potential of growth in internet access and e-commerce revenue in Peru.</li> <li>● Stable legal framework related to e-commerce in Peru.</li> <li>● Favorable economic environment.</li> <li>● Growth of digital marketing in Peru.</li> </ul>	<ul style="list-style-type: none"> <li>● Centralized economic centers which can increase exposition to competitors.</li> <li>● Volatility of commodities prices.</li> <li>● Increasing competition in the region.</li> </ul>

### 1.4 Internal analysis (AMOFHIT) - Strengths and weaknesses

The methodology considered to provide an internal analysis will be the AMOFHIT framework, which focuses on analyzing the following seven dimensions of the organization: administration and management (A), marketing and sales (M), operations (O), finance (F), human resources (H), information systems (I), and technology (T). The analysis of these dimensions will provide a general understanding of the internal situation of the company and identify its strengths and weaknesses.

#### **1.4.1 Administration and management (A)**

Agencia B12 is headquartered in Madrid, Spain, with Javier Fernandez de Valderrama as the CEO, and it operates under the end-to-end model in Spain, Mexico and Peru. In Peru, the company is led by CEO Jose Antonio Iyo, who is responsible of the operations of the firm in Peru and other South American countries such as Argentina, Brazil, Chile, and Ecuador. Jose Antonio joined the firm in 2017 and he has a wide managerial experience of over 15 years in areas such as general management, sales, operations, human resources and project management in leading companies in the financial sector, telecommunications and services.

A main characteristic to highlight about the administration of the company is its results-driven mentality. This is explained by the fact that the end-to-end model aims to deliver results to the clients and, as it will be further analyzed, the whole organization is aligned into this common goal of achieving the best possible result for the clients, which is measured by the conversion rate indicator.

#### **1.4.2 Marketing and sales (M)**

This dimension is analyzed using the Marketing Mix, which is “the combination of different marketing decision variables being used by the firm to market its goods and services” (Singh, as cited in Išoraitė, 2016, p.26). As Agencia B12 is a B2B service firm, it is more appropriate to use the expanded Marketing Mix framework consisting of the “7 P’s of Marketing”. That is the traditional “4 P’s of Marketing” (product, price, place and promotion) plus an additional 3 P’s considered for services firms to address customer service: physical evidence, participants and process (Booms & Bitner, as cited in Yelkur, 2000).

**Product.** The nature of the business is the B2B model in which Agencia B12 provides digital marketing and contact center services to its clients, which are concentrated in the telecommunications industry. Even though the traditional contact center service line still accounts for a considerable portion of the business, the end-to-end model is considered as the



main product of the company and the one driving its growth. The end-to-end model combines marketing, technology and contact center services into a comprehensive service, compared to other companies which operate solely as a traditional digital marketing agency or as a traditional contact center. The service begins with the design of a digital strategy for the client, which involves defining a segmentation, channels, objectives, investment and KPIs. Then, once the strategy is defined, a campaign or project is implemented and, in contrast to traditional agencies whose processes end with the generation of leads (or referrals), Agencia B12 takes those leads to the databases managed by their contact centers to contact these potential customers and convert leads into sales. This aspect is a main differentiator, as more than marketing campaigns, Agencia B12 designs sales campaigns for their clients as their objective is to generate more sales through higher conversion rates.

**Price.** The pricing strategy applied is purely based on results. As mentioned, the end-to-end model aims to generate sales, therefore, clients are charged based on actual sales generated. For this reason, the company focuses on both effectiveness and efficiency along the process of designing and implementing the campaigns, so that the effort results in high conversion rates which benefits the client and the company. This pricing model is successful since it facilitates the alignment of objectives between Agencia B12 and its clients, which in the long-run translates in building trust and long-lasting business relationships.

**Place.** Regarding the scope of operations in the Peruvian office, the company provides service to clients in Peru, Argentina, Chile, Ecuador and Brazil. Since the services it provides involve online marketing and contact centers, interactions with clients and customers can be handled remotely. Within the scope of the service provided in the end-to-end model, the company manages different digital channels to implement the designed strategy for their clients. Therefore, Agencia B12 possesses all the know-how regarding the use of Google AdWords, social media platforms such as Facebook, Instagram and Twitter,

websites, landing pages, and other online channels. Also, the company currently manages five contact centers: two in Spain, two in Peru and one in Mexico, with more than 3,000 employees in total.

**Promotion.** As the company operates a B2B model, promotion is mostly based on word-of-mouth, direct negotiations and the company's website. In this context, as the company is highly concentrated in clients of the telecommunication industry, the potential to expand through word-of-mouth is somewhat limited as it only reaches the telecommunications industry (i.e. staff turnover among major players referring Agencia B12's services). Especially considering the plans for diversification and market expansion, for which they may address new clients through direct negotiations and referrals. Such effort is supported using business cases to demonstrate the success of their past projects.

**Physical evidence.** This includes the tangible clues that give the client an idea of the characteristics and quality of the service (Yelkur, 2000). On one hand, the institutional presentations and the samples of previous designs of e-mailings, landing pages and banners made for other clients (i.e. Jazztel) are part of the resources used by the company which is evidence of the quality of their work to potential customers. On the other hand, the five contact centers with over 3,000 positions that the company operates are in Spain, Mexico and Peru as well as the administrative offices in these countries are another physical evidence of the scale of the business. For example, in Lima the company has recently moved to a new office located in Miraflores in a very modern building. The office includes a call center area staffed with 120 agents, one data center, a directory room and the administrative offices.

**Participants.** The appearance and both verbal and non-verbal communication of employees provide clues on what to expect about the service (Yelkur, 2000). On one hand, the company representatives that engage clients to develop new businesses or review progress on current services are key participants in the service. Given Agencia B12's relatively small

team, its senior representatives such as the CEO and the Digital Strategy Director (DSD) are directly involved in business development efforts. Therefore, it is a value added for the clients that executives with a wide expertise in the industry are the front face of the firm. On the other hand, the call center supervisors and agents are an important part of the equation as they act as an extension of the client to make the end-to-end model successful. The script, style and protocols they use are validated with the clients so that they are aligned to those of them. To ensure the quality of the service, the agents have regular training and feedback sessions, an ad-hoc process of coaching, and online tools which they can access to clarify doubts.

***Process.*** The quality of the service delivery is largely dependent on how the marketing strategy for a client has been designed, therefore, the design stage is very important for the process to work smoothly. It is important that the final consumer is correctly segmented, and that the communication is clear using adequate channels. Considering that the company and its end-to-end business model focuses on results and converting sales, running efficient processes is a priority and a strength of the company. Moreover, all the efforts of the company are oriented to generate sales, and even within the interactions with the final customers, time is optimized only for sales. When a customer asks an agent about any aspect unrelated to the scope of Agencia B12's operations, the agent is trained in protocols to direct the customer to the appropriate supporting channels.

### **1.4.3 Operations (O)**

The core operations of the company are developed by three main areas: marketing, technology and the contact centers. The marketing team is accountable for designing the strategy for the clients, as it was described in the marketing and sales dimension. Then, the company generates customers to its clients through leads. This can be done in three ways once the potential customer goes to the landing page: it can either complete a form, leave a

phone number to be called afterwards or directly call the contact center using the number provided in the advertisement. This information is displayed to the contact centers so that they can filter them based on the specifications of the client, and then contact them to sell the product or service. It is important to mention that the contact centers have different teams which are dedicated to a client and product. It is not the case that one operator of the call center interacts with customers from different clients.

The technology team has a strategic role in the operations of the company. Based on the results of the implemented strategies for the company's clients and the interaction of the contact centers with potential customers, the technology team processes this feedback and provide insights to the marketing team, so they can refine strategies and continuously improve results. This is also why these three teams work very closely (even physically close to each other) since coordination between them helps the company to enrich the employed strategies for the clients and supports growth.

#### **1.4.4 Finance (F)**

At Agencia B12, the country offices such as Peru are focused on business development and operations. Therefore, the financial situation of Agencia B12 in Peru is measured using three main indicators: revenue, EBITDA and EBITDA margin. The operations of the company in Peru resulted in 9.3 million Euro revenues and 1.9 million Euro EBITDA in 2017, with an expected growth of 49% and 36% in 2018, respectively. On one hand, the expected growth of the firm would drive market share to scale from 7.3% to 10% in a market that grows 8% annually. On the other hand, even though the EBITDA is expected to grow, the EBITDA margin was expected to decrease from 21% to 20% in the annual forecast because of the aggressive growth planned in digital accounts and the site relocation of some projects. However, the partial results at the end of April 2018 showed a promising trend. The revenue exceeded the forecast by 10% and reached 3.4 million Euro. Meanwhile, the

EBITDA margin has gone as high as 29%, so it remains higher than the firm's forecast and the industry average in Peru, which is 13%. This increase is primarily due to the growth of revenue with Agencia B12's main clients (Movistar, Jazztel and Entel) and the reduction of overhead expenses due to a cost-efficiency program that the company is currently running.

The company differentiates two main revenue streams: digital sales (which considers the end-to-end model) and traditional sales (which considers the traditional contact center service). The main revenue stream comes from traditional sales, which have historically accounted for 90% of the total revenue while digital sales accounted for 10% of the total revenue at the end of 2017. However, this situation is changing as the company is focused on growing in digital sales and it is expected that by the end of 2018, digital sales will account for 20% of the total revenue. The client portfolio is concentrated in telecommunications companies. In fact, the main three clients of the company are telecommunications firms and they account for roughly 85% of the total revenue: Jazztel (40%), which is a company in Spain, Movistar (25%), and Entel (20%). Regarding the main costs and expenses, these are related to the use of the different digital channels (such as Google, Facebook and Instagram), wages and administrative overheads. There is a finance department in charge of managing the company's treasury, accountancy and controlling.

#### **1.4.5 Human resources (H)**

Without considering the positions in the call centers, Agencia B12 has 20 employees in Spain, 20 in Mexico and 12 in Peru. Appendix A shows the organization chart of the company in Peru, in which it is noticeable that Agencia B12 is a company in a growing stage, with some of the senior management positions still vacant. A main aspect to highlight about the human resources policy is that incentives of the core business departments (marketing, technology and contact centers) are given based on conversion rates (sales), unlike traditional agencies which usually have different criteria depending on the positions and departments.

This strategy is aimed for aligning the objectives of the whole team and to achieve better results. However, given both their business model and human resources policy, Agencia B12 has a major challenge to be more capable of attracting and retaining talent that adapts to this special work environment. This stands true especially because high skilled staff are scarce in the job market in Peru. Moreover, the company is currently aiming to start the process to become a GPTW (Great Place to Work), but to do so they have identified that the company should increase their levels of client and employee satisfaction. Client and employee satisfaction are currently below the thresholds for Agencia B12 to become a high-performance organization (80% vs. 85% and 80% vs. 90%, respectively).

Regarding the hiring policy for the positions in the contact center, new hires are based on the contracts that the company has with its clients and the number of positions required to fulfill the digital marketing strategies designed for them. The contact center in Lima currently has 120 positions, which are mainly assigned to Movistar.

#### **1.4.6 Information systems (I)**

Agencia B12 is a digital and sales-oriented firm, therefore, its information systems play an important role in its business model and operations. Digital marketing agencies can either acquire different software from third parties to operate and track their different metrics and leads throughout the business process and integrate them together, or they can develop their own solution which agglomerates most of the capabilities and functionalities that the company requires to operate its business. Agencia B12 is characterized by the latter. In fact, one of the main IT platforms that the company uses is DigitaLion, an internally developed software which allows it to monitor results of the marketing campaigns with dashboards and metrics about channel's performance, including real-time monitor of leads, calls and sales. The two main advantages of this approach are flexibility and the possibility of adjusting the solution any time without having to hire an external contractor as the platform is internally



developed and managed by the firm's own IT department. Another important feature of the company's information systems are business intelligence tools used to constantly refine marketing strategies based on consumer's behavior and customer interaction.

Finally, it is important to mention that the company has its own datacenter. Even though there is interest about increasingly moving those servers to cloud-based databases, the company is still cautious about moving critical information to the cloud and this is the reason why it has a hybrid model with both physical and cloud-based servers.

#### **1.4.7 Technology (T)**

For identifying and managing new opportunities to innovate and improve company's technology, Agencia B12 does not have a formal R&D department. Instead it has an internal committee staffed by selected members of its core departments which occasionally meet to propose and evaluate business and improvement opportunities. In fact, Comparatodo (the project that will be addressed in the following chapter) was born in one of these meetings. The main idea behind driving innovation at Agencia B12 is to find new strategies of engaging and interacting with potential and/or actual final customers. The firm recognizes that every customer is unique and has different preferences about the way they are contacted and engaged with a specific offering.

Despite the importance of the efforts previously described, this aspect has been identified as a weakness of the firm since they lack a standardized internal innovation process. Even though there are good ideas to implement, only few are prioritized and developed due to time and resources constraints since there is not a team accountable for managing these new projects. For this reason, employees from different departments which are responsible for different functions must assume the role of project managers and conduct all the research, diagnosis and follow-up to the new projects, and thus the time frame for their development is outstretched.

### 1.4.8 Strengths and weaknesses

Based on the assessment and analysis of the seven dimensions of the AMOFHIT framework, the main strengths and weaknesses of Agencia B12 were identified:

Table 2

*Agencia B12's Strengths and Weaknesses*

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>● Result-oriented end-to-end business model delivers high value to clients.</li> <li>● As a group, over 25 years of experience in the industry with expertise in digital marketing and telemarketing.</li> <li>● International presence and experience with large clients in Spain and Latin America.</li> <li>● High collaboration and aligned goals between Marketing, Technology and Contact Centers.</li> <li>● Ownership of specialized information systems and internal capabilities to leverage from them.</li> <li>● Strong EBITDA margin compared to the industry average.</li> </ul>	<ul style="list-style-type: none"> <li>● Highly concentrated client portfolio (telecommunication companies).</li> <li>● Limited expansion potential through word-of-mouth to clients in other industries.</li> <li>● Specific job descriptions, a unique organizational culture and not being a GPTW challenge the attraction of top talent.</li> <li>● Lack of a formal R&amp;D department and a formal innovation process.</li> </ul>

### 1.5 Conclusions on situation of the company

To conclude, the external analysis indicates that Agencia B12 faces various opportunities and threats. Peru is in a period of economic, social and political stability, which provides Agencia B12 with market opportunities, given their increasing digital presence. However, as more competitors enter the industry, it is crucial for Agencia B12 to maintain its innovative core and provide value-added solutions to its clients.

From the internal analysis, it is concluded that Agencia B12 has succeeded in developing a winning business model, which delivers value to clients because of its comprehensive scope and orientation to results. The main ingredients for this model are the high cohesion between the core department teams and the wide and international experience



of the group in this industry. The two most pressing challenges faced by Agencia B12 that our analysis identified are: highly concentrated client portfolio, thus increasing the need for customer diversification and developing an attractive employer brand (becoming a GPTW).



## Chapter II: Key Opportunity

This consulting project will address a business opportunity that Agencia B12 has identified, which consists in launching its price comparison website “Comparatodo” in Peru. This chapter will focus on defining the business opportunity and analyzing its substance, location, magnitude and time perspective, which are dimensions that will allow for a correct understanding about the objective and scope of the consulting project.

### 2.1 Definition

As briefly mentioned, the company aims to launch its price comparison website “Comparatodo” in the Peruvian market. The premise of Comparatodo, is that the tool collects information on different products and services that can be acquired online and presents them to users so that they can compare those products and get support throughout their decision-making process. Therefore, Comparatodo should provide updated information, not only in the price but also on other attributes, and it should be able to compare different products in different industries and categories.

Comparatodo is an attractive business opportunity for Agencia B12 since it is aligned with their objectives of positioning themselves as a leading digital marketing firm. Additionally, it will allow the company to diversify its client portfolio, get access to knowledge in the B2C business and a valuable user database that can provide big data and customer intelligence capabilities for future business opportunities. This platform will provide the company with a complementary revenue stream based on the fees charged to clients in exchange for the generated leads, advertisement and by establishing new relationships with clients in other industries. In fact, the company aims to integrate this platform as an additional product in its portfolio and integrate it into their business model as part of their digital marketing strategy.

### **2.1.1 Motivation to expand**

During the entry phase and initial meeting with Agencia B12, it became clear that their primary motivation to expand Comparatodo to Peru is to capitalize on a market opportunity. Given the extremely competitive digital marketing industry, firms need to find alternative solutions to generate revenue and diversify their client portfolio. Agencia B12 specializes in the telecommunications industry and has acquired extensive expertise providing marketing solutions to such firms. The telecommunications industry in Peru is dominated by 4 major players: Telefónica with a market share of 37.8%, followed by Claro with 31.5%, Entel with 17% and Bitel with 13.5% (Guardia, 2018). Agencia B12 works with Telefónica (Movistar), Claro and Entel, and they have recognized that there's no more growth in the industry when it comes to acquiring clients. The only room for growth is to expand their marketing presence within the established contracts. The company does not anticipate Comparatodo to be an industry leader or a major revenue generator in its product-mix, but rather a complementary tool to its core services and products.

Additionally, from its inception, Comparatodo is aligned with the trend among internet users who look for the most convenient and/or cheapest product available. This is a reality in countries such as Spain, where users are shifting towards more generic online searches rather than brand-specific. Such shift creates new opportunities for ventures such as Comparatodo.

### **2.1.2 Current situation**

The company has already technologically developed Comparatodo and it currently operates in Spain. It offers price comparison for two industries: Telecommunications (which includes cell phone plans, fixed line plans and home internet) and personal microcredit loans. This tool provides customers with a clear and concise comparison of prices and services offered by a wide range of companies, which includes some of Agencia B12's end-to-end

clients. In this market, Comparatodo differentiates itself from competitors by supporting customers with an easy and intuitive navigation.

In telecommunications, Comparatodo relies on the extensive expertise of its parent company, Agencia B12. Given the industry's large market penetration of 117% with over 55 million mobile phones operating in Spain (Artero & Sánchez-Tabernero, 2015), Comparatodo leverages its existing client database and data to turn customers visiting its website into quality leads. Heavy competition and extensive price wars are characteristics of the telecommunications industry in Spain, with Telefonica (through its Movistar brand) as the largest provider in the country (Artero & Sánchez-Tabernero, 2015).

Similarly to the telecommunications industry, microfinancing has a large market penetration in Spain. On average, three out of ten Spanish families run out of money before the end of the month, creating a large demand for micro financing options (Barron, 2016). Given Spain's highly unregulated micro financing industry, there are many options for customers with a wide range of interest rates and services. Comparatodo provides clients with two options for filtering: the most popular lenders and the lowest interest rates.

In Peru, the platform has not been officially launched yet even though the website and its domain already exist ([www.comparatodo.pe](http://www.comparatodo.pe)). Appendix B shows the current homepage of Comparatodo in Peru. However, Agencia B12 has already started working on certain aspects to be prepared for the launch. For example, the company has created its Facebook account and has started creating content to engage future users.

## **2.2 Substance**

To take advantage of this business opportunity, Agencia B12 needs to design a strategy to launch Comparatodo in Peru. Specifically, it is necessary to carry out both a competitor analysis to determine the characteristics of the main competitors (direct and indirect) in the country, so that this can be used as a benchmark for Comparatodo. Secondly,

a market research is needed to identify the most promising industries and products in which to focus, considering massive industries with a high penetration in the total population (such as telecommunications, insurances and the financial sector).

It is important to mention that the company is interested in launching this platform not only in Peru, but also in other countries in Latin America. However, it was agreed that the scope of the present consulting project will be limited to designing a strategy to launch the platform in Peru.

### **2.3 Location**

Comparatodo is aimed to be managed as a product in the overall company portfolio. Therefore, this project will have a significant impact on the performance of this new business unit, and as it will require the interaction between core departments in the company, the marketing and technology department will be the most demanded units for managing Comparatodo. It is important to mention that this project will affect the operations of the office in Peru, but the experience of deploying the platform in this country will be valuable for future expansions to other countries.

### **2.4 Ownership**

Jose Antonio Iyo, CEO, and David Pérez, Director of Digital Strategy, are the main owners of this business opportunity. They are accountable for business development in the company and therefore are the most interested in implementing a successful strategy for Comparatodo. It is important to mention that they have already done some research and analysis on a similar existing platform named “Comparabien” that will be one of the main competitors of Comparatodo in Peru. The main findings of their analysis were shared with the consulting team to serve as a starting point for the consultancy.

## **2.5 Magnitude**

In absolute terms, this project will have an impact on the organization because, it will operate as a new digital channel, which can be incorporated in the marketing strategies tailored for the company's clients, thus, having an impact on the business model of the company. Additionally, identifying which are the most promising industries and products in Peru will help the company not only develop Comparatodo, but also on attract a diversified portfolio of new clients for other lines of services. Furthermore, the company will gain access to knowledge in the B2C field and, based on the users' interaction with the platform, the company will have access to a valuable user database that will provide big data capabilities. This will foster the firm's bargaining power with current and future clients and it will potentially provide access to new business opportunities in the future.

Comparatodo will operate as a new channel and will provide the company with an additional revenue stream, particularly through lead generation. It is worth mentioning that the company is aware that there are important competitors in this new business (which develop it as their core activity), so the company does not expect to attain a high market share in this business, but to capture part of it.

## **2.6 Time perspective**

The launch of Comparatodo in Peru is a priority for the start of 2019. In fact, the company is planning to start implementing the plan for the launch at the beginning of September 2018, once the consulting team presents and submits the final report with the proposed strategy and the implementation plan to address this business opportunity. Based on the company's experience, they estimated that in 6 to 12 months they will be able to position Comparatodo as a top-pick in search engines such as Google by using SEO and SEM strategies, and therefore they have already started working on this aspect.

## 2.7 Conclusions on key opportunity

The company has identified a business opportunity to launch their own price comparison website “Comparatodo”. It is a platform which presents the offerings available in the market for a specific product (from a range of different product categories) and allows online users to acquire the option that best suits their needs. The aim of this platform is to attract potential customers and generate leads for the company to sell to its clients.

This project will have a significant impact in the organization since it represents a new source of revenue for the company. It provides an opportunity for diversifying the client portfolio, and it will provide access to knowledge in the B2C field and big data capabilities. Therefore, the company is interested in exploiting this business opportunity and designing the strategy to launch Comparatodo in Peru. The design of this strategy will be derived from a competitor analysis and benchmarking, as well as conducting market research to determine the most promising industries and products to include in it.

It is worth mentioning that the company has already developed a prototype of this platform, which is currently operating in Spain in the telecommunications and microcredit industries. Additionally, Agencia B12 has already done initial market research on its main competitor in Peru “Comparabien”.



## Chapter III: Literature Review

### 3.1 Literature mapping

The literature review will focus on four main topics: (1) digital marketing, (2) price comparison websites, (3) digital maturity in Peru, (4) product-market diversification, and (5) intrapreneurship. First, the literature review on digital marketing will provide the main definitions and relevant aspects to understand the company's business model and operations. This is important for establishing a connection between the current situation of the company and what role this the new platform will play in the strategy of the company once it is launched in the market. Secondly, the literature review on online comparison platforms will analyze the attitude of customers towards the use of this kind of e-commerce platforms to compare different offers available in the market and provide the case analysis of successful online comparison platforms that have been launched in other countries. Thirdly, digital maturity in Peru literature will describe the state of development and penetration of internet and online sales. Fourthly, literature on product-market diversification provides information for companies planning to expand internationally, primarily into markets and industries without previous experience. Finally, literature on intrapreneurship will provide considerations on how to handle projects that were conceived inside the organization, as it is the case of Comparatodo. Figure 3 illustrates the literature mapping.



## LITERATURE REVIEW

DIGITAL MARKETING	PRICE COMPARISON WEBSITES	DIGITAL MATURITY	PRODUCT-MARKET DIVERSIFICATION	INTRAPRENEURSHIP	
<p><b>Definition</b> Farrell (n.d.). Miller (2012).</p> <p><b>Strategies</b> Arias (n.d.). Benes (2018). Brinker &amp; Heller (2015). Givens (2017). Marketing Charts (2018). Paavola (2017). Saravanakumar &amp; SuganthaLakshmi (2012). Sceulovs &amp; Lorencs (2017). Tjepkema (n.d.).</p> <p><b>Measurements</b> Quevedo, Besquin, &amp; Read (2015).</p> <p><b>Importance &amp; Benefits</b> Cavanaugh (2017). Yasmin, Tanseem &amp; Fatema (2015).</p>	<p><b>Definition</b> Moraga-Gonzalez &amp; Wildenbeest (2011). Research and Markets (2018). Belleflamme (2014). Business.com (2018).</p> <p><b>Origins &amp; Evolution</b> Moraga-Gonzalez &amp; Wildenbeest (2011). Saccomano (1999). Research and Markets (2018). Power Target (2012). Fintechnews Switzerland (2017). MoneySupermarket.com (n.d.). Robertshaw (2012). Rastreator (n.d.).</p> <p><b>Importance for Business</b> Robertshaw (2012). Bruce, Bondy, Street &amp; Wilson (2009). Research and Markets (2018).</p>	<p><b>Business Model &amp; Keys for Success</b> Expert Program Management (n.d.). Moraga-Gonzalez &amp; Wildenbeest (2011). Uthup (n.d.). Fintechnews Switzerland (2017). Ronayne (2015). Shearman (2011). Wales Online (2001). The Telegraph (2018a).</p> <p><b>Successful Cases</b> The Telegraph (2018b). Cookson, Gray &amp; Dunkley (2014). Computing (2017). Rastreator (n.d.). Rastreator (2018).</p>	<p><b>Concepts &amp; Frameworks</b> Rajaretnam &amp; Sheth (2018). Roy &amp; Ghose (2006).</p> <p><b>Access to Internet</b> Internet World Stats (2017). INEI (2016). Medina (2017). OSIPTTEL (2018a).</p> <p><b>Behavior of the Online User</b> INEI (2016). Medina (2017). El Economista América (2017). Nielsen (2016). Euromonitor (2018).</p> <p><b>Online Trust</b> Nielsen (2016). Chakravorti &amp; Chaturvedi (2017).</p> <p><b>Challenges</b> Euromonitor (2018). Gonzalez (2016).</p>	<p><b>Definition</b> Ansoff (1957). Govind (2017).</p> <p><b>Types of Diversification</b> Qian (1997).</p> <p><b>Diversification Theories</b> Montgomery (1985).</p> <p><b>Globalization</b> Bowen, Baker, &amp; Powell (2015). Tianjiao (2014).</p>	<p><b>Definition</b> Parker (2011). Agca, Topal, &amp; Kaya (2012). Antoncic (2007). Miller (1983).</p> <p><b>Key Aspects of Successful Intrapreneurship</b> Goosen, Coning &amp; Smit (2002). Felicio, Rodrigues &amp; Caldeirinha (2012). Haase, Franco, &amp; Felix (2015).</p> <p><b>Intrapreneurial Failure</b> Turro, Alvarez, &amp; Urbano (2016).</p>

Figure 3. Literature mapping.

## 3.2 Literature review

### 3.2.1 Digital marketing

**Definition.** Marketing of products and services using electronic media such as the internet, email, interactive TV and any other digital medium in conjunction with digital data about customers characteristics and behaviors (Farrell, n.d.). The main difference between digital and traditional marketing are the tactics or strategies in which the information is presented. Traditional marketing relies on print and traditional media while digital marketing focuses on internet-based media such as websites, email and social networks (Miller, 2012).

**Strategies.** The most important strategies in digital marketing are social media marketing, content marketing, marketing technology, search online optimization, email marketing, search and social ads and data management (Marketing Charts, 2018). These are detailed in the following paragraphs and an extended detail can be seen in Appendix C.

**Social media marketing.** This type of marketing has become the most popular form of digital marketing since its establishment. The most widely used forms of social media by marketing firms are social networks (e.g. Facebook), media sharing sites (e.g. YouTube), blogs (e.g. Blogger) and forums (e.g. Reddit) (Saravanakumar & SuganthaLakshmi, 2012).

**Content marketing.** As its name implies, the main intent of this marketing tactic is to provide customers with informative and detailed content. It aims to understand customers and provide them with useful information towards a product or service that they are looking for. This is important for collecting leads without losing the customers' interest (Paavola, 2017).

**Marketing technology.** Marketing has become a technology driven industry and it requires technological solutions designed and operated for its specific uses. As such, marketing technology focuses on working with software and data and using these for the improvement of digital marketing strategies. These improvements are done in the

development of new technical interfaces and the connection of IT and marketing, bringing a better understanding of the customer's needs and preferences (Brinker & Heller, 2015).

***Search Engine Optimization (SEO).*** This strategy is focused on improving the position of the company in the results of internet search engines (e.g. Google) to attract new visitors. This can turn new visitors into potential users or buyers (Sceulovs & Lorencs, 2017). As Google represents over 70% of the search engine market, SEO is primarily oriented towards it. Also, SEO requires a huge effort for the company to be fulfilled completely as it may require a complete rework of a website, its content and its interface (Arias, n.d.).

***Email marketing.*** Email remains to be one of the most available, versatile and far reaching digital mediums available and as such it is a valuable addition to the marketing strategy of many firms. In this context, email marketing can be defined as a method of sending a message with commercial purposes to a desired person or set of people. This person or set of people can be existing customers or potential ones (Tjepkema, n.d.).

***Search and social ads.*** These are advertisements present in search engines and social media which usually appear at the top of the results, at the sides in search engines, or with sponsored stories in social media. These ads can be shown as plain text, visually rich ads, announcements, or videos which aim to be interactive to attract more people (Givens, 2017).

***Data management.*** Data management in marketing aims to bring together all the data obtained from the market such as customer preferences or needs to attain better results in marketing strategies. This data will help marketers to analyze the market more efficiently as the planning of a marketing strategy is a huge investment for companies and their results must be satisfactory enough to justify the cost. Currently, this tactic has not been explored to its full potential since companies fail to centralize data. Having a master database with compiled data, limits the potential of this tactic (Benes, 2018).

**Measurements.** To measure the results of the digital marketing strategy, there are several Key Performance Indicators (KPI's) that are appropriate to quantify the market exposition, attraction, engagement, retainment and influence that the strategy has brought to the company and to a specific product or service. Some of these can be seen in Table 3.

Table 3

*KPIs for Digital Marketing*

KPI	Definition	Calculation
Unique viewers	Unique viewers which have visited the website in a chosen period.	Mostly calculated using a media consumption study or software.
Brand buzz	Measures the increase of the brand's internet penetration in a period.	Mostly calculated using a media consumption study or software.
Share of search	Quantifies the share of search in a specified platform.	Platform's search volume divided by the total search volume.
Online reach	Total consumers, out of the target audience, who have been reached.	Unique viewers divided by the online target audience.
Click through rate	Percentage of clicks out of the total ad impressions served.	Actual clicks divided by number of times the ad has been shown.
Bounce rate	Percentage of visitors who have left the website without interacting in it.	Actual website visits divided by actual clicks in the website.
Share of traffic	Quantifies the success of attracting broader audiences to the website.	Website traffic volume divided by the total traffic volume.
Page views per visit	Measures the level of interaction of a user per visit.	Total number of page views divided by total visits.
Average time of site	Quantifies the average time a user has spent interacting in the website.	Total time spent in the website divided by the total visits.
Frequency and regency	Quantifies the frequency of the website's visits and their regency.	Mostly calculated using a media consumption study or software.
Response rate	Percentage of user inquiries which have been answered by the site's staff.	Total inquiries divided by total answered inquiries.
Task completion rate	Number of times in which the visitor's needs have been satisfied.	Mostly calculated using a media consumption study or software.

Note. Source: Quevedo, Besquin & Read (2015).

**Importance and benefits.** The importance of digital marketing relies on the fact that the Internet has become a widespread service and it has become essential in the life of the common person. As part of this, marketing professionals must realize the benefit of reaching

a wider audience, in which traditional methods of communication are not as efficient as the internet. As a matter of fact, digital marketing has reinvented the whole concept of marketing, as it has become an industry of high innovation, creativeness and a builder of customer confidence and relationships (Cavanaugh, 2017).

Some of the benefits of digital marketing involve revenue generation, attendance growth, and the overall engagement of a client's brand experience. It also differs from traditional marketing by the fact that it offers a highly intuitive experience, offering more interaction with the customer, and the ability to go viral, which significantly increases its exposition, awareness and results. It offers 24/7 exposition, which is a benefit that traditional marketing cannot achieve (Yasmin, Tasneem and Fatema, 2015).

### **3.2.2 Price comparison websites (PCWs)**

**Definition.** According to Moraga-Gonzalez and Wildenbeest (2011), "comparison sites or shop-bots are electronic intermediaries that assist buyers when they search for product and price information in the internet" (p. 3). Likewise, these can also be defined as "a search engine, which people use to compare the prices of different products" (Research and Markets, 2018). Overall, these websites provide users with a great deal of information about different products, which allow users to compare characteristics such as price, quality, payment methods, etc. As a result, this reduces customers' research efforts to get the absolute best deal (Belleflamme, 2014). However, the focus of these websites is to lead the users to the cheapest and/or best fit possible in the market (Business.com, 2018). It is important to mention that price comparison websites also appear in the literature with other names: "comparison shopping website, price analysis tool, comparison shopping agent, shopbot, etc." (Research and Markets, 2018).

**Origins and evolution.** The appearance of PCWs is not recent, however over the years they have grown substantially in popularity, sophistication, and have diversified in new

industries and products. According to Moraga-Gonzalez and Wildenbeest (2011), the origins of PCWs date back to the late 1990s. One of these pioneers was WorldSpy, a startup that by 1999 offered the users the possibility to compare offers from 30 different suppliers in 12 different product categories (appliances, electronics, health & beauty, home store, etc.) and to purchase the products without having to pay a fee for their delivery. The creation of this PCW was motivated by the increasing popularity of internet browsing and the lack of confidence in salespeople (Saccomano, 1999). In this case, it is likely that many of the products in the mentioned categories have different features and they may not only be comparable on price, so some of these platforms are more like an e-commerce portal instead of a PCW. For this reason, the remaining literature review on this topic will focus on PCWs that compare products and services which are more homogeneous and thus lead the user to select the cheapest option available. The most popular segments in these kinds of PCWs are financial services, insurances (auto, home, travel, etc.), utilities (electricity, gas, etc.), mobile phones, internet, cable television, etc. (Research and Markets, 2018).

Additionally, it is worth mentioning that some PCWs are specialized in one or two of these segments, while others offer a wider range of segments and thus aggregate multiple categories for different user audiences. For example, Power Target is a PCW that is specialized in comparing electricity providers and plans in the U.S. that allow users to find, through a user-friendly interface, the plan that offers them the lowest monthly rate for their needs (Power Target, 2012). In contrast, MoneySupermarket is a U.K. based PCW, that started in 1999 as one of the first financial services PCWs, but now operates in most of the categories that were mentioned before (Fintechnews Switzerland, 2017; MoneySupermarket, n.d.; Robertshaw, 2012). For the insurance industry, Allset is a Canadian PCW firm that utilizes big data and advanced algorithms to compare several insurance products tailored to the final customer. Likewise, Rastreator is another example of a PCW that operates in many



categories in Spain: insurances, internet and mobile phones, finance, travels, automotive, and utilities (Rastreator, n.d.).

***Implications for businesses.*** To analyze the impact of PCWs on businesses, it is important to understand how the Internet and online marketing have shaped the way users get informed and acquire products or services, and how this affects businesses across different industries. According to Robertshaw (2012), there has been a correlation between the increasing number of users searching for products such as financial services, with the expenditure of companies in digital marketing. In fact, companies are looking forward to shifting their advertising spending from traditional media to online media channels, given that the increased internet penetration and use of smartphones allow them to engage a fast-growing audience of users, at a reduced cost and better measured metrics compared to traditional media. Furthermore, according to Bruce, Bondy, Street and Wilson (2009), companies need to tailor a multichannel marketing strategy to thrive in the current highly competitive business environment. Therefore, having presence in PCWs may represent an opportunity to achieve a successful multichannel strategy, having an increased visibility and attracting new customers (Research and Markets, 2018).

However, regardless of the inevitable growth of PCWs and the mentioned beneficial effects, the price pressures that these channels apply on the companies cannot be ruled out as a negative effect to consider. For example, the insurance industry is one of the industries that has been negatively affected by PCWs. Moreover, according to Robertshaw (2012), some insurance companies in the U.K have been reluctant to participate in PCWs because of four main identified negative effects: customer disloyalty, commoditization, lower profitability and inaccurate premiums. First, as PCWs attract more price sensitive customers, these will not hesitate to change to another insurance provider at the renewal stage if the customer can do so at a lower price. Second, increased competition on price leads to having less room to



differentiate on service and other value-added features from competitors, and thus PCWs are forcing the industry to commoditize and are empowering the customer. Third, lower profitability represents a critical issue, because it threatens the ability of the firm to thrive in the long term. Finally, the inaccurate premiums are an industry-specific characteristic that PCWs are affecting because, as insurance companies increasingly advertise in these kinds of channels, they start making assumptions (e.g. that all the customers purchasing a car insurance have a clear record), which may affect the customer experience once the issuer corrects the conditions (and price) of the insurance.

***Business model and keys for success.*** The business model of a PCW consists of managing an online platform (sometimes complemented by email and telephone support) in which users can compare the offerings of different service providers in different product categories, so that they can select the most convenient or cheapest option. Revenues come from the negotiated fees between the PCW and the service providers or users, and costs include marketing the platform and necessary overheads to maintain its operations (Expert Program Management, n.d.). There are three main variants in the revenue model that these platforms operate, depending on the agreements with their clients and users (Moraga-Gonzalez & Wildenbeest, 2011). First, the most common model is the one in which users have free access to the platform, whereas sellers are charged with a fee. Second, it is also possible to allow free access to both users and sellers and earn revenues through ads shown in the platform. Third, some PCWs charge the user a fee to access the platform. For example, AngiesList, which is a PCW that aggregates local service companies and charges an annual fee between \$10 and \$50. This third model is the least common and is usually associated with very specialized PCWs that mostly operate in niche markets (Uthup, n.d.).

According to Uthup (n.d.), a key aspect for the success of a PCW is to apply the correct monetization strategy at the correct moment. Applying these insights to the mentioned

variants of the business model, in the first model the fee applied to the seller can be either on a cost-per-click basis (depending on the number of clicks), a cost per lead (based on the number of contact requests), or a cost-per-acquisition (when a customer makes a purchase) commission scheme (Fintechnews Switzerland, 2017; Uthup, n.d.). A cost-per-click example, PriceGrabber charges fees that range from \$0.25 to \$1.05 for clothing and plasma televisions respectively (Moraga-Gonzalez & Wildenbeest, 2011). Regarding cost-per-acquisition, PCWs charge sellers between \$60-\$85 in the U.K. as a fee for converting a sale in the electricity and gas product category, and between 15%-25% of the purchase price in a hotel reservation (Ronayne, 2015). This revenue model can be complemented with other monetization strategies as advertising (banners, texts and displays) or charge extra fees to let a firm appear in the top picks of the PCW (Moraga-Gonzalez & Wildenbeest, 2011; Uthup, n.d.).

Another key for success in this business is advertising. According to Nielsen (as cited in Shearman, 2011), users of PCWs have become more sensible to changes in the advertisement of these sites. In fact, it was revealed that the correlation between higher ad spend and the growth of visitors, progressively grew from 54% in 2008 to 82% in 2010 for the four main PCWs in the U.K. Expensive TV ad campaigns have had a great impact on brand awareness over the last years (Wales Online, 2011). For example, GoCompare and MoneySupermarket, which are two of the largest PCWs in the U.K, spent £28 million and £21.6 million in 2010 respectively (Shearman, 2011; Wales Online, 2011). However, representatives of these companies assure that these campaigns have had a very positive result for increasing quote-volumes. For example, GoCompare revealed that their TV ad campaign featuring opera singer Gio Compario had a high return of +60% quote-volume and +450% increase in brand awareness in 18 months (Wales Online, 2011). Nonetheless, Shearman (2011) warned that visitor rates can drop easily whether PCWs decided to reduce

ad spending due to this high sensitivity to advertising.

Finally, another issue that PCWs should be aware of is some perceptions about transparency. On one hand, PCWs are criticized about sometimes providing inaccurate or lack of information about features other than the price. This may lead to customer dissatisfaction at claim stages because the customer is deciding only on price and it is not considering other important aspects of the product. For this reason, PCWs are increasingly considering more information other than prices and providing measures about the quality of the product, but there is still room for improvement (The Telegraph, 2018a). Additionally, more knowledgeable users are aware that some PCWs favor certain sellers with whom they have commercial agreements, so there is a sense of mistrust about PCWs that these businesses need to handle (The Telegraph, 2018a).

***Successful cases.*** PCWs have been game changers in the way users choose different services such as insurances, internet, and utilities. For this reason, they have been able to capture large audiences and become successful. The U.K. is where the PCW business started and where the largest PCWs operate, including: Confused, GoCompare, MoneySuperMarket, Compare the Market, and uSwitch (The Telegraph, 2018b). According to Cookson, Gray and Dunkley (2014), PCWs have been a very fast-growing market, which has now entered a mature stage, with annual growth rates around 4%, and large companies such as GoCompare leading the market and listing their shares in the stock market.

In Spain, a very successful PCW has been Rastreator, which currently has 45 product comparisons in six different categories (insurances, telephones, finance, automotive, utilities and travels) and since its launch in 2009, have had 11.8 million users and 30 million price comparison requests (Computing, 2017). A key factor to developing its business is that Rastreator is aware of the trends in the different industries and countries in which it operates. As a result, they know what challenges they must consider when attracting more customers,

and that is why they are continuously conducting market research to keep up with the trends. For example, regarding their recent launch in Mexico, they are aware of the low penetration of car insurance (a category in which they aim to grow) and thus they will develop a strategy to generate awareness about the importance of safety and having a car insurance, so that they get users to buy into the idea of acquiring them through their platform (Rastreator, n.d., 2018b). It is important to mention that there are many PCWs that have specialized in a certain product or service and have been successful with the strategy. For example, Trivago which specializes in aggregating offerings from diverse hotel booking platforms (The Telegraph, 2018b). This company has managed to position itself very well in that market and it has launched aggressive marketing campaigns in massive communication channels such as TV, which indicates the large budget that it manages.

### **3.2.3 Digital maturity in Peru**

*Concept and frameworks.* Internet usage has unlocked opportunities for existing and new businesses worldwide. The PCWs which were described previously are an example of this reality. However, it is important to acknowledge that there is heterogeneity in the access and use of the internet in different countries, so it is relevant to assess how digitally mature a country is, in these terms, when considering doing business in a digital environment.

There are two models which are helpful to address this issue, because they outline the process to become a mature digital user. On one hand, Rajaretnam and Sheth (2018) proposed a four-stage model that depicts the process of adoption of online buying. This process starts with basic use of the internet. Then follows an information seeking and evaluation stage, in which the user is still considering the trade-offs between buying online or offline. Next comes an online buying stage, in which the user acquires a product online for the first time. Finally, there is an influencing and information sharing stage in which the user not only buys online, but it also shares information with other users about these buying experiences.

On the other hand, Roy and Ghose (2006) proposed a three-stage model that explains how an internet non-user (INU), becomes an internet user (IU), and then an online buyer (OB). This conceptual framework recognizes that there are five factors that influence the process of internet adoption through the different stages: innovativeness (which refers to the curiosity of users to compare prices and analyzing the trade-offs between buying online and offline, as in the second stage of the previous framework), demographics, having a computer at home, purpose of internet use and online trust.

Based on these frameworks, the assessment of the digital maturity of Peru will focus on determining the level of access to internet (based on internet penetration and the ownership of a device such as having a computer at home), the behavior of the online user (based on demographics, the purpose of internet use, and online buying), and it will address online trust. Additionally, this assessment will present the main challenges in relation to achieving further digital maturity in the country.

***Access to internet.*** Peru has a population of approximately 32.5 million, of which 22 million people have access to the internet (Internet World Stats, 2017). Table 4 shows the internet penetration and users in South America, in which it can be noticed that Peru ranks fourth in Internet users, but it is slightly low in internet penetration compared to the average of South America. Therefore, there is potential for continued growth and becoming a more digitally mature market.

Regarding the ownership of a computer at home, according to INEI (2016), 31.7% of households have at least one computer, of which 76% have access to internet. However, most of the users navigate the internet on their mobile phones. In fact, three out of every ten internet users in Peru access it exclusively on their mobile phones (INEI, as cited in Medina, 2017). For this reason, it is important to consider not only the number of households with a

computer, but also the penetration of mobile phones, which in the case of Peru is 130%; that is 40 million mobile phones (OSIPTTEL, 2018a).

Table 4

*Internet Penetration and Usage in South America*

Country	Population	Internet Usage	% Internet penetration
Brazil	210,867,954	149,057,635	70.7%
Argentina	44,688,864	41,586,960	93.1%
Colombia	49,464,683	31,275,567	63.2%
Peru	32,551,815	22,000,000	67.6%
Venezuela	32,381,221	17,178,743	53.1%
Chile	18,197,209	14,108,392	77.5%
Ecuador	16,863,425	13,476,687	79.9%
Bolivia	11,215,674	7,570,580	67.5%
Paraguay	6,896,908	6,177,748	89.6%
Uruguay	3,469,551	3,059,727	88.2%
Guyana	782,225	395,007	50.5%
Suriname	568,301	340,000	59.8%
French Guiana	289,763	120,000	41.4%
Falkland Islands	2,922	2,900	99.2%
Average	30,588,608	21,882,139	71.5%

Note. Source: Internet World Stats (2017).

**Behavior of the online user.** Regarding the different group ages, the groups between 19 and 24 years old and between 12 and 18 years old are the most active ones in using the internet, with 72.1% and 66.5%, respectively (INEI, 2016). The group of people between 25 and 40 years old showed a 47.1% (INEI, 2016). By gender, INEI (2016) revealed that in Peruvian homes, men use the internet more than women, with a gap of 5.2 percentage points.

Regarding the pattern of use of the internet, 69.6% of the users access the internet daily, while 27.2% access it only once a week (INEI, as cited in Medina, 2017). As a means of entertainment, such as reading the news, downloading music and gaming, 82.5% of men use it for this purpose, while 89% of men use it for seeking a job (INEI, as cited in Medina,



2017). When it comes to women, this figure changes, with 77% of them using it for entertainment purposes and 87.3% to seek a job (INEI, as cited in Medina, 2017).

E-commerce is still in a nascent stage in Latin America, with only 12% of users buying online. However, there is a huge potential to grow (Nielsen, 2016). In Peru, only 11% of users buy online to get the products delivered at home, the same percentage of users currently use a virtual supermarket, and 13% buy online and pick the products up at a store. However, between 68% to 72% of users are considering using any of these modalities (Nielsen, 2016). It is important to remark, that online sales surpassed 2,800 million USD in Peru in 2016, and it is expected the future e-commerce growth will be driven more by purchases using smartphones compared to desktops (Cáceda, as cited in El Economista América, 2017). The best performing e-commerce category in Peru in terms of revenue was consumer electronics, followed by apparel and footwear, which is not only the second best performing in revenue, but it is also the fastest growing category (Euromonitor, 2018).

**Online trust.** According to Chakravorti and Chaturvedi (2017), trust is fundamental, because it is the factor that moves a user to online buying. As a result, they proposed a framework to analyze this variable in four dimensions: attitudes, behavior, environment, and experience. In this regard, Latin-American countries (in particular Chile, Colombia and Peru) rank low compared to other countries in the world, especially in the attitudes dimension (Chakravorti & Chaturvedi, 2017), which explains why the percentage of online buyers is still low in the region (Nielsen, 2016). However, in the case of Peru, it is interesting to see how, despite ranking lower in behavior (or consumption), there is an overall higher level of digital trust environment and experience (Chakravorti & Chaturvedi, 2017). A reflection about this is that even though there is still a low proportion of Peruvian users buying online, once they do, they are satisfied with their experience and become more attracted to e-commerce.



**Challenges.** In Peru, as well as in other Latin American countries, there are still many challenges ahead for the development of e-commerce, especially because of three factors: market fragmentation, online payment, and logistics (Euromonitor, 2018). First, as a growing market, there still has not been a consolidation of players through mergers and acquisitions. Second, there is still a low penetration of credit cards and low trust in online transactions, so most of the transactions done in the market are done offline in cash. Third, logistics is also a challenge based on geographic dimensions, the situation of infrastructure in the country, and the quality of the delivery services, in which there is a lack of tracking capabilities.

Finally, another challenge for achieving a higher level of digital maturity is the existing digital inequality or digital divide in the country. For example, in the rural areas of Lima, only 1.4% of homes have access to the internet and then only 60% of the provincial capitals have high-speed internet (Gonzalez, 2016).

### **3.2.4 Product-Market Diversification**

**Definition.** Diversification explains the span of a firm's business and involves expanding business opportunities either through entering new markets or via additional products as outlined by Ansoff's product-market strategy matrix (Sun & Govind, 2017; Ansoff, 1957). The strategy used is largely dependent on the industry of operation and the ultimate goals of the firm. Diversification of a product can include improving the functionality of an existing product, altering it, or changes in the marketing strategies (i.e. product, price, place, and promotion). The four strategies are: market penetration, market development, product development, and diversification. Market penetration is selling current products/services to the existing market. Market development attempts to sell its current product (potentially with some alterations to product characteristics) to a new market. Product development is operating in the same market but making modifications to the product. And diversification involves departing from both the current product and market

(Ansoff, 1957). For Agencia B12, the opportunity of the Comparatodo tool is market development as they are using an existing tool, with some adjustments, to reach new markets.

**Types of Diversification.** There are two types of diversification as defined and outlined by Qian (1997): related and unrelated. Related diversification involves diversifying within an industry and unrelated diversification diversifies across industries. Diversification is generally used to make improvements in the business, and typically provide benefits to the firm in its unique way. Qian's (1997) research explained the global diversification is essentially an indicator of the level of internationalization in a firm's operations. The study goes on to explain that there are benefits to diversification, including: "using firm-specific know-how to penetrate prospective foreign markets" (p. 144), increase a firm's co-ordination of different activities in different regions, and achieving economies of scale, scope, and experience.

**Diversification Theories.** Montgomery (1985) explains that the general belief behind diversification is that, the more diversified firm achieves greater market power than the less diversified firm. The rationale is that market power is the ability to influence the price, quality, and nature of the product being sold in the marketplace, and therefore, diversification presents the opportunity for predatory pricing. However, there are arguments against this theory, with Montgomery (1985) continuing to explain that the power a firm has in a market is also dependent on the skill required to gain control in that market. Other issues outlined include: geographic distance from core markets, generalized management skill, lack of commitment of corporate resources which can hinder the ability for a firm to capture critical competitive positions.

**Globalization.** As mentioned above, diversification is chosen for different reasons, depending on the goals of the firm and its overall situation. Tianjiao (2014) explains that diversification is one of the most commonly used strategies "for opening new markets and

gaining market shares in a turbulent and competitive global marketplace” (p. 86). The rampant globalization of markets leaves firms with the obvious strategy to diversify and expand globally. Tianjiao’s (2014) research hypothesizes and concludes that the four cultural dimensions have a significant effect on product diversification and that economic and social globalization positively affect the relationship between product diversification and market value of large international firms. The study finds that countries which are characterized by cultures with high uncertainty avoidance and low power distance possess higher product diversification, and in turn positively impacts a firm’s market value. Additionally, the research by Bowen, Baker, & Powell (2015), found that managers agree with the sentiment that “foreign competition motivates managers to pursue greater international and product market diversification” (p. 37).

### **3.2.5 Intrapreneurship**

*Definition.* The concept of Intrapreneurship and its effects on organizations is well defined and acknowledged by academia. Often described as corporate entrepreneurship or corporate venturing, Parker (2011) defines it as the practice of developing a new venture within an existing organization to exploit a new opportunity and create economic value. Although intrapreneurship and entrepreneurship share similar values, such as creating economic or social worth, the former is entirely developed and operated inside an existing organization. It is considered an important tool for increasing a firm’s competitiveness (Ağca, Topal, & Kaya, 2012), as well as a driver of growth, profitability, and in some cases, survival (Antonicic, 2007). Miller (1983) defines intrapreneurship in three dimensions: innovation, pro-activeness and risk taking. Although these three dimensions integrate various views on intrapreneurship, they do not take into consideration the effect of management (employees & processes) in the success of intrapreneurial activities (Haase, Franco, & Félix, 2015).

***Key aspects of successful intrapreneurship & intrapreneurial failure.*** The relationship between successful intrapreneurial activity and management is defined by Goosen *et al.* (2002) in the following dimensions: management style and orientation, transparent communication and easy exchange of ideas, environment open to change, learning and new ideas, informal organizational structure with reduced hierarchical levels, strategy directed towards long term actions, and organizational systems and practices that encourage creativity and innovation. Integrating these dimensions have a direct impact on the continuity and success of intrapreneurial activities in firms, thus, driving economic performance. In the study conducted by Felicio, Rodrigues and Caldeirinha (2012), it was confirmed that this multidimensional structure of intrapreneurship affects the performance of firms. Particularly, in firms that are proactive in recognizing and encouraging intrapreneurial activities, which directly affects the long-term development and growth of companies.

The experiment conducted by Haase, Franco and Felix (2015) suggests that autonomy and empowerment of employees is a key element for encouraging intrapreneurship, thus, driving performance. When employees feel valued, ideas tend to flow easier throughout the firm's decision process and can be implemented more rapidly. All three companies that participated in the experiment were from distinct industries and location, however, they all agreed on the value of empowerment to motivate intrapreneurs within their organizations. Firms aiming to adopt a culture of intrapreneurship should transmit transparency and provide employees with the appropriate tools to carry on with their projects. Overall, the study suggests that the internal environment of a firm has a direct impact on the intrapreneurial activities and their likelihood of succeeding. Regarding failure of intrapreneurial activities, Turro, Alvarez and Urbano (2016) suggest that opportunity recognition, social capital, fear of failure, and education have a direct impact on intrapreneurial failure. By recognizing the

common traits of intrapreneurial activities, managers can tailor their approach and develop policies that support such behavior.

### **3.3 Conclusions on literature review**

Throughout this chapter, several key terms and concepts have been introduced and discussed. First, the topic on digital marketing was presented primarily for the team to gain a better understanding about the terminology related to the industry in which the client operates, which is a relevant aspect for the development of the present project. Then, the focus was set on price comparison websites (PCWs), digital maturity in Peru, product market diversification and intrapreneurship. In conclusion, PCWs can be defined as a business model that have been operating since the late 1990s which allow consumers to find the best (usually the cheapest) option for a specific product in the market. Particularly, this model started in the UK in 1999 with a PCW that compared financial products and insurances. These platforms have shaped several industries because of the pressure it places on price. The main insights gained about these platforms are the different revenue models that are possible to adopt in this business (in which cost-per-click and cost-per-acquisition are the most widespread), the importance of advertisement and transparency as other success factors, the identification of existing and successful PCWs that currently operate in the market (for example the main PCWs in the UK and Rastreator in Spain), and finally the importance of studying well the sectors and country specifics when addressing the market.

Digital maturity in Peru was analyzed based on two frameworks that consider different stages that users go through from having access to the digital environment to finally becoming an active online purchasing user. First, given that current internet penetration is low, there is still room to grow compared to other countries in Latin America that are more digitally mature. Regarding online purchasing, not only Peru but the Latin American region is in a nascent stage. However, the growth of e-commerce in Peru is accelerating, primarily in

consumer goods, apparel and footwear. Online trust was also assessed, and it is possible to conclude that even though trust levels are still low in Peru, the experience in digital environments is higher compared to other countries. The main challenges in the development of e-commerce are market fragmentation, online payments and logistics.

The concept of product-market diversification was discussed as a generally positive strategy and one that is increasingly being used on a global scale. Diversification provides firms with several benefits, such as increasing access to distant markets. However, it is important to highlight that these benefits vary by the nature of the firm and its constraints. Because of the constraints of a firm or market forces, the potential issues of diversification can be exaggerated and have adverse effects on a given firm. Regardless of whichever strategy a firm chooses, they must conduct adequate market research of the new region they will be entering, consumption patterns, and competition.

The literature review has highlighted the concept of Intrapreneurship and its definition, the key aspects of successful intrapreneurship and intrapreneurial failures. Overall, intrapreneurship success is heavily connected to managerial effectiveness and the capacity to integrate an entrepreneurial spirit in an organization. Firms aiming to benefit from the advantages of intrapreneurial activity must look inwards and transmit transparency and provide employees with the appropriate supporting environment.



## Chapter IV: Qualitative / Quantitative Analysis

Based on the information shared with Agencia B12 and the literature review, Comparatodo resembles the PCWs that started in the UK, which allow users to compare the price and characteristics of massive industries with standardized products such as: telecommunications, insurances, financial services, utilities and travels. In this case, the analysis will focus on the first three industries. The main issue with utilities is that in Peru, each geographical area has usually one electricity provider and a water supplier, so this industry is not attractive to include in a comparison tool. Regarding the travel industry, as learned in the literature review, there are already specialized platforms that provide comparisons in the travel industry (hotels, flights, etc.), such as the case of Trivago, which operates worldwide. Therefore, competing with large, well-positioned and specialized firms that manage large marketing budgets reduces the attractiveness of considering this industry.

In this chapter, an overview of the three selected industries is presented, followed by a qualitative and a quantitative analysis section. The qualitative analysis section includes an analysis of competitors, the description and analysis of the sales process of the products in the key industries, and an analysis of the internal capabilities of the firm to take advantage of this business opportunity. Then, the quantitative analysis is centered on the market size and pricing points of the main products in the three industries. Both qualitative and quantitative insights will be valuable to determine the alternatives available for Agencia B12 from which to select the proposed strategy to implement for Comparatodo.

**Telecommunications.** For this report, the telecommunications services industry is formed by mobile subscriptions, fixed lines (telephone), home internet, and cable television. The overall telecommunications industry is a large contributor to Peru's GDP, increasing from 1.6% in 1994 to 4.9% in 2017 (Schwarz, 2018). However, the most significant and fastest growing product is the mobile subscription. Similarly to other industries in Peru, the



wireless industry has been steadily modernized via a series of privatizations. In 1994, the national Peruvian Telephone Company was acquired by Telefónica from Spain, a firm that has experienced substantial growth in the region in the past decade (Export Gov, 2017). Nowadays, the telecommunications industry in Peru, particularly the wireless services, is dominated by very few players (Movistar Peru, Claro Peru, Entel Peru and Bitel Peru), and customers often lack brand loyalty. Firms competing in the industry need to strategically position themselves to gain and retain market share. Competition is followed by price-wars given the low-complexity of purchasing products and services, and customers often choose their provider based on the cheapest option available. The firms dominating the Peruvian wireless service industry compete in a heavily regulated industry (OSIPTEL as the main regulator) with significant barriers for new entrants, such as high-initial investment given Peru's large geographical area and population distribution. The industry does not experience large elasticity as substitutes for wireless services do not offer the same experience, nor comparable services. Brand loyalty also plays a role in such price-sensitive market. As customers look for the absolute best deal available among all competitors, brand loyalty decreases, and customers gain more power over existing contracts (i.e. negotiating prices, number of minutes, etc.). Customer power increases as the price for switching from one carrier to another is minimal. In Peru, wireless service providers are banned from selling locked mobile phones since 2015 (MarketLine, 2017). Additionally, customers can simply port their numbers from one carrier to another, minimizing even more the complexity of switching carriers. Given the high and yet increasing power of customers in the wireless services industry, firms need to differentiate themselves not only on price, but quality, reliability, functionality and ability to integrate value-added solutions to existing and potential customers. However, given the dominance by very few large players offering the same level of wireless speed and quality, price and other value-added services are the two

most-important differentiators for firms in the industry. These value-added services can combine several products, such as subscription television, home-internet and fixed landline. Lastly, given the consistent demand for reliable communication and mass popularization of mobile phones, the industry tends to remain stable with an increasing market penetration.

***Insurances.*** The insurance market in Peru is dominated by the following services: life, health, vehicular, educational, work, and other smaller insurance types. The life insurance industry caters to the need of protecting people that depend on a person who is economically active in case of death. The health insurance industry is focused on giving immediate medical assistance along with the cost of medicines or procedures that may be needed in case of accidents or sickness. Same as the health industry, the vehicular insurance industry looks to help people only when they have accidents in vehicles and these are mandatory in Peru. The educational insurance industry caters to students if they have accidents in the education facilities, if their main benefactors die, or are incapable of paying their tuitions. The work insurances are mandatory in Peru, and they are mostly limited to people that work in dangerous conditions in industries such as construction or mining. At last, the other group of insurances that will be analyzed in this paper are the retirement, personal protection, theft, and burial insurances (Superintendencia de Banca, Seguros y AFP, n.d.).

The life and health insurance industry in Peru is dominated by two major players: Pacifico Vida and Rimac (both Peruvian companies) which amount for over 75% of the market. The current market has been in a continuously changing period since 1991 with the introduction of new national companies and international conglomerates.

Vehicular insurances are usually the most marketed and the best-selling ones as they are mandatory in the country. As such, every vehicle is prohibited to be driven if they do not have a Seguro Obligatorio de Accidentes de Tránsito (SOAT) according to the General Law of Land Transit and Transport. They are used to cover any accident in which the vehicle or

driver is involved, and which may trigger unfortunate events such as death, disabilities or property destruction. Also, apart from SOATs, there are the traditional vehicular insurances, which have more benefits but are usually more expensive (Gobierno del Perú, 2018).

The educational and work insurances are mostly focused on incidents that occur in educational or work centers. In the case of educational insurances, these cover the student or their benefactors in any way which results in the student not continuing their studies. In contrast, work insurances are used to cover the employees' wellbeing in the activities they may be subject to completing in their workplace (La República, 2018).

**Financial services.** The financial sector in Peru is composed by 54 institutions classified in five groups according to the SBS (2018): 16 banks, 11 financial entities, 12 municipal savings and credit unions, 6 rural savings and credit unions, and 9 EDPYMES (Entidades de Desarrollo de la Pequeña y Microempresa). Altogether, these institutions have S/. 412,841 million in total assets, S/. 279,960 million in credits and S/. 255,986 million in deposits, from which banks account for 89.9%, 87.7%, and 89.6%, respectively (SBS, n.d.).

In credits, the sector has grown 8.5% between April 2017 and April 2018, compared to the previous period (April 2016 and April 2017), in which credits only grew by 4.1% (SBS, 2018). Credits to corporations, medium companies, and large companies accounted for over 50% of the total credits, however, consumption or personal credits and mortgages showed the highest growth (close to 12% and over 8%, respectively) (SBS, 2018). In deposits, the sector also grew faster than the previous period: 6.9% between April 2017 and April 2018, compared to 4% between April 2016 and April 2017 (SBS, 2018). It is important to mention that a current trend in the Peruvian financial sector is de-dollarization. The credits and deposits in USD have been reduced to 28.7% and 35.7%, respectively (SBS, 2018).

Financial inclusion remains as one of the main challenges for this sector, considering that only 43% of the adult population in Peru has at least one bank account (roughly 8.8

million people), compared to other countries in the region which has penetration rates as high as 74% (Chile) (Villalobos, 2018). This is explained by the high level of informality, which results in a high use of cash in day-to-day transactions (90%), and the low level of financial education in the country (Morisaki, as cited in Villalobos, 2018). However, there has been a remarkable progress in financial inclusion over the last three years, considering that in 2014, people with at least one bank account accounted for only 29% of the adult population, and this trend is expected to continue (Villalobos, 2018). Improvements in the infrastructure of the financial sector have been a main highlight in this process, as clients have now access to over 4,500 branches, 9,000 ATMs, 45,000 agents, and online channels (SBS, 2017).

According to “Superintendencia de Banca, Seguros y AFPs” (SBS, 2017), there are 6.7 million people in Peru with liabilities in the financial sector (32.62% of the adult population), and there are 57.5 million personal deposits (either bank accounts or other kind of deposits), which means that there is an average of 2.8 deposits per person considering only adult population. Regarding credit cards, these have a 15% penetration in the adult population (SBS, 2017). In the case of Lima, 3.5 million people between the ages of 18 and 70 years old have access to banking services (IPSOS, 2016).

The growth of the financial sector has been influenced by major changes in the banking industry in Peru, particularly in personal or retail banking (Gestión, 2014). Over the last 15 years, the main improvements in banking have been made in the following aspects: a more accurate market segmentation, the reduction of loans delinquency rate from 8.33% to 2.14%, improvement of the products and services offered, increase of online transactions, and a wider and better infrastructure for their clients (Gestión, 2014). Table 5 shows the latest results of market share in the Peruvian banking system.

Table 5

*Peruvian Banking System's Market Share*

Ranking	Bank	% market share (deposits)	% market share (credits)
1	B. de Crédito del Perú	33.1	33.2
2	B. Continental	21.3	21.3
3	Scotiabank Perú	14.6	16.9
4	Interbank	13.2	11.4
5	B. Interamericano de Finanzas	3.9	3.8
6	Mibanco	3.2	3.8
7	B. Financiero	2.5	2.6
8	Citibank	1.9	0.8
9	B. GNB	1.9	1.6
10	B. Santander Perú	1.5	1.2
11	B. Falabella Perú	1.2	1.4
12	B. de Comercio	0.6	0.6
13	B. Ripley	0.6	0.8
14	B. Cencosud	0.2	0.3
15	B. ICBC	0.2	0.1
16	B. Azteca Perú	0.2	0.2

*Note.* Source: SBS (n.d.).

## 4.1 Qualitative Analysis

### 4.1.1 Competitors in Peru

The competitors in the Peruvian market will be analyzed depending on the nature of their impact on Comparatodo. For this, the direct and indirect competitors will be studied along with Comparatodo's main rival in Spain, Rastreator. Indirect competitors are the businesses who offer various types of services that are not the same as Comparatodo but can cater to and satisfy the same consumer needs (BusinessDictionary, n.d.). It is important to highlight that although Rastreator is not in Peru, the analysis of this firm was specifically requested by the client.

#### 4.1.1.1 Direct competitors

After eight years of operations, Comparabien remains as the only PCW in Peru (Albarracín, 2014). This startup was founded by Alfredo Ramírez who, after launching the

first pilot project in 2010 and operating in the Peruvian market for two years, decided to expand the business to other Latin American countries, starting with Colombia in 2012 (Albarracín, 2012). The platform currently operates in Peru, Colombia, Chile, Argentina, Brazil, and Panamá, and it has almost reached 11.5 million users who have compared products on it (Albarracín, 2014; Broseta, 2016; Comparabien.com, n.d.).

**Industries and products.** In Peru, the platform allows to compare 20 types of products in three different industries: telecommunications, insurances and financial services (Comparabien.com, n.d.). All these products are characterized for being massive, intangible (considering that all of them are services), and commoditized (they have very homogeneous characteristics). According to Alfredo Ramírez (as cited in Broseta, 2016), the most popular products among the users of Comparabien are credit cards, personal loans, fixed term deposits, and car insurances (including SOAT). As seen in Figure 4, the products that are offered in Comparatodo are the following: credit cards, personal loans, SOAT, vehicular insurances, term deposits, vehicular credits, mortgage credits, and home insurances.

Savings	Cards	Loans	Insurances	Communications
<ul style="list-style-type: none"> <li>• Savings accounts</li> <li>• Salary accounts</li> <li>• CTS</li> <li>• Fixed term deposits</li> <li>• Deposits for retirement pensions</li> <li>• AFPs</li> <li>• Mutual funds</li> </ul>	<ul style="list-style-type: none"> <li>• Credit cards</li> </ul>	<ul style="list-style-type: none"> <li>• Personal loans</li> <li>• Fast loans</li> <li>• Car loans</li> <li>• Mortgages</li> <li>• Collective funds</li> </ul>	<ul style="list-style-type: none"> <li>• SOAT</li> <li>• Vehicular insurances</li> <li>• Home insurances</li> <li>• Oncologic insurances</li> </ul>	<ul style="list-style-type: none"> <li>• Internet</li> <li>• Cable TV</li> <li>• Service packages</li> </ul>

*Figure 4.* Services offered in Comparabien.

Adapted from Comparabien (n.d.). Comparabien.com. Retrieved from <https://comparabien.com.pe>



**Business model.** The business model of Comparabien is based on the U.K.'s PCWs (Albarracín, 2014), which were introduced as successful cases of PCWs in the third chapter of this report. The revenue model considers two sources of revenue: fees for referring customers, and advertising (Broseta, 2016). The first source is primarily based on lead generation (cost-per-lead), but commission on sales (cost-per-acquisition) is also applicable with the banks, for some products (Broseta, 2016; Mujica, 2015). The second source is based on the advertisement displayed in the banners of the website and on branding (Broseta, 2016). The main banners of the website are located at the top (next to the logo of Comparabien) and another one on the right side (Comparabien.com, n.d.). Users can access the platform and compare products free of charge (Broseta, 2016).

Another important aspect of the business model are the terms and conditions of use, which can be divided for companies and those for users. On one hand, the terms and conditions with the companies refer to the agreed fees which are charged based on the leads generated for them; for these purposes Comparabien signs a contract with each one of the companies that are listed in the platform. It is important to mention that Comparabien has still not signed a contract with every single listed company (this is a major objective for the firm), however they include them all anyway because it is important that the users have all the information available to compare (Broseta, 2016). Regarding this aspect, the telecommunications industry has not yet been fully exploited by Comparabien, and regarding the other two industries, the insurance industry is the focus of the firm at this moment. On the other hand, the terms and conditions with the users allow Comparabien to have the consent of users for the treatment and transfer of personal information to third parties such as the companies in which the user is interested in acquiring a product (Comparabien, n.d.).

Technology is also a major aspect for Comparabien. According to Ramirez (as cited in Jara, Montoro & Rivera, 2017), the inhouse development of the platform was a key for



success as it provided flexibility, independence, and reduced costs, as it did not require outsourced developers.

**Look and feel.** Comparabien uses a combination of bright and light colors in its website. Headings and buttons are either bright blue or green, which match the colors of the company's logo, while the background colors range from white to gray (Comparabien, n.d.). The heading that includes the different categories and products is always available so that the user can select and compare any product he or she wants to compare. The home page shows eight featured products: credit cards, personal loans, SOAT, car insurances, fixed term deposits, car loans, mortgages, and home insurances. Upon clicking on one product, the user is directed to a dashboard that includes the main parameters that can be defined for the selected product and a small formulary for the user to complete with his or her ID and email (Comparabien, n.d.). Table D1 shows the parameters that the users can change to refine the result of the comparison.

Once the search is refined by the parameters, the results are displayed to the user, one under each other and the main information about the product is shown in six columns: name of the product and company, price (or interest rate), benefits (for example loyalty programs, discounts, etc.), associated costs, requirements, and a last column with two buttons (one to get more information and the other one to request the product) (Comparabien.com., n.d.). Appendices E and F show screenshots of the homepage and a sample of the parameters to refine a search, respectively.

**Additional content.** The website of Comparabien does not only provide the users the possibility to compare characteristics of different products. It also provides additional information with the objective of generating more traffic, appearing in the top picks in Google searches (SEO) and providing useful information to the users. Based on the observation of Comparabien.com (n.d.), the additional information or content can be grouped

into four categories: guides on how to use Comparabien, information about the products (for example what is a credit card, what characteristics it has, etc.), information about the importance of having one or another product (for example why is it important to have a car insurance), and recommendations on how to take advantage of a specific product (for example tips on how to save money using fixed term deposits).

**Channels.** The main channel of Comparabien is the PCW itself, which contains all the features listed before. In 2017, the company also developed a mobile application for Android and iOS in which users can register and use the tool from their smartphones. The mobile application contains the same features as the website, however, there is an additional product category which allows the user to compare gas prices at different gas stations in the country. Even though having this option does not provide Comparabien with any revenue, it is useful to engage the users with the platform and encourage them to use it, therefore generating more traffic for the platform and increasing brand loyalty/awareness.

Regarding social media, the company has a Facebook and Twitter account, which are used for two purposes. First, they engage their audience and generate a sense of community by using organic posts with information on the additional content mentioned before. Second, they advertise in these social media platforms to generate more traffic for the PCW.

Additionally, Comparabien has recently launched its own chatbot on Facebook, which allows users to interact with an artificial intelligence robot that can provide advice and help the user to find the desired product (Comparabien, 2018). It is important to mention that Comparabien does not have an Instagram account and the company does not advertise in other channels such as television, billboards, etc. (in contrast to what PCW in other parts of the world do, for example in the UK).

#### 4.1.1.2 Indirect competitors

In the Peruvian market, there are firms such as Tasatop and Segurosimple who use similar methodologies to give the customers the best options available regarding interest rates or insurance fees. Also, there are some tools used by governmental entities such as OSIPTEL with Comparatel, which compares the fees charged by telecommunication companies (OSIPTEL, 2015). Also, another tool is the comparison tool by the SBS that compares financial products by their commissions, profitability and the cost of those (Superintendencia de Banca, Seguros y AFP, n.d.).

**Tasatop.** This is a Peruvian startup that aims to connect people who are looking for the best option for their savings with financial entities (Tasatop, 2018). In contrast with Comparatodo, this platform does not compare any interest rates or financial options for the customers as they only give them the best option that the financial institutions can provide. This is done through an auction, as the user submits all the information regarding the financial product they want such as currency, amount, terms, and their preferred financial entities. After this, in a standard time (from 16:30 to 17:00 GMT-5), the auction takes place and as soon as it is over the customer will see the best offer they can get and decide if they accept it or not. As of now, Tasatop only works with small financial Peruvian firms but this is mainly because it only started in 2016, however, their operations are expected to continue growing (Villalobos, 2017).

The homepage of Tasatop is showed in Appendix G. As it is seen, the design is minimal, and it goes straight to the point as the user must only select the product they want and follow the steps that will be shown as soon as the product is selected.

Even though Tasatop has a different method than Comparatodo, this tool has the main advantage of being able to bring lower rates as the financial entities make their offers based on the customer's value. Also, as Tasatop works with some of the products that Comparatodo

will use, it can become a big competitor if they manage to give lower rates than the ones that will be offered by Comparatodo. At last, Tasatop only works as a tool that connects people with financial entities and money is not moved through their platform, which is a similar methodology applied by Comparatodo.

***Segurosimple.*** This is a Peruvian comparison tool founded in 2013 with the main purpose of establishing itself as the first digital insurance broker in the country. As part of this, they have formed alliances with some of the biggest insurance companies such as Rimac, Pacifico, MAPFRE and La Positiva (Segurosimple, n.d.). To use this platform, the users fill their data in the website's form and provide consent as insurance companies will use this to contact them as soon as the data is processed. After this, an adviser contacts the customers to give them more information about the best insurance products that fits their needs. This will be the process for all the insurance companies that the customer has selected in their form as all of them will contact the customer to offer their products. Then, the customer selects the products that is best for their needs and pay the insurance, which is done directly, with no intervention of Segurosimple (Segurosimple, n.d.).

The homepage of Segurosimple is showed in Appendix H. As it is seen, the design is different from Tasatop as it shows the filling form immediately, to engage new users. Also, the interface is dynamic, and it has an option to receive notifications via email which highly increases the marketing reach of the product, as it maintains a communication channel with the customer.

Segurosimple can become a main competitor for Comparatodo if they look for diversification in their offerings as Comparatodo aims to not only work with insurances but with many products that are analyzed in this report. It should also be considered that they can become a main competitor if the Comparatodo decides to focus in insurance products. Also, Segurosimple can be a setback for Comparatodo as it already has a presence in the market for

5 years and its easiness to use may have become an industry benchmark. As such, Comparatodo should also have an easy-to-follow interface to follow Segurosimple's success.

**Comparatel.** Comparatel is a tool designed by OSIPTEL to bring customers more detailed information about the products offered by telecommunication companies. As all the telecommunication companies offer over 1400 plans in their services or products, this may become too troublesome for the average person, and Comparatel serves the needs of the customers to be more informed about their savings in telecommunication services (OSIPTEL, 2016). This tool currently works with mobile subscription plans, home telephone, cable television and home Internet. It also has the functionality of mixing the plans in products named "duo" (two services) and "trio" (three services) which are some of the most common purchased telecommunication services in Peru (OSIPTEL, 2015).

The homepage of Comparatel is showed in Appendix I. As seen, the design is similar to Segurosimple as the main instructions are easily seen by the customer. Also, it has dynamic buttons which showcase the four main services that are offered in the tool. In addition, it has an option to filter the plans according to the wishes and needs of the customer.

Comparatel is not a for profit tool as it is a government service and its main purpose is to give more information to the average customer. As such, it may represent a threat to Comparatodo as it covers the telecommunication services. In addition, it may have a bigger reach in the population as it can be advertised in other public entities apart from OSIPTEL.

**SBS Comparison tool.** This tool, designed by the SBS, gives the users information about interest rates, profitability and costs for different financial products. The products that can be chosen in this tool are the following: insurances, sanctions, claims, commissions, and transferences (Superintendencia de Banca y Seguros, n.d.). This variety of options is because the SBS supervises all the banks and insurance companies in Peru, so they have all the information about their products and services. As such, the main objective of this tool is to

become a platform of financial knowledge for the Peruvian population and teach them to select the best financial product for their needs (Semana Económica, 2015).

The homepage of the SBS comparison tool is showed in Appendix J. As seen, the design is cumbersome as it fills the whole interface with text, with each button that represents financial products having a definition and offering an external link to follow. Part of this complex interface is the fact that this comparison tool offers the option to compare insurances, sanctions, claims and pensions. As such, it lacks a standard interface that may help this tool become more widely accepted in the market. In addition, this tool is not optimized for mobile devices, as the screen fits the device only in some cases.

As this tool can compare a wide variety of products, it may pose a threat for Comparatodo as many of these products could also be found in the platform. Still, the fact that this tool does not have a friendly interface can help Comparatodo have a more widespread use as it aims to be easy to use and follow for new customers. At last, it may be helpful to analyze if all or some of these products are used in a massive scale as these are the products or services that would potentially be compared through Comparatodo.

#### **4.1.1.3 Other benchmarks**

**Rastreator.** This is a PCW with market presence in Spain and Mexico. The firm was founded and it is operated by the Admiral Group (75% ownership), a British firm with five insurances and four price comparison operations in five countries. It has over 5 million customers and employs almost 9,000 staff (Admiral Group, 2016). The development of Rastreator in Spain was built upon Admiral Group's expertise with Confused.com in the U.K. The firm continues to leverage its expertise in the British market with price comparison websites and aggressively expands internationally. In Spain, Rastreator is a leader in various insurance comparison products, with a stronger focus in the car insurance industry. The tool also works in the wireless services and finance industries. The firm has even provided



comparison services for the Spanish elections in 2016 (Rastreator, 2016). Rastreator has over 150 partners in the three industries it operates (Admiral Group, 2016). In 2016, Rastreator and Lelynx (French counterpart) generated a profit of £2.8 million (2015: £1.8 million) (Admiral Group, 2016), the 35% profit increase is a direct result of integrating a multi-product strategy covering insurance, telephony, banking and other product lines. In Mexico, however, Rastreator only provides services in the auto insurance industry, as the firm has yet to expand into other industries. Rastreator, similarly to other comparison tools owned by Admiral Group, focuses on providing excellent customer service. The firm has extensive expertise in the B2C segment and has ambitious goals to keep increasing customer service satisfaction levels.

Rastreator uses a consistent marketing strategy which aims to build brand awareness and loyalty. It uses a basset hound dog as their main mascot, which is often featured in TV advertisements and other media. The mascot is frequently portrayed as the main engine behind the comparing efforts. By using such a symbol, it positions itself in the market as a friendly and harmless tool that provides individuals with the cheapest and most efficient deals. The firm has also won several business-related awards such as “Most Popular Website” in 2013 (SegurosTV, 2013) and “Best Place to Work in Spain” in 2017 (El Pais, 2017).

Rastreator’s internal organizational capabilities play a key role in the firm’s rapid success. The company is organized based on the number of industries it provides comparison services for and each service has a product manager: insurance, telephone, finance, car, travel and energy. Managers from these portfolios report to four major management areas, in report directly to the CEO: Insurance, Business Development, IT, Marketing, Data and Innovation, and Corporate (Computing, 2017). By having specific product managers for each industry, Rastreator can conduct extensive market and business development in each segment, creating value to its customer base by adding more companies to its comparison tool.



Currently, a customer that enters Rastreator via their main webpage in Spain (www.rastreator.com) is offered six main product categories: insurances, wireless services, finances, travel, vehicles and energy (utilities). Within each category, the customer can choose between several sub-categories. Its website is simple and direct, which provides customers with a feeling of being offered a transparent service. Throughout the comparison process, Rastreator requires customer information depending on the product being prompted. For example, in the wireless service, it requires the customer's zip-code and email address. Rastreator can track customers that did not complete the sale process via their email, and provide additional information and support as needed.

Based in our analysis, Rastreator can maintain a leading position in the Spanish and Mexican market due to its commitment to providing customers with a simple and transparent comparison tool and wide range of value-added services. Customers using a comparison tool are often engaged in non-complex transactions, and comparison websites must present information on a clear and rapid format. In the insurance industry, Rastreator connects customers directly with the insurer, eliminating intermediary firms. Additionally, Rastreator provides customers with a wide range of services and industries, and several options for value-added services within them. As previously discussed, industries that face severe price wars, being able to provide customers with value-added options is a key differentiator.

Appendix K shows the homepage of Rastreator in Spain.

#### **4.1.2 Description of products and complexity of the sales process**

In this section, the products of the three industries are described and an analysis of the complexity of the sales process of each one of them is provided:

##### **4.1.2.1 Telecommunications**

*Mobile subscriptions.* As mobile subscriptions grow in popularity in Peru, purchasing a mobile subscription has transformed from a complex transaction to an easy and mostly

automated transaction. Customers can purchase, switch and cancel their mobile subscription accounts from the comfort of their homes, without having to physically go into a branch. The entire process provides customers with the flexibility to easily switch between carriers and not to be forced into contracts. However, it is important to mention that customers wishing to purchase commercial mobile subscriptions and post-paid contracts may be required to go into a branch as their transaction is slightly more complex. Nevertheless, even these transactions can be started online.

**Fixed lines.** Similarly to mobile subscriptions, purchasing landlines in Peru is a simple and streamlined process. Providers usually offer customers with bundle offers, allowing them to purchase both landline and cable television in one transaction. At Movistar, for example, customers provide the sales team with their national ID (DNI) and a telephone number to be contacted. After this initial interaction, a representative from Movistar calls the customer to complete the sale. The entire process is doable without having to physically go into a branch.

**Cable television.** A customer purchasing Cable TV in Peru follows a similar pattern to those purchasing fixed landlines, the sale can often be combined, along with home internet. The customer must first choose a provider, and then fill out a questionnaire with several questions such as home address. From there, a representative of the firm contacts the customer to finalize the sale. The entire sale can be done via-distance, and the customer does not need to go into a branch for purchasing the product.

**Home Internet.** This is a service associated with a landline, therefore, customers are often given the option to purchase both as package. Similarly to the other products presented, the customer initiates the transaction in the firm's website by providing their address and DNI, from there, a sales representative from the firm contacts the customer to finalize the sale. The entire process can be done remotely and does not require an in-store visit.

#### 4.1.2.2 Insurances

**Health insurance.** These are aimed at covering the costs of most sicknesses that the customer may have. They cover medical expenses, hospital stay or treatment for a specific illness. As such, they differ in payment according to the desired coverage that the customer wants and the quantity or quality of hospitals that the customer prefers in their coverage plans. Some of the products offered in this section are the following: integral health services, hospitable, complementary and Entidades Prestadoras de Salud (EPS). As mentioned before, those products mostly vary in their coverage, purpose or the fact that they may be offered by the customer's employers to them as in the case of the EPS (Rimac, 2015).

In this case, the buying process is rather simple as the interested person can use any of the insurance companies' websites and fill out a form with all their information. Some of those companies give the insurance right away and can bring them to the customer's house or work (Pacífico Seguros, n.d.). In other cases, they first contact the customers via phone to know more details about them and arrange their insurance delivery. This is mostly done because the insurance company may have alternatives that better fit the client needs as there are multiple types of health insurances (Mapfre Seguros, n.d.). As such, this process is much easier to follow than the life insurance one.

**Vehicular insurance and SOAT.** These are products that can be differentiated in traditional vehicular insurances and the SOAT, which is mandatory for every single vehicle in Peru. They were designed for the main purpose of helping the people that may be involved in a vehicular accident to provide them a coverage for their medical expenses. Now, most of them also cover property damage, theft, loss, or even offer the ability of calling an emergency driver in most parts of the country. In addition, these insurances usually have one or two years of validity, so most users are obligated to renew every year. SOATs are offered in different packages according to the extent of the coverage needed or the need of additional

services like vehicle maintenance. In contrast, the traditional vehicular insurances have a decreasing coverage compared to SOATs (Mapfre Seguros, 2015a).

Both products can be easily obtained via phone or internet. The only process to be done is to give the car details to the company along with any information regarding previous fixes. Then, the company gives a quotation of the insurance based on the given information and they send it to the customer. If the customer accepts, the insurance can be delivered to their home or work (Rímac Seguros, n.d.).

**Educational insurance.** These are used for the main purpose of covering the student in accidents that may happen in their educational centers and to secure the payment of the student tuitions in case of the death of their benefactors. In this case, there are two main products: accident education insurance, which covers accidents, and the guaranteed education tuition insurance which guarantees the student's tuition payments (García, 2013).

The only way to get these insurances is through insurance brokers that offer them as soon as the student is enrolled in school. In this case, the benefactors have the choice to buy an educational insurance as long as they are present in their school. In contrast, some schools mandate the use of this insurance and they automatically assign it to the students with their allied insurance partner (RPP, 2018). This means that the process is usually done through intermediaries which prevent the process to be done as simple as others.

**Work insurance.** Seguros Complementarios de Trabajo de Riesgo (SCTR) are mandatory insurances that are given to the workers by their employers. Only workers that are exposed to dangerous conditions or have a greater risk of having an accident are mandated to have this insurance. This insurance only covers accidents that are provoked by work activities or conditions and cover all the worker's health conditions which include not being able to work again, be permanently disabled, or dead. In all those cases, the insurance has conditions that may give compensation to the affected people (El Comercio, 2017).

SCTR can be easily obtained via internet or phone as most insurance companies have available forms so the customers can easily fill in their information. The fact that these products are more related to businesses, may have a longer process as the insurance companies must check and verify information of the business, regarding their financial and safety performance. This is to ensure that the customer fulfills the insurance requirements which are specified by law (Mapfre Seguros, 2015b).

***Other insurances.*** There are some insurances that are found in the Peruvian market, but they will not be the focus of our analysis based on their mandatory status, complexity of their processes and target market, which makes them less attractive to include them in a PCW. As such, there are life, retirement, personal protection, theft, and burial insurances (Superintendencia de Banca, Seguros y AFP, n.d.). Life insurance policies are provided for the main purpose of supporting the family or immediate beneficiaries of the customer in case of the customer's death. These insurances vary in the way that some do not cover events like death by suicide and previous medical conditions (El Comercio, 2014). Retirement insurances aim to cover the payments for the retired workers which work along the pension fund institutions in Peru (AFP). They also have more benefits that cover burial and medical assistance expenses (Pacífico Seguros, n.d.). Additionally, there are personal protection insurances that can cover events that may affect personal property such as burglary or property destruction. In addition, the theft insurances and burial insurances work along with those as they are mostly included in the previously mentioned products (MAPFRE Seguros, n.d.).

#### **4.1.2.3 Financial services**

The following section has been prepared based on the analysis of the product portfolio of the largest banks (Banco de Crédito, BBVA Continental, Scotiabank, Interbank and BanBif), as well as two other important financial entities (Crediscotia, Financiera Confianza

and Financiera TFC).

**Bank accounts and deposits.** There are five main products in this category that are common to most of the financial institutions in Peru: saving accounts, saving accounts that offer prizes (usually based on participating in a draw), bank accounts for receiving the salary, fix term deposits, and CTS (BCP, n.d.; BBVA Continental, n.d.; Scotiabank, n.d.; Interbank, n.d.; BanBif, n.d.). Saving accounts are characterized for offering small (sometimes marginal) interest rates and allowing limited monthly transactions in physical channels. These usually do not charge any maintenance fees to clients, but in some cases this condition depends on the average balance of the account. Similarly, the saving accounts that offer prizes also offer a low interest rate to the client and limited operations in physical channels, but they do charge a maintenance fee for upkeeping the options or points available to participate in the draws for the prizes. As shown in Table 6, each bank has a different name for this kind of account in the effort to differentiate from each other and they offer different prizes to the winner.

Table 6 *Prize Accounts*

*Prize Accounts*

Bank	Name of the bank account	Prize
Banco de Crédito	Cuenta premio	S/ 1,000,000
BBVA Continental	Cuenta ganadora	Different prizes without a draw
Scotiabank	Cuenta travel	\$20,000 for travelling
Interbank	Cuenta millonaria	An apartment and a car
BanBif	Cuenta genial	Two tickets to Aruba, a BMW, and S/ 40,000

*Note.* Sources: BCP (n.d.), BBVA Continental (n.d.), Scotiabank (n.d.), Interbank (n.d.), BanBif (n.d.).

Bank accounts for receiving the salary (known as salary accounts) are also an important product in which competition is strong between the banks, because usually a client does most of its financial transactions and acquire financial products with the bank in which he or she receives their salaries. This product is characterized by allowing multiple withdraw



transactions in most channels available for the client (in some cases unlimited operations free of charge). Additionally, they offer different benefits and discounts to the customer (for example in restaurants), based on the segment of the client (these benefits are managed internally because banks do not disclose their segmentation strategy to the public).

Fixed term deposits are products that offer a higher profitability to the client without any maintenance cost. However, they do not allow the client to withdraw the money until the agreed term is met (if they do, a penalty is applied to the interest paid to the client). There is usually a minimum opening amount and a minimum term for the deposit, however, this varies depending on the financial institution. The interest rate depends on the term of the deposit; the longer the term, the higher the interest rate.

Finally, the CTS account is a special bank account in which employees receive annually one salary from their employers (by law) and it has certain limitations to withdraw money from it, depending on the person's salary and the current balance of the account. It is important to mention that banks usually deploy marketing campaigns near May and November to get more clients to open their CTS account (as the CTS is paid in those months) and they usually compete in who gives the highest interest rate, sometimes offering a higher one if the client opens its salary account.

Regarding the process of acquiring one of these products, it is very simple, but it usually requires the client to visit a branch. To do so, the client needs to show proof of his or her identity, to sign a form and make the deposit. Some banks such as Interbank and BanBif allow clients to open their accounts paper-less, through online banking, but this applies if the person is already a client of the bank (Interbank, n.d.; BanBif, n.d.).

**Personal loans.** These are the regular multi-purpose loans that usually do not require collateral to be acquired, however, the amount of the loan depends on the net salary of the client. The minimum and maximum amount of these kinds of loans varies depending on the



financial institutions that grants it; banks usually can offer personal loans that exceed S/.100,000 while this might be uncommon for other financial entities, which in some cases set a limit of S/.50,000 for personal loans (Crediscotia, n.d.; Financiera TFC, n.d) or even S/.20,000 (Financiera Confianza, n.d.).

Regarding the process to acquire the product, it usually requires the client to have an account in the institution that is providing the loan as it is deposited in an account. Then, the evaluation or credit analysis has different alternatives. Usually clients or potential clients (included in a database of the financial institution) are benefited with a simpler process in which they may only need to show their ID and they can get the loan right away, in some cases they can even ask for it online (Interbank, n.d.; BBVA Continental, n.d.). However, the regular process to apply for a loan involves going through the credit analysis and it is necessary that the client complies with certain parameters, such as: a minimum salary, a minimum time in the company he or she is working and provide proof of his or her income (either as an employee or independent worker). For example, to get a personal loan in BanBif, it is required to have a minimum net salary of S/.1,500 (S/.2,000 if the wage is variable), one year in the current job (two years if the client is an independent worker), and it is necessary to provide proof of the perceived income in the last two to three months (BanBif, n.d.).

***Car loans.*** This kind of loan is designed to finance new cars for a period from one to five years (maximum four years if it is a Chinese car). The amount of the loan ranges from S/.15,000 and S/.150,000 and it can be used to purchase any car or SUV for use (except supercars). Banks usually have a list of authorized dealers from which clients can purchase the vehicles and get a car loan.

Regarding the process to get the loan, it is required that the clients goes through the credit analysis, in which it is necessary to provide proof of monthly income. Except from the

documents about the car that is being purchased, the rest of documents are similar to the ones needed for a personal loan, but the process has additional complexities. On one hand, the client needs to make a first payment equal to at least 20% of the value of the vehicle, unless the client has another product with the bank (for example a salary account) in which case some banks offer the product without the need of an initial payment. On the other hand, the bank requires that the vehicle has an insurance, so the client can acquire it from the bank or directly from an insurance company (this second alternative makes the process longer). It is important to mention that the amount loaned is usually transferred directly to the dealer to which the client is buying the car from.

In other financial entities, there is a related product which is aimed for financing motorcycles. The characteristics of this product are very similar to those of a car loan, except for the amount (up to S/.16,000) and number of years (up to two and half years) (Crediscotia, n.d.; Financiera TFC).

**Mortgages.** There are two types of mortgages which are the most common in the market: regular mortgage and “Mi Vivienda” (BCP, n.d.; BBVA Continental, n.d.; Scotiabank, n.d.; Interbank, n.d.; BanBif, n.d.). The main differences between the two of them are in the amount, the initial payment, and the terms of the loan. Regular mortgages are offered from around S/.50,000 to S/.5,000,000, they require an initial payment of at least 10% and are given to up to 30 years. “Mi Vivienda” mortgages, as part of a government program, have certain restrictions. It can only be acquired if it is for financing the first house of the client, there is a maximum amount of S/.410,600 per loan, the initial payment ranges from 10% to 30%, and the term of the loan can only be between 10 and 20 years. An important feature about these loans is that the client gets a discount if he or she makes all the payments on time.

Regarding the process to get the loan, the two products have a similar procedure. It is

possible to use the loan for a new house or apartment, as well as for a used one. Except for the apartments that are part of a construction project financed by the bank, it is required that the client provides the bank with the documents about the apartment or house, which includes an appraisal, documents from the municipality (HR-PU), and public records. Additionally, it is necessary that the client goes through a credit analysis, for which he or she needs to show proof of his or her income in the last months (as in a personal loan). Overall, mortgages present the higher complexity compared to other financial products.

**Credit cards.** These products allow the client to pay and finance his or her purchases. In Peru, banks offer the three brands of credit cards (Visa, Mastercard and American Express) and these are widely accepted domestically and internationally. Although the way that credit cards work is very similar regardless of its brand and issuer, there are many variations in the benefits that clients have access to, depending on the loyalty programs that the banks offer.

The process to acquire a credit card is relatively simple. Even though one can go through a credit analysis to get the product, banks usually manage databases with pre-evaluated offers for potential clients, so it is very common to get a credit card without the need to provide proof of income nor to go through the evaluation process. In fact, banks outsource call centers to actively contact and offer credit cards to potential customers without any requirements. Therefore, it is possible to fulfill the process by phone or online, so that clients do not even need to go a branch to receive their credit card, as the client can ask to receive it in his or her home or office.

**Online loans.** This is a new product for the financial sector which started in Peru in 2017 (Gestion, 2018). Fintech startups, such as Holaandy, Credy and Impulso Peru, are offering these loans which are characterized by a low amount (between S/.500 to S/.2,000), relatively low interest rates (12%) and that the process to acquire it is very simple and fast,

and as the client only needs to have a bank account in any bank because the money is transferred to that account (Gestion, 2018; Credy, n.d.; Impulso, n.d.).

#### **4.1.3 Internal capabilities in operating Comparatodo**

Agencia B12 possesses key strengths that well positions them to operate Comparatodo in Peru. First, Agencia B12 operates internationally, with the tool present outside of Peru (in Spain). Comparatodo has successfully operated in Spain in the telecommunications and microfinance industries, so they can use this knowledge and experience to help with the launch in Peru, as they industry insight. Additionally, having a technology platform that was previously developed allows for less time being spent on fixing bugs in the programming, thus, saving costs. Furthermore, because of Comparatodo currently operating, the company has experience dealing with customers that come from different cultures and understand the importance of tailoring a service to align with distinctive preferences. Moreover, the company has adequate knowledge and experience in digital marketing that will allow them to appropriately market the service to the Peruvian culture. Another internal capability is the exceptional coordination between the marketing, technology, and contact center teams. The open lines of communication among these teams allows for constant feedback of how the service is operating, along with opportunity to make continuous adjustments and/or improvements to better serve the customers. Agencia B12's high standard, results-oriented, end-to-end business model drives the teams to succeed at coordination to deliver high value service to customers, and further differentiate themselves in the digital marketing industry.

## **4.2 Quantitative Analysis**

### **4.2.1 Market size and pricing of products**

This section analyzes the market size and the pricing of each product in their respective industries.

#### 4.2.1.1 Telecommunications

**Mobile subscriptions.** In 2016, the Peruvian mobile subscription industry had total revenues of \$3 billion, representing a compounded annual growth rate (CAGR) of -0.7% between 2012 and 2016 (MarketLine, 2017). The value of the CAGR is characterized by decreasing demand for voice services, but growing demand in the internet segment. Within the wireless services industry, the voice segment accounts for 51.9% of the market's overall value, while the internet segment accounts for 48.1% in 2016. To illustrate, market consumption volume increased with a CAGR of 4.4% between 2012 and 2016, reaching a total of 35.4 million subscribers in 2016. The market's volume is expected to rise to 41.5 million subscribers by the end of 2021 (MarketLine, 2017). With the forecasted growth until 2021, the CAGR for the Peruvian market is 2.9%, while the U.S. and Mexican CAGRs are expected to grow by 1.5% and 0.8% respectively. To highlight the growth, on May 2018, over 703,772 new mobile subscriptions were activated, a growth of 13.91% from the previous month, the largest in the past 45 months (OSIPTEL, 2018c). Out of the 700,000 new subscriptions activated, 65.5% were postpaid plans, while 34.5% were pre-paid. There are approximately 40.2 million mobile subscriptions in Peru as of March 2018 (Schwarz, 2018). Appendix L provides an overview of the market's forecast until 2021 in value and growth percentage.

It is important to highlight that there is a decline on average prices in the wireless industry in Peru, this is a direct result of the increased competition and price-wars. Given Peru's economic progress, the industry is expected to grow steadily with more customers subscribing to mobile plans, especially in the less developed regions of the country. As previously presented in the report, Peru has experienced tremendous economic growth in the past decade, and the digital footprint has followed such pattern.

As an example, a customer looking to solely purchase a mobile subscription with limited data and minutes for calls (1.5gb-3gb and 200-600 min), spends within a range of S/. \$29.90 to S/. 45.50. The price drastically changes once these two variables are increased. However, very few plans are offered below the S/. 29.90 threshold. There has been an increase in the past few years in the amount of data offered for the same price. With the current average fees charged, 1 megabyte of data can cost less than S/. 0.01 cent (Schwarz, 2018). On average, however, a Peruvian customer pays S/. 75.4 (approximately \$22.7 USD) monthly for their mobile subscription bill. In Latin America, Peru is surpassed only by Brazil and Chile (\$29.8 USD and \$26.8 USD respectively) (El Comercio, 2016).

**Home Internet.** The home internet service has been growing steadily as rural areas of the country improved their infrastructure to gain faster internet connections. In fact, 4 out of 5 Peruvian households have access to an internet connection (either mobile or home internet) (Schwarz, 2018). In 2017, there was an increase of 9.7% of new home internet services subscriptions (Schwarz, 2018). Analysts suggest that the increasing number of home internet services has also been a direct result of telecommunication firms offering bundle-packages (mobile + home internet).

For this segment, monthly payments vary depending on two variables: connection speed and maximum data usage. Claro, Entel and Movistar dominate the market, and for a standard family plan of 80 megabytes of data, a customer will pay an average of S/. 175 (America TV, 2018). However, plans range from the most basic 4 megabytes to 12 megabytes, for an average of S/. 77.3 to 200 megabytes at S/. 449 (Claro).

**Home Telephone.** Although non-commercial customers are steadily moving away from fixed landlines in their homes, businesses still utilize this service. Although analysts expected a decrease of fixed home telephone subscriptions in 2017, there was a 0.31% variation increase in subscriptions, as compared to 2015-2016 (Schwarz, 2018).



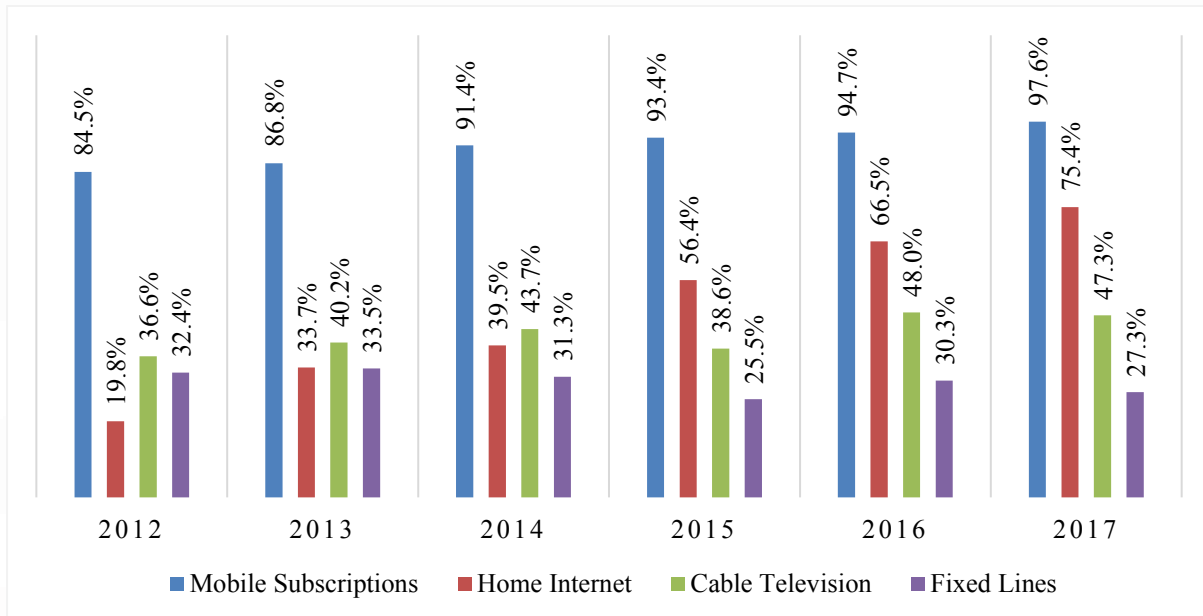
Customers purchasing home fixed landlines have two variables that directly affects the pricing: number of minutes to call other fixed landlines locally and the number of minutes to call longer distances (international and in other *regions* in Peru). On average, a customer spends within a range of S/. 25 to S/. 75 (Comparatel, n.d.). Customers paying over S/. 30 are mostly commercial customers and require multiple lines and/or special services and assistance.

**Cable television.** With a penetration rate of almost 50%, the cable television industry in Peru is expected to grow to 65% in 2022 (Gonzalez, 2017). The industry has managed to capture 1.75 million households to date, and Peru is one of the fastest growing markets in Latin America. The growth in the industry has been mostly driven by Telefonica (via Movistar TV), with approximately 70% market share.

Customers subscribing to cable television services have two variables that affect plan pricing: number of channels and high-definition quality. For a simple cable television plan with less than 100 channels and no high-definition channels, customers find promotions as low as S/. 15, and as high as S/. 100 (Comparatel, n.d.).

Figure 5 highlights the percentage of households in Peru with access to several products in telecommunications services and their market penetration.





*Figure 5.* Market penetration of telecommunications products in Peru. Adapted from OSIPTEL (2018b). Reporte de Portabilidad Numérica. Retrieved from <https://www.osiptel.gob.pe/repositorioaps/data/1/1/1/par/ppt-portabilidad-numerica-julio-2018/ppt-portabilidad-numerica-julio-2018.pdf>

#### 4.2.1.2 Insurances

**Health insurance.** This market is based in three distinct products: integral health insurances, oncologic insurances and the Entidades Prestadoras de Salud (EPS). The Sistema Integral de Salud (SIS) is a state provided EPS given freely to the lower income population to make health more accessible to them in public hospitals. The EPS are promoted by private companies and offer more and bigger benefits than the SIS, with the drawback that they must pay. The EPS currently has over 1.73 million affiliates until now, and a big opportunity for them is to obtain the large market share that the SIS has, which is nearly 50% (Custodio, 2013). Also, these insurances have similar problems such as life insurances that need to be worked to improve their market penetration (currently at 5% of the urban population). The development of new selling and distribution channels are some of the requirements of the current health insurance industry in Peru. Health insurances are also offered in the range of S/. 1,200 to S/. 5,000 yearly (El Comercio, 2015).

***Vehicular insurance and SOAT.*** The vehicular insurance industry in Peru was worth 450 million USD in 2015, a large growth compared to 2006, when it was only worth 88 million USD. This means that the industry has been growing 20% yearly in this decade. Also, part of this growth has been the government mandatory policy of the SOAT, which was introduced in 2002 on a yearly subscription basis. Even with it being mandatory for every vehicle in Peru, it is estimated that only 70% of all vehicles in Peru have a valid SOAT and only 23% have vehicular insurances (Gil, 2018). Also, it should be known that the Peruvian market is a huge opportunity for vehicular insurances as their penetration only reaches 22%, which is significantly lower than other countries in the Pacific Alliance, which have an average of 40%. In addition, it should be known that only 57% of new vehicles get any insurance so this also represents another opportunity (Agois, 2016). These insurances vary in price according to the coverage they offer as SOATs can be found from S/. 65 to S/. 390 annually while more complete insurances can cost up to S/. 1,300 yearly (Perú.21, 2012).

***Educational insurance.*** This is a new product that has been introduced since 2010 with a value of S/. 21.5 million in 2011. In the same year, the market penetration was of only 10% with Rimac Seguros obtaining 85% of the market share (Actualidad Empresarial, n.d.). Educational insurances are usually offered in the range of S/. 70 to S/. 120 in a yearly subscription basis (Actualidad Empresarial, n.d.). This product can only be obtained through schools as parents cannot buy them directly. This means that the schools form alliances with the insurance companies to promote the product among its clients (parents) (Sánchez, 2012).

It should be considered that the last statistics in this type of insurance dates from 2011, hence it will not be considered in the insurances summary table as it has information from 2018. At last, the team estimated the market size for this insurance based on information from the Asociación de Empresas de Seguros (2018), which states that this market is lower than 1.4% of the total insurance market.

**Work insurance.** The SCTR was introduced in Peru in 1998, with total payments of over S/. 3,000 million from the insurance companies to customers until 2018. In 2013, this number alone was 218 million which represents an increase of 27% compared to the previous year. Even when this insurance is mandatory for companies with workers that perform their duties in dangerous conditions, only 9% of the economically active population has access to this insurance (El Economista América, 2018). This number is drastically lower than other Pacific Alliance economies such as Chile and Colombia where this percentage is 64% and 35% respectively. Some of the threats with this product are the high level of informal businesses and the high cost that companies may incur when purchasing this insurance, as it is usually 1% of their payroll costs (Asociación Peruana de Empresas de Seguros, 2014).

These insurances depend in the size of the company and most insurance companies charge between S/. 1 - 2 per S/. 1,000 insured in assets (Zurita, 2017). Also, the SCTR affiliates in 2014 are approximately 1.5 million (Vilchez Olivares, 2016). This will be used as an estimate with the data obtained by the Asociación Peruana de Empresas de Seguros.

**Other insurances.** As the other insurances that have been mentioned before are not the focus of our project, these will not be considered in our quantitative analysis.

In Appendix M, the different types of insurances can be seen according to the market composition in 2018. It should be highlighted that Appendix M covers the main types of insurances but not the singular products. Table 7 displays information about the market share of each product, according to the Asociación Peruana de Empresas de Seguros (2018). It should be known that the market size is an estimate as the number that will be used for our analysis is the total value of the insurance market in Peru, which was S/. 11,327 million in 2017 (Vásquez, 2018).

Table 7

*Market size of the Insurances Industry*

Product	Market (%)	Market size (million S/.)	Market size (million affiliates)
Health insurance	8.5%	993,2	1.5
Vehicular insurance	11.8%	1,262.0	0.6
SOAT	3.9%	453.4	1.6
Work insurance	5.1%	596.0	0.9

*Note.* Source: Asociación Peruana de Empresas de Seguros (2018).

#### 4.2.1.3 Financial services

**Bank accounts and deposits.** According to the SBS (n.d.), deposits in the financial sector have grown 9.6% in 2017 (from S/. 151,645 million in 2016 to S/. 177,864 million in 2017). The statistics about the volume of these products are classified in four groups: current accounts, saving accounts, term deposits, and CTS (SBS, n.d.). It is important to mention that the SBS does not distinguish which volume corresponds to personal deposits and those of firms of the first three groups; CTS considers only personal accounts. Of these groups, the volume of term deposits showed the highest growth of 13.5% in 2017, saving accounts grew 8.5%, CTS 5.8%, and current accounts only 4.9% (SBS, n.d.). According to the SBS (2017), the total number of personal deposits reached 57.5 million in 2017, meaning that the average number of deposits per adult person was 2.8. Regarding the price, interest rates of bank accounts and deposits range from 0.3% to 5.9% (3.1% on average), fixed term deposits and CTS accounts offer higher rates compared to savings and salary accounts (SBS, n.d.). It is important to mention that, given that interest rates of deposits represent a cost to financial institutions, banks assess the profitability of bank accounts and deposits based on the spread or the difference between their active and passive rates; the average active rate in the Peruvian market is 14.04% according to the SBS (n.d.).

**Personal loans.** According to the SBS (n.d.), the market showed a growth of 8.4% in 2017, from S/. 55,033 million in 2016 to S/. 59,645 million in 2017, and the number of

people with a personal loan was 4.9 million in 2017 (SBS, n.d.). Regarding the price, it is important to mention that there is a clear distinction between the interest rates charged by banks and other financial entities (on average 20.2% and 49.6%, respectively). For the analysis, it was determined that for personal loans it should be distinguished that those are offered by banks and by other financial entities, considering that the second group has a considerable market size with a different customer profile and higher interest rates.

**Car loans.** The market of car loans has showed a decreasing trend in number of credits and volume (Asbanc, n.d.). The number of car loans was 61,218 in 2017 (compared to 65,509 in 2016 and 72,081 in 2015), and the volume was S/. 1,838 million (compared to S/. 1,954 million in 2016 and S/. 2,215 million in 2015). The average interest rate of a car loan is 11.1% (SBS, n.d.)

**Mortgages.** These products have shown a positive trend in both number of credits and volume. Regular mortgages grew 7.6% in 2017, going from S/. 40,178 million in 2016 to S/. 43,232 million in 2017 (SBS, n.d.). “Mi Vivienda” loans grew 5%, going from S/. 6,364 million in 2016 to S/. 6,680 million in 2017 (SBS, n.d.). According to Asbanc (n.d.), there was a total of 219,342 mortgages in 2017, compared to 212,084 in 2016 and 209,646 in 2015. The average interest rate of these loans is 7.3% (SBS, n.d.).

**Credit cards.** Mixed results are shown for the evolution of credit cards. Even though there has been a growth of 2.7% (from S/. 20,668 million in 2016 to S/. 21,232 million in 2017), there has been a gradual reduction in the number of new credit cards issued in the last three years (from 3 million in 2015 to 2.3 million in 2016 and to 2.1 million in 2017) (Asbanc, n.d.; SBS, n.d.). Currently, there are almost 8 million credit cards in the Peruvian market, of which 7.8 million are personal credit cards with approved credit lines of S/. 68,424 million with a utilization rate of 30% (Asbanc, n.d.). Regarding the price, credit cards are the

financial products with the highest interest rates. These can be as high as 82.0% or 150.7% (Cencosud and Banco Azteca), but the reported average interest rate is 47.6% (SBS, n.d.).

**Online loans.** As a recently launched product, the market of this product is still in initial stages of adoption. However, it is expected that the requests of online loans will grow to 500,000 in 2018 (Gestión, 2018). As it was mentioned before, interest rates are low compared to other loans: 12% (Gestión, 2018).

Based on this information, it was analyzed that passive products such as bank accounts and deposits are by far the most massive products in the financial sectors. However, in the case of active products the largest ones are credit cards and personal loans, which are also the ones with a higher interest rate for the client. Table 8 presents the market size and the average interest rate of the products of the financial sector.

Table 8 *Market Size and Interest Rates of the Financial services Industry*

*Market Size and Interest Rates of the Financial Services industry*

Product	Market size	Average interest rate
Bank accounts and deposits	57,564,000	0.3-5.9%
Personal loans (banks)	3,336,036	20.2%
Personal loans (financial entities)	1,569,160	49.6%
Car loans	62,618	11.1%
Mortgages	246,400	7.3%
Credit cards	7,851,291	47.6%
Online loans	500,000	12.0%

*Note.* Sources: SBS (n.d.), SBS (2017), Asbanc (n.d.) and Gestión (2018).

### 4.3 Conclusions on qualitative and quantitative analysis

The telecommunications industry contributes a significant portion of Peru's GDP annually, and it is dominated by very few key players. The four products and services analyzed in this report all share similarities, such as large market penetration, low monthly cost for customers, low brand-loyalty and low-complexity for purchasing. As Peru's economy advances and more people, particularly in the regions outside of Lima, gain access



to better infrastructural services, the industry tends to keep growing in the future. Given the industry's non-volatile state, firms are expected to keep making heavy investments into upgrading their technology to retain market share.

The insurance industry in Peru has a large potential for growth as it still has not penetrated in the vast amount of the population. As such, one of the biggest challenges for the industry is to be able to offer their services in provinces as the market penetration in Lima is by far the biggest in the country. Also, the different types of products offered by these companies are mostly offered via phone or Internet. Some of the products involved are the health, vehicular, SOAT, educational and work insurance. These are easy to obtain via Internet or phone but there is a need to educate the population about the advantages of having insurances, which is necessary to reach all the population.

The financial sector in Peru has showed an impressive evolution during the last years. Even though financial inclusion remains as a challenge, the access to financial services has reached 43% of the adult population and the growth of personal loans and mortgages has accelerated even more than other financial products. This industry is composed by 54 institutions of which banks are of major importance in terms of assets, credits and deposits. The main products that has been identified in this industry are bank accounts and deposits, personal loans (in which there has been made a distinction between those issued by banks and other financial entities), car loans, mortgages, credit cards, and online loans (which are offered by fintech startups and are still in early stages of development).

Comparabien is the only PCW that operates in the Peruvian market. Therefore, it will be the main competitor of Comparatodo. This platform currently offers the possibility to compare the best alternative on 20 different products and it is designed so that the user can refine the parameters of his or her search to get a more accurate result and to provide Comparabien the necessary information to generate a qualified lead to sell to Comparabien's



clients. The revenue model that the platform operates is based primarily on cost-per-lead. However, in some cases, it charges banks based on cost-per-acquisition and it also generates revenue because of the exhibition of advertisement in the website's banners. It is important for these kinds of platforms to generate as much traffic as possible, for this reason Comparabien actively produces content related to the platform and the products offered on it. Furthermore, the company is present in social media (Facebook and Twitter). It has developed a mobile app and implemented a chatbot. Finally, an important insight is that Comparabien has not yet managed to sign a contract with every company that is listed in the platform, which opens more possibilities for Comparatodo.

The indirect competitors of Comparatodo have different methodologies that work towards giving the best alternative to customers in some of the products that have been analyzed in this paper. These platforms are currently growing and increasing the number of products that they offer. Also, some of them have presence in social media which gives them the opportunity to reach more people. Some of the features that these platforms have would be useful in the implementation of Comparatodo in Peru, such as user-friendly interfaces, saving tips, informative articles, and instructional guides and videos.

Rastreator has been a leader in the PCW industry in Spain due to its capacity to integrate several desired products within selected industries. But most importantly, they have been to provide customers with a wealth of information on key and non-key players for each product or service compared. Additionally, the firm has been able to maintain its leadership position by structuring its internal capabilities according to each industry serviced. The parent company of Rastreator, The Admiral Group, manages several PCWs in various countries, and they have successfully been able to accumulate knowledge and share expertise among its various brands.

## **Chapter V: Enablers Analysis of the Opportunity**

### **5.1 Identified enablers**

After conducting an analysis, six main enablers of the opportunity have been identified. The six enablers are: 1) developed platform; 2) IT team already in place; 3) experienced team; 4) knowledge of digital marketing; 5) few competitors; 6) opportunities in multiple industries. The enablers are illustrated using the fishbone diagram in Figure 6.

### **5.2 Internal capabilities**

Agencia B12 possesses key strengths that well positions them to operate Comparatodo in Peru. First, Agencia B12 operates internationally, with the tool present outside of Peru. Therefore, the company has experience dealing with customers that come from different cultures and understand the importance of tailoring a service to align with distinctive preferences. Furthermore, the company has adequate knowledge and experience in digital marketing that will allow them to appropriately market the service to the Peruvian culture.

Another internal capability is the exceptional coordination between the marketing, technology, and contact center teams. The open lines of communication among these teams allows for constant feedback of how the service is operating, along with opportunity to make continuous adjustments and/or improvements to better serve the customers. Agencia B12's high standard, results-oriented end-to-end business model drives the teams to succeed at coordination, to deliver high value service to customers, and further differentiate themselves in the digital marketing industry.

### **5.3 Main enablers of the opportunity**

A large enabling factor of Agencia B12's opportunity, is that their price comparison website (PCW) tool, Comparatodo, already exists and it is operational in Spain. This helps the company because they do not have to go through the extensive R&D that would be

required to create a new tool. Agencia B12 does not need to incur extensive programming time and costs. The foundation of the PCW is present, Agencia B12 simply needs to build upon it and tailor to Peru's market. This involves adding the most promising industries to operate in Peru and adjusting layout.

Another facilitator is Agencia B12's internal IT team, which does not require any outsourcing for launching Comparatodo. As previously mentioned, the technology team analyzes the interactions between clients and the contact centers and then provides feedback to the marketing team so that strategies can be revised and improved. This requires extensive coordination between teams, thus having a team already established and trained allows Agencia B12 to do this almost seamlessly. Furthermore, because the company has an internally developed IT platform, having their own team allows for glitches in the system or adjustments for improvements to be made instantly without outsourcing.

Collectively, the team involved in this opportunity has over 25 years of experience, but it is important to mention two key people. As mentioned earlier, this project is being spearheaded by the CEO, Jose Antonio Iyo, and the Director of Digital Strategy, David Perez. Jose Antonio, who although recently joined the company, has a wealth of knowledge and experience in various areas. Along with having management experience in operations, sales, human resources, and project management, Jose Antonio has worked in different industries such as telecommunications and finance. This is a major advantage as Comparatodo expands into these two industries. Jose Antonio could share his knowledge about the industries from direct work experience, which can aid the company in analyzing opportunities in different industries for the launch of Comparatodo in Peru. Additionally, he can provide insight on the general operations of the company and tool along with structuring and managing the personnel accordingly. Working alongside Jose Antonio on this project is David Perez. Similarly to Jose Antonio, David is relatively new to the company, but brings adequate

knowledge and experience, particularly in marketing. This will complement Jose Antonio, as David could provide specific marketing strategies for the tool, along with overseeing the execution of these strategies.

Additionally, David Perez is the source of Agencia B12's next enabler: knowledge of digital marketing. His experience in marketing largely comes in this area having previously been the Price-Per-Click (PPC) Manager and Product Marketing manager for Agencia B12. David brings his knowledge in AdWords, configuration and optimization, social media ads, reporting of digital marketing campaigns, and market research. This knowledge and experience is crucial to the success of Comparatodo in Peru, as it is a vital component to the overall strategy of implementing the tool. More customers are going digital, so, knowing how to capture and retain these customers is important.

Within the PCW industry in Peru, Comparatodo has only one main competitor: Comparabien. This presents as an opportunity for Agencia B12 because the market is not saturated, so Comparatodo can differentiate itself from its competitor. The company itself already provides clients with end-to-end service, and this will translate into the use of Comparatodo. Furthermore, this new tool can enter industries that its competitor is not currently operating in. Overall, the lack of strong competition against Comparatodo allows for the tool to be more innovative before its main direct competitor.

The final enabler to be discussed is that of the opportunity to operate in untapped industries. Agencia B12 operates Comparatodo in Spain in the telecommunications and finance industry, and the tool has experienced success. Naturally, operating in these industries would be a priority for the company, and have been identified by Jose Antonio as ones they would like to enter in Peru. They can draw on their experience in Spain to help conduct operations in these industries. Additionally, there is an opportunity to enter the

insurance industry (e.g. car & home), as it does not appear that their competitor has fully captured this market.

#### **5.4 Conclusions on enablers analysis of the opportunity**

Agencia B12 is well positioned to leverage this opportunity based on their internal capabilities. Comparatodo operates in Spain in the telecommunications and finance industries, therefore, Agencia B12 can use this experience to support the launch of the tool as well as dealing in a new market. Additionally, the company already has a developed the Comparatodo platform and an internal IT team that knows it well, which allows for adjustments to be made easily. The company also possesses a significant amount of knowledge and experience in the digital marketing industry, which enables the understanding of the industry and the most adequate processes. The lack of competition for Comparatodo in Peru, along with opportunities in different industries, further enhances their chance to be the leading PCW in the country.

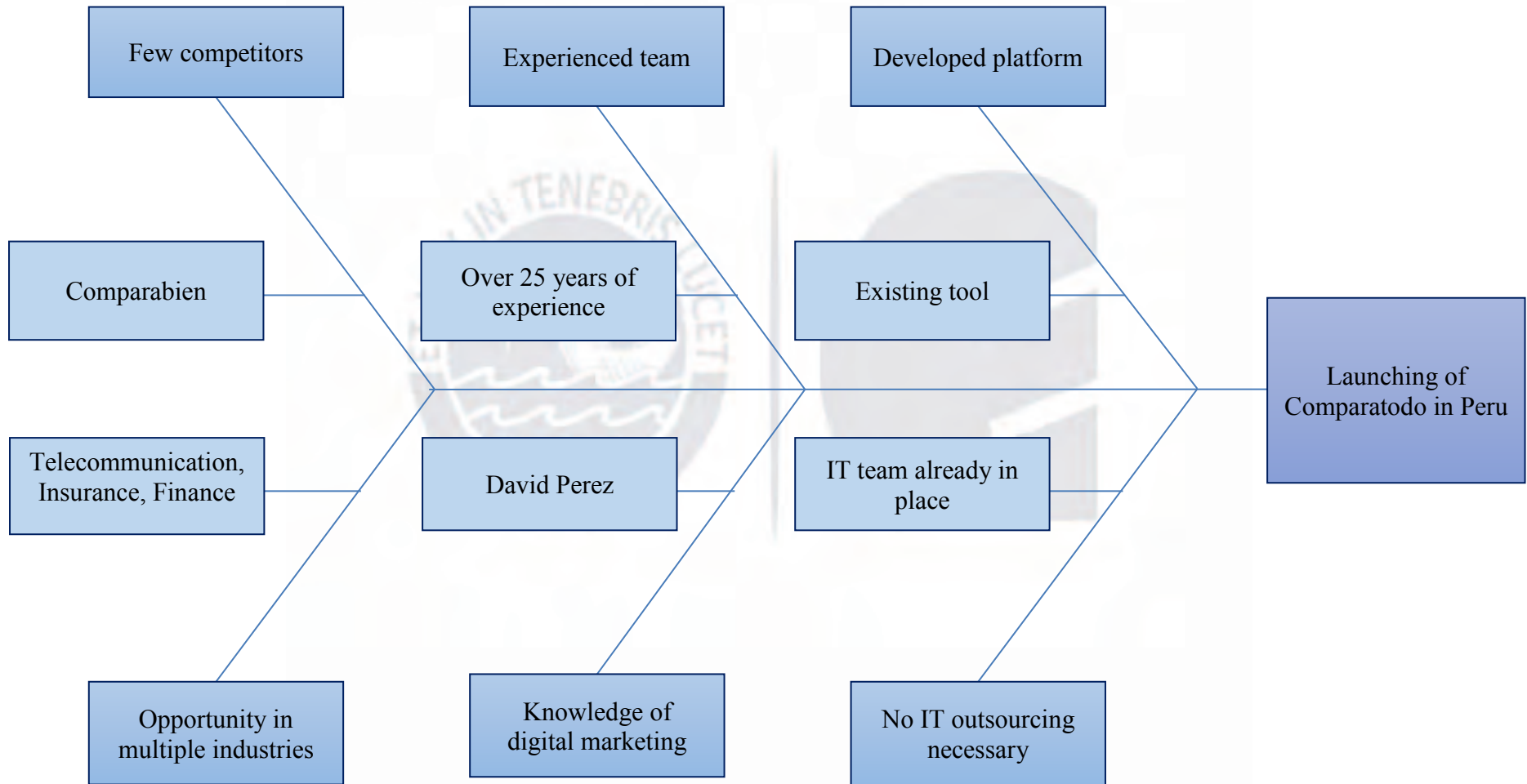


Figure 6. Fishbone diagram.



## **Chapter VI: Assessed Solution Alternatives**

Based on the previous analyses provided, this section will analyze the alternatives to take advantage of this business opportunity. First, these alternatives are summarized in Table 9, providing their pros and cons. Then, the main insights from the competitors' analysis are presented focusing in the good practices and opportunity gaps identified. Finally, the identified industries and products will be presented and assessed using a methodology that will determine in which of them Comparatodo should focus. This will provide the main input for the proposed solution that will be discussed in the subsequent chapters.

### **6.1 Alternatives to take advantage of the opportunity**

This section presents the main insights identified from the analysis performed around the direct and indirect competitors of Comparatodo. Based on the analysis of Comparabien, the team has identified the main good practices and opportunity gaps from which Agencia B12 can build a strategy for Comparatodo; these insights are listed in Table 10. Then, the indirect competitors which were previously analyzed revealed some insights which are shown in Table 11. Finally, given Rastreator's success in Spain, the team has identified its good practices as well as opportunities, which are shown in Table 12.

The next section describes which are the main variables that were considered to analyze and compare the different industries and products. Thereafter, a methodology is described and applied to determine the industries and products that should be considered in the proposed solution.

Table 9

*Alternatives for Comparatodo*

Alternatives	Pros	Cons
Focus on one industry	<ul style="list-style-type: none"> <li>• It would make possible to position the brand as a specialized PCW</li> <li>• Requires less effort to attract clients (especially if focused only on telecommunications).</li> </ul>	<ul style="list-style-type: none"> <li>• Specialized comparison platforms already exist in the market (indirect competitors).</li> <li>• Less attractive for users with multiple needs (less traffic driven to the PCW) and this option is not coherent with the current name of the brand.</li> </ul>
Focus on telecommunications and insurance	<ul style="list-style-type: none"> <li>• The firm has experience and clients in the telecommunications industry.</li> <li>• Comparabien does not have a presence in the telecommunications industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Even though the insurance industry has grown in the last years, it is still a relatively small market.</li> <li>• Comparabien and Segurosimple already allow users to compare insurances in their platforms.</li> </ul>
Focus on telecommunications and financial services	<ul style="list-style-type: none"> <li>• The firm has experience and clients in the telecommunications industry.</li> <li>• The financial services industry shows a promising growth and it is not yet mature.</li> </ul>	<ul style="list-style-type: none"> <li>• Comparabien already competes in the financial services industry.</li> <li>• Tasatop offers high interest rate deposits through an auction system (indirect competitor).</li> </ul>
Focus on insurances and financial services	<ul style="list-style-type: none"> <li>• The financial services industry shows a promising growth and it is not yet mature.</li> <li>• Possibility for the firm to diversify its client portfolio to two new industries.</li> </ul>	<ul style="list-style-type: none"> <li>• Comparabien is a direct competitor in both industries and there are relevant indirect competitors (Segurosimple and Tasatop).</li> <li>• Requires more effort to attract clients, as both industries are new to the firm.</li> </ul>
Focus on three industries	<ul style="list-style-type: none"> <li>• Attractive for users with multiple needs (more traffic driven to the PCW).</li> <li>• This approach resembles what the company should look forward to in the long term.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires more effort to attract clients and results could be mixed among the different industries (market size, price, etc.).</li> <li>• The firm would engage in competition with all direct and indirect competitors.</li> </ul>

Table 10

*Key Insights from Comparabien*

Good practices	Opportunity gaps
<ul style="list-style-type: none"> <li>• User-friendly look &amp; feel.</li> <li>• Other benefits are included in the product information (not only price).</li> <li>• Creation of additional content to engage users and generate traffic.</li> <li>• Mixed revenue model: cost-per-lead, cost-per-acquisition, advertising.</li> <li>• Presence in social media (Facebook, Twitter).</li> <li>• Development of additional channels (APP, chatbot).</li> </ul>	<ul style="list-style-type: none"> <li>• No focus in telecommunications products.</li> <li>• Have not signed contracts with all the listed companies.</li> <li>• Lack of advertisement outside digital environments.</li> <li>• Does not have presence in Instagram.</li> </ul>

Table 11. *Key insights from indirect competitors**Key Insights from Indirect Competition*

Good practices	Opportunity gaps
<ul style="list-style-type: none"> <li>• Straight to the point.</li> <li>• Offer customer guides.</li> <li>• Detailed information about the products.</li> <li>• Use of articles aimed to be shared in social media.</li> <li>• Use of personal information (e-mail / phone) to keep contact with the customer.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve interface interaction.</li> <li>• More presence in Social Media.</li> <li>• Improve contact and customer service.</li> <li>• Make pages faster to load.</li> <li>• Make process easier by decreasing clicks.</li> </ul>

Table 12

*Key Insights from Rastreator*

Good practices	Opportunity gaps
<ul style="list-style-type: none"> <li>• Clean and modern website layout.</li> <li>• Extensive product and industry selection, as well as extensive list of partners in the insurance industry.</li> <li>• Team is organized based on specific industries.</li> <li>• Appealing logo and brand.</li> <li>• Provider of extra content, such as white-papers and industry-information.</li> </ul>	<ul style="list-style-type: none"> <li>• Has not been able to reproduce success outside of Spain.</li> <li>• Website has too many options and buttons, connection is not as fast as competitors.</li> </ul>

## 6.2 Assessment of alternatives

As mentioned earlier, the main aspect to decide is which are the products and services Comparatodo should have in its platform in Peru. For such assessment, three key variables were considered: market size, price and complexity of the sales process.

**Market size.** This variable is based on the current number of customers of each product, but since it is possible that one person has more than one of the same product (for example if the customer owns two cars and therefore he or she has two car insurances), this second criteria is the one considered for determining the market size of each product: the number of products in the market. It is important to remark the relevance of this variable because it is directly related to the number of user that will potentially access Comparatodo and thus the number of leads generated. Based on the ranking and the size of the market, a value ranging from zero to ten was assigned to each product, so these values will be used as the main input for assessing the products in which the company should focus. The results are shown in Table 13.

**Price.** This variable is important because the referral fee or cost of the lead is directly affected by the price of the product. Therefore, the firm is looking to avoid focusing on products that have a low price. However, determining the prices of the products has a certain degree of complexity because there are cases such as the financial sector in which prices are given as interest rates. For this reason, the team has decided to calculate the revenue that each product would generate for the selling company in the first year, so that the result can be used as an indicator of price to compare and rank the products. Based on the ranking and revenue generated in the first year, price points ranging from zero to ten were identified and these will be used as the main input for assessing the products in which the company should focus. The results are shown in Table 14.

Table 13

*Market Size of Each Product*

Industry and product	Market size	Assigned value
<b>Telecommunications</b>		
Mobile subscriptions	40,200,000	10
Home Internet	6,320,782	8
Cable television	3,965,159	6
Fixed lines	2,288,559	4
<b>Insurances</b>		
Health insurances	1,500,000	3
Education insurances	200,000	1
Work insurances	900,000	2
Vehicular insurances	640,000	2
SOAT	1,620,000	3
<b>Financial services</b>		
Bank accounts and deposits	57,564,000	10
Personal loan (banks)	3,336,036	5
Personal loan (other financial entities)	1,569,160	3
Car loans	62,618	1
Mortgages	246,400	1
Credit cards	7,851,291	9
Online loans	500,000	2

*Note.* Sources: Osiptel (2018), Euromonitor (n.d.), Asociación Peruana de Seguros (2018), Gestión (2017), El Comercio (2017), Asbanc (n.d.), SBS (2017), SBS (n.d.), and Gestión (2018).

**Complexity of sales.** The final variable used to rank products is the complexity of sales. A score of 2, 4, 6, 8, or 10 is given to each product based on how many steps the sale process involves along if the sale can take place over the phone or online. A full description of each score is provided in Table N1. Based on this assessment, Table 15 shows the value assigned to each product.

### 6.3 Methodology

**Market size.** The highest weight, 50%, was given to the market size variable. Agencia B12 indicated that this is the most important factor for them when deciding which products to include in Comparatodo. The rationale behind this is simple: if there is not a

substantial market for the product, then sales will not be generated, and not enough people will utilize the website. It is also important to note that the growth of markets was considered when assigning this weight. A market could be large but have little to no potential for growth. If this is the case, then the company would not be interested in offering services for this product, as a limited number of people would use it. Therefore, if the market of a product has the potential to grow was a vital component in giving this variable a weight of 50%.

Table 14

*Price Point of Each Product*

Industry and product	First year revenue (S/)	Assigned value
<b>Telecommunications</b>		
Mobile subscriptions	905	4
Home Internet	930	4
Cable television	600	3
Fixed lines	300	2
<b>Insurances</b>		
Health insurances	662	3
Education insurances	818	4
Work insurances	662	3
Vehicular insurances	1,972	5
SOAT	228	1
<b>Financial services</b>		
Bank accounts and deposits	183	1
Personal loan (banks)	2,454	5
Personal loan (other financial entities)	6,026	8
Car loans	3,264	6
Mortgages	14,027	10
Credit cards	1,247	4
Online loans	150	1

*Note.* Sources: Osiptel (2018), Euromonitor (n.d.), Asociación Peruana de Seguros (2018), Gestión (2017), El Comercio (2017), Asbanc (n.d.), SBS (2017), SBS (n.d.), and Gestión (2018).

**Price.** The variable of price was given the second highest weight of 30%. This is not the most important factor for Agencia B12, however they expressed interest in building Comparatodo with higher priced products. The justification for this is that the higher the price



of a product, the more revenue Agencia B12 receives for generating a lead. Lower priced products do not become worth offering a service for if the company cannot generate appropriate revenues for the leads.

Table 15

*Complexity of Sales of Each Product*

Industry and product	Assigned value
<b>Telecommunications</b>	
Mobile subscriptions	10
Home Internet	10
Cable television	10
Fixed lines	10
<b>Insurances</b>	
Health insurances	8
Education insurances	2
Work insurances	8
Vehicular insurances	8
SOAT	10
<b>Financial services</b>	
Bank accounts and deposits	8
Personal loan (banks)	6
Personal loan (other financial entities)	6
Car loans	4
Mortgages	2
Credit cards	8
Online loans	10

**Complexity of sales.** This variable was assigned a weight of 20%. Despite being the lowest of the three, it still holds significant value, and its importance is not being forgotten. What sets the company apart from its competitors in the industry, is that they provide end-to-end service to customers, where the sale is made through their contact centers. If the product does not allow the sale to be fulfilled online and/or over the phone, and involves an in-person meeting, it limits or extinguishes the role of the contact centers. Furthermore, if the complexity is too high, customers will simply not use a comparison tool. Finally, the further

the customer can get through the sales process, the better accomplished the customer would be in getting their desired product, and in turn the quality of the lead will be higher.

Based on the described methodology, the products in the three industries gained a score from zero to ten to determine which are the ones with the best potential. The results are shown in Table 16. A graphic representation of this assessment is displayed in Appendix O.

Table 16

*Assessment of Potential Products in the Three Industries*

Industries and products	Market size	Price	Complexity of sales	Score
<b>Telecommunications</b>				
Mobile subscriptions	10	4	10	8.2
Home Internet	8	4	10	7.2
Cable television	6	3	10	5.9
Fixed lines	4	2	10	4.6
<b>Insurances</b>				
Health insurances	3	3	8	4.0
Education insurances	1	4	2	2.1
Work insurances	2	3	2	2.3
Vehicular insurances	2	5	8	4.1
SOAT	3	1	10	3.8
<b>Financial services</b>				
Bank accounts and deposits	10	1	8	6.9
Personal loan (banks)	5	5	6	5.2
Personal loan (other financial entities)	3	8	6	5.1
Car loans	1	6	4	3.1
Mortgages	1	10	2	3.9
Credit cards	9	4	8	7.3
Online loans	2	1	10	3.3

As seen in the results, the telecommunications and financial services industries were the ones with more products that obtained a score higher than five, while in the case of insurances, none of the products surpassed that threshold. The products that specifically ranked higher were: mobile subscriptions, home internet, cable television, credit cards, bank accounts and deposits, and personal loans (from banks and other financial entities). It is

important to highlight that focusing in these two industries is also coherent considering the name of the brand and because the main competitor (Comparabien) is currently focusing in the insurances industry and they have not consolidated in the telecommunications industry. Therefore, Comparatodo would benefit from addressing the most promising and largest industries and it will avoid triggering a head to head competition with Comparabien for the insurances industry.

#### **6.4 Conclusions on assessed solution alternatives**

This chapter has discussed and assessed the alternatives available for Agencia B12 to design Comparatodo's strategy for the Peruvian market, which were to focus in one, two or the three selected industries. On one hand, the main insights from the analysis of competitors were presented to facilitate the identification of the good practices that should be followed and the opportunity gaps that could be covered for a competitive strategy. On the other hand, the main aspect to define for Comparatodo's strategy were the industries and products in which to focus. To do so, the assessment was based on three different variables: market size, price and complexity of the sales process. Using these variables, a methodology was developed to rank and compare the three aspects for each of the 16 products that were identified in the three industries.

Finally, the result of this framework suggested to focus on the telecommunications and financial services industries, primarily in the following products: mobile subscriptions, home internet, cable television, bank accounts and deposits, personal loans (from banks and other financial entities), and credits cards. This assessment is also coherent with the name of the brand (given that it is focus in comparing everything, instead of being specialized in one industry or product) and because it will avoid engaging in a direct competition with Comparabien in the insurances industry which is the focus of this competitor at the moment.

## Chapter VII: Proposed Solution

Based on the analysis and the methodology presented in the previous chapter, the team proposes to position Comparatodo in the telecommunications and financial services industry. As it was previously acknowledged, the insurances industry did not present well in the assessment of market size, price and complexity of sales, primarily because of the small size of it and the low-price points that most of the products showed. Therefore, the team considers that while it might be considered in the future (since the idea of a PCW is to allow the user to compare as many products as it can), the strategy for launching Comparatodo in Peru should focus on telecommunications and financial services at first.

### 7.1 Business development strategy

Given the selected industries and products, the team recommends defining four main categories in which to focus: telephone, home internet, cable television, savings and deposits, personal loans and credit cards. It is also important to highlight that home internet and cable television can be offered as a bundle, thus, as a single product. Table 17 shows these categories and the products that should be considered for each one of them.

Agencia B12 has a wide expertise in the telecommunications industry and the main players of the industry (Movistar, Claro and Entel) are already clients of the firm. Additionally, there is an opportunity gap in the PCW market in Peru to exploit the telecommunications industry and its products, since Comparabien is more focused on insurances and banking. Therefore, the telecommunications industry should be the main anchor of Comparatodo.

Secondly, the financial services industry offers opportunities especially on passive products, personal loans and credit cards. The main goal of Agencia B12 in addressing this industry is to attract the main players in banking and other financial entities, because these are not current clients of the firm. However, the team considers that this is an excellent

opportunity for the firm to present Comparatodo to these companies, but also Agencia B12's innovative end-to-end digital market services.

Table 17

*Comparatodo's Categories and Products*

Categories and products
Telephony, internet and TV
Mobile subscriptions
Home Internet
Cable television
Savings and deposits
Saving accounts
Salary accounts
Fixed term deposits
CTS
Financial services
Bank loans
Other financial entities loans
Credit cards

Within the financial services industry, the most interesting products to focus in the first category (savings and deposits) are salary accounts, fixed term deposits and CTS accounts. First, salary accounts are an anchor product especially for banks because clients typically manage most of their financial products with the financial entity in which they have their salary account. Additionally, they offer different benefits that can be compared by the user, which is dependent on Comparatodo providing all the information in a well-organized manner. Fixed term deposits are also an attractive service since all financial institutions provide such service. As a heavily standardized product, competitors often differentiate themselves based on interest rate. Therefore, Comparatodo will be valuable for the user because he or she will find all the interest rates for different entities in one place. Third, CTS

accounts are a product with high dynamism especially in May and November (the period in which this extra salary is paid). Most of the financial institutions launch marketing campaigns and offer attractive interest rates to encourage clients to move their CTS accounts from one institution to another, given that they are mostly driven by the interest rate. In the second category, it is proposed that Comparatodo distinguishes personal loans issued by banks and by other financial entities considering that even though the product is essentially the same they are aimed for different consumer segments.

The main objective regarding business development is to sign a contract with the companies in these categories and products. This is a very important aspect because the firm will only get lead-generated revenue from the companies it has signed a contract with. Based on the insights gained from the literature review, it was learned that most companies are now aware about the need to be present in as many channels as possible (especially online channels), and the experience of Comparabien is a good example as it shows how many companies in the Peruvian market are buying in the idea of being listed in a PCW. A key point to indicate in the contract is the modality of fees. It is advised that the company considers both cost per lead and cost per acquisition, depending if it is possible that the user fulfills the purchase of the product online or by phone. This might be the case for telecommunications products, credit cards and personal loans. An alternative that the company should implement is integrating the qualified leads from Comparatodo with Agencia B12's end-to-end model, so that the purchase can be fulfilled by the company's call centers for the clients and products that they have an agreement to do so. Additionally, it is important to mention that in most cases, one company might provide more than one product within each category. Therefore, it is important that the contract allows for the inclusion for more than one product, to simplify the process of signing agreements with the clients.



Agencia B12 should also consider that during the time they will be negotiating the contracts with the potential clients or even if they do not get to sign a contract with some of these companies, they will need to list the companies and their offers in the platform anyway. This responds to the need of being transparent with the users in the information provided considering that the main need that will drive the users to visit Comparatodo is to find all the possible options available in the market for the desired product. One issue with this situation is that it might not be possible to publish the logo of the companies with which Agencia B12 does not have a contract signed. For this reason, the firm might consider preparing a standard contract to allow the use of companies' logos and trademarks in the website. This agreement is independent of the lead generation contract. Additionally, the company might also consider including other products and categories (even though there are no signed agreements with companies on these products) because this will generate more traffic to the website and it will help it to increase in popularity. For this purpose, government websites and comparison tools (such as those of OSIPTEL and SBS) will be valuable resources of information and benchmark from where to obtain the information to build these categories, instead of building them from scratch. User traffic is key not only because it will be directly related to the number of leads and sales generated (revenue for Agencia B12), but also because user traffic will be a valuable argument for future negotiations with current and future clients, especially considering all the information gathered from these users.

## **7.2 Look and feel strategy**

Regarding the layout and how information is presented, Comparatodo needs to adjust its product, based on how competitors and other key players in the industry present information and interact with customers. First, Comparatodo should adopt a more modern and materialistic design for its website since the current color combination and template does not provide a *happy* feeling to customers. Direct and indirect competitors all use a brighter

combination of colors, which provides a better *feel* for customers using their website.

Additionally, the team found that the current font being used by Comparatodo is not suitable given the industry's benchmark. Therefore, it is recommend using Source Sans Pro and Montserrat since these two fonts provide the website with a better look and feel.

Regarding the brand, although it is unique and consistent with the product currently being used in Spain, the team recommends adopting a more appealing logo or symbol to truly have the brand stand out and capture customer attention. Rastreator, for example, uses a dog as a logo. Such a strategy provides customers with a trustworthy feel towards the firm, increasing brand loyalty. To drive consistent traffic into their website, Comparatodo should position itself as the most trustable and likeable brand among comparison websites.

Information is currently presented in a linear manner, where customers have all the options available to them based on variables (prices, speed and promotion). However, competitors also provide customers with *winner* products, such as the best speed in the market, or the opposite, a *loser*, with the worst speed in the market. Customers comparing low purchasing complexity products require information to be presented rapidly, and often they prefer to go with the *already chosen* best possible option. This can be implemented as a featured product, for example, an *Editor's Choice* for a specific product or service. This feature already exists in the Spanish version but should be implemented in Peru. For the financial services particularly, it is recommended to add additional columns highlighting other benefits associated with the product besides the price, such as exclusive access to restaurants, airmiles, travel deals, etc. These variables play a vital role in a customer's product preference for credit cards. When applicable, this column of benefits should also be added in other products and services being compared on the website.

Lastly, after the user selects the product to be compared, it is very important that the user can manage different comparison parameters so that the results shown are adjusted to the

preferences of the user. Therefore, the team recommends that Comparatodo adds a refined search tool with the appropriate variables for each product, such as price or connection speed. Additionally, it is advised that the website asks the user for its ID number and e-mail before performing the search requested by the user. This will ensure that Comparatodo captures this information along with the tastes and preferences of the user (which are based on how the user tweaks the given comparison parameters). Even if the user decides not to request any shown alternative for the selected product in the end, this information will still be registered in Comparatodo's database as insights for further interactions and for developing a communication strategy with the users. This aspect is aligned with the firm's objective to develop big data capabilities and knowledge in the field of B2C.

### **7.3 Other general strategies**

After analyzing the different competitors, the best practices were gathered and considered for the final component of the proposed solution. First, it is important that Agencia B12 assigns a team that is specifically dedicated to the operation of Comparatodo. For example, someone working in the contact center should not be the same person that is responsible for conducting research on new industries to operate in or exploring marketing strategies. This needs to be the responsibility of a team with specialized knowledge in these areas. Another practice suggested, is that Comparatodo use multiple revenue models. They currently use a cost-per-acquisition model (in the end-to-end model), but Agencia B12 should explore a cost-per-lead model along with in-website advertisements. Furthermore, many sites use blog posts that provide tips to users with general and useful information about the different products offered. For example, the site could include information about credit cards, which would be useful to someone that has never had a credit card. It is important to mention that Agencia B12 has already started producing its own content and publishing it on Facebook.

Additionally, applying SEO and SEM strategies will improve traffic for Comparatodo as it will appear as the first website when searching one of the offered products (a credit card or a mobile subscription). Also, Agencia B12 should market Comparatodo on social media (e.g. Facebook, Twitter, and Instagram). Comparabien is not present in all these platforms, so this is an area that Comparatodo can take advantage of.

Regarding the implementation of a mobile application (iOS and Android) and a chatbot, which Comparabien has currently in place, the team recognizes that these are useful platforms. However, for the case of Comparatodo, they should be implemented further in the future as it requires extensive technical efforts and the team believes that Comparatodo should first position itself as a market leader before incurring in more investments. Finally, regarding advertising in massive channels such as TV (PCWs in the UK and Trivago have already done it), it would not be advisable to consider this for the launch of the platform in Peru because the cost of these actions is very high, and the outcome might not compensate it considering that the brand is not yet positioned.

#### **7.4 Conclusions on proposed solution**

This chapter presented proposed the solution for the strategy of Comparatodo based on the analysis of competitors and the selected industries and products. Comparatodo should focus on the telecommunications and financial services industries, primarily on mobile subscriptions, home internet, cable television, bank accounts and deposits, personal loans (issued by banks and other financial entities) and credit cards. Therefore, the most important aspect regarding business development is to sign contracts with the companies that would be listed in the platform. The main efforts should be on the financial institutions because these are not yet clients in any service that the firm provides. However, it was also advised that even companies without a contract with Agencia B12 should be considered in the platform,

because it is important to be transparent with the users and the main value for them is to find all the options available in the market to make a fair comparison.

Additionally, Comparatodo should focus on adjusting the website to a more user-friendly platform. The interface, the color scheme and the parameters provided to customers could be improved, thus, increasing customer attraction and retention. It is important to highlight that the website's look and feel is just as important as the product and industry selection. Customers should feel welcomed and attracted to the brand and the simple but direct comparison solutions.

Through analyzing the industry, four best practices were discovered that are suggested Agencia B12 should utilize in the operation of Comparatodo in Peru. First, a distinct team should be responsible for the operation of the platform, multiple revenue models should be considered (cost per lead, cost per acquisition and advertising), white papers should can be included on the site to provide useful information to customers about the products and drive traffic into the website, and Comparatodo's social media presence can be increased which will also help set them apart from their competitor.

## Chapter VIII: Implementation Plan & Key Success Factors

### 8.1 Activities

In this section, the activities that are part of the implementation plan for Comparatodo are discussed. For this, the activities have been grouped in three main strategic areas: business development, look and feel and other strategies. Also, the main stakeholders in these activities are the following: the CEO, Digital Strategy Director (DSD), a newly hired Key Account Manager (KAM), and the company's HR, legal and IT departments.

#### 8.1.1 Business development

This area involves activities such as the signing of the contracts with clients along with the initial upload of offers. In this group of activities, the main stakeholders are the CEO, DSD, KAM and the legal counsel department.

***Design of the contract of Comparatodo.*** This is the activity in which the contract of Comparatodo is designed as a team effort between the legal counsel and the DSD. As such, this contract will include the legal conditions between Agencia B12 and the client along with other information such as payments per leads, products offered, and terms related to data privacy and information management.

***Identification of potential clients and contacts.*** In this activity, the company has to analyze the market and identify the target market of Comparatodo. Since the telecommunication and finance sectors were selected for the strategy of the platform, it would be wise to work with the best positioned companies in these industries to attract the most customers. For this, the companies that Agencia B12 should negotiate in the telecommunications industry are the following: Movistar, Claro, Entel and DirecTV. In the financial sector the companies to negotiate are local banks such as BCP, BBVA Continental, Interbank and Scotiabank and financial entities such as Compartamos Financiera, Financiera Confianza, CrediScotia and Financiera TFC.

***Visit plan for telecommunication and financial services firms.*** This activity encompasses the negotiation, contract signing and the initial upload of offers in the platform. As such, it consists of visits to the firms to negotiate the terms that were established previously in the contracts and conclude a deal according to mutual interest. Also, it involves the products that are going to be considered in the initial offering in Comparatodo. In addition, it is important to note that once the contract is signed, the company is responsible for sending the information that is going to be uploaded in the platform and to update them whenever there is a change in their offerings. At last, in case some companies have not signed a contract, Agencia B12 should consider data from Comparatel and the SBS to provide the users with information about the different offerings regarding one specific product. Given that the recruitment and hiring process for the KAM is going to start at the beginning of the implementation plan, this position is expected to be covered by the start of the negotiations with the financial services companies.

### **8.1.2 Look and feel**

These activities are related to the interface design and customization and the implementation of guides or demos that will help the user become more adept in the use of Comparatodo. It also involves the main activities related to other sources of revenue such as advertisements or the user acceptance towards the design and easiness to use of the platform. All these activities are the responsibility of the DSD and IT department.

***Redesign of the website's homepage.*** This is the redesign of Comparatodo's website based on the analysis made in its competition such as Comparabien and other benchmarks such as Rastreator. As such, this design should consider different icons and menus that go accordingly to the nature of each product along with the best practices that have been adopted by the competition and refer back to the research that has been explained previously.



***Design of the forms and search parameters for each product.*** This involves the design of the forms to be filled and the search parameters for each product, such as those shown in Table D1. As such, this process involves a previous analysis of each product to check which are the factors that affect them the most regarding their price, risk or availability. Also, this design should be friendly, simple and direct to customers to facilitate adoption.

***Customize comparison page for each product.*** As each product has different parameters and target markets, the comparison pages of each of them must be designed based on the qualities that the possible customer look for. For this, it would be helpful to analyze the information about each of the products and improve the functionality of the comparison pages to maintain Comparatodo's good practices. This analysis can be done with the help of the attributes defined in Comparabien for each product and from the conversations with the clients. This will be extremely helpful in the financial services industries as Agencia B12 does not have much expertise in this industry.

***Development of tutorial guides and demos.*** This is an important part of the implementation as it shows the main tutorial on how Comparatodo works, its easiness to use and its strengths compared to the competition. Those guides can be shown in guides or informative videos (should be adapted for users with slower internet connections).

***Implementation of website banners.*** This activity involves the design and the main conditions with an ad provider service. These banners should not be invasive to the design and should be natural to the site as they can become a drawback if the users feel they make their experience slower or unpleasant.

***User acceptance testing.*** This involves the testing of the tool by the product analyst to analyze how the target user can react to the design and the procedures in Comparatodo. The analyst must test the platform to make sure it works properly and the necessary adjustments

that must be made before introducing the tool to the market. It would be useful to apply some indicators (i.e. unique viewers, bounce rate, average time spent in site) to determine how successful is the website's design with the target market.

### **8.1.3 Other strategies**

These are additional strategies that must be done to foster the success of the implementation of Comparatodo. As part of these, they include the design of the social media presence, the human resources strategy regarding the implementation of the project, the addition of content to increase the presence of the tool and the marketing strategies to follow to maintain Comparatodo's competitiveness in the market.

***Redesign social media profiles based on Comparatodo's focus.*** This is the design of the social media presence of Comparatodo as it looks to increase its position in the market. These profiles should be as inclusive as possible and maintain a high level of information to the customers as they can include the additional content provided in the tool. Also, they have to be maintained by the marketing team to keep their competitiveness and presence. This activity is mainly done by the community manager with the assistance of the DSD.

***Hiring and staffing.*** The process of hiring and staffing consists of the search for three new positions: KAM, product analyst and community manager. As such, this activity consists of a recruitment process which encompasses the planning, profiling, selection and the evaluation and control of the selected candidates. As discussed with the client, the first position to be hired is the KAM, because this position will have a starring role in the business development area of the implementation plan. This role will be responsible for identifying and establishing key partnerships with Comparatodo's clients. Therefore, this position is accountable for identifying key contacts in the companies, developing the strategies and engaging in negotiations. The KAM must maintain status control of negotiations and will report directly to the DSD and CEO. This position can also support Agencia B12's other

accounts and key partnerships. Ideally, the person in this role has an extensive background in the financial services industry as well as digital marketing knowledge.

The product analyst will be responsible for continuously identifying target markets, researching marketing strategies, monitoring activity in the markets, and following Comparatodo through its operations. The analyst will also coordinate with the IT team the inclusion and/or development of new and/or existing products and services in the platform. Generally, the analyst will be responsible for overseeing the implementation of the website and its continuous operations. The community manager is responsible for engaging with users. This will be done through content creation such as blogs, user guides, articles, and content for social media. Additionally, this position will be responsible for all social media marketing activities (i.e. growing Comparatodo's presence through Twitter, Facebook, and Instagram). Furthermore, this position will handle all customer relations, which includes answering customer questions and managing feedback. Overall, the community manager is responsible for creating and managing relationships with users to build Comparatodo's brand and ensure excellence in customer service. It is important to highlight that Agencia B12 is interested in having the recommended hired staff performing Comparatodo-specific tasks as well as supporting other units within the firm.

***Creation of additional content.*** This activity is based on the creation of additional content that can help improve the brand awareness of Comparatodo primarily in the Internet and to generate user traffic. This can be done with the writing of original content in the website such as news, blogs, vlogs or varied articles that can be shared in social media along with the usage of e-mail for current and possible customers.

***Implementation of SEO and SEM strategies.*** This activity consists of the application of the SEO and SEM strategies that are aimed to improve traffic for the platform. The application of these strategies is essential to ensure the viability of Comparatodo in the future

as the best way to differentiate itself with the competition is to increase its visibility and be the featured option for comparison tools in the market.

***Development and publishing of the terms and conditions.*** The terms and conditions of the usage of Comparatodo must be formed by the legal counsel, DSD and CEO. These must be accepted by the users before they use the platform as they are the set of rules and guidelines that they must follow to prevent abuse or fraudulent procedures.

## **8.2 Gantt Chart**

Based on the required activities in the three key areas defined previously, it was agreed that the implementation plan should have a duration of four months so that Comparatodo can be officially launched in Peru at the beginning of 2019. Therefore, a 17-week Gantt chart was designed, and it is shown in Figure 7.

In the case of business development activities, the design of the contract and the negotiations with the telecommunications clients should start at the beginning of September 2018. Then, once the contacts in the selected banks and financial entities are identified, the negotiations with these potential clients should begin, even though the negotiations with the telecommunications clients are still in progress. The estimated time considered for the visit plan with the clients in these two industries is one month and a half and 2 months respectively, considering the lack of control of the other side in the negotiations and the signing of the contract.

In the case of the changes in look and feel of the website, these are planned to start at the beginning of September 2018. These activities are implemented one at the time because they will be performed by the same team in the IT department. Finally, in the case of the other strategies all the activities should start from the beginning of the implementation plan except for the development and publishing of the user terms and conditions which were left to the end of the implementation plan upon the request of the client.

Strategic area / Activities	Responsible	Sep-18				Oct-18				Nov-18				Dec-18			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Business development</b>																	
Design of the contract of Comparatodo	Legal Counsel / DSD / CEO	X	X														
Identification of potential clients and contacts	DSD	X	X	X	X												
Visit plan for telecommunications firms	CEO / DSD																
Negotiations		X	X	X	X	X	X										
Signing of contract							X	X									
Initial upload of offers									X	X							
Visit plan for financial services firms	CEO / DSD / KAM																
Negotiations					X	X	X	X	X	X	X	X	X				
Signing of contract														X	X	X	
Initial upload of offers																X	X
<b>Look &amp; feel</b>																	
Redesign of the website's home page (with icons and menus)	DSD / IT	X	X														
Design of the forms and search parameters for each product				X	X	X	X										
Customize comparison page for each product							X	X	X								
Development of demos and guides about how to use the platform											X	X					
Implementation of advertisement banners in the website											X	X	X	X			
User acceptance testing															X	X	X
<b>Other strategies</b>																	
Redesign social media profiles to communicate Comparatodo's focus on selected industries	DSD	X	X	X	X	X	X										
Hiring and staffing (KAM, product analyst, community manager)	CEO / DSD / HR	X	X	X	X	X	X	X	X	X	X						
Creation of additional content: website, social media and emailings	DSD	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Implementation of SEO and SEM strategies	DSD	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Development and publishing of the terms and conditions of use (users)	Legal Counsel / DSD / CEO													X	X	X	X

Figure 7. Implementation plan Gantt chart.

### 8.3 Key Success Factors

The solution presented for Agencia B12 to successfully launch Comparatodo in Peru depends on four primary Key Success Factors (KSFs): (a) Client Attraction, (b) Website's Look & Feel, (c) User Traffic and (d) Information Gathering. It is crucial for Agencia B12 to place special attention and act upon these four factors as they function as key enablers for project's success.

**Client Attraction.** One of Comparatodo's key strengths will be integrating product and service offerings from several clients into their platform. The business development team must first place important attention in identifying key players in each industry and design/finalize contracts accordingly. Agencia B12 must focus on developing strong relationships with a wide range of players within the recommended industries. However, it is important to highlight that attracting clients should not be exclusively measured by lead generating contracts, but also by the ability to use logos and trademarks from key players offering a specific product or service displayed. Agencia B12's ability to identify and attract new corporate clients into Comparatodo will play a key role in introducing these new clients to their end-to-end model. A satisfied corporate client utilizing Comparatodo will likely be interested in contracting Agencia B12 for their other marketing needs.

**Look & Feel.** Based on the analysis of Comparabien in Peru and Rastreator in Spain, Agencia B12 should incorporate certain features indicated in the proposed solution and redesign the user experience in Comparatodo. Having a simple but direct display of information and a *clean* feel on the website will attract, and most importantly, retain customers. Users utilizing a comparison tool prefer information to be displayed in a direct manner, allowing them to further advance in the purchasing process of a certain product.

**User Traffic.** Driving a high number of users into Comparatodo is a key selling point for attracting corporate clients and generating revenue from leads. Comparatodo should



design a comprehensive marketing strategy that focuses on positioning the tool as a key player among comparison tools in Peru, especially compared to its main competitor: Comparabien. Developing specific written content tailored to different industries (i.e. blog posts about banking, telecommunications, etc.) is also an important tool that can be used to attract user traffic. Agencia B12 should also utilize SEO and SEM strategies to boost Comparatodo's digital presence on search engines. Additionally, a key component for increasing user traffic is to strategically engage in digital marketing initiatives. As an experienced digital marketing agency, Agencia B12 should employ advanced technologies that can boost Comparatodo's position in the market.

***Information Gathering.*** Users of Comparatodo will be required to provide certain data that affects their product or service offerings, such as age, income level, residence, etc. All this information collected will provide Agencia B12 with a relevant set of data that can be re-organized and further adapted to other marketing initiatives. Big data and analytics provides firms with valuable insights into which content is the most effective at each stage of a sales cycle (Columbus, 2016). Specifically, for Comparatodo, big data and analytics can support the different pricing strategies at the customer-product level and optimize pricing based on gathered information (Columbus, 2016).

However, it is important to consider that there are some risks that may compromise the development of the implementation plan which can result in delays and difficulties to carry on the activities of this plan. Table 18 highlights the risks associated with each key success factor or enabler.



Table 18

*Key Success Factors*

<b>Enabler</b>	<b>Risks</b>	<b>Mitigation strategy</b>
Client Attraction	<ul style="list-style-type: none"> <li>● Lack of interest by industry leaders in Financial and Telecom services.</li> <li>● Delays in contract negotiation.</li> </ul>	<ul style="list-style-type: none"> <li>● Constant monitoring of business development strategies and conduct adjustments accordingly.</li> <li>● Allocate buffer times for signing contracts and have templates ready to be adjusted.</li> </ul>
Look & Feel	<ul style="list-style-type: none"> <li>● IT Staff not being able to accommodate Comparatodo (time commitment/resources).</li> </ul>	<ul style="list-style-type: none"> <li>● Outsource certain tasks or hire additional IT staff to follow implementation plan.</li> </ul>
User Traffic	<ul style="list-style-type: none"> <li>● Staff turnover/PM leaving the company not being able to drive growth and lead project.</li> <li>● Infrastructural risk (servers/cloud services).</li> </ul>	<ul style="list-style-type: none"> <li>● Ensure that other staff is being trained and briefed on the project.</li> <li>● Continuous infrastructure improvement and monitoring.</li> </ul>
Information Gathering	<ul style="list-style-type: none"> <li>● Changes in Peru's privacy laws.</li> <li>● Hacking of user information.</li> </ul>	<ul style="list-style-type: none"> <li>● Continuous support of legal advancements in Peru regarding privacy laws.</li> <li>● Ensure appropriate anti-hacking measurements are in place.</li> </ul>
Other	<ul style="list-style-type: none"> <li>● Delays in hiring staff for Comparatodo.</li> <li>● Cyber security/hacking of website.</li> </ul>	<ul style="list-style-type: none"> <li>● Allocate buffer times and adjust timeline accordingly.</li> <li>● Ensure appropriate cyber-security measurements are in place and continuous monitoring.</li> </ul>

*Note.* Sources: Agencia B12 (n.d.), Columbus (2016) and Purcell (2015).

#### **8.4 Conclusion on implementation plan and KSFs**

The activities that are considered in the implementation process are divided in three groups: business development, look and feel and other strategies. As such, these consider important processes like the web and the contract design, the negotiation processes and the main activities related to the continued relevance and success of the platform.

Based on the activities defined in the main three areas developed in the proposed solution and the client's plan to launch Comparatodo at the start of 2019, it was agreed with the client that the implementation plan should be completed in four months. Therefore, a 17-week Gantt chart was designed with the aim of successfully signing a contract with the desired clients, implementing the improvements in the website, and carrying out the rest of the activities under the third group of strategies.

The four KSFs discussed above provide Agencia B12 with the foundation to successfully launch Comparatodo in Peru. It is important to highlight that the expected activities and outcomes depend on such strong foundation, and the team should remain within the scope provided by these four pillars. Although existing activities are somewhat flexible and can be adapted or new ones can be added, the KSFs should not change.

## Chapter IX: Expected Outcomes

This section will describe the expected outcome after the implementation, launch and first two years of operations of Comparatodo. Additionally, it will provide an outlook on the future expansion of the platform.

### 9.1 Expected outcome

Upon completing the implementation plan detailed in the previous chapter, it is expected that Agencia B12 successfully launches Comparatodo in Peru at the beginning of 2019. The expected outcome can be assessed in six dimensions: (a) website improvement, (b) brand image, (c) client attraction, (d) user traffic and information gathering, (e) economic results, (f) cross-selling.

**Website improvement.** It is expected that the website is fully operative and has all the suggested improvements incorporated by the end of 2018. The homepage of Comparatodo will feature the main products of the telecommunications and financial services industries: mobile subscriptions, home internet, cable television, accounts and deposits, credit cards, and personal loans. Also, the products will be organized in the new menu for the different categories so that the user can easily find the products that they wish to compare.

Additionally, each product will have its own parameters and forms that allow the user to refine their search and provide an accurate result. Accordingly, each product will have a customized comparison page that allows the user to compare the attributes of the different alternatives. Finally, the terms and conditions should be published in the website before the platform is launched so that the company avoids any sort of legal issue during their operations.

**Brand image.** Based on the proposed solution, the focus of the brand will no longer be solely on telecommunications. Instead, it will be focused on the possibility to compare different kind of products, so that it is aligned to the name “Comparatodo” which means that

it is able to compare everything. This will be a positive message throughout the consolidation of the brand in the market as it will allow the future incorporation of new products and categories even in different industries than the ones proposed for the launch of the platform. This message will be emphasized in all the communications of the company: website, social media and emailing.

***Client attraction.*** As described before, the company will focus on attracting clients in the telecommunications and financial services industries. On one hand, most of the telecommunications companies are already clients of Agencia B12. Therefore, the process of attracting these clients is expected to be smoothly and it should be completed before the end of 2018. The companies that will be targeted are Movistar, Claro, Entel, DirecTV and Bitel. It was agreed with the client that it is feasible to manage to sign a contract with these five companies and do business with them by the moment that Comparatodo is launched in Peru. Regarding the financial services industry, there are two groups of companies in which the efforts of the company will focus: banks and other financial entities. In the case of banks, it is expected that before the end of 2018 the company signs a contract with the main four banks in the Peruvian market (BCP, BBVA, Scotiabank and Interbank). Especially with BBVA and Interbank, this process is expected to be faster as they have already signed a contract with Comparabien and are familiar with PCWs. In the case of other financial entities, the efforts should focus as well on the main institutions in the market; therefore, the expected outcome is to sign a contract with Crediscotia, Financiera Confianza, Compartamos Financiera and Financiera TFC. Additionally, the company should be open to attract other banks and financial entities, especially with those that already have a contract with Comparabien such as Banco Ripley. Moreover, to sustain the growth of the platform the company should proactively seek new clients throughout the course of its operations.

***User traffic and information gathering.*** Considering that Comparatodo will focus on telecommunications and financial services, which are industries with a massive number of customers, it was agreed that the expected number of visitors of the website during the first year of operations could feasibly reach the level of traffic registered by Comparabien in Peru at the beginning of 2014, which is the closest benchmark available. The number of visitors of that PCW was 1,374 per day (Stat My Web, 2014) and this reflects the traffic generated during its first two years of operations, considering that they formally started operations in 2012 (Herrera, 2014). Furthermore, it is important to note that Comparabien is primarily focused on the insurances industry, which is smaller compared to the other two industries in which Comparatodo will focus. In particular, the telecommunications industry constitutes a very large market which is not being addressed by Comparabien, and in contrast, Agencia B12 has already all the expertise and most of the clients in this industry. Based on this estimate, the expected number of visitors would be 501,510 considering the 365 days in a year. This will consider the total number of users that visit the website and potentially perform a comparison about at least one product. Therefore, the company would be able to capture the information of these users even though in the end they would not decide to request any product (which would mean that they become a lead that can be sold to the selected client). The gathering of information will be possible because of the search parameters and forms which need to be completed to see the results of the requested comparison. As the effects of word-of-mouth, advertisement, and brand recognition allow Comparatodo to grow in popularity, the annual number of visitors will increase. As discussed with the company, these kinds of technological ventures, which are launched in a low competition environment, are susceptible of experiencing a very high growth rate and even duplicate their level of activity in the second year of operations. For this reason, it was

defined that Comparatodo would likely grow by 85% in the second year. This estimate was considered to calculate the expected number of visitors in the second year.

**Economic results.** To determine the economic benefits of this business opportunity, the main revenue stream and costs of Comparatodo were identified. Revenues will come from the generation of leads that will be sold to the clients with which Agencia B12 has signed a contract. Considering the benchmark of Comparabien as the approximate number of visitors of Comparatodo, and that the company considers a lead generation rate of 10%, the number of leads generated in the first and second year would be 50,151 and 92,779, respectively. The cost per lead (CPL) or price paid by the clients that buy the leads was estimated in US\$3.50, considered the benchmark of a lead generation emailing campaign launched by Comparabien in 2017. On the other hand, the costs considered for the economic outcome are the investment in digital advertising and wages. Considering Comparabien as a benchmark, it is known that 80% of the traffic that goes to their website is driven by SEO strategies while 20% is driven by SEM strategies, meaning that they are charged for the 20% of visitors they receive in their website. Therefore, this percentage is used to calculate the investment in digital marketing multiplying it times the estimated average cost per click (CPC) in Peru, which is US\$0.68 (Shift Latam, 2016), and the total number of visitors. Regarding wages, it was agreed that the salary of the KAM would be US\$2,500 monthly and the other two new positions (community manager and product analyst) would be on average US\$1,000 monthly each, with a 10% increase in the second year for all positions. These amounts are multiplied by 14 to reflect the annual wage of the employees, including the two bonuses received in July and December according to the Peruvian law. Table 19 shows the economic benefits estimated for the next two years; the main inputs for these calculations are shown in Figure 8. The business provides a positive EBITDA and an operating margin of 25% in the first year. Then, based on the expected growth in the second year, the operating margin would grow to 40%, which is

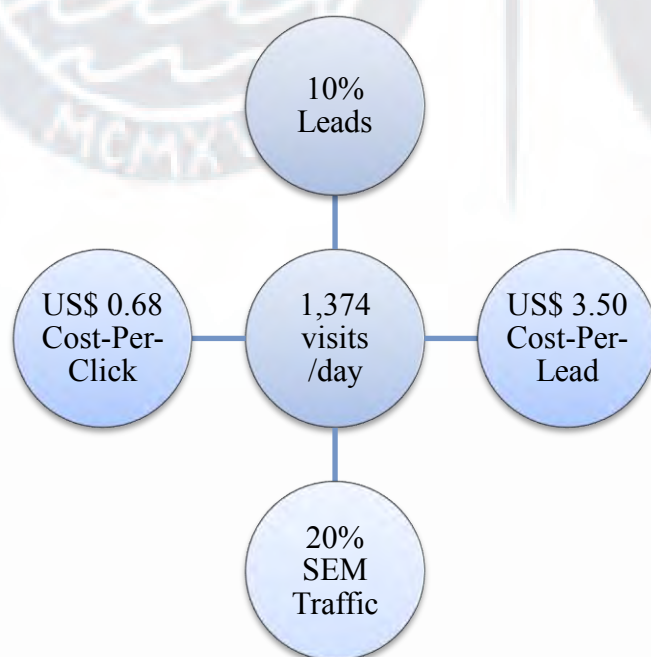
higher than Agencia B12's overall operating margin. Furthermore, this economic outcome does not consider the leads generated for some clients in Comparatodo that would be incorporated to their end-to-end model. In those cases, the company would be paid on a cost-per-acquisition basis and the revenues would be even higher.

Table 19

*Comparatodo's Expected Economic Results*

Indicator	Year 2019	Year 2020
# visits	501,510	927,794
Leads generated (10% of the visits)	50,151	92,779
Revenue (leads generated * CPL)	\$175,529	\$324,730
Digital advertisement expenses (# visits * 20% * CPC)	- \$68,205	- \$126,180
Wages	- \$63,000	- \$69,300
EBITDA	\$44,323	\$129,250
Operating margin	25%	40%

*Note.* Revenue, digital advertisement expenses, wages and EBITDA expressed in USD.



*Figure 8.* Main variables for the calculation of the expected economic results. Sources: Agencia B12 (n.d.), Shift Latam (2016), and Stat My Web (2014).



Regarding the costs of developing the website and implementing the improvements in its look and feel, these are not considered in the economic analysis because of the following reasons. The effort and cost to develop the platform are considered sunk costs since the platform is already implemented in Spain, while the improvements to the look and feel of the website will be performed in-house by current employees of the company. Furthermore, the deadlines provided in the implementation plan are flexible since the IT team has other responsibilities.

***Cross-selling.*** Another expected outcome besides attracting new clients for Comparatodo is that new clients are introduced to Agencia B12's services. Even though this is not considered in the economic results analysis, this will generate additional revenues and it will allow the firm to start diversifying its client portfolio, which is currently concentrated in telecommunications industry.

## **9.2 Future expansion**

After its launch and first years of operations in the Peruvian market, it is expected that Comparatodo naturally increases the products and services selection. Moreover, Agencia B12 has demonstrated interest in expanding Comparatodo internationally, particularly to other Spanish-speaking countries such as Chile and Argentina. Even though establishing the criteria to decide which of these countries to tackle first is not part of the assessment of this consulting project, the team would recommend applying the methodology developed in chapter VI to assess which industries and products are more promising in those new markets.

## **9.3 Conclusion on expected outcome**

The expected outcome is that Comparatodo is launched in Peru with full implementation of the activities proposed within the three key areas highlighted: business development, look and feel, and other strategies. As a result, by the end of 2018, the improvements to Comparatodo's website should be completed and the brand image should be

changed to communicating its focus on comparing different products (not just telecommunications and financial products). Also, the negotiations with the potential clients in the telecommunications and financial services industries should be fulfilled.

Regarding the results in the first two years of operations, it was agreed the website should reach the user traffic level registered by Comparabien at the beginning of 2014, which was roughly half-million users, and then grow by 85% in the second year. Therefore, the company should be able to capture the information of all these users. Based on these estimates, the EBITDA during the first two years is forecasted at US\$ 44,323 and US\$129,250, respectively (considering the revenue derived from lead generation and the costs of digital advertising and wages).

Finally, it is expected that Agencia B12 can integrate the leads generated in Comparatodo to its end-to-end model for some of its clients. This is an important aspect as it will help the company to diversify its client portfolio and increase its revenue. Also, it is expected that once the company has consolidated its presence in Peru, they may expand its operations in other Spanish-speaking countries in the region.

## Chapter X: Conclusions and Recommendations

### 10.1 Conclusions

Agencia B12 is a digital marketing agency that employs a results-oriented end-to-end business model, and centers its operations in Madrid, Spain. The backbone of the company's strategy is innovation, as the marketing and sales teams customize strategies for clients, which in turn drives sales and retains customers. The end-to-end model applies different business intelligence and data analysis tools that allow the client to understand and monitor the behavior of their customers.

In examining the digital marketing industry in Peru using Porter's Five Forces, the following was discovered regarding each force. The threat of new entrants is high, threat of substitutes is medium-low, bargaining power of buyers is high, bargaining power of suppliers is medium-high, and industry rivalry is high. The external analysis indicates that Agencia B12 faces many opportunities and threats. Peru is in a period of economic, social and political stability, which provides Agencia B12 with market opportunities, given their increasing digital presence. In contrast, with more competitors entering the industry, it is vital that Agencia B12 is continuously innovative and always providing value-adding solutions for their clients. Agencia B12's winning business model is made up of the high cohesion between the core department teams and the wide and international experience of the group in this industry. The company faces two challenges: a highly concentrated client portfolio, which increases the need for customer diversification, and developing an attractive employer brand (becoming a GPTW).

The key opportunity addressed in this consulting report was to launch Comparatodo in Peru. This will have a significant impact on the organization, since it provides an opportunity for diversifying the client portfolio, access to knowledge in the B2C field and to big data capabilities and represents a new source of revenue for the company. Agencia B12 has

successfully operated its price comparison website (PCW, Comparatodo) tool in Spain, which provides the firm with a sound position to bring Comparatodo to Peru. Therefore, given the expertise of Agencia B12 in digital marketing, along with their need to diversify its client portfolio, launching Comparatodo in the Peruvian market is consistent with the strategy and goals of the company. This implementation plan to launch this platform will start in September 2019.

The literature review discussed key terms and concepts that were critical to researching and understanding the opportunity for Agencia B12. In particular, price comparison websites (PCWs), digital maturity, product market diversification and intrapreneurship were important. PCWs can be defined as a business model which allows consumers to find the best (usually the cheapest) option for a specific product or service in the market. These platforms have shaped several industries because of the pressure it places on price. Digital maturity in Peru was analyzed based on two frameworks that consider different stages that users go through from having access to the digital environment to finally becoming an active online purchasing user. The concept of product-market diversification was discussed as a common strategy and one that is increasingly being used as globalization increases. It provides many benefits to companies, but these benefits vary based on firm's internal capabilities and limitations. Intrapreneurial success is greatly linked to managerial effectiveness and the capacity to integrate an entrepreneurship spirit within the organization's culture. To leverage the benefits of intrapreneurial activities, firms must communicate transparency and provide employees with an adequate supporting environment.

Regarding the industries of potential interest for Comparatodo's launch strategy, telecommunications, insurances and financial services were considered. The telecommunications industry contributes a significant portion of Peru's GDP annually, and it is dominated by very few key players. The four products and services analyzed are similar in

that they have large market penetration, low brand-loyalty, and a low complexity for purchasing. It is expected that the industry will continue to grow as the economy progresses and as more people gain access to better infrastructure. The insurance industry in Peru has a large potential for growth as it still has not penetrated in the vast amount of the population. As such, two of the biggest challenges for the industry is to be able to offer their services in provinces as the market penetration in Lima is by far the largest in the country, along with the need to educate people about the advantages of having insurance. The financial sector in Peru has evolved over the years. Although financial inclusion remains as a challenge, the access to financial services has reached 43% of the adult population and the growth of personal loans and mortgages has increased more than other financial products. This industry is composed by 54 institutions of which banks are of major significant in terms of assets, credits and deposits.

Comparabien was identified as Comparatodo's main competitor in Peru as it is positioned as a multi-industry PCW. This platform currently offers the possibility to compare the best alternative on 20 different products and it is designed so that users can refine the parameters of their search to get a more accurate result. An important insight is that Comparabien does not have a contract with every company that is listed in the platform, which allows more possibilities for Comparatodo. The indirect competitors of Comparatodo use different methods to give the best alternative to customers in some of the products. These platforms are growing and increasing the number of products offered. Comparatodo could benefit by implementing some of the features of their competitors, such as user-friendly interface, informative articles and instructional guides and videos.

Agencia B12 is well positioned to take advantage of this opportunity given its internal capabilities. The enablers of this opportunity are: an already developed platform, in-house IT

team, experienced management team, knowledge and expertise in digital marketing, few competitors, and opportunities in multiple industries.

To assess the alternatives available for Agencia B12 to design Comparatodo's strategy for the Peruvian market, insights from competitors were collected, along with extensive industry and product research. The assessment was based on three different variables: market size, price and complexity of the sales process. Using these variables, a methodology was developed to rank and compare the three aspects for each of the 17 products that were identified in the three industries. The result of the framework used was to focus on the telecommunications and financial services industries and the team proposed this as the solution for Agencia B12.

To implement this solution, the activities to be considered are divided in three groups: business development, look and feel and other strategies. These categories consider important processes like the web and the contract design, the negotiation processes and the main activities related to the continued relevance and success of the platform. The expected outcome of this solution is that Comparatodo is successfully launched in Peru at the beginning of 2019, fulfilling the activities the three groups outlined above. Furthermore, it is expected that Agencia B12 will integrate the leads generated in Comparatodo to its end-to-end model for some of its clients.

## **10.2 Current recommendations**

The final recommendation for Comparatodo to launch in Peru is to focus on the telecommunications and financial services industries. The tool should include the following products: mobile subscriptions, home internet, cable television, bank accounts and deposits, personal loans (issued by banks and other financial entities), and credit cards. As part of this recommendation, it is vital that Agencia B12 signs contracts with the companies to be listed in the platform. The focus regarding business development should be on the financial



institutions, as they are not yet clients in any service that the firm provides. However, it is also recommended that companies without a contract with Agencia B12 should be considered in the platform, because it is important to be transparent with the users and the main value for them is to find all the options available in the market to make a fair comparison. Given the complexity of contract arrangements, user terms and privacy laws, the team recommends Agencia B12's legal unit to continuously revise legal terms with clients and users.

Comparatodo should also make efforts towards adjusting the website to a more user-friendly platform. The interface, the color scheme and the parameters provided to customers could be improved to make customers feel welcome and draw them into using a simple but useful comparison tool in turn this help in retaining customers. There were four recommended best practices: (1) a distinct team, with specialized knowledge should be responsible for the operation of the tool; (2) multiple revenue models should be considered; (3) creating white papers to be included on the site; and (4) social media presence, which will also help set them apart from their competitor. Regarding the multiple revenue models, it was recommended to use the following three: cost-per-lead (for the clients to which Agencia B12 will only refer the users who are interested in acquiring a product), cost-per-acquisition (for the clients to which Agencia B12 offers the end-to-end service and therefore is able to convert the leads into sales with its own contact centers), and finally advertisement, which refers to the revenue generated for having advertisement banners in Comparatodo's website.

### **10.3 Future recommendations for Comparatodo**

Given Peru's digital growth and positive expectation for becoming a more digitally mature market, it is crucial that Agencia B12 develops a long-term strategy for Comparatodo. Currently, the PCW industry in Peru is dominated by one key player (Comparabien) and several indirect competitors focused on certain industries. Comparatodo has the potential to position itself as a strong brand in Peru. However, it is important to highlight that the PCW



industry will evolve as Peru becomes more digitally mature. Agencia B12 should constantly monitor the market for new products and services that fit within the Comparatodo's strategy (market size, value and complexity). Rastreator (Spain), for example, constantly adds and removes products and services from its platforms. It is important to develop an evaluation and assessment process to measure the profitability and engagement of each offering in the website. Comparatodo's success should also be supported by a specialized and talented team dedicated to the website. Successful PCW firms analyzed in this report had specific personnel dedicated to each industry offered in the website. Such personalized personnel provide the firm with constant market analysis and research, which ultimately increases user traffic and website's value. Furthermore, a dedicated team can provide regular customer support and collect user feedback.

Furthermore, given Agencia B12's complete marketing services offering, Comparatodo should be positioned as a complimentary product among the firm's *off-the-shelf* offerings. Agencia B12's current clients should be introduced to Comparatodo and encouraged to integrate it in their marketing plans. Integrating Comparatodo with Agencia B12's end-to-end services will support the alignment of business units within the group, strengthening the firm's corporate strategy. Literature suggests that firms which succeed at integrating different business units can develop strong and comprehensive corporate strategy, which improves overall performance, reduce costs and/or increase revenue (Sitnikov & George, 2014).

Comparatodo's success in Peru should be used as a potential benchmark for expanding into other Spanish-speaking Latin American countries. Given the growing digital presence of other Latin American countries, such as Chile, Colombia and Argentina, Comparatodo should explore a potential expansion into attractive industries in such countries. Language similarities and previous in-country experience (especially in the

telecommunications industry) provide Agencia B12 with key advantages to launch Comparatodo in the region. Additionally, the learning process to launch Comparatodo in Peru can be used throughout any new expansions, and the website itself could simply be adapted to a new market. By adapting a previously developed and tested website, Agencia B12 can save initial costs and place greater investment in SEO and SEM strategies.

Lastly, Agencia B12 should place a strong emphasis on how big data can affect and support Comparatodo's growth. Given the enormous amount of information collected from various customer segments using Comparatodo, Agencia B12 needs to carefully utilize such data to generate better marketing decisions. There are three main areas of how big data can support marketing firms: customer, operational, and financial. For the customer, big data may include behavioral, attitudinal and transactional metrics from Comparatodo visitors. Operationally, it includes objective metrics that measure the quality of marketing processes relating to marketing operations, resource allocation, asset management, budgetary controls, etc. Financially, this big data category may include sales, revenue, profits, and other objective data types that measure Comparatodo's return (Ghosh, 2015). Big data can also support Comparatodo in adopting a Next Best Action (NBA) strategy to engage customers comparing selected products. This is done via real time listing of all potential offers for each individual customer and then determining the optimal one (Svilar, Chakraborty, & Kanioura, 2014). Another strategy often utilized by companies adopting big data is the monetization of information for targeted dynamic advertisement. Significant data volumes collected over time can provide Agencia B12 with access to untapped or under-tapped information and create new sources of revenue. However, it is important to highlight that user privacy and other regulatory measures are constantly being developed to protect confidential information and limit a firm's ability to monetize information. Agencia B12 should place a strong emphasis on compliance and protection of user privacy.

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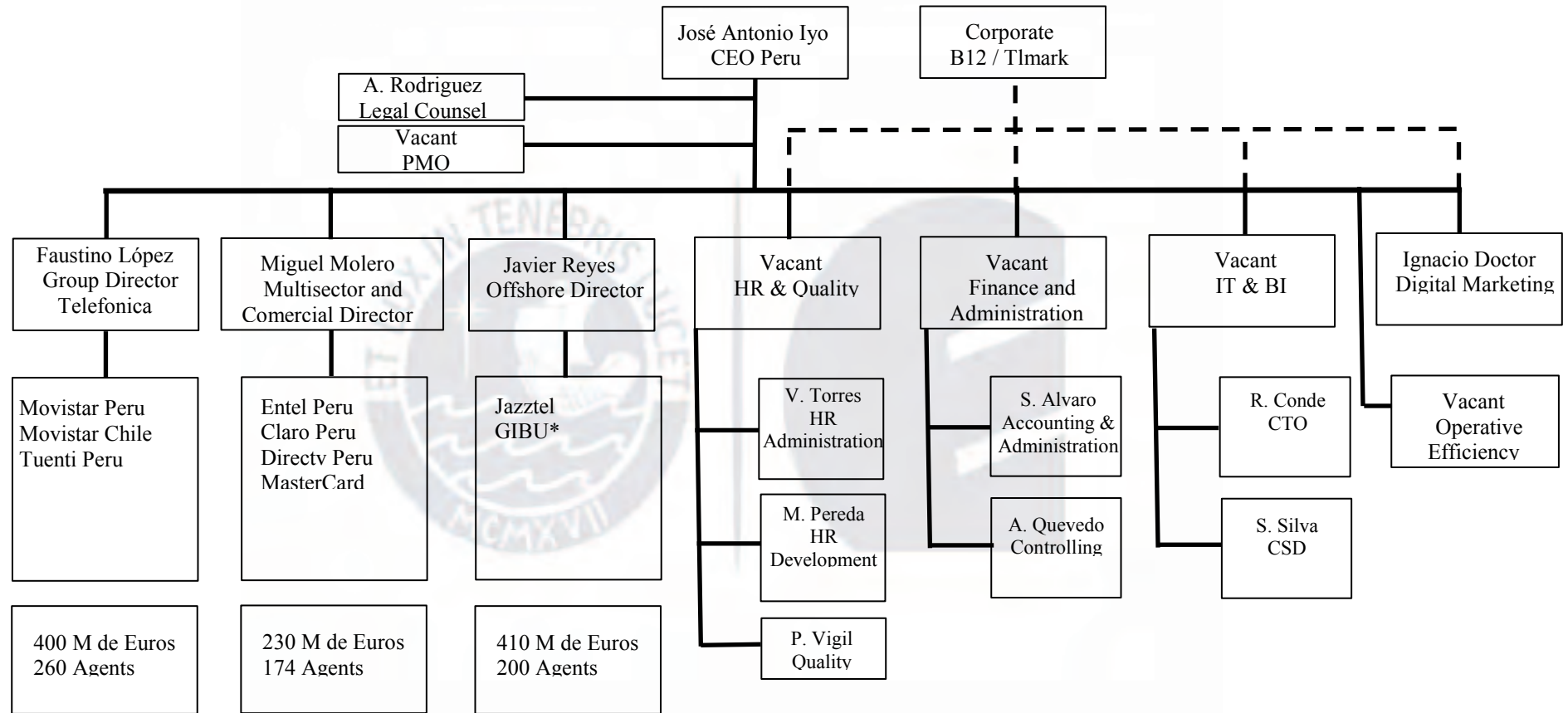
content/uploads/2015/04/6.-Effectiveness-of-Digital-Marketing-in-the-Challenging-Age-An-Empirical-Study1.pdf

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**Appendix A: Agencia B12's organizational chart**



\* Managed from Tlmark Spain

Figure 9. Agencia B12's organizational chart.

## Appendix B: Current homepage of Comparatodo in Peru

**comparatodo.pe** El comparador de planes de móvil, internet y TV

# ¿En qué quieres ahorrar?

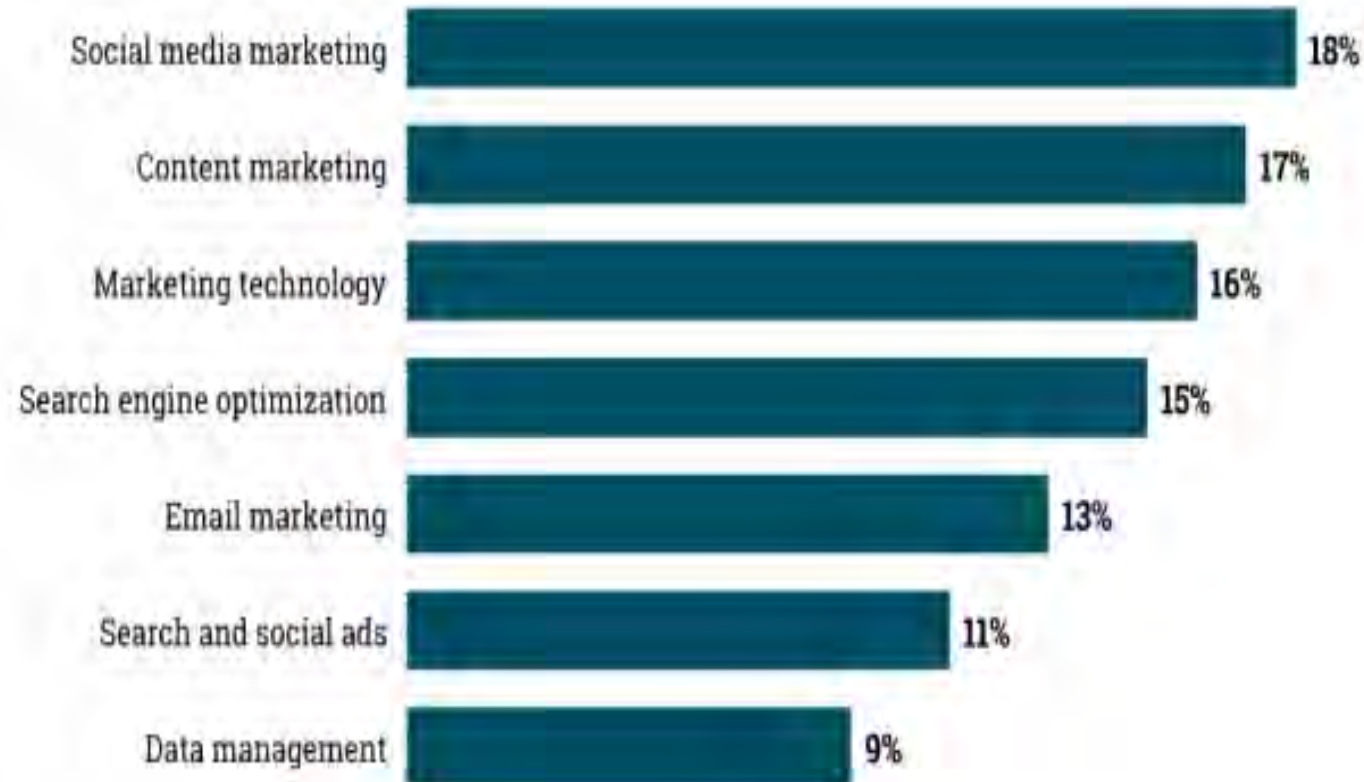
Selecciona una opción y buscaremos todas las promociones para ti.

Móvil  Internet  Internet + Fija  Internet + Fija + TV  **COMPARAR**

Compara y elige la mejor oferta

Ahorra en tu factura de teléfono e internet

Figure 10. Current homepage of Comparatodo in Peru.  
Reprinted from Comparatodo (n.d.). Comparatodo.pe. Retrieved from <https://comparatodo.pe/>

**Appendix C: Most Effective Digital Marketing Tactics for 2018**

*Figure 11.* Most effective digital marketing tactics for 2018.  
Reprinted from Marketing Charts (2018). Top 25 Marketing Charts of 2018. Retrieved from [https://marketingcharts.tradepub.com/free/w\\_marr04/prgm.cgi](https://marketingcharts.tradepub.com/free/w_marr04/prgm.cgi)



## Appendix D: Search parameters of featured products in Comparabien

Table D1

### *Search Parameters of Featured Products in Comparabien*

Product	Parameter
Credit cards	Main use Brand Monthly income Benefits Location
Personal loan	Currency Loan amount Loan term Monthly income Location
SOAT	Vehicle type Brand Location
Vehicular insurance	Brand Year Model Version
Term deposits	Currency Deposit value Deposit term Location
Car loan	Car type Currency Car value Initial payment Loan term Monthly income Location
Mortgage	Credit type Currency Property value Initial payment Loan term Monthly income Location
Home insurance	Property type Coverage type Plan type Property value Content value

*Note.* Source: Comparabien (n.d.).

## Appendix E: Homepage of Comparabien



Figure 12. Comparabien homepage.

Reprinted from Comparabien (n.d.). Comparabien.com. Retrieved from <https://comparabien.com.pe>

## Appendix F: Sample of parameters to refine comparison results in Comparabien

The screenshot displays the 'Tarjetas de Crédito' (Credit Cards) section of the Comparabien website. The page features a navigation bar with links for 'Ahorros', 'Tarjetas', 'Préstamos', 'Seguros', and 'Comunicaciones'. A prominent red banner at the top advertises 'Vuelos sin escalas desde Lima a Montreal y Toronto' (Non-stop flights from Lima to Montreal and Toronto) with a 'Vuela ya' button and the Air Canada Rouge logo. The main content area is titled 'Tarjetas de Crédito' and includes the subtext 'Compara todas las Tarjetas de Crédito del mercado en un sólo lugar' (Compare all credit cards on the market in one place). The filter section includes the following parameters:

- Uso Principal:** A dropdown menu set to 'Compras'.
- Marca:** A selection area with 'Todas' selected, and buttons for 'VISA', 'MasterCard', and 'AMEX'.
- Ingreso Mensual:** A slider control set to 'S/ 2,500'.
- Beneficios:** A dropdown menu set to 'Todos'.
- Ubicación:** A dropdown menu set to 'Seleccione'.
- DNI:** A text input field containing 'opcional', with a star icon and the text 'Con tu DNI verificamos si tienes una tarjeta pre-aprobada'.
- Regístrate:** A text input field for 'Ingresa tu email', with a checked checkbox for 'Quiero recibir consejos por email' and a link to 'Términos y Condiciones'.

At the bottom of the page, there is a 'Guía' button and a large green 'COMPARA' button with a right-pointing arrow.

Figure 13. Parameters to refine comparison results in Comparabien.

Reprinted from Comparabien (n.d.). Comparabien.com. Retrieved from <https://comparabien.com.pe>

## Appendix G: Homepage of Tasatop

contactos@tasatop.com +51 993 271 177 Te llamamos

f t in i

Inicio Instituciones Educación financiera Productos Simulador DPF Tasas Inicia Sesión

**TasaTop**  
Competimos por ti .com

Rentabilidad y asesoría para tus ahorros.  
Única *fintech* enfocada al ahorro. **Servicio gratuito y flexible.**

Plazo Fijo Persona CTS Plazo Fijo Empresa

Ver video

Chatea con nosotros

Figure 14. Homepage of Tasatop.

Reprinted from Tasatop (2018). Tasatop.com. Retrieved from <https://www.tasatop.com/>



## Appendix H: Homepage of Segurosimple

seguro simple.com  
CON EL RESPALDO DE ATEGIA  
CORREDORES DE SEGUROS

Te llamamos Contacto Otros Seguros

### COTIZA TU SEGURO VEHICULAR

COMPARA TODAS LAS ASEGURADORAS EN SEGUNDOS

**Completa el formulario y cotiza al instante**

DATOS DE VEHICULO		DATOS DE CONDUCTOR	
Marca	Seleccione la marca	Edad	Años
Año de fabricación	2018-Nuevo	Celular	Tu cotización por SMS
Modelo	Selecciona el modelo	E-mail	Te enviamos la cotización
Uso	Particular	Región	<input checked="" type="radio"/> Lima <input type="radio"/> Provincia
Valor de Mercado (\$)	0	<input checked="" type="checkbox"/> Quiero recibir información por e-mail (ver condiciones).	Ingresar tu código promocional
Convertido a gas	<input type="radio"/> Sí <input checked="" type="radio"/> No		

**Encuentra tu seguro vehicular**

Figure 15. Homepage of Segurosimple.










Reprinted from Segurosimple (2018). Segurosimple. (n.d.). Segurosimple. Retrieved from <https://www.segurosimple.com/>

## Appendix I: Homepage of Comparatel

**COMPARATEL**  
Tu comparador de tarifas

**Instrucciones**


Debe seleccionar por lo menos un servicio. Si selecciona más de un servicio, debe elegir una de las siguientes combinaciones:


-  +  + 
-  + 
-  + 
-  + 


**COMPARATEL**  
Tu comparador de tarifas


**Instrucciones**

Debe seleccionar por lo menos un servicio. Si selecciona

  
 Telefonía móvil

  
 Telefonía fija

  
 Internet

  
 Cable

Renta Mensual (S/)

Ingresar un rango de precios (opcional)

**Mínimo:** 
**Máximo:**

[Siguiente >](#)

Figure 16. Homepage of Comparatel.

Reprinted from OSIPTEL (2016). OSIPTEL lanzó herramienta para que los usuarios identifiquen los planes más adecuados a sus necesidades. Retrieved from <https://www.osiptel.gob.pe/noticia/np-lanzamiento-comparatel-2016>

## Appendix J: Homepage of SBS comparison tool

**INFÓRMATE Y COMPARA**

- ▶ **Compara Productos Financieros**
- ▶ Compara Primas de Seguros
- ▶ Compara SOAT y Seguros Escolares
- ▶ Infórmate sobre las Sanciones a las empresas Supervisadas
- ▶ Infórmate sobre los Reclamos a las Empresas Supervisadas
- ▶ Compara Rentabilidad, Comisiones y Primas de Seguro del SPP

### Compara Productos Financieros

- Compara rendimiento de Depósitos
- Compara costo por Transferencias Interbancarias**
- Compara comisiones
- Compara costos de Créditos
- Compara beneficios de Cuenta Sueldo

#### Compara costo por Transferencias Interbancarias

Conoce y compara los costos de los servicios de transferencias interbancaria que se ofrecen en el sistema financiero:

[Ingresa aquí](#)

[SUBIR](#)

Figure 17. Homepage of SBS comparison tool.  
Reprinted from Superintendencia de Banca y Seguros (n.d.).



## Appendix K: Homepage of Rastreator in Spain

**Rastreator.com** MI ÁREA PERSONAL

SEGUROS INTERNET Y TELEFONÍA FINANZAS VIAJES COCHES ENERGÍA

### El Comparador de Seguros Líder

Compara seguros, tarifas de móvil e Internet, préstamos, viajes y mucho más

#### Seguros de Coche

Hasta 50% de ahorro con el comparador de seguros de Coche

**COMPARAR**

#### Seguros de Moto

Compara y ahorra hasta 69€ en tu seguro de Moto

**COMPARAR**

Ahora por contratar tu seguro de moto

**TE REGALAMOS "UN RASTREATOR"**

**CÓMO CONSEGUIRLO**

Ahora también puedes ahorrar en

Figure 18. Homepage of Rastreator in Spain.  
Reprinted from Rastreator (2018a). Rastreator. Retrieved from [www.rastreator.com](http://www.rastreator.com)

## Appendix L: Complexity of sales

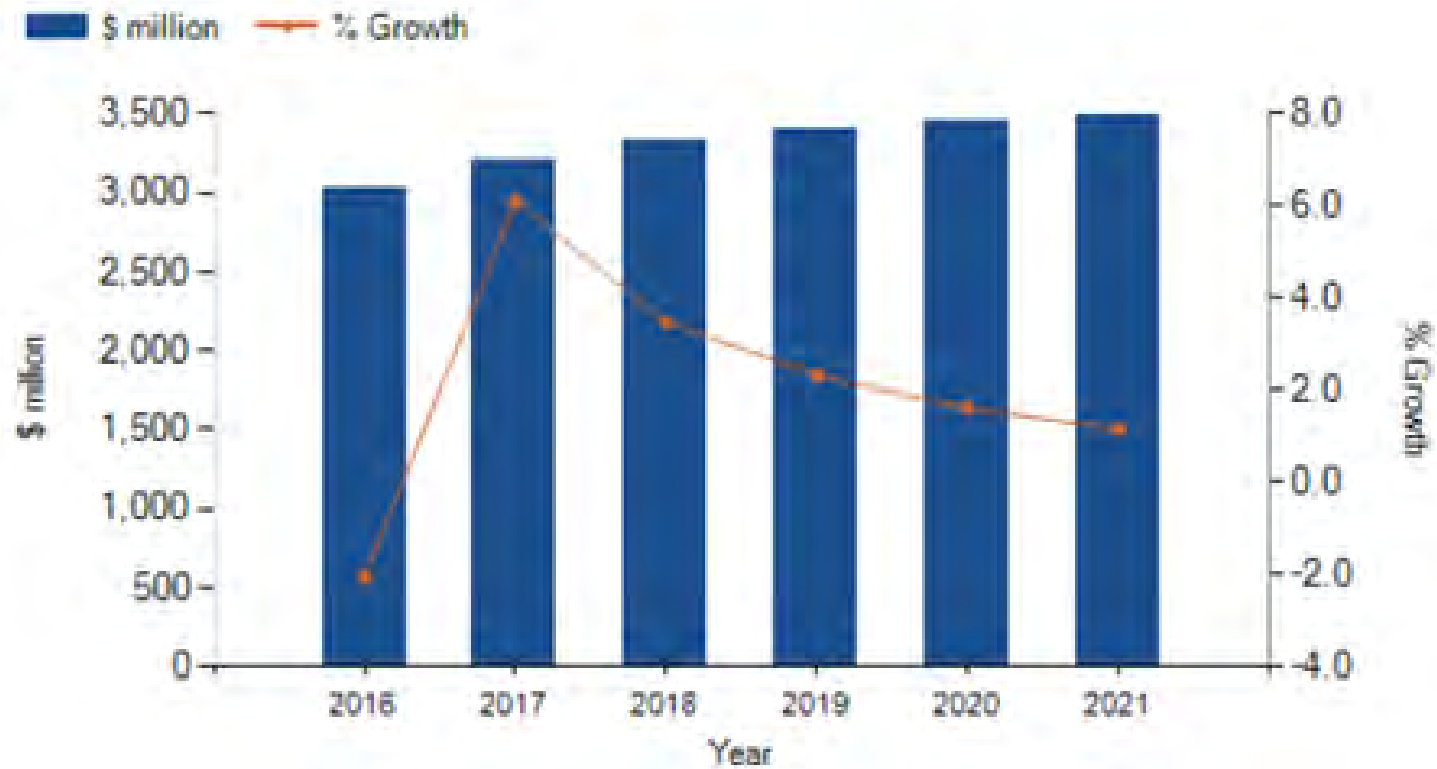
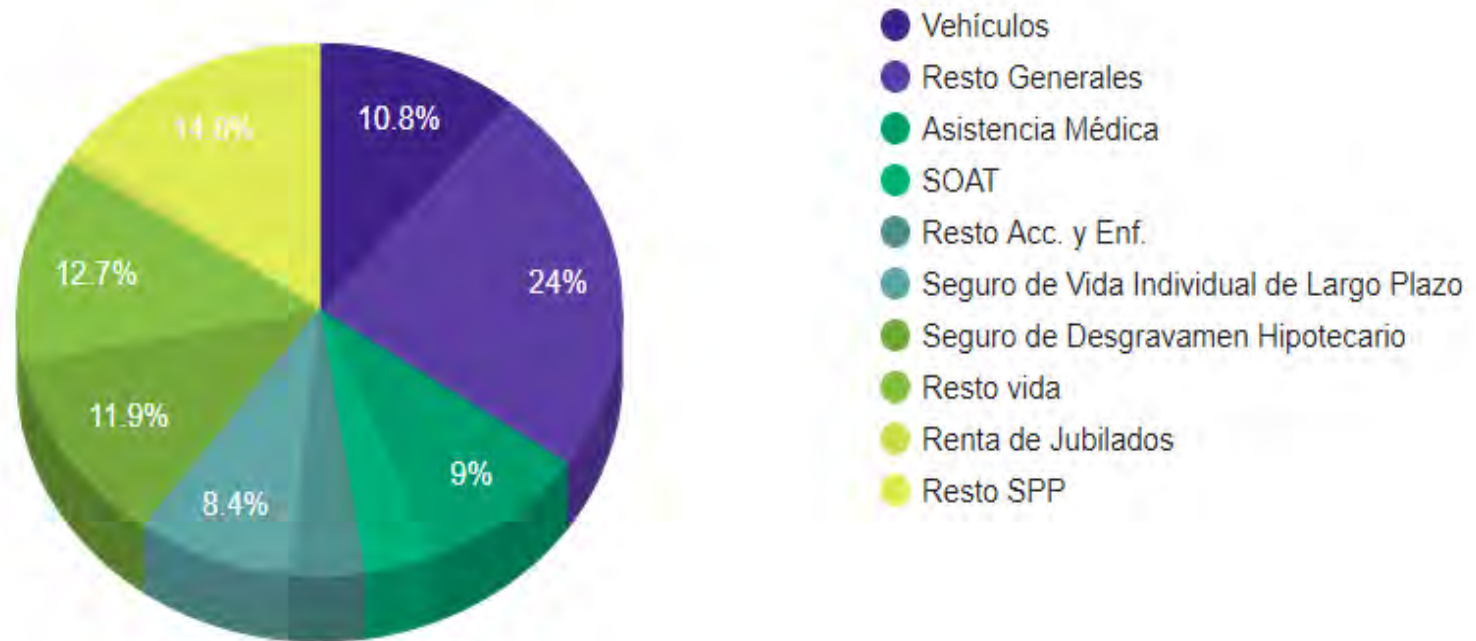


Figure 19. Peruvian telecommunications market forecast for the period 2016 - 2021.

Reprinted from MarketLine (2017). Telecommunication Services Industry Profile: Peru. London: MarketLine, a Progressive Digital Media business.

### Appendix M: Market composition of the Peruvian insurance market in 2018



*Figure 20.* Market composition of the Peruvian insurance market in 2018.  
 Reprinted from Asociación Peruana de Empresas de Seguros (2018). Composición del mercado. Retrieved from <https://www.apeseg.org.pe/estadisticas/composicion-del-mercado/>

## Appendix N: Complexity of sales

Table N1

### *Complexity of Sales*

Score	Description
2	The sales process cannot be fulfilled over the phone and/or online and requires the involvement of a third party
4	The sales process cannot be fulfilled over the phone and/or online and requires more than two in person meetings
6	The sales process cannot be fulfilled at all over the phone and/or online and requires between one and two in person meetings
8	The sales process can be fulfilled over the phone and/or online, but can potentially require one in person meeting
10	The sales process can be fulfilled over the phone and/or online, with no personal meetings.

*Note.* Framework defined for the assessment of the complexity of sales of the potential products for Comparatodo.

**Appendix O: Assessment of alternatives**

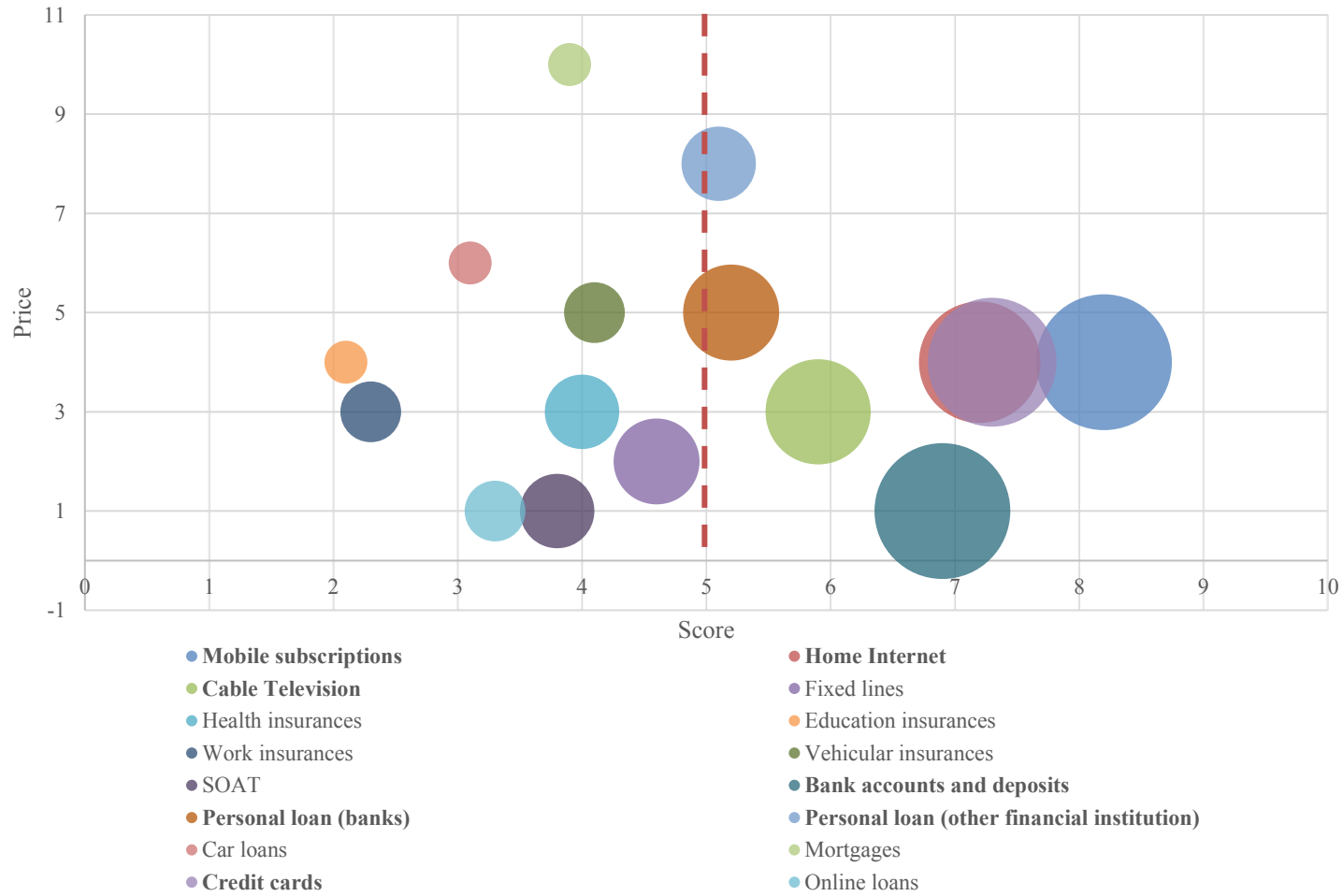


Figure 21. Assessment of alternatives.