Chapter 51

The Benefits of New Online (Digital) Technologies on Business:
Understanding the Impact of Digital on Different Aspects of the Business

Farhan Shaikh
IIT Bombay, India

ABSTRACT

This chapter explores how digital technologies are impacting the businesses – challenging the industry leaders while enabling entrepreneurs to do so. The overall findings have been bucketed under three broad sections – Customer Experience, Process Optimization, and Business Innovation. The Customer Experience section captures the way companies are using the data from digital technologies to enhance the way they interact with the customers. The section on Process Optimization highlights the significant improvements achieved by using digital technologies for existing business processes. Business Innovation captures the transformation power of digital, through new business models, business areas, and data monetization.

INTRODUCTION

Digital technologies have deeply impacted the way we live, deal, shop, travel, socialize, interact, choose, purchase and make other important decisions. They have enabled a large number of entrepreneurs to solve real world problems and in most of the cases – in real time. A majority of startups today have a digital gene giving them the flexibility of having an agile business model, which can be tweaked as per the requirements and needs of the market. For example, Uber operates as an aggregator in some regions but provides ride sharing facilities in others, to avoid legal hassles. It also provides services such as cargo delivery along with pick up and drop facility in some cities. In parallel, existing and established companies are investing in digital, either to optimize the existing business models or to create new ones

by lapping up the opportunities provided by the digital citizens of the world. To give an example from the travel industry, established car manufacturers like Ford are trying to establish themselves in peer to peer car sharing service industry, in some regions to battle stiff competition from purely digital startups like Uber and Lyft. Other than the new business models, digital also impacts the way companies reach out to their customers, understand what their customers are saying and what their needs are. Using digital platforms, companies can empower their employees to collaborate in real time, reach out to colleagues in different parts of the world and break the silos, which prevent innovation. Digitalized processes also mean increased efficiency, new data points for optimized calibration and most importantly – increased profitability. As Gartner predicts, by 2018, digital business will require 50% fewer business process workers and 500% more key digital business jobs, compared with traditional models.

Also, once thriving industry leaders such as Blockbuster, Kodak and Borders that couldn't adapt to the digital shift by providing any alternatives to the market, no longer exist.

Every business speaks about being digital or going digital; however, very few convey what they actually mean by it. Is it about the digital marketing and online presence, is it just the use of social media to reach out to customers or is it about using cloud or about applying the science of analytics to understand their customers better – the definition is wide open. That exactly explains how it positively impacts multiple aspects of business, internally as well as externally.

Digital is less of a 'thing' and more 'a way of doing things'. It is the strategy that drives digital, not the technology. Digital is orchestrated through technologies like social media, analytics, cloud and big data. It is demonstrated in the ease of usage, connectedness of customer and business resources, multi-channel experience, end-to-end integration, facilitation of storage for dissemination of data and information; and policies such as BYOD (Bring Your Own Device) which have led to consumerization of IT. Gartner defines consumerization as, "the specific impact that consumer-originated technologies can have on enterprises. It reflects how enterprises will be affected by, and can take advantage of, new technologies and models that originate and develop in the consumer space, rather than in the enterprise IT sector." Digital technologies are reaching the maturity stage with introduction of wearables, virtual reality, drones, video analytics and connected devices.

Digital helps companies understand their customer in ways not known earlier, in proper context of information and location, to provide a delightful experience, at different touch-points on every single occasion. It enables companies to engage their employees and empower them with the right tools to connect on a platform where they can provide quicker solutions by going breaking the silos. Digital also allows the company to keep their business models agile, have a faster go to market strategy, reach out to larger customer base and at the same time, have real time feedback. It helps companies hear what their customers are saying across multiple platforms about their existing brands, react and take measures to keep a check on their sentiments, or to nurture a new brand with which customers can relate to. It helps companies to generate revenues from new streams, supported by digital technologies

Need for Digital

An average employee uses much more advanced digital tools and applications at home than in office. Population in technologically mature markets like UK and US have lead the digital adoption with mobile penetration as high as 138% and 112% respectively, while Germany leads globally with 141% share. Similarly, mobile penetration in emerging markets has grown 321% compared to 46% in developed

15 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/the-benefits-of-new-online-digital-technologies-on-business/189517

Related Content

Efficient Method for Image Indexing in Medical Application
Richard Chbeir (2005). *Encyclopedia of Multimedia Technology and Networking (pp. 257-264).*
www.irma-international.org/chapter/efficient-method-image-indexing-medical/17254

Spread Spectrum Watermarking: Implementation in FPGA
Santi P. Maity (2010). *Advanced Techniques in Multimedia Watermarking: Image, Video and Audio Applications (pp. 455-485).*
www.irma-international.org/chapter/spread-spectrum-watermarking/43482

Applying Machine Learning in Optical Music Recognition of Numbered Music Notation
Fu-Hai Frank Wu (2017). *International Journal of Multimedia Data Engineering and Management (pp. 21-41).*
www.irma-international.org/article/applying-machine-learning-in-optical-music-recognition-of-numbered-music-notation/182649

Monitoring the Learning Process through the use of Mobile Devices
Francisco Rodríguez-Díaz, Natalia Padilla Zeaand Marcelino Cabrera (2011). *Handbook of Research on Mobility and Computing: Evolving Technologies and Ubiquitous Impacts (pp. 368-380).*
www.irma-international.org/chapter/monitoring-learning-process-through-use/50599

A Novel Research in Low Altitude Acoustic Target Recognition Based on HMM
Hui Liu, Wei Wangand Chuang Wen Wang (2021). *International Journal of Multimedia Data Engineering and Management (pp. 19-30).*
www.irma-international.org/article/a-novel-research-in-low-altitude-acoustic-target-recognition-based-on-hmm/276398