

CONSUMER



DIGITAL



DIGITAL AND DATA

The recent hype about Big Data, changing consumer behavior and digitization has caught the attention of all businesses, consultants and individuals who are connected to the world of knowledge. Despite this, we have only a handful of articles and papers on the link between these topics. Instead what we have is thoughts in isolation by experts from Gartner to Deloitte, many other domain experts have written white papers and books on each of these topics on how the landscape is changing at a rapid pace. Some call it the VUCA era where all of these elements will evolve dynamically and it is really

important for us to keep up, whilst understanding their impact and relevance to businesses we manage.

This article will introduce to a concept called CDDC (Consumer, Digital, Data, Change) and how each of these elements are impacting everything that we do.

CONSUMER POWER

Today's consumer is more powerful than the industry and keeps getting stronger each day inviting the best businesses to keep up

with them. There are five key reasons why today's consumers are so dynamic in nature and why it is difficult for companies to deliver the required experience.

DIGITAL

4.1 billion of 7.6 billion population is digitally connected and the internet penetration is increasing at a rapid pace along with digital platform driven buying. By 2022, online retail will reach 17.5% of total sales and it is growing rapidly.

DATA



CHANGE



Sharing Economy

Gone are the days people want to own assets. Today's consumers are understanding the universal theory of Diminishing marginal returns. Airbnb, Uber are the latest disruptions of business models where the sharing economy is used to its fullest potential. Consumers are moving to rent rather than buy and keep changing the experience by interacting with multiple products.

Non Brand Loyal

Today's consumers are more driven by value but the brand, brands are no longer able to sell based on brand loyalty as customers

will not hesitate to switch given a better value proposition from a competitive brand. Huawei and OnePlus is competing with Samsung and Apple by delivering more value at low price points similar to Nike, Adidas, VS getting challenged every day with new brands even having a strong brand presence globally.

Mass Customization

The days of mass manufacturing for economies of scale or process driven services, are behind us. Consumers are demanding customized products and services and unique personalized experience. 3D Printing is becoming the ultimate solution for us to produce what we need.

Communicate via Social Media

Gone are the days business received the feedback on a structured form. Today, consumer experience is shared instantly via social media. Business can get visibility to a wider consumer group with social media but being mere presence on platforms is insufficient. Social media needs to be managed to ensure a good brand presence and needs to respond to customer feedback. Negative feedback, when not managed, can put companies out of business or reduce sales drastically, especially if your presence is digital.

Digitization, Digitalization and Digital Transformation



Digitization

Digitization is the process of moving our business process and information from analog to digital. It can be how we reach our consumer or how we do things in business. Digitization has been happening over decades but given the increased penetration of computers and mobile along with significant reduction in cost of data storage there is an increased adaptation over the last few years. Most businesses are moving to digital platforms to deliver better consumer experience and improve internal processes to improve efficiency. Digitization will make information more accessible and create enormous amounts of data that can generate insights.

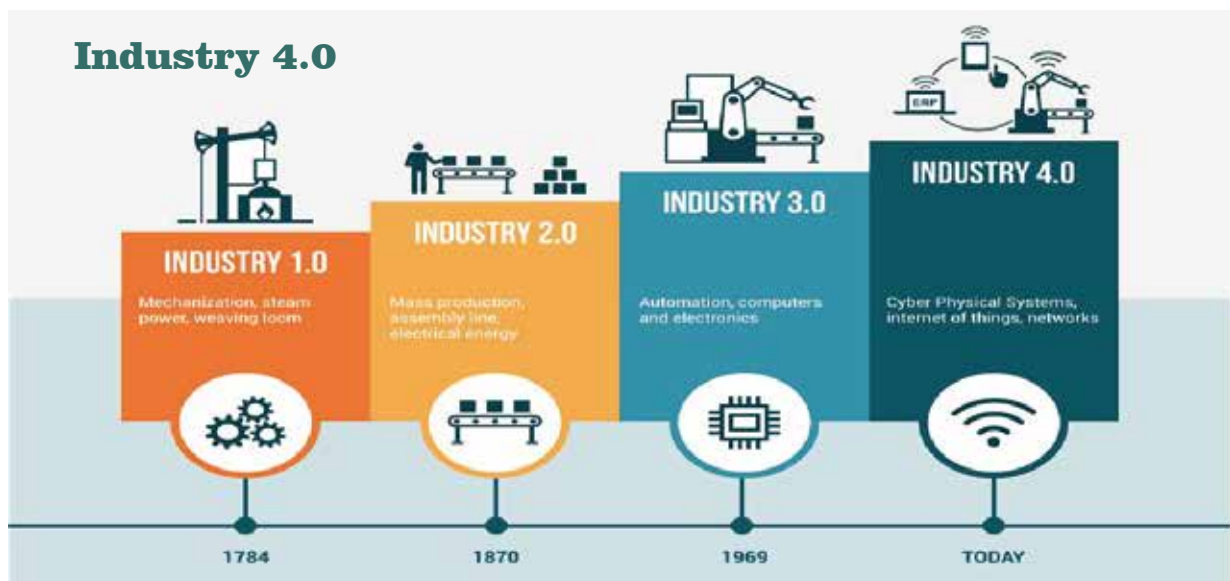
Digitalization

Digitalization, there are only two letters in between but digitalization is the broader change business model. This goes beyond converting analog to digital. This is about how we transform the way we interact with consumers, manage our supply chain and transform our workplace both through processes. Digitalization changes how we do things, our modes of communication and how we engage. Uber transformed how a customer interacts with cab services, Netflix changed the whole video content industry, Airbnb transformed the hotel industry, and now 3D printing, Virtual prototyping is changing the manufacturing industry. What you need

to know is digitalization is the true transformation of businesses with digital tools and how humans interact with technology to reach their goals.

Digital Transformation

Digital Transformation is a process. It can be an organization or a society that decides to embrace the benefits of technology to stay relevant and be competitive at a particular point in the life cycle. This leads to digitization along with a drive to improve digital literacy and make technology available for all. If for an organization, the leadership will start believing in it, educating the rest of the workforce on it, will consciously invest in digitization and look for digitalization opportunities. If it is about the country or a society, the governments will improve required digital infrastructure such as internet and communication, introduce technology as a core component in the education system, educate the citizens and help them acquire digital tools at affordable cost.



DATA

All these digital platforms generate large amounts of data-- data about consumer and data about processes. Data means experiences that are captured and when it is stored digitally it allows us to create knowledge fast. Significant adaptation of digital platforms now generate data at high Volume, in high Variety and in a great Velocity is called the 3V's of Big Data. To put this into context, in the last two years we have generated the same amount of Data that was generated throughout the history of mankind.

If there is so much data around us, the truth may also be hiding behind them which makes Data science, AI and Analytics the sexiest jobs of the 21st Century. Companies who adopt those skills will be smarter than the competition, as it means they will learn faster about consumer behavior and learn smart about their own processing capabilities.

Data is considered the new Oil. Organizations who have more data will be richer. It has already happened with Google, Microsoft and Amazon. Like oil, data has no value until it is extracted, refined and put to meaningful use. This is why there will be millions of jobs created to help businesses capture, mine, store and analyze data. The World Economics Forum (2020) predicts that the next top three most demanding jobs will be,

- 1.Data analyst/ Scientist
- 2.Big data experts
- 3.Machine learning and AI expert

DSNs

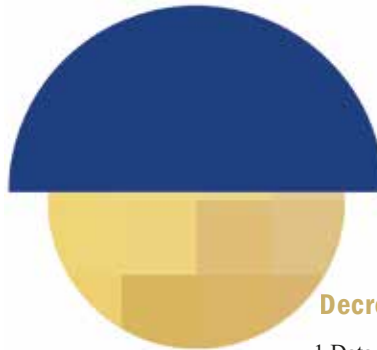
A Digital Business Network On Board Once - Connect On Demand to Many



Job Landscape

By 2025, new jobs will emerge and others will be displaced by a shift in the division of labour between humans and machines, affecting:

97 million



85 million

Growing Job Demand

1. Data Analytics and Scientists
2. AI and Machine Learning Specialists
3. Big Data Specialists
4. Digital Marketing and Strategy specialists
5. Process Automation Specialists
6. Business Development Professionals
7. Digital Transformation Strategy Specialists
8. Information Security Analysts
9. Software and Applications Developers
10. Internet of Things Specialists

Decreasing job demand

- 1 Data Entry Clerks
2. Administrative and Executive Secretaries
3. Accounting, Bookkeeping and Payroll Clerks
4. Accountants and Auditors
5. Assembly and Factory Workers
6. Business Services and Administration Managers
7. Client Information and Customer Service Workers
8. General and Operations Managers
9. Mechanics and Machinery Repairs
10. Material-Recording and Stock-Keeping Clerk

Source: Future of Jobs Report 2020, World Economic Forum

Data science is a vast subject and requires various skills. It needs data engineers who will collect and transform data, Big data storage experts who will help manage the data, visualization experts and analysts who will unearth the insights and help people predict outcomes and storytellers who will explain the insights to the general public. The skills of data science is important to any organization and any profession. You are not confined to Technology experts as it is all about solving problems using data scientifically.

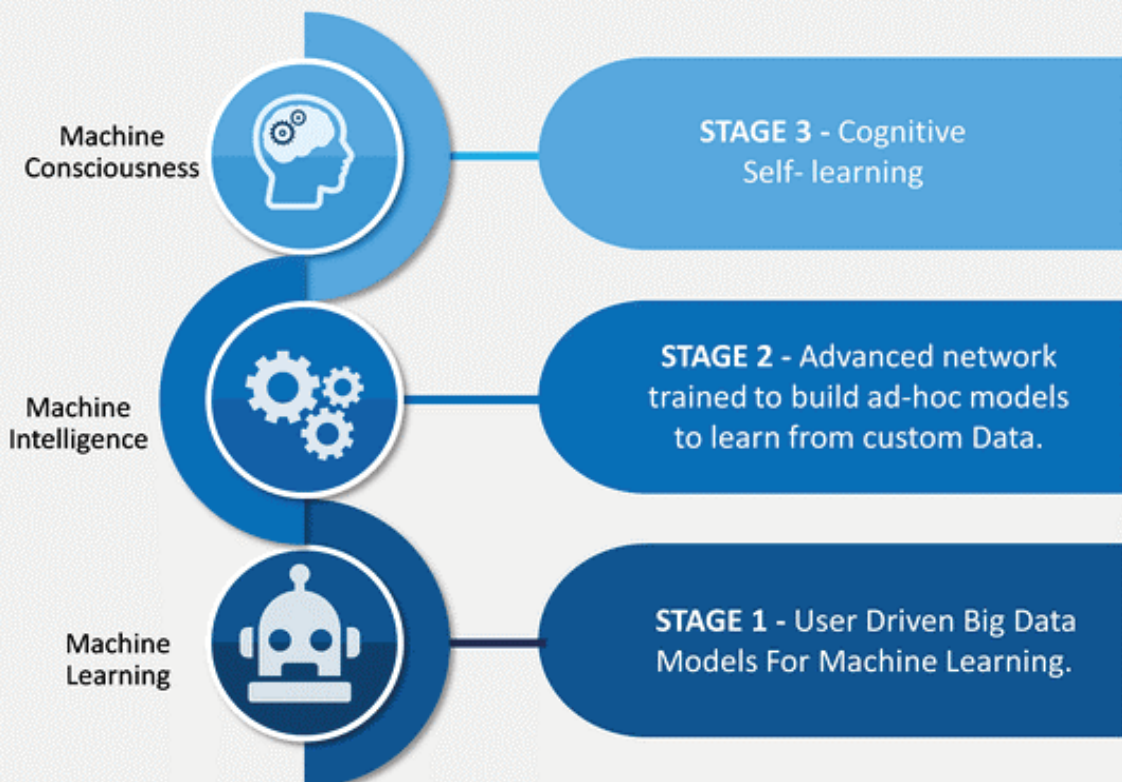
AI

We cannot end the conversation about data without talking about Artificial Intelligence. Commonly known as AI is the ability of a machine to mimic human behavior. Today AI is capable of understanding language, recognizing images, recognizing voice, talking automated pre-learned decisions and finding patterns in data. The capabilities of AI have evolved over the last five decades and continue to improve.

What you need to know is that anything that we do repetitively will be taken over by AI capabilities very soon and humans will be back to their core abilities of creativity, complex problem solving, emotional intelligence and people management. Predictions indicate 80% of jobs or parts of those jobs will be automated in the next ten years.

ARTIFICIAL INTELLIGENCE

Stages of AI



THE CHANGE

Any organization including the Government has a customer to serve and how well we meet that customer expectation will determine the success of the business and its continuity. Given the dynamic nature of the consumer it is harder than ever before to understand and respond to demands. Additionally lead times to deliver are crashing down with varied requirements of quality and speed to market.

Which organizations will read its consumer better and faster in future?

Those who have a digital offering in which the digital footprint of the their customer is captured

Those who use external environment and consumer data that is digitally available

Those who have the ability to understand competitor changes quickly

Organizations which can connect its supply chain through a digital platform

Organization who know their process strengths and weaknesses through the data generated

Organizations who can use their resources optimally using Artificial intelligence and Data Science

Which organizations will be able to deliver consumer value faster, efficiently and at a competitive price?



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