

Digital Transformation and the Impact to Business Growth



The buzz word for brands of tomorrow is “digital transformation”. This is about acquiring insights, creating transformation strategy, selecting the right technology and innovate new ways of working or product ideas.

So what is digital transformation? It is most referred to as becoming digital first in all elements of their operations. For example in the communication front, this is involves more types of digital channels and improving personalisation communications via better customer data.

From our point of view, Digital transformation should encompass the ‘Transformation for the digital era’. It is a shift in mindset, technology, processes and execution. The basic principle of good brand building and marketing is still the same but it is all about “how’ we do it. We now have many digital tools, gadgets, apps, platforms that will help us deliver much greater experience to our customers and accelerate our growth. But the core principles remain

- How can we build meaningful relationship with customers?
- How can we create a clear point of differentiation from competitors?
- What opportunities that new technologies and innovation can bring to our brand?

Brands that can be better structured to take advantage of the changes and fully adopt it to their system has higher chance to win market share as well as the heart of consumers.

1. Start with – our customers, our brand, our competitors and the context we operate in. There are a lot of data out there, we need to audit them and connect the dots to gain insights for decision-making.

CUSTOMERS IN THE DIGITAL AGE		ROLE FOR INSIGHTS & ANALYTICS LEADERS
	<p>CUSTOMERS NOW HAVE A MORE COMPLEX RELATIONSHIP WITH BRANDS</p>	
1	<p>Communication in the pre-digital era was one-way. Brands delivered messages to customers. Today, customers expect two-way communication.</p> <p>Brands need to listen to customers so that they can respond to them.</p>	<p>Scale capabilities to mine unstructured data</p> <ul style="list-style-type: none"> ■ Collect & interpret conversations across a variety of channels (social media, product review sites, phone, and email conversations with the company.) ■ Identify key opinion formers who are right for your category and brand.
2	<p>In the pre-digital era, the brand was the primary influencer. Today, customers are exposed to a complex network of influences (advertising, sponsorship, product reviews, friends, influencers). And they themselves influence other customers.</p> <p>Brands need to understand this network to be able to play a role in it.</p>	<p>Focus on building unified analytics models</p> <ul style="list-style-type: none"> ■ Build unified analytics models to learn how the varied assets interact and influence the different stages of the brand funnel (awareness à advocacy) and how one level of the funnel influences another.

COMPETITION IN THE DIGITAL AGE		ROLE FOR INSIGHTS & ANALYTICS LEADERS	
	COMPETITION IS COMING FROM DIFFERENT PLACES, WITH DIFFERENT VALUE MODELS.		THE ROLE OF I&A LEADERS IS TO HELP BRANDS CALIBRATE THEIR VALUE OFFERING TO CUSTOMERS.
1	<p>Competition in the pre-digital era was within fixed categories. Today, the competitive landscape is fluid. For example, a traditional car manufacturer competes not only with other traditional car manufacturers but also with Tesla, Google, Uber/Lyft and in the future, potentially with car software creators</p> <p>Brands need to monitor this changing competitive set.</p>		<p>Track the changing competitive landscape</p> <ul style="list-style-type: none"> Map the market on need-based segments. Identify emerging customer needs and new competitors <p>Search & Social data analytics is a powerful source for trend identification.</p>
2	<p>The digital era has also led to the rise of powerful intermediaries (Facebook, Amazon, GrubHub) and in parallel, organizations are pushing to disintermediate by going direct-to-customer. These new go-to-market structures are creating multiple new value offerings.</p> <p>Brands need to understand the variety of value models on offer to customers</p>		<p>Periodically calibrate value of offering within the changing landscape and segments</p> <ul style="list-style-type: none"> Use approaches like conjoint analysis to identify optimal value models Specifically for innovations, test Minimal Viable Products (MVP) using experimental designs.
DATA IN THE DIGITAL AGE		ROLE FOR INSIGHTS & ANALYTICS LEADERS	
	DATA IS IN ABUNDANCE.		THE ROLE OF I&A LEADERS IS TO HELP BRANDS TURN DATA INTO AN ASSET.
1	<p>In the pre-digital era, the main challenge was to find data. Today the three V's of big data (volume, velocity and variety) have redefined our challenge to managing the data deluge.</p> <p>Brands need to extract value from the data.</p>		<p>Identify meaningful data</p> <ul style="list-style-type: none"> Conduct a decisions audit by defining the decisions to take and information required to take those decisions. Capture and harmonize the relevant data, including non-traditional datasets (video, voice, pictures). Use analytics to understand causality within the data and uncover valuable insights.
2	<p>In the digital era, there is more pressure on marketers to use that data and take data-informed decisions. They need access to the right type of data, processed and visualized in a way that makes decision making easier.</p> <p>Brands need to provide access and education to the right decision makers.</p>		<p>Make insights conducive for decision making</p> <ul style="list-style-type: none"> Build scenario planning/forecasting tools to enable better decision making. Build data spine to take insights into activation.

Source: Shardul Wartikar, Kantar, 2023

2. Get digital right

Digital advertising is booming. Brands are moving more towards digital platforms to build brand awareness, engage, sell and monitor. From the ESOMAR/TMRS event in May 2023 on "Discovering of Human Insights through greater innovation and technology". We are hearing inspiring stories from GQ and Roojai in Thailand who have embraced the digital transformation and made the best use of digital channels.

To get digital right, we go back to being customer centric and look at consumer digital media behaviors and then leverage the power of digital to build brands, drive traffic and promote products. In 2022, it is expected that digital advertising will take over 60% of global ad spend and digital VDO and social media advertising accounting for a substantial proportion of that spend. The digital spend is only expected to rise in 2023. (Kantar, Media Reaction Study, 2023)

To assess the impact of their digital brand campaigns, many advertisers turn to brand lift studies. Since the first brand lift study in 1996, the methodology has evolved to become an industry standard, with the impact of tens of thousands of digital campaigns being measured every year. Advertisers use these studies to assess overall campaign efficacy, guide important media choices, and learn for the future. But no matter how useful and widely used, one problem remains. Most studies are only reported at the end of a campaign. And what most advertisers really want to do is identify their best performing creative before their campaign runs, so their campaigns pack the most punch.

Now, new technology can help with this by using the power of AI to quickly predict the likely efficacy of digital content. Brands can now test content at scale to indicate which ads will best drive brand lift, in addition to providing behavioural and attitudinal response insights. For the first-time, advertisers can get a holistic, cost-effective prediction of the likely brand impact of their creative content, at scale, and in as few as 15 minutes. This allows you to scale your creative testing programs beyond the key, "must win" campaigns, to ensure that a higher proportion of ads are likely to meet brand building goals such as building awareness and driving consideration. The use of AI allows for rapid batch testing and creative meta-analysis. Ads can be coded by creative elements, such as humour, sustainability or when the brand first appears, to identify which ones are most likely to drive brand impact across brands and product categories. (Kantar, LinnkAI, 2023)

3) Learn-Test-Learn

To be successful in digital transformation, the consistency of learning and executing is very crucial. GQ for an example needed to learn about Tik Tok and then used the platform to engage with young consumers. By learning new things and incorporating multiples new ideas, their sales performance increase significantly.

From Kantar's most innovative brand study, our winners are on a continuous innovation journey and are willing to learn from their mistakes. They break from the traditional stage-gate thinking to focus on testing assumptions, looking at the unknowns and putting more energy upfront to get to more meaningfully different opportunity spaces. They also spent energy on how they executed and how they understood the performance of their innovations in the market. They are also up to date with the latest technology and transform their thinking and system to align to new innovation.

We cannot see the total impact of the pandemic now. There are more behavioral, social and attitudinal evolution continuously happening. However, to the ahead of the game, innovators can't wait for everything to pan out clearly. They must anticipate the future and continue to test their critical assumptions and sense-check their progress. As things change quickly, the process of innovation need to double the speed but maintain the accuracy of the data needed to take decisions. So learn, test and learn and repeat.

"Be willing to try and fail"

President, Global Coca-Cola Category, Selman Careaga says he is proud Coke has a culture where they are willing to try stuff. Selman explained that his teams had found success by giving them full decision rights and empowering them with a sense of urgency.

"You can talk about ideas forever and ever, and then then don't launch them... that's why I think that the sense of urgency, it's very important."

Dr. Nicki Morley as she sits down with Shafik Saba, Global Lead for Front-End Innovation at Haleon, to discuss the power of innovation in driving growth in this new episode of Future Proof. Shafik shares his philosophy on innovation through design thinking, brand centricity, and building from strong foundations.

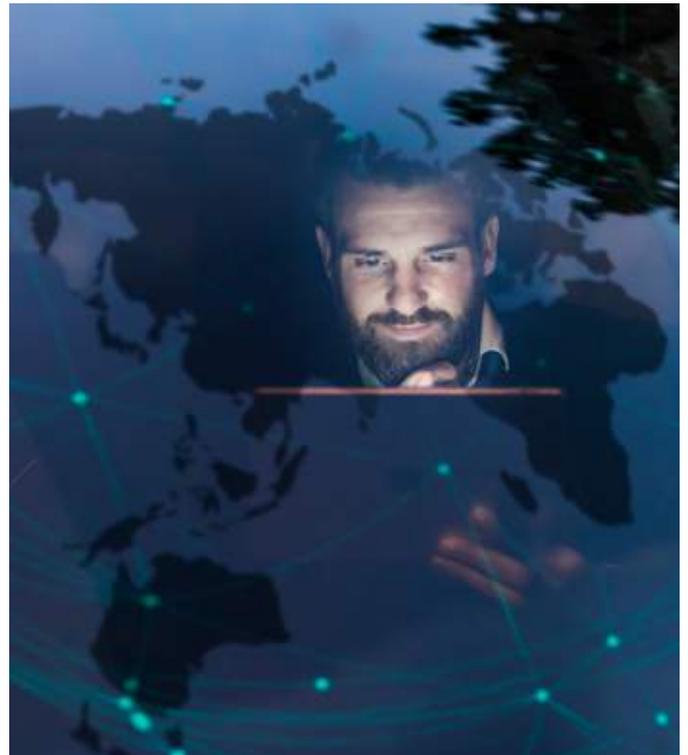
4) Think about shaping the future

To win as the brand of tomorrow, we need to step outside the boundaries of what exists now and anticipate what the future might bring. Innovation is a driving force that not just shapes a brand, but also the future of the category and market. These innovative brands, as market leaders with an innovation track record, have continued to safeguard and grow the entire category.

Technology companies are often at the forefront of shaping the future – but it applies to all brands, big or small in any category. Future-shaping is about systematically bringing in holistic outside -in and inside-out thinking lenses to address long-standing and evolving human tensions.

Meeting human needs and aspiration remains to driver for growth for brands. While we navigate the unknown future and venture into digital transformation. We must always have human centricity at the heart of all steps forward

Source: Kantar Inspiration thought leadership, 2023



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