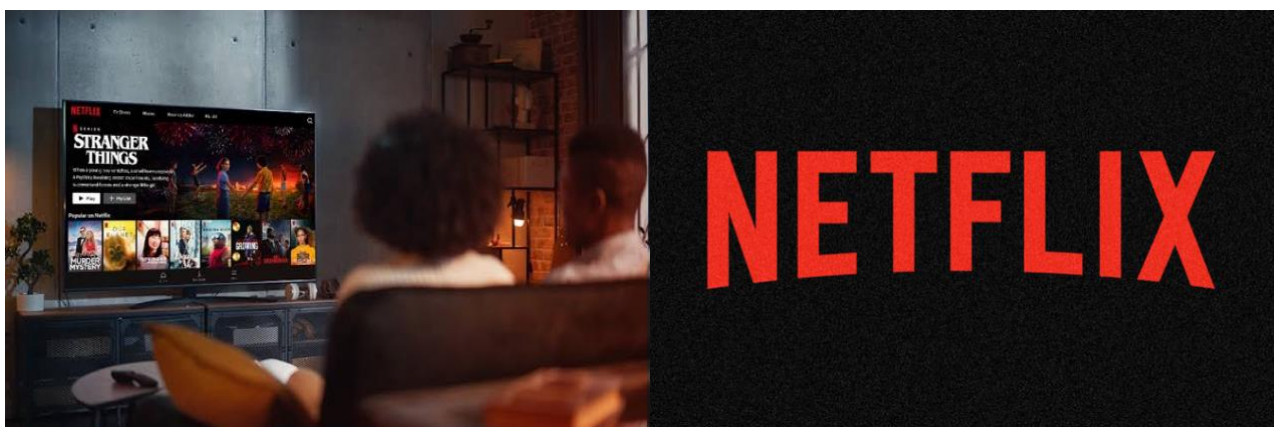**Name: Shamita Shetty**

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Topic: 3 Success stories of digital transformation companies

1. Netflix

Netflix is an idealize illustration of how advanced change has helped an organisation. It has shown that digital transformation is more like a marathon than a short run. Since Netflix was only a DVD rental service, it had to rely on physical retailers and mail DVDs to satisfy its consumers. However, by switching its attention to streaming services, it was able to reach a much larger audience and increase its global influence. Netflix's victory can be credited to its early appropriation of digital transformation methods, which enabled it to take advantage of new technology and maximize profitability.

What steps has Netflix taken in their digital transformation journey?

Netflix developed a recommendation algorithm

Before the introduction of streaming services, <u>Netflix's DVD rental service used a recommendation system known as Cinematch.</u> However, with the switch to video-on-demand, they will be able to compete and improve their streaming offerings.

To create a proper recommendation system

- They utilised stored data from their previous customer and user database.
- Metadata was used to categorize movies into related or identical genres, making recommendations easier for users.
- They used a/b testing to analyse and improve their consumer experience.

Netflix uses cloud computing to improve its storage processes.

One of the advantages of going advanced for any trade is that you get unlimited storage for data. And for a company like Netflix with an outrageous sum of information to store, cloud computing was the smart choice to proceed.

<u>Netflix coordinates with Amazon web administrations to oversee this issue</u>.

Netflix's spearheading approach to monetizing substance and generating revenue

Netflix was an early leader in content monetization and revenue generation, and its methods have only recently advanced. Netflix offers three distinctive estimating levels: fundamental, standard, and premium, depending on the desired video quality. The first month of a subscription is usually free. The monthly cost of basic with standard resolution is ₹149, but it can only be used on one device at a time. However, you can stream Ultra HD material on four devices in addition to HD content on two for just ₹649 a month.

The utilisation of information analytics by Netflix to move forward in decision-making

Netflix has been able to make decisions with greater accuracy about content production and marketing strategies by using data analytics to obtain new insights about the preferences and dislikes of its audience. Netflix's digital transformation has been greatly contributed by data analytics, which has given it a competitive advantage over other companies. This is shown by the fact that Netflix leverages cutting-edge data analytics methods to acquire a deeper understanding of user behaviour, including sentiment analysis, consumer segmentation, predictive modelling, and natural language processing. A better understanding of their audience has allowed them to tailor suggestions and tailor content to individual customer groups.

2.McDonald's

Technology is used:

McDonald's is leveraging several modern technologies, such as cloud computing, big data, social media, and artificial intelligence, to improve customer experience and achieve operational efficiency. Over the past few a long time, McDonald's has locked in in a few key innovative organizations and collaborations, innovation improvements and arrangements, acquisitions, and ventures. For example, to give its UK consumers a smooth buying experience, McDonald's partnered with Adyen, a global provider of payment solutions, in 2019 to incorporate the latter's ordering and payment functions into its mobile app.

Before and after the story

When McDonald's first opened its doors in 1955, it was a fast-food establishment focused on serving customers quickly and efficiently. Orders were once taken at the counter by individuals, but now the procedure is more tech-driven and promises a tasty meal quickly.

McDonald's has been able to speed up service while maintaining the level of quality that their consumers have come to expect from them because of digital transformation. With smartphone apps, digital ordering kiosks, and table service in select locations, they have been able to do this.

Hundreds of millions of dollars were invested in their machine learning-powered dynamic menu boards in recent years. The AI-powered touchscreen ordering system will customize each order for the consumer based on current information like the temperature, the time of day, and their purchasing habits. By adding a speech recognition technology that would employ natural language processing to take orders, they advanced the concept even further. In addition to reducing client wait times by a whole minute, Forbes claims that these efforts also greatly enhanced order accuracy and process.

Currently, McDonald's is investigating various avenues for their entry into the metaverse. They recently declared that they are working on "virtual restaurants" and filed patents for their invention. A shared virtual environment where people may gather, communicate, and conduct business is called the metaverse. This would allow McDonald's customers to place food orders without ever having to leave their houses. They would have to do this to make an avatar that would serve as their virtual persona. Then, using the app, customers could personalize their orders and pay for their meals.

Which strategies did they use?

- Innovation in technology
- Order personalization
- Process improvement
- Improved customer service
- Agile development
- Cloud computing
- Analytics and big data
- System integration

Challenges faced by McDonald's-

As McDonald's depends more and more on innovation, the company faces a few challenges. As McDonald's depends more and more on innovation, the company faces a few challenges. These include protecting customer data and privacy, integrating technology seamlessly across all operations without compromising service, keeping up with the fast-paced advancement of technology, properly training employees on new systems, and preserving the personal touch of customer service in the face of increased automation. To successfully use technology for efficiency and expansion while preserving customer trust and happiness, these issues call for meticulous preparation, a sizable investment, and continuous support.

Why are businesses moving toward digital transformation?

CEO Chris Kempinski told investors-

''In the digital world, our app is the gateway into the McDonald's experience. Across 50 of our largest markets, we have had over 100 million customer registrations on our mobile app during just the last 12 months, exceeding all other restaurant brands. We have built one of the largest loyalty programs in the world. Today, we have 150 million users that have been active in the last 90 days across our top 50 markets, with 70 million in China alone. This gives us scalable information to serve each of our clients in interesting and lock-in ways. It speaks to a continuation of McDonald's legacy to proceed to reimagine the client experience.''

3. boAt

Technology used: E-commerce platform and mobile applications.

Before and after story: Boat, a leading consumer electronics brand, initially relied on traditional retail channels with limited online presence. Recognizing the shift in consumer behaviour towards online shopping and digital engagement, boat embarked on a digital transformation journey to strengthen its market position and expand its customer base.

After the transformation: Following its digital transformation, boat launched a robust e-commerce platform and a user-friendly mobile application. These digital channels enabled boats to directly engage with consumers, showcase their product offerings and facilitate seamless transactions. The e-commerce platform was equipped with features such as personalized recommendations, secure payment options, and efficient order management systems to enhance customer experience and satisfaction.

Strategies used:

E-commerce expansion: developed and optimized the e-commerce website for a user-friendly shopping experience.

Mobile app development: launched a mobile app to increase accessibility and convenience for customers.

Customer support: implemented responsive customer service solutions to address queries, complaints, and feedback in real time.

Challenges faced:

Digital adoption: encouraging traditional customers to transition to online purchasing channels and mobile app usage.

Logistics management: optimizing logistics to ensure timely delivery of products and efficient order fulfilment.

Competitive differentiation: standing out in a competitive market by offering unique value propositions and superior customer service.

Reason for digital transformation:

 Boat's decision to undergo digital transformation was driven by

Publicize reach: Increase display reach past physical stores to reach a wider gathering of people of tech-savvy buyers.

Customer engagement: enhancing customer engagement through personalized interactions, targeted marketing campaigns, and seamless shopping experiences.

Operational agility: improving operational efficiency, inventory management, and order fulfilment processes to meet growing customer demands.

Why businesses are moving towards digital transformation:

Digital transformation has emerged as a strategic imperative for businesses across industries due to several compelling reasons

Enhanced customer experience: meeting evolving customer expectations for personalized interactions, seamless transactions, and 24/7 accessibility.

Operational efficiency: streamlining processes, reducing costs, and improving productivity through automation, data-driven insights, and integrated systems.

Market competitiveness: staying ahead of competitors by leveraging technology to innovate, differentiate offerings, and capture new market opportunities.

Scalability: scaling operations and adapting quickly to changes in market dynamics, consumer preferences, and regulatory requirements.

Risk mitigation: strengthening cybersecurity measures, ensuring data privacy, and minimizing operational risks associated with outdated systems and processes.