

# Hitting the Digital Accelerator



Five reasons you must go digital now



# Summary

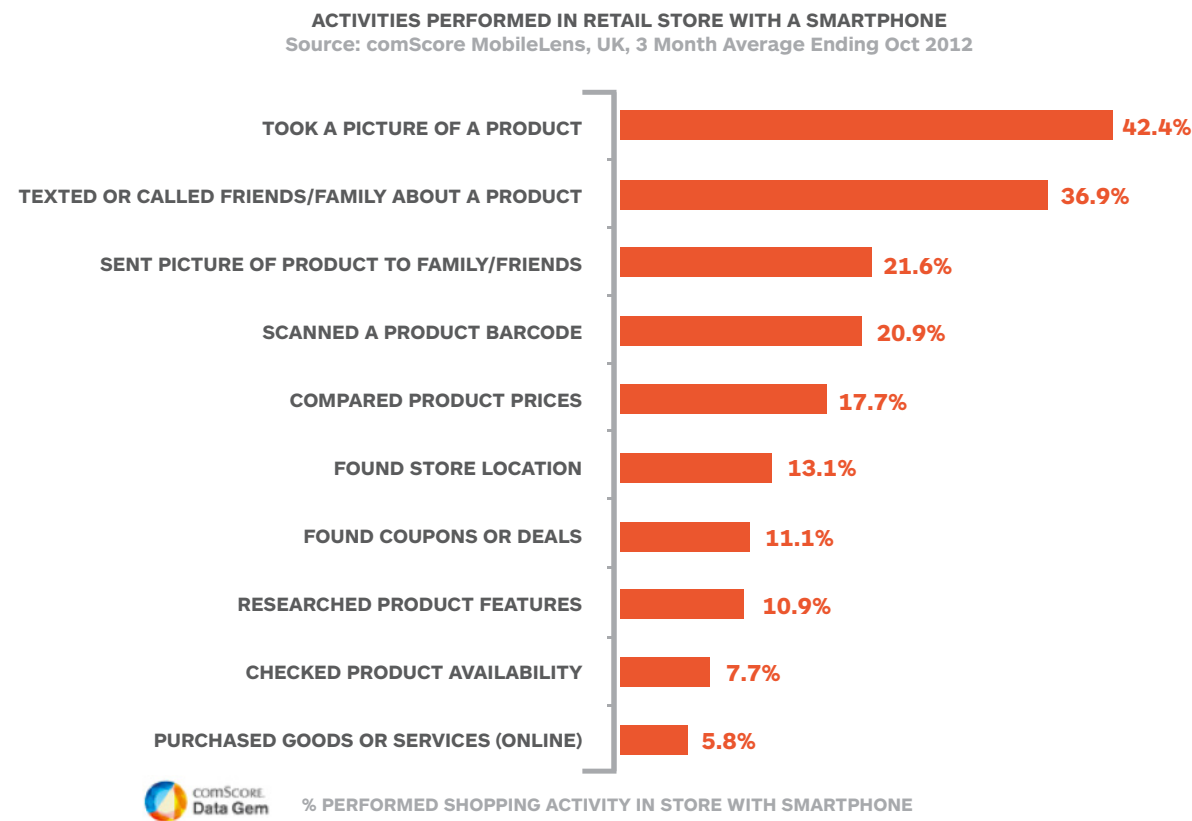
Digital transformation describes how companies are using technology to add a digital dimension to customer or partner experiences, change the way employees do their jobs, or add new digital or data-based lines of business. These kinds of experiences are no longer just conveniences. They are becoming the de facto standard, and have created strong impetus for businesses that haven't done so already to start on the path to digital transformation. These five key trends are making digital transformation an imperative for businesses today.

## 1 Mobile changes everything

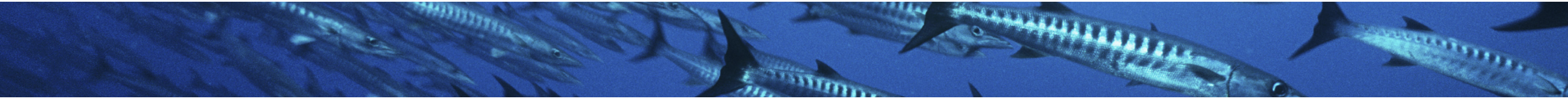
Mobile devices have transformed the social and commercial relevance of software, to the extent that mobile software touches nearly all interactions and transactions today. As mobile continues to dominate, people, organizations, and everyday objects have digital identities as unique and relevant as their physical ones. Enterprises must learn to tap into consumers' new digital extensions of themselves, developing new experiences crafted specifically for mobile devices.

“People, organizations, and everyday objects will have digital identities as unique and relevant as their physical ones.”

– Digital Transformation: Getting in Shape for the Digital World



- ▶ While mobile device users still make a large proportion of their purchases in stores, 42 percent of them relied exclusively on their smartphones or tablets for pre-purchase research. (Nielsen)
- ▶ One out of every three monthly visits to the average digital retailer website comes on mobile platforms. Not only is retail one of the highest penetration activities across all digital media platforms today, but in June [2013] it actually had a higher penetration within smartphones (90%) and tablets (91%) than on desktop computers (78%). Given its relative importance on mobile platforms, retailers should not be surprised then to see an increasingly meaningful percentage of their digital visitors sourced from smartphones and tablets. (comScore)



## 2 Life on the edge

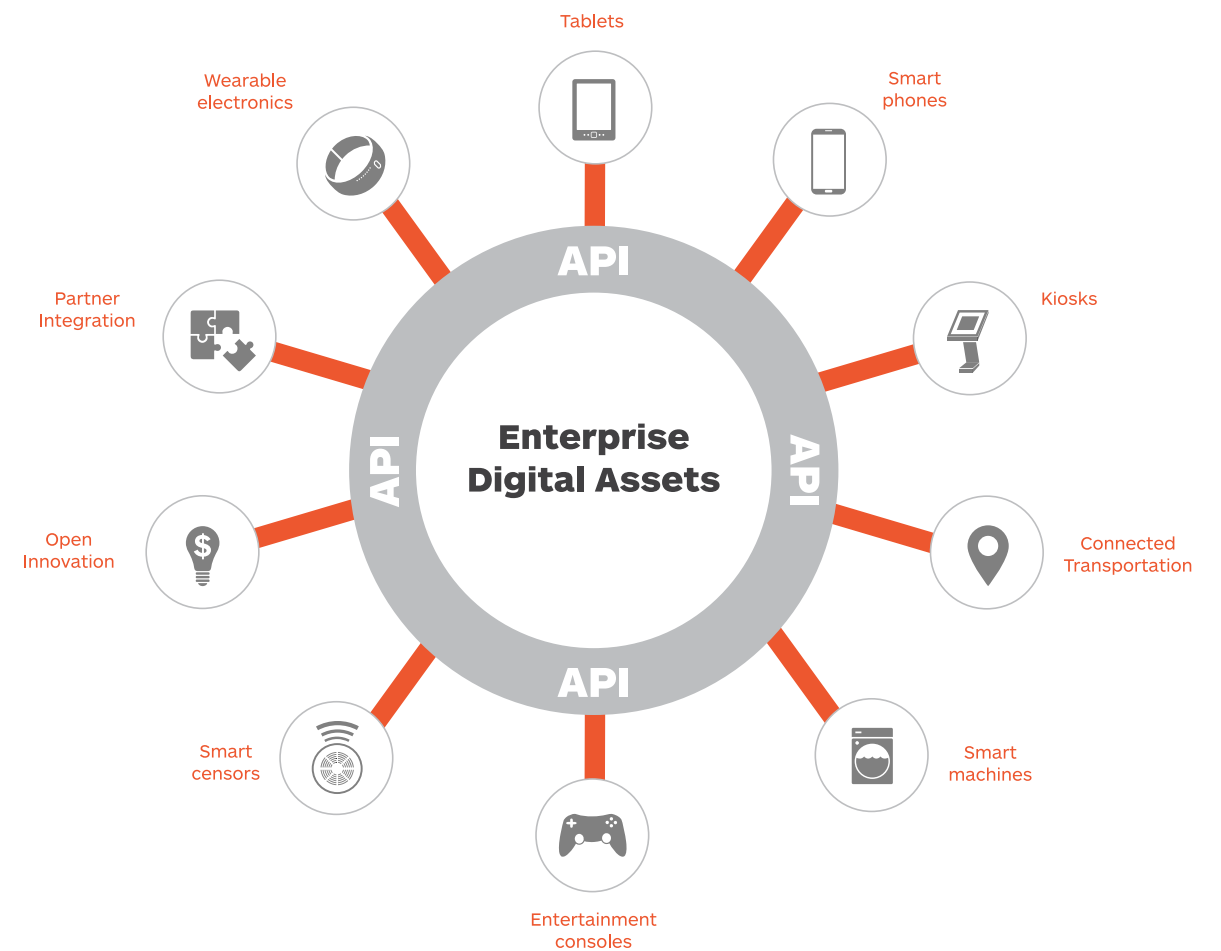
The shift toward using phones, tablets, and wearable devices has contributed to the erosion of the web- and browser-centric model. The critical mass of computing power is moving from the center to the edge — from air-conditioned server rooms to back pockets. Apps, which are built to deliver a great experience on these devices, live at the edge of the enterprise, but are becoming the center of digital ecosystems.

“The critical mass of computing power is moving from the center to the edge—from air-conditioned server rooms to back pockets.”

– Digital Transformation: Getting  
in Shape for the Digital World



- ▶ Overall mobile app use increased 115% year-over-year in 2013. (Flurry Analytics)
- ▶ 50B people, processes, and things will be connected to the Internet by 2020. Right now, 99.4% of physical objects are still unconnected. (Cisco)



### 3 High expectations

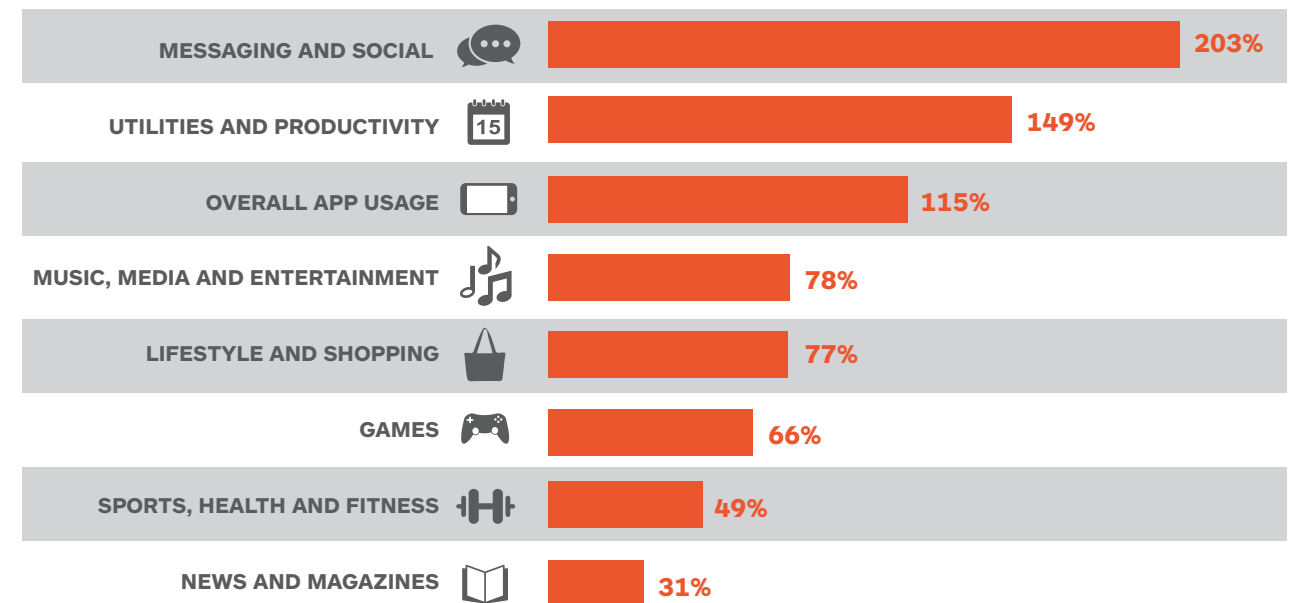
Customers increasingly expect to have desired information available instantly at their fingertips, and this presents a great opportunity for companies to burnish their images and strengthen customer relationships. Rather than expecting customers to come to them, enterprises must go where the customer is. This means enabling them to interact seamlessly with their business, regardless of device or method, in a way that feels tailored, immediate, and individualized.

"We know that our customers want their connected lifestyle to work seamlessly. In the old days we used to draw our vehicle and the constellation of other things all around it. That's not the right way to think about it. It's the customer that's in the middle and we are part of the constellation of their connected world."

– Nick Pudar, General Motors OnStar

- ▶ 60 percent of people have better opinions of brands when they offer good mobile experiences. (Latitude)
- ▶ 61 percent of people say they would quickly move from a poorly designed mobile site. (Google)
- ▶ 67 percent said a mobile-friendly site made them more likely to buy a product or use a service. (Google)

**MESSAGING AND SOCIAL APP USE TRIPLES IN 2013**  
YEAR-OVER-YEAR GROWTH OF APP USAGE, BY CATEGORY\*



\*app use defined as a consumer launching an app

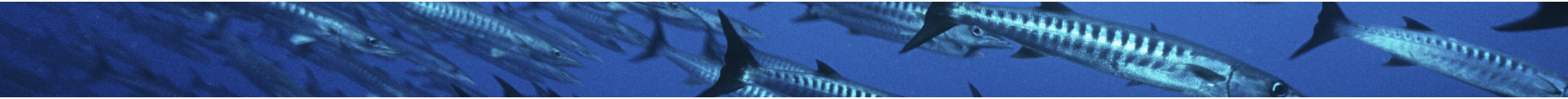


## 4 Leaders of the pack

With constant connectivity, cloud-based apps and mobile devices, the world is seeing an unprecedented rate of change. A digital divide is opening up between companies that have embraced digital transformation and those that are slower to prioritize these new capabilities. Companies that have been quick to successfully employ data analytics, apps, and APIs have been performing better than competitors, and have more confidence in their competitive trajectory over the next five years.

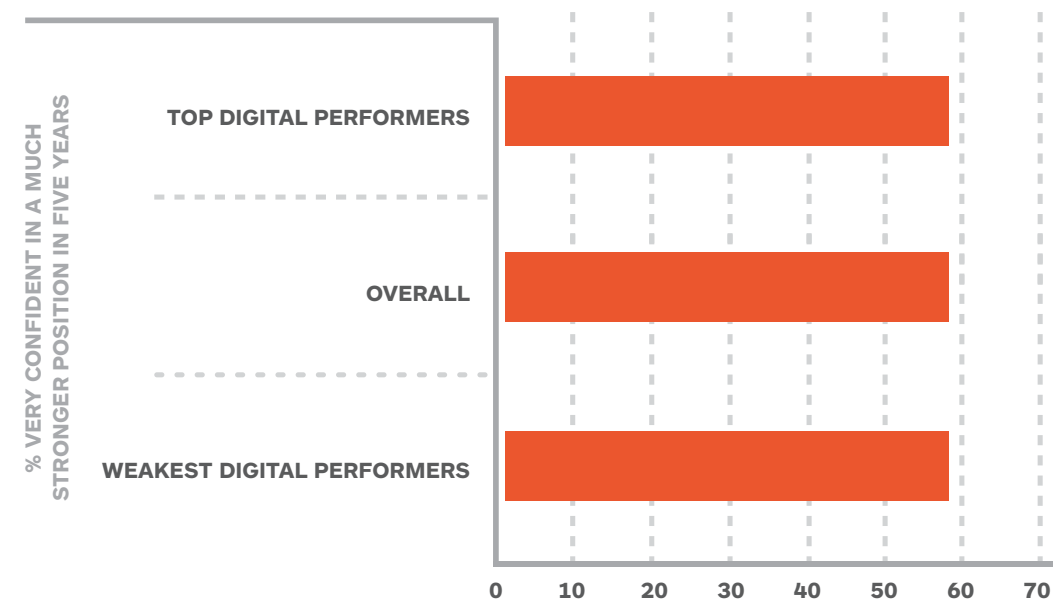
According to Forrester, 70 percent of the companies that were on the Fortune 1000 list a mere 10 years ago have now vanished. That's double the turnover seen just two decades ago. Technology has changed the competitive landscape and made quick adaptation crucial not just for success, but for longevity.

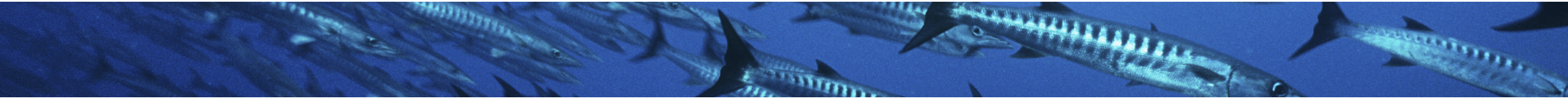
To remain ahead in the digital economy, businesses must weave digital agility into business strategy, and evolve. In the fast-moving digital world, inability to change means extinction.



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– Three Keys to Digital Transformation  
(Apigee Institute)



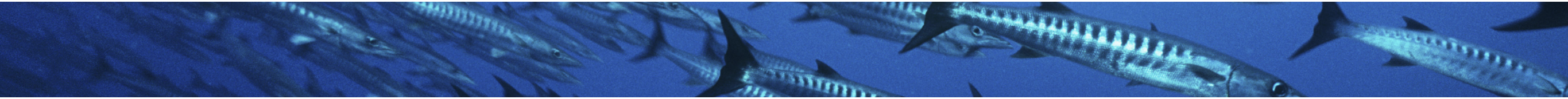


## 5 Real-time insights with data

APIs aren't just about data capture. They're a two-way communications mechanism that can influence the "next-best action" for consumers. Digital intelligence is required to understand and predict business change and deliver services tailored to customers' specific needs. APIs and predictive analytics together create a powerful adaptive cycle of continuous improvement—and the faster an

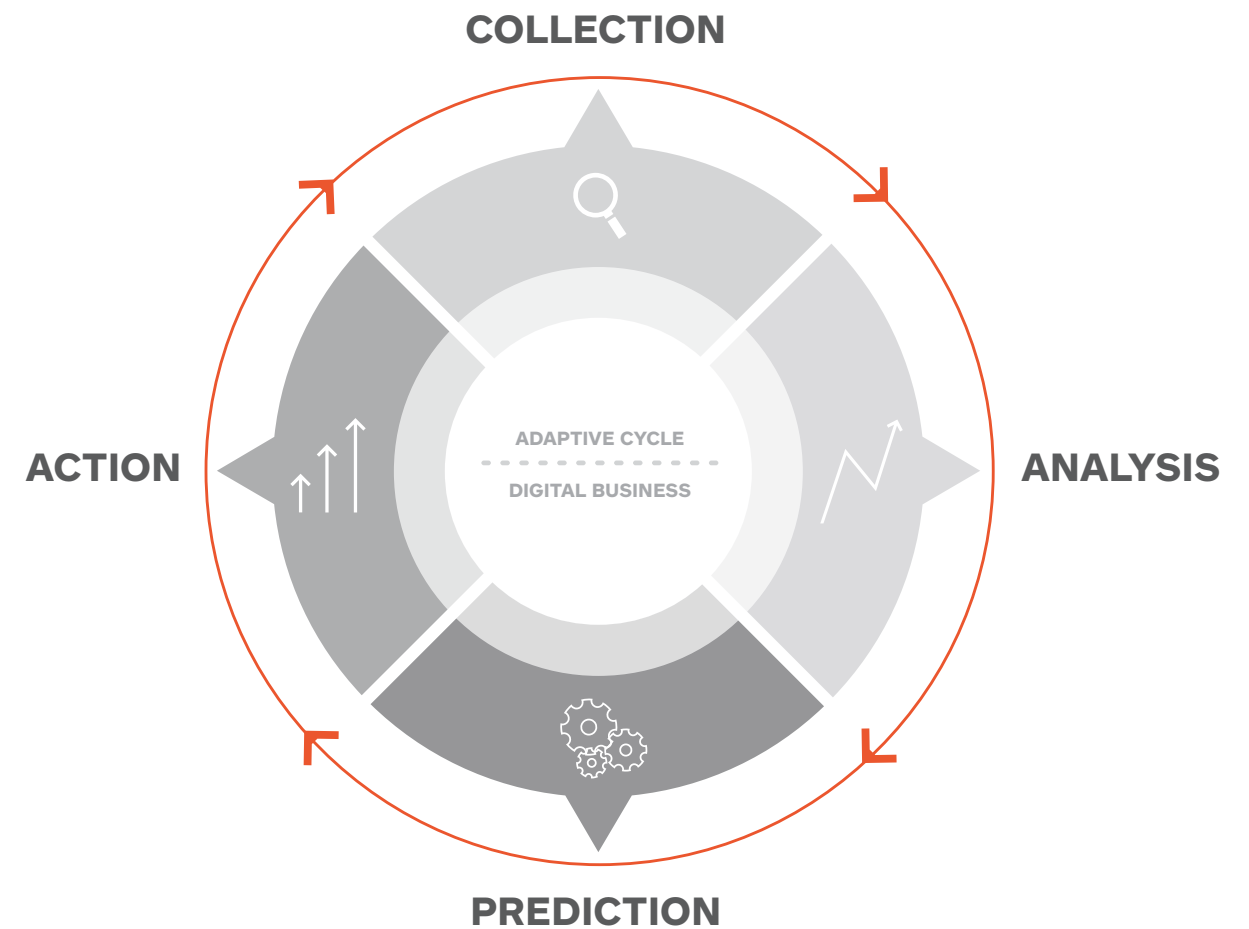
enterprise goes through this cycle, the faster it accelerates to become a digital business. By tapping into real time analytics, enterprises enhance knowledge of the user, allowing them to enrich the relationship with the customer and boost customer satisfaction and, therefore, loyalty.

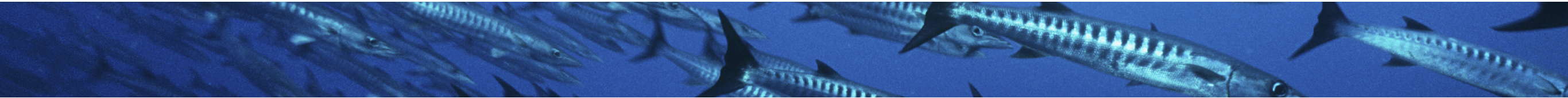




“Businesses that employ decision-making based on data and business analytics enjoy output and productivity that is five to six percent higher than what would be expected from other investments and IT usage.”

– Erik Brynjolfsson (MIT-Sloan School of Management)





The path to digital transformation won't necessarily be easy, or smooth. But adding a digital dimension to your business is imperative as software extends its reach into an increasing number of interactions and transactions in the lives of customers, employees, and partners. Across all industries, companies can improve revenue and margins, market share, customer satisfaction, and time to market by going where their customers are: a world where mobility rules, where agile apps are the desired interface, and where data is the currency.

## Where to go from here...

If you own a digital or mobility program, Apigee resources and eBooks will help you understand how to meet the challenges, and build a digitally enabled customer experience, digitize business processes, and create your own digital business model and roadmap.

- ▶ Digital Transformation: Getting in Shape for the Digital World  
<https://pages.apigee.com/digital-transformation-ebook-web-reg.html>

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