What are the types of digital disruptions?

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Digital Disruption

Digital disruption is an EXTERNAL or INTERNAL effect that changes the fundamental expectations and behaviors in a culture, market or industry, that is caused by, or expressed through, digital capabilities, channels or assets.

Digital Disruption across all industries

Healthcare

Teleconsultations are expected to replace doctor visits by 2030

Transportation

Ride hailing companies will see a CAGR of 8.75%, during from 2021 to 2026

Manufacturing & Logistics

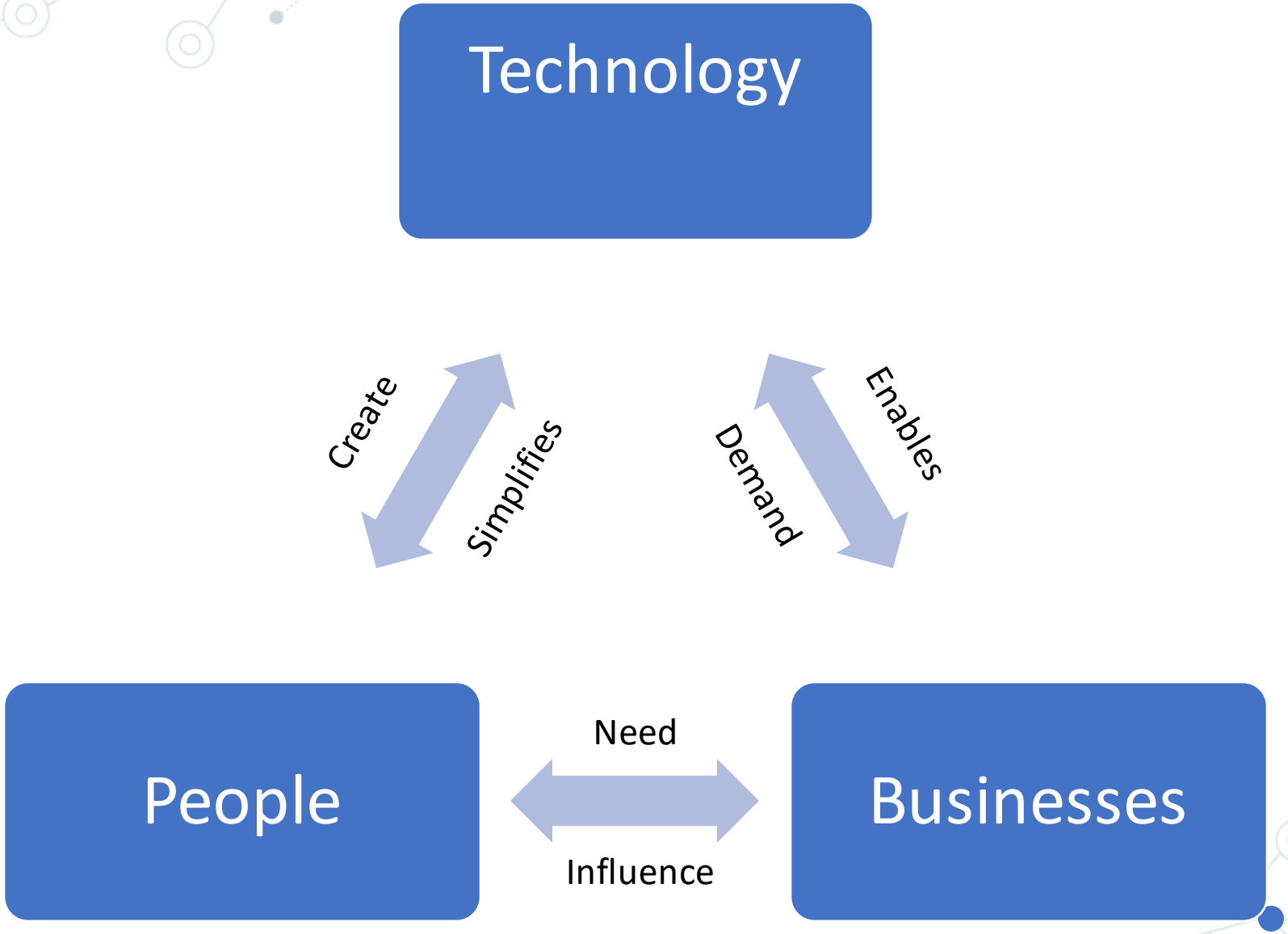
Supply Chain 4.0

Agriculture

Monsanto's nearly $1 billion acquisition of the digital-agriculture company Climate Corporation

Retail

E-commerce retail accounts for more than 20% of total retail sales


Technology
Create
Simplifies
Demand
Enables
People
Need
Influence
Businesses

What are the types of digital disruptions?

1. Business Model Disruption

2. Culture Disruption

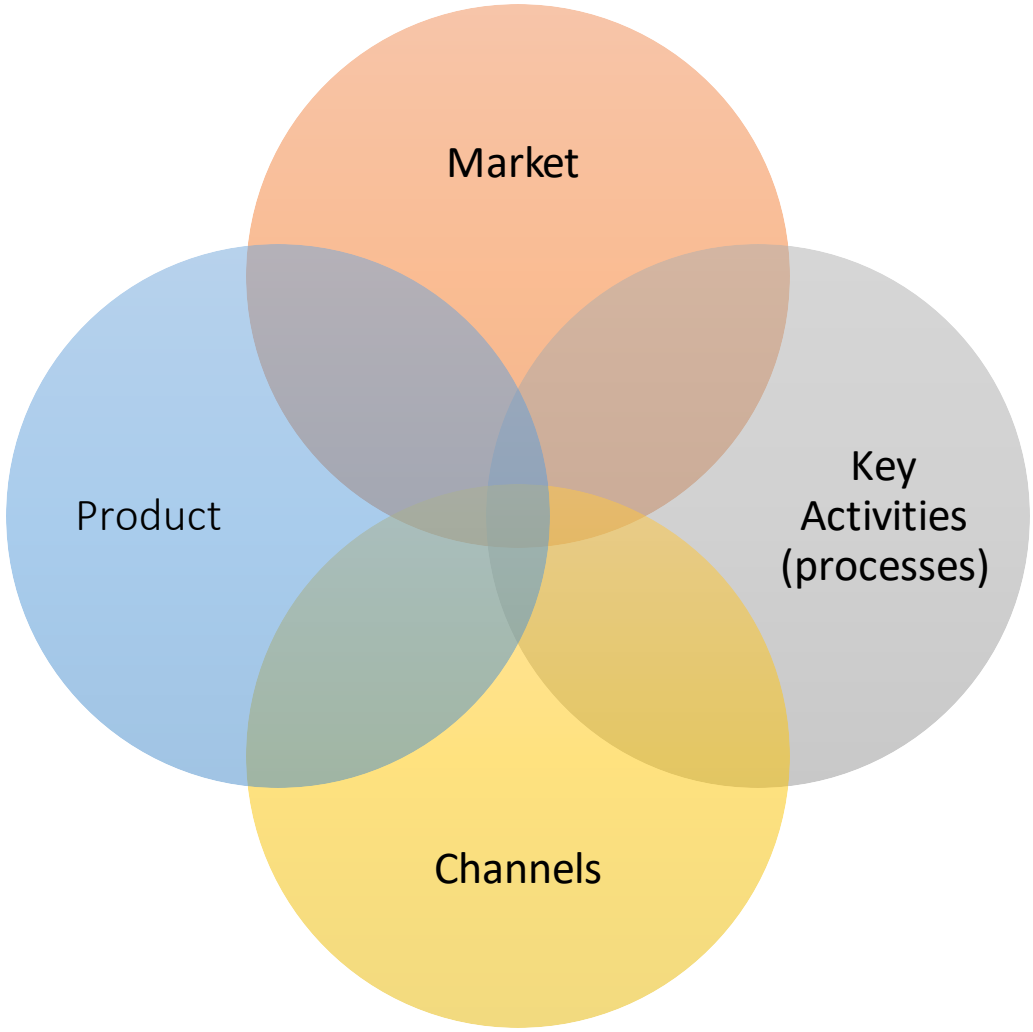
1.

Business Model Disruption

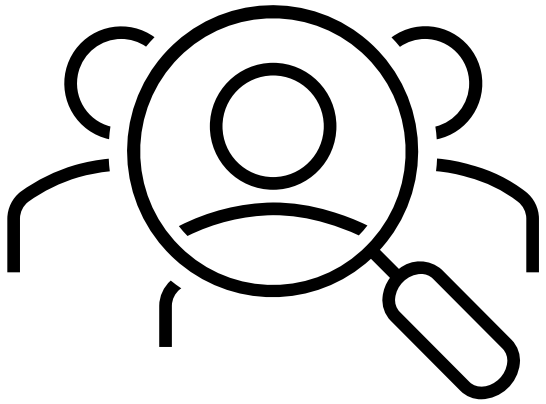
At which step are business models disrupted ?

Use Case : Amazon
E-commerce Platform

amazon

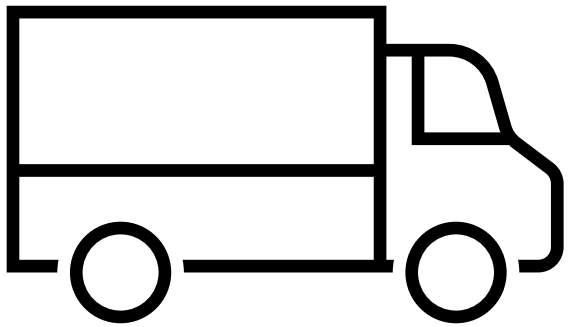

Market
Product
Key
Activities
(processes)
Channels

1.1 Market Disruption



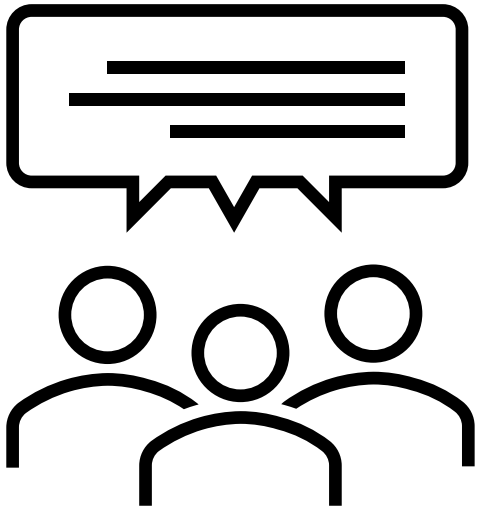
- **Data-driven** customer segmentation
- Market-size disruption (economies of scale is history???)
- Other examples : Uber, Netflix, e-sim and Yolla in the telecom sector

1.2 Channels' Disruption



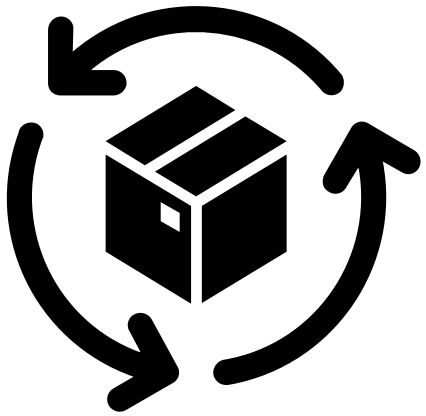
- **Digitalization** of the **supply chain** (Amazon Logistics) - super fast delivery and tracking
- Websites, Apps to access the platform/product from anywhere at anytime
- **AI optimization** for deliveries, new drone deliveries
- Other Examples : SaaS platforms, online-education (Coursera, Udemy, YouTube Academy)

1.3 Customer Relationship Disruption



- Improved and **seamless UX** (Basket, website, app, brand acknowledgment)
- Faster and more diverse ways to communicate for **customer service** (chatbot, calls, email, …)
- Other examples : Facebook, Gym Subscription

1.4 Product Disruption

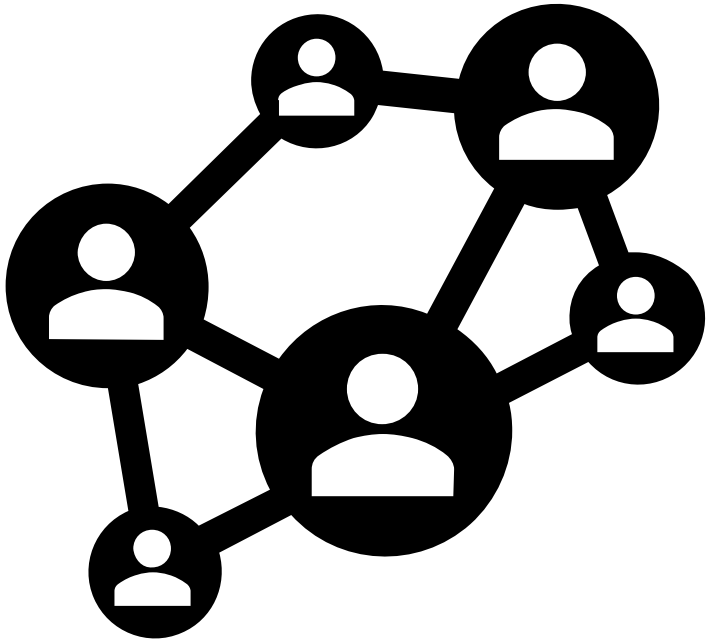


- **New customer need** triggered by new technologies or new mindsets
- Makes **old** generation **products** often **obsolete** or left aside and create a **new market**
- **Prime Video** allow customer to access a lot of entertainment with the amazon prime subscription
- Other Examples : Launch of computers, servitization

2.
Culture Disruption

2.1 Work Disruption

- Work on computers and communicate through email
- Changing perceptions about the **workplace** due to the COVID (working from home has become a norm for tech roles rather than an exception)
- Recent offer from Airbnb to their employees
- Future **Metaverse** ?

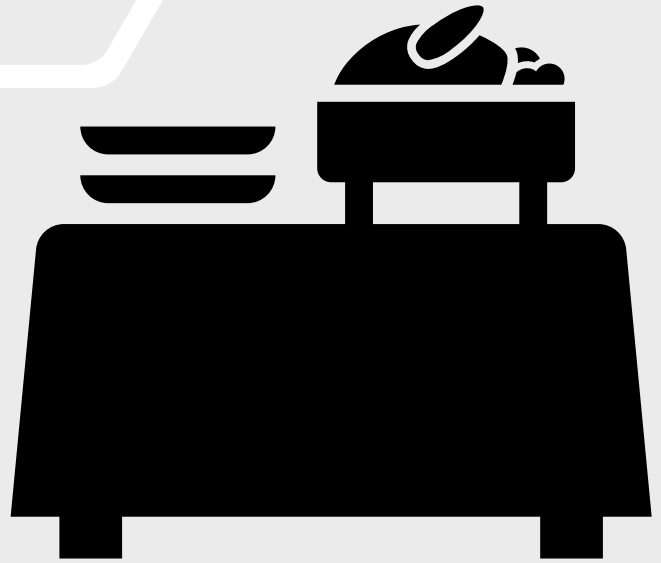


2.2 Social Disruption

- **Keeping in touch** with friends and family uses social media and chatting platforms
- Evolution of **gaming** and e-sport (LoL, growing number of children playing video game, …)
- Evolution of **dating** and meeting new friends (Tinder, …)
- Future : **travel** using VR device ?

2.3 Consumption Disruption

- **New standards** of customers:
  - Speed of delivery
  - Frequency of new products
- Due to the efforts of environmentalists and health professionals, more and more people are **becoming vegetarians** and/or consuming low-calory food: disruption for the traditional food providers
- 5-meal a day providers: small and healthy portions. Will they **gain enough popularity** to challenge incumbents?
- **ClassPass** example

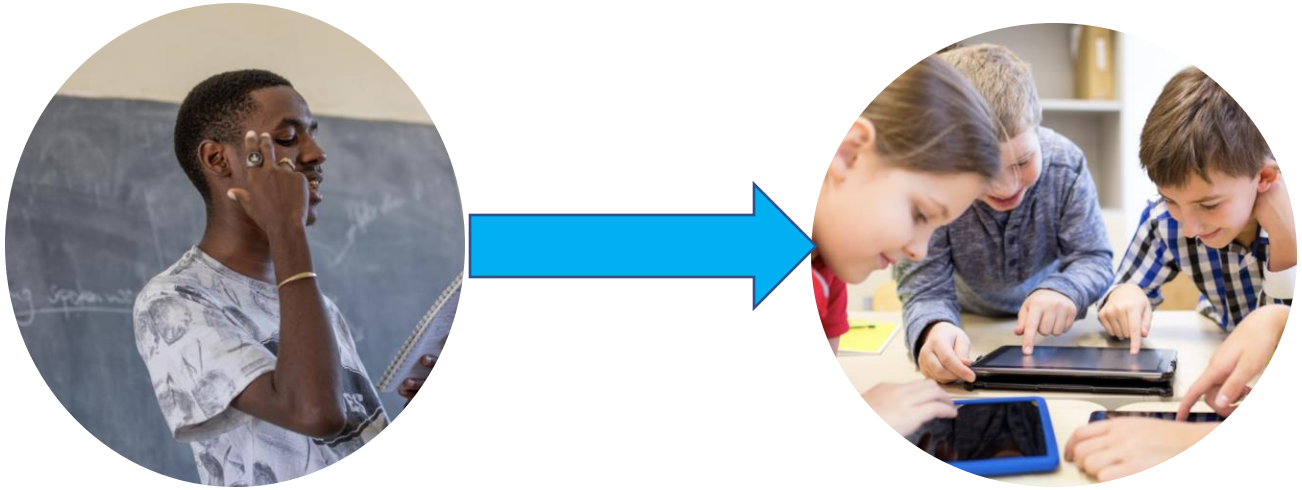


2.4 Other disruptions

Demanding customer expectations for last mile delivery

Disruption of ethics

Paradigm change in the way we learn



Conclusion

- In our view, disruption can be divided into two broad groups: business model disruption and culture disruption
- Business model disruption usually involves delivering a product faster, cheaper and/or more conveniently
- Business model disruption is subdivided into market disruption, channels disruption, CRM disruption
- Culture disruption is associated with changing customer expectations and modern requirements even on long-existing products
- Culture disruption can be further divided into work disruption, social disruption and consumption disruption
- The boundaries among disruption types are blurry

Thank you for attention!