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Armin Brunner

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How digital transformations are changing the service industry

Dear Sir or Madam,

In this guest newsletter Armin Brunner, CEO of the e-commerce agency Evola, illustrates the development of the digital transformation, and its current significance for companies.

The digital transformation has been on everybody's lips for a long time, and its' significance is more profound than simply a passing fad. However, while it seems that everybody has realised nowadays that this issue should be at the top of every businessman's agenda, the reality often looks somewhat different. This digitalisation concerns everybody, directly or indirectly – thus, to stay abreast of things is vitally necessary.

What once started as quiet development is now setting the tone

With the current spread of mobile devices, and with the omnipresence of high-speed internet connections, it is almost possible to forget that it was not such a long time ago when the first computers made an appearance in a household. What has happened since, and the speed of changes within consumers' habits, has been without precedent in history. This is also unmistakable proof that, with new technologies and consequent new possibilities emerging, early and firm reactions are necessary to stay ahead of competitors and to keep the customer base. At the same time, there is uncertainty about what might appear next, and which might render any current efforts a fruitless exercise.

Not so long ago, it was sufficient to have your own website so you could be found on the internet and impart vital information such as address and telephone number. All other business activities were done via different channels (e.g. telephone, email, post, face-to-face meetings). However, it is absolutely fatal to believe that this is still sufficient to deliver adequate service to existing and prospective customers. In contrast to media like books, CDs and DVDs, other services cannot be dematerialised as they are already intangible. At the same time, they cannot compete with the interchangeability of products like the trade industry that is simultaneously facing the additional pressure of competition from online trade. The manner and nature in which a customer is served has now become the decisive factor. In the future, only those companies which help customers to receive the desired service in the required quality as quickly, easily and as comfortably as possible will be successful.

Close to the customer with digitalisation

Digitalising analogue business processes and automating standard procedures by supporting them with software is by no means an end in itself. And even a one-dimensional concentration on areas with cost-cutting potential falls short of the mark, as the quality of a service depends entirely on the experience that customers receive, having requested a particular service. This means that on the one hand, you have a rise in efficiency as the result of saving time and reducing errors, while on the other hand there is also an increased opportunity for individual consultancy. By succeeding in gathering valid and comprehensive company data, and being able to have it available in real time, the supplier has at his disposal an effective instrument for an improved customer service and, consequently, improved customer retention. Having an all-inclusive knowledge about your customer has ceased to be a 'nice-to-have' – it has become a vital necessity for success in business. There are no limits for individual application – on the contrary: the much quoted digital disruption has in many cases eliminated boundaries, sustainably changed customer expectations and set new benchmarks, to the advantage of those companies that have had the courage to reconsider previous practices and to use a new approach. There are numerous examples, from booking platforms online forms to digital support. Once these have been successfully implemented by a service provider, there is no reason, from a customer's point of view, to require a different provider who will deliver an inferior experience.

Thinking about solutions and not about problems

It is a major challenge nowadays to remain successful in an increasingly competitive market. The opportunities offered by digitalisation open up innumerable possibilities to set yourself apart from your competitors. What is required? Openness. It is a good start if you fear neither anything new nor the (yet) unknown, and if you contemplate those opportunities with a high potential which currently lie dormant, but which could play an important role in value creation in the future. Once this (admittedly difficult) first step has been taken, numerous opportunities will soon open up.

About the author

Armin Brunner is founder and CEO of Evola AG. The Basel-based technology expert Evola develops tailor-made web applications for small and medium-sized enterprises. Based on existing business processes, applications for the internet are developed that deliver added value for customers, employees and suppliers alike.

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Kind regards

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