

The rise of a new economy

By [Nick Durrant](#), issued by [Bluegrass Digital](#)

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It is more urgent now than ever before that businesses invest in digital transformation. Since the global lockdown, millions of people have turned to digital tools and methods for work, entertainment and shopping. Companies also had to rethink the way they do business and had to adapt to the 'new normal'.



Nick Durrant, Bluegrass Digital CEO

With very little time to adapt, they have had to change their business models to cater for customers that are now working remotely and are largely housebound. The challenges and priorities of most enterprises have changed dramatically since lockdown, there is a clear shift towards offering digital products and services.

This is ideal for those companies that have already established a digital presence, they are now in the perfect position to meet growing demands via the various digital channels. However, research shows that less than 30% of businesses succeed in digital transformation and in some instances, businesses that failed are still struggling to recover.

There has been a massive flurry of new innovative apps and new businesses enquiring about digital transformation. This is proof that this pandemic has fast tracked the rise of the new economy and 4IR. Companies are pushing digital transformation more than ever before, well at least those who are ambitious in pivoting or investing rather than saving and holding on hoping this will all pass.

Businesses no longer have an option, if they want to survive they must transform digitally and this must happen fast. They don't only have to move all their operations remotely to ensure the safety of employees, but true digital transformation means adopting effective marketing and social media strategies to ensure business continuity.

A good example is Virgin Active and Planet Fitness, within a few days of the lockdown they both started offering free virtual classes to members and non-members. This clearly shows that having a strong social media brand and presence was a huge benefit for them.

Although the biggest portion of the revenue is still physical gym memberships, the fitness industry is ideally suited for digital transformation. Many gyms already offer online classes and they are flourishing since lockdown. Even gym equipment suppliers and retailers have shown phenomenal growth as people at home seek ways to keep fit.

Digital transformation is largely about reinventing a customer experience, it will fundamentally change what 'business as usual' looks like. Businesses that are digitally agile will require minor adaptations, but for the others it's about survival.

In a recent study by Gartner, nearly 75% of CFOs said they will move at least 5% of their current office workforce to permanently work remotely. They've obviously realised the benefits of remote working and how it will play a key role in new operational dynamics after the lockdown.

Digital transformation could be a difficult transition for many businesses but with the right leadership and positive attitude, it could be simplified. Also, industries are already more connected than ever before, especially as digital transformation and innovation becomes the new normal.

The pandemic has had a massive negative impact on the global economy, but at the same time, it has provided many new opportunities for digital transformation. The crisis has illustrated how digital channels provide enormous convenience, increased efficiency and higher accuracy. Business owners need to think through this clearly whilst planning for the future.

ABOUT THE AUTHOR

Nick Durrant is the CEO of Bluegrass Digital

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