

Digitalisation in SA: From recovery to success

Digitalisation was already underway when Covid-19 began its rapid global spread, although many South African business owners had not yet felt the immediate impact of this trend. Before 2020, digital tools and business-orientated tech featured on many businesses to-do lists and five-year plans but these certainly weren't and didn't need to be a huge focus. However, things changed very quickly as the onset of the pandemic swiftly accelerated digitalisation in South Africa across multiple sectors.



Source: www.pexels.com

“The pandemic changed everything,” explains Scott Thwaites, head of Emerging Markets, Global Business Solutions at TikTok. “As with so many parts of our daily lives, Covid-19 served as a catalyst for immense change, and in the business world, this came to life in the fast adoption of smart technologies. Supported by the drive to survive, many organisations and businesses took on digitally-led applications to alleviate the impact of the pandemic. And even though this was stressful, to begin with, we’ve come to see much success from businesses who’ve moved quickly and this is particularly positive when it comes to the future, which will no doubt be even more reliant on technology and everything that comes with it.”

Unaware of what was to come, McKinsey and Company released a report just six months before the pandemic hit globally, claiming that the advancement of technologies such as machine learning, artificial intelligence and advanced robotics would have a far-reaching impact on South Africa’s workplaces. And that by 2030, digitalisation and automation could result in a gain of up to 1.2 million jobs in the country. While Covid-19 may seem to have disrupted these forecasts, the pandemic has very obviously opened up many opportunities in the digitalisation space.

Fast track digitalisation

“Never before was there more motivation for companies to fast track their digital plans,” says Thwaites, “and we saw so many companies accomplishing five-year plans in a matter of weeks. They have found ways to adapt and change how they run their businesses and those who are leading the pack now are the ones who looked to digital tools for a lifeline.”



Vukani Mngxati 22 Sep 2021



The businesses who adjusted quickly used digital technologies to find new ways to sell, manage staff, operations and more. Devices like smartphones and services like social media led the charge by empowering business owners to pivot their value propositions, delivery channels and customer base.

“TikTok, in particular, built on its already impressive rise to popularity by reaching a whole new level of success during the pandemic,” says Thwaites, “seeing countless content creators, influencers and brands launched into the spotlight. At a time when they needed it the most, TikTok allowed businesses to grow their brands at unmatched rates with authentic viral videos.

And this is only the beginning. The relationship between businesses and TikTok is only set to strengthen as we look ahead because no other platform allows brands to reach out to their consumers quite like TikTok.”

Adapting swiftly

South Africa saw and continues to see SMEs and big businesses alike adapt swiftly to new situations and market conditions, offering a positive outlook for employment and the application of technologies like TikTok. But in order for businesses to sustain success in 2022 and beyond, it is crucial for organisations to move on from using digitalisation for disaster recuperation.

Now is the time to adopt a more well thought out and planned application of technology that will raise productivity, improve operational efficiency and deliver better outcomes for customers, post-pandemic.



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In the past, when talking about the accelerated adoption of digital technologies and the gradual embracing of 4IR, these means of progress were met with the fear of disruption.

“Disruption is definitely not something to fear anymore, just look at TikTok,” says Thwaites, “it is one of the best examples of disruptive innovation that has helped to propel businesses into a new realm, especially in relation to the way in which they connect and share messages with their audiences. And if there is one thing the pandemic has taught us; it is to embrace disruption and use it as means to leap ahead.”

Quoting the McKinsey and Company report again, a move to digitalisation has the power to triple South Africa's productivity growth and add more than a percentage point to the country's real GDP growth rate over the next decade.

Potential of 4IR

Furthermore, the transformative potential of 4IR has the power to greatly assist in tackling the country's unemployment rate, which soared to a record high in the first quarter of this year. A swift move to this era of technological empowerment will force government, educational institutions and business owners to work at closing the skills gap, thereby fostering an economy that empowers its citizens with the necessary future-fit skills.



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And this investment in people and skills will not go unrewarded. A report by the Small Business Institute in South Africa quoted a PWC estimate that claims the digital economy may make up as much as 24% of the world's GDP in the next five years, or an impressive \$18.2trn. The report also points to a World Bank prediction that expects Africa's internet economy to contribute up to \$180bn, or 5.2% of the continent's GDP by 2025.

"Figures aside," concludes Thwaites, "history has taught us that continuous innovation is central to economic prosperity, and now is the perfect time for businesses to use what they've learnt from their survival techniques honed during the pandemic and further embrace digitalisation, which will in time help South Africa create millions of high-quality jobs and ultimately give the economy the boost it needs."

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