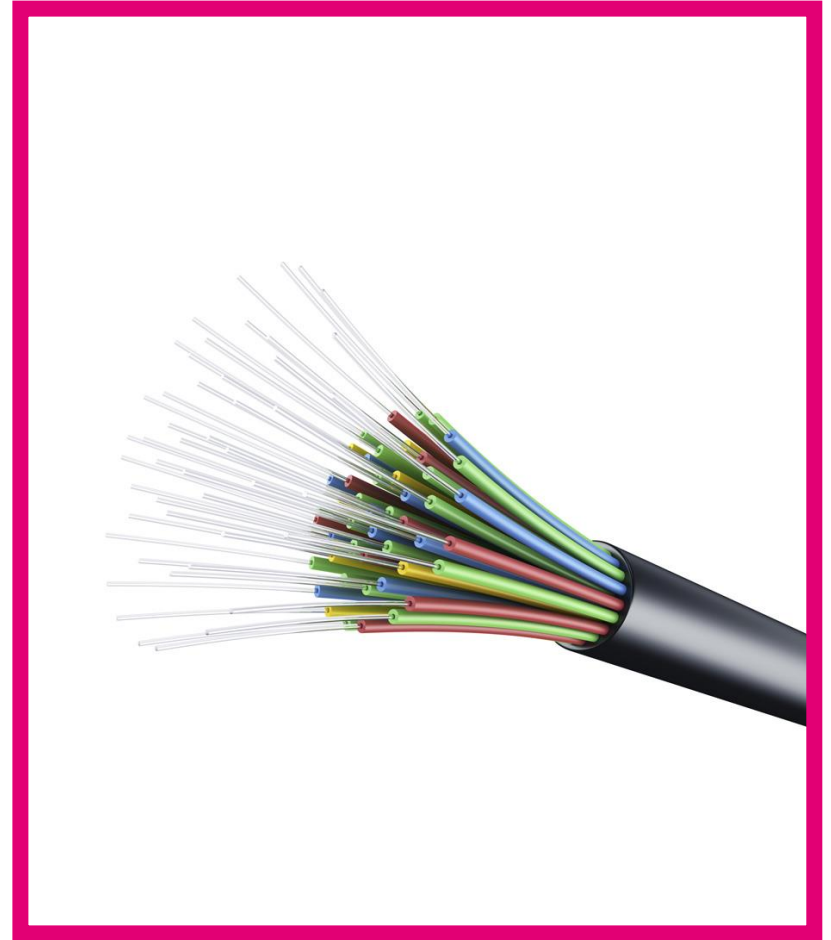# How digitalization shapes our industries

Andreas Bierwirth, CEO T-Mobile Austria GmbH

Eisenstadt, April 27th,2018

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T-Mobile Austria Fact Sheet FY2017

2 Brands:

T-Mobile & Tele.ring

Customers:

5,7m SIMs

Shops:

48 shops

Employees:

1.350

Total Rev:

900m€

Service R.:

777m€

EBITDA:

266m€

Market Share:

32% S.Rev.

39% Subs

**Data Traffic:**

313.503 TB

Investment:

155m€

ARPU:

13€

Digitalization ...

- ...is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities
- ...is the process of moving to a digital business

- *...has the potential to disrupt existing industries and businesses*

The telecommunications industry has seen a disruptive digitalization development – and reactions were slow
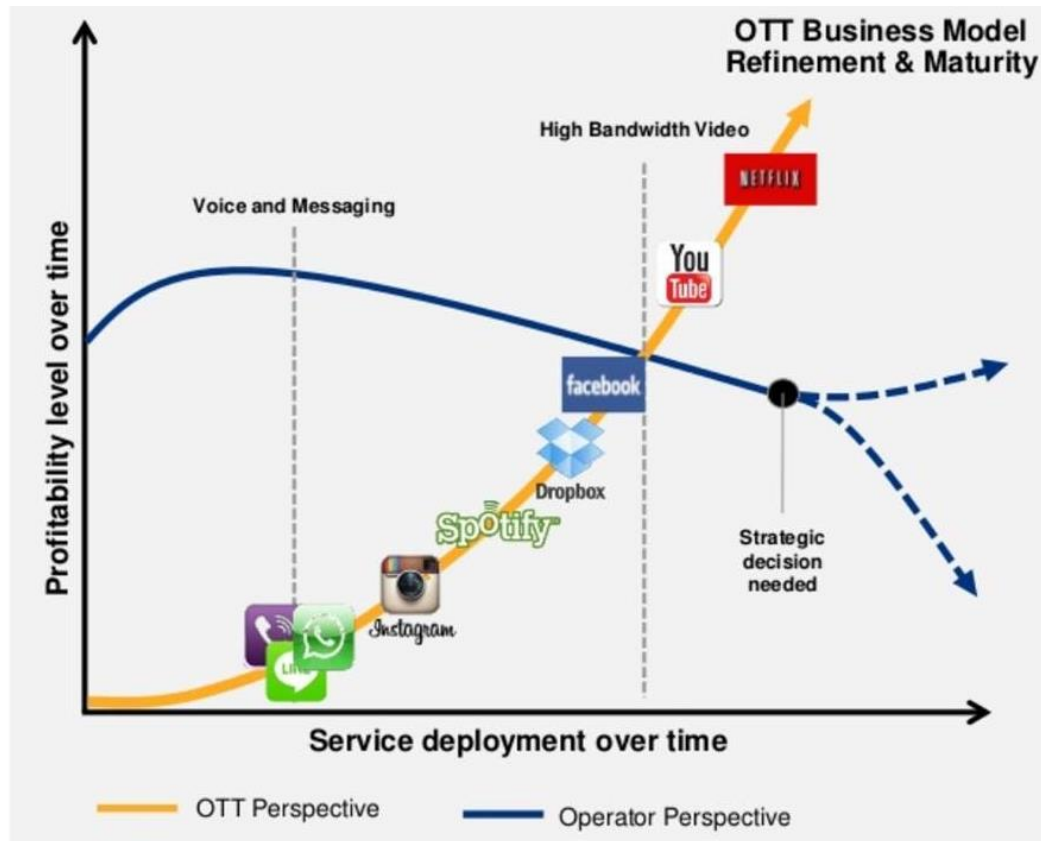
OTT (over-the-top) player business model

- Advertisement often as main revenue source
- Paid subscription for large OTTs
- Freemium apps to drive penetration
- Business intelligence as most powerful tool for content distributors
- Flexibility and innovation as basis to monetize and seek future opportunities

Source: Detecon

Disruption WhatsApp

Messaging killed SMS usage – better experience, more possibilities

Telephone quality rising – and no roaming cost

No infrastructure necessary – network investment done by Telco Operators

No regulation – whereas Telco industry over-regulated

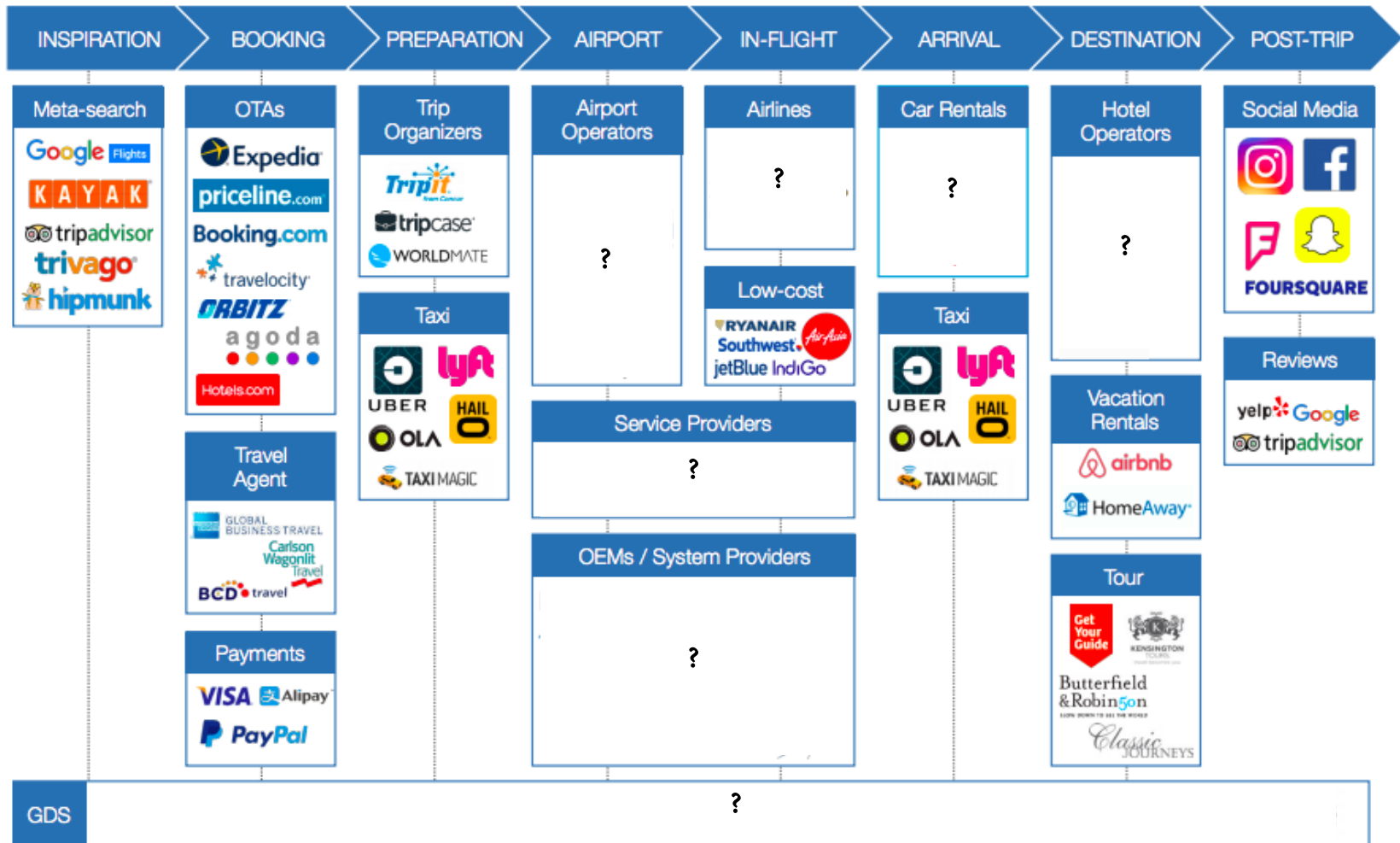**Simple T&C adaptations** – in traditional industries high commercial risk
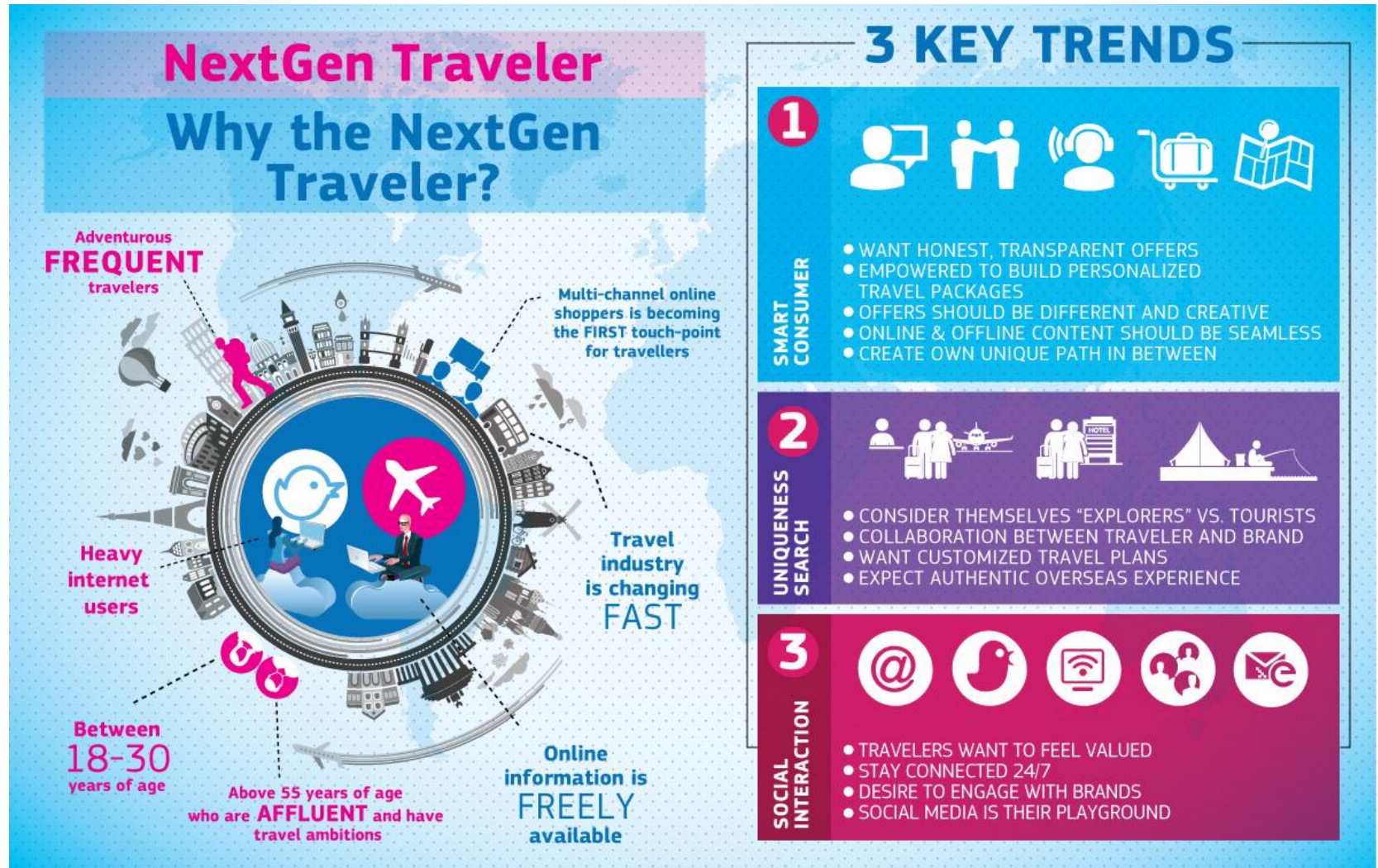
Solution:

Don't complain

Change!

(e.g. in the Telco industry: shift of pricing to data only)

The travel industry has gone digital, too — with new operators emerging at every stage of the value chain

Source: http://insidethecask.com/2017/11/20/digital-transformation-initiative-aviation-travel-and-tourism-industry/

Digitalization changes the profile of travelers and how they plan their travels and share their experiences

NextGen Traveler

Why the NextGen Traveler?

Adventurous **FREQUENT** travelers

Multi-channel online shoppers is becoming the FIRST touch-point for travellers

Heavy internet users

Travel industry is changing **FAST**

Between **18-30** years of age

Above 55 years of age who are **AFFLUENT** and have travel ambitions

Online information is **FREELY** available

3 KEY TRENDS

1 — SMART CONSUMER
- WANT HONEST, TRANSPARENT OFFERS
- EMPOWERED TO BUILD PERSONALIZED TRAVEL PACKAGES
- OFFERS SHOULD BE DIFFERENT AND CREATIVE
- ONLINE & OFFLINE CONTENT SHOULD BE SEAMLESS
- CREATE OWN UNIQUE PATH IN BETWEEN

2 — UNIQUENESS SEARCH
- CONSIDER THEMSELVES "EXPLORERS" VS. TOURISTS
- COLLABORATION BETWEEN TRAVELER AND BRAND
- WANT CUSTOMIZED TRAVEL PLANS
- EXPECT AUTHENTIC OVERSEAS EXPERIENCE

3 — SOCIAL INTERACTION
- TRAVELERS WANT TO FEEL VALUED
- STAY CONNECTED 24/7
- DESIRE TO ENGAGE WITH BRANDS
- SOCIAL MEDIA IS THEIR PLAYGROUND

Source: http://www.amadeus.com/blog/21/03/evolving-needs-nextgen-travelers-shape-travel-technology/

With digitalization happening, what are the ingredients companies are doing to succeed? 4 things, actually.

Customer experience	▪ Re-fit the **customer experience based on data you are collecting** (yes, collect data). ▪ Then, **redesign how customers interact with you** at all touchpoints (be it apps, mobile, physical, social media and others).
Operations	▪ Digitize your **business processes** (marketing, finance, accounting, HR,…). ▪ **Empower employees** via shared digital platforms. ▪ Implement effective **data management and analytics**.
Business model	▪ Redesign the whole industry (eg Uber, AirBnB). ▪ Redesign your product (eg Postal services). ▪ Enter new digital ecosystems (eg Amazon and its marketplace). ▪ Change value proposition (eg spot insurances).
Leadership	True digital transformation only comes with **robust and resilient leadership at the top** disseminating a message of **vision, involvement, governance and acceptance as the drivers of the future**.

Technologies like AI give unprecedented opportunities to create tailored offers – for both our industries

Collect data

- From social media activity (interests, likes)
- Past purchase behavior

Identify patterns

- Location
- Time
- Preferences

Build offers based on learning AI
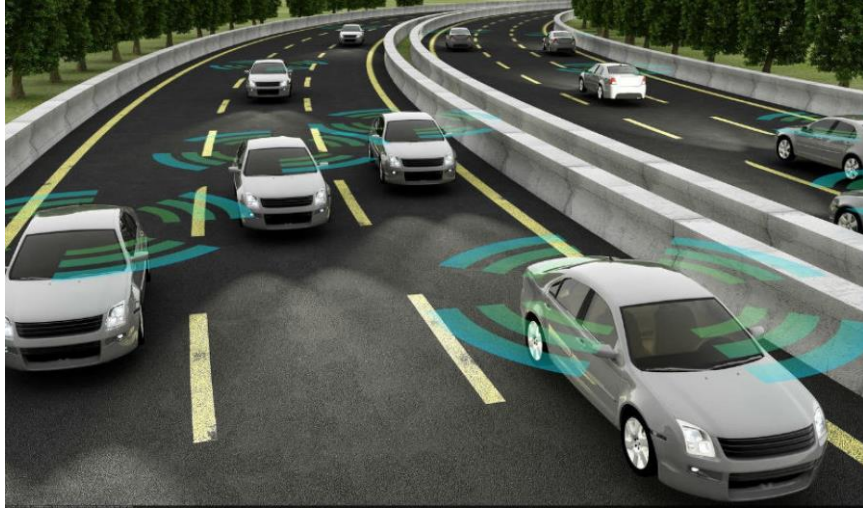
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A quick digitalization check

Do you have manual business processes, that could be implemented with new state-of-the-art digital methods? **Digitalize!**

Is there any consulting support in your organization, that could be done via AI methods? **Use AI!**

Is there any consulting support in your organization, that could NOT be done via AI methods? **Extend it. And then try to scale with digital methods.**

Do you really know your customer? **Collect data!**

The future is here already... let's shape it!

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Thank you!