
A STUDY ON IMPACTS OF DIGITALISATION ON U.K BUSINESSES

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Abstract: Digital transformation provides an opportunity for businesses to reduce costs and improve the bottom line. However, the digitalisation is also characterised by errors and delays that negatively impact on the costs of operations. The present article provides an insight into the impacts of digitalisation among the businesses in the UK. Based on the analysis of extant literature, the constant changes in the business environment create the need for valuable business models and approaches to digitalisation that will benefit the business. This enquires the impacts of digitalisation among UK businesses a valuable research issue.

Keywords: Digitalisation, Digital Impact , Insight, Transformation

Impacts of Digitalisation on U.K Businesses: The emergence of digital forces results in noticeable challenges and opportunities to the businesses in the United Kingdom. The research defines digitalisation as a process that involves making business activities, offerings, and information digital [1](Salo, 2006). On the other hand, [2]Harting, Reichstein and Jozinovic (2017) define digitalisation as:

...the transformation of signals and media objects (e.g. documents, images or sounds) in a digital form is processed, stored, and transmitted through digital devices and networks caused by the adoption of digital technologies and application of systems that are built upon them.

In as much as the current business situation seems stable in developed countries such as the United Kingdom, there is a constant flux. With the increase in business competition and continuous disruption in the market, digitalisation affects businesses in different ways [3] (Oswald and Kleinermeier, 2017). It is on this basis that the present write-up seeks to focus on the key aspects of digitalisation.

The Objectives of the Present Paper Are As Under: To identify gaps based on the review of extant literature relating to digitalisation among the UK businesses

To provide an insight into the challenges of digitalisation among the U.K businesses

To critically analyse the business opportunities associated with digitization in the U.K

To contribute to the understanding of impacts of digitalisation on business in the U.K

Scope: The scope of this is paper is limited to study covering U.K businesses

Limitations: This research paper is based on Meta- analysis of current literature, published reports, which may contain some errors or data manipulations and quality of reports

Literature Review: The concept of digitization and its impacts on business has been studied by various scholars across different industries. [4]According to Picardi (2011), digitalisation has had a considerable effect on the creation and distribution of content in the media industry. The research reveals that digitalisation affects both output and costs, whereby the business is

capable of reducing the cost of production and distribution by more than 80% [5](Picardi, 2011).

Meanwhile, the physical business activities still form an important source of the businesses regardless of the digitalisation process. Similar research by [6]McKinsey & Company (2014) reveals that the changes in the business environment have resulted in higher expectation among the customers. For instance, there is an increased need for seamless experience as well as faster delivery of services and products. The businesses opt to digitalisation as the primary approaches to meet the demands and remain competitive. Upon the adoption of the new technologies, the businesses expect an increase in the bottom line. However, the business models act as barrier to the realisation of the objectives of digitisation. Analysis of the impacts of digitalisation on business by [7]Bley, Leyh, and Schaffer (2014) revealed that the business benefits include increased flexibility, reduction in cost of transactions, and automation of workflows.

Grover and Kohli [8] (2013) in examining the caveats in implementing business strategies accentuate that the business competitiveness will increase in the short term. On the contrary, the research revealed that in the long run, some approaches to digitalisation are not beneficial. Meanwhile, the research conducted by [9] Bley, Leyh, and Schaffer (2016) pointed out the difficulties that businesses face in their attempt to integrate virtual and digital programs in daily business operations. Further analysis of the innovation literature, especially in the music industry shows that digitalisation affects how value is created and distributed in business. It implies that the process of digitization touches in the broader business aspects to determine the overall operations and strategies. While focusing on heritage institutions, [10] Evens and Hauttekeete (2011) contends that businesses seek to address the challenges of traditional business approaches such as lack of adequate storage by adopting digital strategies. Conversely, the inadequate approaches to content management as well as insufficient communication limit the business from accessing the benefits of digitisation. [11] Bharadwaj (2013) also pointed out that digitization may result in errors, delays, and costs that negatively impact business operations.

Discussion: It is apparent that businesses operates in an era of digital innovation [12] (Kohnke, 2017). Regardless of the sector, there is a constant need to shift business activities through the implementation of digital infrastructure as a way of meeting customer expectations. As apparent from the brief review of literature, firms are taking necessary steps to automate the business process. This is due to the desire to leverage their competitiveness by overcoming the disadvantages associated with the traditional approaches. The digital strategies are associated with efficient workflows, reduced cost of transactions and flexible business operations, among others. However, the business world is characterised by constant changes which require a critical analysis of the digital innovation. Apparently, the integration of digital technologies is associated with challenges including delays, integration issues, and errors.

Given the complex business trends and the constantly changing demands, the enquiry into digitalisation is relatively inconclusive. The businesses pursue digital transformation to meet the changing needs of customers. However, how business relates to the digitalisation as a necessary process for success remains to be inadequately explored. The analysis of impacts of digitalisation in the context of companies in the UK provides an opportunity to understand the

challenges and opportunities in the business environment. Businesses need strategies that will enable them to overcome the integration difficulties and gain from the digital transformation.

As [13] per the Strategic Labour Market Intelligence report 2015, has highlighted the following five key digital developments which will be particularly important for UK businesses to improve their business performance:

- a) Cloud Computing
- b) Mobility
- c) Unified communications
- d) Data exploitation and
- e) Cyber Security

According to [14] 2015 Digital Capabilities Survey, 91% of businesses with 0 to 249 employees now have broad band access. In another survey[15] conducted in 2014 by Office for National Statistical Agency (ONS) shows 73% of firms with 1000+ employees use social media in building Customer Relationship Management.

It can also be seen that all the banks in the U.K issue bank cards with Wifi symbols which can be used as contact less cards for buying goods online, pay utility bills and buy goods in the shops just a touch of the cards.

Approximately 30% of London Underground train stations provide Wifi access to the customers and all Bus stations in London are equipped with digital display screens showing the bus timings and live updates of the arrivals.

Conclusion and Recommendations: In the age of digitisation, businesses must rely on digital transformations to remain relevant across the various sectors. Adoption of basic technology is seen now as ubiquitous but the adoption of more advance technologies is variable with large businesses tend to lead the way.

The literature review acknowledges the challenges as well as the opportunities associated with digitization. However, the business environment faces constant changes, including the shifting demands among the clients. An understanding of the impacts of digitalisation in business in the U.K provides a valuable basis for integration of necessary models and digital technologies.

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