

Digitization:  
entrepreneurs should  
either get on the bus  
or get underneath it

[Business](#), [Entrepreneurship](#)



For banking purposes, you do not have to visit the bank. Do not waste your time and talk time by calling a taxi driver, tap on the screen and the taxi will pick you up from wherever you are. Thanks to digitization, for changing the way we live, move and subsist in the society.

Today, it is evidently impossible to leave your smartphone unchecked every now and then. It is impossible to order a home delivery from the new restaurant until its rating and reviews are checked. The modern, affordable smartphone is experiencing rising penetration; whereas, internet availability in the almost corner of the world is enhancing the technology reach out.

Undeniably, digital is the future because of its huge disruptive potential. Nonetheless, some entrepreneurs all over the world, especially those representing the Asia-Pacific region, have not fully embraced Digital in a transformative way.

Startup Entrepreneurs and CEOs might be lacking in a sophisticated understanding of the digital technology and the forces at play. Conversely, the organizations already hopping on the digital technology bus are embracing it with the confused approach, slower pace and on a low-pitched scale.

Coming to the reports from various surveys and studies, organizations having a full-fledged digital business model are outperforming and gaining a financial edge over competitors. The growth of such organizations is significantly higher compared to average industrial growth in their domain.

*Why Entrepreneurs Should Go Digital?*

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## Enhanced Internet and Technology Adoption

Asian internet penetration is on a rise since last few years. According to Internet World Stats, as of June 2016 about 49.6% population is using the internet as the penetration rate climbed to 44.2%. Few Asian countries as if South Korea enjoys 92.1% of the Internet Penetration rate. This means, 8 out of 10 people have access to the internet. Japan is another country enjoying 91.0% Internet Penetration Rate. China and India have also recorded a stiff rise in a number of internet users with 52.3% and 36.5% Internet Penetration rate respectively.

Although China and India have lower internet penetration rate, they are leading the charts for having the highest number of active internet users. When it comes to internet user base. China and India have left behind even the USA and France. As of June 30, 2016, China's internet user base is 721.4 million, India has an internet user base of 462.1 and the United States has 286.9 million internet users.

The best thing that came into focus due to these reports is the way and the great pace with which younger generation is adopting the internet. For an instance, 77% of Indian and Indonesian mobile users are under 35 years of age.

People are Spending Significant Amount of Time Online; Entrepreneurs Must Find the Digitization Opportunity

Increased smartphone and internet penetration empowered users have enabled users to instant message each other, search for information, navigate using GPS, read news, watch videos, play games, participate in various social activities and much more.

These days' social networks are established and have an aura of their own. For many years, the ' Top Five' social networks have not changed. According to the State of the Mobile Web Report released by Opera Software, Philippines is the most active country on social media. The social media penetration in the Philippines increased from 40% in 2015 to 47% in 2016.

South Korea is indeed the social networking capital of the world due to its greater social media penetration rate. Nevertheless, it lags behind the Philippines based on daily hours spent on social media. With a whopping 78% social media penetration, South Korea spends only 2 average hours daily on social media. Only if they could clock few more hours daily, South Korea will rise as the leading nation busy in social media activity.

The key takeaway from this data—a large number of people have started accessing the internet and the average time they are spending on either the smartphone or other gadgets connected to the internet is increasing.

Entrepreneurs should start focusing and targeting this growing internet user base with the right attitude and optimism. Create a strategy, define a role and act accordingly to increase the reach of your business and attract as many consumers as you can, to generate higher ROI.

## Proliferation of eCommerce — People are Spending Money Online

Worldwide Business-To-Consumers or B2C eCommerce sales in 2015 was \$1,700 million with an expectation to reach \$1922 million by the end of 2016.

Asian eCommerce industry grew by \$835 billion in the year 2015.

Withstanding the growth and justifying the e-commerce proliferation, 2016 witnessed a surge in cross-border eCommerce, amidst mastering the different market conditions from country to country. For sure, Asia, particularly China, is luring many organizations. Surprisingly, internet users from China alone purchased goods worth about \$566.62 billion online (a growth of nearly 33.3%). Interestingly, the average age of online buyers was 25 years.

Conversely, the USA market recorded a steady growth of 15.5%, consistently from 2011 to 2014 reaching to \$349.06 billion in the year 2015. The United States achieved this growth even though, 72% of its Small and Medium Sized businesses were not selling online.

Credit goes to the domestic eCommerce players in China, 266 of which are ranked in the Internet Retailer 2016 Asia 500. The annual online sales that were \$173.69 billion grew by 65.7%, reaching \$173.69 by the end of 2015.

Entrepreneurs interested in digitizing their businesses must understand the needs of Asian shoppers first. Then start analyzing or evaluating the local vendors that are capable of providing essential products and services online in each market. Better, understand the economic dynamics and culture of the

country before invading it. Moreover, entrepreneurs and CEOs must try to offer everything local, including payment options and customer service.

### Declining Technology Costs and Ontogeny of Middle-Class Facilitates eCommerce Growth

The pool of middle-class community in ASEAN countries is expected to cross 62% mark by the end of 2020 from the current 55%. In the next few years, more than 1 billion people will be added in the Asian middle-class community of 2.7 billion. Although this process will be eventual and uneven across different regions, it will again depend on the significant initial conditions.

The China and India, of course, are the major players breeding a new generation of middle-class people, thereby reshaping the regional and global markets. Accordingly, smaller Asian countries will witness faster and sometimes, slower emergency as it will be highly dependent on the eligibility, its resource base, and labor forces recruited into higher value added supply chains.

Technology, on the other hand, is becoming more affordable. Now smartphones are so cheap that they cost less than the entry level Pinot Noir bottle in California. All these parameters will result in the development of a large pool of consumers that can easily afford higher priced as well as a versatile range of products and services.

### Embracing Digitalization is the Key to Organization's Success

Digitization has fundamentally changed the landscape of doing business. The disruption of technology has made consumers smarter and knowledgeable. Consumers are not expecting burdening promises or lifetime commitment, what they really ask us is to give them simple, convenient, efficient and faster service across industries.

As a startup entrepreneur, you have to keep your eyes and ears open. The majority of industries is undergoing rapid and radical transformation compared to others. Focusing on Healthcare, Retail, Banking, Education, Manufacturing and Travelling must be your priority. Consequently, be aware of the innovative and digital players imperiling incumbency in these industries.

## Conclusion

Although there are many other factors driving the need of digitization, these are just a few selected resources and demographics fueling the digital era. As an entrepreneur when you prefer to go digital, you are actually finding a normal way of doing something new.

Undoubtedly, the technology is rapidly evolving, widely available and extremely affordable. Nevertheless, the way it is being used by people, businesses and governments are fundamentally different. You will have to figure out such indifferences and the forces that keep it together. It will help you to not only digitize your business but also resort different solutions combating the radical shift in consumer behavior, demands and expectations eventually excelling in your business.