

## Japan's Digital Transformation affecting Global Business

Thursday, October 6th at 19:30, in Deloitte's Tokyo HQ at the Marunouchi Building the "Deloitte Digital Strategy MBA Seminar" was held, with Partner of Deloitte and Head of the Deloitte Digital Strategy Practice, Masanobu Iwabuchi speaking on trends in Digital Strategy.

This exclusive event brings together a special group of experienced strategy consultants selected from the top consulting companies in Japan. These worldwide MBAs are pre-selected by [catalyst4mbas.com](https://catalyst4mbas.com), the organizer for these exclusive events. Then each has to pass selection from Deloitte in order to be in this special group to idea-share and hear insights on what is happening to bring Japanese companies Digital Transformation, to do business around the world, increase ROI and even save lives.

Deloitte Digital Strategy is the leader in Digital Transformation and in Japan with their special focus on Japanese organizations that are global, they are creating strategies in a new way that affects global business and gives Japanese organizations the digital edge every organization in modern business is looking for. Below, we will share with you what the Director of Deloitte Digital Strategy and the Partner of Deloitte and Head of Digital Strategy had to say on Digital Transformation.





There has been a large shift in business and in how we reach consumers to a “User Centric World”. Before, it was one-way media, where large corporations can simply pay an advertising agency to put their chosen message out to the public through TV, Magazines, Radio, Billboards etc. Now, consumers have worldwide knowledge on a company’s products and their competitors products through their smartphone. Consumers now can look at facts and figures online for each product, check what others are saying about the product on social media and even see how products perform on YouTube. According to Iwabuchi-san “consumers like to drive into their own world” and therefore, they have become more powerful than companies. This change is happening across all industries. But Digital Transformation is more than just Digital Marketing.

Not just changes in media, but people change the way they buy. From the user perspective, there is no boundaries between the digital dimension and the physical dimension. Samsung has great consistency in their global digital strategy and that is one of the reasons why they have been able to grow globally, competing against the giant, Apple. Japanese organizations struggle with getting out a clear value definition of what their brand is globally because of the traditional practice of campaigns. Using campaigns means a unique message for each product instead of creating that clear brand value across all channels globally.

Did you know that before consumers had these handheld digital devices, the average number of visits to a car dealer was 7 times before people bought a car? Now, with people using digital, it’s 1.5 visits. That is because people use 3rd party websites, OEM websites, Social Networks and even YouTube to see how the car drives.

One of the creative solutions that Deloitte Digital Strategy has brought to one of Japan’s largest global automakers is to help to create a consistent brand value message. This automaker had 200 separate websites in North America alone. Deloitte stepped in with a solution to make it centralized and to put out the same content, therefore creating a consistent brand message as well as save money on all the duplication that was going on with 200 different websites creating and putting out their own content. These websites having a consistent brand message is important as around the world people find out about products online. In the UK and in the US, 60% have awareness through digital channels and this number reaches 80% in China. For Japanese global companies to dominate these markets, Deloitte Digital Strategy says you have to have more than eCommerce. You have to have digital marketing strategy. They recommend doing a full customer journey. This means, first a consistent message and then developing a clear strategy that brings the customer from awareness of the product at the way to buying and staying satisfied. Some of the things that Deloitte is doing with Japan automakers goes well past after the car is bought.

Recently, Deloitte Digital acquired Heat, an award winning advertising agency. This union combines Deloitte Digital's insights, strategy and understanding of its clients' businesses with the power of Heat's amazing creative team as they work together with some of the world's most influential brands. It is an approach that will reshape business and advertising in the coming years. From now on, clients no longer have to work with multiple agencies and consulting firms, as both creative and business strategy will now come in a single solution from Deloitte Digital Strategy. Their global capabilities and collaborations across the globe put them a step ahead of the rest.

Analytics combined with connectivity is just one way that Deloitte is helping organizations to save millions. Actually what we are about to share not only can save the company millions but also help to create better products and literally save lives. Most of us already know about Volkswagen's recall that cost them 10 billion USD. Not all recalls are this expensive but they are all expensive and the problem can be avoided or greatly reduced with using touchpoints on the automobile, monitoring with real time connectivity to capture data for analysis.

This information can be captured and also compared to the car's service log to mine data and learn earlier that something needs to be fixed (ie. service log says had brakes replaced and touchpoint on the car is showing lots of vibration while braking could mean something needs to be fixed with braking system). We can also monitor social media for DIY people that are asking how to fix the vibration or noise in front wheels. Using multiple touchpoints on different parts in the car (ie. Showing that the car is taking longer to stop by monitoring the brakes and the speed) with the ability to relay information in real time gives us data that can be run through complex algorithms fed into an easier to read dashboard to find problems and bring the car in early for servicing, correct production of parts being made and actually save people's lives.

In the future we will be connecting to autonomous self driving cars to be alerted and since these multiple touchpoints would also tell us when you use your car the least, then it could drive itself in for servicing while you are at home enjoying dinner.

The work that Deloitte Digital Strategy is doing was touted as "True Digital Transformation" and that "they are the leader in digital transformation" by Senior Consultants of competing consulting companies that attended this event.

There is a difference with Deloitte. While there are other famous strategy firms that do excel in pure strategy, meaning market analysis and creation of strategy from those numbers, Deloitte combines real world knowledge with industry experts, their own creative team through recent acquisitions and can leverage knowledge from Deloitte Digital in the US which is the largest in the world. One of the reasons they are so successful with Digital Transformation is they have a longer history and deeper expertise, usually putting 6-10 industry experts on each project. Bringing together Strategy expertise combined with analysis and creative is what builds real digital transformation and can form a complete Digital Strategy that all organizations are currently looking for to get the edge in business. And if you are wondering if it is catching on, last year they had both their highest growth and highest profit.

Iwabuchi-san closed his speech on a very helpful advice for Japanese companies. To have global branding as well as data driven management, companies have to turn into analytical organisations. To evolve into a better decision making company, Japanese businesses need the support of CIOs to perform big data analysis.

For those that are interested in hearing Iwabuchi-san speak in person, he has already been asked to be a keynote speaker at the Digital Summit that [catalyst4mbas.com](http://catalyst4mbas.com) organizes. More information at [catalyst4mbas.com](http://catalyst4mbas.com). All events are also listed at [facebook.com/Catalyst4MBAs/](https://facebook.com/Catalyst4MBAs/)

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