جامعة اليمامة
Al Yamamah University

The Effects of Digital Darwinism on Brand Success

Maha AlTwijry

Leean AlHosain

Haifa Alalshaikh

Mashael AlAskar

Senior Project

Dr. Khalid AlRajhi

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Executive summary:

Digital Darwinism is the "the phenomenon when technology and society evolve faster than an organization can adapt." (Solis, 2014). In this research we uncovered the pressures and challenges companies are facing in the Saudi market and how to succeed, as well as define the effects of digital Darwinism and its factors and how it leads to brand success. What we uncovered is that in order to have a successful brand an organization needs to be digitally mature, as digitally matured companies are likely to have higher performance than their less digitally matured competitors. (Westerman, et al., 2012).

Moreover, social revolution is an effect of digital Darwinism; and companies that build and create a long-term relationship with their customers gain a competitive advantage, which is what makes a brand successful. (Kreutzer, 2015). Content and communication are important for daily business operations, without good communication channels and content creation the whole structure of a business can face several challenges that might lead to its failure. (Lorette, 2015). And as we live in the digital era, new technologies are being introduced on a daily basis, so for a company to succeed in this digital world adaptation must be one of its skills. Above all else, knowledge is key to success, and with knowledge an organization can learn how to avoid the pitfalls responsible for the demise of many organizations, and identify opportunities for innovation and competitive advantage, which in all leads to brand success. (Hester, 2015)

Introduction:

In today's world, businesses are dependent on technology. However, are they up to date with the emerging digital models? Or are they lagging behind? Technology is evolving at a rapid pace and some organizations are having a difficult time adjusting to it, which lead us to the term used to describe such situation, that is 'Digital Darwinism'. Digital Darwinism is defined as "the phenomenon when technology and society evolve faster than an organization can adapt." (Solis, 2014) Some professionals in the regional were interviewed and through these interviews we have uncovered the pressures and challenges companies are facing in the Saudi market and how to succeed. The purpose of this research is to prove whether the research model presented below can be used and applied in companies here in Saudi Arabia or not.

Research purpose:

As marketing students we are keen about the surroundings from a marketing perspective. So watching and comparing the emerging digital models between our region and others showed to us how technology has freed other businesses from a lot of restrictions when it comes to reaching the customers whether they were new or existing ones. How did that start and how it continued is what we want to prove in this research. How important is the technology for transforming and taking businesses and brands to a whole new level.

Research Questions and Objectives:

The main objective was to whether or not Digital Darwinism has an effect on brand success. If yes, then how companies are working to achieve success and avoiding the negative

aspects of not adapting to technologies which is in this case 'Digital Darwinism'. The questions were an outcome of the literature review, which presented many different issues that were relevant to the problem at hand. Also, some of the questions were derived from it. The questions were the following:

1. Are you tracking emerging digital models? And how are you doing it? (Bughin, J. 2015).

2. How can you make your digital journey successful and what are the challenges on the road to transformation, and if you could please talk about the pressures facing you on that journey? (Westerman, et al., 2012)

3. What is digital transformation maturity in your opinion? (Westerman, et al., 2012)

4. Are your digital channels the most effective ones? If yes why is it? (Bughin, J. 2015).

5.Are Manufacturing Companies Ready to Go Digital? If yes how is that affecting your company's reputation? (Ebner & Bechtold, 2012)

6. Have you ever done extensive research as to which touch points exist in your brand? How extensively are the particularly important touch points managed by your company from a customer perspective? What measures are suitable for the optimization of touch point management?

7. Everyone knows the urgent need to adapt quickly roughly 90 percent of the companies recognize that the speed of execution and adaptation has accelerated because of digital advances. Can you please comment on that statement? (Geoffroigaroncom, 2017)

8. How can you involve social networks even better to create added value for your customers and added value for your company? And how are social-feedback loops working against you? (Bughin, J. 2015).

9. What are the challenges that could arise from miscommunication and weak content creation? And how can they affect your operations? (Bughin, J. 2015).

10. How can you create brand awareness among an unusually high share of digitally savvy "smart and aware" consumers?

11. From your previous experience in the Saudi region, comparing with international companies standards do you think it's harder for companies in the Saudi region to adapt and for technology to evolve? And What are the factors that can drive adaptation and encourage the use of technology? (Geoffroigaroncom, 2017)

12. How can brands succeed with the lack of R&D and the lack of money to hire external resources to take over the researching and developing process?

13. Only about one-quarter of marketers regard themselves as digitally savvy. The others claim that the lack of support at senior level is the reason why they are not. Do you see this true and as a senior level manager what is your comment on that. (Geoffroigaroncom, 2017)

Literature Review:

Digital maturity or Digirati is a term best described as having the maturity and capabilities to build digital innovations and drive transformation across the organization. Digitally matured companies are more likely to have higher performance, financially, than their less digitally matured competitors. "Digital maturity is a combination of two separate but related dimensions." (Westerman, et al., 2012) The first dimension is digital intensity, the "investment in technology-enabled initiatives to change how the company operates." (Westerman, et al., 2012) In all industries, enterprises invest in such initiatives but they often go unorganized. The second dimension is transformation management intensity, the creation of leadership capabilities required to manage the transformation. These two dimensions are further divided into four types of digital maturity, digital beginners, digital fashionistas, digital conservatives, and digirati. The first type is digital beginners, companies that have limited
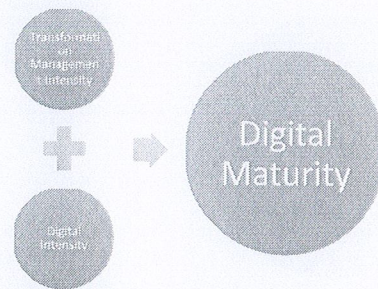
access to digital capabilities. Second, comes digital fashionistas, firms that applied and experimented with digital applications. The third is digital conservatives often prefer to be cautious that to invest in new initiatives. Lastly, digirati, companies who are able to carry out digital transformation and are continuously advancing their digital competitive advantage. The importance of the surroundings enforces organizations to adapt and to advance in many areas specifically, the technological area. Digital evolution has changed the way people communicate, connect and discover which carried an incredible implication for businesses and just about anything where people are involved. (Solis, 2014)
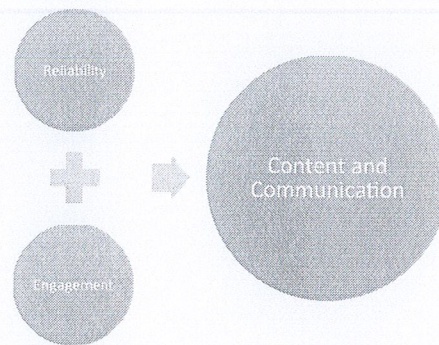
Moreover, digital revolution has changed the game: building a strong brand, driving the innovation agenda, and achieving sustainable growth are now determined by our capacity to

metrics to make it possible to measure the economic results. Yet, this must not lead to being not responsive to new challenges.

- Marketing will have to change dramatically in order to fulfill its role as a strategy and energy driver in the future. (Kreutzer, 2015)

In the digital world, good communication and content is important for the daily operation of a business. Without good business communication and content creation, the internal and external structure of a business can face several challenges that can ultimately lead to its demise. (Lorette, 2015) Marketers are steadily raising the profile of media strategy and planning within their organizations. They are establishing senior media positions and shifting their recruiting strategies in order to build capabilities in "communication planning"— the current term of art for the function charged with allocating a company's entire marketing spent across both paid media and below-the-line programs. Approximately one- fifth of marketers have already invested in internal communication planning functions. (Vollmer, 2010) In todays digital world creating interesting, relevant, engaging and well-written content is key to reaching and engaging with your target audience. "In fact, 57% of organizations now have two or more people dedicated to content marketing" (Teicher, 2015) It's one thing to collect digital information; it's quite another to draw intelligence from it. (Vollmer, 2010)

All things considered, we live in an era of risk and instability. Globalization, new technologies, and greater transparency have combined to upend the business environment. Christopher Vollmer mentioned in his book Digital Darwinism, how the rise of digital

advertising has triggered many of the mutations we are now witnessing. And he gave an example of how already, the shift in advertising dollars to online media is pronounced. Whereas newspapers took 127 years to reach US$20 billion in ad revenues in the U.S., and television took 25 years, online media have garnered that amount in just 13 years. In fact, at roughly $21 billion in 2007, online advertising spending now exceeds spending on outdoor media and the Yellow Pages—and it is approaching the level spent on radio and cable television. He mentioned that marketers understand the urgent need to adapt quickly and that; roughly 90 percent of them recognize that the speed of marketing execution itself has accelerated because of digital advances. Their focus is increasingly on creating campaigns that are integrated and that include digital media— which, in turn, requires more active collaboration across multiple agencies and
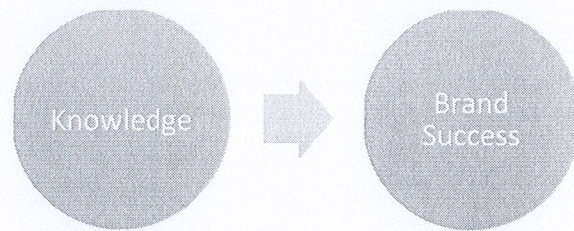
media companies. (Vollmer, 2010)
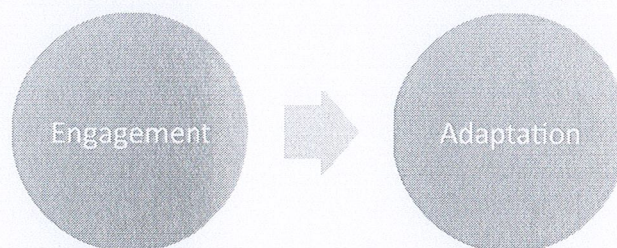
These circumstances are compelling agencies to change, too. They are being asked to partner with other service providers as never before. And they themselves are initiating new partnerships to access deeper data and analytic capabilities and expand into high-growth platforms such as mobile and social networking. He mentioned in a very interesting paragraph what he meant by adapting and he said "What we're describing here is more than just a change in the marketing mix or media buy. The marketing function, equipped to broadcast brand messages to consumers, has now become a center for dialogue, geared to gleaning what consumers want, and when and where they want it. Advertising has evolved from an interruption—grabbing attention for a product or brand—into an experience, an application, a service that the consumer actually wants. This new marketing model doesn't shout; it listens and learns. And relevance, interactivity, and accountability are its essential ingredients." (Vollmer, 2010) All

of this shows us clearly how important is adaptation and that we're in an era that tells you clearly if you cannot catch-up with what's going on you'll never reach the star.

Last but not least, "How you define knowledge determines how you manage it." (Allee, 2002) Knowledge is the key to success. But in our rapidly changing world, it's not what you know that matters. It's how you know. Benjamin Franklin once said "An investment in knowledge pays the best interest." By changing the way you approach knowledge you can learn to avoid the pitfalls responsible for 80% of business failures, while at the same time identifying opportunities for innovation and competitive advantage, which in all leads to success. (Hester, 2015) And in order to achieve success there are certain things to consider in knowledge, "To make knowledge available to others, it must first be formalized. Language is indispensable for this task. Company-specific knowledge is passed on mainly through company-wide, consistent corporate language. This in turn is based on assured, consistent terminology. Terminology functions as an information carrier that can be used to make knowledge explicit, and to transfer and store it." (Brühl, 2010) "Terminology helps to optimize internal business processes, but in particular, it also considerably improves customer communication and thereby also the image of a company." (Brühl, 2010) "Only when knowledge is systematically processed, maintained and managed does it become fully usable for employees and thereby also for corporate growth." (Brühl, 2010)

Research Model:

The Effect of Digital Darwinism

- Digital Maturity
- Social Revolution
- Content & Communication
- Adaptation

- Transformation management intensity
- Digital Intensity
- Surroundings
- Motives
- Reliability
- Engagement

Knowledge

BRAND SUCCESS

High Return on Investment

Research Methodology and Results:

Qualitative Research:

The methods that were used in the research include interviewing. Interviewing is where the researcher gets into a conversation with the interviewee and gets to ask them some questions. This method has several advantages and disadvantages. The interviews enable a researcher to get an in-depth answer to an issue (Opdenakker, 2006).

The method also enables the researcher to obtain information on the views and opinions of the person being interviewed. The method is the best to use especially when doing qualitative research. The researcher is also able to understand the statistical data better and can, therefore, explain it well. Interviewing also makes the research process to be human and not impersonal like when using data. This method also allows the researcher to get clarification on an issue where need be. The method also ensures that the interviewee is not influenced in the answers that he or she gives.

The method, however, has some disadvantages. The method consumes a lot of time because the interview has to be set up earlier, the interview also consumes time, and the interview also has to be transcribed, analyzed and reported. The process is also expensive. The interviewees also understand the questions differently, and thus one may not get the information they need. An example is Mr.AlBarjas who did not answer some of the questions as needed.

The interview method is the best method to use in qualitative research. Qualitative research is unique in that the answers from the research group are explanatory. People explain things differently. This method, therefore, allows the researcher to get clarification on any of the issues (Miles & Huberman, 1994).

Data Analysis:

The questions that were addressed in the interview were on various issues. The interviews covered whether the individuals who were being interviewed were making an effort to ensure that they have been keeping track of any new emerging digital models and the methods that they are using to keep track. The other issue that was covered by the research was in the ways that the interviewers were planning on ensuring that their companies succeed in their digital journey and the challenges that they were facing while doing so (Patton, 2005).

The research also tries to identify from their experience what they define as being mature digitally. The other issues were to identify the digital channels that they used and saw to be the most effective and the reason why they are effective. The other issues are whether the individuals have carried out any research on the touch points that they can apply to their brands especially from the perspective of the customers and by doing so determining ways to optimize the touch points.

The other issues that were covered were determining ways in which adaptation of digital technology has contributed to the speed in implementation and adaptation. The research also tries to identify ways in which social media can be used to add value to the customers as well as the company. It also identifies ways in which social media loops can work against the company.

The research also identifies challenges that arise from miscommunication as well as weak content creation. It also tries to identify ways to create brand awareness among the consumers who are digital savvy. The other issues are the challenges that companies in Saudi Arabia face when trying to reach the same level of standard as the rest of the world and the factors that can encourage the adaptation of technology. The other issue is how the company's that has no research and development and cannot afford to hire an external firm to

do the research and development.

The participants were of a different occupation. The researchers had various interviewers who were a consultant in strategic planning, a chairman, a director of marketing and sales, the head of financial instruction, an individual who was an in charge of communication and development. They all have different positions in organizations and thus can provide a comprehensive view of the issues discussed in this research.

Mr. AlBarjas answers were out of topic. An example is where the interviewer states that a company can only succeed without research and development through luck. Mr. AlFozan provided important information as his company is part of a global company and thus the company has tried to catch up with the rest of the world. Mr. AlSuhaibani works at Dominos. The company is a global company too and thus in the country the company makes use of the technology that the rest of the company uses. Mrs. AL Jaroudi worked in a company that provides financial services. The company also tries to make use of technology in regards to finance.

There has been a lot of information that was obtained from the company. The interviews helped in determining the ways in which the company makes use of technology in their companies. The interview revealed that there is a lot of emphasis in need for research and development. They were of the view that it is impossible for the brands to succeed. Mr. AlBarjas said "By luck only or because of competitors' weaknesses, 'is the only possible way for them to succeed. The other aspect that could be derived from the interview is that there is wide use of technology in any company.

The service industry is also not left behind including banks and restaurants. The importance of digital marketing is also identified which differs regarding the industry. The interview also provided a view of technology in Saudi Arabia and whether there are other

challenges they face from the government as well as the culture of the country.

The interview is very important to get the view of people who are actually in the industry. They are better able to provide the view of the challenges and the steps that the country has taken to technology, digital technology and research and development.

The interview revealed that organizations track any emerging changes in technology. Despite the industry that the company is in, they all track changes emerging digital models. Most of the companies use conferences and other events. The other companies in the country that have a global platform adopt what the rest of the company is using.

All of the interviewees admitted to the fact that their companies faced challenges during the implementation of new technology. Their various challenges faced when adopting new technology according to the interviews. This includes internal resistance to the new technology. The overuse of technology where many employees spend most of their time on their iPad and other devices instead of on working. The other challenge was the government regulation from the Saudi Arabia government.

According to the interviewees, digital maturity is when a company starts to benefit from the use of the new technology. Most of the companies' are not effective in their use of digital channels. The digital channels are not that effective, but the channels have a high return on investment. Some companies carry out in-depth research while some carry out shallow research.

There has been an increase in the use of social media in the recent past. The social media allow the company to advertise its products and reach very many people. The companies can also get customer feedback from their customer through the social media pages. Social media, however, comes with some challenges. One of the challenges is regarding miscommunication

and weak content. According to the interviewees, there is a need for the content provided on the social media to be strong and ensure that it communicates the right information to their customer. The wrong information and weak content can lead to the customers losing their brand loyalty. This can result in the reduction of the company's sales.

According to Mr. AlDhufyan, the country has come a long way in the last ten years regarding its use in technology. The country is however still behind and has a long way to go. The country and its citizens are however willing to try out new technology as long as it is provided to them. As long as the infrastructure is provided, the country will reach the level of technology as other developed countries. The government is also supportive of the company's efforts.

All the interviewees were of the view that research and development are necessary for the success of any company. The research can be in-house or an external firm. The company needs to carry out research for it to succeed. Some of the company's do not have large departments that are responsible for the research. The companies use some of their employees who are citizen's to carry out the research so as to avoid any cultural difference that might impede the research process.

The research group also has identified the fact that the management team does not identify the benefits that they can get from using digital technology in marketing. This then leads to companies using little digital marketing about other methods of marketing.

The information above is very important in this discussion. The data provides information that is needed to determine the use of technology in Saudi Arabia. It is clear that is little use of technology in the country. The country according to the research information in the past did not make use of technology. The country, however, has changed within the last ten years. There has been an increase in the use of technology within the last ten years. There

are different companies in the country which provide various services. Some of the companies are a subsidiary of companies that have a global impact. The companies have a tough time when carrying out research and development meant to improve their brands. Companies use external or internal research and development to determine the best way to promote their brands. Most of the company's do not make good use of social media.

The interview showed that the research group did not have any idea of what digital maturity is. According to the literature review, digital maturity is where an organization has the maturity and capabilities to design digital innovations and in so doing lead the company to transform itself.

Research Findings:

In conclusion, the findings show that there is little use of technology in companies located in Saudi Arabia. The management is expected to track the changes in technology so that they can also adopt it for them to remain competitive. Some of the companies make use of the technology that their sister company in a different country has adopted. For some, the companies use conferences and other events to track changes in technology that they then come and apply in their companies.

The companies are however making an effort to increase its use of technology. The companies have a challenge regarding the cultural difference that they face. This then calls for the use of locals when doing research and development on the brands. The companies use either internal or external research teams. The use depends on the budget that the company has that is assigned to research and development. The companies know that their success can only be achieved through researching on ways in which their brand can meet the needs of their customers.

The companies do not make enough use of social media in their marketing plan. This has been because management does not appreciate the importance of social media to their marketing plan. Social media has also identified to be having some challenges. There is, however, need to use this method to reach the technically savvy customers.

The model presented was partially used by some of the companies. However, it was not fully applies although all of the companies can make use of it. The model shows the relationship between Digital Darwinism and brand success through knowledge. Most of the companies are of high renown and are very successful in their area but implementing the model will be a benefit for them.

Limitations:

Although this research was carefully prepared, we are still aware of its limitations and shortcomings. First, Time was a big constraint so more time could not be devoted to individual respondents. The research was conducted through interviews; the busy schedule of respondents also makes the collection of information a difficult one. Second, the research material available was not sufficient. If there was more research material available various aspects of Digital Darwinism could be covered. Finally, the bias and hesitations of respondents affect the analysis of the interviews in a significant manner.

Conclusion, implications, and recommendation:

After careful and thorough research we conclude that companies in Saudi Arabia are not fully mature digitally. However, they are trying to be more digitally involved and transform the dynamics of their workplace. Additionally, the citizens of the country use media platforms extensively which, in return, made it a bit easier for companies to reach and engage with their customer base. Although the country is behind when it comes to using and adapting to new technologies as per the interviewees answers, it has a good infrastructure that is the best in the region but it is yet to fully transform.

If Saudi companies did not apply this model maybe they will face problems in the future which will eventually cause them to be eliminated off the market. This model will guarantee them better efficiency and even to survive the market, especially that now the trend is going globally with your business. Proving this the last Saudi American Summit that had agreements with some foreign companies to go global such as Maaden. If global companies do adapt this model in the Saudi market then local companies will definitely be in a problem of declining. (Watanhorcom. 2017)

We live in era where everything is being digitized and a company will not sustain if it does not keep up with this is pace. We recommend companies in Saudi Arabia to try and adapt quickly to these technological advances in order to gain the advantages it provides. The road to transforming is not an easy one, it has many hurdles that gets in the way, one being employees not accepting this change. And another could be external sources such as the customer. However, this should not prevent them from going forward with it. Transformation will benefit the brand and will result in its success if implemented right.

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