

Digital Transformation: How to transfer your Social Media account into your work platform?

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Abstract - This paper will stress the importance of Digital Transformation for smaller businesses that have based their entire existence on digitalization as they run their business online. The information within this work will be linked to one business in particular to implement the practice as well as the theory. This business belongs to Merijn Schoeber, a qualified personal trainer, online coach, sponsored athlete, entrepreneur, published author and social media celebrity hailing from The Netherlands. He has grown a lot in a short amount of time by posting daily videos on YouTube and by keeping an active profile on Instagram. Attention will be paid on how Digital Transformation plays a part within his digital business. Focus will be on the way his business started, what possibilities Digital Transformation created and what the future of Digital Transformation looks like together with the influence it will have on Merijn's business. This also rises the opportunity to consider such evolution as both digitization and digitalization can play an important role on the digital transformation of smaller businesses.

Keywords — Digital Transformation; Digitization; Digitalization; Digital business; Small Businesses; Social media platforms.

I. INTRODUCTION

'First, I build up my social media, right now I am able to travel the world for a living, being financially independent, which is pretty unreal on the age of 22. I also wrote a best-selling book last year: My Shredded Lifestyle, but my life was not always like that.' These are the words Merijn Schoeber used to open his presentation at TEDx Youth in 2018 [1]. During his presentation he explains how his digital business started small and grew big in a short amount of time. All this thanks to the possibilities of Digitalization and the opportunities that Digital Transformation offers. However, to understand these terms, it is important to firstly clarify their meaning. The three terms digitization, digitalization and digital transformation have been used a lot over the last couple of years [2]. However, they are often used in the wrong sense. This paper defends that the discussion of such concepts and their true understanding will help small businesses to enroll in a digital transformation process that benefit them.

The paper is organized in five sections along with this

introduction. The next section will start with clarifying the proposed terms and their differences. The third section will discuss digital transformation as a process and after that, the Merijn Schoeber case study is presented as how such process can be into place, in a successful way. Finally, there will be a closer look at what the future of digital transformation will have in small businesses.

II. DIGITIZATION, DIGITALIZATION AND DIGITAL TRANSFORMATION: THE DIFFERENCES

Let's start by providing a discussion on the above mention three terms: digitization, digitalization and digital transformation. These are terms that are being used a lot, over the last couple of years. However, often in the wrong sense and without been truly understand. Therefore, clarifying the associated concepts and their differences seems to be an appropriate starting point [2].

Digitization is creating a digital (bits and bytes) version of analog/physical objects, such as paper documents, photographs, sounds and more. Thus, to summarize: the way of converting non-digital into a digital format. For example, taking the relationship with clients by using email and other digital services as the case of social media, in order to complement or substitute traditional face-to-face relationship.

Digitalization is to enable, improve and/or transform business operations/functions/models/processes/activities leveraging digital technologies and a broader use and context of digitized data, turned into actionable, knowledge, with a specific benefit to mind. This leads to another term: digital business, whereas your business is working in a more digital way orientation. Meaning, the list of things that you can digitalize, that way there is no need to use paper or other non-digital objects, because digital tools, such as mobile devices and technologies are being used and integrated. This will lead to digital business, a business where a digital way of work (for example using mobile phones) is integrated. Integration, itself, can be part of the process, as in the case of dealing with clients regardless of the channels used in a given time – the omnichannel approach.

Digital transformation is similar to digitalization, but with a wider range. The difference is that digitalization leads to digital business, digital transformation requires digital business and digitalization [2]. For example, the use of Omni channel facilities to provide offering that will not be possible without this approach (taking convenience and value to a new value).

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Within this paper, the focus will be mainly on the final term: digital transformation. Nowadays, many businesses have already been through the process of digitization and use their electronic devices in their day to day digital business. In some of the current entrepreneurship activity related with the digital, a number of new business arise that are completely based on digital business and digitalization. Those are the focus for this study. In particular, one is chosen as a specific example that presents a business belongs to a Dutch online fitness coach. He started small, but through the possibilities of digital transformation, he grew fast and just released his first line of clothing after he has already published two successful books. His name is Merijn Schoeber [3].

III. THE DIGITAL TRANSFORMATION ROUTE

Has defended by Gouveia [4], digital transformation (DX) is understood, as a change in individual and organizational activity, associated with the processes, skills and models to deal with the creation of value in a context of increasing acceleration, scale and complexity.

Due to disruptive technology all sectors of the businesses have faced massive change in the last decade or more. There is an evolution in the technology and businesses and industries were the major beneficiary of the disruptive technology – not necessarily adopted by the more traditional business, especially the small ones. So, there is at least an apparent gap for how to deal with digital transformation within small business and lacks some study on how those can benefit from the existent DX opportunities. The technological improvement led the way to economic growth globally.

The widely usage of Internet and personal computers set the path to the new emerging disruptive technology. Technology can have a far reaching impact as it can transform the business and add value to the operation but with all benefits there will be disruption to each and every function of the business [5].

These disruptive technologies can have far reaching impact across different industries such as manufacturing, retail, finance, education, healthcare and academia. Disruptive technologies such as 3D printing can change the manufacturing industry with new product design, Big Data analytics will allow the detailed and insight view to the data to help the management to make knowledgeable decisions, Internet of things will provide connected and smart world with connection of smart devices [5] – those are related with services and not necessarily with the business itself, but some of such technologies can provide clear change paths, as the case of cloud computing.

The cloud computing model can allow business to start their operations without wasting anytime with a fraction of the cost and mobile apps will allow people to perform e-commerce from handheld device in the matter of minutes. These technologies can provide a competitive advantage and the decision makers need a better understand these technologies [5].

Among such advantages are the improvement of the customer experience; acquire new customers; increase customer engagement and loyalty; increase innovation;

enable real-time business decisions and operations, identify new business opportunities, differentiate from the competition, expand into new markets and run the business 24/7 [6]. All of those advantages can be taken as single of multiple and provide substantial synergetic added value from those of are able to take its potential.

But by itself, digital transformation can lead to multiple opportunities to deliver better service in a diversity of economic activities. Just to provide a number of examples, we can consider:

- its use to develop new e-government services that foster the awareness of people to pay taxes, by providing an electronic based service to report and verify invoices in day-to-day commercial interactions, taking advantage of day-to-day digital based facilities and smartphone' applications [7];
- the emergence of new startups that are fostered by digital facilities and their ability to deliver convenience and take advantage of digital time and space for new business proposals [8];
- more related with the case study presented in this paper, the use and exploration of strategic thinking and brands – as stated by the authors, “*Digital Transformation can be considered the rethinking and exploration of technology, combined with business models, and processes that enable to add value for customers and employees and more effectively compete in an ever-changing digital economy*”, offering the opportunity to provide a strategic orientation to organizations and their brands [9].

Those are just few of the multiple examples where digital transformation can make an impact in both business process but more often provide the opportunity to transform the business models. As so, a number of new ways to do old things are emerging and provide added value to even respond to needs that clients were not aware of. The new section presents such a case where a new business evolve to provide value that takes advantage of the digital and foster with it, its services and turn them into monetized products.

IV. THE CASE OF MERIJN SCHOEBER

Student Aesthetics, also known as Merijn Schoeber, is a qualified personal trainer, online coach, sponsored athlete, entrepreneur, published author and social media celebrity hailing from The Netherlands. He started out by setting up a YouTube channel in 2014 with the aim of helping others in his situation [10]. He began sharing his story with his followers, eventually wanting to take things a step further – setting up his own online coaching business.

He made the decision to drop out of university to pursue his fitness dream online. Merijn began to make a name for himself in the online community as his social media following grew. It was his dream to help others accomplish their goals – starting out as a fitness trainer offered him this chance. Merijn's business venture as an online coach and personal fitness trainer had now truly taken off. Through

this, he had become a social media celebrity – allowing him to follow his dream [11].

It may be clear that his has grown successful in only a short period of time, but what does it has to do with digital transformation? The answer is: a lot. Digital transformation efforts and strategies are often more urgent and present in markets with a high degree of commoditization. The market of online coaching and vlogging has grown immensely over the last couple of years, which leads to a high level of competition. This competition results in constant shifts and innovations on which your popularity as an online coach will depend. Within Schoeber's business this means that he has to stand out and he needs to differentiate himself from the others. By making his videos and products more unique, he will grow and get more followers, but it is key to always be one step ahead within the shifting world of digital business.

These present and future shifts and changes, leading to necessity of a faster deployment of a digital transformation strategy, can be induced by several causes. A couple of those causes will be further explained together with some examples of Merijn's business.

Firstly, there is a constant shift on the levels of customer behavior and expectations. For example, currently the December holidays are right around the corner. The customers' interest is changing this time of the year towards having more food, but still not throwing away all the hard work at the gym. This means that not only Merijn, but also other online bloggers, will discuss a lot more the topic of staying fit, while at the same time enjoying the Christmas treats. For Merijn's business it is crucial to stand out in this big competition.

As Merijn says himself in one of his videos: *"The main reason and the secret to why I am successful, is that I am vulnerable, I am honest, I share my thoughts and I don't care if people like them or not. I know exactly who I am and what I stand for. ... The key to being is successful, is to be completely be yourself"* [1].

Secondly, the emerging of existing if digital technologies. Merijn started with this YouTube channel in 2014. Ever since, there have been huge development within technology. For his business it is of the essence to keep up with these improvements, because customers will not be interested in videos that have bad quality for example. Also, they like to look up to their 'fitness coach' and take his up-to-date gadgets as an example. On a side note, this works also in the advantage of Merijn. Many businesses promote their products through online bloggers nowadays. Merijn advertises the products he uses, such as protein, for the big company 'My Protein'. He explains the products together with the way he uses them and offers codes for discounts, so his followers can order from 'My Protein' as well. This kind of marketing is not only valuable for Merijn's business, but also for bigger businesses [10].

Finally, in practice, it is important to possess operational flexibility and a constant level of innovation. As stated before, there is a lot of competition within the online world

of fitness and coaching. Merijn works hard on a daily base to stand out. His way is by communicating with his followers a lot. He asks them often what they would like to know or what they think should be topic of his new video, etc. Other online businesses post a lot of positive feedback from their customers. For example, photos of the progress they made, using their online program or posting comments from customers that are satisfied with the recipes from the e-book they just bought.

V. THE FUTURE OF DIGITAL TRANSFORMATION

In December, 2015, predictions regarding the future of Digital Transformation have been published in a scientific article on the website forbes.com. This article indicates that the percentage of enterprises creating advanced digital transformation initiatives will more than double by 2020, from 22% in 2015 to 50% in 2020. They also stated that over the next few years, there will be a shift in focus for digital transformation initiatives from gathering and mining data to creating new models and algorithms that augment work activities and support consumers when they shop, trade and make decisions (Press, 2015). Both statements are relevant for Merijn's business. The first one indicates that when he started in 2014, the competition with bigger enterprises was not that important yet.

However, nowadays also the bigger companies are growing in the digital world, which will create more obstacles and competition for the smaller businesses. Nonetheless, this will also create opportunities. For example, the possibilities of working together with My Protein and promoting their products. The second statement regarding the shifts and creating new models and algorithms is directly linked to the shifts in consumer behavior, as discussed before.

Traditionally companies would use tools, such as advertisement on television to promote their product. There has been a shift from this invention-based model to permission-based advertisement, where customers can choose to click and watch the advertisement that will play before Merijn's video shows on YouTube. In the future it is important to keep track of these shifts by creating new and/or adjusting the traditional models and algorithms. That way, not only the big, but also the small companies can keep track on the shifts within consumer behavior.

The Digital Age has only just begun to change how we work and play. There will be plenty more innovations and just as many new terms for us to learn and distinguish amongst. As the digital transformation redefines business, just remember we have digitization to thank for it all [11].

Overall there are many ways to promote your business and it is an easy and more direct way to maintain contact between business and customers. However, it is important to keep in mind that matters within the digital world are still evolving on a high-speed level. What is considered new in 2018, could be considered antique in 2020. Therefore, it is also important to pay attention on what those possible future features could be.

As stated by Press [13] who claims that “*IDC predicts the emergence of the “DX (digital transformation) economy,” Gartner talks about the rise of the “algorithmic business” and the “programmable economy,” and Forrester charts a roadmap for companies responding to digitally savvy customers and consumers. Based on their predictions, here are 3 strategic trends and 3 sets of technologies – big data analytics, Internet of Things (IoT) and Artificial Intelligence (AI) – that will drive digital transformation for the balance of this decade*”. However, the most interesting comment is that Digital transformation initiatives will be consolidated into one vision and function, where the same author states that “CEOs will make a concerted effort to integrate various digital initiatives across the business and create a clear digital vision that shows how the business will deliver revenue generating digital experiences” [13]. We defend that such approach can be leverage easier in small business who have less legacy systems and are a less complex to move on. This is even true, when all the business activity is already digital based.

VI. CONCLUSION

There has been some confusion regarding the meaning of the three terms: digitization, digitalization and digital transformation. The all play a big role within the digital businesses that are, nowadays, expanding on a high level and that are becoming more and more popular among small and big businesses. This article took a closer look towards the online blogging, vlogging and personal coaching.

An example is Merijn Schoeber. He started his business in 2014 by uploading a video on YouTube. Today he has already achieved many of his dreams and he is a well-known owner of multiple successful small digital businesses. For him, Digital Transformation is key. It is not only about using it in his day to day life, but also about involving and growing to become sustainable and to stand against the fast-evolving competition.

The future of Digital Transformation shows that within the next couple of years, it will play an even more significant role in taking advantage of proving new business models that add value to both businesses and client’s services. Therefore, it is important for every business to stay up-to-date on the latest knowledge and innovate to be part of the future.

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