



# DIGITAL REVOLUTION AWARDS

BAIN & COMPANY 

## REPORT 2023

# **Innovation, Talent & Customer Expectation**



# Digital Innovation: 3 perspectives

CUSTOMER

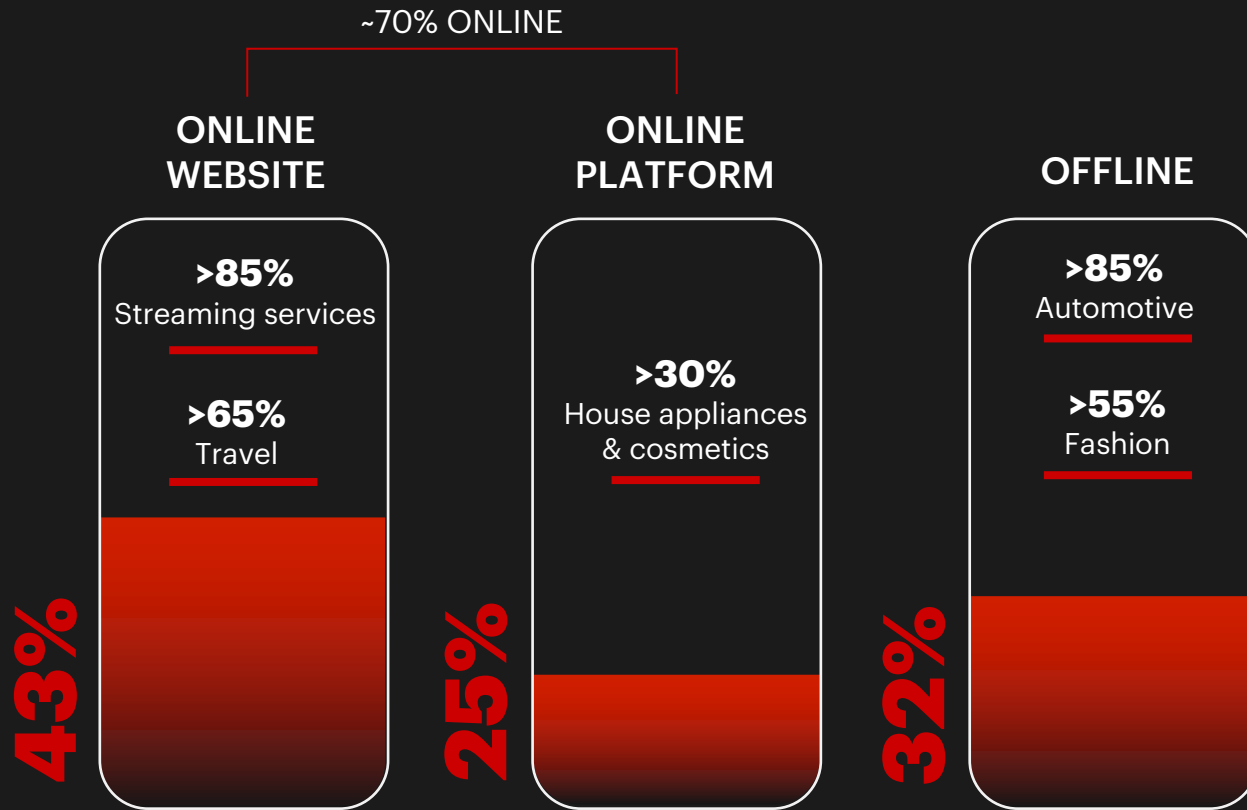
COUNTRY

COMPANIES

# Channels trichotomy

## Embracing the Digital Age, awaiting the Virtual Revolution

“Which channel have you used for your last purchase?”



Online experiences are expanding, and offline is digitizing

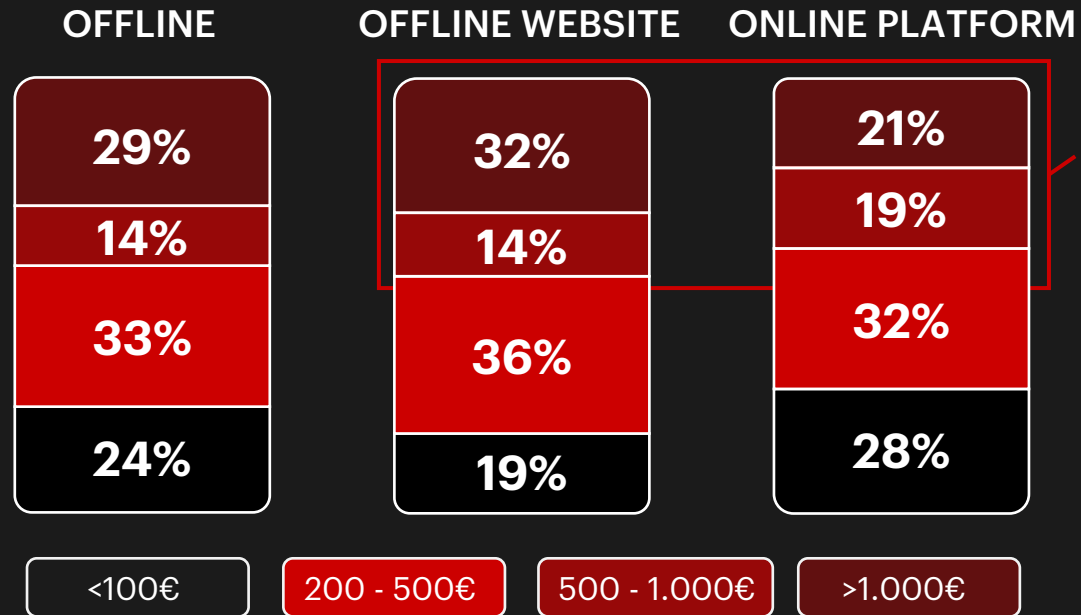


Companies shift to “direct to consumer” is changing landscape from **omni-channel** to a **multi-touchpoint** journey with evolving and complementary channel roles

# In general, customers have no fear to buy high-priced products online...

Customers do not choose the channel based on the price of the purchase

"How much have you spent for your last purchase?"



... but some industries still have some biases



**4 out of 5**

Bought > 1.000€ fashion products offline vs online

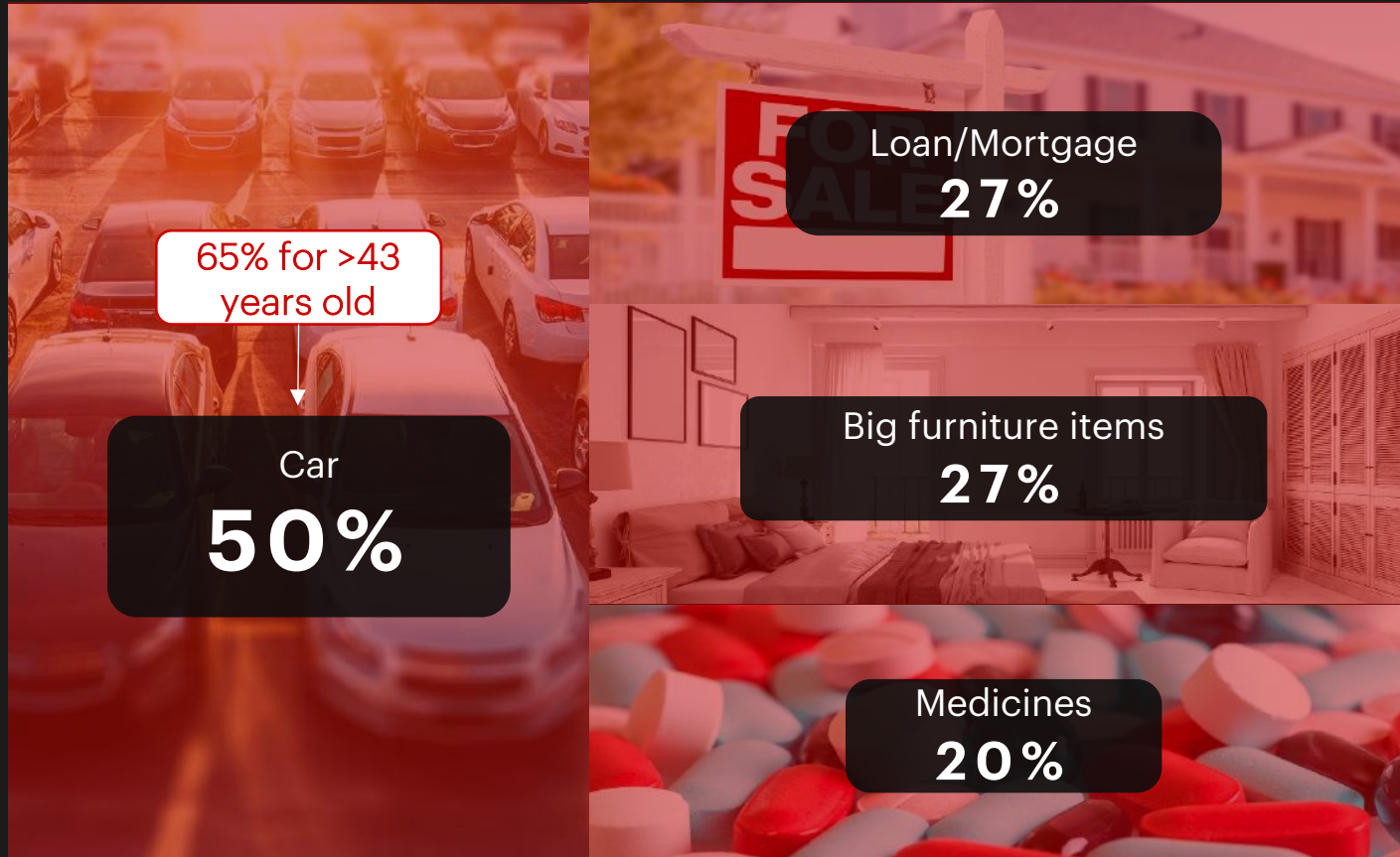


**3 out of 5**

Bought > 1.000€ fashion products offline vs online

# ...But they still struggle to buy products as cars or mortgages online, and prefer the "human-touch"

"Among the following types of products and services, which ones would you NOT purchase online?" (multiple answer)

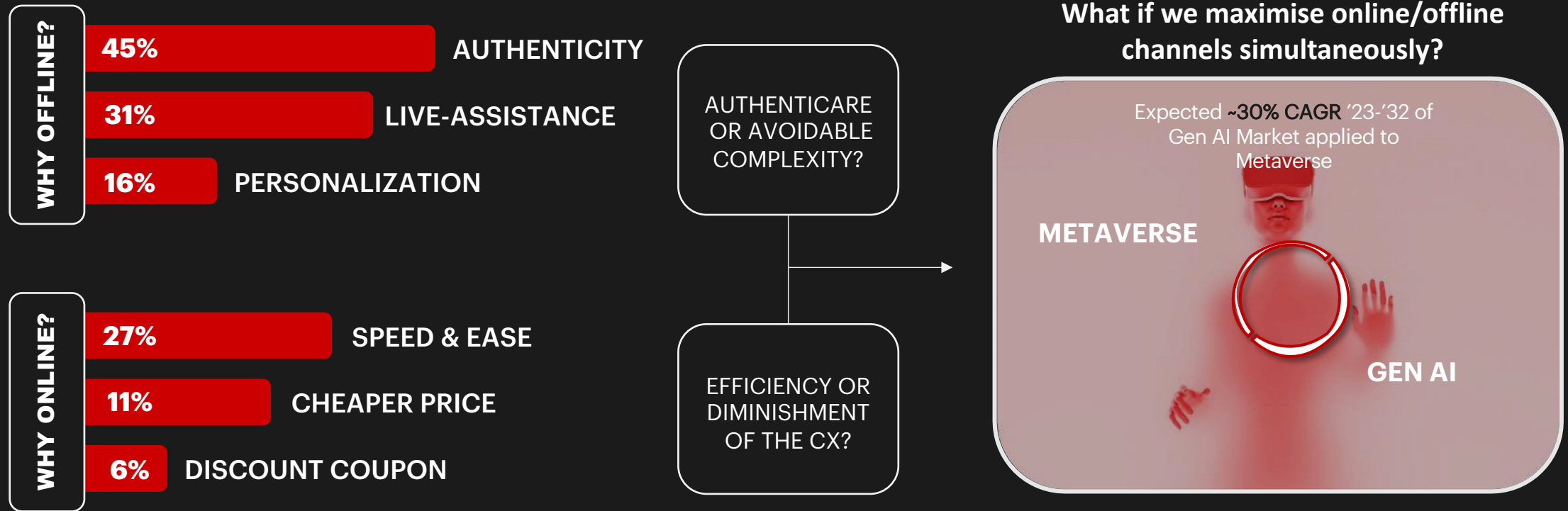


Some products are still "difficult" to buy online, indifferently from product price, but **the paradigm is slightly changing**

**10%** Declared that would buy everything online

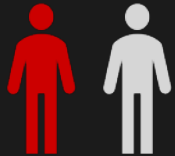
+1p.p. for GenZ

# Elevating the Shopping Experience: Bridging the Gap Between Online and Offline Channels with Cutting-Edge Tools

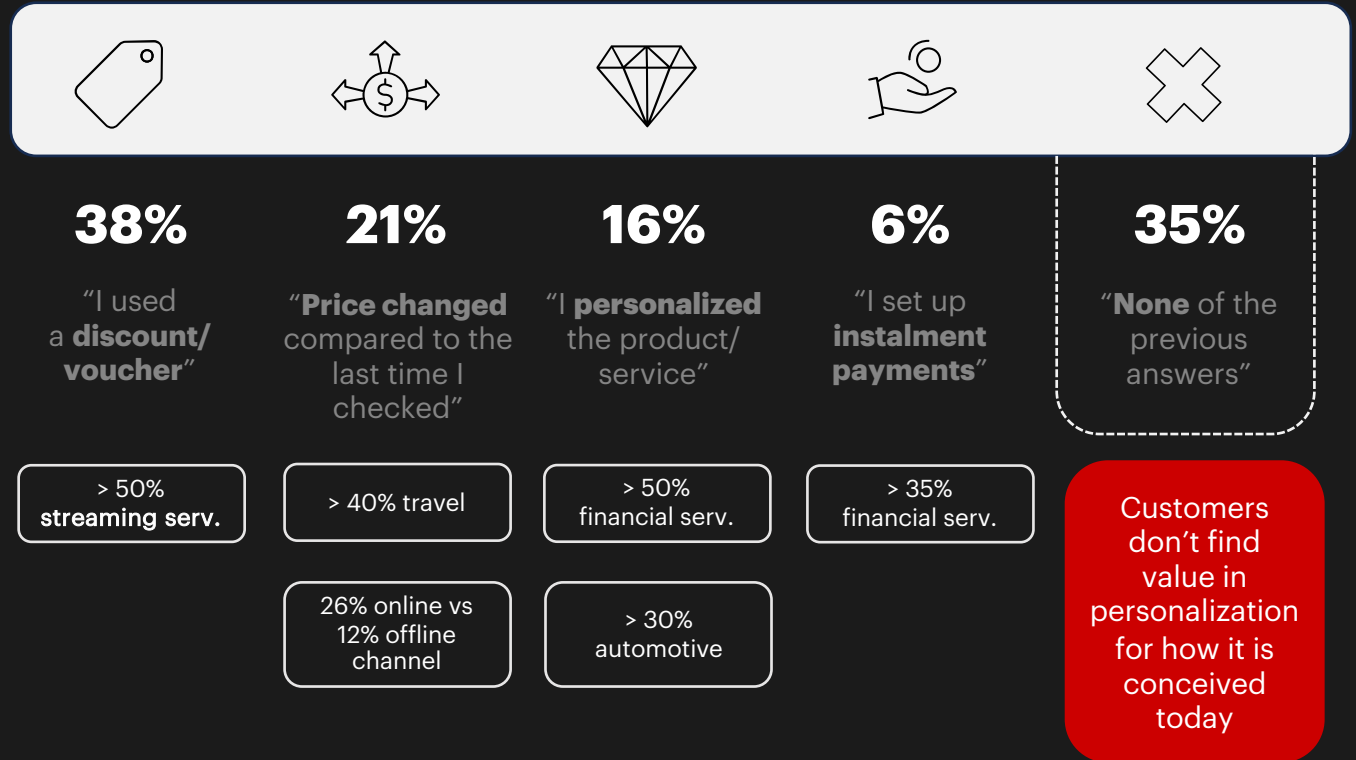


# Cracking the Code of Customer Personalization What Does it Truly Mean?

**~7 out of 10** customers expect companies to deliver personalized interactions but...



**...Half of them** state that they do not find 'recommendations to purchase other products' helpful



# Customer loyalty is the main driver for sales: 3 out of 5 sales are driven by existing CB

"How did you find out about the product/service you purchased?" (multiple answers)



**3 out of 5**

sales are driven by existing customer base

**Of which >90%**

Has seen the advertisement online on websites or on social media



# Unlocking the Mystery: Most Customers Are Unaware of How Data Personalizes Experiences – First-Party Data is the Key



**2 out of 3**

lack a clear understanding of how data is used to personalize experiences

**45%**

Provides consent to **recognized brands**

**31%**

Does **not share** data for personalization

**24%**

**Feels confident** in sharing data for personalization

→ Importance of **Brand loyalty** for sharing data

## Why are First Party Data so important?



**1P data** key to generate **precise audience** based on behaviour and deliver highly personalized adv



Collected through owned channels (e.g. sign-in forms, consumer surveys/ feedback, etc.)



Website journeys

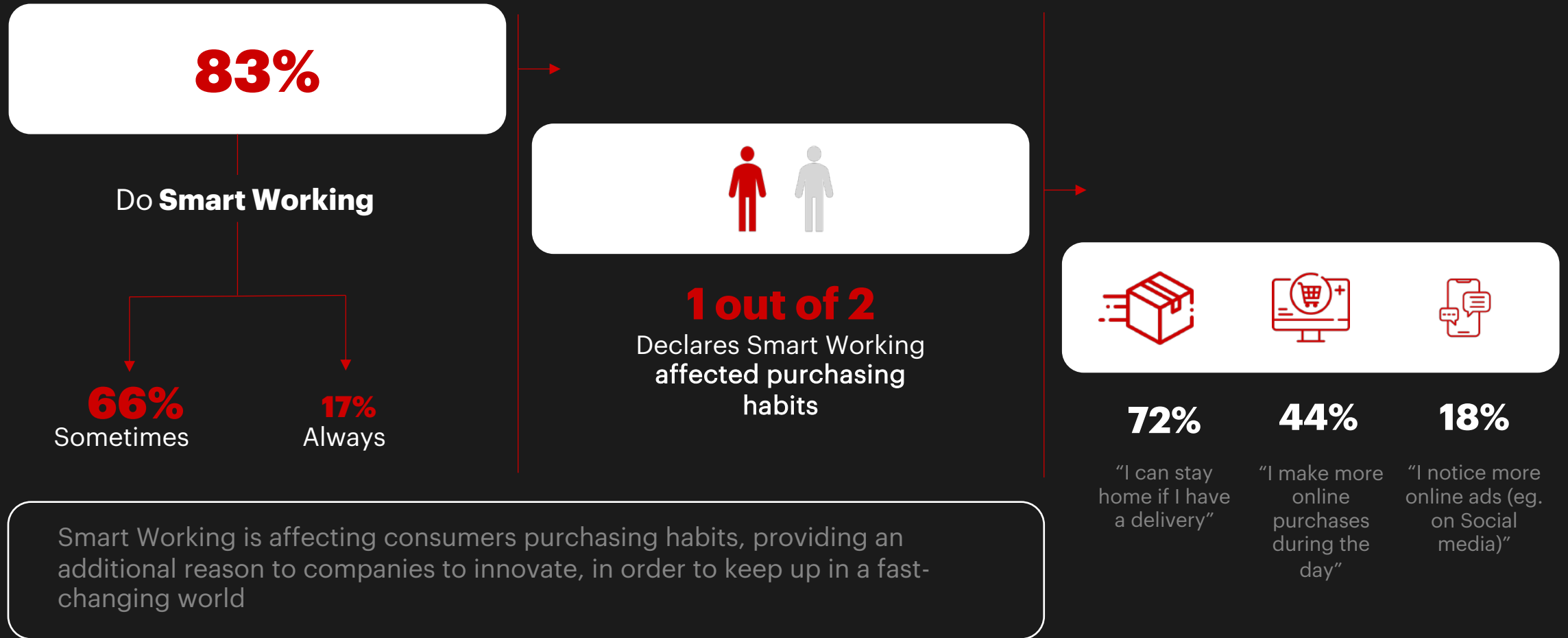


Feedbacks & surveys



Geolocation

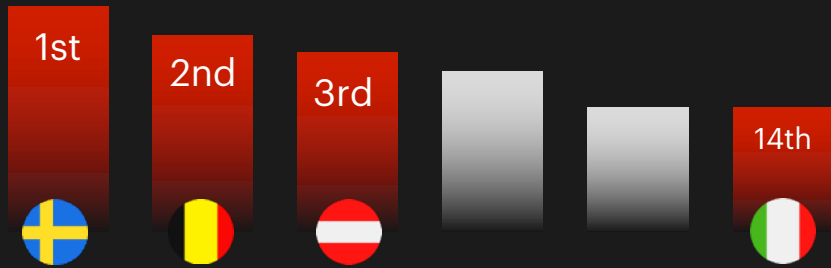
# Consumers are evolving their purchasing behaviors also due to increase of Smart Working



# Innovation through research and development: International perspective

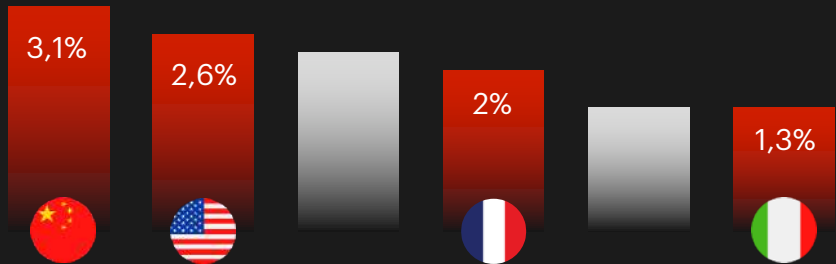
## 15-20B€

2022 Italian Firms' investments in R&D



## ~1,3%

2022 Italian R&D expenditure as % of GDP



## +1.000B€

Funds to be mobilized by EU until 2027



### New European Innovation Agenda

OBJECTIVES

- Attracting Talents
- Regional Innovation Valley
- New Shared Policies
- ...

# European and Italian startup landscape

**~500M€** 

Investments in 84 deal (1H 2023) vs ~1B€ (1H 2022)

No "Big Deal"

War

Inflation

Uncertainty

**~23% CAGR '20-28** 

Digital Therapeutics Expected EU Market CAGR

**~1,6B€** 

Funds dedicated to Italian digital health projects (PNRR, NextGen EU, MIMIT, MUR, ...)



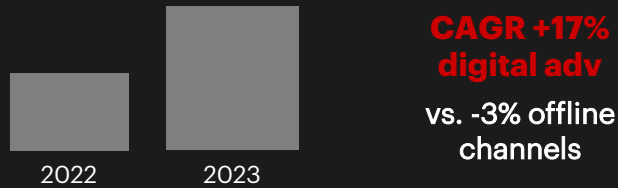
# Amplifying Advertising Investment The Art of Forging Lasting Connections

Engaging with customers is a difficult struggle



Companies are **increasing investments in digital adv**

DIGITAL ADV SPENDING



Value generated in 3 years by new trends

METAVVERSE ADV  
VOICE ADV

**+100-150M€**  
**+450-500M€**



But engaging audience is not easy

KEY AVERAGE KPIS ACROSS INDUSTRIES

**ENGAGEMENT RATE**  
**0,3-0,5%**

**NET SENTIMENT**  
**~2%**

LEADER

**~3% Travel**

**~3,5% Fashion**

LAGGARD

**< 0,5% CGP**

**~1% Travel**



Increasing communication investments, yet companies struggle to engage customers meaningfully

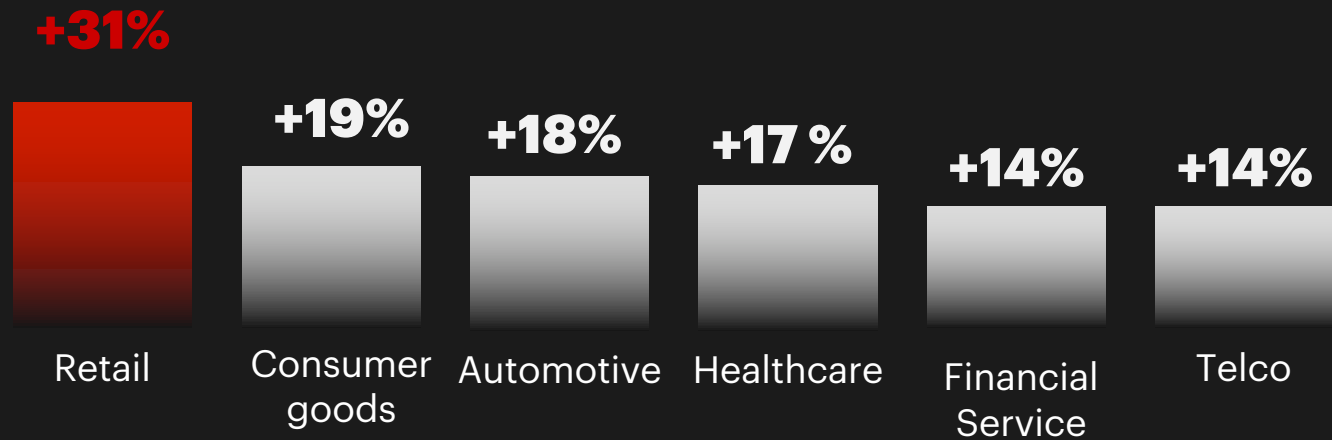


Harnessing data with the right technologies and adopting a testing approach as a primary solution to enhance performance

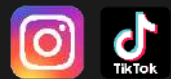
# Every industry is following its own path in digital adv boosting, but social and video adv are becoming a must for all players

Digital communication spending CAGR 2020-2023 per industry

Different industries are following different strategies in terms of investments in Digital Advertising, but all are increasing with double digit path



Digital spending drivers per tech and device (CAGR 20-23)



**+21%**

Social Media



**+19%**

Mobile adv



**+17%**

Video platform



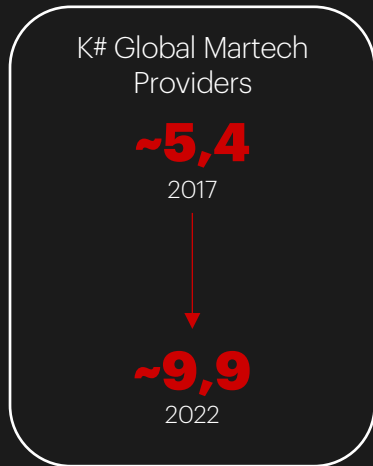
**+17%**

Desktop adv

# MarTech, CDP and Gen AI: innovative tools that will deeply transform customer experiences

## MarTech

execute marketing campaigns driving many benefits (speed, cost and effectiveness)



## CDP

aggregate various customer data (1P, 2P, 3P) improving targeting)



## Generative AI

generates new and original content that does not exist anywhere else, using vast data inputs and analysing patterns)

~40% enterprises adopting or currently evaluating the GenAI use cases)



13% Code Generation



12% Virtual assistant



12% Customer Communication



10% Knowledge Management

# Substantive change to basis of competition, leaving those who “wait-and-see” behind

**70-75%**

enterprises think AI is changing rules for **customer engagement and business models**

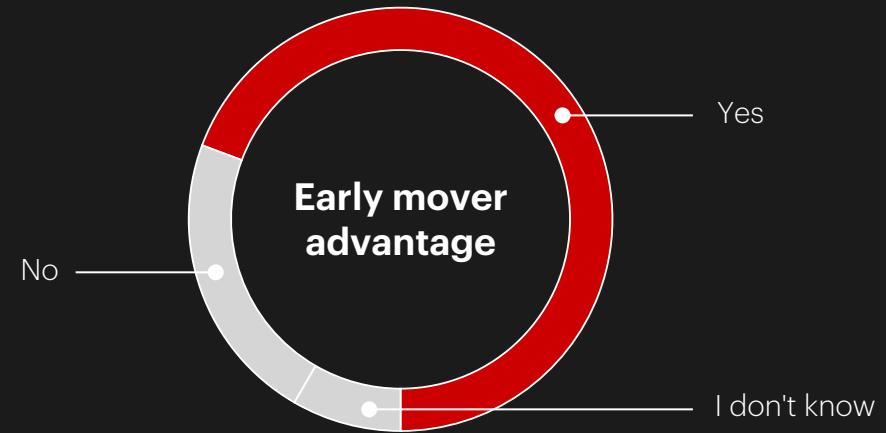
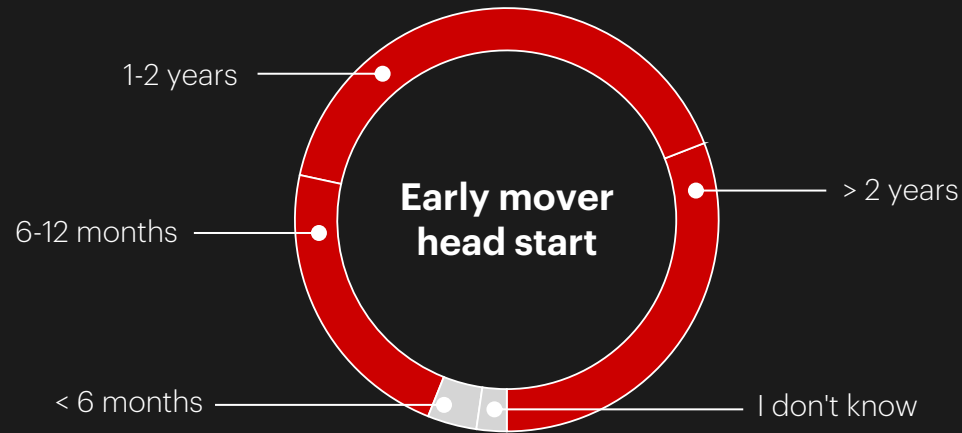
**65-70%**

think AI will significantly disrupt the **cost structure**

**60-65%**

think AI will upend competition in **core product differentiation**

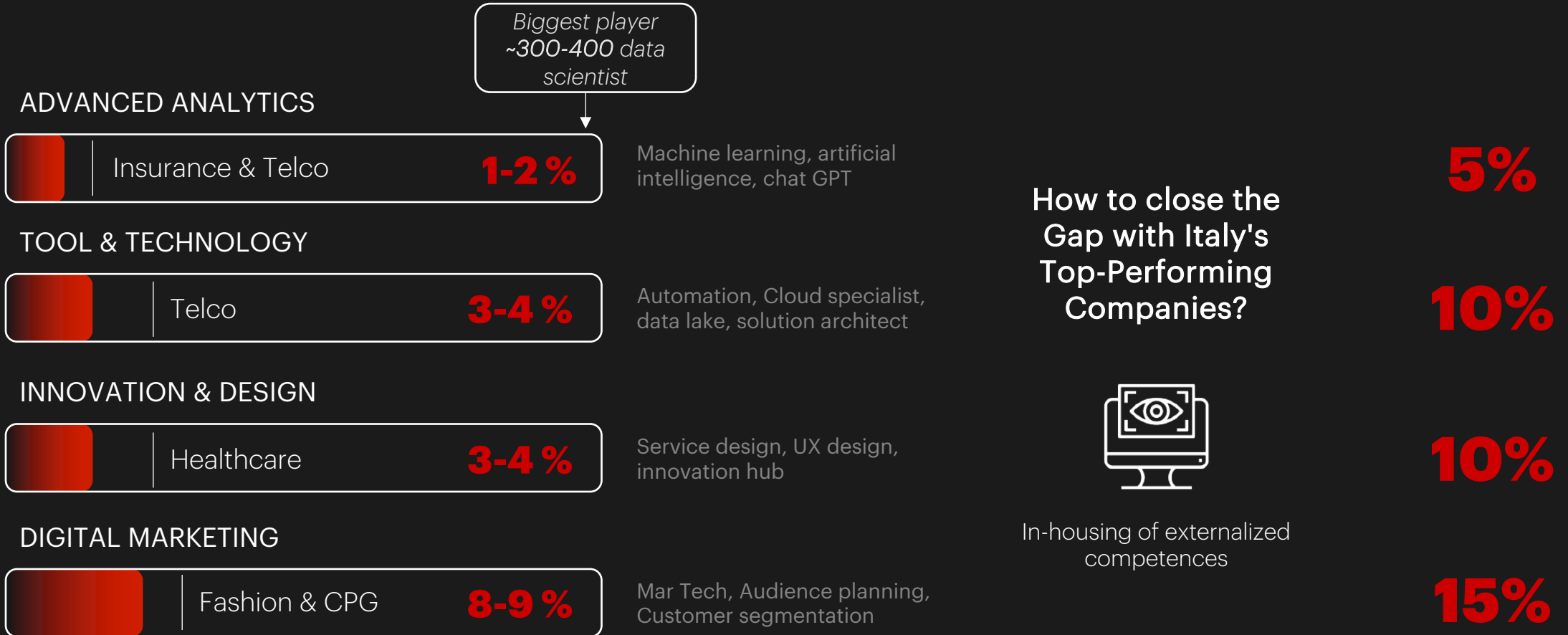
2/3 of the industry participants believe early movers will have a sustained advantage which will not level of





# Companies are starting to enhance their talent acquisition processes, but there's still a long way to go

Talents presence per capability - Italy



# Many opportunities to revamp Talent System leveraging on innovative tools



## Talent Acquisition Diagnostic

Assessment of the point of departure and identification of the gaps to fill (e.g. competence mapping, listening of employee needs through NPS, ...)

## Data-enhanced Talent System



### Generative AI

- Job description generation and update
- Skills assessment
- ...



### Artificial intelligence

- CV scraping
- Chatbot for internal communication
- CV scraping
- ...



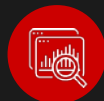
### AR / Metaverse

- Office day simulation
- Virtual team events
- ...



### Automation / RPA

- Autonomous research for candidates
- Onboarding process automation
- ...



### Data analytics

- Employee satisfaction monitoring
- Performance KPIs tracking
- ...

## Training program development

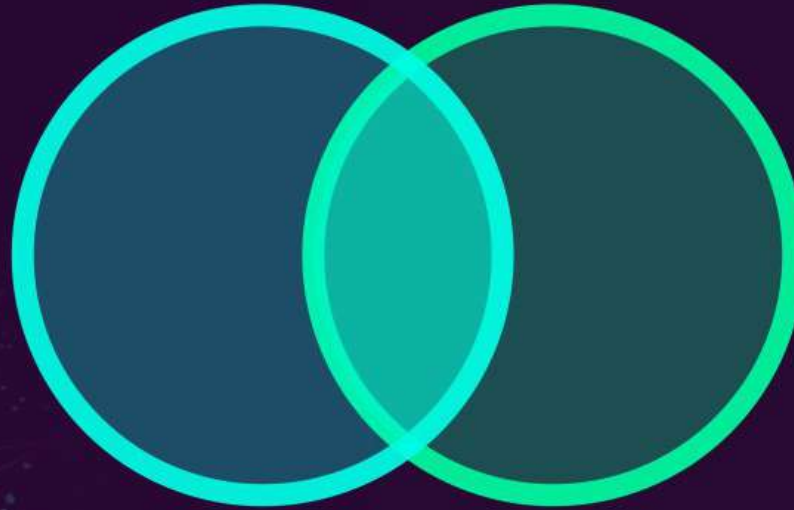
Design reporting tools to accompany the program



# Anticipating Consumers Generating Future



Data & AI Scientists



Insight Strategists



NEXTATLAS

Leveraging the power of the early adopters

# Anticipating Consumers Generating Future

Since 2012, Nextatlas has been a leader in the global market of digitally-empowered marketing intelligence and trend anticipation services by developing the world's first independent data-driven trend forecasting platform.

Throughout this years, we anticipated many of the innovations and possibilities that AI is now offering to brands, researchers, and consumers.

Now, we are combining the data of the Nextatlas engine with generative-AI technology to automatically generate trend reports and insights across a wide range of industries and markets .

## IDENTIFY

Niches of early adopters  
in different markets

## ANTICIPATE

Future targets' behaviours,  
interests and expectations

## LEARN

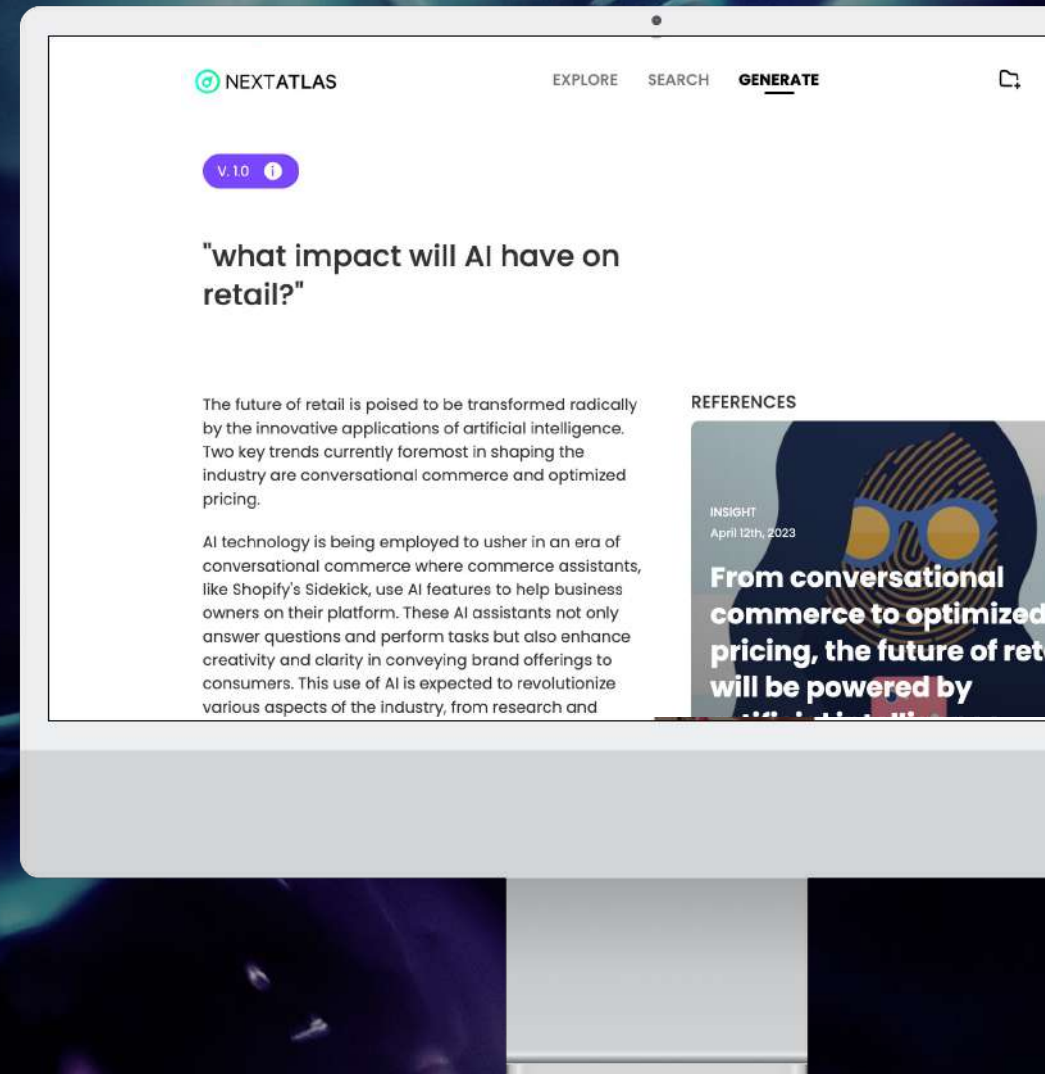
The next successful  
brands and products

# Navigating Consumer Dynamics in the Age of Generative AI

This report, elaborated for Bain & Company Digital Awards 2023, has the goal of detecting a list of emerging consumer dynamics, that will affect different industries in the next year.

We asked Generate – The world’s first generative trend forecasting service powered by large language models and the Nextatlas engine – to highlight some of the most relevant phenomena.

Eventually, we organized them according to Bain & Company’s B2C Elements of Value framework – 4 value categories with roots in Abraham Maslow’s hierarchy of needs.



INSIGHT

Saves Time

Due to their familiarity with fast-paced and digital interactions, consumers expect efficiency in their shopping experiences as well

INSIGHT

Connects

Rising digital fatigue fuels a hunger for authentic connections, transforming social and brand interactions

INSIGHT

Simplifies

From conversational commerce to optimized pricing, the future of retail will be powered by artificial intelligence

INSIGHT

Integrates

In a world of limitless options, people crave personalized experiences that speak to their unique individuality

Social impact

Life Changing

Emotional

Functional

# Functional

Nextatlas Insight

Due to their familiarity with fast-paced and digital interactions, consumers expect efficiency in their shopping experiences as well

## Target

Gen Z

100

Millennials

67

## Top Industries

Retail

45%

Technology

14%

## Concepts & Tags

Remove Friction

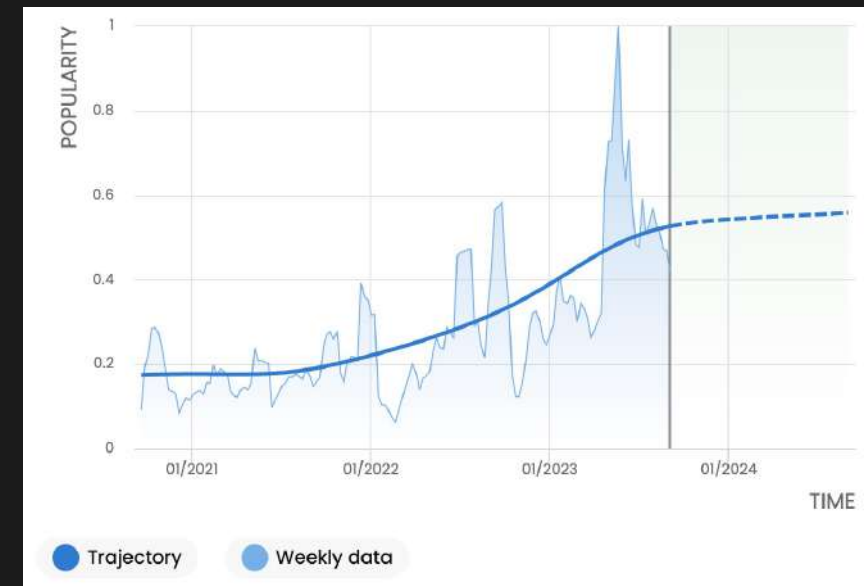
Supermarket

Retail

Shopping

Zero Friction

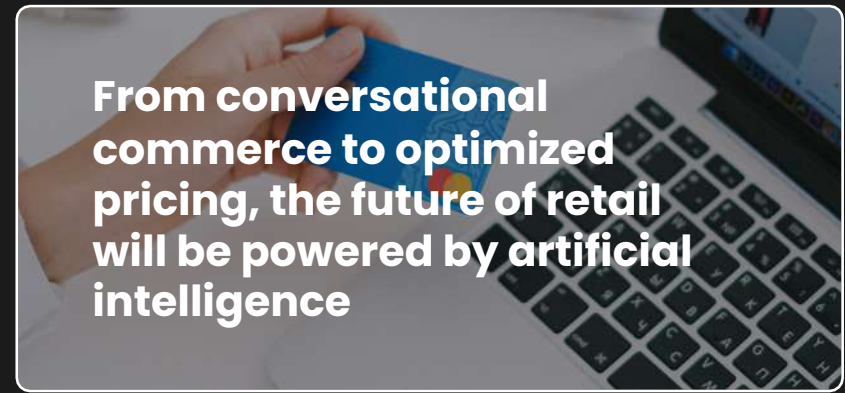
## Timeline





# Functional

Nextatlas Insight



## Target

Gen X



100

Millennials



54

## Concepts & Tags

Dynamic Pricing

Personalization

Customer Experiences

Customer Data

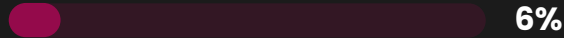
## Top Industries

Retail



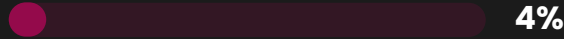
69%

Financial



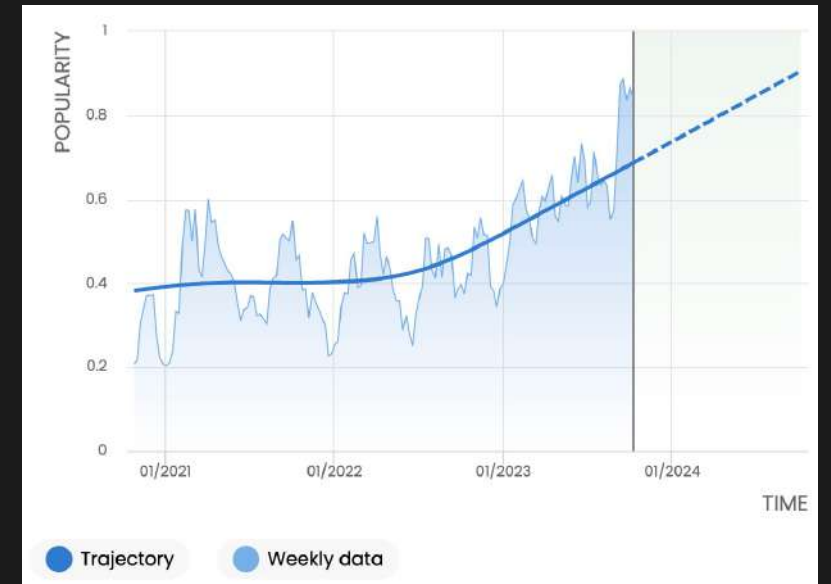
6%

Technology



4%

## Timeline



# Functional

Nextatlas Insight

## Target

Millennials



100

Gen X



83

## Concepts & Tags

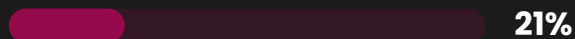
Authentic Relationship

People

Authentic Connections

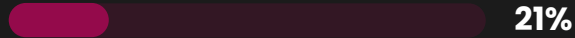
## Top Industries

Architecture & Spaces



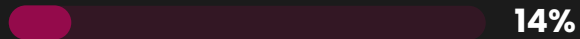
21%

Advertising & Brands



21%

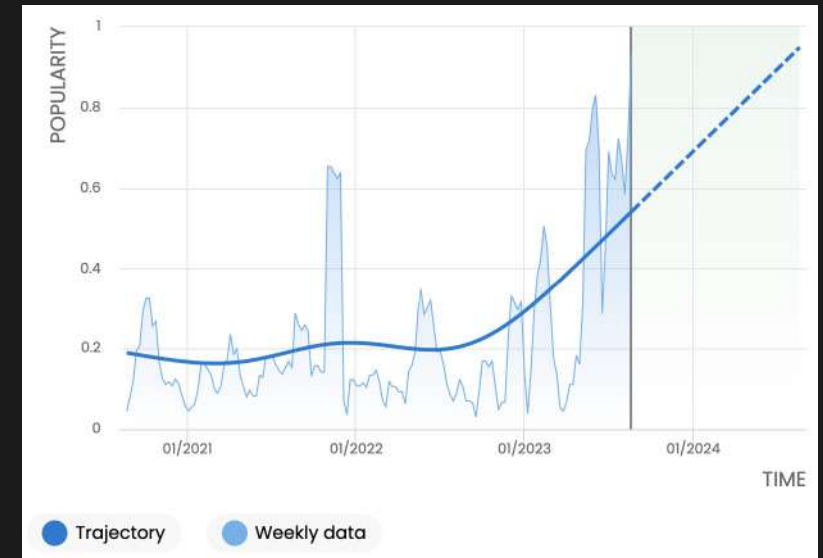
Art & Design



14%



## Timeline



# Functional

Nextatlas Insight



## Target

Gen X

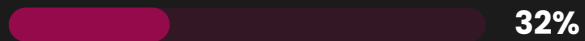


Millennials

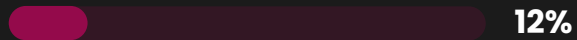


## Top Industries

Retail



Advertising & Brands



## Concepts & Tags

Personalization

Digital

Consumer

Brands

Experience

## Timeline

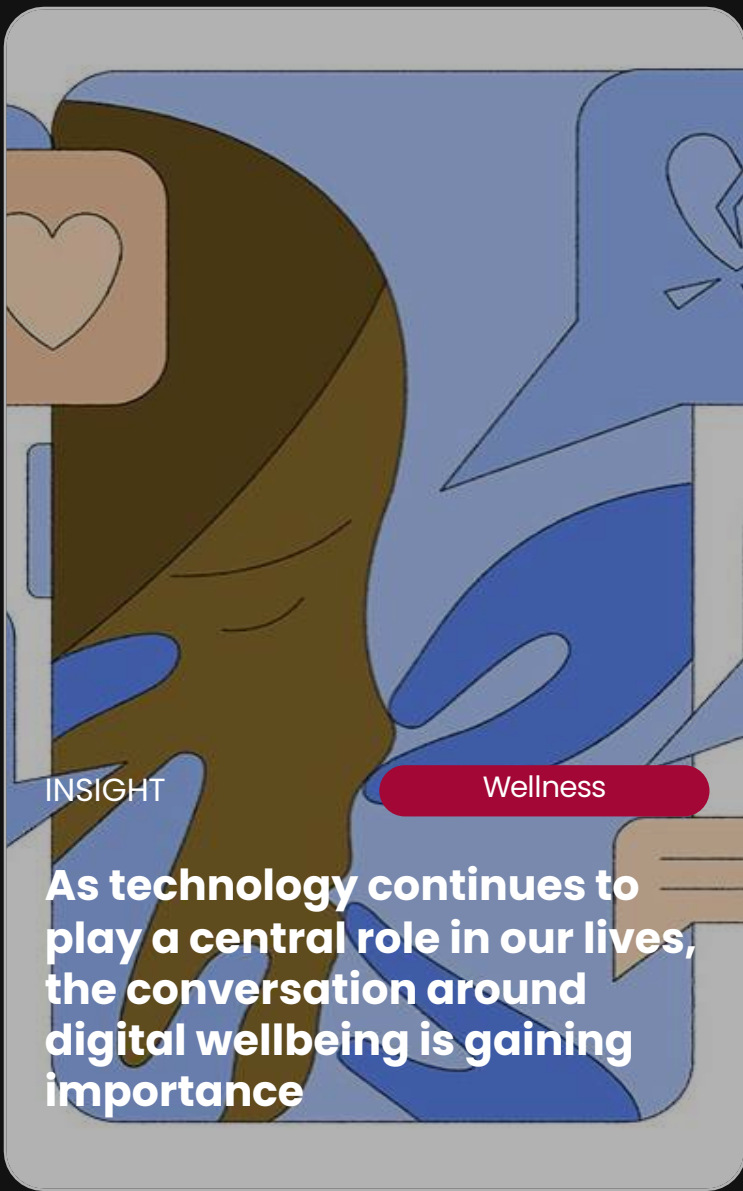




INSIGHT

Reduces Anxiety

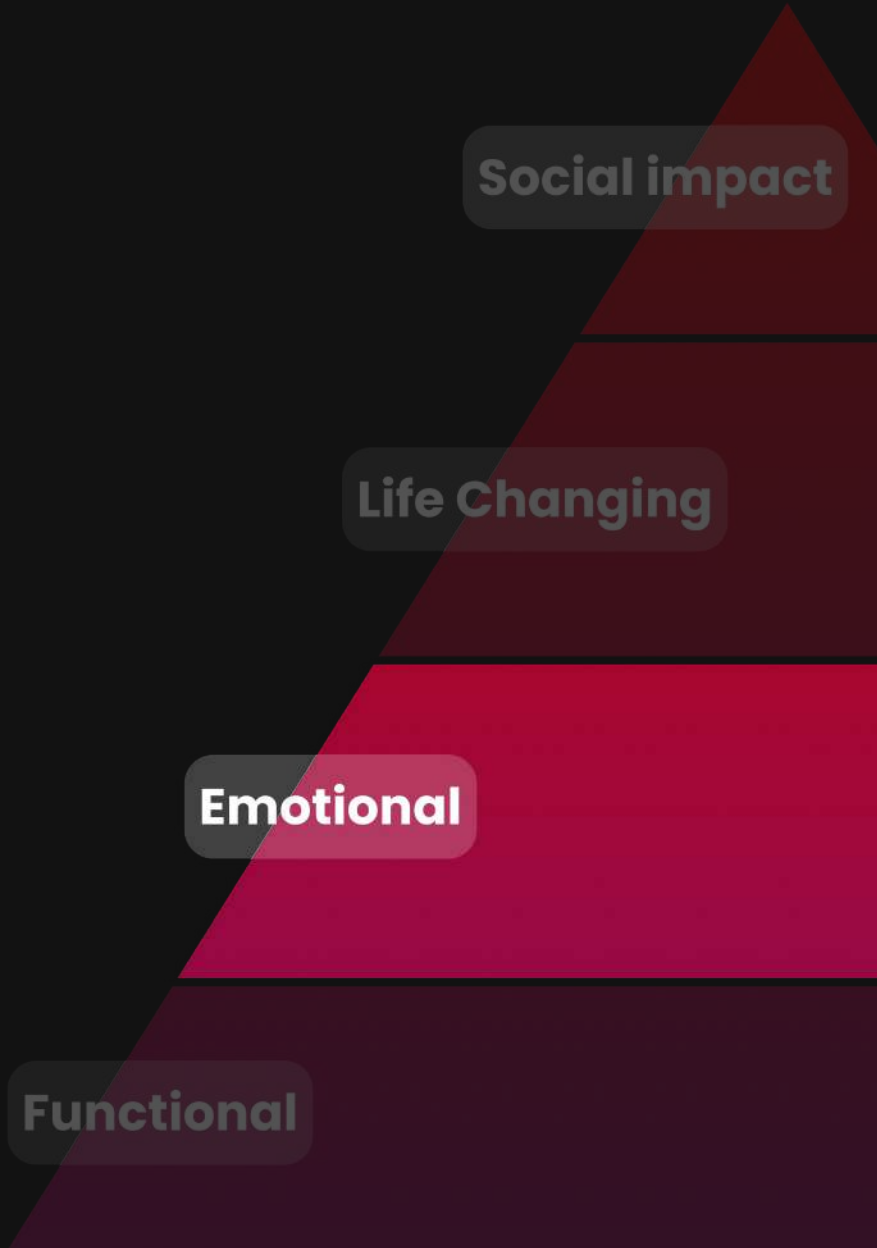
**“Toxic positivity” discussions reflect society’s struggle to balance valid emotions against the tyranny of perpetual happiness**



INSIGHT

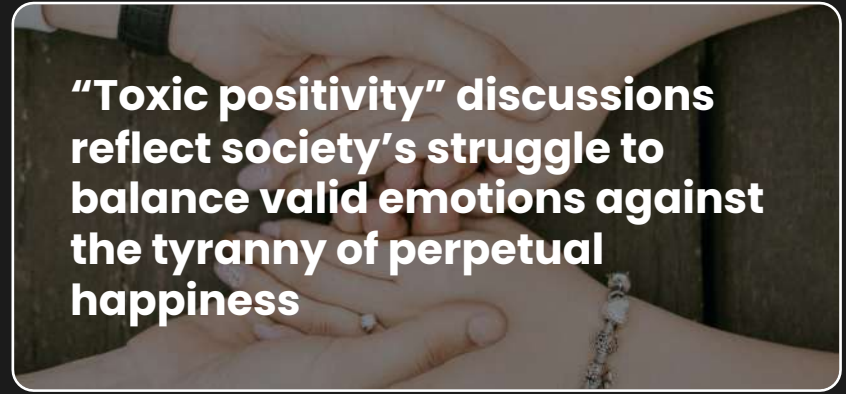
Wellness

**As technology continues to play a central role in our lives, the conversation around digital wellbeing is gaining importance**



# Emotional

Nextatlas Insight



## Target

Millennials

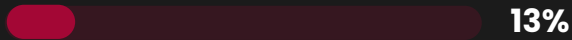


Gen X

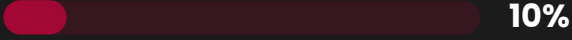


## Top Industries

Health



Advertising & Brands



## Concepts & Tags

Optimism

Emotions

People

Work

Negative

## Timeline



# Emotional

Nextatlas Insight

## Target

Gen X



Millennials

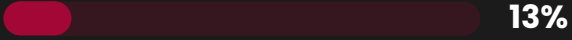


## Top Industries

Health



Technology



## Concepts & Tags

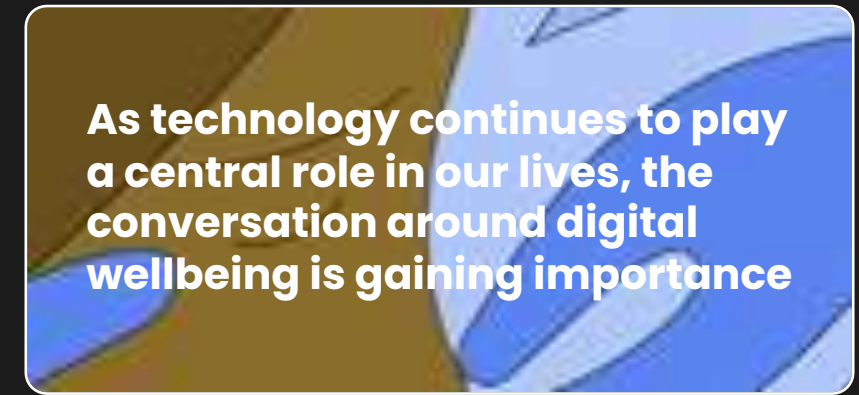
Phone Addiction

Sexual Health

Digital Detox

Game Addiction

Mental Wellbeing



## Timeline





INSIGHT

Provides Hope

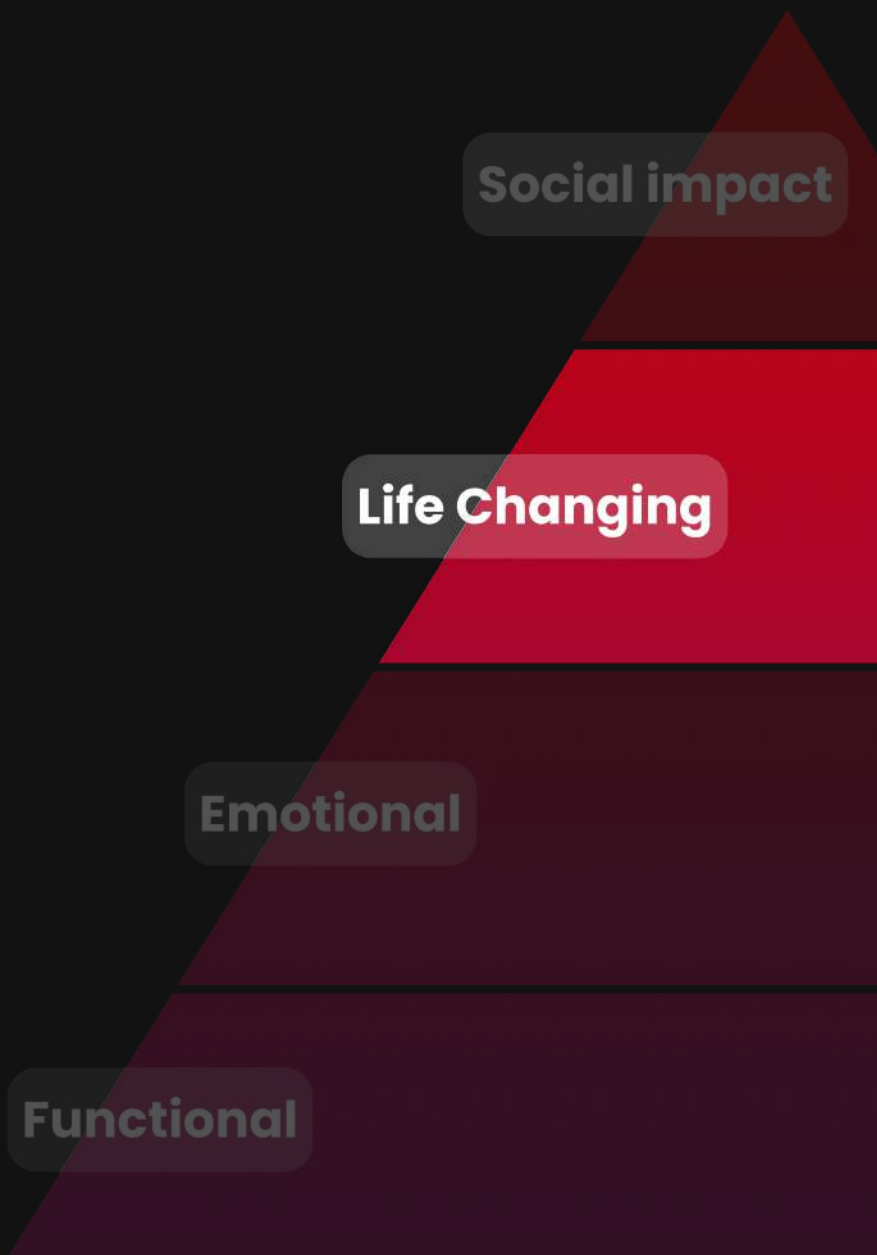
**“Never too late” thrives as society acknowledges learning, growth, and change know no age limit**



INSIGHT

Heirloom

**Cultural heritage renaissance reflects society’s quest for authenticity amid a rapidly digitalizing world**



# Life changing

Nextatlas Insight



## Target

Gen X



100

Millennials



92

## Top Industries

Education



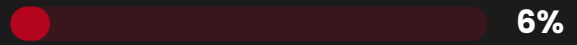
9%

Baby & Child Care



8%

Health



6%

## Concepts & Tags

Learn Something New

Change Your Life

Dreams

Career

Age

Journey

Learning

## Timeline





# Life changing

Nextatlas Insight

## Target

Seniors



Gen X

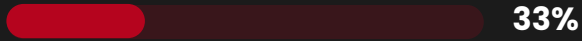


Millennials

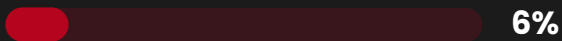


## Top Industries

Art & Design



Craft



## Concepts & Tags

Unesco Intangible

Amazon River Basin

Museum

Immaterial

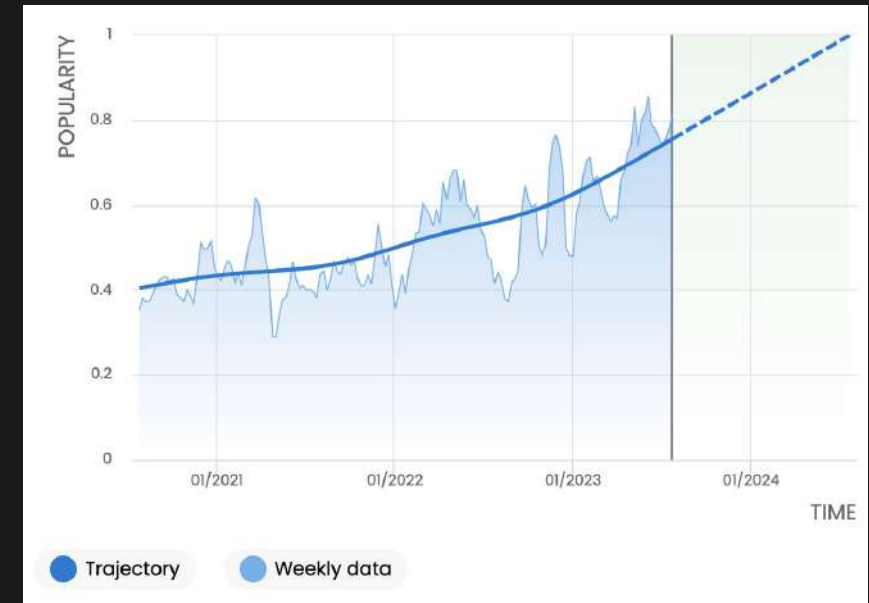
Preservation

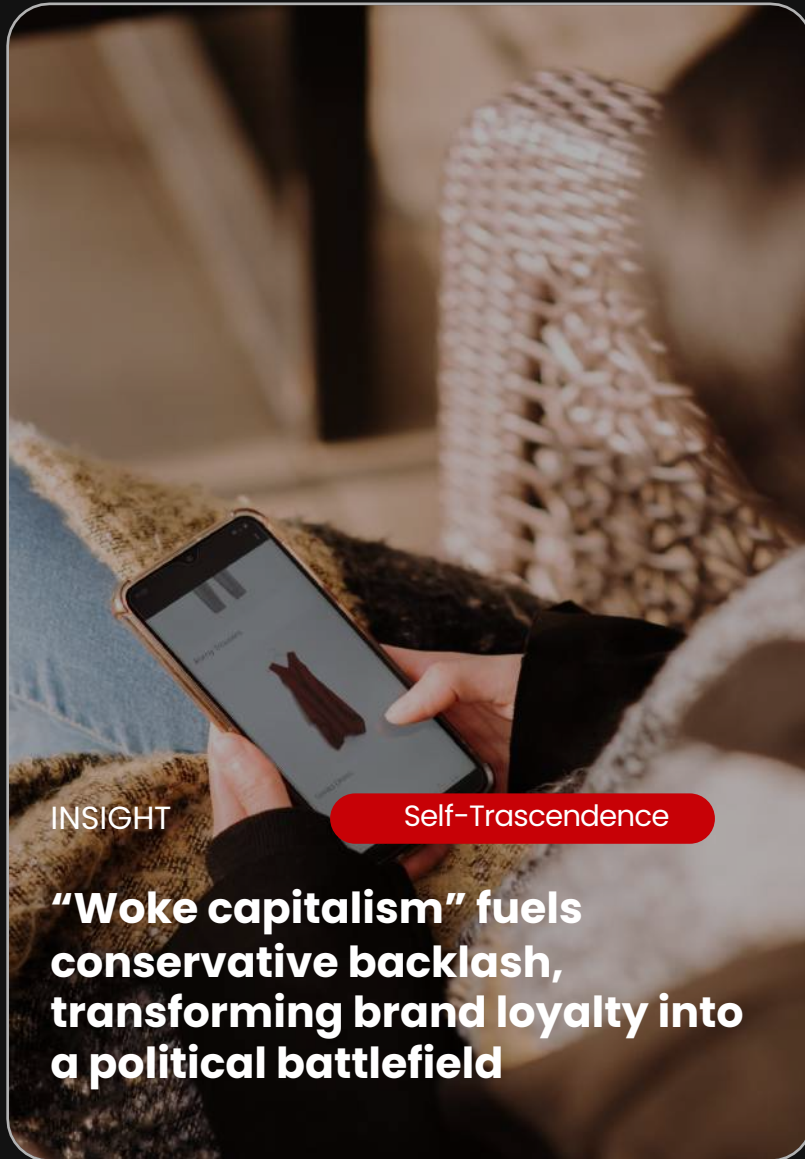
Art and Design

Traditions



## Timeline





INSIGHT

Self-Transcendence

**“Woke capitalism” fuels conservative backlash, transforming brand loyalty into a political battlefield**

Social impact

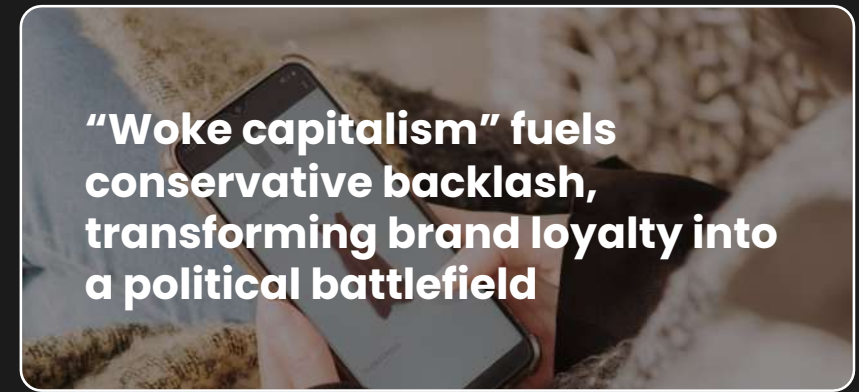
Life Changing

Emotional

Functional

# Social Impact

Nextatlas Insight



## Target

Gen X



Millennials



## Top Industries

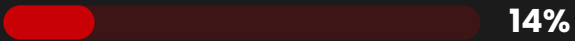
Government & Public Sector



Financial



Nonprofit & Social Cause



## Concepts & Tags

Corporations

Esg

Conservative

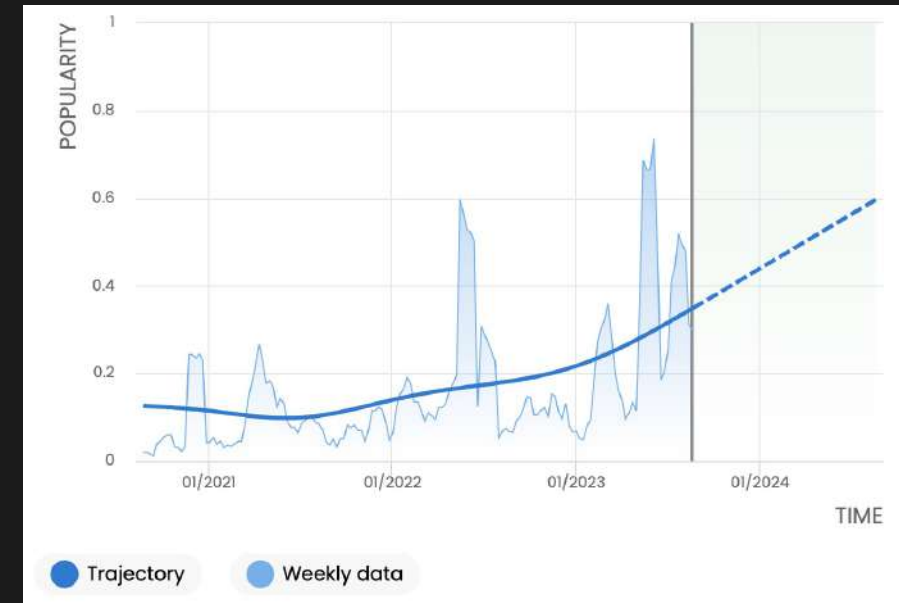
Left

Right

Climate

Republicans

## Timeline



**BAIN & COMPANY** 

Con la partecipazione di

 **NEXTATLAS**