



Purpose, Value and Impact of a Digital Strategy

- BTEC Marketing at Woolwich Polytechnic School 6th Form

Study Aims

In this topic you cover:

- What a digital strategy is and why it goes far beyond just having a website or social media.
- The purpose and value of a dedicated digital strategy for modern businesses.
- How a digital strategy impacts all of a business's functional areas - marketing, operations, HR and finance.
- The challenges and limitations of implementing a digital strategy.

Key Terms

Digital strategy	A plan that uses digital technologies to achieve specific business goals. It involves integrating digital tools into all aspects of the business, not just marketing.
Digital transformation	The process of fundamentally changing how a business operates and delivers value to customers by adopting digital technologies and a digital culture.
E-commerce	The buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions.
Big data	Extremely large and complex datasets that can be analysed to reveal patterns, trends and associations - especially relating to human behaviour and preferences.
Automation	The use of technology to perform tasks with minimal human intervention - reducing costs and improving consistency.
Cloud computing	The delivery of computing services including servers, storage, databases and software over the internet rather than from a local server.
Artificial intelligence	Computer systems that can perform tasks that normally require human intelligence, such as learning, problem-solving and decision-making.
Cybersecurity	The practice of protecting computer systems, networks and data from digital attacks, unauthorised access and damage.

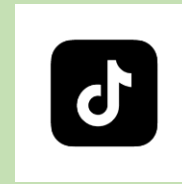
What is a Digital Strategy?

A digital strategy is a business's **high-level plan for how it will use technology to improve its performance and achieve its objectives**. It goes far beyond just having a social media account or a website!

The analogy:

- A traditional business is like an old sailing ship, relying on manual processes and established routes.
- Implementing a digital strategy is like upgrading that ship with satellite navigation, real-time weather data and a powerful new engine - it fundamentally changes how the business operates.
- A digital strategy must be integrated across every area of the business - marketing, operations, HR and finance - not treated as a standalone IT project.
- The goal is digital transformation: fundamentally changing how the business operates and delivers value to customers through technology and a digital culture.

Impact on Functional Areas and Value



An effective digital strategy impacts every single part of the business, creating value through efficiency, insight and new revenue opportunities.

Impact across the business:

- Marketing: using social media, SEO and data analytics to reach and understand customers. For example, Gymshark uses TikTok influencers and data to target fitness enthusiasts precisely.
- Operations: using automation, robotics and data to improve efficiency. For example, Ocado's robotic warehouses can process thousands of orders with minimal human intervention.
- HR: using platforms like LinkedIn for recruitment, remote working technology like Teams, and e-learning platforms for staff training and development.
- Finance: using cloud-based software like Xero for real-time financial data, and online payment systems. For example, Next plc created a huge new revenue stream selling other brands on its website.

Challenges of a Digital Strategy

While a digital strategy offers clear benefits, businesses face significant challenges in implementation that must be carefully managed.

Key challenges:

- **High cost of investment:** implementing new software, hardware and digital systems requires significant upfront capital investment that smaller businesses may struggle to fund.
- **Increased cybersecurity risks:** greater reliance on digital systems makes the business a more attractive target for cyber-attacks. A single attack on a key supplier can disrupt an entire interconnected supply chain.
- **Need for new skills:** the existing workforce may need significant retraining, and recruiting specialist digital talent is expensive and highly competitive.
- **Pace of technological change:** technology evolves incredibly quickly. A digital strategy developed today could be outdated in a few years, requiring constant review and reinvestment.

Digital Strategy - Examples



Real-World Examples:

- **Domino's Pizza:** Domino's transformed itself from a traditional takeaway business into a digital-first e-commerce powerhouse. Over 90% of its orders now come through digital channels. Its mobile app, Pizza Tracker and one-click ordering have fundamentally changed the customer experience while its digital supply chain systems have dramatically improved operational efficiency.
- **Ocado:** Ocado built its entire business model around digital technology. Its robotic warehouses use AI and automation to process orders far more efficiently than traditional supermarkets. Ocado now licenses its technology platform to other retailers worldwide, creating a major new revenue stream from its digital capabilities.
- **Burberry:** The luxury fashion brand invested heavily in digital strategy to reach younger consumers. It live-streamed fashion shows, created immersive digital store experiences and used data analytics to personalise marketing. This digital-first approach helped Burberry maintain its premium brand positioning while reaching a new generation of customers.



- A digital strategy is a plan to use technology across the whole business to achieve its objectives - not just a website or social media presence.
- Digital transformation means fundamentally changing how a business operates and delivers value through technology.
- A digital strategy impacts all functional areas: marketing, operations, HR and finance.
- Key value comes from improved efficiency, better customer understanding through big data, enhanced competitiveness and new revenue streams.
- However, businesses must manage the challenges of high investment costs, increased cybersecurity risk and the need for new digital skills.
- The pace of technological change means digital strategies require constant review and reinvestment.
- The key evaluation question is whether a strong digital strategy is now essential for competitive survival or whether traditional factors like product quality still matter more.

Over To You | Pizza Kings



Read this: Domino's Pizza is a classic example of a traditional bricks and mortar business that successfully transformed itself into a digital-first, e-commerce powerhouse. Over 90% of its UK orders now come through digital channels, and the company has invested heavily in its mobile app, Pizza Tracker, voice ordering and even experimental drone delivery technology.

- 1. Investigate:** Research the digital strategy of Domino's Pizza UK. Identify and describe two key digital technologies they have invested in, such as their mobile app, Pizza Tracker or online ordering system.
- 2. Explore:** For each technology you identified, explain how it has had a positive impact on both the company's marketing (e.g. customer experience and loyalty) and its operations (e.g. efficiency and cost reduction).
- 3. Think:** Is a powerful digital strategy the most important factor for success in the modern fast-food market, compared to traditional factors like the quality of the product, the price, and the location of restaurants? Justify your answer.