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Top 5 ways technology will change your business in 2020

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Technology is changing rapidly, and in ways that was hard to imagine a few years back. For example, who would have thought that cars can drive themselves autonomously, or your mobile phones can track your heart rate. Business is also changing the same way. Connected devices are redefining business models, and AI is helping businesses take automation to a different level.

Depending on the sector you are in, here is how technology could change it. We take a look at five key trends that will impact your business in 2020.

AR and VR will redefine customer experience

Faced with a digital assault of pure play e-commerce vendors, retail owners are looking to redefine customer experience with Augmented Reality. For example, IKEA's mobile app allows customers to virtually place IKEA products in their living rooms and imagine how a piece of furniture will look. Some fashion online retail e-commerce players are using AR to show customers how a particular piece of clothing will look on them. A Gartner study predicts that by 2020, 46 percent of retailers planned to deploy either AR or VR solutions to meet customer service experience requirements.

IoT will make every product intelligent

In a world which today seeks real time data to take quick decisions, IoT is proving to be a real game changer for unlocking valuable insights. A NASSCOM report predicts that India will be a front runner for IoT adoption. The IoT market size in India is expected to grow at rate of 62% CAGR and reach US$9 billion by 2020. Depending on the business that an enterprise is present in, IoT can be effectively used to improve competitiveness.   For example, Bajaj Allianz General Insurance has launched an IoT powered service called, DriveSmart that helps customers monitor their driving habits. The company rewards good driving behaviour with discounts. Similarly, Blue Star, uses IoT to provide proactive predictive maintenance services and use the data collected to prevent further issues in its chillers. JCB, a leading construction equipment manufacturer, uses IoT to improve uptime of its machines and proactively provide insights into utilization to its end customers.

AI will be omnipresent

The use of AI has skyrocketed, and this will have a major impact on businesses. From 10 percent in 2014, the usage of AI has gone up to 37 percent in 2019 – a 270 percent increase in just four years. Similarly, IDC estimates that spending on AI systems will more than double to $79.2 billion in 2022 with a compound annual growth rate (CAGR) of 38.0% (From 2018-2022). IDC believes that global spending on AI systems will be led by the retail industry where companies will invest $5.9 billion this year on solutions such as automated customer service agents and expert shopping advisors & product recommendations. IDC also states that the banking sector will be the second largest industry with $5.6 billion going toward AI-enabled solutions including automated threat intelligence & prevention systems and fraud analysis & investigation systems. Discrete manufacturing, healthcare providers, and process manufacturing will complete the top 5 industries for AI systems spending. The industries that will experience the fastest growth in AI systems spending over the 2018-2022 forecast are federal/central government (44.3% CAGR), personal and consumer services (43.3% CAGR), and education (42.9% CAGR).

Some of the prominent AI use cases that will see the most investment are automated customer service agents, sales process recommendation and automation, and automated threat intelligence and prevention systems. Five other use cases that saw spending levels greater than $2 billion in 2019 according to IDC included: automated preventative maintenance, diagnosis and treatment systems, fraud analysis and investigation, intelligent process automation, and program advisors and recommendation systems.

The impact of AI will be huge. Gartner believes that AI embedded in analytics and other marketing software will free up more than a third of data analysts in marketing organizations by 2022, enabling them to focus their time on business

priorities instead of spending time on manual processes like personalization, lead scoring, anomaly detection, marketing performance management, and reporting. Similarly, with the usage of chatbots or virtual assistant agents, customer service will improve significantly. For example, Gartner predicts that 25% of customer service and support operations will integrate virtual customer assistant (VCA) or chatbot technology across engagement channels by 2020, up from less than two percent in 2017. Additionally, AI in sales allows for more efficiency and effectiveness in business processes, often with up to 30 percent higher conversion rates when engaging prospects or leads (Source: Gartner).

Ethical frameworks will become more prominent

As technology becomes more pervasive, the role of technology will increasingly determine how we can lead our lives. For example, the same surveillance technology can be used for invading the privacy of citizens while detecting criminals. As we can see, technology often has two sides – the good and the bad. Take the example of AI. While the majority of AI usage is positive, there have been many cases where AI has been used for nefarious purposes. Deepfakes are one of the best examples on how AI can be used for creating manipulated videos. The industry has been quick to respond, and accordingly, has taken a series of initiatives to ensure that the 'trust' remains. A community initiative called 'Partnership on AI' has initiated "Closing Gaps in Responsible AI" – a multiphase, multi-stakeholder project aimed at surfacing the collective wisdom of the community to identify salient challenges and evaluate potential solutions. This initiative hopes to use insights to inform and empower the changemakers, activists, and

policymakers working to develop and manifest responsible AI. As usage of AI becomes more prominent, one can expect more such ethical frameworks to come into place. For example, Dubai has launched the city's official principles and guidelines for the ethical implementation of AI. Similarly, IBM has created a regulatory framework for organizations involved in developing or using AI based on accountability, transparency, and fairness and security. Organizations need to be aware of these developments and create their own trust officers or ethical frameworks to ensure that technology is being used in an ethical manner.

Voice will be the next big platform

With the availability of voice technology in devices other than smartphones, voice technology will be an important technology to watch out for. As voice provides a direct connection to the customer, it changes the way people seek information. For example, according to Forrester, nearly 54 per cent Indians now use at least one wearable device. Most wearable devices have support for voice recognition. 28 per cent of search queries in India are done by voice, according to Forrester. As most devices today support multiple languages, voice can be huge for organizations. This can be seen from the fact that Hindi voice search queries are growing at over 400 per cent year on year.

Businesses hence have to redesign or rethink their strategies as voice becomes more prominent. For example, Gartner says that companies who redesign their websites to support visual and voice search will see up to a 30 percent increase in digital commerce revenues by 2021. Businesses can also look at leveraging home based devices such as Alexa or Google Home to provide voice based services.