



# Technology Investment Trends in Digital Transformation



**01**

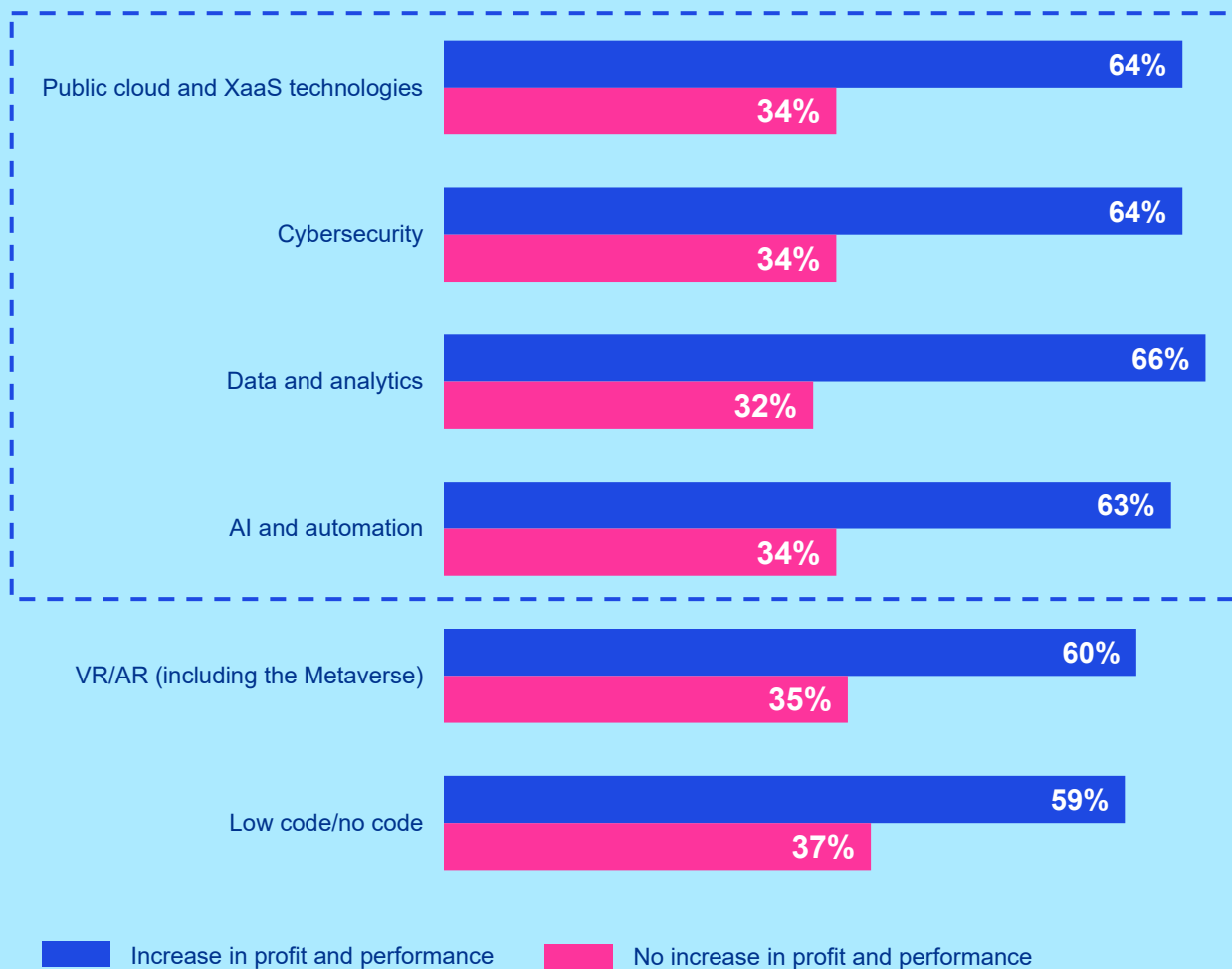
# **Key trends**

# Digital transformation effectiveness continues to climb and exceed expectations

Digital transformation investments have exceeded expectations and have:

- increased employee productivity
- improved efficiency and cost-cutting
- enhanced customer engagement
- raised employee satisfaction
- supported new business development
- enabled innovation

Q: Over the last 24 months, have your digital transformation efforts with the following technologies positively impacted profitability or performance? If so, what was the approximate size of the increase?



Source: KPMG global tech report 2023

# 57% business executives think that AI/ML will be the most helpful technology to achieve short-term goals

But the most popular reason to invest is **TO FOLLOW COMPETITORS.**

rather than trusting in their own testing and evaluation (proven ROI, trials/analysis, guidance from third parties, customers or employees).

Q: Of the following technologies, which do you think will be most important in helping your business achieve its short-term ambitions over the next three years?

AI/machine learning (including generative AI)

57%

Edge computing (inc. IoT)

42%

Robotics/automation

41%

VR/AR (including the Metaverse)

37%

Quantum computing

35%

Web3 (inc. tokenization)

32%

XaaS technologies (inc. public cloud or multi-cloud)

30%

5G

27%

Source: KPMG global tech report 2023

# The key aspects of public perception about AI



## AI trust and acceptance

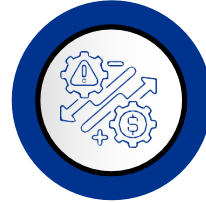
**96%** view Data privacy, security and governance as most important to trust AI.

**61%** view current AI regulations and safeguards as inadequate.

**44%** says they are willing to rely on AI output

Vs.

**37%** willing to share info with AI in general



## Potential AI benefits and risks

**50%** believe the benefits of AI outweigh the risks (*24% disagree, 26% neutral*)

**87%** expect AI will help improve efficiency.

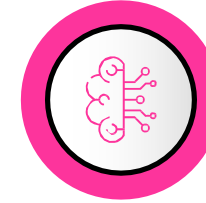
**84%** rated Cybersecurity as the top risk globally.



## AI in the workplace

**45%** disagree that AI will create more jobs than it will eliminate. (*29% agree, 26% neutral*)

**65%** says they are comfortable with using AI to help employees perform tasks.



## AI awareness

**49%** feel that they know very little about AI and its usage.

**44%** are unaware that AI enables common applications such as social media.

**Asian countries** have the highest levels of AI awareness.



## AI Appreciation

Customers still have **high appreciation for human interactions.**

People who are more knowledgeable of AI (younger generations, the university educated) are more interested to learn about AI.

# Generative AI use cases – Top 10 Industries



**Healthcare**



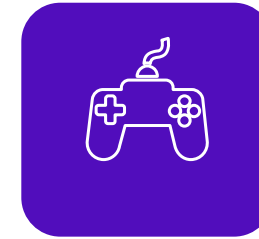
**Banking & Finance**



**Marketing**



**Multi-media & Entertainment**



**Gaming**



**E-commerce & Retail**



**Insurance**



**Travel**



**Transportation & Logistics**



**Education**

# The majority of businesses have earned returns from data and analytics investments

Across all data management factors measured, the majority of businesses have structured processes. The area of the most maturity being **data governance** and the area of the least maturity being **combatting data silos**.

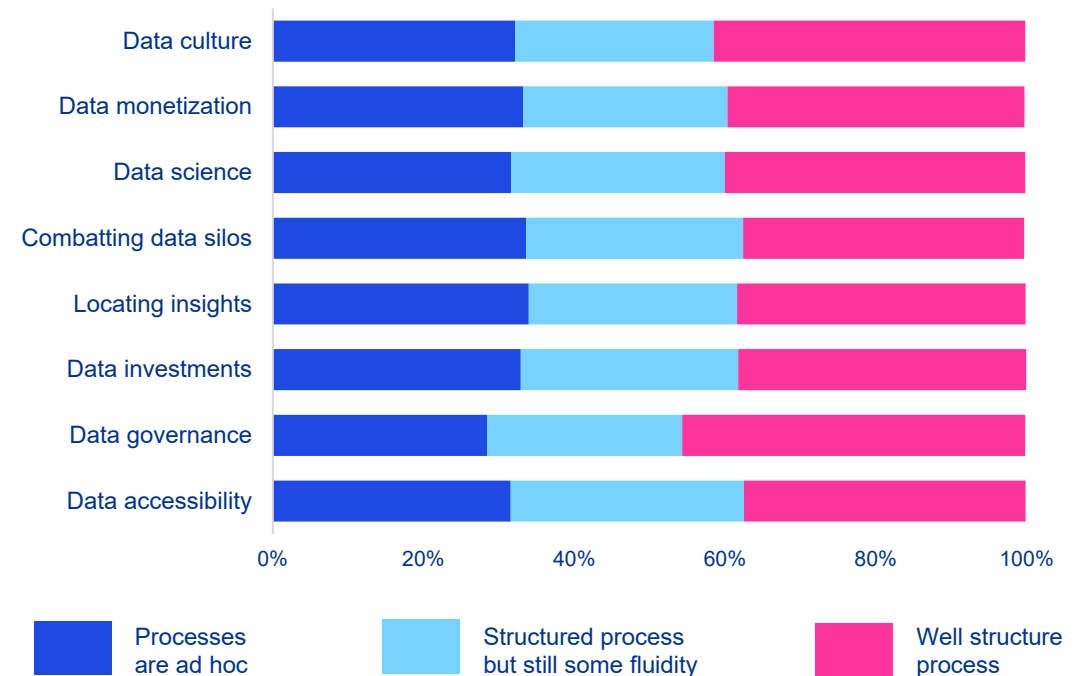
**66%**

of respondents have seen data and analytics transformation efforts positively impact profitability or performance over the last 12 months.

And on average, about **15%** of the respondents are able to **frequently generate returns** from the data management factors measured.

## Data and analytics process maturity

Q: How effective is your approach to data and analytics in the following areas?



Source: KPMG global tech report 2023

# Everything as a Service (XaaS) migration journeys continue to bear fruit...

**63%**  
of the respondents have achieved an uplift in profitability or performance from XaaS in the last 24 months.

**63%**  
agree that the risks of XaaS technologies are worth it for the opportunities they create.

Q: What key benefits has your organization achieved from leveraging public cloud platforms/ XaaS technologies over the last 12 months?

**2023 sees a slight shift in XaaS benefits with better data management, accelerating technology innovation and reducing carbon footprint featuring as new entrants.**



Source: KPMG global tech report 2023

## Last year's top Public Cloud & XaaS benefits:

- 1 lower cost of ownership
- 2 improved efficiency
- 3 improved security and compliance



# Cyber security is gaining influence and respect in digital transformation projects

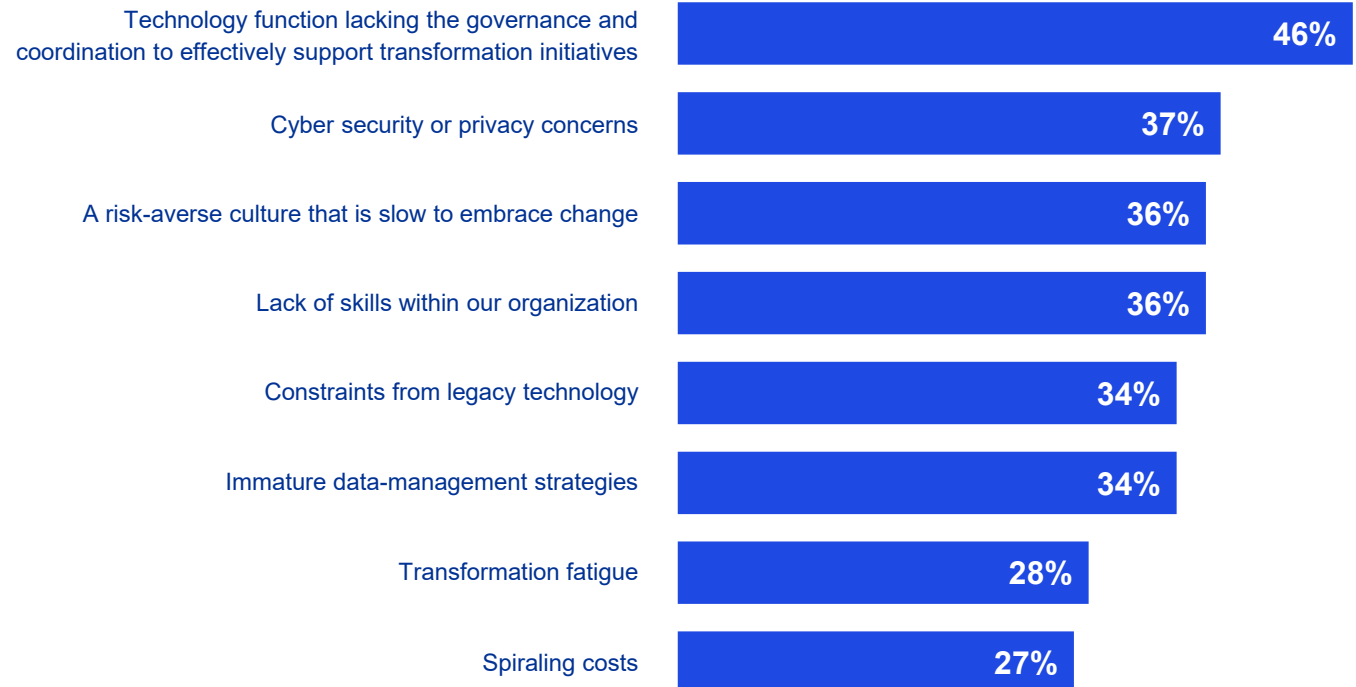
Last year cyber didn't appear in the top three digital transformation challenges. But this year, cyber security concerns feature in the top two. Organizations are prioritizing getting cyber security right before they move forward in digital transformation projects.

# 63%

agree that improving cyber security and privacy helps them provide a loyalty-winning customer experience.

Q: Which of the following challenges are most likely to slow down your transformation?

## Trusted transformation = faster transformation



Source: KPMG global tech report 2023

**02**

# **Future capabilities**



The primary driver of Digital Transformation is customer centricity



# KPMG's view on holistic digital transformation

## The 5 lenses

- 01 Customer**  
Connecting to your **customers** with compelling value propositions, opportunities and interactions

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- 02 Front, middle and back offices**  
Connecting your **front, middle and back offices** to execute the customer growth agenda

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- 03 Employee**  
Connecting and empowering your **employees** to deliver on the customer promise

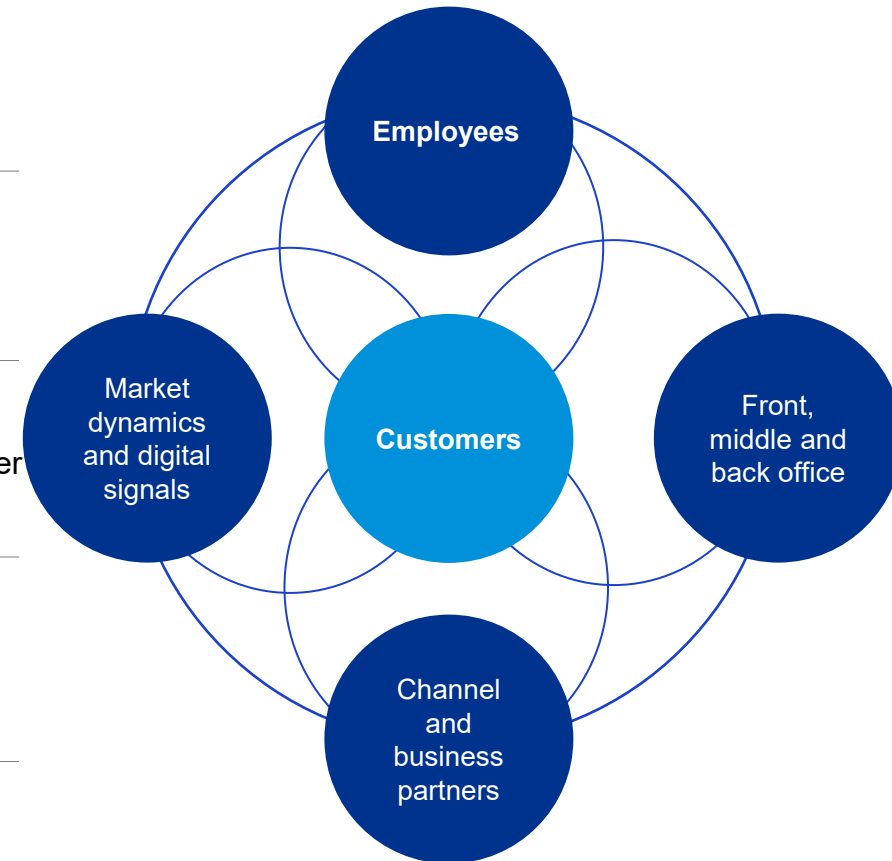
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- 04 Channel and Business Partners**  
Connecting the eco-system of **business partners** to jointly deliver on commitments to customers

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- 05 Market Dynamics & Digital Signals**  
Connecting to **market dynamics and digital signals**

## Customer at the Core



# Connected Enterprise is KPMG's customer-centric, agile approach to digital transformation

Insight-driven strategies and actions	Innovative products and services	Experience-centricity by design
Seamless interactions and commerce	<b>2x Impact*</b>	Responsive operations and supply chain
Aligned and empowered workforce	Digitally-enabled technology architecture	Integrated partner and alliance ecosystem



Organizations which invest in 8 capabilities of Connected Enterprise are **over twice as likely** to see success from their investments in digital transformation

“ **Connected Enterprise** is the leading-edge, insight-driven, industry-specific approach to digital transformation.

It is a framework that allows organizations to connect their front, middle and back offices while focusing on meeting customer expectations.

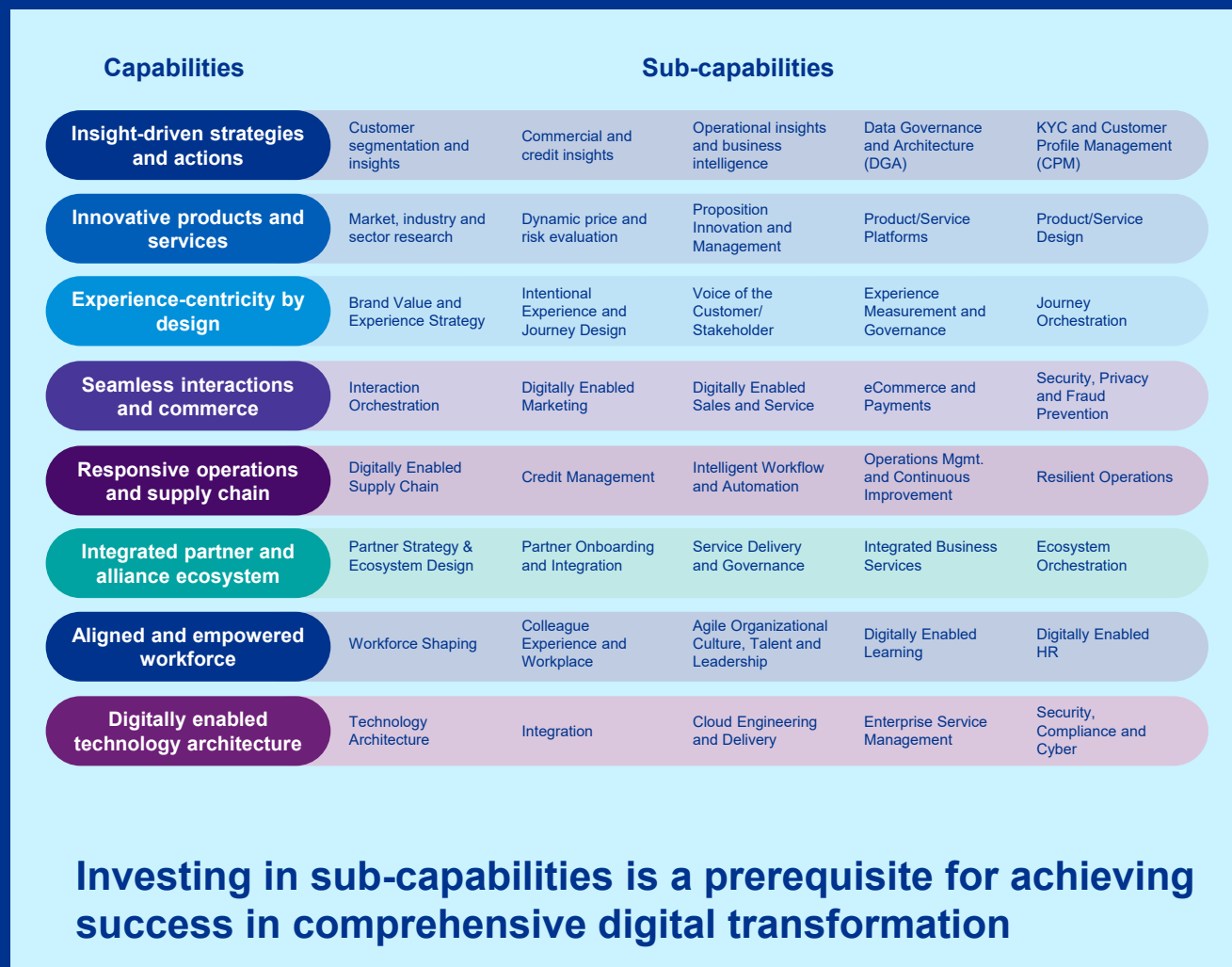
**Connected Enterprise** focuses every process, function, and relationship of your organization on meeting customer expectations, creating business value and driving sustainable growth in a digital world.

\*Note: (a) Base: 1,299 professionals involved with customer-centric strategy decisions.  
Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, September 2018



# The necessary capabilities for effectively delivering digital transformation.

- KPMG Connected Enterprise is built on findings that determine what businesses need to be capable of delivering.
- For each Sector, KPMG define the most impactful capabilities for customer-centric digital transformation.
- We also identify sub-capabilities and assess their maturity, compared to sector and global peers



**03**

**The path to  
SUCCESS**

# How to succeed in digital transformation

These considerations can help organizations make faster progress to customer centricity and achieve accomplishments in the digital transformation journey.



Source: 2021 Global CEO Outlook, KPMG International





# Thank You



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