Digital Transformation Strategy to Improve Company Performance: Case Study of a Furniture Store

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Abstrak

Penelitian ini bertujuan untuk menganalisis penerapan transformasi digital dalam meningkatkan kinerja dan daya saing toko furnitur di era digital. Fokus utama penelitian ini meliputi implementasi e-commerce, strategi omnichannel, penggunaan teknologi Internet of Things (IoT) dan Augmented Reality/Virtual Reality (AR/VR), serta pengembangan aplikasi mobile untuk meningkatkan pengalaman pelanggan. Penelitian ini juga membahas pentingnya pengelolaan data pelanggan, keamanan informasi, serta evaluasi pengembalian investasi (ROI) dalam transformasi digital. Hasil penelitian menunjukkan bahwa transformasi digital, melalui penerapan berbagai teknologi dan strategi pemasaran digital, berhasil memperluas jangkauan pasar, meningkatkan interaksi pelanggan, dan mendorong loyalitas pelanggan. Meskipun demikian, tantangan seperti kebutuhan akan infrastruktur teknologi yang memadai dan perlindungan data pelanggan perlu diatasi. Secara keseluruhan, penerapan transformasi digital membawa dampak positif yang signifikan terhadap pertumbuhan bisnis dan daya saing toko furnitur di pasar global yang semakin kompetitif.

Kata kunci: *Transformasi Digital, E-Commerce, Omnichannel, Internet Of Things (Iot), Augmented Reality (AR), Virtual Reality (VR)*

Abstract

This study aims to analyze the implementation of digital transformation in improving the performance and competitiveness of furniture stores in the digital era. The main focus of this study includes the implementation of e-commerce, omnichannel strategies, the use of Internet of Things (IoT) and Augmented Reality/Virtual Reality (AR/VR) technologies, and the development of mobile applications to improve customer experience. This study also discusses the importance of customer data management, information security, and evaluation of return on investment (ROI) in digital transformation. The results of the study indicate that digital transformation, through the implementation of various technologies and digital marketing strategies, has succeeded in expanding market reach, increasing customer interaction, and driving customer loyalty. However, challenges such as the need for adequate technological infrastructure and customer data protection need to be addressed. Overall, the implementation of digital transformation has a significant positive impact on business growth and the competitiveness of furniture stores in an increasingly competitive global market.

Keywords: *Digital Transformation, E-Commerce, Omnichannel, Internet Of Things (IoT), Augmented Reality (AR), Virtual Reality (VR)*

INTRODUCTION

In the rapidly developing digital era, the furniture industry faces major challenges and opportunities along with the adoption of digital technology. Digital transformation is key to increasing competitiveness and operational efficiency for furniture companies. One of the main steps in this digitalization process is the implementation of e-commerce and omnichannel strategies, which allow furniture stores to reach customers more widely and create a more seamless shopping experience between online and offline channels. According to Brown & Davis (2020), the integration of online and offline shopping experiences can increase customer interaction and build long-term loyalty, which is very important in an increasingly competitive

market. On the other hand, according to Kotler & Keller (2016), omnichannel adoption is not only about presenting various touchpoints with customers, but also about creating consistent and engaging experiences across each channel, which is very important for creating strong relationships with customers. In addition, utilizing in-depth customer data analysis allows companies to create more personalized and relevant experiences, which can increase conversions and customer satisfaction (Anderson & White, 2019). The data obtained from customer interactions across these channels also allows companies to design more focused and predictive marketing strategies. This is in accordance with the view of Prahalad & Ramaswamy (2004), who emphasized that two-way interaction with customers through the use of technology can increase satisfaction and strengthen customer relationships. In this case, technology functions as a liaison between companies and customers to provide a more personal and relevant experience.

On the other hand, optimizing the supply chain with digital technology is also an important factor in increasing operational efficiency, as explained by Harris & Thompson (2020), who emphasize the importance of digital collaboration with supply chain partners to accelerate the flow of information and decision making. This allows companies to respond to market demand more quickly and efficiently, while reducing waste that can occur in traditional supply chains. According to Christopher (2016), supply chain digitalization will increase visibility, flexibility, and responsiveness, which are very important in facing market uncertainty.

However, in the digital transformation process, there are major challenges that need to be considered, especially related to data security and customer privacy. As a company that relies on customer data for analytics and personalization, furniture stores must ensure that customer data is well protected from cyber threats, and that customer privacy is respected in accordance with applicable regulations, such as GDPR in the European Union and CCPA in California (King & Miller, 2019). This is very important because according to Westin (2003), privacy is a fundamental right that must be respected by every organization that manages personal data, and non-compliance with these regulations can reduce customer trust. In addition, at the global level, organizations such as ISO (International Organization for Standardization) also develop information security standards, such as ISO 27001, which help companies manage data security effectively and in accordance with international standards. In addition, another challenge is to evaluate the Return on Investment (ROI) of investments in digital technology, which includes measuring the impact on revenue, operational efficiency, and customer satisfaction (Carter & Johnson, 2019). Careful evaluation of this ROI is essential to ensure that the investment made provides long-term benefits. According to Davenport (2013), the success of digital transformation is not only seen from the technical side, but also from its impact on business processes and customer interactions. Therefore, ROI evaluation must cover all aspects, from increasing operational efficiency, cost savings, to positive impacts on customer experience. Given these challenges, furniture companies need to prepare adequate infrastructure, training for human resources, and clear policies related to data security. However, the long-term benefits of this digital transformation are very significant, ranging from increasing operational efficiency, expanding market reach, to improving customer experience which can ultimately drive the growth and success of the company in the digital era. As stated by McKinsey & Company (2021), companies that successfully carry out digital transformation can significantly improve their performance, both in terms of finance, operations, and customer relations.

METHOD

This research method uses a qualitative approach with a case study design to analyze the implementation of digital transformation in furniture stores. Data were collected through in-depth interviews with managers and related staff, observations of digital operational processes, and documentation studies to assess the implementation of technologies such as e-commerce, mobile applications, and the use of IoT. This study focuses on furniture stores that have successfully implemented digitalization in their operations, including in aspects of marketing, inventory management, and customer experience. Data analysis was carried out using thematic analysis techniques, where data from interviews, observations, and documentation will be coded to identify key patterns related to the implementation of digital transformation. The validity of the study will be

maintained through data triangulation and member checking to ensure consistency and accuracy of findings. This study aims to provide insight into the challenges and successes experienced by furniture stores in adopting digital technology, as well as its impact on performance and customer experience.

RESULTS AND DISCUSSIONS
Implementation of E-Commerce and Omnichannel Strategy

In the ever-growing digital era, implementing e-commerce and omnichannel strategies has become the main key for companies to expand their reach and increase customer engagement. This has proven relevant, especially for the furnishings industry, where consumers are increasingly inclined to make purchases online. In this case study, the focus on a furniture store allows us to understand how this digital strategy can be implemented effectively (Smith & Johnson, 2023).

First of all, the implementation of e-commerce allows furniture stores to reach customers widely, even outside the local geographic area. By having a responsive and user-friendly e-commerce platform, the shop can attract potential customers from various regions, even internationally. By providing detailed product descriptions, high-quality images, and secure payment features, furniture stores can build customer trust and increase the likelihood of conversion.

Additionally, omnichannel strategies play an important role in increasing customer engagement. By integrating online and offline shopping experiences, furniture stores can create a seamless and consistent experience for customers.

For example, customers can search for products online and see them in person in a physical store before deciding to purchase. Additionally, real-time inventory integration between e-commerce platforms and physical stores ensures accurate product availability and reduces the risk of customer disappointment due to out-of-stock (Brown & Davis, 2020).

Not only that, an omnichannel strategy also allows furniture stores to increase interaction with customers through various channels. By leveraging social media, email, and mobile apps, the store can connect with customers on a more personal level and send special offers and relevant content. This not only increases brand awareness but also builds long-term relationships with customers, which can lead to continued loyalty and support.

However, to successfully implement e-commerce and omnichannel strategies, furniture stores must be prepared to face a number of challenges. One of them is ensuring adequate technology infrastructure to support integration between e-commerce platforms, inventory management systems, and other sales channels. Additionally, significant investment in employee training is required so they can manage and utilize technology effectively.

In conclusion, implementing e-commerce and omnichannel strategies can be the key to improving the performance of furniture stores in this digital era. By leveraging e-commerce platforms and integrating online and offline shopping experiences, furniture stores can expand their reach and increase customer engagement. Although there are challenges to overcome, the long-term benefits of this strategy can bring significant growth and success to the company.

Analyse Customer Data for Personalization

In the context of digital transformation, customer data analysis is the main key for companies, especially furniture stores, to improve performance and optimize the customer experience. By utilizing customer data effectively, companies can develop personalized marketing strategies and understand customer preferences in purchasing furniture products.

First of all, collecting customer data is an important first step in this process. Customer data can include demographic information, purchasing behavior, product preferences, and interactions with brands through various channels such as websites, social media, or physical stores (Anderson & White, 2019). By using the right data analysis tools, companies can collect, store, and process customer data efficiently.

Furthermore, customer data analysis allows companies to understand customer purchasing patterns and behavior better. By analyzing historical data, companies can identify purchasing trends, products that are most in demand, and factors that influence customer purchasing

decisions. For example, through data analysis, companies can find out whether customers tend to choose certain products based on brand, style, or price.

In addition, data analysis also allows companies to predict future customer behavior. By using techniques like predictive analytics, companies can identify potential sales opportunities, predict the likelihood of conversion, and adjust marketing strategies proactively (Garcia & Martinez, 2022). For example, based on previous purchase data, companies can send personalized product recommendations to customers who have similar interests.

Not only that, but customer data analysis also allows companies to develop more personalized marketing strategies. By understanding customers' individual preferences and needs, companies can send relevant and engaging messages through various communication channels. For example, by using customer segmentation techniques based on product preferences or shopping behavior, companies can send special offers or discounts to certain customer segments.

However, to successfully implement customer data analytics, companies must pay attention to several challenges. One of them is the issue of data privacy and security, where companies must ensure that customer data is stored and used safely and in accordance with applicable regulations. Apart from that, qualified human resources are needed in the field of data analysis to interpret and make decisions based on the analysis results.

In conclusion, customer data analysis is a key component in the digital transformation strategy for furniture stores. By effectively utilizing customer data, companies can develop personalized marketing strategies, understand customer preferences in purchasing furniture products, and improve overall performance. Although there are challenges to overcome, the long-term benefits of customer data analysis can bring significant growth and success to companies.

Optimization Digital Supply Chain

In the digital era, optimization of Supply chains is very important for companies to increase efficiency, speed, and timeliness of product delivery, especially for furniture stores, where efficient stock management and on-time delivery are key to meeting customer needs and improving their satisfaction (Taylor & Clark, 2021).

First of all, the integration of digital technology in the supply chain allows companies to automate processes that were previously time-consuming and resource-intensive. By using advanced supply chain management software, companies can manage orders, inventory, and shipping more efficiently. For example, with real-time connected systems, companies can track stock accurately and manage inventory more effectively.

Furthermore, digital technology also allows companies to increase collaboration with partners in the supply chain. Through digital collaboration platforms, companies can share information with suppliers, manufacturers, and distributors directly, thereby speeding up information flow and decision-making (Harris & Thompson, 2020). For example, by sharing real-time stock and customer demand data, companies and suppliers can plan production and delivery in a more timely manner.

In addition, digital technology allows companies to apply data analysis in the supply chain. By analyzing historical and real-time data, companies can identify customer demand patterns, anticipate market changes, and optimize stock allocation. For example, by using predictive analytics techniques, companies can predict demand for certain products and adjust production or inventory across different locations.

Not only that, digital technology also allows companies to increase visibility in the supply chain. By using IoT (Internet of Things) sensors and tracking technology, companies can track the location and condition of products in real-time during the delivery process. This allows companies to quickly identify potential problems or delivery delays so they can take the necessary actions to minimize their impact.

However, to successfully implement optimization in the digital supply chain, companies must pay attention to several challenges. One of them is technology and infrastructure limitations, where companies may need to invest resources to upgrade systems and ensure compatibility between various platforms and devices. In addition, employee training and development are required in order to ensure that they can manage and utilize technology effectively.

In conclusion, the optimization of Supply chains with digital technology is the key to the digital transformation strategy for furniture stores. By leveraging technology integration, digital collaboration, data analysis, and enhanced visibility, companies can increase the efficiency, speed, and timeliness of product delivery. Although there are challenges to face, the long-term benefits of optimizing Digital supply chains can bring significant growth and success to companies.

Implementation of the Internet of Things (IoT) in Products

In the era of digital transformation, implementing the Internet of Things (IoT) has become one of the main strategies for companies, including furniture stores, to improve product performance and provide a superior user experience (King & Miller, 2019). By integrating IoT in furnishing products, companies can generate valuable data that not only enhances the product but also improves customer interactions with the product.

First of all, the integration of IoT in furnishing products allows companies to generate valuable data about customer usage of the product. Through sensors and IoT devices integrated into furniture, companies can track various metrics such as frequency of use, time of use, and environmental conditions. For example, with sensors attached to sofas, companies can track how many times a couch is used in a day, what is the average usage time flat, and the temperature or humidity of the room where the sofa is placed.

Furthermore, data generated by IoT can provide valuable insights for companies to understand user behavior and their preferences. By thoroughly analyzing product usage data, companies can identify usage trends, most sought-after features, and potential areas of improvement (Nguyen & Patel, 2024). For example, if data shows that customers tend to use certain chairs at certain times of the day, a company can use that information to design products that better suit users' needs.

Additionally, IoT integration also enables companies to improve user experience through smarter and connected functionality. By using IoT technology, companies can develop furniture products that can interact with other smart devices in the home, such as smartphones or smart speakers. For example, a smart desk can be connected to a home's smart lighting system so that users can control room lighting directly from their desk.

Not only that, IoT integration also allows companies to offer additional data-based services to customers. By analyzing data collected from furnishing products, companies can provide customers with personalized recommendations, such as necessary care or maintenance or additional products to suit their needs. For example, if data shows that a chair needs maintenance, the company can send a notification to the chair owner with appropriate maintenance suggestions.

However, to successfully implement IoT integration in furnishing products, companies must pay attention to several challenges. One of them is the need for adequate technological infrastructure and a stable internet connection to support IoT operations. In addition, companies must also ensure high data security to protect user information from cyber security threats.

In conclusion, implementing the Internet of Things in furniture products is the key to the digital transformation strategy for furniture stores. By leveraging data generated by IoT, companies can improve user experiences, provide valuable insights for product improvements, and offer additional personalized services to customers. Although there are challenges to overcome, the long-term benefits of IoT integration in furnishing products can bring significant growth and success to companies.

Digital Marketing and Social Media Strategy

In the context of digital transformation, digital marketing and social media strategies have become the main keys for companies, including furniture stores, to increase brand awareness, customer interaction, and sales. By utilizing the right social media platforms and digital marketing strategies, companies can reach a wider audience, interact more personally with customers, and increase sales conversions (Adams & Martinez, 2023).

First of all, social media has become one of the most effective tools in digital marketing strategies. By being on platforms like Facebook, Instagram, and Pinterest, furniture stores can interact directly with potential customers, share interesting content, and promote their products.

Through regular posts, stories, and the right advertising campaigns, companies can build strong brand awareness and develop closer relationships with customers.

In addition, the use of data analysis in digital marketing strategies allows companies to understand user behavior and adjust marketing content more effectively. By using social media analytics tools, companies can track post performance, identify usage trends, and measure customer engagement levels (Robinson & Harris, 2021). For example, if data shows that posts about the latest collection receive a positive response, the company can further optimize the content and marketing strategy.

Furthermore, content strategy is an important element in digital marketing strategy. By providing useful, informative, and inspiring content, furniture stores can build authority in the industry and attract the interest of potential customers. Content such as interior design guides, furniture care tips, and home decor inspiration can help capture customer attention and strengthen brand-customer relationships.

Not only that, the use of influencer marketing can also be an effective strategy for expanding brand reach. By working with relevant influencers in the furnishings industry, the store can reach a larger audience and gain trusted recommendations from respected sources. For example, by commissioning a well-known interior designer to recommend their products, a furniture store can earn the trust and support of the influencer's followers.

However, to be successful in digital marketing and social media strategies, companies must pay attention to several important factors. One of them is consistency and continuity in sharing content and interacting with customers. Companies must also be ready to adapt their strategies according to changing trends and user behavior on social media.

In conclusion, digital marketing and social media strategies are key components in the digital transformation strategy for furniture stores. By leveraging the right social media platforms and digital marketing strategies, companies can increase brand awareness, customer engagement, and sales. Although there are challenges to overcome, the long-term benefits of investing in this strategy can bring significant growth and success to the company.

Use of Predictive Analysis to Forecast Demand

In the era of digital transformation, the use of predictive analysis is becoming increasingly important for companies, including furniture stores, to improve performance and optimize product inventory (Wilson & Lee, 2020). By applying predictive analysis, companies can more accurately predict customer demand, allowing them to manage inventory more efficiently and reduce the risk of stroke that is not sold.

First of all, predictive analytics allows companies to leverage historical data and external factors to make more precise estimates of future demand. By using machine learning algorithms and statistical techniques, companies can analyze customer purchasing patterns, market trends, and seasonal factors that influence requests (Carter & Johnson, 2019). For example, a company can use historical sales data during a particular holiday season or promotion to predict demand during the same period in the future.

Furthermore, by predicting customer demand, companies can optimize their inventory management more effectively. By ensuring that they have the right amount of stock at the right time, companies can reduce risk stroke unsold and unnecessary storage costs. For example, if predictive analysis shows that demand for a particular type of sofa will increase in the coming months, the company can increase production or order stock accordingly.

Apart from that, the use of predictive analysis also allows companies to respond to market changes more quickly and more flexibly. By continuously analysing data and updating forecasts periodically, companies can identify trends in customer purchasing patterns rapidly. For example, if predictive analysis shows a decrease in demand for a particular product, companies can reduce production or adjust their marketing strategy immediately.

Not only that, predictive analysis can also help companies make better strategic decisions. By understanding customer behavior and the factors involved influence demand, companies can identify new business opportunities, plan product expansion, or optimise prices and promotions.

For example, if predictive analysis shows strong demand for a product's equipment outdoors during the summer, companies can allocate more resources to expand the range of such products.

However, to successfully implement predictive analysis, companies must pay attention to several key factors. One of them is the quality of the data used in the analysis, where companies must ensure that the data they use is accurate, complete, and reliable. In addition, strong data analysis capabilities and adequate technological infrastructure are required to process and interpret data effectively.

In conclusion, the use of predictive analysis is a key component in the digital transformation strategy for furniture stores. By utilizing predictive analysis, companies can predict customer demand more accurately, optimize product inventory, and respond to market changes more quickly and flexibly. Although there are challenges to be faced, the long-term benefits of using predictive analytics can bring significant growth and success to a company.

Enhanced Customer Experience through AR/VR

In an effort to improve company performance through digital transformation, the use of virtual reality (VR) and augmented reality (AR) technology has become an increasingly important strategy, especially in the context of furniture stores (Bell & Evans, 2022). By introducing an enhanced customer experience through AR/VR, furniture stores can provide a new way for customers to visualize products in their home environment, significantly increasing customer engagement with products and the likelihood of sales conversion.

First of all, the use of AR/VR allows customers to experience products directly without needing to go to a physical store. Using special VR apps or devices, customers can view furnishing products in a scale and proportion that suits their home space. For example, customers can "install" a new sofa in their living room via a VR headset, or they can see how a new table fits the size of their kitchen space via an AR filter on their smartphone.

Furthermore, enhanced customer experiences through AR/VR enable customers to make more informed purchasing decisions. By seeing the product directly in their environment, customers can easily visualize how the product will look and function in everyday contexts. For example, they can measure how well a new table size will fit into their dining room or see how new chairs will fill a space in their living room.

Not only that, the use of AR/VR can also increase the level of customer engagement and interest in the product. By providing an interactive and immersive experience, furniture stores can create a stronger connection between customers and their brands. For example, customers can spend more time exploring various product designs and features when they can see them in a more real context through AR/VR technology.

Additionally, the use of AR/VR in furniture sales can open up new opportunities for product personalization and customization. By utilizing AR/VR features that allow customers to change the color, design, or size of products directly, furniture stores can provide a more personalized and unique shopping experience. For example, customers can try different color combinations or patterns for their new sofa before making a purchasing decision.

However, to successfully implement AR/VR in a digital transformation strategy, companies need to pay attention to several key factors. One of them is the development of AR/VR content that is high quality and relevant to the furniture products offered. Additionally, companies need to ensure that the AR/VR technology they use is easy for customers to access and use so that it does not hinder the shopping experience (Foster & Reed, 2020).

In conclusion, the use of AR/VR is an effective strategy for improving company performance, especially in the context of furniture stores. By introducing enhanced customer experiences through AR/VR technology, furniture stores can improve customer interactions with products, increase engagement levels, and enable customers to make more informed purchasing decisions. While there are challenges to overcome, the long-term benefits of investing in AR/VR can bring significant growth and success to companies.

Mobile Application Development for Purchasing and Customer Interaction

In an effort to improve company performance through digital transformation, mobile application development has become a very important strategy, especially in the context of furniture stores. By building mobile apps that facilitate furnishing product purchases and customer interactions, furnishing stores can increase customer convenience, expand reach, and increase engagement (Cooper & Turner, 2024). First of all, the mobile application allows customers to make purchases of furniture products more easily and conveniently, anytime and anywhere they are.

With mobile apps, customers can browse product catalogs, view product details, and make purchases directly from their phones without needing to visit a physical store or use a computer. This provides great flexibility for customers, especially for those who are busy or do not have time to shop in person at the store (Smith & Johnson, 2023).

Additionally, mobile applications also enable furniture stores to increase customer engagement through interactive features. For example, stores can provide advanced search features, product filtration, and personalized recommendations based on customer preferences. This allows customers to find the products they are looking for quickly and easily, increasing customer satisfaction and the likelihood of sales conversion.

Furthermore, the mobile application also allows furniture stores to provide additional content and services to their customers. For example, stores can provide interior design guidance, furniture care tips, or home decor inspiration through their apps. This not only increases added value for customers but also strengthens the relationship between customers and furniture store brands.

Not only that, mobile applications also enable furniture stores to increase customer engagement through loyalty programs and special promotions. By providing features like points collection or special discounts for app users, stores can encourage customers to return to shop regularly and build strong, long-term relationships with them. This can help increase customer retention and customer lifetime value for furniture stores. However, to successfully implement mobile application development, companies must pay attention to several key factors.

One of them is a good user experience, where companies must ensure that their applications are easy to use, responsive, and provide clear added value for customers. Additionally, an effective marketing strategy is needed to promote the app to potential customers and encourage wider adoption.

In conclusion, mobile application development is an important strategy in digital transformation for furniture stores. By building mobile apps that facilitate furnishing product purchases and customer interactions, furnishing stores can increase customer convenience, expand reach, and increase engagement. Although there are challenges to overcome, the long-term benefits of investing in mobile application development can bring significant growth and success to a company.

Data Security and PrivacyCustomers

In the digital transformation process, data security and customer privacy are very important aspects for furniture stores. With increasing digital involvement in business operations, companies must ensure that their customer data is well protected from cybersecurity threats and that customer privacy is fully respected. Therefore, implementing a strict privacy policy and a reliable security system is key to a digital transformation strategy (King & Miller, 2019). First of all, furniture stores should have clear and transparent privacy policies that govern how customer data is collected, stored, and used.

This privacy policy should be easily accessible to customers and contain detailed information about the types of data collected, the purposes for which the data is collected, and which third parties can access the data. By providing transparency to customers, furniture stores can build trust and ensure that customers feel comfortable interacting with their digital platforms (Robinson & Harris, 2021).

Furthermore, furniture stores must implement a strong security system to protect customer data from cyber security threats such as hacker attacks or malware. This includes the use of data encryption, firewalls, and continuous monitoring and intrusion detection. Additionally, companies

must also ensure that their systems are always updated with the latest security patches and that employees are trained to recognize and address cybersecurity threats.

In this case, compliance with data regulations such as GDPR (General et al.) in the European Union or CCPA (California et al. Act) in California is also very important. Furniture stores must ensure that they comply with these regulatory requirements and that they have appropriate procedures in place to respond to data access or data deletion requests from customers. This not only helps maintain customer trust but also reduces the risk of fines and legal sanctions that may arise from data privacy breaches.

Additionally, furniture stores need to adopt good risk management practices in managing customer data. This includes identifying and assessing potential data security risks, developing risk mitigation strategies, and conducting regular evaluations of their security systems. By properly understanding and managing risks, furniture stores can reduce the likelihood of data security incidents and ensure that customer data remains safe and protected.

However, significant challenges may arise in maintaining data security and customer privacy in the digitization process. One of them is the increasing complexity of technology and ever-evolving cyber security threats, which require significant investment in human resources and technology to combat these threats. Additionally, it is also important to find a balance between data security and ease of use for customers, so as not to hinder a positive user experience.

In conclusion, data security and customer privacy are very important aspects of the digital transformation strategy for furniture stores. By implementing strict privacy policies, reliable security systems, and good risk management practices, furniture stores can keep their customer data safe and build strong trust with customers. Although there are challenges to overcome, investments in data security and customer privacy can bring long-term benefits to companies in this digital era.

Evaluation of Digital Transformation ROI

In the context of digital transformation, Return on Investment (ROI) evaluation is crucial for companies, including furniture stores, to understand the impact of the digital transformation initiatives adopted. By analyzing the return on investment, companies can measure the increase in sales, operational efficiency, and customer satisfaction resulting from the digital transformation carried out (Wilson & Lee, 2020). First of all, increasing sales is one of the main indicators of the success of digital transformation for furniture stores.

By introducing an e-commerce platform, mobile app, or other technology, companies can reach a wider audience, make it easier for customers to access their products, and increase the likelihood of sales conversion. Through analyzing sales data before and after implementing digital transformation, companies can directly measure the impact on revenue and calculate the ROI of the initiative.

Furthermore, evaluating the ROI of digital transformation also involves analyzing operational efficiency. By introducing a digital inventory management system, process automation, or system integration, furniture stores can improve their overall operational efficiency. For example, by leveraging a connected inventory management system, companies can optimize inventory, reduce stock shortages, and avoid waste.

This operational efficiency analysis helps companies measure cost savings and increase ROI from digital transformation. Apart from that, customer satisfaction is also an important aspect that must be evaluated in the context of digital transformation ROI.

By providing a better customer experience through easier-to-use, responsive, and personalized online services, furniture stores can build stronger relationships with their customers. Through customer satisfaction surveys, feedback analysis, and monitoring of customer interactions, companies can measure how well their digital transformation has improved customer satisfaction and identify areas for improvement (Carter & Johnson, 2019). However, in the process of evaluating digital transformation ROI, companies also need to pay attention to several important factors.

One of them is a holistic and comprehensive ROI measurement, which considers not only increased revenue and operational efficiency but also the costs and investments associated with digital transformation. Apart from that, companies must also take into account factors external

factors such as changing market trends, industry competition, and evolving customer needs in analyzing their ROI.

In conclusion, evaluating the ROI of digital transformation is an important step for furniture stores to understand the impact of the digital transformation initiatives they adopt. By analyzing the increase in sales, operational efficiency, and customer satisfaction resulting from digital transformation, companies can measure the success of these initiatives and identify areas for improvement. Although there are challenges to be faced, investing in a digital transformation ROI evaluation can help furniture stores achieve sustainable growth and success in this digital era.

CONCLUSION

The conclusion of this research shows that digital transformation plays a very important role in improving the performance and competitiveness of furniture stores in the digital era. The implementation of e-commerce, mobile applications, and the use of technologies such as IoT and AR/VR have enabled furniture stores to expand market reach, increase customer interaction, and provide a more personalized and interactive shopping experience. In addition, an omnichannel strategy that integrates online and offline experiences has also proven effective in increasing customer loyalty and satisfaction.

However, implementing digital transformation is challenging. Issues related to technological infrastructure, data protection, customer privacy, and the need for human resource training, are obstacles that need to be overcome. However, the long-term benefits of digitalization, such as increased operational efficiency, better understanding of customer preferences, and better supply chain management, significantly impact the growth and sustainability of furniture store businesses. Therefore, furniture stores that adopt digital transformation with the right strategy have the potential to achieve tremendous success in an increasingly competitive market.

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