

Government must increase education investments to improve PHL tech talent

THE GOVERNMENT must ramp up investments in science, technology, engineering, and mathematics (STEM) education to improve the Philippines' competitiveness in technology talent, according to an expert.

While updated modules on programming are already being offered to students, access to these opportunities needs to be improved, Jay Pegarido, country manager at tech firm Sansan Global Development Center, Inc., said in an interview with *BusinessWorld*.

"Providing financial support to schools, supporting internships and apprenticeships to students, and developing STEM-related joint training programs," he said.

"Competition is growing in the Philippines for software developers, and companies are having to find new ways to attract the best talent in the space as we head into the end of the year," Mr. Pegarido added.

Software developer was the second top-paying job last year with an average monthly wage of P70,595, data from the Occupational Wages Survey by the Philippine Statistics Authority showed.

A March report from the International Data Corp., a global market intelligence company, said around 60-80% of Asia Pacific organizations are seeing an information technology skills shortage, struggling to fill vacancies.

In a July report, the Asian Development Bank said the Philippines should use education technology to bridge the skills gap or risk job losses due to rapid technological advancement.

Emerging technologies, such as artificial intelligence (AI), also add to tech talent competition, but not to a worrying extent in the short- to medium-term, Mr. Pegarido said.

"The difficulty and cost involved in hiring exceptional tech talent has caused some firms to examine how AI may be able to replace or augment some functions traditionally delivered by human software engineers — but demand remains high for human capital," he said.

A study from McKinsey in June showed generative AI allowing software developers to complete code tasks up to twice as fast.

"The real outcome [for AI] in the short- to medium-term will be increased productivity and more effective IT teams than ever before from a performance standpoint," Mr. Pegarido said. "As someone who has worked in the tech sector for decades, in both the Philippines and overseas in markets like Japan, I remain convinced that having an excellent human team is more essential than ever."

"If people in charge of building tomorrow's IT teams in the Philippines like me are rapidly hiring talent, it's a sure sign you don't need to be worried about robots taking over just yet. The Philippines has a bright future as a very human tech hub ahead of it," he added.

Public and private sector leaders should also ensure the country is well-positioned to compete globally in terms of emerging technologies, Mr. Pegarido said.

Sansan opened its development center in Cebu last year, with plans to double its current team size and hire over 50 more software engineers next year, he said.

"We believe more firms across Southeast Asia will continue investing in their digital transformation journeys that the pandemic served as a catalyst for," he noted as an outlook for the tech sector next year. — **Miguel Hanz L. Antivola**

'Shoppertainment' seen to boost holiday spending

By Miguel Hanz L. Antivola
Reporter

SMALL BUSINESS owners must leverage "shoppertainment" and Filipinos' gift-giving culture this holiday season to build community, create immersive shopping experiences, and drive sales, according to short-form video and e-commerce platform TikTok.

"Holiday trends are affecting overall shoppertainment content with stories about festivities and spending time with families," Life Dawn Cervero, vertical head for food and beverage at TikTok Philippines, told *BusinessWorld* on the sidelines of the company's Holidays For You briefing on Tuesday.

"Over September, we saw a lot of people talk about their holiday preparations. In October and November, it's about the kinds of gifts they are going to give or want for themselves. By December, we see that converting into actual purchases," she added.

Shoppertainment is e-commerce that aims to attract consumers with content to help drive sales.

It is projected to expand to a market value of over \$1 trillion by 2025, according to the Boston Consulting Group.

"There is a fundamental shift in consumer-based brand interactions, and consumers now seek engaging, exciting, educational, and entertaining experiences with brands," Ms. Cervero noted.

TikTok Philippines reported a 117% year-on-year surge in the number of sellers joining its Shop platform from January to July, it said in an e-mail interview with *BusinessWorld*.

"From discovery to purchase, the platform triggers desirability and action, and this peaks in December, where as much as 70% of Filipino TikTok users made an online purchase last year," Ms. Cervero said.

Amid the rise in shoppers on the platform during the mega sales and "ber" seasons, TikTok noted that 70% of Filipino consumers are looking for Christmas inspiration, 63% are seeing how Christmas

is celebrated globally, and 56% are staying connected with family and friends, based on a consumer behavior study it commissioned from research firm Toluna.

The study showed that 97% of users acted after watching ads on the platform, with 61% adding items to their carts after seeing entertaining content and with 50% taking advantage of limited time offers.

The use of top hashtags, such as #TikTokMadeMeBuyIt, #Holiday, and #GiftIdeas, also boosts product discovery on TikTok's For You page, it added.

The top product categories on the platform include beauty and fashion, consumer electronics, and food and beverage, according to the study.

Ms. Cervero noted that brands and small businesses must find a shoppertainment niche that works for them in terms of content, creators, partners, and even account managers.

"It opens so many more doors for them and opportunities to not only sell their products but also build communities with their customers," she said.

The multicloud road: a step-by-step guide for medium-sized firms

By Ronnie Latinazo

OVER the past decade, cloud offerings have evolved significantly, transforming the way medium-sized businesses (MBs) operate. Cloud computing has made it possible for MBs to access enterprise-level technology and infrastructure. Philippine enterprises are growing an appetite for the cloud market recently as hybrid operations become the new norm for most Filipinos. In the next few years, more companies will

migrate workloads to the cloud, driving enterprise spending to \$2.6 billion in 2024.

Beyond spending, different cloud service providers (CSPs) have their own unique selling points. Some specialize in cloud deployment types, hosting offerings, or specialize in a particular application, to name a few examples. In order to unlock the full potential of multicloud without being constrained by siloed ecosystems of proprietary tools and services, medium

businesses should instead take a multicloud by design approach to streamline IT operations by bringing cloud experiences to dedicated IT environments.

To give you an example of what a multicloud by design solution may look like, a business may have services from three different CSPs: one for hosting SAP, one for hosting containers, and one for disaster recovery services.

FULL STORY



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Ronnie Latinazo is the country general manager of Dell Technologies Philippines.

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