



The Definitive Guide to

**DIGITAL
TRANSFORMATION
& THE DIGITAL
MATURITY MATRIX**



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Introduction

Like it or not, time marches in only one direction, the world constantly changes, therefore preparing for change is not just a constant, but one you must master to remain relevant. Becoming customer-first and experience-centric places change and agility at the centre of your business allowing you to survive, and even thrive, in the 21st Century.

The organizations, workflows, and patterns adopted in the 20th century will not survive in the 21st century - as they simply weren't designed for change. In many ways they are even in direct opposition to it. If you fail to adopt the correct strategy you will be at a huge competitive disadvantage making it imperative to re-evaluate your organization's strategy from top to bottom, so you can evolve at pace. If you don't do this now, the question is when and when is it too late?

The reality is we humans are hardwired to resist change. Part of the brain—the amygdala—interprets information communicating a change of some sort as a threat and releases fear hormones. These then manifest themselves in four different ways: fight, flight, freeze, or fawn.

These are instinctive behaviors our bodies make to protect us from change and can make it exceptionally difficult to embrace change individually, let alone for an entire organization. To overcome and successfully operate through an ever-evolving external environment, as the latin proverb states, "Fortune favors the bold".

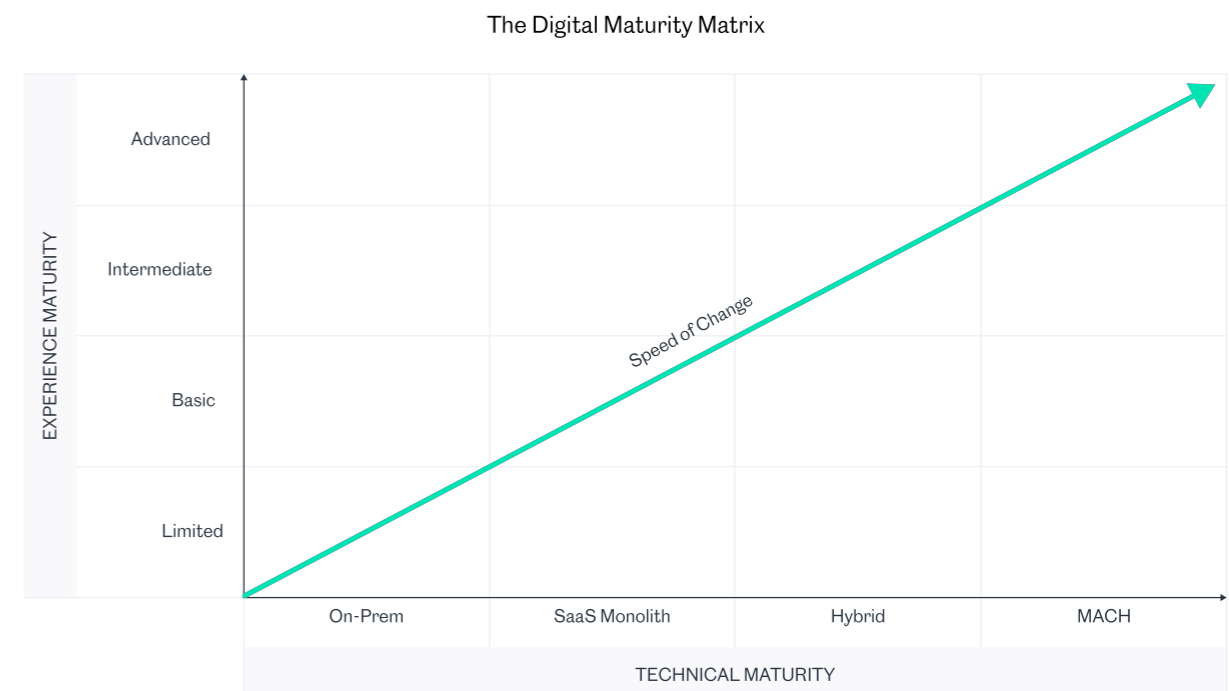
Digital transformation is often thrown around as the antidote to change, but it's an ambiguous term that can mean different things to different people. This isn't surprising considering there are so many technological advancements and so many different types of businesses, customers, clients and needs.

What is less ambiguous, is that digital transformation is as much about the journey as it is about the destination as, when you reach the summit, you are able to set new milestones and targets that make it clearer to the entire business what is possible and how you will get there. This creates greater collaboration and understanding between teams, an appreciation of what is involved in creating a modern user experience that a modern user responds well to.

In this whitepaper we've defined what digital transformation is, and why embracing digital transformation is more important to your organization than ever, and how to begin breaking down your digital transformation journey into manageable steps.

To aid you and your organization, we've created the Digital Maturity Matrix, a visual tool and guide to help you plot where your organization is today in your own digital transformation journey, and what key milestones lay ahead for you. This framework supports the conversations you will want to have internally and externally. We detail each part of this matrix in this whitepaper, arming you with the understanding, arguments, language, and tools to gain digital transformation buy-in for your business.

This is your compass and your map to your digital transformation journey.



External Forces That Compound the Need for Digital Transformation

To start, it's worth setting some context by exploring the world we find ourselves in. A lot has changed over the past two decades and the pace of that change is accelerating. There are several internal and external factors that are increasing the need to become masters of change.

You need customers to discover your brand and website and drive them to purchase, ideally through an organic click-through from a search engine you don't have to pay for. This ensures you keep Customer Acquisition Cost (CAC) low and profit margins healthy - which is especially important for businesses with tight profit margins. To accomplish this, you need to follow the rules set out by the likes of Google and other search engines, otherwise your rankings, site traffic and bottom line will be penalized. Search engine algorithms are an external factor outside of your organizations' control but ensuring you manage that influence and mitigate any negative influence is a part of your digital transformation journey.



Search engines set the rules on how they rank websites, including yours. Whilst many of these measurement attributes are understood, such as domain and page authority, backlinks from trusted sources, crawlability, sitemaps, metadata and more; the weightings and how the algorithms relate to each other to create the search results your customers see is a dark art, one only specific teams in Google ultimately know. Search engines are constantly testing rankings to fulfill a customer's query and deliver the most relevant contextualized results. It's a daunting task for any organization to manage this constant change given that the rules and algorithms are constantly updated, added to, and tweaked.

The most influential recent change, announced in 2020 by Google, now ranks crawlable pages and also measures the end-consumer experience. This Google update introduced Core Web Vitals (CWV) that went live in June 2021. Core Web Vitals comprises three components: largest content paint (LCP), first input delay (FID) and cumulative layout shift (CLS). For more details on what these are and how to measure your own CWV scores, we recommend reading our blog post titled "Google ranks for site experiences and so should you". Google has always aimed to put the human experience first, and this is another layer of measurement towards that goal. Google is now prioritising better user experiences, so if you follow good user experience practices and understand Core Web Vitals you will be rewarded with higher performance on search engine results pages (SERPs). The superior end-consumer experience you will naturally create by following these rules, will lead to an increase in conversion rates and growth for your business.

Digital Natives Demand a Mobile First, Omnichannel Consistent Experience

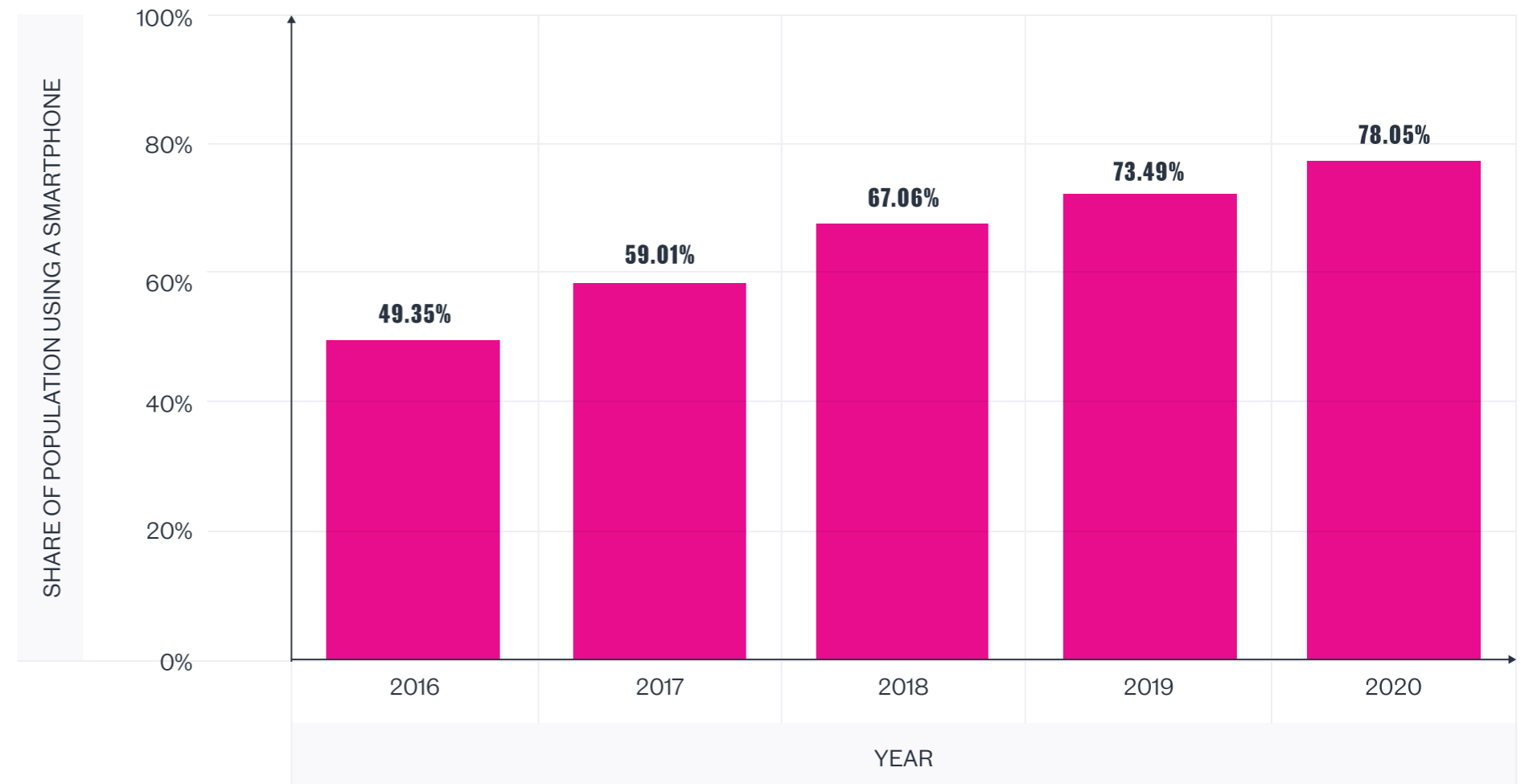
The iPhone launched 29th June 2007, and by 2017 more people in the world had a smartphone than not.

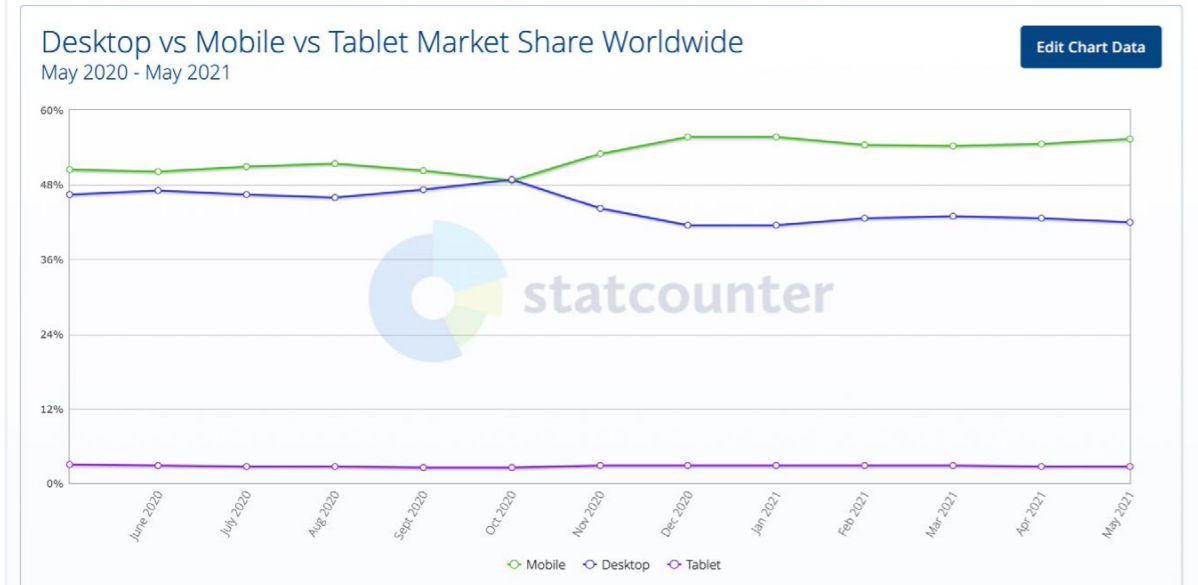
Fourteen year olds and younger have only known a world with smartphones, they are the digitally native generation, browse mobile first, have short attention spans, and high expectations. The Internet Advertising Bureau (IAB UK) says:

“Gen Z typically have an attention span of just 8 seconds; a few seconds shorter than millennials, who come in at approximately 12 seconds” – IAB UK

Gen Z demand that their digital experiences are consistent across all channels and expect their preferred channel - mobile - to be a first class experience. Digital natives demand a connected, personalized and intimate experience, and their influence and preferences are only going to become more prevalent and important as their disposable income grows.

Global Smartphone Penetration Rate as Share of Population

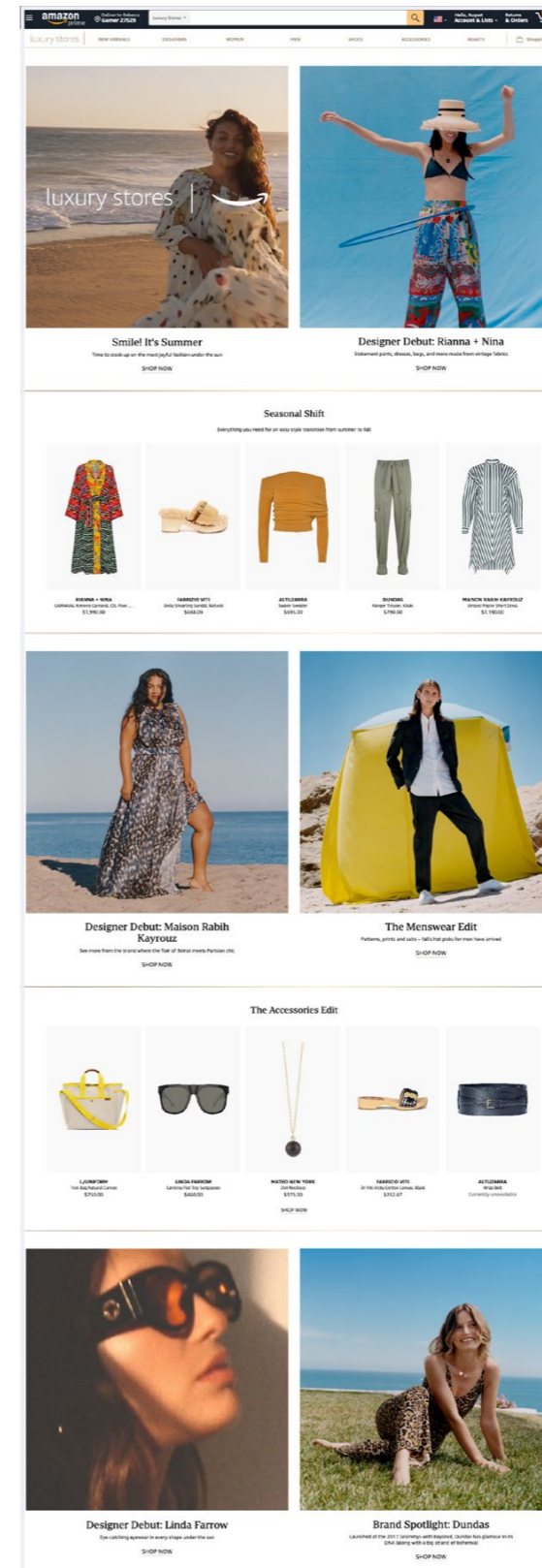




The Rise in Marketplaces Makes Having a Truly Differentiated Brand Vital

Dominant global forces like Amazon have created powerful shopping marketplaces that are attracting big and small brands alike. Brands participating in Amazon marketplaces lose control over the end user experience and of the data they would enjoy by going direct. But they do offer a way to make money whilst learning about how customers and different types of customers are responding to your products - as there is no denying the footfall and eyeballs attracted to them - especially for commoditized goods and services. Even luxury brands are utilizing Amazon as a fast route to certain individuals who need a product now and are prepared to pay for it. Amazon's recent luxury brand launch is evidence of that.

To mitigate this threat, businesses need to spend more time on brand differentiation. The tone and language of your brand and products must be used to build instant rapport and intimacy with potentially a first time consumer through a marketplace.



From purchase to delivery, you want consumers to love your brand and product enough to come to you directly the second. Alternatively, if you choose to never allow your goods to be sold through Amazon, you will need enough brand differentiation to ensure a distinguished shopping experience that persuades audiences to return. Our advice would be to concur with Jack Welch's infamous quote "In every company differentiation is never more important than in times of trouble, and that's the time when everyone tends to go to the well and equalize rather than differentiate". So, be bold. Ensure your brand differentiation is clear and felt by consumers. Even if it feels contrary to crowd behavior.

Social Disruption Has Made Social Influence an Authentic Route to Market

The rise of social media over the past decade is undeniable. From Facebook ads to Instagram influencers, social media has become a central pillar of commerce campaigns to drive traffic.

According to April 2021 statistics, 48% of the global population now use social media, with Facebook being the most widely used. Eighty four percent of US adults aged 18 to 29 are active social media users (Pew Research Center, 2021). This number falls slightly to 81% for the 30 to 49 year olds and to 73% for 50 to 64 year olds, with adults in the US aged 65+ using social media the least.

We now spend approximately 2.5 hours on social media and social networks per day and 54% of those who are social browsers use social media to research products before buying. Seventy one percent of customers who have a positive customer experience on social media are likely to recommend that brand to friends and family whilst 49% of consumers now depend on influencer recommendations.

CNBC also highlighted from recent Adweek findings:

“49% of TikTok users said they’ve purchased something after seeing it advertised, promoted or reviewed on the app, according to a recent Adweek-Morning Consult survey, while 41% of users said they’ve purchased something after seeing it on Facebook.”

-Adweek

These are powerful statistics for any business and, according to the same PEW research, 73% of marketers believe the social channel has been ‘somewhat effective’. Social is only going to become more influential, and presents opportunities and challenges for your business - the main ones being to be on them and able to consistently react to the trending opportunities they provide.

Facebook is the Market Leader

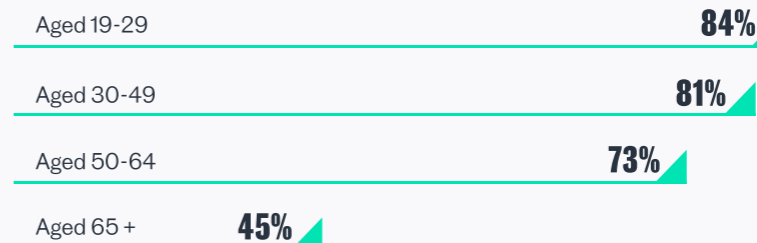
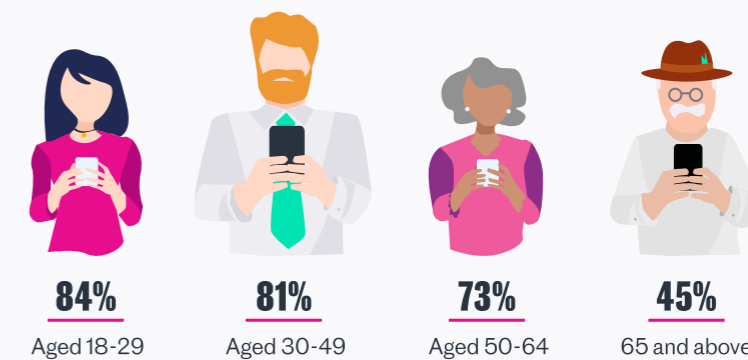
Facebook remains the most widely used social media platform; roughly two-third of U.S. Adults-

68%



now report that they are Facebook users.

Social Media Users by Generation



IoT Offers Opportunities for Superior and Differentiated Experiences

The age of the Internet of Things is upon us. Mckinsey & Company predicts that:

“The worldwide number of IoT-connected devices is projected to increase to 43 billion by 2023, an almost threefold increase from 2018.” – *Mckinsey & Company*

The Internet of Things presents an opportunity for brands to connect with their customers like never before. The mere fact that so many devices are ‘interconnected’ as well as embedded into our daily routines takes customer convenience to new levels. There is a tendency to see the Internet of Things as something only the likes of Amazon, Google and Apple do, but for companies that provide physical goods and hardware, making devices smart is the logical next step. One example is Traeger Grills, a US headquartered company that specializes in BBQ grills and smokers. They recently launched the ‘WiFire Connected Grill’ where they send recipes and instructions directly to any consumers’ device.



The consumer purchases the physical grill, but the fact they now easily reference instructions and recipes on their watch or mobile app whilst they grill, means they cook their food perfectly every time, and are more likely to become just as reliant on the entire experience - including grill purchase and regular use. Traeger used IoT to create additional value and loyalty with their existing base and the opportunity to attract new customers by offering a connected grilling experience.

The Power Combination of IoT, 5G, AR and VR

Combining the Internet of Things with the power of 5G offers industries, including retail, the potential to offer totally brand new experiences. 5G standards allow anyone to create their own mobile network that they control directly. This will be attractive for brands with big budgets and big brand reputations to protect so they can control both their security and the holistic experience. IoT and 5G create opportunities for synergy between the bricks and mortar with the mobile and online experiences as handovers become seamless and managed completely by the brand. Imagine customers walking into the store and their previously downloaded app offers them superbly

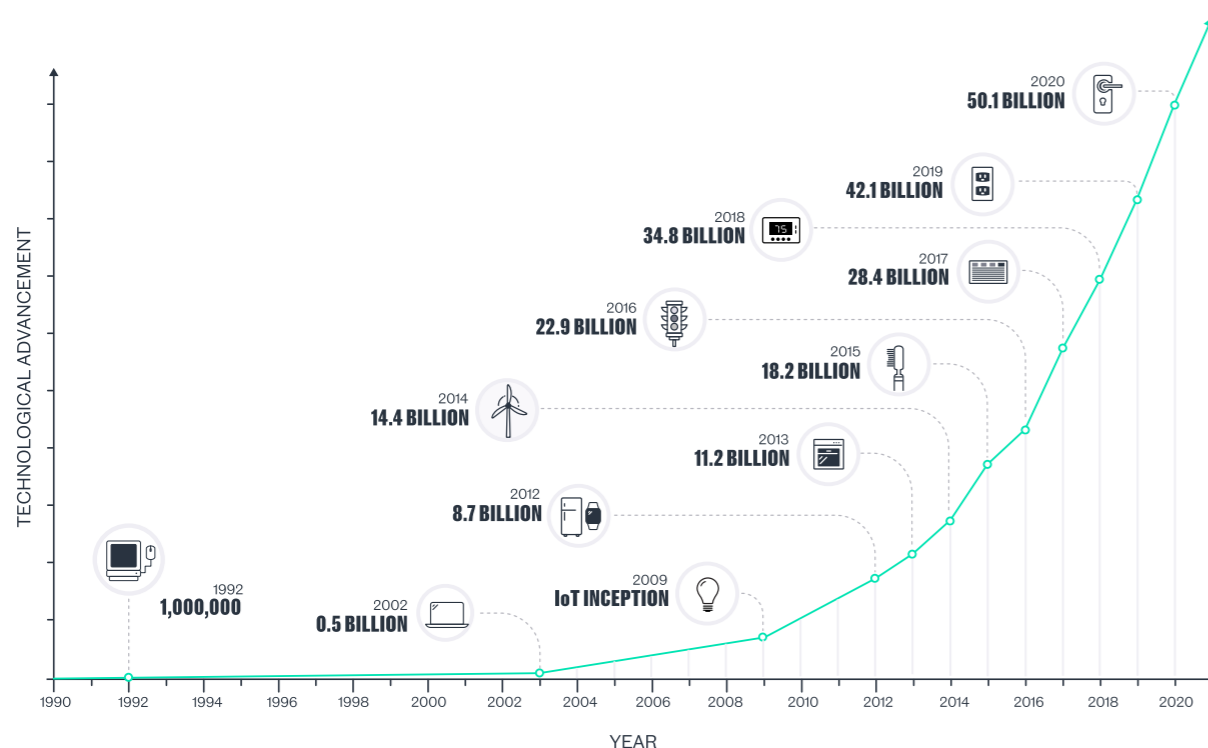


Augmented reality (AR) and virtual reality (VR) experiences can add to this in-store, and can be replicated in a similar fashion online, but only after the individual has experienced them in-store. All of these potential experiences arm brands with ‘reasons for the consumer to return’ between bricks and mortar, app, and online; and all working towards increasing the rate of repeat purchase. Of course these technologies are massive opportunities to differentiate like never before. In-store and online experiences could become major talking points, replacing the shop windows of the past that painted a static story, with the in-store and online holistic experiences of today.



Cashless and cashier-less stores are also easier with 5G and IoT, and although currently still just being pioneered by Amazon, are likely to become more commonplace.

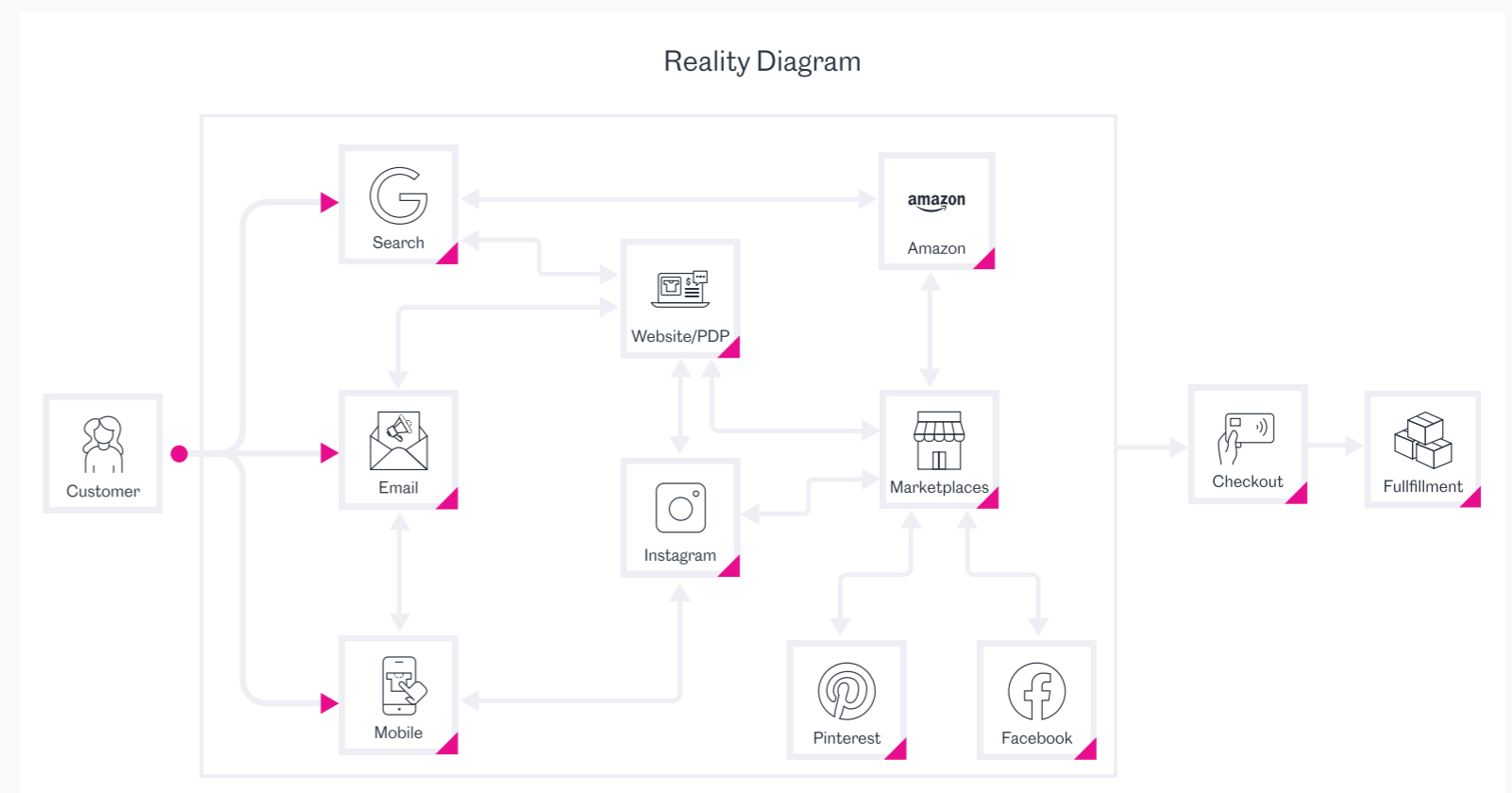
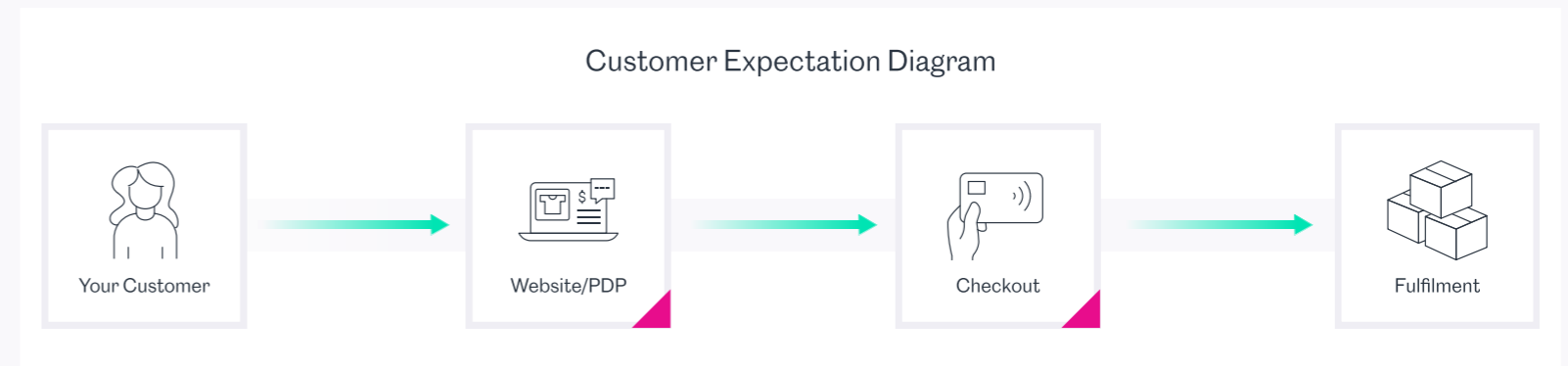
The Internet of Things



The Traditional Purchase Model is Dead, the Current One is More Complex

The traditional purchase model relied upon a linear approach to purchases, from identifying a need all the way through to the post-purchase evaluation. This was constructed in a time before the internet, where there was not a plethora of touchpoints and generally there were fewer options to consider. Even in the 90s and early 2000s, the online world emulated and recreated the offline world with destination-based websites essentially mirroring physical stores. Even the category/listing pages mirrored product shelves, making the purchase process very linear.

This no longer represents the modern shopping experience. The digital world today is more complex and fragmented, with experience touchpoints everywhere. We now obtain information from a plethora of channels, often with more options available (substitutes or otherwise) through social media, mobile, IoT, marketplaces, and many more. The modern digital purchase model would look similar to the below, though by no means is this an exhaustive map of touch points and interactions.



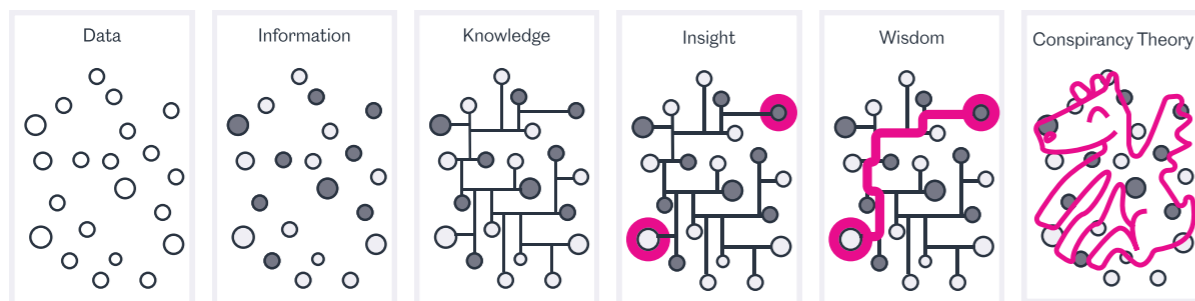
Essentially, this means: We cannot deduce where our brand communications will reach consumers, and at which stage of the purchase journey the consumer is in, from the touchpoint they currently happen to be in. Consumers may be evaluating choices in store and end up buying online, they might be chatting to or referred on by their friends via social media, conducting research, or even digitally window shopping.

What can be deduced, is that each touchpoint must be consistent whilst also being tailored to that medium. Consistency is key. The dual-system theory (developed by Daniel Kahneman) states that when we are presented with a situation which isn't intuitive, it requires us to think more deeply and activates our 'System 2' thinking or 'Slow Thinking' where we may reevaluate our behavior - or in this case a purchase decision. For example, a difficult or unexpected checkout experience can activate 'System 2' thinking, which may cause them to abandon their basket. It is consistency that turns average into excellence and commercial success.

What can also be deduced, is that brands must be consistently present where their target audiences are. Without the ability to produce good content and experiences on the various platforms, you may not be reaching your consumers effectively. Failure to do so may result in insufficient exposure for you to be in their consideration set - ultimately meaning you would lose out to your competitors - competitors who have realised that every touchpoint is an opportunity to convert.

Given we have lost the comfort of a simpler, linear purchase model, it's understandable why we seek data from the more complex. Data provides us with information upon which we gain insight, knowledge and wisdom on how to maximise marketing ROI and prevent going down 'rabbit hole' distractions of less productive channels. This requires tools and skills to analyse patterns and gaps. Analytics helps us take advantage of what is not done as much as what is, after all it was Peter Drucker, often referred to as the grandfather of marketing, that said, "The most important thing in communication is hearing what isn't said".

Levels of Wisdom

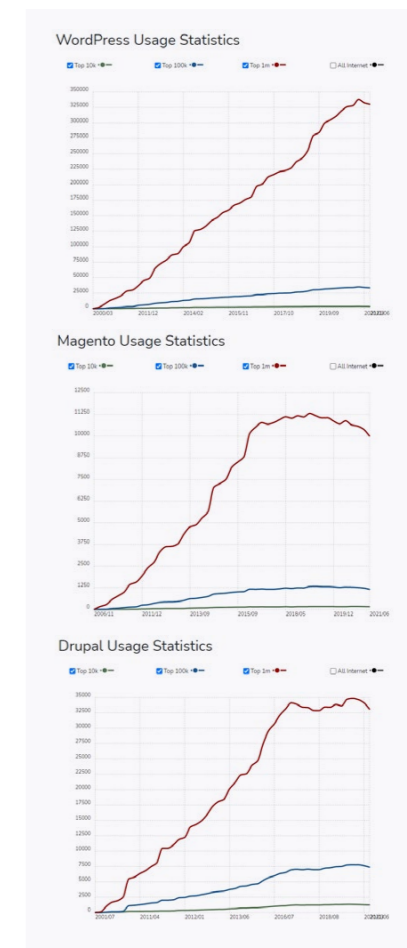


The Decline of the Traditional Monolith, Web-Based Platform

This two decade long disruption, married with recent changes in consumer behavior due to new complex purchase models, has ultimately led to a decline in the adoption of platforms that were initially designed for the early web era. Many were created before the iPhone, resulting in their fundamental architecture being web-only - often referred to as a monolithic CMS. They are therefore plagued with technical debt making them both costly, and nigh on impossible to keep up with the pace of change.

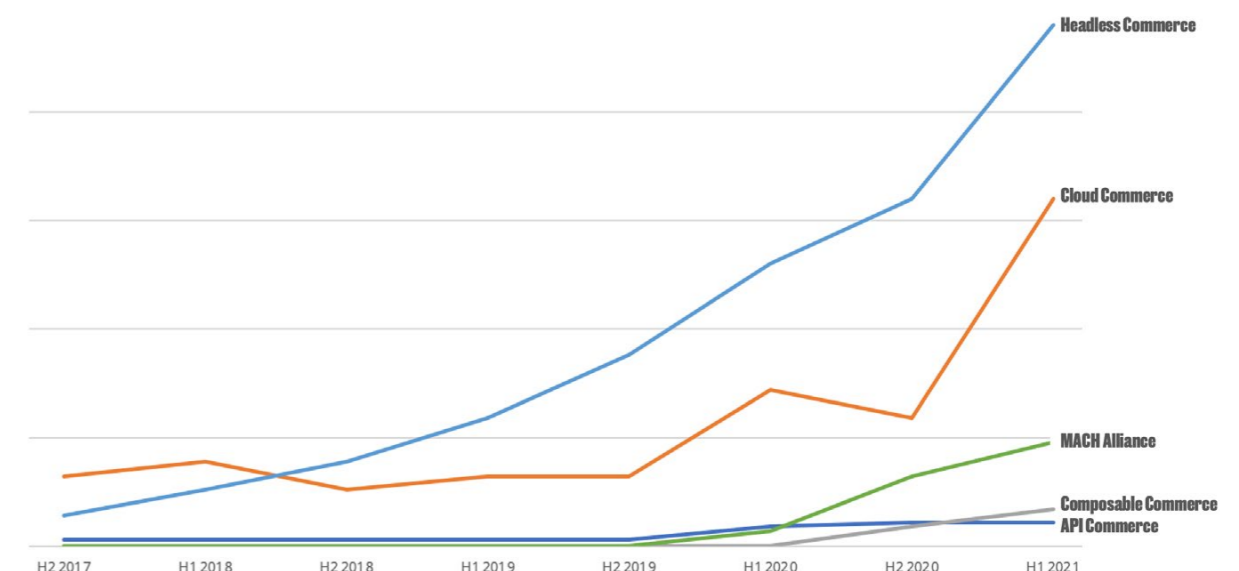
According to analysis through BuiltWith - the business intelligence tool that tells you what websites are 'built with' - platforms such as Magento, Drupal, and WordPress peaked through mid-2020.

Now, into 2021, the adoption rate of legacy, monolithic platforms such as WordPress, Drupal, AEM and Magento is reducing as businesses realize success of digital transformation will be determined by reliance on a platform defined primarily by change.



The Rise of MACH, Composable and the Jamstack

For those more technically savvy, you will likely be familiar with these terms. For those that aren't, here's a quick description of each. (And of course, you can find more detailed definitions and the pros and con of each via other content on amplience.com.)





MACH - Stands for Microservices, API-first, Cloud-native and Headless. MACH is the acronym that represents adopting all four together as the way to build technology so end solutions can provide enough reliability, technical flexibility, scalability and experience flexibility. Those that believe in the MACH paradigm are not only following the latest technology best practices, but are giving themselves every opportunity to be reliable and competitive long term.

MICROSERVICES - A way to build complex solutions so if one part of the solution goes down, it all doesn't go down. It's simply a smarter way to build any modern infrastructure so it's consistently reliable.

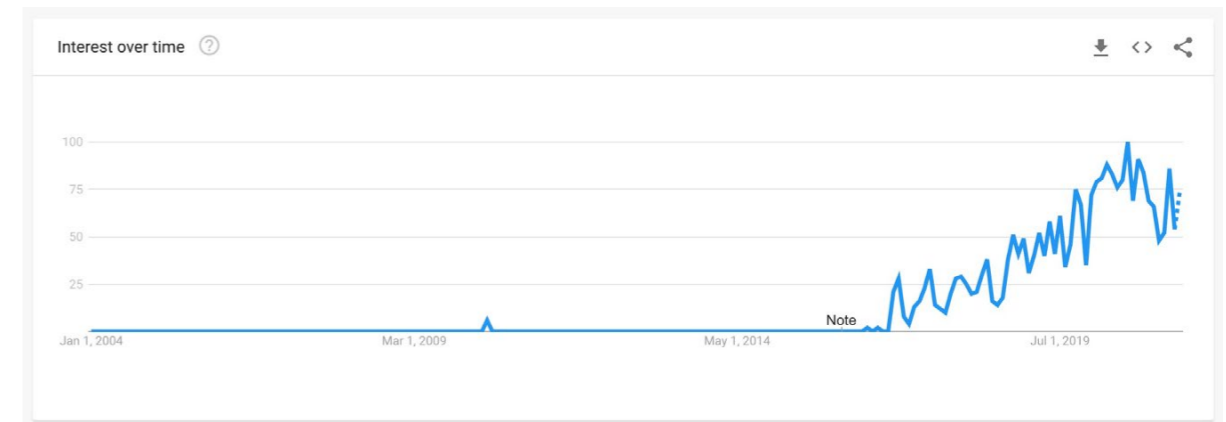
API-FIRST - An approach to building technology with a principle that integration with other technologies will add to the overall value of the end-user solution. It results in a platform that is technically flexible and easy to integrate with and therefore usually represents a technically generous business open to partnership and collaborative innovation.

CLOUD-NATIVE - This means the platform is built for the cloud from inception so it relies on the cloud for reliability and scalability resulting in a platform that can scale at speed.

HEADLESS - At its most basic is the separation of the frontend (experience) with the backend (data/content). This provides businesses the freedom to create multiple experiences for multiple devices at pace, offering genuine device flexibility.

COMPOSABLE - The bundling of MACH-based technologies into readily consumable components that can be implemented and orchestrated rapidly in a turnkey fashion. Composable approaches provide speed of change to businesses.

JAMSTACK - Jamstack is another acronym with the Jam in Jamstack standing for Javascript, APIs and Markup. It represents the technical work behind the now decoupled frontend that offers some pre-rendering so experiences can be delivered lightning-fast and with confidence. Jamstack on the rise equates to more businesses believing that headless is the way of the future.



In essence, all these technologies are aligned around delivering faster, more efficient experiences at scale. These paradigms are accelerating, and their adoption is spreading at an ever increasing pace. MACH, composable and Jamstack are paradigms around which the web will be built in the 2020s and beyond.

The Global Pandemic

Covid-19 - the elephant in the room that needs little explanation. The pandemic accelerated the pace of digital adoption through necessity as physical stores were forced to close during lockdowns, thereby driving customers online. There are several schools of thought as to whether these behaviors are permanent, as there are several theories as to how long it takes to cement a new habit - but the pandemic has certainly been more than 21 days.

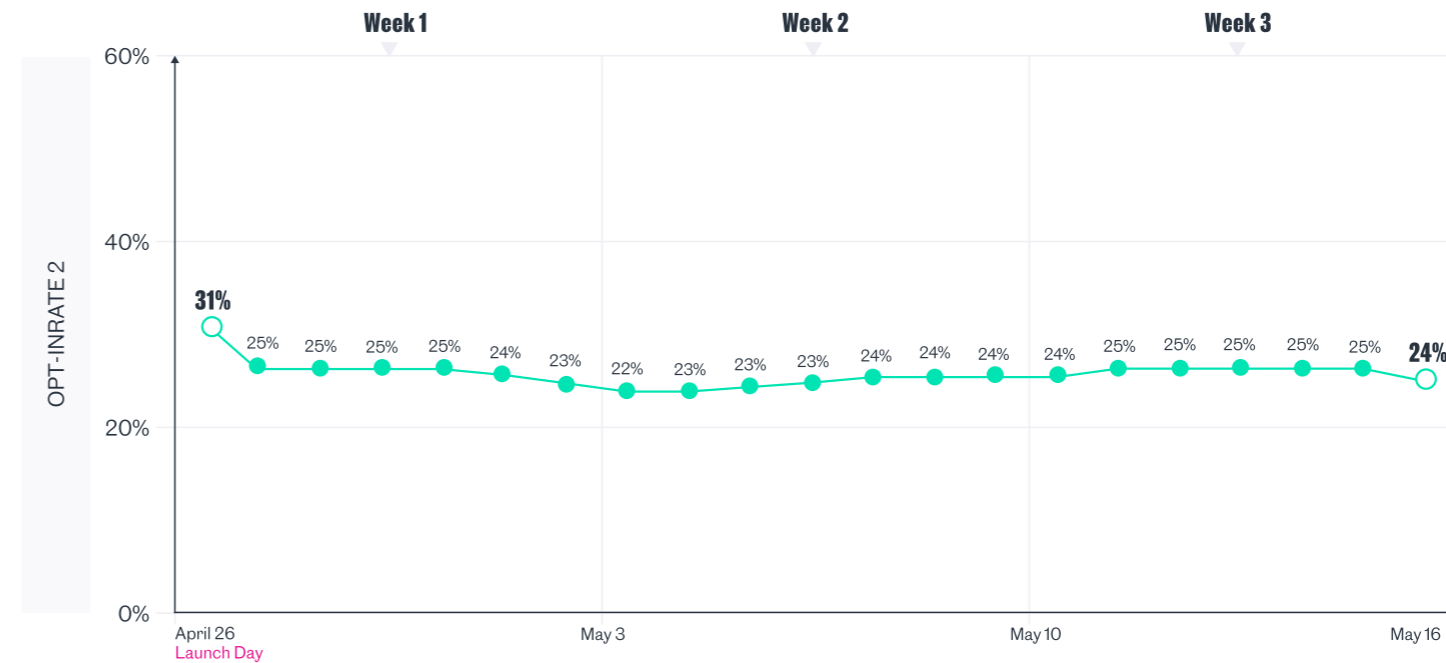
What is certain is that it presents a business opportunity given a greater percentage of the population have, and are still, being exposed to digital experiences that provide them with personalization and convenience. Consumers are looking for good digital experiences in volumes that have never been experienced before. The question businesses should be asking themselves is, "What is the cost of not having a good shopping experience whilst you have their attention?" Typically, gaining customer attention at this level requires exorbitantly expensive brand and marketing campaigns to cut through the noise or even be noticed. The pandemic presents an opportunity to acquire customers by captivating an audience that is more digitally active than ever before, differentiating from competitors through a unique digital experience, and rapidly building loyalty through promotions and retention campaigns. If you don't, your competition will.

The 'Do Not Track' Backlash and The Effect of Data Privacy Rules

Although the new GDPR (General Data Protection Regulation) rules came into effect on May 25th 2018, there are still ways for large tech and social media companies to track your preferences and choices. One key move towards this was the iOS 14.5 update on 26th April 2021. This update forced apps to seek permission to track users and 3 weeks after launch the opt-in rate worldwide had decreased in those that were shown the prompt from 31% to 24%.

Worldwide Daily Opt-in Rate Across Apps that Have Displayed the Prompt

% of Mobile Active App Users Who Allow App Tracking Among Users Who Have Chosen to Either Allow or Deny Tracking



Over the coming months and years this will become a central debate and will cause headaches for tech giants, retailers and brands alike. Data will become more difficult to procure and leverage, but to what degree is unknown. What we do know is this will drive the need for organizations to lower their reliance on tech giants and social media platforms to provide them with data and for them to build their own direct relationship with consumers, their own first party 'digital oil' and data lakes.

Summary

We can conclude that external forces are demanding that businesses must:

- Consistently deliver differentiated omnichannel experiences, including social media touchpoints.
- Question technology platforms whose architecture started pre-iPhone, whilst seriously considering modern technology platforms that are defined by current best practices and change.
- Not rely on third party data for your business, but to build your own relationship with customers and use data repositories and analytics to support that first person relationship. CMS. They are therefore plagued with technical debt making them both costly, and nigh on impossible to keep up with the pace of change.

What is Digital Transformation?

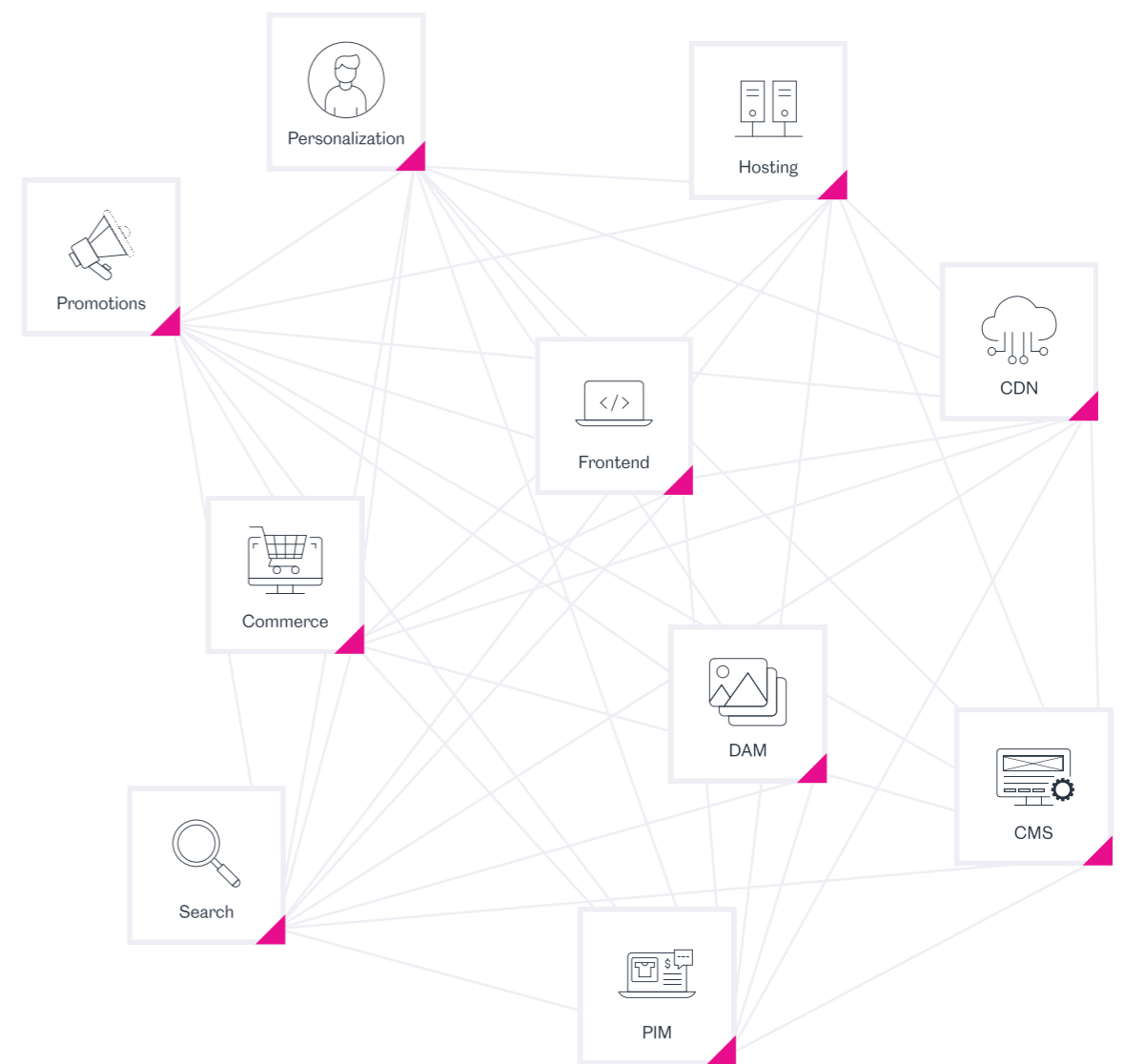
Digital transformation is the journey to adapt to external factors such as changing consumer behavior and evolving technologies. Digital transformation is a constant with natural ebbs and flows due to the volume and relative power of the external factors you're responding to.

Consequently, digital transformation is Darwinian - you get good by being the most 'adaptable to change'. In the technical world, that means preparing and planning ahead. You will need to adopt modern, flexible, technical solutions, most of which are more easily understood and conceptualized through diagrams.

Digital Transformation Must be Approached Strategically

As a MACH approach means you have very granular loosely connected microservices, if you don't approach digital transformation holistically, you can end up solving one problem and simultaneously create another. Bottlenecks we see tend to be developer or marketing based. Developer bottlenecks happen as minor changes to the end user experience have to go through them. Marketing teams become bottlenecks as they are forced to reference multiple fragmented tools which slow down their speed of production and overall success. Taking a holistic approach to digital transformation means you won't end up being so busy putting out the smaller bottlenecks, enabling you to truly realize the benefits in terms of agility and productivity.

"Digital transformation is Darwinian - you get good by being the most 'adaptable to change'"



What Is a CXP and How Is It Different from a DXP?

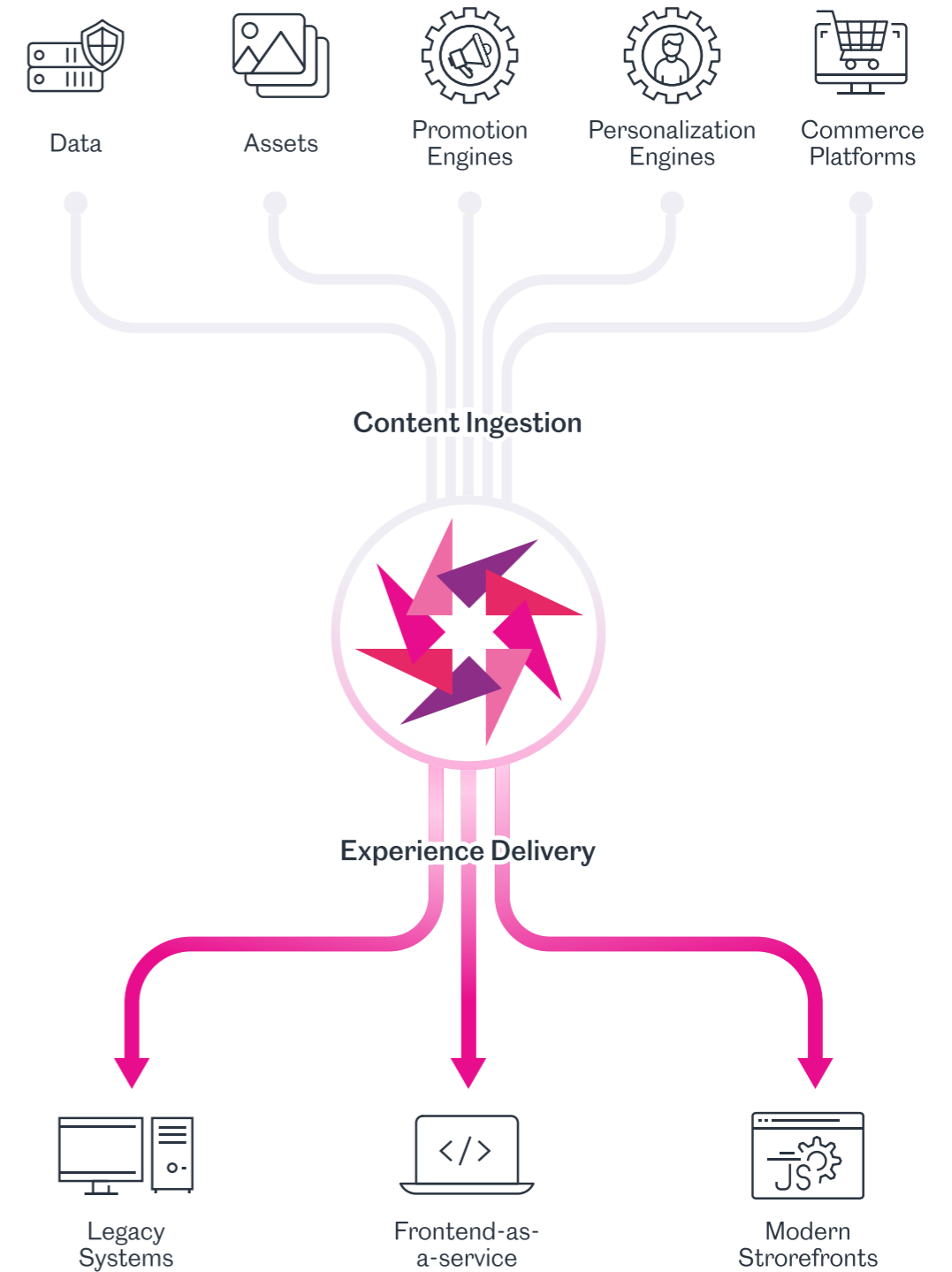
Digital Experience Platforms (DXP) is an emerging category of enterprise software seeking to meet the needs of organizations undergoing digital transformation. [Gartner defines a DXP](#) as:

“An integrated and cohesive piece of technology designed to enable the composition, management, delivery and optimization of contextualized digital experiences across multi experience customer journeys.”

– Gartner

A DXP is a core component to achieve digital transformation and is typically composed of a suite of products and services. Ampliance provides a CXP rather than a DXP - a Commerce Experience Platform. A CXP shares many similarities with a DXP, but is focused on catering to commerce businesses and their specific use cases. For example, a commerce/retail marketing team typically coordinates campaigns around the calendar, the seasons, or specific creative sales pushes. Therefore Ampliance’s CXP has sophisticated calendar, scheduling and preview tools to empower them to plan, preview, and deliver multiple polished campaigns quickly. This one example of a nuanced difference between a DXP and CXP manifests itself throughout the platform, offering commerce teams increased power to control, deliver and optimize contextual and differentiated shopping experiences across channels and devices. The CXP becomes their central cockpit. The technical capabilities are ‘baked in’ for developers to connect new channels, touchpoints and UI integrations under the hood. The Commerce Experience Platform culminates in marketing teams enjoying a richer editorial experience and willingness to innovate as they are in control of a purpose-built, streamlined platform where they can go from idea to execution lightning fast.

Commerce Experience Platform Diagram

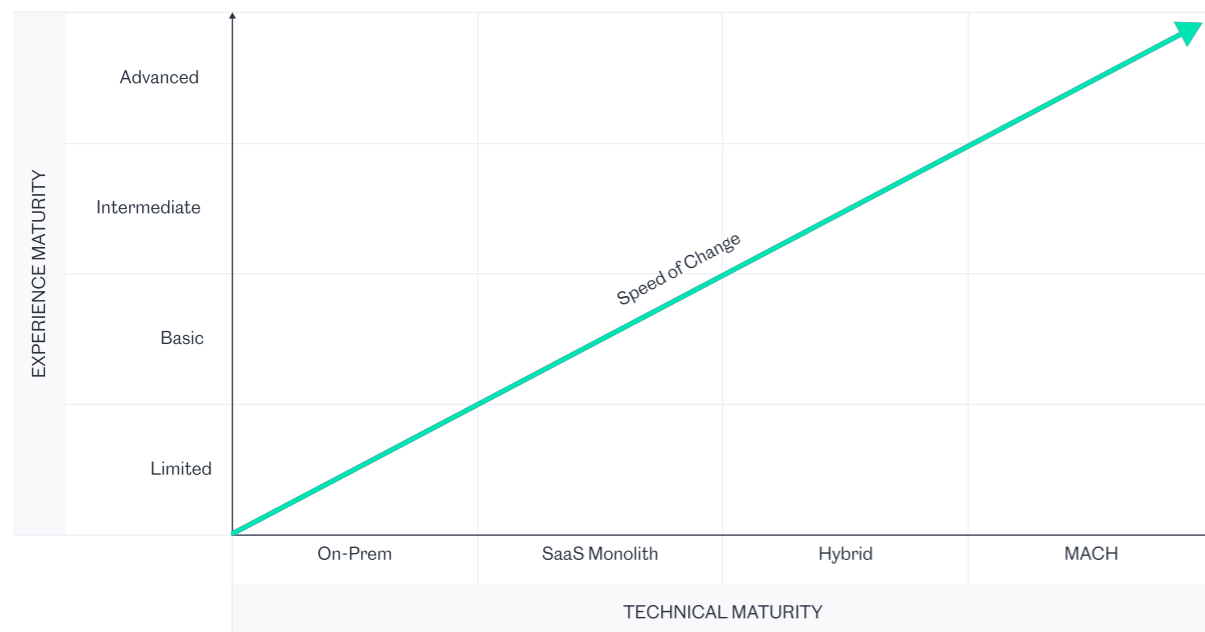


Introducing the Digital Maturity Matrix

The Digital Maturity Matrix is a simple tool to help understand where your organization is today in its digital transformation journey, and where you are trying to get to. It will help you frame conversations with peers and your organization's key stakeholders.

On the Y axis we plot experience maturity and on the X we plot technical maturity, which we'll cover in depth in the next two sections.

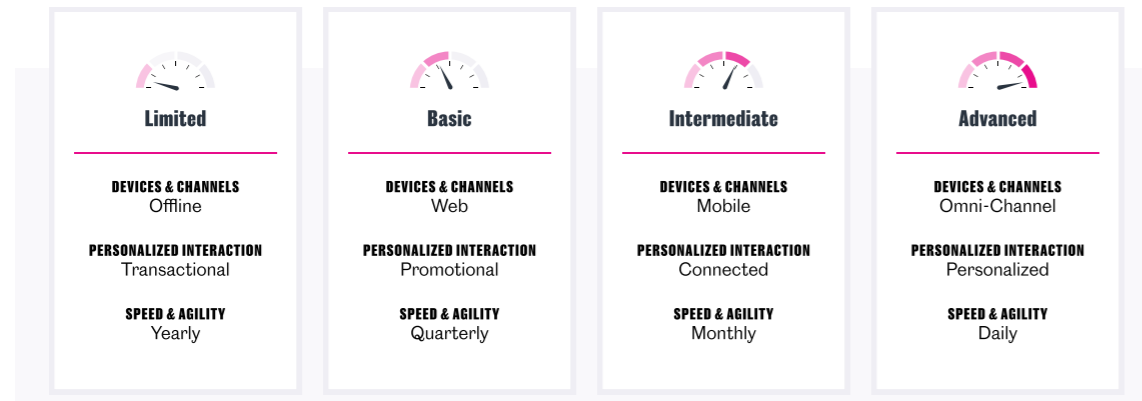
The Digital Maturity Matrix



The 4 Pillars of Experience Maturity

Experience maturity is about how sophisticated, consistent and connected your customer experiences are as a whole. It's centred around your organizational structure, how rapidly you can effect changes and updates to those experiences. If your organization is "Experience Mature" you are offering differentiated omnichannel experiences that are personalized and as regular as you want them to be - daily if you wish.

Experience Maturity Pillars



PILLAR 1: DEVICES & CHANNELS

The first pillar of experience maturity revolves around the number of channels where your organization operates. Retailers that have yet to make the move into the online world, those that are focused on offline only through physical stores, can be categorized as having limited experience maturity. Those that provide a destination-based web experience (website) are providing the basic tier of a digital experience. As you progress beyond the traditional website and look to optimize your mobile experience, this will see you migrate to the intermediate maturity.

In advanced use cases however, you're reaching out beyond these traditional channels and experimenting in new channels, such as IoT, AR/VR, voice and others that connect and embed your organization with your customers' daily lives.

PILLAR 2: PERSONALIZED & DIFFERENTIATED INTERACTIONS

Personalized interaction is achieved when your organization is closely connected with your customer base. Essentially, this is the ability to alter the experience of a customer based on the previous preferences they have exhibited - think of the homepage of your Facebook or LinkedIn news feeds, providing you with relevant content based upon content you have previously interacted with. All with the aim of providing you with an experience that is personalised to your tastes. This is as relevant in the retail world as it is in social media, presenting customers with products and content they have

in social media, presenting customers with products and content they have previously engaged with to present your brand in a favorable way with a personalized offering.

With all things, there is a scale of personalization. Organizations that provide 'limited personalization' are typically focused on a transactional relationship with customers. This evolves into 'promotional interaction' where the customer base is split into segments with targeted messaging. Beyond promotional interactions, 'connected experiences' become important, where messaging is consistent for your end customer - a good connected experience for example would recommend additional products, items and services that compliment recent orders. A disconnected experience might email your customer base with irrelevant offers for items they have already purchased. In the most sophisticated and advanced instances, brands and retailers are able to provide a completely 'personalized experience' with offers, promotions and recommendations tailored to the individual.

As we concluded in the external trends section, offering a 'differentiated' experience is key to success, as these can drive repeated habits and greater loyalty. However, what's happening now is we are all so busy looking at our competitors, they begin to look familiar, safe, and more attractive to us - and we copy them. Copying is now at an all time high, whilst truly differentiated experiences are at an all time low, resulting in a "sea of sameness".

To avoid this, you need to make the time to go deeper into your experiences and be braver than you have ever been. So many industries are referencing the importance of differentiation, [QSR Magazine](#) (Quick Service Restaurant Magazine) describes the road to success for the industry as being 'about the crucial importance of differentiation' whilst McKinsey references how key differentiation is in retail in an article from [April 2020](#).

Whilst personalization makes the consumer feel understood and builds greater loyalty, differentiation is the ability to distinguish the business through experiences that are unique as well as purposeful. One drives greater loyalty, the other a unique 'something special' for the consumer. Combined they are a powerhouse.

This pillar combining personalization and differentiation is driven by how deeply your organization understands your customers as individuals and then maps their needs, allowing your organization to provide them with timely and truly unique solutions. To reach the higher echelons of personalization and differentiation, you will likely need to adopt a Customer Data Platform (CDP) and integrate this into core components of your Commerce Experience Platform or Digital Experience Platform - that can make use of this data to drive dynamic, hyper-personalized and differentiated experiences.

“Whilst personalization makes the consumer feel understood and builds greater loyalty, differentiation is the ability to distinguish the business through experiences that are unique as well as purposeful”

PILLAR 3: SPEED & AGILITY

How quickly can your team deliver changes and updates to the customer experience/s? If your team is making changes annually or quarterly, this slow pace limits your ability to deliver sophisticated experiences as you are unable to iterate, react to changes in the market, or experiment with new ideas. Those that deliver changes and releases on a monthly basis are in a better position, but the ideal situation is your organization is free to deliver as and when it wants. The underlying factors that limit how quickly your organization can iterate and deploy updates include organizational structure, process, and technology. In short, the faster you can iterate and make changes, the more mature your organization is.

PILLAR 4: ORGANIZATIONAL STRUCTURE AND BEHAVIOR

DXPs and CXPs provide the technology to support organizational transformation and, whilst necessary, you will not achieve that transformation simply by purchasing and integrating the platform. True digital transformation requires not just the integration of the technology, but also a shift in thinking and doing. Much like MACH creates technical microservices that are interconnected, your business needs to interconnect teams and move from silos to agile workflows with constant feedback loops to evaluate and respond to customer data so you can effectively harness the power of your new platforms.

DXPs and CXPs will help facilitate some of this change as they provide a centralized location for teams to collaborate - they have intuitive dashboards and machine-learning driven insights and suggestions to stay aligned and deliver contextually relevant experiences. But that will not be enough. Whilst there are many well defined and understood organizational structures such as hierarchical, flat, functional, divisional and team-based, it's important to apply the context of the experience pillars here as they can directly affect whether your organization as a whole is delivering consistent, hyper-personalized experiences across multiple channels at speed.

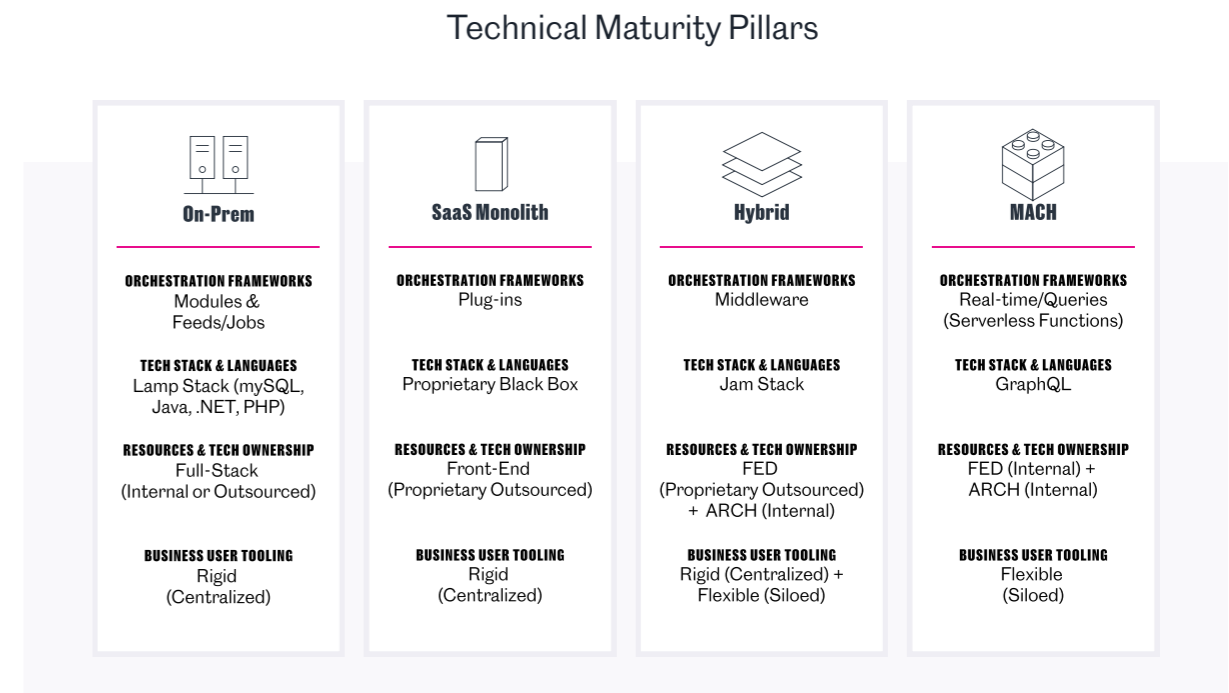
Organizations with low experience maturity will likely have well established but disconnected departments that typically operate independently from one another, ultimately creating disconnected shopping experiences. For example, the retail team is separate from the eCommerce team (if it exists at all). These departments create walls within your organization and it makes it harder to remain agile.

As you become more mature your organization may break out additional teams to run new channels and initiatives to try and manage the additional complexity they present. These team structures can also contribute to and compound the fractured customer experience problem when they are not a central focus of your organization. In very mature organization structures, there are high degrees of autonomy and collaboration across individuals and teams with well established processes and workflows. You may have established an innovation team tasked with driving your company forward and all stakeholders are aligned behind this initiative.

It's worth noting that you will need a different team structure depending on where you are in your digital transformation journey. We highly recommend you document your jobs to be done, the tools used, and your ideal workflow to align your organizational structure to support what needs to be achieved to get you to the next stage of digital maturity. This will help you identify gaps and can create immediate improvement.

The 4 Pillars of Technical Maturity

Technical maturity is linked to and supports experience maturity. A poor architecture will limit, impede and hamstring your organization's ability to deliver on the experience maturity axis.



PILLAR 1: THE ON-PREMISE MONOLITH

An organization operating with an on-premise monolith technical architecture in the 2020s is technically immature because it is simply not flexible enough. The orchestration framework is likely based on modules, feeds, and jobs, and the tech stack is likely a JAVA stack or LAMP stack. The frontend and backend are tied together which reduces agility. The resources required to run this architecture involve full-stack developers that are well versed in the proprietary monolithic stack but are expensive and come from a rare talent pool, notoriously difficult to recruit. Maintenance issues may exist as your dedicated support team manages the upgrades to new versions and patches security issues. Business user tools are typically centralized and rigid, making it difficult to extend into new channels and devices without incurring huge cost, time and effort.

PILLAR 2: THE SAAS MONOLITH

Many organizations migrated to the cloud in the past decade, which took away some of the maintenance headaches and support issues from the monolith. However, in the resultant SaaS monolith, the frontend and backend are typically still tied together through proprietary frameworks meaning the flexibility to solve complex experiences and workflows are restricted due to poor extensibility beyond limited plugins.

PILLAR 3: THE HYBRID ARCHITECTURE

Some forward thinking organizations are transitioning from a monolithic approach to MACH. During this digital evolution your organization may begin to implement a headless architecture on top of your existing monolith, or may have both in parallel. Your organization will likely need a combination of developers to support your existing architecture, frontend developers to implement the experience “head” and solution architects to map your systems, integrations and migration path. At this stage your teams may also be transitioning from a centralized tool to multiple best-in-class tools and interfaces.

PILLAR 4: MACH ARCHITECTURE

Organizations at the forefront of technical maturity fully embrace change and have adopted a modern technology stack that follows pure MACH principles. You can learn more about MACH architecture in our blog post titled “Everything you need to know about MACH architecture”. At this stage, your organization has harnessed the power of best-of-breed technologies and has total control of their own technical destiny. There is little vendor lock-in and the business is now able to rapidly make changes, additions and subtractions to their underlying architecture and service providers.

A Digital Transformation Example

Your organization can be measured against experience and technical maturity and some of the things described in the pillars above may resonate with your past experience or where your organization is today.

Plotting A Digital Transformation Journey



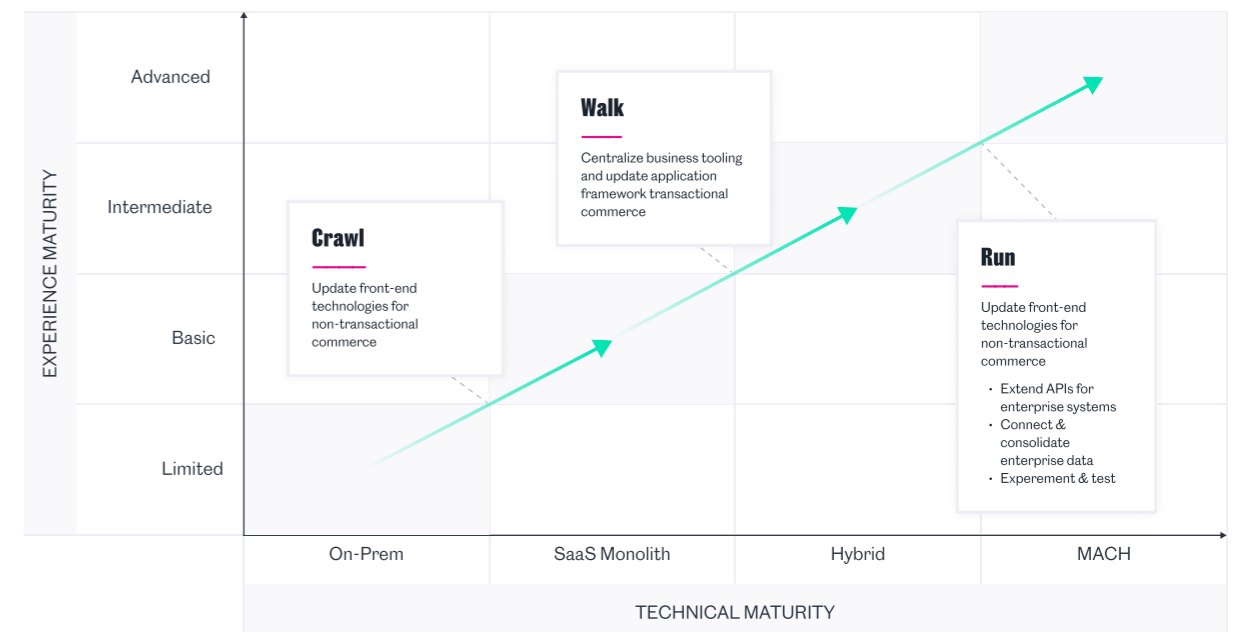
6 Tips to Successfully Tackling Digital Transformation

#1 CONSTANTLY ITERATE AND START WITH A CRAWL

Transformation doesn’t happen overnight, and from the outset approaching this challenge can be daunting, like staring at the top peak of a mountain from base camp. Don’t be deterred. Digital transformation is a necessity to grow your business over the years ahead. So how do you tackle such an undertaking?

Whilst the digital transformation matrix helps as a way to structure the overall journey, what is imperative is to create a detailed plan for how to get there. As with all solid project planning, break the route down into smaller, manageable chunks. To continue the mountaineering analogy, there are several camps along the journey so you can recuperate and plan your next steps to eventually reach the summit. Start with a crawl, then walk, and only run when you are near the summit.

An Approach to Digital Transformation



In the crawl state, you will likely be running on top of a legacy monolith and you’ll need to be conscious of not breaking your existing transactional operations as this could be risky and costly. Instead, to build experience within your team, you may decide to begin separating your frontend from your backend for non-transactional commerce (i.e. content driven pages). In the walk stage, you may take the learnings from the crawl stage and begin to extract your application framework for transactional commerce with best-of-breed components such as the commerce platform (cart/checkout/order). In the run stage, you have successfully migrated your architecture to a MACH framework and paired it with tools that accelerate change. At this point your organization is free to run experiments, and you can iterate and optimize your ERP systems and enhance how your organization leverages data at scale.

#2 ONE SIZE DOES NOT FIT ALL

In the above example we walked through one way to iterate on your digital transformation journey, but one size does not fit all. Individual circumstances and nuances exist in the real world. You should break down your journey and specific steps in a way that works for your business and your priorities. What may be imperative for one company to do in one year, could be a less extensive three year journey for your business.

#3 BEYOND THE COMMERCE PLATFORM AND EXPERIENCE MANAGEMENT PLATFORM

Whilst the commerce platform and experience management platform are core components of successfully achieving digital transformation, there will be dozens of additional products and services that are smaller but critical components of your architecture and end customer experiences. From personalization and search engines to payments, shipping, tax and beyond. Make sure you account and plan for them.

#4 OBJECTIVES, OBJECTIVES, OBJECTIVES

Don't let your focus on the new technology and architecture let you lose sight of business goals. It's important to clarify 'the why' behind any technology decision. You'll be able to see why the technology is needed, and how it furthers your organization to meet or surpass your objectives. Certainly challenge your teams, but be realistic with timeframes and be guided by your business goals when you set your digital transformation objectives.

#5 MANAGE RESISTANCE TO CHANGE UP FRONT AND FROM THE TOP









Change often meets resistance, and this is especially true with large digital transformation projects that affect the daily lives of most of your employees. You must face this resistance head on, early, and often. Clear communication that engages and involves teams is key and you need to be supported from the very top. It's important to have well laid out proposals, hypotheses, and measurements that are in a language all teams can appreciate so everyone can work from the same page.

Don't be tempted to dazzle with technical knowledge and prowess. These new technologies support creative teams that have to deliver KPIs that can be stressful and they have a different language and shorthand than technology teams. This is the ultimate test of your ability to de-jargon, explain, and bring the business together like never before. We've seen great success from customers when they create innovation teams and centers of success to drive the digital transformation.

#6 ALIGN STAKEHOLDERS

The Digital Maturity Matrix also helps us align internal teams and stakeholders by mapping their frustrations with their current technology stack and customer experience requirements.

The Developer and Marketer Goldilocks Zone

| | | | | | |
|---------------------|--------------|---|---|---|---|
| | | The Developer and Marketer Goldilocks Zone | | | |
| EXPERIENCE MATURITY | Advanced |  |  |  |  |
| | Intermediate | Marketer | Developer | Marketer | Developer |
| | Basic |  |  |  |  |
| | Limited | Marketer | Developer | Marketer | Developer |
| | | On-Prem | SaaS Monolith | Hybrid | MACH |
| | | TECHNICAL MATURITY | | | |

In the bottom left, developers are likely unhappy, frustrated or complacent, working with a proprietary legacy monolith and the marketing team is unhappy that they are unable to execute their campaigns and creative ideas at the pace required by the business across every customer touchpoint and channel.

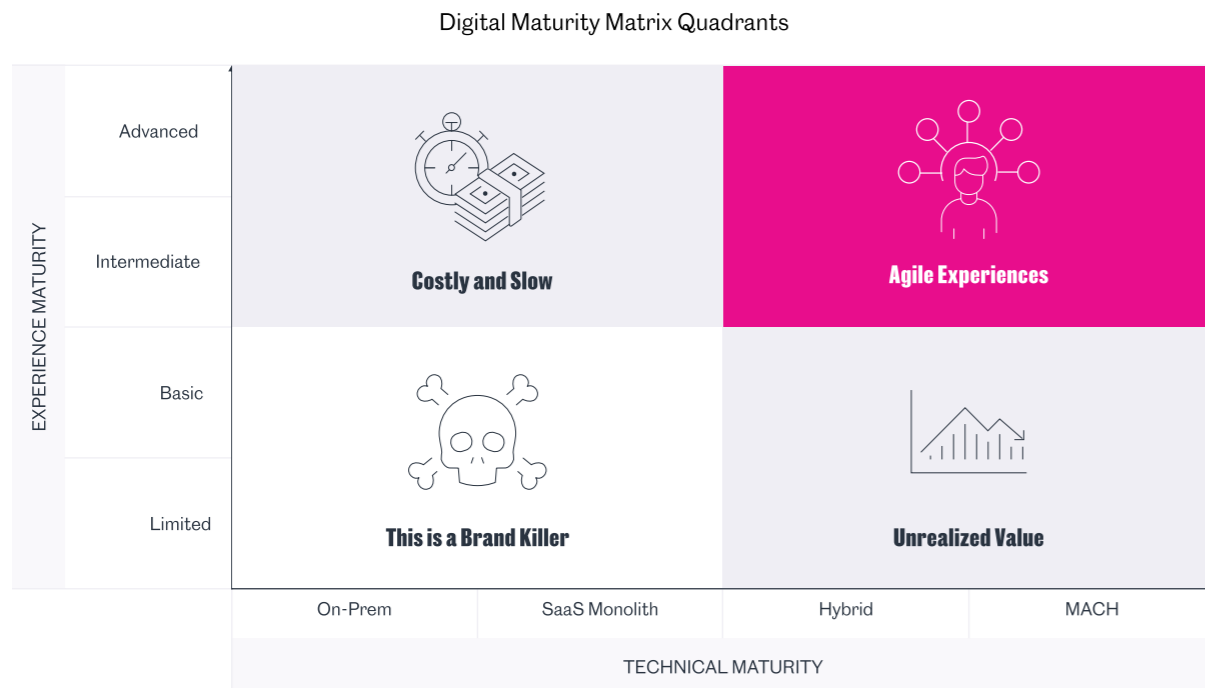
In the top left, the marketer may be able to achieve some of the business goals when it comes to delivering modern digital experiences, but will face some limitations with the platform that they'll have to work around. The developer is still working with a proprietary monolith and they are supporting a moderate to large amount of custom proprietary code on top of the core offering.

In the bottom right quadrant, the marketer is now operating across multiple platforms, tools and UIs to get their job done. This can be frustrating and makes their jobs and the experiences they need to deliver difficult to manage in a timely manner, typically encountering multiple developer bottlenecks. Developers on the other hand will be happy to be working with modern technologies and frameworks but may be overwhelmed by the number of requests from the marketing team.

In the top right, developers and marketers are both finally free, with modern tools and technologies for both sides. The developer is able to leverage MACH, serverless and Jamstack methodologies whilst the marketer can leverage the power of a MACH based DXP.

The Quadrants of Digital Maturity

To summarize the Digital Maturity Matrix we can segment the graph into four quadrants to highlight pains, challenges and opportunities.



THE BRAND KILLER

Here lies businesses working on a legacy monolithic stack with a single channel or offline and online channels that are heavily siloed. These platforms are designed for a rigid, templated, single channel website experience. Brands stuck here are staring down the barrel of becoming a 'Blockbuster' of eCommerce so steeped in the sea of sameness their business dies as competitors adapt to the changing landscape of a digital-first world.

THE JENGA TOWER

Those that attempt to continue building on legacy solutions will find themselves in the top left quadrant. It's difficult, costly, and slow to innovate on older technologies as it requires more effort and there's so much technical debt to contend with. You're essentially building on bad foundations and one wrong move could send the strategy you're executing on tumbling down around you. Adopting this approach and aiming for this quadrant is like the Leaning Tower of Pisa's 10 year closure (1990 - 2000) for a \$25m maintenance project to save the tower from collapsing. Whilst successful in part, it was at a cost of significant time and money, and the future is still uncertain.

THE HEADLESS MIRAGE

Some retailers we encounter have, or are in the process of, moving to MACH-based architecture and start to realize the benefits of faster site speed, page load times and improved conversion rates. MACH architecture is however not enough to deliver digital transformation. If you're in this bottom right quadrant, your organization is lacking the essential experience management platform that provides tools your teams need to orchestrate experiences across a best-of-breed MACH stack. Instead, fractured teams are strung across dozens of admin interfaces and must deal with archaic processes that lead to inconsistent customer shopping experiences. By separating the frontend from the backend without the right experience management tools, your teams are no longer able to control the experiences directly and are forced to deal with development bottlenecks, resulting in little ability to offer differentiated shopping experiences. This will not result in the business value your digital transformation strategy set out to achieve.

AGILE EXCELLENCE

Once you've adopted a MACH architecture and have an experience management platform in place, you will be armed with a central place to author and schedule experiences. This positions your organization to accelerate vertically on the experience maturity axis, delivering consistent, personalized experiences at scale through a well organized team and workflow to support the speed of change. Developers are no longer a bottleneck and instead enhance a comprehensive strategy and underlying flexible architecture. Technical, creative, marketing, and business teams are all working towards a central and clear goal with the tools they need to do their job brilliantly. This is what you need to evolve at pace, to offer a holistic, consistent and differentiated omnichannel shopping experience.

THE DIY-ER

Not included in this quadrant, are those who adopt an open source DIY approach. This is typically as costly and slow as the top left quadrant (if not more so). Systems are incredibly expensive and slow to implement and maintain. Taking this approach ultimately distracts your business as your focus is on building features and functions rather than the business of your business. We would recommend you partner with a company who has the time, focus, and commitment to solve the big and small problems that you will inevitably face and leverage that through a SaaS-based model. In the top left, developers and marketers are both finally free, with modern tools and technologies for both sides. The developer is able to leverage MACH, serverless and Jamstack methodologies whilst the marketer can leverage the power of a MACH based DXP.

Conclusion

You now know what digital transformation is and why digital transformation towards a differentiated omnichannel experience is important.

You have ways to break it down into 'pillars' so you can more easily evangelize throughout the business about its importance. You have tips for how to successfully tackle digital transformation, as well as the ability to reference the 'Quadrants of Digital Maturity' and the 'Digital Maturity Matrix', to avoid the common pitfalls many find themselves in. All this information can be overwhelming, so it's important to end on a human reality. We have experienced significant impact from external factors that have resulted in a paradigm shift. We are now entering a new technical landscape where digital transformation is no longer a continual optimization adjustment but is about putting fundamental architecture and new workflow processes into place to match the changing landscape. If you don't realize this, or you realize it too late, you will become the Blockbuster of the roaring 20's. Make sure you have the right partners by your side for this transformational journey. You need subject matter experts in content management and content experience management to help you navigate this new landscape. A partner that helps you adapt to change as quickly as you need to.

Where Do You Stack Up?

Amplience supports organizations across their entire digital transformation journey by providing a best-in-class Commerce Experience Platform. From retailers moving online or operating on legacy monoliths, to those working towards or executing on top of MACH architecture, to sophisticated, consistent shopping experiences.

If you would like to discuss your digital transformation strategy with one of our experts, so you can benefit from their knowledge, please book a digital transformation consultation via our website and one of our digital transformation specialists would be happy to assist.

Further Reading Reference Material

BLOG POST

What is a Digital Experience Platform (DXP)?

<https://amplience.com/blog/what-is-a-headless-digital-experience-platform/>

Martec's Law: the greatest management challenge of the 21st century by written by Scott Brinker

<https://chiefmartec.com/2016/11/martecs-law-great-management-challenge-21st-century/>

WEBINAR

The Experience Era

<https://amplience.com/webinars/the-experience-era/>

Fast Forward at the Speed of MACH

<https://amplience.com/webinars/digital-transformation-at-the-speed-of-mach/>

FORRESTER

Digital Experience with a Headless-first Approach Powers Future Growth

<https://amplience.com/reports/forrester-headless-digital-experience/>

VIDEO

Ulta Beauty's Digital Transformation Journey

<https://amplience.com/webinars/ulta-beauty-customer-story/>

GUIDE

Headless CMS Buyers' Guide

<https://amplience.com/headless-cms/buyers-guide/>

Amplience powers digital-first brands and retailers with the freedom to do more. Our low-code CMS, DAM and Digital Experience Management platform allows more than 350 of the world's leading brand teams to manage content, not code. The result is a rapid ROI for our clients who are delivering data and insight-driven customer experiences that drive deeper, more valuable customer relationships. Amplience supports the industry's transition to Microservice, API-first, Cloud and Headless (MACH) technologies, is MACH certified and an executive member of the MACH Alliance.

Named a Strong Performer, Amplience was recognized by Forrester in The Forrester Wave™: Agile Content Management Systems (CMSes), Q1 2021 report with the highest possible scores attained in the criteria of decoupled delivery, deployment and system performance, components, and marketplaces.

Powering customer experiences for the world's most innovative brands, Amplience's customers include Ulta Beauty, Coach, GAP, Crate & Barrel, Harry Rosen and Missguided.

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