

# The Digital Maturity Model: A Playbook for Better ROI

Achieve growth throughout the phases of digital maturity and understand why the biggest brands are all-in on digital experiences

**Medallia**





# Introduction

Digital is no longer just another channel. It's the first critical touchpoint of almost every customer journey. Customers go to your digital presence whenever they want to interact with your brand, and if you want to meet (or exceed) their expectations, you need to provide a digital experience that is intuitive, seamless, and personalized.

Creating exceptional digital channels to improve overall customer experience doesn't happen overnight. But for brands who stick with it, the results are impressive: a study from the Medallia Institute found that customer experience leaders are 26 times more likely than laggards to experience revenue growth of 20%, and they're 2.8 times more likely to meet financial targets.<sup>1</sup>

It's a digital-first world, and your digital experience program needs to keep up. With a digital maturity model, you can gain an understanding of where your brand stands today and set it on a transformational path to meet customer needs and expectations efficiently.

<sup>1</sup> <https://www.medallia.com/resource/uncovering-the-secrets-behind-a-successful-cx-program/>



# Digital Maturity: What It Is & Why You Need a Digital Maturity Model (DMM)

A digital maturity model, also known as a DMM, is a step-by-step guide to help brands launch, refine, and grow their digital experience programs.

Brands simply cannot ignore digital experience anymore, which is why the use of a digital maturity model is more important than ever. Customers live online — if your brand doesn't understand how they navigate your websites, apps, and other digital channels throughout their buying journey, chances are you're lagging behind the competition.

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Leading brands know that investing in digital experience is a priority. The question they have is: how do we take our existing program to the next level?"

Think of the maturity model as your experience program's best friend and mentor. I've seen the maturity model truly transform existing programs, whether by uncovering low-hanging fruit the experience team is missing, or redefining the vision of the experience program so it better aligns with broader business goals.

**Michael Mallett**

Senior Director, Solution Principal for Medallia Digital





# The Principles of a Digital Maturity Model: Strategic & Tactical Objectives

To maximize program impact and value, digital experience leaders should pay attention to two questions: what are the strategic objectives of the program, and what are the tactical objectives needed to make the program a success?

Only when your organization considers both strategic objectives and tactical objectives does its digital experience start to earn results and make an impact on the entire business.



## Strategic Objectives

- Prioritizing the customer view
- Engaging employees on a regular basis



## Tactical Objectives

- Expanding channel depth (website, mobile application, etc.)
- Creating an engagement strategy (collecting feedback, analyzing behaviors, etc.)
- Reporting on results (role-based dashboards, executive reports, etc.)
- Activating integrations (such as through a CRM platform)



## Industry Spotlight: Digital Maturity in Retail

Retail is considered one of the most mature industries in the digital experience space. And it's no wonder why. Remaining competitive in retail requires a digital-first mindset. In fact, by 2023, ecommerce will account for more than \$6.5 trillion in sales,<sup>1</sup> representing 22% of all global retail sales, and by the year 2040, it's estimated that 95% of all purchases will be through ecommerce platforms.<sup>2</sup>

Leading retail brands understand that capitalizing on digital optimization requires more than a functioning website and a social media presence. Truly differentiated retailers prioritize the online customer experience,<sup>3</sup> continually monitoring how it impacts sales in every channel.

Retail leaders are providing intuitive and seamless digital experiences — Devon Upton, an expert on Medallia's digital maturity model, explains why it's an invaluable tool:<sup>4</sup>

**"Retail is not a one-size-fits-all space, so a lot of my customers think about maturity very differently. That said, most of my clients are well beyond the 'beginning' phase, and somewhere in the 'integrating' or 'innovating' phase."**<sup>5</sup>

They have listening posts in place on key customer journeys, they're engaging customers on different channels, and they're integrating feedback data with other tools to create a holistic view of the voice of the customer.

**The most mature retail brands I work with are approaching experience as one of their top differentiators, and ultimately, they're asking themselves one big question: How can we use customer experience data to transform the way people think about our brand?**

**When I meet with these retailers, they're asking me questions like:**

- **How can we democratize our data so teams can act on it quickly?**
- **How can we use the data we have to personalize every interaction for our customers?**
- **How can we engage customers in the moment on the digital channel?**

By the time retailers are asking these questions, they have executive buy-in. The entire company is centered around the idea that excellent customer experiences will drive business growth. This is a big step for a company to take, so I see fewer retailers at this stage. But those who are see stunning results."

**Devon Upton**

Expert on Medallia's digital maturity model



<sup>1</sup> <https://www.netsuite.com/portal/resource/articles/ecommerce/ecommerce-statistics.shtml>

<sup>2</sup> <https://www.nasdaq.com/articles/uk-online-shopping-and-e-commerce-statistics-2017-2017-03-14>

<sup>3</sup> <https://www.medallia.com/wp-content/uploads/pdf/resources/Medallia-How-to-Differentiate-Your-Brand-Build-Customer-Loyalty-eBook.pdf>

<sup>4</sup> <https://www.medallia.com/blog/digital-maturity-in-retail-customer-led-growth/>

# 4 Phases of Digital Maturity in a Digital Experience Program

Moving through the digital maturity model is no easy task. It takes strategic alignment across teams, an understanding of the customer's viewpoint, engagement from employees, and consistency above all else. Brands that do so successfully stand out on the basis of experience.

## Phase 1: Beginning | Score & Optimize

You can't improve what you don't understand. The first step on your digital maturity journey is identifying which experiences you want to optimize, and then evaluating the quality of those experiences based on customer input to find any quick wins.

Steps to take in this phase:



### **Launch a fully (or partially) new program.**

Include feedback forms as well as digital experience analytic tools that give direct insight into the experience.



**Focus on the journeys that count.** Take stock of how customers are progressing through your site, and place feedback moments at critical touch points.



### **Create a central management & action structure.**

Define a process so teams can consistently uncover insights based on feedback and then act on them.

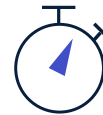
## Phase 2: Integrating | Engage & Prevent

Once you have a basic understanding of your digital experience, you probably have a few ideas of significant, long-term improvements that can be made. The most common types of improvements include some kind of real-time actioning to influence the experience before it ends.

Steps to take in this phase:



**Expand your program** so it covers more critical customer journeys. Use feedback to create customer segments (e.g., promoters/detractors) and then identify key areas that need attention.



**Try real-time action.** Leverage customer segments, behavioral analytics, and feedback to trigger real time actions—e.g., online chat support for customers with high frustration.



**Share across teams.** Don't let your customer insights sit in a silo. Distribute them to co-workers in contact centers or storefronts so you can drive cross-channel impact.

## Phase 3: Innovating | Personalize & Be Proactive

At this point, your program is up and running, you're regularly getting feedback, and you're acting on it. Taking your program to the next level requires innovation — fundamentally changing the way customers experience your digital properties by proactively engaging them with personalized content.

Steps to take in this phase:



**Refine customer profiles** based on feedback and add online/offline scenarios based on previous experiences.



**Focus on sales and marketing.** Explore new use cases with real time actions, like triggering special discount offers for promoters.



**Nail the follow up.** Work with other teams across the organization to — enable personalized follow ups based on digital experiences.

## Phase 4: Differentiating | Anticipate & Create

Transform your company into a customer-centric organism. Anticipating what your customers want and creating those experiences for them in real time will differentiate you from your competitors and cultivate customer loyalty that lasts.

Steps to take in this phase:



**Proactively segment net new customers**

with dynamic lookalike profiling technology that funnels new customers with existing segments based on behaviors.



**Orchestrate the journey as it happens.**

Direct every customer to their next best action in real time as they navigate through your digital properties.



**Individualize every experience.** Initiate 1:1 live actioning and mass personalization workflows across teams and channels.

# Success Spotlight: Meeting Customers Where They Are to Improve Sign-Ups & Drive Conversions

In-app experiences are a significant driver of engagement and revenue for many organizations. Consumers enjoy tapping around what their favorite brands offer, browsing what's available, and placing an order in moments. Brands, meanwhile, enjoy living at their customers' fingertips because of this enhanced level of convenience they're able to provide on billions of devices around the world.

## Challenge

A major South Korean retailer wanted to increase both sign-ups and conversion rates through its mobile application. From their analytics tool, they knew that their customers were trying to sign up for the application, but the rates kept dropping off. The retailer also knew that the customers who actually used the app were adding products to their shopping cart — but in both cases, there was a large amount of drop-off, and the digital CX team struggled to explain why.

## How Medallia Helped Improve Digital Experience

Using Medallia Digital Experience Analytics (DXA), the team decided to take a proactive approach to their customer experience.

As a result, the retailer implemented these solutions:

- Identifying emerging feedback trends based on speech-to-text app interactions, using Medallia's advanced Text Analytics
- Monitoring the in-app ordering journey with Medallia DXA's journey analysis, heatmaps, and session replay for deeper insights

After some initial analysis, the team realized that customers were having a difficult time completing the app sign-up form. As a result, the team decided to use Medallia's real-time interactions to trigger a help pop-up for customers whose Digital Experience Score (DXS) indicated high frustration. In turn, this pop-up redirected customers toward an easier sign-in page.



### **5% increase in customer sign-ups**

triggered from the help pop-up enabled by Medalla's real-time interactions



### **UX/UI fixes unblocking critical conversion steps in funnel**

from Medallia DXA visualization tools



### **8% increase in call order conversion rates**

using Medallia's Text Analytics



## From the Expert: Personalization is the Ultimate Driver of Exceptional Digital Experiences

"The secret to digital experiences that drive the greatest results now depends on personalization. Companies that create more relevant, timely, and engaging experiences — whether through content, functionality, transactions, support, etc. — are much more likely to succeed in accomplishing their objectives. Meanwhile, prospective and current customers (along with employees or citizens, for that matter) are past the point of simply wishing for better experiences online. They expect you to know them — where they came from, what they're trying to do, why they're doing it, how this does or doesn't relate to their last visit or session, and what they might do or need next.

And since there's already an expectation that the online channel is functional, easy, and enables expected transactions because of COVID-19 (if that's not the case, then that's a do-not-pass-go to personalization situations), what's left is making customers feel heard and special online.

Luckily for businesses, it's becoming easier to personalize the digital experience because of all the customer data collected through experience analytics and feedback solutions, providing both the indirect and direct answers to the question: what do my customers want and why?

The more each customer engages with a brand, the better that brand should know them and any similar customer segments. And honestly, it's welcomed by customers at this point when there's something in it for them.

Messages, recommendations, marketing offers, solutions, and chat support could all be more personal, which leads to much higher likelihood of experience satisfaction. Differentiating through personalization is becoming foundational for success in digital."

**Michael Mallett**

Senior Director, Solution Principal for Medallia Digital



## Take Your Digital Experience Program to the Next Level

Regardless of where your digital experience program stands today, examining digital maturity provides the opportunities to improve and create seamless experiences.

Every customer journey is different, and adapting your digital experience program for ever-changing shifts in needs and expectations ensures your brand is aligning with their unique preferences. Over time, optimized experiences lead to happier, more loyal customers who boost revenue.

**Schedule a demo with a Medallia expert today →**

## About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment. [www.medallia.com](https://www.medallia.com)

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