Busting the Biggest Myths

About Digital Transformation

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There's so much hype about digital transformation, the realities have become obscured by stories of gods and fairies and unicorns. These elaborate tales create confusion on issues such as what to change, which initiatives to prioritize, how fast to move, and who should be involved.

The biggest myth about digital transformation? Your company is lagging significantly behind everyone else. In reality, few marketers have cracked the code on digital transformation. Most are still struggling with everything from which technologies to implement or retire, to whether to reorganize their team, to how best to shift their marketing mix and budget, to which metrics to track.

With so much to consider, marketers could use a bit of guidance to get past all the hype and get some clarity on the realities of digital transformation. Removing the ambiguity around digital transformation will help marketers make more informed choices on what to change, what to prioritize, and what to ignore. So, we asked several industry experts to weigh in on what they see as the biggest myths about digital transformation and what actions marketers should be taking based on the tangible realities.

Here's what our 15 myth-busting experts advise:

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About Digital Transformation

By Ginger Conlon / Designed by James Jarnot

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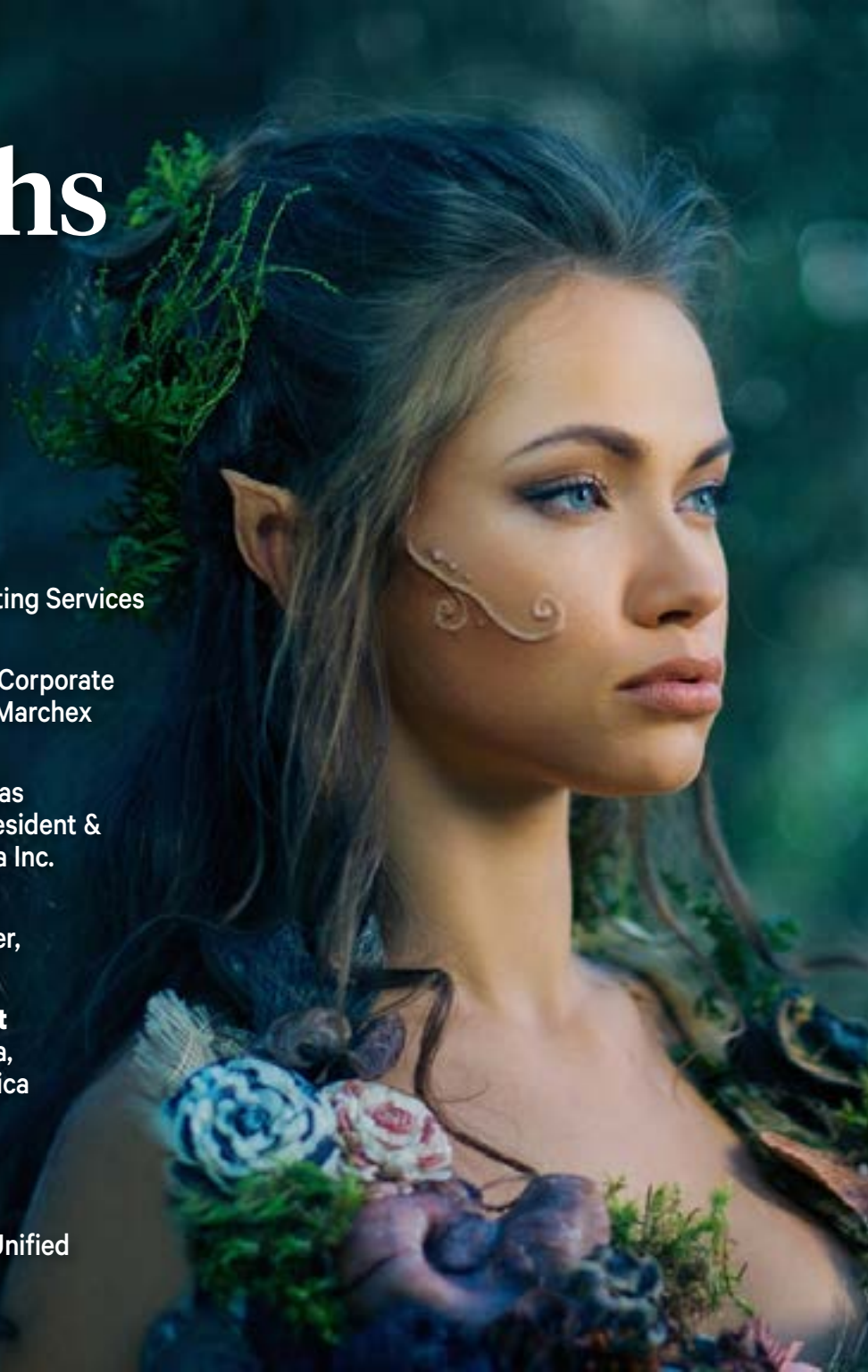CEO and Cofounder, Decibel Insight

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SHERYL KINGSTONE

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MYTH:

Everyone thinks everyone else is further along the path of formal digital transformation strategies.

REALITY:

The reality is quite different. 451 Research's "VoCUL: Corporate Mobility and Digital Transformation 2017" survey shows that only 29 percent of companies have a formal strategy for digitizing their businesses. Roughly half do not have a strategy at all.

Less digitally mature organizations tend to focus on individual technologies and have approaches that are tactical and operational in focus, compared to more forward-thinking companies that embrace digital with an eye toward transforming their businesses.

That doesn't mean chief marketers and their C-suite colleagues should put off embracing formal plans for digital transformation.

Since customer experience is a catalyst in many digital transformation projects, it's important to under¬stand where businesses are making investments in new digital technologies and improved processes to more effectively engage customers, partners, or employees. Organizations can digitally transform their businesses to best attract, win, retain, and support customers by leveraging the latest applications, analyt¬ics, and infrastructure to deliver a differentiated experience. Doing so is not a luxury, but a necessity for survival.

Growth in customer data for contextualized experiences — empowered by technologies such as mobile, cloud, and machine learning — will create a significant gap between digital

leaders and laggards when it comes to using technologies for strategic innovation. As businesses adjust to the age of empowered customers and their changing expectations, it's important to realize that digital transformation is more than just an IT strategy. It is a well-planned business and IT innovation strategy with the goal of aligning around a digital culture, which drives investments in new approaches to remain relevant in customers' eyes.

In exploring organizations' priorities and attitudes toward future adoption of overall software trends, as well as the maturity of digital transformation strategies among organizations representative of the modern enterprise, our research (represented in Figure 1) reveals some interesting differences between leaders with formal digital transformation strategies and those that lag significantly behind.

Source: 451 Research's Voice of the Connected User Landscape, Corporate Mobility and Digital Transformation Representative Survey, 1H 2017
Q: Which of the following best describes your organization's status with regards to a digital transformation effort? (n = 303)

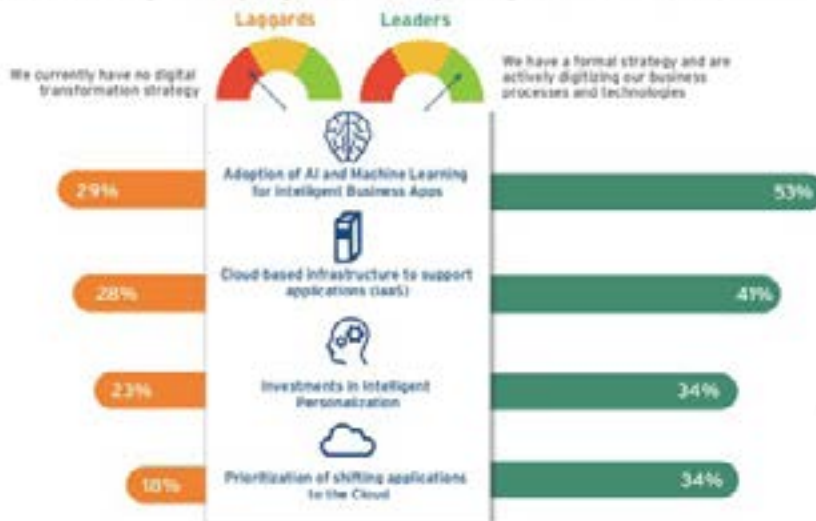| Laggards		Leaders
We currently have no digital transformation strategy		We have a formal strategy and are actively digitizing our business processes and technologies
29%	Adoption of AI and Machine Learning for Intelligent Business Apps	53%
28%	Cloud based infrastructure to support applications (IaaS)	41%
23%	Investments in Intelligent Personalization	34%
18%	Prioritization of shifting applications to the Cloud	34%

Figure 1: Leaders Embrace Machine Learning, Cloud and Intelligent Personalization

The adoption of AI and machine learning to power intelligent business applications drives the largest wedge between leaders and laggards in our survey. The difference between

organizations that want to adopt it versus those that do not was a 24-point gap.

This discrepancy represents the most significant difference in our survey, and signals not only a fundamental shift in the way applications are being built and deployed, but, more important, the value that companies can derive from them by using machine-learning-powered analytics. Couple this trend with investments in intelligent personalization, and leading businesses can leapfrog their competition. By embedding intelligent personalization into customer-facing processes, businesses can build deeper connections, recommend next best actions, and create more contextually-driven interactions.

The ability to capture, analyze, understand, and act on information includes the capacity to recognize patterns, images, and sentiment, as well as to plan, predict, and identify actions and make decisions. All this is driving demand for intelligent business applications.

The desire to capture and analyze new forms of data plays a powerful role in improving digital innovation. Because the universe of what is "knowable" is expanding, new machine-learning technologies help users see further and deeper to improve business decision-making. Users aren't limited to what they discover themselves. Human exploration, augmented by intelligent

guidance from machine learning, can be a powerful combination. Undeniably, as data grows exponentially, the only way to effectively analyze such datasets is through a combination of human and machine-learning-driven analysis.

Technology is becoming increasingly central to how individuals experience the world around them and is shifting the center of gravity from business¬es to individuals in an unprecedented way. Catering to customers' preferred ways of consuming information and providing unique engagement strategies is a critical part of businesses' strategic value proposition and competitive differentiation.

SHERYL KINGSTONE
Continued

KEVIN MABLEY

Managing Director, Strategy and Analytics, Epsilon
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MYTH:

Machines will replace marketers.

REALITY:

The reality is that machines are only as good as the data going into them, and the application of the insights coming out.

Machine learning relies heavily on past behavior — transaction history, website behavior, email engagement, etc. — to act as a predictor for what experiences and content consumers should receive next. In this construct, you could argue that relying only on machines for decisioning makes the brand a follower. The "art" of the marketer is to predict future needs and demonstrate how their products will fill them better than competitors do. Machines cannot "think" up new ideas to meet ever-changing consumer demands, but the world's best marketers can. The cool part about machine learning, is that we can spend more time thinking than doing.

Machine learning is not new. What's new is the speed at which insights can be derived, and the sophistication of actions marketers can take to create compelling brand experiences. For decades computers have taken the work out of modeling and mining data, and now we can act on insights much more quickly. We can launch products faster, reach consumers synchronously across channels, test

KEVIN MABLEY

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content in real time, and respond to actions in a fraction of the time it used to take.

Although much can be automated, human marketers will always be required to "feed the machines" with the right data (a practice that requires a skilled operator to match, mine, and scrub asynchronous data sets), design the rules by which audiences are selected, and govern what content is served to create a human connection to a brand.

With far more powerful tools for insights and execution, the job of the marketer is more powerful and important than ever before.

As many have argued, customer experience is the new battleground for brand differentiation. Brand marketers own this experience, with the best access to customer trends and insights, and the responsibility of turning those insights into profits. We have more data at our fingertips, and faster machines to learn more and activate those insights, giving us the ability to reach a more sophisticated consumer looking for highly personalized experiences.

This is not a job for machines alone. The human job of the marketer, in fact, becomes more important to make sense of the seemingly senseless amount of data now available, and narrow it down to the most compelling data that the marketing team can actually use to create new experiences for customers. We need fewer, smarter connections in data that drive our businesses, not more permutations of the possible as decided by machines.

The questions we're getting from some of the best brands in the world around digital data are still very basic. Marketers need guidance on what data they can realistically consume, what environments they need to set up to act on that data, and how to transform their organizations to be digital-first. These are all decisions that machines cannot answer for us, no matter how often we wish they could.

MARY LOU BARNEY

VP of Client Success, Fuel Cycle
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MYTH:

Digital always makes it better.

REALITY:

The Internet of Things is increasingly important, but it needs to be better integrated with the Reality of People. Behind all of the zeros and ones are real-life people who want to use technology to enhance their real lives. It's not digital for the sake of digital.

Each aspect of digital transformation should be grounded in a deep understanding of people. The key question to be answered is, *"How does this help make my customers' lives better?"*

Identifying what will make a real difference in your customers' lives is the first step. Follow that by optimizing the digital experience so it fits seamlessly into your customers' everyday experiences. The iPod was a pivotal product in terms of digital transformation not because it was digital, but because it enabled easily portable music and transformed music distribution. It enhanced people's lives in a real and meaningful way.

Top-down hierarchical corporate mandates are giving way to distributed decision-making, new ways of learning, and more influence-based leading in organizations that are embracing digital transformation. That shift can change not only the way the enterprise works, but also how people in the organization work. Employees at all levels have to be more agile, willing to fail, comfortable with the unknown, and able to make decisions in the moment that will have an impact on the customer.

Marketers have a unique opportunity to be the linchpin in an organization's digital transformation because successful ones are often also cultural and brand transformations affecting customers and employees. In successful transformations, employees embrace collaboration and experimentation drives agility and responsiveness. Senior leaders can scale successful experiments to the enterprise level and make investments to encourage existing employees to develop continuous-learning mind-sets.

To be successful, transformational marketers should consider focusing on the following:

- **Be transparent.** Communicate why this transformation matters to your customers and your talent. Follow up, showing measured progress against what matters to them.

- **Think differently.** Encourage your people to have a beginners' mind-set. Seek "outside in" thinking; provide training, support, encouragement, discussion about what was learned; and engage with outsiders.

- **Tell stories.** Transformation is hard, and change is here to stay. Stories help people understand and connect with new realities. New and different ways of doing work, forming teams, measuring success, and driving growth are all part of a digital transformation that should be accomplished by your people, not by technology — and those people need good and informative stories to tell.

The key to success in a digital transformation isn't just investing in new technology, it's also transforming your people — helping them cultivate a change mind-set and supporting them through that change.

DIANA O'BRIEN

Global CMO, Deloitte
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MYTH:
Digital transformation is about the technology.

REALITY:
Technology is important of course, but digital transformation is really about your business and how your purpose, strategy, and growth will survive amid a sea change of expectations from customers, employees, and partners. Digital transformation is about how your business will adapt in this new (digital) environment.

REX BRIGGS

Founder and CEO, Marketing Evolution
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MYTH:

Digital transformation threatens marketing professionals' jobs.

REALITY:

Some jobs may evolve, but technology is meant to amplify human capabilities, not replace them.

   Marketing professionals will be able increase productivity and, perhaps more important, spend their time solving the next big problem versus wasting time on tasks that are better accomplished by AI. Efficiency will only improve when we no longer have to seek information, but rather information will find us. Marketing pros can tackle bigger challenges and apply their effort to transformational ideas.

MYTH 2:

Digital transformation is a no-brainer and will be eagerly embraced by management and the marketing team.

REALITY:

The reality is that there's been a lot of hype around marketing technologies, and some have fallen far short of their promise. This causes a fair amount of skepticism among senior leadership about the promise of martech solutions. It may seem obvious, but marketing professionals need to first understand the problem they think they're facing — take the time to *really* understand it — and then have an honest conversation about whether a new piece of technology is actually going to help solve the problem.

MILA D'ANTONIO

Senior Analyst, Ovum
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MYTH:

Digital transformation is all about technology.

REALITY:

The ability to innovate depends on the agility and adaptiveness of an organization's culture.

In companies' digital transformation efforts, achieving digital competence relies less on technology deployment and more on removing the cultural and organizational barriers that impede digital adoption. If organizations are plagued by departmental and data silos and employees lack the training or motivation to apply the new systems or tools to their daily processes, then digital change will take hold slowly, if at all.

That means digital transformation has less to do with technology, and more to do with cultural transformation and mind-set change. Deep change across process, people, and culture is necessary to get the most out of digital connectivity, but it won't happen overnight. Marketers should instead view it as an incremental journey — one that looks different from business to business.

Here are five steps marketers can use to ensure that digital adoption takes hold in their organization.
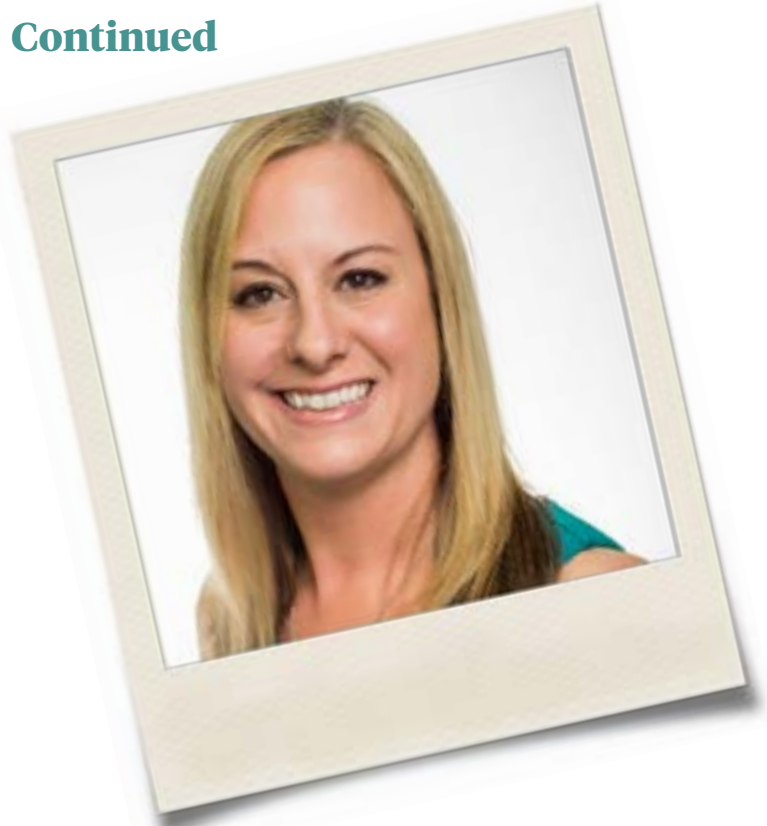
1. Establish a digital strategy

Establishing a digital strategy — which includes communicating it clearly — is at the heart of any digital-oriented organization. It is the foremost step of devising an effective digital transformation plan for an enterprise, as it clearly articulates the mission and goal of a company's digital initiatives. It guarantees that customers and employees remain at the center of all significant decisions.

MILA D'ANTONIO

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The most difficult aspect of this task is in the planning process: evaluating and selecting the methods required to develop the optimal digital transformation plan. Yet, doing so is essential. Any strategy should provide clear direction to all pertinent members of an organization. Marketers can only provide that clear direction through prudent research and planning, mapping out clear objectives, and then communicate them regularly.

2. Audit the customer journey

Marketers who start with an audit of the customer journey will identify the pain points, and the benchmarks, that can help build and maintain momentum for their transformation. During this customer journey mapping process, marketers should not only define their own company's strengths and weaknesses in terms of customer interactions, but also research competitors' initiatives and how they're performing.

Gaining such in-depth knowledge on how customers engage with the enterprise and defining the touchpoints and devices they use in their various interactions is an essential step for prudent planning and will help devise the scope of any successful digital strategy. It will also underscore which key stakeholders interact the most with customers.

Having all this in-depth knowledge will help define investment targets (channels and technologies), as well as help map out the expected ROI for each step of the transformation.

3. Develop a workplace strategy

Digital transformation strategy will stall without a workplace strategy. It should include how employees will use new technologies and devices, as well as team organization and structure. For example, workplace strategies that support digital transformation should remove internal barriers to collaboration and break down internal silos that negatively impact the customer journey.

MILA D'ANTONIO

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A workplace strategy should also identify sponsors and key contributors. These people will take on leadership roles and advocate for the changes. Workplaces strategies without internal proponents are destined to fail.

4. Prioritize the action plan

One of the most overlooked steps in ensuring the success of a digital transformation is simply knowing what to do and when. The reality for many large organizations in need of digital transformation is stark: Priorities and goals are often misaligned, and objectives not articulated. This deters actual progress.

Use the data gathered in the first three steps to prioritize the action plan based on which tasks will create the greatest impact in both the short and long term. By considering digital as an enabler instead of an end goal, marketers can better determine how their digital transformation strategy will affect the customer experience, as well as drive revenue and efficiency gains.

5. Stir passion in employees.

A powerful way to motivate employees on digital transformation is by making customer opinions and feedback on the new systems transparent. One way to do this is by adding an online ratings and review tool for customers. Reviews can help break down the walls in an organization and offer clear pathways for employees to facilitate discussions on feedback or to voice concerns. Additionally, customer feedback will help pinpoint digital pain points and identify areas for improvement. Positive reviews also can stir passion in employees, encourage innovative ideas, and help employees keep an open mind about digital adoption.

AUGIE MacCURRACH

CEO, Customer Portfolios
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MYTH:
We're now able to know everything we want to know about our customers.

REALITY:
If you're Google, this may be true. Google owns integrated products across the digital value chain that mostly require authentication. It's not just a cookie; they know it's you on the Internet.

Same is true of Amazon; they don't know everything, but they know a whole lot. On the Amazon website, you're accessing your Prime account. They know all about you and the rest of your household. Augie has the primary account relationship, but Amazon knows I live with my wife and three daughters, and we all have different purchase behavior. Together, we provide Amazon a nice amount of revenue on an annual basis.

There's no surprise here. These are digital powerhouses, companies that continuingly drive digital transformation and innovation. They are the kings of the digital hill.

Reality, part 1: Distributed versus single customer view
If you're a typical multichannel business, you're generating revenue — and customer data — offline and online. But online transactions and interactions have grabbed all the attention and we've got all kinds of applications for driving traffic to websites, personalization on those sites, making product recommendations, and chasing customers around the web with retargeting.

If you look under the hood of your website, you'll see dozens of pixels. Digital partners drop their own pixels and cookies — they're all tracking customers, and that data goes back to their platforms. We think we have a single view of the customer, but we have a distributed view.

Data is all over the place; we don't have single view of customer. It's frustrating because all these touchpoint applications require specific expertise. So, your marketing organization becomes as functionally siloed as the data.

It's tough for marketers. Even if we have the single view, how do we share it over the entire customer-facing network and across the buying lifecycle to make sure we're creating the customer experience we desire?

AUGIE MacCURRACH

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Reality, part 2: Follow the money

The technology supporting your digital transformation is being funded by investment capital, so a vendor's goal is to sell as much as they can. We may not need all those point solutions. Each channel then has its own platform with siloed campaigns, data, and business rules. It's simple to sell but it doesn't serve most marketers well. Their brands then have a distributed view of their customers.

What next? Commit to the single view

We're beginning to see brands creating the single view of the customer that some of us have espoused for two decades. The customer-in-the-center architecture of tools such as CDPs provide that single view by tapping into disparate data sources to create a consolidated customer profile with an identity system that's connected to every touchpoint in the customer network. The profile contains everything known about the customer, along with actionable analytics. Then, using whatever protocol necessary, delivers that profile back to the customer-facing application when needed.

   The sticking point for many businesses is when considering the myriad digital point solutions; each has its merits and work within its space. But how do you create a customer-in-the-center architecture where everything is connected in the right way and you can take action against the customer profile?

Reality, part 3: The hurdle isn't technology

The inability to take advantage of the data that's been created by digital transformation is an architecture problem, an organizational problem, a process problem. It's not a technology problem.

   If you don't have the blueprint of how to really put customer intelligence in the center and share it across the distributed customer network when the intelligence is needed, much of the power of all that technology is blocked. This hurdle has emerged as the hardest part of the digital transformation, and we haven't yet cleared it. We have more work to do.

DES CAHILL

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MYTH:
We already have our digital strategy in place.

REALITY:
Digital transformation is a term that gets used often, but many don't understand what it actually means. Digital transformation is the process by which companies are radically changing themselves to better meet customers' expectations and needs. By radical change, I mean fundamentally changing everything: customer and employee facing systems; business processes; products and services; even the brand.

So, the real myth is that some organizations have a false sense of security. Consider: 90 percent of companies believe they have a digital strategy in place, but only 14 percent have the technology and skills needed to deliver that strategy. What's more, few companies approach their digital strategies efficiently. Only 25 percent have mapped the customer journey — an essential step for transformation — and only 42 percent are investing in digital channels.

To truly transform digitally, organizations need to embrace a cultural change, putting the customer experience front and center. Although this requires C-level buy-in, marketers can lead the change. They can work on breaking down communication silos between business units, using customer data as their guide. For example, they can provide benchmarks for customer service representatives based on customer experience insights and rethink how those agents are being scored: Should it be on how quickly they get a customer off the phone, or on how satisfied the customer is after the call?

The cultural shift paves the way for a technological transformation, as organizations recognize the need to evolve their core systems and connect the data across their business. Once connected, marketing, sales and service departments can present a holistic picture of each customer and conduct business in a customer-centric way. In doing so, the company can then provide customers with a set of offers, actions, recommendations, services, and service levels commensurate with their history and context with the company.

We're in a particularly exciting time for customer experience as emerging technologies such as artificial intelligence, chatbots, IoT, and blockchain present new possibilities for engaging with customers. Emerging technologies can help deliver a smarter customer experience, but they're only one piece of the puzzle. Another is a solid set of customer data across all your functions; it's a prerequisite to enabling AI to effectively derive insights to optimize customer offers and employee actions.

Ultimately, transformation is only possible when everything — processes, data, and applications — are connected and everyone in the company is focused on customers.

KEVIN DEAN

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MYTH:

Digital strictly means devices, platforms, bots, blocks, and chains.

REALITY:

What gets lost in the digital transformation shuffle is that digital marketing is just like every other medium that came before it: a race to have a meaningful conversation with an actual person. Sure, terminology has evolved, but the basic principles haven't. The more you know about your audience, the more effective you can be engaging with them.

Marketers need to think about how to create a single customer view. Do they have a line of sight from prospect to customer? How do they tie all of the various customer touchpoints and identifiers together to truly understand their customer? How do they use the data to reach a real person? It can't just be about ad impressions.

There might be fancier words and technologies behind digital transformation, but it always comes back to having a conversation with a real person.

ANTHONY GOMES

Senior Director of Corporate Communications, Marchex
@Marchex

Shifting more of your marketing budget to digital channels and leaning on digital interactions to quickly convert and retain customers will ensure success.

REALITY:
Think about the digital journey you take on any given day in 2018. You might start your morning skimming your inbox full of emails from colleagues, friends, and brands — pausing to check out an irresistible 50 percent off sale at your favorite store. Then you scroll through your Facebook or Instagram feed, pausing to muse over an ad for that new car you've been eying. You might even engage the chat feature of the company's site or start a conversation with a bot to ask a few questions before making the trip to the dealer for a test drive.

Technology surrounds us; it's on our wrists, in our pockets, and at our desks. Customers are adopting technologies at a faster rate, consuming more content through their screens, and making more purchases online. According to a study by Forrester Consulting, by 2021 marketers will spend nearly half of their budget on digital channels in an attempt to target and convert their next customer embracing technology.

So, if you just allocate more dollars to digital channels and lean on digital interactions to quickly convert and retain your customers, you're sure to succeed, right? Wrong.

Personal, real-life interactions matter. According to a study by Accenture, 73 percent of consumers will choose a person over a digital capability when seeking advice or looking to resolve a service issue or complaint, and 73 percent of consumers become frustrated when providers fail to offer convenient methods to interact.

Customers who call a business actually convert faster, spend more, and have a higher retention rate than those engaging with brands in other channels. In fact, 60 percent of marketers say that customers who initiate an inbound call throughout the course of the customer journey convert an average of 30 percent faster than those who don't, and they spend an average of 28 percent more. Fifty-four percent say that customers who initiate an inbound call have a 28 percent higher retention rate.

ANTHONY GOMES

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The reality is that marketers can't afford to ignore offline customer interactions, like in-store interactions and phone calls — especially considering that offline commerce accounts for $7 trillion in spending each year. Providing current and potential customers with positive, personal interactions is a crucial part of winning and keeping their business.

SO, WHAT'S NEXT?

A customer's digital presence is essential to understanding who they are, what they want, and how to create meaningful experiences for them, but we live in a world where customers expect a seamless experience online and offline. When marketers ignore the proverbial blind spot between the two, companies risk losing customers and, ultimately, revenue because of it.

Here are a few ways to make the most of online and offline interactions for your brand:

- **Do your research.** Talk to the customer service team about why customers contact them. It's important to educate yourself and gather as much information as you can about what customers are looking for during offline interactions at your specific company to inform changes you make down the line.

- **Educate your internal stakeholders on the importance of offline interactions.** Marketers need their stakeholders' buy-in. If senior leaders don't understand what's at stake when a strategy isn't in place to optimize in-person touchpoints, you'll have a tough time making changes to your marketing strategy and toolset.

- **Implement call analytics technology** to not only better follow the journey of current and potential customers, but also refine your marketing strategy by analyzing which social media engagements, advertisements, and paid keywords are driving the most calls to your business.

GLENN LAVERTY

SVP, Ricoh Americas Marketing, and President & CEO, Ricoh Canada Inc.
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MYTH:
Digital transformation is a simple, once-and-done shift, so you can go it alone.

REALITY:
The days of slow customer engagement cycles are over. Most customers are well informed before you're even aware they're in the consideration phase. Because of this customer transformation, your digital approach must transform, as well. You may think it's an easy switch, or that you can do it alone. You might even think it's a one-time event with an end date. Unfortunately, all of these are myths.

The reality is, like any successful approach, if it was easy, everyone would do it.

Digital transformation is an ongoing process; one that will require adjustments to maintain success. Embarking on a successful digital transformation requires getting to market faster with a more personalized value proposition to your customers, based on timely and relevant data. Agile workforces and partners are must-haves. And without the right data, you're burning your profits and losing customers to the competition. Marketers who attempt to do it all alone will likely miss the mark on both timing and quality.

Marketing today is a journey, not an event. Find partners who can help you evolve with it for the optimal success.

BEN HARRIS

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MYTH:

Customers want digital transformation; following other companies' best practices is the way to achieve it.

REALITY:

Marketers tend to believe that if they invest money into new platforms and follow best practices — because the media is telling them to, or because their competition are seemingly doing it — they'll achieve a digital transformation. Marketers also assume that their customers want a digital transformation. These beliefs are the biggest myths that marketers tend to fall victim to.

Instead, marketers must put thought to the customer experience before prematurely jumping on the digital transformation bandwagon. Customer experience is a brand's greatest differentiator. Marketers will only be successful in their digital transformation if they truly understand what their customers want and build digital experiences around that insight.

As a result of modern technical conveniences and brands such Amazon delivering a fast and flawless online experience, customer expectations have never been higher. And it's never been more critical for marketers to meet those expectations. In fact, 89 percent of customers say they'll stop doing business with a brand after one bad experience. So, marketers cannot discount how the quality of how their digital offerings impacts customer experience in terms of brand reputation and customer loyalty.

Consider as examples websites and apps, which are important digital platforms for engaging with customers and prospects. Marketers will only be successful in transforming and upgrading their websites and apps if the changes are based on what customers want. In this example, learning what customers want starts with analyzing their behavior on, and sentiment toward, the web and app experiences. This requires more than reviewing quantitative data (e.g., how often users are visiting each page); it also means gathering qualitative data (e.g., robust, real-time insight into customer behavior and sentiment). Marketers can use the insight from the combined data to transform the web experience.

Before spending money on new technologies or making other significant changes, marketers must take stock of what their customers actually want. Customer experience must be at the core of marketing's digital transformation.

MOLLY SCHWEICKERT

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MYTH:

It's a "digital" problem, and there's a blueprint for understanding how to deal with communication and interaction in this transformation age.

REALITY:

This is about human behavior, not just technology. The solution will always be deeply personal to a brand or an organization and can't be forced into a digital-only problem or solution.

So, don't try to understand how to keep up with digital transformation; instead, look at it as understanding human behavior. That mind-set will ensure that you're meeting your company's and customers' needs and coming up with informed solutions, instead of artificially forcing some notion of what digital transformation looks like.

There will always be a new shiny object to focus on. To truly make the best use of innovations, as well as maintain connection with more traditional approaches, we need to be laser focused on how to create the best experience for consumers and meet our business objectives—which means that digital transformation needs to be a mandate for the entire business. It's not just a digital marketing challenge; it impacts every element of the operational and client-facing parts of the business.

TAMIR SIGAL

CMO, Quadient
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MYTH:
Digital transformation is an isolated, one-off project that follows a standard approach and requires company-wide change.

REALITY:
One of the biggest myths surrounding digital transformation is that it's an isolated, one-off project. For a digital transformation initiative to succeed, it needs to be a corporate-wide undertaking with involvement from stakeholders across the organization.

While digital transformation is often led by the CMO, it still needs to be guided, managed, and owned by multiple functions and multiple groups. For example, finance and accounting need to be included due to the investment involved. Legal and compliance should provide required input in heavily regulated industries. Customer support will engage with the customer after the sale and IT is involved in driving the strategy through automation.

When all relevant stakeholders are brought to the table from the start to coordinate efforts, digital transformation is treated as a strategy rather than a one-time project.

Another myth is that there's a standard definition of digital transformation. In fact, it will mean something different to every company and to every stakeholder. A best practice for enterprises on the path to digital transformation is to ask this question to all stakeholders: "What does digital transformation mean for the organization?" Everyone in the company should have the same answer. Creating a common understanding organization-wide is important because having multiple definitions will be detrimental to the overall execution of the strategy.

A third myth attached to digital transformation is that it requires a company-wide transition to digital. It doesn't. Yes, stakeholders from across the organization need to be involved, but not every operation across departments needs to shift to digital.

Building an effective digital strategy starts with evaluating the market, as well as the organization and its goals. This will provide the information needed to decide where to invest in digital, and how best to profit from those investments. In some cases, there are non-digital processes in an organization that work quite well and might not warrant being digitized.

For example, while researching customer preferences you may find that many customers still want a paper bill with

TAMIR SIGAL

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all their transaction data. Others may prefer an SMS with the monthly amount owed that allows them to simply reply "pay" to pay the bill. Over time, having the ability to meet customer preferences by integrating digital technology will not only change how a business operates, but it will also change the value it delivers to its customers.

The reality is this: Making core systems digital-friendly will provide a deeper understanding customer interactions and usage patterns. That information will make it possible to offer new services and harness new opportunities. For instance, a telecommunications company able to determine which customers travel overseas frequently can upsell a more appropriate phone plan or device to support that travel.

But those simple examples are just the tip of the iceberg.

Many enterprises have focused on digital transformation as a way to improve customer acquisition through digital and social channels. Today, the question is, "How do we make sure our customers have an exceptional customer experience, so they'll recommend us to their friends and buy additional products and services from us?" The answer: Marketers need to move past customer acquisition and consider the entire customer journey, ensuring that customers have a consistent experience that works across channels. Providing that consistent customer journey is the main reason the entire organization needs to be involved in the digital transformation initiative.

There's no doubt that the digital transformation we're witnessing today is unlike anything we've ever seen before and it's happening much faster than we've ever experienced in history. Success will entail support from across an organization, a unique and unifying definition of what digital transformation means to the company, and a focus on the entire customer journey. Most of all, it will require the ability to embrace the challenge. However, the outcome — the ability to deliver relevant, consistent customer communications and customer experiences across channels — is well worth the effort.

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MYTH:

Digital transformation will just happen naturally; there is a level of effortlessness to the process.

REALITY:

In reality, true digital transformation is challenging and requires willpower and endurance.

What this means for marketers is that they need to take control in partner relationships, technology licenses, and performance data. Business as usual — that is, letting third parties work completely autonomously without little to no transparency into performance data, fees, or reporting methodologies — opens brands up to the potential of a mismanaged marketing budget. In essence, while brands own their investment capital, marketers are not taking the necessary steps to protect or optimize it.

Marketers should treat their initiatives as investments, and ensure they have enough transparency when working with partners to properly manage funds. After all, you wouldn't open a bank account without access to transaction data. The same principle should apply in marketing, as well.

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