Customer Journey Optimization

Maintaining a cross-journey conversation with your customers

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Introduction

With customer-centricity a key priority for marketers from all industries, organizations need to change the way that they communicate with consumers – to move from campaigns to customer journeys and then towards Customer Journey Optimization.

However, when half of marketers surveyed in 2016 consider that their understanding of the customer journey to be at the 'beginner' level, or even 'nonexistent', change may not be easy.

Today's consumers engage with brands across many touchpoints and many channels. Yet, while each and any of these touchpoints may provide a positive customer experience in isolation, that is not to say it enables a satisfying transition to their next point of engagement.

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Customer journey optimization is not just about stepping in at the right time to assuage negative customer experiences, or delivering contextually relevant content. It's about maintaining a 'global conversation' across the journey ecosystem, ensuring that customers do not 'fall through the gaps' as they continue their voyage.

In this eBook, we address the move away from campaigns to journeys, look deeper at the customer journey itself, how to understand and measure the impact on customers, and look at optimizing how brands talk with customers across their journeys.

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The Customer Journey

Before we look at customer journey optimization, it is important to define what a customer journey consists of.

While there are many interpretations, there is a general agreement about what constitutes the five key stages of a customer journey:

Awareness

This stage applies to the recognition of a need or problem (for example, running out of shampoo, wanting to upgrade a TV, a desire to be healthier) and the impulsion to act upon or buy a product that will meet this need.

Consideration

With a problem or need identified, a customer will start to research what they think is the best solution. This evaluation process may include print, visual and online media, word of mouth, visiting in-store showrooms, sales representatives, exhibitions and other sources of information. Consideration will also include the assessment of a shortlist of products.

Traditionally, these two stages were left in some degree to chance, with marketers finding it hard to measure the success of their traditional media advertising efforts. With digital advertising, cookies and device tracking, today's marketers have the ability to better understand their performance, allowing them to bring the journey forward in their campaign mindset.

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Purchase

This is the point where a customer may have decided on a product (a holiday package, for example). However, before the stage can be completed, there are factors that can disrupt a purchase. In our holiday example, it could be the attitude of others (such as a negative user review), unforeseen situations or perceived risk.

As these disruption factors are often out of marketers' control, this makes them a neglected part of the journey. That does not means that marketing cannot build strategies that consider external influences (like review sites or third party vendors – a delivery company, for example) and mitigate against them.

Advocacy

This is asking your customers to spread the word about your products and turning them into fans of your services and brand. This can include encouraging them to leave product reviews, sharing your content, joining your social media channels, referral schemes and the like. Advocacy generally happens before loyalty these days with brands looking to create advocates to drive more sales.

Loyalty

This stage is to encourage repurchase intention – because they are pleased with the product and your service – or an awareness that the product may need to be upgraded or replaced in the future. Loyalty and retention require maintaining interactions with your customers, through subscriptions, loyalty schemes email marketing, gamification and so on.

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The Non-Linear Customer Journey

Not everyone starts at awareness and ends at advocacy. In fact, any one of these journey stages could be a customer's point of entry, and they can jump around to different stages at whim: from awareness to purchase, from consideration back to awareness. Some can consider themselves a brand advocate even before they make a purchase.

The trick is ensuring that their experience and engagement is maintained, with as few 'seams' between channels and touchpoints as possible. After all, customers do not think of channels in the same way marketers do. As far as they are concerned, their conversation is with a singular brand.

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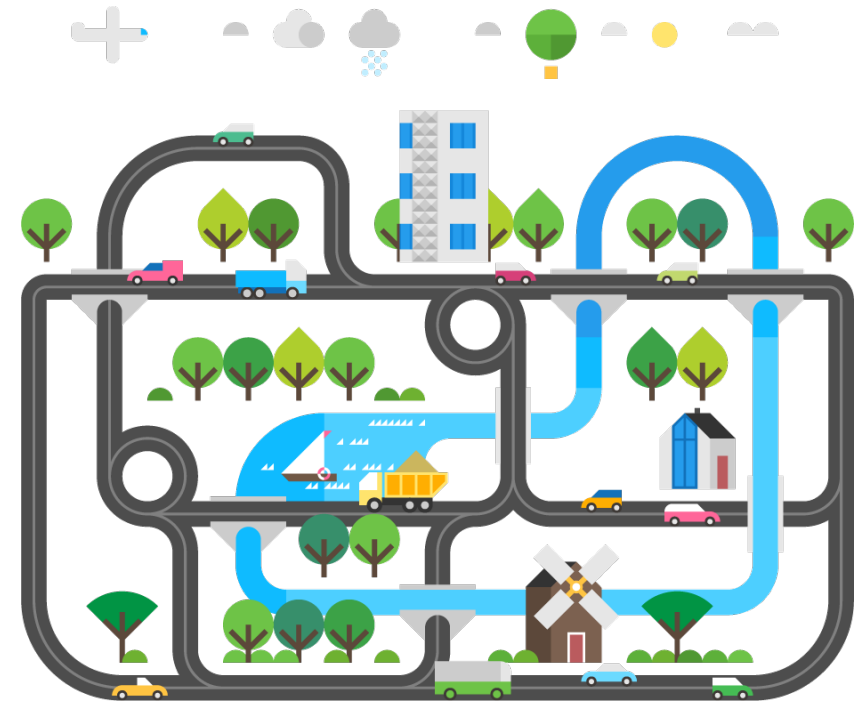
In its *Design Better Cross-Channel Banking Journeys* report (April 13, 2016), industry analysts Forrester predict that in the next three to five years "customers will increasingly expect to interact across touchpoints. In addition, the volume, frequency, and impact of these cross-touchpoint interactions will grow. The ubiquitous touchpoint – mobile – will be the 'connective tissue' of many cross-touchpoint interactions. eBusiness and channel strategy professionals should act now to begin the iterative process of identifying key touchpoint pairs, planning and designing cross-channel experiences, and managing the transitions."

So, a journey that begins with a marketing email can continue via your website, but the purchase is made in-store and

completes with an online satisfaction survey. Brands need to adopt an omnichannel strategy that maintains the experience even as the customer crosses touchpoints, and siloed system owned by different business departments.

This is the approach that stand-out brands such as Starbucks, Disney, Sephora and Best Buy have successfully used for several years to deliver an optimized customer experience.

Yet before any business gets to this stage, it means investigating customer behavior and digging into the data it gives you.

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Customer Journey Analytics

When monitoring the performance of a campaign – say, the impact of cart recovery emails – marketers can use a simple, process-driven approach to find out what does or doesn't work.

For example, this could mean creating a selection of customers who have:

- Abandoned their basket
- Positively responded by making a purchase

From these groups, you can see the value of those customers who recovered naturally, and the amount generated by recovered baskets. Measuring them against a control group allows you to understand what you as a marketer have affected. In a single campaign communication, this approach works well.

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A customer journey is different. A journey is 'always on', real-time and perpetual, constantly dealing with behavior from numerous different places. Here, a control group is not a good idea, because it means excluding customers from the entire experience and breaking their conversation.

When you factor in every possible piece of personalization and segmentation at every single customer touch point, it would become a serious analytical headache anyway. So how are you supposed to measure the true impact of your marketing efforts?

So, rather than recording a customer's *response* to a specific communication, you need to measure their response to your *intention*.

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Measuring Intention

What do we mean by 'intention'? In the aforementioned basket recovery example, the intention is *for customers to make a purchase.*

It doesn't matter quite so much whether they purchase at the initial checkout phase or whether they purchase from the recovery email – as long as they purchase.

Rather than measuring impact, clickthrough rate or open rate, what you want to measure is **whether the customer has met your intention, or not**. This will identify your customer base as *progressives* and *aversives*.

⇉ **Progression**: The metric used to measure the impact of marketing on customers that **did** what you wanted.

⤬ **Aversion**: The metric used to measure the impact of marketing on customers that **didn't** do what you wanted.

Alongside, **engagement**, **timing** and **value** metrics, you can begin to understand the customer journey and the value of the customers who move through that journey, learning more about your progressive and aversive groups.

For example, by analyzing the behavior of aversives (say, a customer who has abandoned a basket with a high propensity to buy elsewhere offline), it allows marketers to optimize this process and intervene with appropriate messages.

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Engagement

No matter what the piece of creative, or the channel – did they engage? For example, did they click your call to action button? Did they engage with a piece of personalized web content? With engagement, you want to measure open rates, click rates, or any statistics that indicate they have read or watched your content.

Timing

Typically speaking, the quicker you can move a customer through each part of the journey stages, the quicker you can achieve your desired outcome. For those with a longer sales cycle, it could be how much time they spend in the nurturing phase of your journey.

Value

Whether a progressive or aversive, you'll still want to measure the revenue that was generated by the people who you helped through the journey, and those you didn't. This means looking beyond the value of their original cart and looking at how your interventions (such as product recommendations) may have affected them at a later moment in their journey.

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You'll want to place these *engagement*, *timing* and *value* measurements at as many journey points as you can. After all, **you are not trying to measure and manage a single communication – you want to measure the impact of the entire journey.**

By measuring and understanding these actions, you can start to build an engagement score for each customer – much like a lead nurturing score in the B2B world. This score can be used to reveal those who are likely to purchase, those appropriate for cross- and up-sell opportunities, as well as customers at risk of churning.

These scores can also be used for the creation of predictive analytics models, which can be used to further optimize the customer journey by automating intelligent, relevant responses to customers' actions.

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Building Microsegments

Marketers have long used sociodemographic factors (such as age, gender, location and income) to segment their customers and create personas to shape their marketing strategies. The explosion of big data has provided them with access to huge volumes of behavioral data, too.

This behavioral data, such a purchase history, website viewing history, cart abandonment habits, and so on, has enabled the creation of far more specific microsegments for precision targeted messaging.

Customers might be placed in a microsegment depending on what device they uses, what time they visit your site or open their emails, or what channel they prefer. These microsegments allow you to understand not just a customer from their persona, but how you can treat each one differently based on the way they act.

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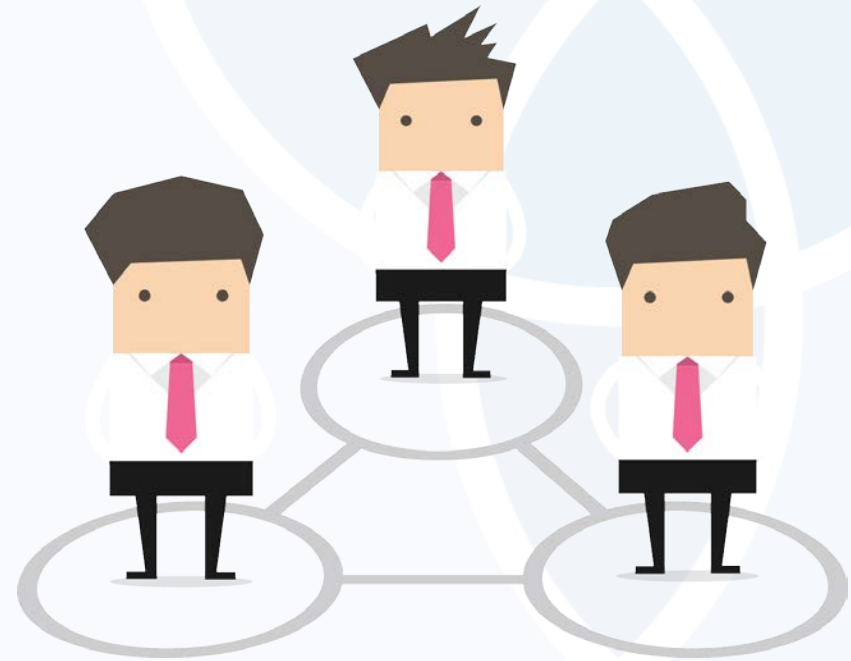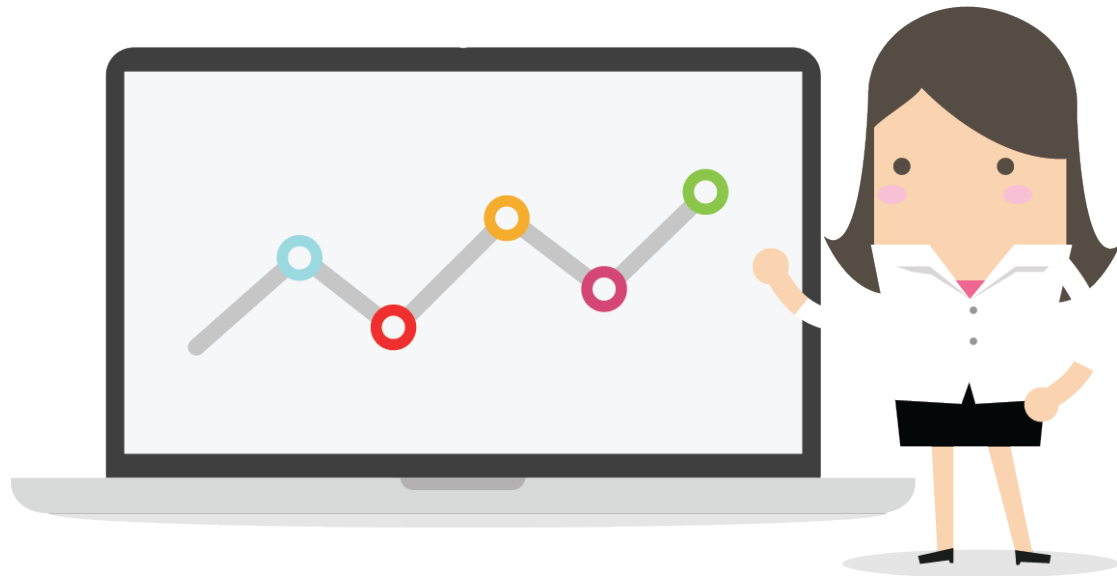
You can measure engagement, timing and value metrics for all your microsegments, comparing the performance for progressives and aversives against the averages for each microsegment.

From here, you can learn whether you are outperforming the average, or perhaps underperforming with your aversives. Is what the customers are doing without your help earning more money than when marketing intervenes, for example?

It gives you the knowledge to:

- Create optimization tactics for your progressive customers

- Intervene in the negative experiences that your aversives have experienced, and then improve those experiences measurably over time

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Cross Journey Communication

For an optimized customer journey, marketers require the ability to conduct a single, holistic journey conversation.

Take, for example, a customer who has just received a positive communication from a brand because they were in what appeared to be a loyalty behavior part of their journey.

However, they received this message shortly after emailing the company to complain about a recent purchase. The customer, understandably, is confused to the point where any positive intent from the original message was negated, and could even lead to a second complaint through the perceived ignorance of the customer's negative feelings towards the brand.

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This is an incident where a customer has 'fallen through the gaps' between touchpoints, and one that could have been avoided with *cross journey communication*, **where one important behavioral action can alter the rest of their journey appropriately.**

Cross journey communication is like applying a metaphorical sticky note to a customer who falls within a microsegment. As they progress through their customer journey (or journeys), a record can be made at any touchpoint, at any channel, to monitor their behavior, and shape future communications.

This can lead to them receiving a specific piece of creative, being delivered personalized content next time they visit your website, decide what time of day they receive an email, or even dictate they receive fewer, or no communications at all.

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Four Requirements for Customer Journey Optimization

Developing a marketing strategy that can engage and converse with customers will need many components to make customer journey optimization possible. However, four of the most important requirement are:

🗄 **Unified customer data**: Without a Single Customer View (SCV) pulling together all your data sources into a single 'golden record', you'll find it challenging to monitor your customers across multiple channels. Creating an SCV is a process that a Customer Data Platform (CDP) can handle, as well as providing a hub from which to execute your marketing strategies.

A Customer Data Platform maintaining a unified customer database provides the foundation to resolve data fragmentation, and a base for accurate analysis, targeting and to measure marketing performance.

👁 **Customer insight:** It quite clear that you'll need the ability to analyze your customer data. Without being able to extract the insights you need to build accurate and relevant customer segments, microsegments and personas, you will not know enough about them to engage in personalization strategies.

◎ **An omnichannel approach:** Customers don't think about channels – they want a seamless, integrated experience where their journey preserves context and their progress is maintained across channels and devices. This is critical for 'global conversations'.

🛠 **Marketing automation tools:** A marketing platform is needed to build, monitor and establish marketing interventions, create campaigns and enable cross-journey communication.
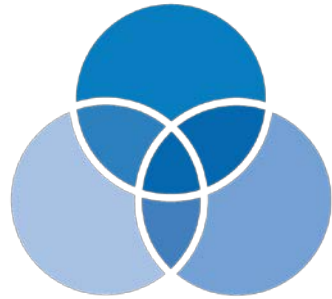
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Conclusion

Understanding the customer journey and being able to optimize an omnichannel approach to marketing communications and the customer experience is no longer something marketers should have on their wish list.

The way that customers now engage with brands is not just agile – it's almost completely on their own terms. If you cannot meet their needs, when and where they have them – and optimize these engagements at the same time – then you're going to find it hard identify, and justify, where and how you spend your marketing dollars.

Using cross journey communication is an incredibly powerful way to measure, learn and optimize customer engagements. By holding conversations with customers across all channels, at any of the countless journey stages, using the empirical knowledge you have learned from their natural behavior (rather than just what you tell them), is key to strengthening a more relevant and rewarding relationship with them.

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