Consumer behavior: buyer personas, customer experience and journey (part 2)
1) Consumer buying behavior process models

- **Initiation**

- **Awareness / learning**

- **Decision**
  - Compare products? Role of price / quality? Evaluation criteria? Need to touch and feel? Impact of brand and trust?

- **Buy**

- **Post purchase**
  - Word of mouth to friends / community? Lifetime service? Relationship contract? Delivers promised value?
The traditional purchasing funnel

- Consumers reduce the number of brands while moving through the funnel
- Linearity of the process
- Push marketing

# Adding Brands

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share of purchases, %</th>
<th>Average number of brands</th>
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<tbody>
<tr>
<td></td>
<td>Initial consideration</td>
<td>Active evaluation</td>
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<tr>
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<tr>
<td>Personal computers</td>
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<tr>
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<td>20</td>
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<tr>
<td>Auto insurance</td>
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CONSUMER DECISION JOURNEY

1. The consumer considers an initial set of brands, based on brand perceptions and exposure to recent touchpoints.

2. Consumers add or subtract brands as they evaluate what they want.

3. Ultimately the consumer selects a brand at the moment of purchase.

4. After purchasing a product or service, the consumer builds expectations based on experience to inform their next decision journey.

The consumer decision journey

Active evaluation
Information gathering, shopping

Loyalty loop

Postpurchase experience
Ongoing exposure

Moment of purchase

Initial consideration set

Trigger
Brands may “interrupt” the decision-making process by entering into consideration and even force the exit of rivals.

This change in behavior creates opportunities for marketers by adding touchpoints when brands can make an impact.

Brands already under consideration can no longer take that status for granted.
2) Quality, customer satisfaction & loyalty

- **Disconfirmation paradigm**: Satisfaction has primarily been conceptualized as resulting from a comparison of the actual delivered performance with customer expectations.

- **Key drivers of satisfaction**

- **Relevance of customer delight**
3) Customer centricity

- Approach that centers on understanding and delivering value to **individual customers** rather than mass or target markets

- This is why today we talk about **PERSONAS**

  * personas help companies design solutions that solve **customer** problems
  * vs solutions that solve the **businesses** problems
A buyer persona is a **fictionalized characterization** of your best customer(s) based on information about them and how they use the product or service.

These descriptions **mirror various market segments**, with names to match the type of buyer.
WHY IS IT USEFUL?

- Personas help better understand what customers are:
  - Thinking
  - Feeling
  - Concerned about
  - Hoping
  - Expecting
  - Planning
  - Believing

Based on that information companies can then customize different marketing campaigns to speak directly to the different segments of the market, or personas.
Negative personas reduce the company’s **profitability** and interfere with the ability to serve ideal customers.

So we’ll want to keep them in mind as we craft our marketing message, to try and **discourage them** from doing business with the company.
BUILDING PERSONAS

- **Demographics** – age, gender, income level, education
- **Psychographics** – attitudes, beliefs, personality
- **Why** they bought your product – what primary purpose
- **Where** they bought your product – in a retail store, online, at a discounter
- **How** your product is used – what functions are most important to them
- **What solutions** it provides – how does it enhance their life or challenges does it solve
- **How often** they buy it
- **Objections** – why would they consider not buying it
- **Communication preferences** – is text the only way they communicate or do they prefer email or phone
Examples of PERSONAS

**STEVE, 47**

**Who is he?**
- CEO of large financial company worth €85 million.
- Has been in this role for ten years.
- He is an innovator and isn’t afraid to take risks.
- He likes to communicate via email or face-to-face. He is on LinkedIn and Twitter.
- He reads financial and economic publications and attends financial conferences.

**How he finds us**
- He was referred onto by someone he trusts.
- He comes to the website at the beginning of his buying journey.
- He isn’t interested in using the information on the site beyond research.

**Pain points**
- The size of the service team is very important to him.
- There are five other people involved in the buying decision.
- He wants a competitive price with strong experience.

**What he wants to know**
- Latest projects
- Testimonials
- Expertise
- Awards
- He is looking for a partner-led approach

**What he doesn’t want**
- He doesn’t want to pay large fees. Value for money is important.

**Why he buys from us?**

- Price and Expertise

SERVICE TEAMS
Examples of PERSONAS

Persona Detail

Karla Kruger

Scenario
Karla is a 41 year old woman living in New York City. She is expecting a baby, and has recently consulted with a dermatologist and aesthetician on product dos and don’ts during pregnancy.

Social Profile
Karla enthusiastically shares beauty tips and product knowledge with friends and family. She is heavily influenced by the opinions of other people like her, and the recommendations of beauty experts.

Product Philosophy
Karla believes in purity and simplicity. She wants products that feel natural and leave her skin healthy and acne free. She seeks out advice on how to simplify her regime while staying youthful.

Beauty Regimen
Her everyday morning regimen only takes a few minutes. This time strapped New Yorker likes that her regimen is fast and has few steps. She always washes her face before bed, sometimes using moisturizers before bed as well. When she is feeling creative, she wears spacial color makeup kept under her bathroom sink. Confusing products that adds steps end up in the honeyyard.

Media Consumption
This beauty conscious mom loves to read about the latest trends and research new products. Magazines and review sites are her go-to for discovering new product and learning how to use them.

“> My regimen doesn’t take much time now. I don’t want to add another step. I can barely make it out the door.”

Key Characteristics
- Pregnant / New Mom
- Family Oriented
- Health Conscious
- Urban Resident

Goals
- Save time in her regime
- Look youthful
- Avoid cosmetic procedures

Pain Points
- Suffered from acne
- Dry skin in the winter
- Little free time
- Budget conscious

Price Sensitivity

Budget
Luxury

Social Influence

Quiet Consumer
Enthusiastic Shiner

Interest in New Products

Only When Needed
Always Looking

Importance of Beauty

Uninterested
Beauty Expert

Brand Loyalty

Nix & Notch
Old Line

Clarin
Kiehl's
Sesderma
Cataphil
Clinique
The Science of Natural
Shiseido
5) Customer engagement

- Attempts to distinguish customer attitudes and behaviors that go beyond purchase.

- Brodie et al. (2011, p. 260) “a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g., a brand) in relationships”
Positive and negative engagement

- The **digital and social media revolution** has strengthened the importance of customer engagement behavior, as customers become:

  - active **co-producers of value** or
  - **destroyers of value** for firms
The customer journey

Customers now interact with firms through myriad touch points in multiple channels and media, resulting in more complex customer journeys.

Firms are confronted with accelerating media and channel fragmentation, and omni-channel management has become the new norm.
The model of the customer journey
The customer experience

customer experience is a **multidimensional construct**

focusing on a customer’s **cognitive, emotional, behavioral, sensorial, and social** responses
to a firm’s offerings
during the customer’s entire purchase journey.
The phases

- **Pre-purchase**: encompasses all aspects of the customer’s interaction with the brand, category, and environment before a purchase transaction.

- **Purchase**: covers all customer interactions with the brand and its environment during the purchase event itself.

- **Post-purchase**: encompasses customer interactions with the brand and its environment following the actual purchase. This stage includes behaviors such as usage and consumption, post-purchase engagement, and service requests.
What should firms do?

- Seek to understand both the **firm and customer perspectives** of the purchase journey, identifying key aspects in each stage.

- Begin to identify the specific **elements or touch points** that occur throughout the journey.

- Attempt to identify specific **trigger points** that lead customers to continue or discontinue in their purchase journey.

- This has been long known in the **tourism business**
Within the customer journey, existing studies suggest that different customer touch points can be identified.

Depending on the nature of the product/service or the customer’s own journey, the strength or importance of each touch point category may differ in each stage.
Brand-owned touch points

- These touch points are customer interactions during the experience that are designed and managed by the firm and under the firm’s control.

- They include all brand-owned media (e.g., advertising, websites, loyalty programs) and any brand-controlled elements of the marketing mix (e.g., attributes of product, packaging, service, price, convenience, sales force)
Example: brick-and-mortar stores

- Constitute a **major interaction channel** where consumers experience multiple cues, such as
  - atmospherics,
  - merchandise layouts and assortments,
  - relations with sales personnel, advice and assistance.
Due to the pandemic, challenged by the costs of recovering from the virus closures, innumerable companies are shutting down their stores, **claiming that they will mainly rely on e-commerce in the future.**

- Pier 1 Imports 936 stores,
- GameStop 320 stores,
- J.C. Penney 204 stores,
- Gap 230 stores only in the United States
- and Zara with nearly 1,200 stores worldwide
Transformation

- massive use of digital technologies

- consumers will most likely require additional and more accurate in-store services

- **Store hygiene** will become a must, forcing companies to reconceive atmospherics (interior cleaning, light, and scents) and provide materials (masks, gloves, and hand sanitizers) to reassure customers

- **In-store traffic** will represent a major issue

- Internal layouts adjusted to avoid overcrowding
Transformation

- digital technologies used to reduce time spent in stores and speed up buying processes:
  - click-and-collect methods,
  - GPS-based apps to help consumers with in-store navigation and smartphone-enabled
  - self-payment checkouts to reduce contact with sales personnel.
- Artificial Intelligence help consumers to choose merchandise and provide innovative solutions based on Augmented Reality

HIGHLY DIGITIZED SHOPPING EXPERIENCE
Partner-owned touch points

- These touch points are customer interactions during the experience that are **jointly designed, managed, or controlled by the firm and one or more of its partners**.

- Partners can include marketing agencies, multichannel distribution partners, multivendor loyalty program partners, and communication channel partners.

- Think about the tourism business (Booking.com, edreams.com, etc.)
Social media influencers are online personalities who have specific expertise in some fields, such as food, beauty, fashion, and traveling.

And they boast of multiple followers.

Differently from public personages who are renowned via conventional media, they are ordinary people who have become celebrities in cyberspace by creating and uploading content on their own online outlets, as their blogs or vlogs, or on social networking sites (SNSs).
Why are they partner-owned touch points?

- The influencer endorsement is stimulated by affiliated companies through **sponsorship** that

- either provides a **direct-monetary** benefit, such as cash compensation,

- or **indirect-monetary** benefits, such as discounts, free samples, and attendance at exclusive events.
Why are they credible?

- convey a picture of their private daily lives, knowledge, experiences and opinions to their followers.
- they are perceived to be approachable, trustworthy, friendly and familiar by common individuals
- and most of all disinterested in selling
- merchants are able to spread brand-related content that enhances their offering (recommendations and product reviews) and succeeds in conveying communication that is perceived as more authoritative, authentic, intimate and less deceptive than traditional advertising claims
Customer-owned touch points

- These touch points are customer actions that are part of the overall customer experience but that the firm, its partners, or others do not influence or control.

- During purchase, the customer’s choice of payment method is primarily a customer-owned touch point, although partners may also play a role.

- Customer-owned touch points are most critical and prevalent post-purchase, when individual consumption and usage take center stage.
These touch points recognize the important **roles of others** in the customer experience.

Throughout the experience, customers are **surrounded by external touch points** (e.g., other customers, peer influences, independent information sources, environments) that may influence the process.

Peers may exert influence, solicited or unsolicited, in all three stages of the experience.
Other customers, simply through proximity, may influence customers, especially during the purchase process or for products and services for which consumption occurs at or right after purchase (e.g., theaters, concerts, restaurants, sporting events).

Third-party information sources, such as review sites (e.g., TripAdvisor) and social media, also exert influence on customers. Sometimes such sources are independent; sometimes they are more closely aligned with the brand or firm.
Example: Brand-related UGC on SNSs (BRUGC)

- UGC can be defined as the content that is made publicly available online that exhibits a certain amount of creative effort and is produced outside professional practices.

- The most relevant content produced by consumers is recommendations and reviews.

- BRUGC is particularly important in the information seeking phase of consumers’ buying journeys and,

- In cyberspace, it is mainly conveyed through forums, communities, and the ratings and reviews of products uploaded on a company website or a third-party platform, such as that of a retailer.
Why is it credible?

- The credibility of the content spread on SNSs within a personal circle of “friends” is enhanced by the credibility of the source of the message – a relatable referent – that is believed willing to provide honest advice.

- Being that BRUGC is not biased by promotional messages and based on real customer experiences, it is highly valued by users and perceived as more believable and authentic than conventional advertising.

- Importance of storytelling