Consumer behavior: buyer personas, customer experience and journey (part 2)
A.Y. 2019-2020

Costanza Nosi
Need to find new ways to deal with customers.
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>
</tr>
<tr>
<td>Autos</td>
<td>63</td>
<td>30</td>
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<tr>
<td>Personal computers</td>
<td>49</td>
<td>24</td>
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<tr>
<td>Skin care</td>
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<td>Telecom carriers</td>
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<td>Auto insurance</td>
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WHAT HAPPENS … MARKETERS

- 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 touch points 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 relationship management

- **CRM**: long-term relationships with customers
- **CLV**: Customer Life-time Value
4) 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.
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

- 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.

**PERSONA PROFILE**

**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
- Expertise
- 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**

**BRIGHTSPARK Consulting**
Examples of PERSONAS

Persona Detail

Karia Kruger

Scenario
Karia 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
Karia 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
Karia 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 uses special color makeup kept under her bathroom sink. Confusing products that add steps end up in the honey yard.

Price Sensitivity
Budget

Social Influence
Quiet Consumer
Enthusiastic Share

Interest in New Products
Only When Needed
Always Looking

Importance of Beauty
Uninterested
Beauty Expert

Brand Loyalty
Nick & Nacho
On Line

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

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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 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.
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 \textit{designed and managed by the firm and under the firm’s control}.

- They include all \textit{brand-owned media} (e.g., advertising, websites, loyalty programs) and any \textit{brand-controlled elements of the marketing mix} (e.g., attributes of product, packaging, service, price, convenience, sales force).
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.)
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.
“Owned” media

- Owned media: “media owned by the brand. Online this includes a company’s own websites, blogs, mobile apps or their social presence on Facebook, LinkedIn or Twitter [etc]” Dave Chaffey

Dell Home's Twitter account:
- Tweets: 8,817
- Following: 417
- Followers: 94.4K

Starbucks on Pinterest:
- The Perfect Latte
- Coffee Moments
- Espresso

One of Dell’s Twitter accounts: Passion and success go hand in hand. #MotivationMonday pic.twitter.com/yIbH4pCru
“Earned” media

- Earned media: “Earned media also includes word-of-mouth that can be stimulated through viral and social media marketing and includes conversations in social networks, blogs and other communities.” Dave Chaffey

Liking, sharing, and commenting on a Starbucks’ Facebook post

Comments posted to the Skyrim Reddit pages (not owned by Bethesda)
“Paid” media

Paid media: “media where there is investment to pay for visitors, reach or conversions” Dave Chaffey

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+1 877-762-5011

Instagram sponsored post

Twitter promoted account

Google Adwords PPC advertising
Things are getting a bit more complicated …
## Roles, benefits and challenges of different media

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<thead>
<tr>
<th>Media type</th>
<th>Definition</th>
<th>Examples</th>
<th>The role</th>
<th>Benefits</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned media</td>
<td>Channel a brand controls</td>
<td>Web site, Mobile site, Blog, Twitter account</td>
<td>Build for longer-term relationships with existing potential customers and earn media</td>
<td>Control, Cost efficiency, Longevity, Versatility, Niche audiences</td>
<td>No guarantees, Company communication not trusted, Takes time to scale</td>
</tr>
<tr>
<td>Paid media</td>
<td>Brand pays to leverage a channel</td>
<td>Display ads, Paid search, Sponsorships</td>
<td>Shift from foundation to a catalyst that feeds owned and creates earned media</td>
<td>In demand, Immediacy, Scale, Control</td>
<td>Clutter, Declining response rates, Poor credibility</td>
</tr>
<tr>
<td>Earned media</td>
<td>When customers become the channel</td>
<td>WOM, Buzz, “Viral”</td>
<td>Listen and respond — earned media is often the result of well-executed and well-coordinated owned and paid media</td>
<td>Most credible, Key role in most sales, Transparent and lives on</td>
<td>No control, Can be negative, Scale, Hard to measure</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
Mapping the customer journey

- In a customer journey analysis,
- firms focus on how customers interact with multiple touch points,
- moving from consideration, search, and purchase to post-purchase, consumption, and future engagement or repurchase.

- The goals of the analysis are to describe this journey and understand the customer’s options and choices for touch points in multiple purchase phases.
Mapping the customer journey

- Customer journey mapping is a great tool that sits at the intersection of user experience design, customer experience management and design thinking.

- Journey maps are useful because they help visualize the interconnectedness of modern cross-channel customer experiences.
Mapping the customer journey

- A customer journey map tells the story of a customer’s experience with your marketing, product or service over time.
- The most common presentation of the journey map is in a large format diagram that puts the journey into a linear timeline.
- This type of diagram simplifies the complexity of a real customer journey so that general insights can be drawn out and improvements made.
The first step in defining a customer journey is to determine the **customer or audience segment** that you want to focus on and what **stages of their journey** you want to cover.

Focus on a **narrow audience** and then go wide in terms of covering the experience stages, so you can capture a holistic view of the journey.

It can be useful to use **customer archetypes, personas or target segments** as a starting point for your journey mapping.
Steps to create a customer journey map: RESEARCH

- It’s based on robust qualitative and quantitative research
- Qualitative, explorative phase
- Quantitative, confirmation of hypotheses
Steps to create a customer journey map: ANALYSIS

- Consolidate a high number of touchpoints into a more focused thread containing the key customer journeys.

- Selecting the most representative journeys and building them into a coherent narrative that moves realistically from step to step.

- The goal is to build a connected series of triggers, reactions and emotional states that credibly flow from one into another in a linear sequence.
Once you have the core narrative down, it’s worth taking the time to explicitly dive into the **wants, needs and fears** that are present for your audience at each stage.

Adding a cognitive layer to the journey is a way of forcing the company **to empathize with their audience**.

A useful way to break down the cognitive layer is by looking at what the audience is **doing, thinking and feeling at each stage**.

A key tool for increasing empathy is to map out any **pain points and friction** that occurs for customers during their journey.
Steps to create a customer journey map: ARCHITECTURE

- Collect the various touchpoints into **logical stages** that group nicely together.

- At this point in the process, you have the factual, narrative and emotional elements of the journey map in place, so the next step is to **consolidate the various elements into a cohesive overview**.
EXAMPLE customer journey map

**TIINA’S CUSTOMER JOURNEY**

**FEELING**
- POSITIVE VIBES
- NEUTRAL VIBES
- NEGATIVE VIBES

**IN AWE**
- “I want to be able to do that!”

**FOCUSED, EXCITED, ANXIOUS**
- “Where can I learn this?”
- “Am I fit/flexible/brave enough to attend a class?”

**ANXIOUS**
- “What should I bring and wear?”
- “What class should I start with?”

**ANXIOUS, EXPECTANT**
- “How does everything work here?”
- “Am I fit/flexible/brave enough?”

**FOCUSED, FRUSTRATED, HAVING FUN**
- “Is that safe?”
- “Can I do that?”
- “Ouch”
- “Wow”

**EXHAUSTED, PROUD**
- “How long will it take me to reach level X?”
- “I can’t believe I just did that”
- “This was more painful than I imagined”

**THOUGHTFUL**
- “Should I go again?”
- “If I go, what are my options?”

**THINKING**
- Seeing an inspiring article, blog post, picture or hearing from a friend about pole dancing.
- Searching for more info about the hobby. Searching for a place to try out pole dancing.
- Booking a first tryout class through the booking system. Reading the FAQ for first-timers.
- Arriving at the studio for the first time. Paying and changing clothes.
- Attending the class.
- Reflecting on how she/he did and on the experience. Perhaps even planning for the next time.
- Making a decision about booking the next course/ workshop/class.

**DOING**

**TOUCHPOINT**

1. WOM
2. Google
3. Website
4. Social Media

** POINT OF IMPROVEMENT **

**GREAT EXPERIENCE**
Mapping the customer journey

Example of Customer Journey Map for Online Travel Agency

Persona: Donna Redding, Suburban mom
Goal: Go on a family vacation

Stages of journey:
- Desire for travel
- Explore options
- Select vacation
- Book travel
- Schedule meals and events
- Travel to location
- Experience vacation
- Travel home
- Remember experience

Customer needs and activities:
- Discuss with family
- Search online for details on top options
- Book cheapest flight and hotel that meets needs of the entire family
- Book a few reservations for dinner nearby
- Find and book a couple of interesting tours and excursions
- Figure out what to pack and pack family
- Print tickets and travel information
- Plan for transportation to and from airport
- Arrange for activities at hotel
- Keep track of all of things that have been scheduled
- Post fun stuff on Facebook
- Pack up family
- Plan for food and meals during the trip
- Plan for transportation to and from airport
- Create digital photo album
- Send pictures to friends and family
- Tell people about the good and bad parts

Expectations for online travel agency:
- (Customer perception of experience: Good | Neutral | Bad)
  - Compare prices of different travel destinations and packages
  - Compare prices of different itineraries
  - Book cheapest flight that meets needs
  - Book cheapest hotel that meets needs
  - Notify when flights are late
  - Rebook flights when there is a missed connection
  - Notify when flights are late
  - Rebook flights when there is a missed connection

Emotional state of persona:
- Happy
- Sad

Potential opportunities for improvement:
- Offer sample itineraries for family vacations
- Allow searches across multiple destinations, e.g., lowest cost options anywhere in Caribbean
- Provide reviews of hotels from previous families on vacation at hotels
- Explore closing "white space" with vacation scheduling that includes restaurants & excursions
- Develop proactive rebooking based on family traveler profile
- Explore closing "white space" by sending targeted offers based on family itinerary
- Develop proactive rebooking based on family traveler profile
- Provide capability to easily share photos, comments and details of itinerary

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Layers in a customer journey map

- **Phases**: What broad stages does the journey fit into? These are usually clusters of similar tasks that relate to the same goal.

- **Tasks**: What are the physical actions that the user takes to move from one stage to the next?

- **Touchpoints**: What are the ways that the user interacts with your brand?

- **Channels**: How are the communications or content delivered to the audience? What are the key messages to deliver through the communications channels?
Layers in a customer journey map 2

- **Expectations:** What is the user expecting from this step in the journey?

- **Emotions:** How is the user feeling during this stage? What are they thinking? What are their wants, needs or fears during this part of the journey?

- **Motivations:** What job is the user trying to get done?

- **Questions:** A great way to create empathy for points of uncertainty is to focus on what questions a user has at each stage in the process. What are they unsure about and what do they want to know?
Layers in a customer journey map 3

- **Obstacles:** What pain points and blockers could prevent the user from progressing? What is adding friction or not working in the way it is expected to?

- **External influences:** What is outside our control that could influence how the user experiences this step and whether they move forward?

- **Data:** What data are we collecting at this stage? What data could support or improve the movement to the next step?
Layers in a customer journey map 4

- **Technology:** What systems and processes are needed to deliver or improve this step?

- **Recommendations:** What are the problems and opportunities that we have identified to improve this step?

- **Objectives:** What goals, metrics and KPIs do we want to set for ourselves to measure the success of this step in the journey?
Multichannel approach

- Channels differ in **benefits and costs**, often making one channel more useful for a specific stage in the purchase funnel than other channels.

- These differences **are shrinking** due to technological developments and diffusion of new channels.

- Customers differ in their preference and usage of channels **across different purchase phases**, and specific multichannel segments can be identified that differ in terms of **consumer characteristics**.
Recently, customer journey mapping has begun to include the role of partners and external influences.

The customer journey is viewed from a network perspective that recognizes the roles of communities, experience networks, service delivery networks, collaborators, and the broader ecosystem in which the experience occurs.

Customer experience ecosystem as “the complex set of relationships among a company’s employees, partners and customers that determines the quality of all customer interactions”.