

THE CHANGE IN THE CUSTOMER JOURNEY DUE TO DIGITALIZATION

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Abstract: The present paper examines the concept of the customer journey (CJ) analysis within consumers' purchase behaviour in the past and the present. Traditionally, consumers used to act after the simple funnel principle. However, this model changed from the push to the pull principle, which describes interactive communication resulting from purchase experiences, social networking, content, and blogs. The customer journey in this context describes all experiences a customer makes during the decision-making process.

Keywords: The purchase decision-making process, consumer behaviour, touchpoints, customer journey, digitalization.

Introduction

The concept of customer journey CJ describes a journey of customer experiences throughout the buying process and its touchpoints (TP). It is usually a story of understanding customers' behaviour in a firm to provide ways of improving their journey with a company.

Prospective customers research differently today and share their experiences with others, thus influencing other consumers more. This has changed how marketing can effectively influence buying decisions through online and offline platforms.

The paper analyses the new TP, which has been created for consumers and companies, and gives recommendations for marketing strategies on how to use and identify TP. Determining this will help the company influence consumers and their purchasing behaviour positively. Furthermore, the limitations and potentials of the customer journey for marketing strategies are listed.

Research methodology

The research used a qualitative method where the study relied on existing literature about the customer journey. This type of research involves studying factors that influence other people's behaviour in the market. It creates an understanding of the factors that affect an

organization's performance by considering various factors like consumers, products, services, and the prices of commodities.

The method used to conduct this research entailed collecting data from existing literature on customer journeys like books, journal articles, and company websites. Such information will help to understand whether the concept has changed over time and what organizations rely on to improve their product's performance in the market. The research also utilized various approaches that explain further on the topic.

Results

Understanding customer journey and customer behaviour are the base for every successful company. They can identify and influence consumer behaviour through targeted advertising to measure and influence the customer's behaviour [1]. Different constructs are essential to understanding consumer behaviour [2].

Basic definition of purchase decision processes

The process of consumer behaviour is highly complex and is influenced by many different factors. Marketing itself cannot influence the purchase decision process, but understanding the interrelationship of these determinants is crucial to explain, understand, and largely influence consumer behaviour [3]. Below, a summary of the different determinants which influence consumer behaviour is given.

Communication and customer involvement create the marketing base to influence customer behaviour, anchor the level of consumers' emotional experience and trigger particular motives or emotions [4]. The determinant involvement plays a significant role as the point of intersection between customer, companies, and their products [5]. Such a one has a strong influence on the decision-making process. The customer journey process entails visualizing the best products of high involvement, as with these products, the consumer puts much energy and time into the active search for information [3]. It is constructed to explain the consumer behaviour, based on [2]:

Table 1. The change of the consumer behavior in the customer journey due to digitalization

Determinant	Description
Activation	State of excitement that stimulates the consumer to act
Motivation	To explain the motivation, the pyramid according to Maslow plays an important explanatory approach
Emotion	Emotions have an influence on information processing and influence the recordings, and judgement making
Involvement	The involvement of the consumer describes the target-oriented form of activation of the consumer for search, reception, processing and storage of information
Mindset	Attitude influences the intention of the consumer based on experiences and beliefs
Customer satisfaction	Customer satisfaction reflects the level of recommendation towards a product, brand or a company, and the level of readiness for additional purchases and repurchases
Values and lifestyle	Describes the customers interest, activities and attitude for example towards, education, politics, or the environment
Environment factors	Divided into social, cultural and physical environment

The Funnel Model – A Linear Approach

Lewis defined the funnel model concept in 1898. He developed the classic AIDA model, which divides the buying model into four primary linear stages: attention, interest, desire, and action. The AIDA model states that the buying process starts with the customer's attention toward a product. In the next step, interest must be aroused, after which the desire to own the product is aroused. In the final step, a particular behavior is triggered, which causes the customer to purchase the product.

The classic customer decision-making process focuses on the sequences of events (purchase – delivery – use) [6]. The classic funnel approach states that the customer only has access to a limited quantity (retrieval set) of all existing brands and products (universal sets). The number of products will be reduced throughout the stages, and finally makes a decision for one product [7].

Within the framework of the communication policy, the AIDA model is applied to realize the potential related and market success-related goals. The first three components of the model describe the potentially related goals, e.g., image, level of awareness, and promotion of the purchase intention. In contrast, the last component of the model describes the success-related goal like turnover and profit of a company [2].

However, digitalization has influenced the customer's daily life and all the marketing strategies in a company [8]. The increase in market transparency has led to a power shift from companies to consumers [8]. Nowadays, all information is globally available through web 2.0. Thus, every customer can choose their life cycle by selecting the company which responds best to it. The customer has evolved from a passive buyer to a value-added partner who plays an essential role in the entrepreneurial processes.

As a result, new marketing models are formed, which relate to the intercedes between companies and their consumers [9]. Furthermore, the consumption process becomes an experienced project [10]. Significantly, younger generations strive to experience orientation in hedonistic rewards [11]. The customer journey has emerged to identify all important TP between businesses and customers.

The Customer Journey

In contrast to a linear approach, the modern decision-making process looks more like a circular journey. The customer journey describes a customer's experiences through the decision-making process [12]. It also describes a customer's interaction with a brand and various interfaces and touchpoints [13]. The new digital age has brought an overabundance of TP and that the funnel model is no longer suitable for registering all these TP [7].

Court et al. describe four phases from the beginning up to the moment of purchase:

Phase 1: Initial Consideration

Recognizing the need is the prerequisite for each purchase cycle and is a trigger.

The initial consideration set, in which the consumer pre-selects from various brands, is influenced by brand awareness.

Phase 2: Active evaluation

Phase 2 describes the active evaluation. Therefore, products or brands in phase 2 are not limited (see linear approach). Moreover, the number of brands or products is expanded, leading to the moment of purchase.

Phase 3: Post-purchase experience

The evaluation and recommendation of a product or a brand in terms of its expectations and characteristics describe the post-purchase experience in phase 3.

Phase 4: Loyalty loop:

Ideally, the customer experience is positive, that a bond between a company/ brand has been built, and customer loyalty is created.

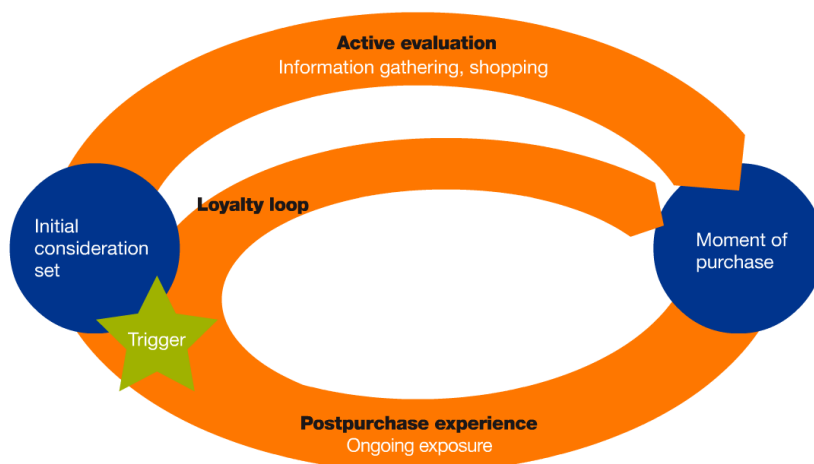


Fig. 1. McKinsey's Customer Journey Model [7]

Because the consumer decision-making process and journeys are being increasingly influenced by a variety of technologies and social media, marketing strategies must identify the new touchpoints between a company and the customer [13].

McKinsey's customer journey is always connected with the question: "How can social media be used?"

Phase 1: Initial consideration.

Social Media can take on an essential role in the initial consideration of TP. The smartphone, in particular, is a daily companion of consumers and has an impact on our daily lives. According to a recent study, worldwide, people spend up to 147 minutes per day on social media¹.

In the early stages, social media is a part of a brand's position in the consumers' minds. Like using a Facebook page, reading a blog post, or swiping through Instagram, it does not only spread from mouth-to-mouth propaganda.

Phase 2: Active evaluation.

The second Touchpoint involves the customer-driven marketing strategy. Review and recommendation are an essential part of this Touchpoint. An influential blogger's good review on the internet can be more valuable than thousands of pounds worth of advertising.

Phase 3: Post-purchase experience.

The third step explains what social media can be used for discussion in social media. It is a beneficial function to discover features at this Touchpoint.

Phase 4: Loyalty Loop.

The last Touchpoint can be used very quickly for social media. A customer, for example, who has liked a Facebook page is halfway to becoming brand loyal by keeping in touch through social networks.

Discussion: Customer Journey – Impact on Marketing and Sales

As a remark, social media is ‘all about participation, sharing, and collaboration, rather than straightforward advertising and selling’. Because social media is a two-way communication channel, it is more about engaging in conversations and developing relationships with customers rather than pure broadcasting of marketing messages. The latter strategy is almost guaranteed to fail on social media [14]. Brands that use social media in a highly effective way to keep promotion to a minimum.

Accordingly, it is not possible to calculate the ROI on social media in the same way as for more traditional marketing channels [15]. Instead, it is vital to adopt a long-term perspective in this regard. As pointed out, developing meaningful relationships with customers takes time. Therefore, firms need to consider the question from the opposite end to evaluate the ROI of social media marketing. Companies should start thinking about why users should use a given social media platform and the behaviors those users might engage in on those platforms that can be linked to the company’s marketing objectives [15].

However, the impacts of social media on marketing can sometimes also be measured more directly: directly tested the effectiveness of social media by setting up a brand-new Facebook account for a café-chain and conducting a survey among the café’s customers [16]. Three months later, they re-run the survey and found that those customers engaging with the brand on Facebook visited the store more often than those who did not, generated more positive word-of-mouth, and reported being more emotionally attached to the brand. Furthermore, it has been shown that social media facilitated word-of-mouth marketing and demonstrated that social media could enhance brand popularity [17]. Social media can have a significant impact on various aspects of marketing.

Facebook, for example, implemented the Facebook Business Manager Tool (FBM), which helps optimize social media campaigns and calculate critical figures². Since 2012, the image platform Instagram has also been owned by FB. Consequently, an Instagram profile can be easily connected to a FB Account, which helps measure the success of social media campaigns under the same circumstances.

Media success can be measured through customer tracking in the digital world. Tracking is an essential technology for tracking key performance indicators (KPIs). A user’s behavior can be tracked and

evaluated by advertisers [18]. Every successful social media campaign has a few different KPIs – the most important ones are impression, engagement rate, range, and sentiment. A significant influence on the success or misleading of a social campaign has the engagement rate (ER) [19].

Usually, KPIs are based on social engagement: shares, likes, comments, or website traffic. The social media campaign can be released as soon as the correct KPIs have been evaluated. Permanent monitoring and evaluation help identify high-cost campaigns – to pause them and focus on the less expensive campaigns [20]. A key functional area is targeting. Appropriate keywords or peer groups are chosen to whom the ad is to be played. The trial period can be optimized with the help of A/B testing [19].

The advertisements are preferably posted during the week in peak hours to achieve optimal ER. It is also shown that the three most crucial engagement variables – likes, comments, and shares have different frequencies. The most frequent form of engagement is the like, followed by comments, and the least used form is sharing a post [21].

Another relevant KPI is the use of sentiment analysis. These values are illustrated by specific examples below:

- Positive: My love and respect for Prince Charles is unwavering.
- God bless the people of California and give them strength to survive.
- Negative: This is the worst phone company on the planet.
- Neutral: Too many residents are criticizing firefighters for not saving their homes.

Sentiment analysis is available for Facebook, Twitter, and Instagram and can be applied to. Comment on any post; a reply on any post; a user post; and a comment on any post (owned pages only). Even though the ER might be high, it can be that an advertisement displeases the recipients. The comments, in this case, might be negative, or the campaign is shared as a negative example [22]. The sentiment analysis provides feedback about the opinion of the user or follower. Consequently, this will provide further options for action in the future to derive product development, marketing, or customer service. The sentiment analysis provides feedback about the opinion of the user or follower. Consequently, this will provide further options for action in the future.

In terms of sales, social media can also have a significant impact if done right. For example, computer manufacturer Dell reported that Twitter generated about 1 million dollars of revenue [14]. The company achieved this by alerting users of products that were on sale. The effectiveness of social media for sales hinges on the amount of trust that customers feel concerning the brand [23]. This trust develops over time and through

repeated brand-consumer interactions on social media. Again, this hints are the necessity to adopt a long-term perspective about social media's ROI.

Conclusion

The concept of the customer journey has shown that digitalization has changed consumer behavior. In order to successfully integrate the CJ into the company, an allocation of marketing activities must be made. The essential prerequisite for successful CJ is technical integration, suitable tools, and the accompanying technical knowledge. The first approach here is the determination of key figures, which link the reach data to the communication, by a market research institute. This can be used to check which online and offline information sources a user visits and uses before buying a product to identify the most critical touchpoints for a company.

The CJ model points out that the internet and social networks are the keys to the new communication strategies. The internet allows the user to be actively involved in creating content. The internet and the new media platforms have since created interpersonal and interactive communications between a company and its customers.

Notes

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