

The future of the customer journey


Why understanding path to purchase is so important



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This whitepaper will look at how to create intelligent interactions through understanding a consumers path to purchase and how brands can use this insight successfully. We will also share some real world examples of success and what the future holds.



“Experian Hitwise is an essential addition to our suite of planning tools. It’s enabled us to see things that weren’t otherwise apparent - meaning that we could adjust the placement of our online activity to greater effect. In one product category it drew attention to an issue that we weren’t aware of – ie the particular role of brands for consumers.”

David Bonney
Advertising & Partnership Manager
Brand Communications,
Panasonic UK

Why is it important to respond to changing consumer behaviour

Consumer behaviour is constantly changing but in the new digital era the pace of change has accelerated rapidly. Not only are customers becoming more savvy and harder to reach, they are also coming to demand more from the brands they interact with. Increasingly, consumers expect brands to be able to offer them seamless experiences across multiple channels and devices.

Technology has played a big part in the changes apparent in the modern consumer. Figures from eDigitalResearch and IMRG show that half of UK households now own at least three connected devices. Meanwhile, predictions from the Internet Advertising Bureau expect smartphone penetration in the UK to reach 75% by the end of 2014. [1]

The adoption of these technologies means that the traditional family unit is also changing. It used to be common for families to gather around the TV to watch their favourite programmes and spend some quality time together.

However, while they may still all occupy the same space, there are

now plenty of different activities going on. While one of the children may be texting their friends, another could be tweeting about the programme they are watching, while mum researches a potential purchase and dad catches up on his work emails.

75% of consumers will own a smartphone by the end of 2014

As the modern day consumer is empowered and hyperconnected, brands can no longer put all of their marketing eggs in one basket. Customers will expect a seamless experience regardless of what channel they are using - be it mobile, social media or the high street - and so it is up to businesses to provide this.

This means making intelligent interactions has never been more important. This involves understanding consumer insights and being able to accurately identify and target the best customers and prospects through linkage, data enhancement, modelling and analytics. For this to be successful, marketers need access to high quality and accurate data.

Through intelligent interactions, brands will be empowered to take smarter marketing decisions and have the confidence to execute cross-channel campaigns through data-driven insight, rather than marketing intuition. Brands that fail to treat their customers as individuals and interact with them in a timely manner are destined to fail, as they damage the relationship they currently enjoy. This is why getting the right message out at the right time and to the right people is essential.



[1] (<http://www.marketingmagazine.co.uk/article/1216797/iab-engage-smartphone-penetration-reach-75-2014>)

Why is path to purchase so important?

Path to purchase insight delivers the capability to not only understand the sites and channels that consumers visit but also the sequencing and timing of those interactions to define the most appropriate point to target your chosen audience

With the increased adoption of new technologies and the diversification of channels the world can suddenly seem a whole lot more complex.

Consumers are creating more data and are becoming more measurable than ever before, but with such a dizzying array of data available, it's easy to become swamped or overwhelmed.

Path to purchase starts to simplify some of the connections between complex data sources, and offers a framework which measures touch points towards an end goal. This process starts to bring together disparate data sets into a unified whole. This in turn allows marketers to get a greater understanding of who their customers are and how to interact with them intelligently.



“Understanding path to purchase allows you to disrupt the customer journey at key intersections.”

Path to purchase offers brands the opportunity to:

1. Optimise their key marketing channels both online and offline Making the most of marketing spend is essential. Businesses need to be pushing their key assets into the channels that are actually going to resonate with consumers in order to get the best results.	3. Understand where their target audience goes online and what influences them All information is useful, so finding out more about what consumers are thinking and doing can be very helpful. For example, a potential customer's social media habits or ecommerce shopping history can be used to deduce the kinds of offers they will find suitable.
2. Increase their transactions share for key customer segments Brands need to understand exactly who the consumers they want to target are, as this increases the chances of messages being responded to in a positive manner.	4. Disrupt the personal journey with relevant messaging By understanding path to purchase, brands can create tailored messages for their target audience. By timing the disruption correctly, they are able to increase their share of the market, and reduce their competitors' share at the same time.

When managed correctly, path to purchase can become an invaluable insight for brands, as they can refine their marketing channel mix in order to optimise their budget. The key to being successful is actionable insight. Through big data, brands can find out who their customers are, how they interact and what they like to receive, which gives them a tremendous advantage over the competition.

By using this data in a way that allows them to make their marketing messages more relevant and specific, brands can really stand out from the crowd.

The methodology behind path to purchase

At the heart of the Experian path to purchase methodology is the ability to observe the behaviour of niche groups of consumers over time both online and offline.

An essential part of this process is segmentation, as it helps to narrow down the audience being observed from a uniform mass to a highly relevant targetable segment.

Segments are created by looking at clusters of consumers who exhibit relevant behaviours. This might be a visit to a particular website or an online search for specific product or brand. These behaviours can then also be linked with offline demographics data such as age, gender and location to create highly bespoke audiences.

So for example a segment of “luxury travellers” might be created based on an audiences’ search behaviour for ‘luxury holidays’ or ‘5 star hotels’ and then coupled with offline demographic data to only include households which meet a certain threshold for net household income.

Once defined the audience can then be observed over time to understand recurring trends in their online behaviour. This means they will know what their key influencing channels are, the things they most like doing and what they spend their time doing.

Over time, brands will be able to develop a really rich appreciation of niche markets, allowing them to continually refine their strategy based on previous success stories.

Case study - buying a new car

We've put together three case studies which show the breadth of insight that can be taken from path to purchase. The following case studies give a good overview of how any brand can use the system to improve its messaging.



The car buying process is a complex one which includes many variables including price, model, manufacturer and engine size to name just a few. The purpose of this path to purchase analysis was to see which industries consumers visited before, during and after a key buying period. March is a crucial time for the automotive industry when new number plates are issued by the DVLA, and as such it was important to understand the channels being used in the build up to that key buying month but also in the aftersales month.

Using search behaviour as an indicator of intent to purchase a new car an audience was segmented by ring-fencing consumers who searched for any car model which also included the word 'new' or referenced the year (in this case '2012'). This represented a group of consumers who had expressed some interest in new cars through the searches they had made.

Looking at the behaviour of this group of consumers there were trends of internet usage which spiked or became more prominent at different times in the path to purchase. At the start of the journey manufacturer and automotive blogs and forums were particularly strong and represented initial consumer research as they began to look for options of models available.

A week later dealership websites started to become more prominent as consumers got further down the process and wanted to look for specific dealers who could sell them a car. A week after that classifieds

websites spiked in popularity as people compared prices and considered the alternative of getting a second hand model at a cheaper price. After the key buying month, the automotive accessories market became very popular, with sat-navs being one of the most searched for items.

Whilst these behaviours signpost the key stages of moving between automotive websites in the car buying process, what was also revealed was the other considerations consumers take into account during the same buying cycle that are perhaps less obvious. Very early in the customer journey, consumers were visiting government websites as part of their initial research to find out information about tax incentives, regulation on CO2 emissions and congestion zone charges. During the key buying month, one of the most prominent online industries for this group was the insurance category as consumers checked whether they would be able to afford the insurance on a new purchase.

Armed with this information, marketers can understand what information is relevant to a consumer at a given time in their path to purchase and what incentives could be used to tip the balance in their favour. Offering a free sat-nav for example could be just the sweetener a customer needs to get them over the line to making a purchase, and interrupts the process of having to search for a sat-nav later in the accessories aftermarket.

Traffic to categories	-1 month	Key Sales Month	+1 month
Automotive - Classifieds		█	
Automotive - Dealerships		█	
Automotive - Manufacturers	█		
Automotive - Recreation	█		
Shopping and Classifieds - Automotive			█
Government	█		
Business and Finance - Insurance		█	

Case study - choosing a smartphone

The smartphone market is highly competitive but dominated by a few key players. In this example we took two of the market leaders and assessed the behaviours of distinct groups of 'browsers' – people who researched the phone but didn't end up buying it; and 'buyers' – people who bought the smartphone online.

The purpose of this path to purchase was to understand the relative size of each of these groups and then to find the common behaviours of the groups to understand the influencing factors of why they did or didn't purchase.

Results from the analysis included:

1. Buyers were twice as likely to visit the manufacturer's website as browsers.
2. 4% of consumers originally set on buying Smartphone B ended up buying Smartphone A.
3. Conversely, only 1.5% of consumers originally intending to buy Smartphone A ended up buying Smartphone B.

One of the important takeaways from this research was the importance of brand in influencing consumer decisions. Review sites had a much greater influence with the browsers who were searching for both smartphones, but the manufacturers' sites were key in influencing a final conversion.

By understanding the behaviours of the niche groups who were going to buy one handset but ended up buying the competitor's product, marketers can identify what the motivating factors were for switching and how to disrupt the purchase journey to prevent losing market share to competitors.



Case study - booking a hotel

Experian data showed that the path to purchase for booking a hotel is one that has become much shorter as online bookings have become more popular.

74 per cent of people who book hotels online are employed, 64 per cent are married, under 54 years old and typically have high disposable income.

In terms of where these individuals can be reached, research demonstrates news and media, business and finance pages, sports sites and travel sites are all visited more by people who book hotels online than the general online population.

These individuals are content-hungry and do not take long to make their mind up, typically there is a three to four-day window to target users before they book a hotel.

Path to purchase allows brands to drill down to individual days which show increased engagement on review sites. The day before a booking was the time when customers spent the longest making their decision and so armed with this knowledge brands can understand what their customers are doing at a specific point in their journey.

This is why engagement with key review websites is so important. For example, the average time spent on a review portal 14 days before booking was 15 minutes, but this figure rose to 26 minutes a week before booking and 43 minutes just one day before booking.

Consumers are clearly taking a lot more time to review hotels just days before making a booking and so there is a narrow window of opportunity here for brands to influence potential customers in the four days leading up to a final decision.

What does the future hold?

The benefits of path to purchase analysis are clear. Segmenting an audience correctly offers brands the chance to continually improve their strategy and deliver more targeted messages. By understanding path to purchase, brands can gain a better insight of their customers and look to build a 360 degree view of the consumer across all channels.

However, observing online and offline behaviours is just the beginning of where customer journey analysis is going. One of the limitations of observing behaviour is that it can answer how journeys take place, without really understanding the why. What are the motivations behind the decisions that consumers are making? The future then for understanding customer journeys is to combine

behavioural data with attitudinal data to gain a greater understanding of the reasons behind the behaviour.

Let's take booking a hotel as an example. Before booking a hotel a typical user journey might include visits to a number of comparison sites, maps sites and review sites. Using the behavioural data we can see which groups have visited each of these types of websites but then fuse that with attitudinal data in the form of a survey question.

Asking a question like "How useful was Review Site X to make a decision on the hotel you booked?" we can compare answers between people who made a visit to a maps website and people who didn't visit a maps website. In this case we would expect people who visited a

maps site to be less likely to say they found the review site useful in their decision making process. The inference here is that people who visit a maps site are more likely to be influenced by the location of the hotel, and less worried about whether it got quality reviews.

This is just one example of bringing together behavioural and attitudinal data but the possibilities of this analysis are limitless. By bringing together big data sets in this way, brands can understand customers at a much more granular level than has ever been possible before. By introducing path to purchase, your brand can become much smarter about how it targets and interacts with customers.



Find out more

We hope this paper has given you some food for thought about how data and insight can enhance your business strategy. Experian has over 30 years' experience as a dedicated data provider helping brands to understand consumers.

To find out more about how Experian can help you please contact us using the details below:

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About Experian Marketing Services

Experian Marketing Services delivers best-in-breed customer data and insight, digital-marketing technologies and data management services into multiple regions around the globe. By helping marketers more effectively target and engage their best customers with meaningful communications across both traditional and digital media, Experian Marketing Services enables organisations to encourage brand advocacy while creating measurable return on marketing investment.

For more information, visit www.experian.co.uk/marketingservices

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