Understanding Customer Journey in E-Commerce

Group D:

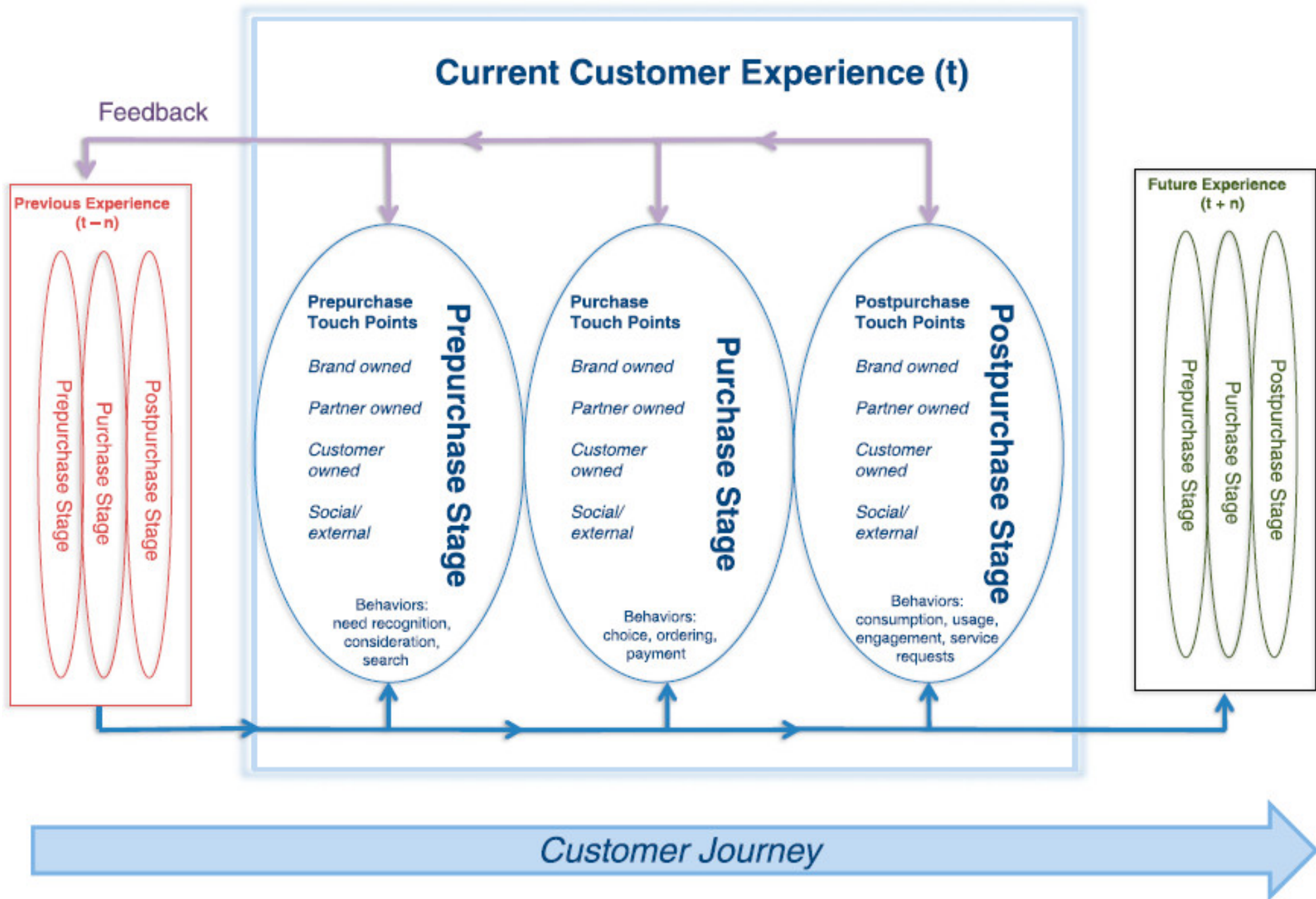Vilma Ranki, Jussi Enqvist, Tuukka Määttä, Dmytro Syrotkin, Simo Lehto

Articles

1. Understanding Customer Experience Throughout the Customer Journey. *Journal of Marketing.* Lemon, K. N., & Verhoef, P. C. (2016).

2. Device Switching in Online Purchasing: Examining the Strategic Contingencies. *Journal of Marketing.* de Haan, E., Kannan, P. K., Verhoef, P. C., & Wiesel, T. (2018)

Customer Experience Management

- Improving customer experience is the top priority for most firms
- In contrast, firms are confronted with accelerating media and channel fragmentation
  - Omnichannel management has become the new norm because of this
- Firms also have much less control, overall, of the customer experience and the customer journey.
  - Experience management has become more complex

Experience touch points

- Different categories for experience touch points:
  1. Brand-owned
  2. Partner-owned
  3. Customer-owned
  4. Social/External/Independent
     - Example: An oil crisis can affect experiences with oil companies for a long time
- Currently hard to manage the third and fourth of the list
  - Microsoft and IBM have bought weather companies to try and manage weather as a part of the experience equation

Current Customer Experience (t)

Feedback

Previous Experience (t − n)
- Prepurchase Stage
- Purchase Stage
- Postpurchase Stage

Prepurchase Stage

Prepurchase Touch Points

Brand owned

Partner owned

Customer owned

Social/ external

Behaviors: need recognition, consideration, search

Purchase Stage

Purchase Touch Points

Brand owned

Partner owned

Customer owned

Social/ external

Behaviors: choice, ordering, payment

Postpurchase Stage

Postpurchase Touch Points

Brand owned

Partner owned

Customer owned

Social/ external

Behaviors: consumption, usage, engagement, service requests

Future Experience (t + n)
- Prepurchase Stage
- Purchase Stage
- Postpurchase Stage

Customer Journey

Customer Experience Key Insights

- All consumers are different, need to cater to a huge audience
  - Some prefer stores, some prefer online and most use both
  - All different channels affect the rest of the journey
  - Mobile used mostly for information gathering
  - Seamless experience across channels create a stronger experience
- SERVQUAL and NPS are still most used approaches
- Requires multidisciplinary approach where multiple functions need to cooperate
  - Mandatory requirements: Partner network management and Analytics

Device Switching in Practice

- Multiple factors affect the purchasing behavior in online environments

- Conversions increase when consumer switches from mobile to less mobile
  - However, tablet reduces PCs conversion rate as tablet acts as a substitute for PC

- Purchase amounts increased when changing from mobile to tablet or PC

Why Are We Switching Devices?

- Smartphones allow us to connect to internet everywhere
  - Mainly used to search information
  - Not so used later in the purchase funnel
- " Sessions on mobile devices focus somewhat more on informational pages, and sessions on less mobile devices focus more on product pages."
- Risk of purchasing the wrong product or entering incorrect information on mobile
- Privacy risks

Numbers to show the difference

- Conversion rate for PC **AFTER** using mobile on previous session 13,4%
  - Tablet to PC session conversion rate 12,9%
  - PC to PC 9,2%
- Average of pages viewed
  - PC 23,77
  - Tablet 19,75
  - Mobile 9,84

Other Findings

- Switching to a "less mobile" device to convert is more prevalent when consumer is of older age

- Switching to "less mobile" more prevalent when product price gets higher (t-shirt vs. an expensive camera)

- No significant differences between genders

Managerial tips for E-commerce

- Low conversion on mobile isn't necessarily bad, they can be converting on another device

- Google has a cross-device targeting option
  - Someone looked at your product on mobile? Target them when they're on PC
- Multi-device users are more valuable than single-device users
  - Different devices complement each other in the purchase funnel
  - Cater to these users and offer seamless experience between different devices, for example shopping cart can be started on mobile and finished on PC

Conclusions

- Companies are getting better at optimizing digital channels but problems start when this should be linked with all other experience touch points

- Good experience management is already done by Disney with Magic Band to reduce queues and allow more planning before the visit to DisneyWorld
  - Better experience for customers, more data and better optimised services for Disney