Five best practices for understanding customer journeys

Organizations can increase loyalty, retention and sales by truly comprehending the paths customers travel over time and across channels

IBM

Executive summary

A surprising gap exists today between what brands believe they deliver and what customers actually experience. Research shows that 81 percent of consumer brands say they have a holistic view of their customers while only 37 percent of consumers believe their favorite retailer understands them.[1] This gap can negatively impact customer satisfaction, overall sales and brand reputation.

Customers expect exceptional experiences and personalized service wherever and whenever they contact an organization. This has become more difficult to achieve as the variety of marketplace channels continues to grow. Brands must adopt a framework that provides insight into a constantly expanding view of customer behavior across channels and devices. This level of understanding is necessary to see which paths lead to successful business outcomes or where customers may be getting stuck along the way. Journey analytics provides a single view of the paths that customers travel, so marketing, sales and service teams can nimbly address customers' issues in an integrated, cohesive way.

Gaining a complete, omni-channel view of customer interactions can deliver profound business benefits for an organization—ranging from higher customer satisfaction, brand affinity and increased revenue to more effective customer acquisition and reduced operating costs.

All of this requires a solution to help organizations navigate the extremely complex web of channel and device combinations. Organizations can gain a clear view of the customer journey by following five best practices presented in the following pages.

Introduction

Today's digital consumer is engaged, empowered and mobile. With the explosion of smartphone and tablet use, critical interactions can occur anywhere, anytime. The majority of customer interactions now happen over multiple visits, across a number of channels.[2] To truly understand customers and provide the high-quality, consistent experience they expect at every touchpoint, brands must clearly understand how customers interact with them across a complex mixture of interactions.

Most brands now recognize the importance of focusing on the customer experience and want to provide multichannel interactions that satisfy customer expectations. Brands strive to differentiate themselves from competitors by providing unique, compelling experiences that exceed customers' expectations. To do this, organizations must have the right tools to view, understand and analyze the complete customer journey.

Customers are truly connected

An average digital consumer today[3]

- Owns **4 devices**
- Consumes **60 hours** of digital content per week

Overall, mobile phone users have gone from 1 percent of the global population in 1995 to 73 percent in 2014.[4] And the growth trend continues, with 25.5 percent and 27.2 percent year-over-year increases in online traffic and online sales, respectively, during the 2014 holiday season.[5]

The rise of mobile usage has dramatically increased how often people interact with organizations, presenting opportunities to win new customers and keep existing ones.

The challenge of connecting the dots

Gaining an accurate understanding of customer behavior, over time and across all channels and devices, is one of the largest challenges for marketing and e-commerce professionals. Of course, it is certainly not due to a shortage of data. Whether it is originating from paid, earned or owned media, internal or partner data or from one of the dozens of marketing software solutions being used, information is flowing in from all angles.

However, corralling all of that disparate data into an insightful picture of the paths customers travel is another story. To be successful, organizations must deliver consistent and exceptional customer experiences at just the right moments in a customer's journey. Until now, that has been difficult to do.

The problem is complexity. Even relatively straightforward decisions will likely involve some level of research, often on multiple devices and sometimes over the course of several days or longer. Consider the seemingly simple process of choosing a restaurant for a night out with family or friends. The occasion could lead to multiple mobile, tablet and desktop sessions using websites to read reviews, bookmark options, make a reservation, look up directions—and share pictures and impressions of the dining experience after the fact.

These actions across time and platforms may appear, at first glance, to be several independent interactions, some of them without a positive result. But by looking at all of the activity within the context of a journey, it becomes apparent that the interactions were all part of planning a single visit to a restaurant. With interactions taking place across multiple channels, applications and devices, it is not easy for organizations to connect these data dots.

Traditional analytics solutions are typically single-session, single-device tools. Solutions measuring various parts of the customer journey are often siloed into different departments of an organization. And many organizations now get much of their data from outside sources, adding more complexity. In fact, brands use an average of 36 different systems and vendors to gather data needed for marketing efforts, with some using more than 100.[6] Truly understanding the customer journey requires the capability to integrate disjointed data sources with tools that can be used throughout the organization by analysts and business users alike.

The IBM approach: Universal Behavior Exchange

If this is a problem that has long beleaguered marketers, how is IBM solving it? The answer is called IBM® Universal Behavior Exchange (UBX). UBX is an open event and audience syndication exchange that uses application programming interfaces (APIs) to enable the near-real-time exchange of data.

The data needed to build customer journeys is continuously exchanged across an organization's ecosystem. Key points in an ecosystem can include other marketing solutions; solutions from IBM Commerce; and partners such as social publishing and listening platforms, demand-side platforms in paid advertising and voice-of-customer platforms. In this way, organizations can focus on gaining insight from customer information rather than the complexities of assembling it.

Best practices for successfully understanding the customer journey

Universal Behavior Exchange makes IBM journey analytics capabilities possible by opening the door to a deeper understanding of customers in context. An optimal view of the buying journey over time will uncover key opportunities to exceed customer expectations and highlight possible trouble spots to reduce abandonment or attrition. Best practices for making the most of these capabilities and gaining a clear view of the customer journey include the following:

1. Simplify access to insights
2. Improve results through collaboration
3. Know the paths customers take
4. Optimize engagement and offers
5. Get the most value from data

1. Simplify access to insights

IBM is an industry leader in journey analytics capabilities that automatically visualize and quantify the paths customers take over time, so organizations can understand customers' needs and clear the way for positive outcomes. Without any special domain experience, business users can look at the paths taken by top customers at an aggregate level and see what is going on with their most valuable customers. Users don't have to be digital or database specialists.

Users of IBM journey analytics select from a variety of journey parameters, including the number of days they want to analyze. For example, a user might want to study the top five paths—in revenue generated, time to completion and so on—traveled by people in different customer segments. Or the user might want to see which paths are least successful according to a user-defined outcome such as purchase, registration or abandonment. A single interface makes it all as simple as possible.

2. Improve results through collaboration

Cross-departmental and cross-functional communication is essential to realizing the benefits of journey analytics. Marketers, analysts and designers must collaborate to build superior customer experiences. To enable rapid activation of insights, IBM journey analytics capabilities work seamlessly with another solution: IBM Journey Designer. Insights obtained from analyzing customer paths using journey analytics can easily be handed off to Journey Designer using built-in collaboration features. Marketing or e-commerce professionals can work with their design teams to create better customer experiences, incorporating improvements directly into the storyboarding design process.

But collaboration doesn't have to stop there. Customers interact with a brand in a variety of ways, and partner collaboration on data can also help an organization see the full picture. UBX helps integrate data from different sources into a cohesive view, enabling organizations to identify key behaviors and introduce assistance, such as promotions or special content, at just the right time. Organizations can test different tactics; see how customer behavior is affected; and adjust content, marketing and the customer experience at various touchpoints across the organization until the most successful mix is uncovered.
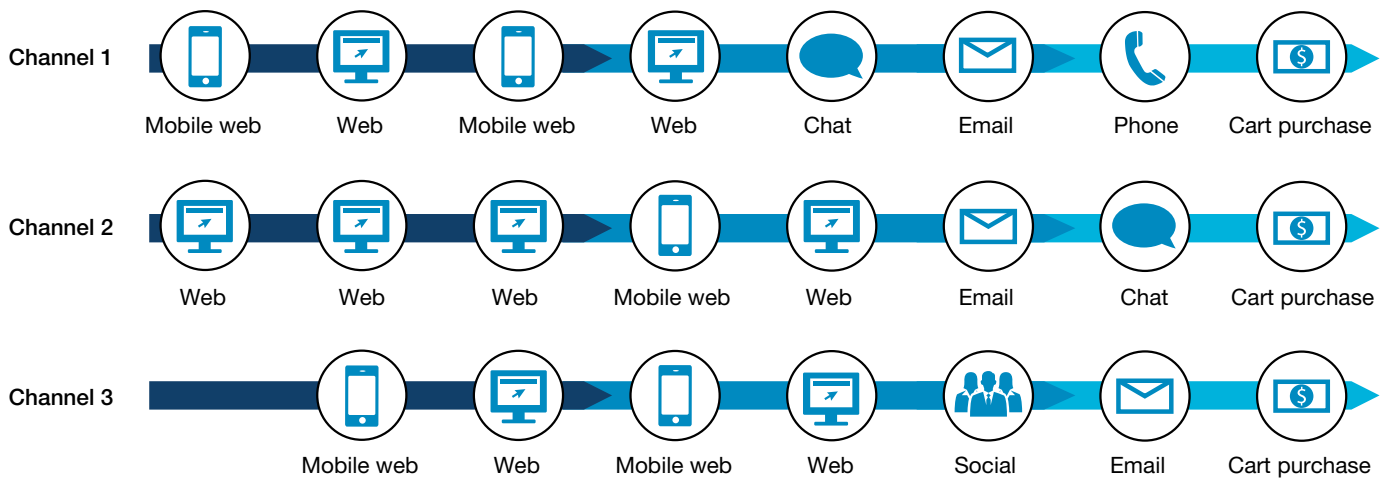
Channel 1 Mobile web	Web	Mobile web	Web	Chat	Email	Phone	Cart purchase
Channel 2 Web	Web	Web	Mobile web	Web	Email	Chat	Cart purchase
Channel 3	Mobile web	Web	Mobile web	Web	Social	Email	Cart purchase

Figure 1. Example of three possible pathways to a purchase.

3. Know the paths customers take

It is essential to know how different customer experiences across various channels and media lead to business results, such as purchase, registration or even abandonment. Consider the case of a retail organization in which the e-commerce department notices that sales are not as expected for the quarter. Marketing has been running a campaign during this period, but people don't seem to be interacting with the website in response. By understanding the complete journey, users in marketing and e-commerce can view the most common paths people traveled in different customer segments (Figure 1). By identifying the fastest and slowest paths and pinpointing where successes or problems occurred, organizations can make corrections and help more people stay on the path to purchase.

4. Optimize engagement and offers

By being insightful about what to offer and when during the journey, companies can successfully grow positive engagement and create more satisfied, loyal and valuable customers who are more likely to become advocates for the organization. To gain this insight, marketers need to identify the most successful paths taken by customers and discover key influences that are working well. For example, suppose they find that customers who received a loyalty offer during an online chat session as part of their journey were more likely to make a purchase later. Based on this information, the marketers could consistently introduce online chat offers at key moments in their customers' lifecycles (Figure 2).
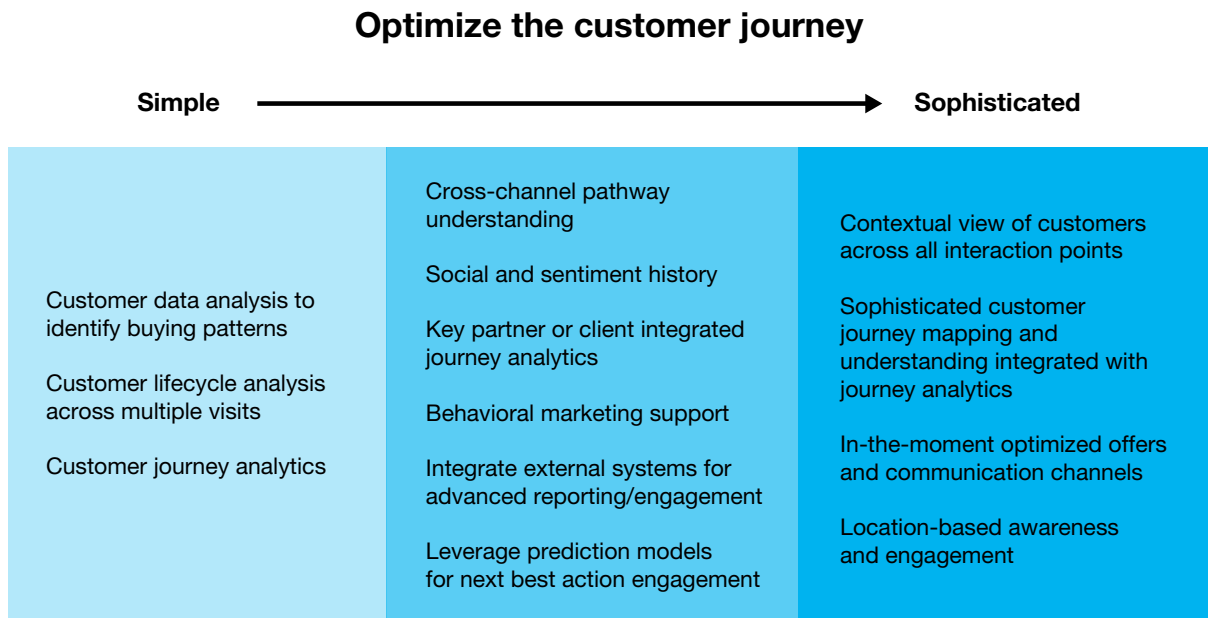
Optimize the customer journey

Simple ⟶ **Sophisticated**

Customer data analysis to identify buying patterns

Customer lifecycle analysis across multiple visits

Customer journey analytics

Cross-channel pathway understanding

Social and sentiment history

Key partner or client integrated journey analytics

Behavioral marketing support

Integrate external systems for advanced reporting/engagement

Leverage prediction models for next best action engagement

Contextual view of customers across all interaction points

Sophisticated customer journey mapping and understanding integrated with journey analytics

In-the-moment optimized offers and communication channels

Location-based awareness and engagement

Figure 2. All analytics involve a spectrum of capabilities. But no matter where an organization might be positioned on that spectrum, steps can be taken now to optimize customers' paths.

5. Get the most value from data

Organizations should be able to derive all the value they can from their data. UBX is the driving force to maximize value for solutions like journey analytics. With UBX in place, organizations can connect and share customer data across the ecosystem and continuously add elements to their ecosystem over time. They can distill this data to understand customer pathways across all touchpoints without limitations.

No longer do organizations have to evaluate data from point solutions in isolation, which can lead to misleading analysis and misguided actions. Instead, they can use their data to finally know exactly what device was used and what actions were being taken at each point in the customer journey—and apply that insight to build better experiences.

Advantages of IBM journey analytics

IBM journey analytics capabilities are enabled by the innovative UBX open data exchange, which results in a seamless flow of internal and external information from across the customer engagement ecosystem. Advantages of journey analytics from IBM include the ability to:

- Overcome siloed information by comprehending the complete customer journey across channels and over time in a highly visual way
- Understand customer behavior in context, including where in the process customers are interacting and the various types of devices they may be using: desktop, mobile or tablet
- Increase loyalty, retention, advocacy, average order value and ultimately, customer lifetime value
- Create exceptional customer experiences using insight on when to take action that leads to improved results
- Shorten the buying cycle by identifying opportunities to accelerate the journey
- Save time and resources for organizations compared to developing solutions in-house

Conclusion

Considering all the different points of interaction at customers' fingertips, it is no surprise the result is a complex variety of customer journeys. The amount of time and number of interactions needed to reach a particular outcome can vary widely.

Today, gaining an understanding of the customer journey is necessary to provide on-brand, high-quality, consistent experiences at each and every touchpoint. Some companies attempt to build internal solutions to understand the complete customer journey, but it is a difficult problem to solve and involves considerable time and dedicated teams.

IBM is offering an innovative solution that allows companies to understand and visualize the journey of their customers across channels and over time. This capability pulls together all the data necessary to achieve real insight and deliver superior customer interactions. And superior interactions lead to better business results, including higher customer lifetime value and increased loyalty, retention and conversion.

For more information

Contact your IBM representative or IBM Business Partner, or visit: **ibm.com**/newwaytoengage

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[2] McKinsey 2013, Customer Journey
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