# Five best practices for understanding customer journeys

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

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A surprising gap exists today between what brands believe they deliver and what customers actually experience.

**81%** of consumer brands say they have a holistic view of their customers. But only **37%** 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 grows. 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 analysis 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, cross-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 navigate the extremely complex web of channel and device combinations. 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.

An average digital consumer today owns **four devices** and consumes **60 hours** of digital content per week.[3]

## Customers are truly connected

Overall, mobile phone users have gone from 1% of the global population in 1995 to 73% 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 greatest challenges for marketing and e-commerce professionals. It's certainly not due to a shortage of data. Whether it's paid, earned or owned media, internal or partner data or data 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, we must deliver consistent and exceptional customer experiences at just the right moments in a customer's journey. Until now, that's been difficult to do.

The problem is complexity. Even relatively straightforward decisions will likely involve 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. With interactions taking place across multiple channels, applications and devices, it wouldn't be easy for organizations to connect these data points.

Traditional analytics solutions are typically single-session, single-device tools. Solutions measuring various parts of the customer journey are often siloed into different departments. 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 integration of disjointed data sources with tools that can be used throughout the organization by analysts and business users alike.

## The IBM approach:

### 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 across an organization's ecosystem. Data is brought together from all your connections—other marketing solutions, solutions from IBM and partners, such as social publishing and listening platforms, demand-side platforms in paid advertising and voice-of-customer platforms. UBX allows organizations to focus on gaining insight from customer information rather than on the complexities of assembling it.

# Best practices for successfully understanding the customer journey

Universal Behavior Exchange makes journey analytics capabilities possible, within Watson Customer Experience Analytics, 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:

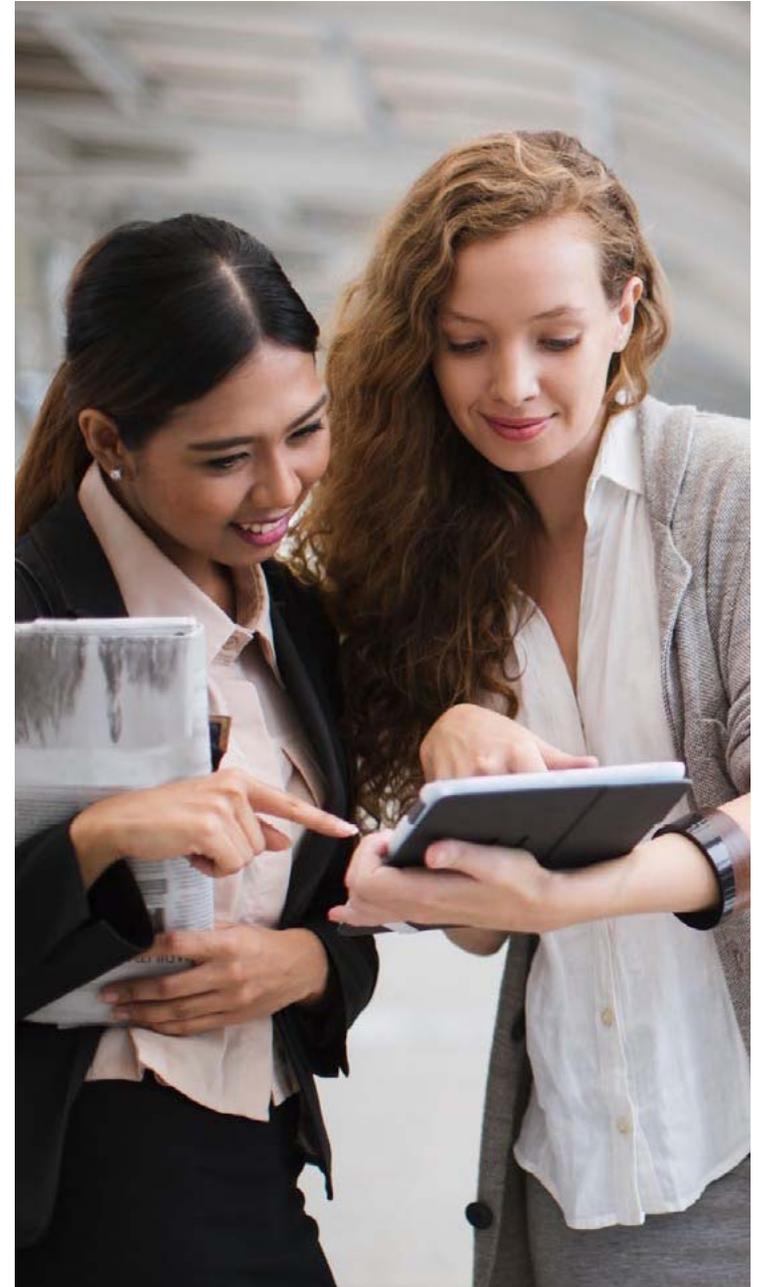| BEST PRACTICE 1 | BEST PRACTICE 2 | BEST PRACTICE 3 | BEST PRACTICE 4 | BEST PRACTICE 5 |
|---|---|---|---|---|
| Simplify access to insights | Improve results through collaboration | Know the paths customers take | Optimize engagement and offers | Get the most value from data |

**BEST PRACTICE**

**1**

# Simplify access to insights

Automatically visualize and quantify the paths customers take over time, so you can understand customers' needs and clear the way for positive outcomes. Without any special domain experience, you and your team can look at the paths taken by top customers at an aggregate level and see what is going on with their most valuable customers. You don't have to be a digital or database specialist.

With IBM Watson Customer Experience Analytics, you can select from a variety of journey parameters, including the number of days you want to analyze.

For example, study the top five paths—in revenue generated, time to completion and so on—traveled by people in different customer segments. Or you 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 simple.

# Improve results through collaboration

Cross-departmental and cross-functional communication is essential to realizing the benefits of journey analysis. Marketers, analysts and designers must collaborate to build superior customer experiences. The IBM platform fosters collaboration by presenting visual journey information that's available to everyone. 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 data can also help you see the full picture. UBX helps integrate data from different sources into a cohesive view, enabling you to identify key behaviors and to introduce the right interactions, such as promotions or special content, at just the right time. Test different tactics. See how customer behavior is affected. Adjust content, marketing and the customer experience at various touchpoints across the organization until the most successful mix is uncovered.
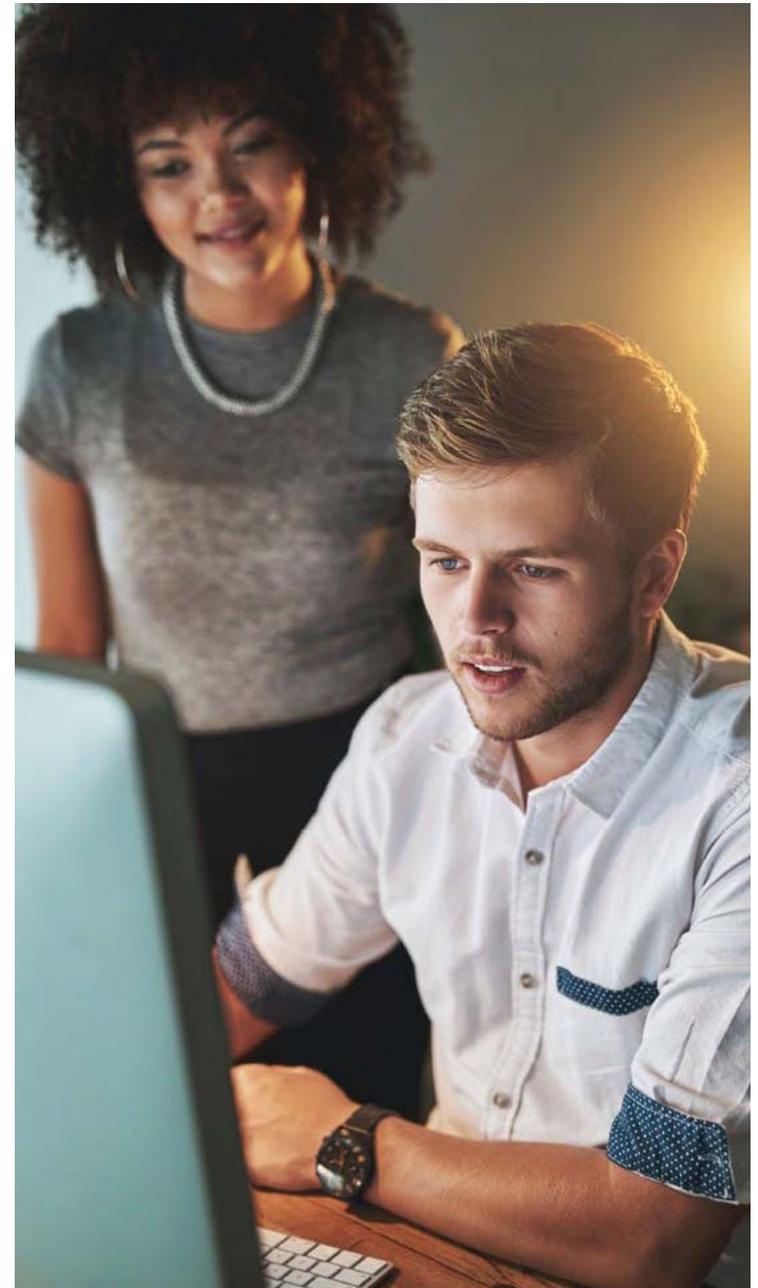
# Know the paths customers take

Do you 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, teams 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, you can make corrections and help more people stay on the path to purchase.
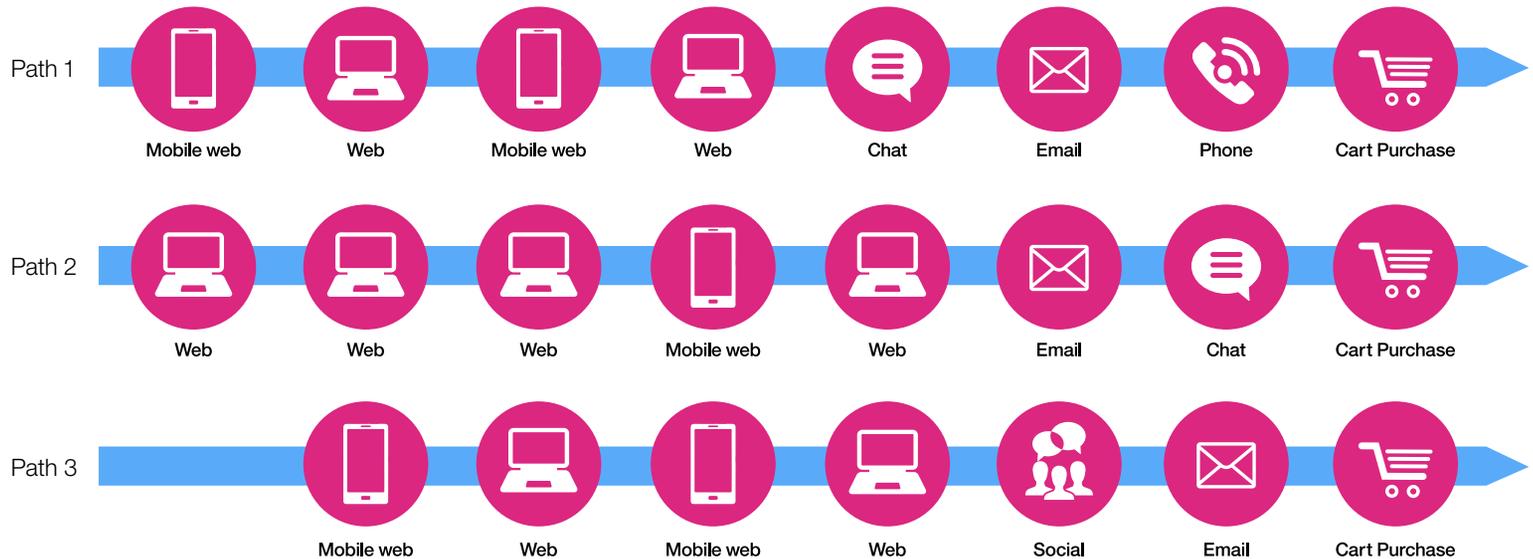
Path 1

| Mobile web | Web | Mobile web | Web | Chat | Email | Phone | Cart Purchase |

Path 2

| Web | Web | Web | Mobile web | Web | Email | Chat | Cart Purchase |

Path 3

| Mobile web | Web | Mobile web | Web | Social | Email | Cart Purchase |

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

**BEST PRACTICE**

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# Optimize engagement and offers

By being insightful about what to offer and when, you can 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, identify the most successful paths taken by customers and discover key influences that are working well. For example, suppose customers who received a loyalty offer during an online chat session were more likely to make a purchase later. Based on this information, you could consistently introduce online chat offers at key moments in your customers' lifecycles.

| Simple | | Sophisticated |
|---|---|---|
| Customer data analysis to identify buying patterns | Cross-channel pathway understanding | Contextual view of customers across all interaction points |
| Customer lifecycle analysis across multiple visits | Social and sentiment history | Sophisticated customer journey mapping and understanding integrated with journey analytics |
| Customer journey analytics | Key partner or client integrated journey analytics | In-the-moment optimized offers and communication channels |
| | Behavioral marketing support | Location-based awareness and engagement |
| | Integration of external systems for advanced reporting/engagement | |
| | Prediction models for next best action engagement | |

Figure 2. All analytics involve a spectrum of capabilities, from simple to sophisticated. But no matter where your organization might be positioned on that spectrum, you can take steps now to optimize customers' journeys.

**BEST PRACTICE**

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## Get the most value from data

You should derive all the value you can from your data. With UBX, your team can connect and share customer data across the ecosystem and continuously add elements to the ecosystem over time. Distill this data to understand customer pathways across all touchpoints without limitations.

No longer do you have to evaluate data from point solutions in isolation, which can lead to misleading analysis and misguided actions. Instead, use your 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.
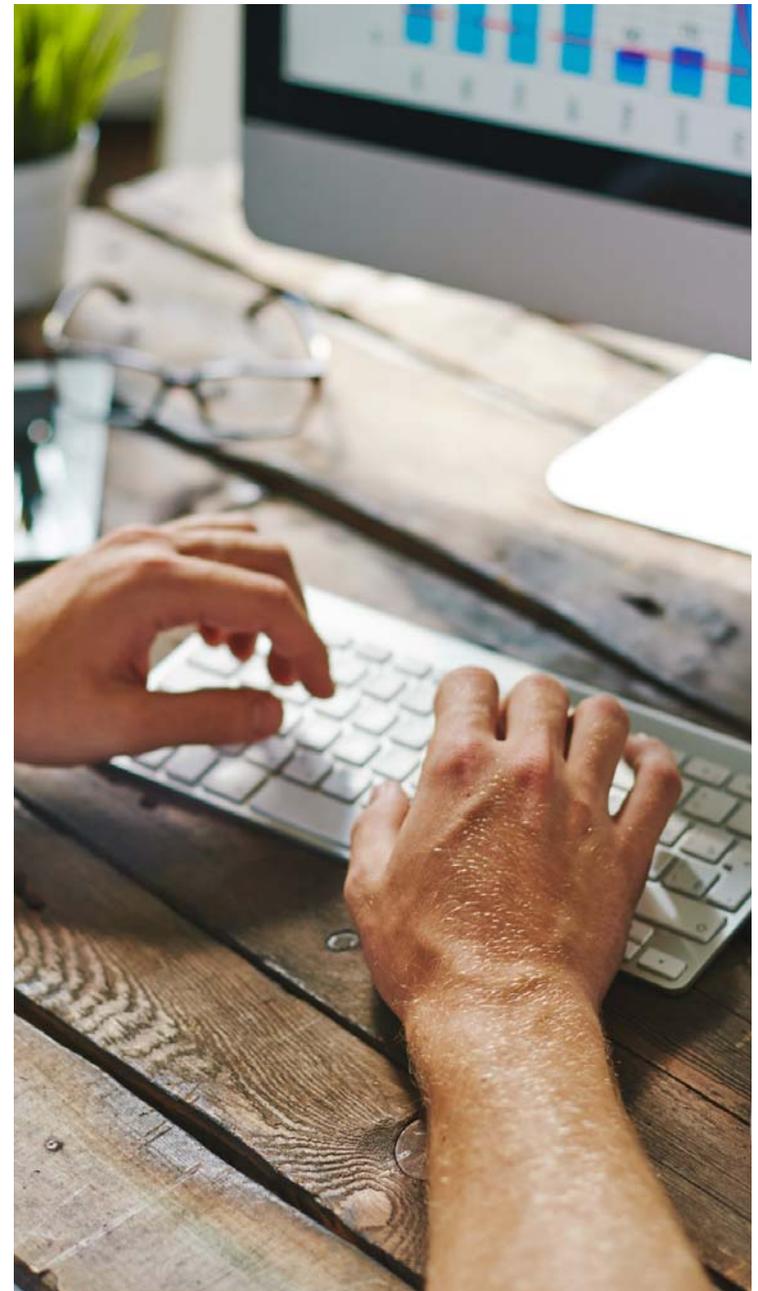
# Advantages of Watson Customer Experience Analytics

UBX's open data exchange makes journey analysis within Watson Customer Experience Analytics possible, resulting in a seamless flow of internal and external information across the customer engagement ecosystem. Use Watson Customer Experience Analytics to:

- ☐ Quantify and visualize complete, cross-channel customer journeys—individually and in aggregate—across devices and over time.

- ☐ Always know where customers are in their journey and learn how activity in one channel impacts performance, such as conversion, in another.

- ☐ Replicate top-performing paths and weed out the troublesome ones.

- ☐ Identify opportunities to improve the customer experience and refine journeys to increase conversions.

- ☐ Gain insight to go from question to decision in minutes, shifting resources and taking action to grow revenue.

# 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.

**Visit ibm.com/ cxanalytics to learn more about how Watson Customer Experience Analytics can help you understand the journeys your customers travel.**

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