



Completing the Customer Journey

The importance of location data in mapping online and offline consumer behaviors

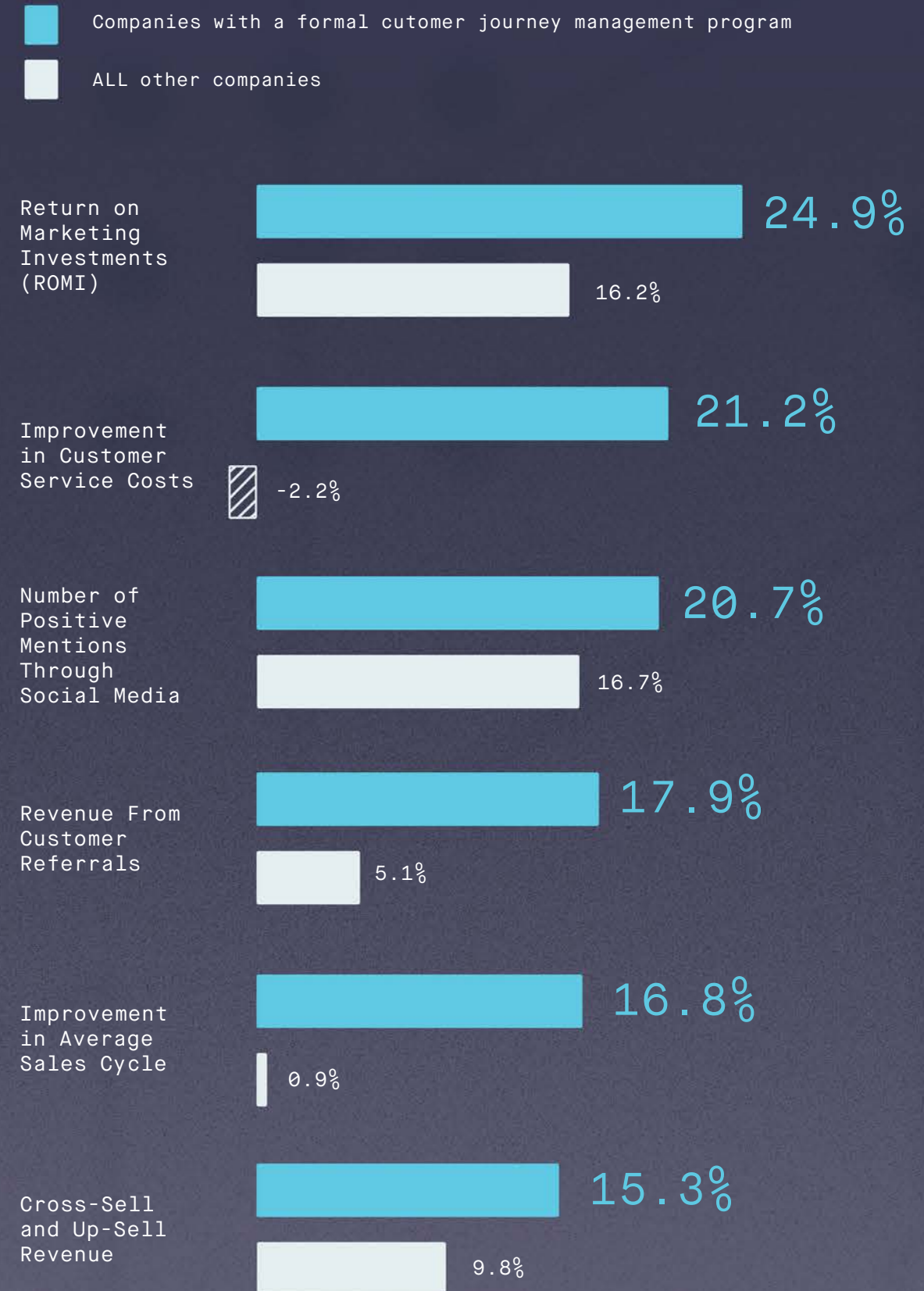


Introduction

Since the arrival of mobile phones and smart phones we've learned to imagine the potential for connecting a consumer's location with the products, stores, and services that appeal to them. Want to send a discount coupon for lunch at a nearby restaurant? Send an alert. Promote shoes on sale at the local mall? Send an alert. Remind a driver it's time for an oil change as they drive by your car dealer? Send an... you get the idea. But the overt use of location data to say "Hey, I see you there" scores high on the creepy meter, even if the customer gets value out of being interrupted with advertising and promotions that are relevant and timely to them.

Location data serves another, more powerful, and ultimately more purposeful role. Companies that use location data to understand and assess the path that consumers take throughout their day can create a very rich profile of how people spend their time. What do moms do before school lets out? What errands do dads run on their way home from work? Are school teachers on a set schedule, or do they work 3 days per week? The answers, when collected by survey, are as limited as people's memories and the challenges of sampling error. But when the customer journey is mapped with anonymous data collected passively as they go about their lives, it helps marketers and executives collect the insights and learn how to be less intrusive, while respecting users' privacy. And there are business benefits as well. According to Aberdeen Group, companies who manage their customer journeys actively see direct improvement in revenue, cost, and awareness. They can provide messages and promotions that are timely and relevant, and minimize irrelevant marketing efforts that go unnoticed or worse.

Six (of the Many) Reasons You should Manage Your Customer Journeys





The importance of the customer journey in today's marketing

For marketers, the insights that come from visualizing a day in the life of their different types of consumers have become mission critical. They explain which campaigns got attention and awareness that helped move product, but also which customers changed their habits when presented with an ad. Customer journey mapping provides stronger attribution of specific channels and campaigns to actions taken than was previously possible.

To best understand the intersection between customer journeys and location data, we first assessed the value of the customer journey strategy to marketers. We found that:

Marketers realize that they need to think strategically about customer journeys.

Customer journeys can now be more intricately tracked thanks to the addition of online and mobile data. But most of the of marketers we spoke with still look at online and offline as distinct journeys.

Insight: With so many channels of communication, it's critical to maintain a well thought out relationship with the consumer whenever and wherever your paths cross.



We want to get to the point where we don't care whether it is digital or not. Our goal is 'one to moment'. We want to weave in foot traffic, POS, and beacon data in and around stores, and learn how digital media is impacting both how consumers get there and how they act when they leave. We want to understand what is the trigger that turns it into a "moment" we can monetize.

-Rob Roy, Chief Digital Officer, Sprint

Ironically, marketers continue to act traditionally when it comes to metrics and outcomes.

Surprisingly, half of the executives we asked still use Return on Marketing Investment (ROMI) as their measure of success, while less than one-fifth tie success back to top line sales.

Insight: Brand and loyalty metrics continue to dominate success measures for marketers, despite sales being the stated objective.



We are just now trying to understand the customer at the start of their product journey. Where are you when you start to think about a purchase? Is it when you are planning? When your existing product fails? CRM tells us where we are winning, but most of our data today comes just from online sources.

-Charlie Cole, Chief Digital Officer,
TUMI Samsonite



Marketers own the customer journey, but need support acting on the strategy

Understanding and acting on customer journey data is not easy; the effort extends far beyond a one-time mapping exercise.

Only half of the executives we spoke with are responsible for buying the data they need; data purchases take place through IT or more typically by business intelligence teams.

Insight: CRM, IT, Operations and market research all play a role in strategy development, but it is up to operations (retail management, sales) to carry out the decisions that make the strategy visible to customers.

Of marketers

62%

list customer experience strategy as a "top 3" priority

54%

are responsible for the customer experience strategy

17%

have an advanced understanding of their customers' journeys



Location data is not on the radar for marketers, especially those at online-only companies

Only some of the marketers we spoke with have heard of or use location data, and others expressed limited use for it.

When they think about location data, it's either to better target mobile advertising or to tie campaign efforts to footfall traffic as a broad measure of attribution.

Insight: The majority of marketers interviewed only consider location data useful to validate or place mobile campaigns, specifically as that data relates back to marketing campaigns and personalization. They do not apply location data to uses outside their department like staffing and store hours.

“

Realistically we are interested in the full customer journey, but find it tough to act on with survey-based data. The big question is “can I act on this” with impact? Otherwise the time and money are hard to justify. Location data changes the game enormously because the actions are more tangible.

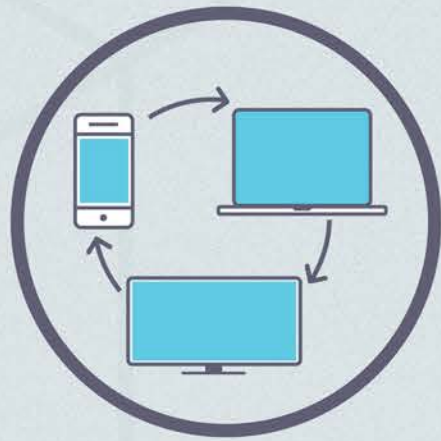
-Bob Moorhead Former VP CRM + Loyalty,
Sonic Drive in





5 Types of marketers = 5 ways to approach the customer journey

There are a number of ways that marketers have put customer journeys on their marketing roadmap. Many are still in the early stages. Here are five types of marketers and how the customer journey impacts their decisions.



THE CHANNEL CHANGER



THE PROMOTER



THE BRAND NURTURER



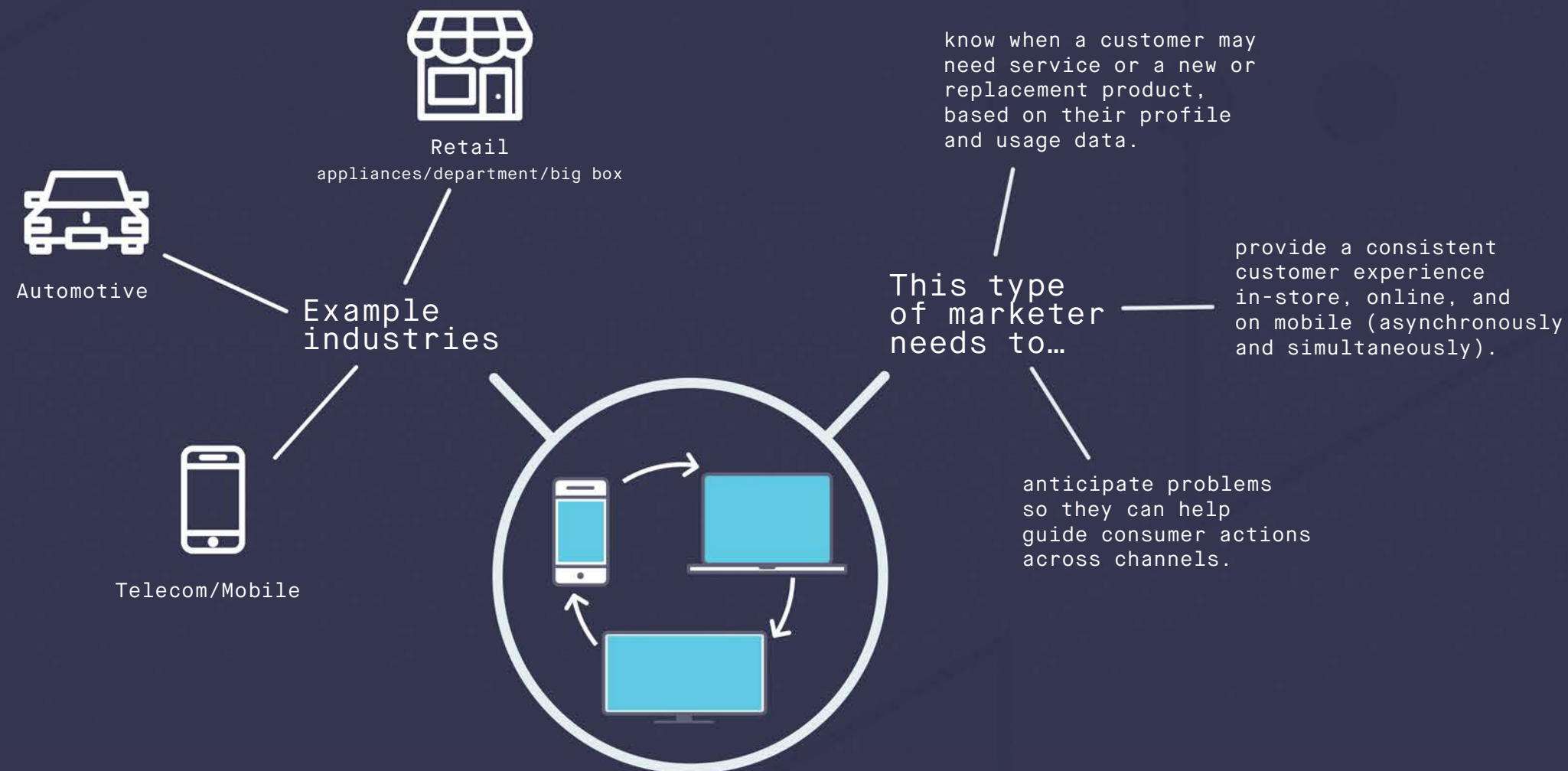
THE ALWAYS-ON MARKETER



THE MAD (DATA) SCIENTIST

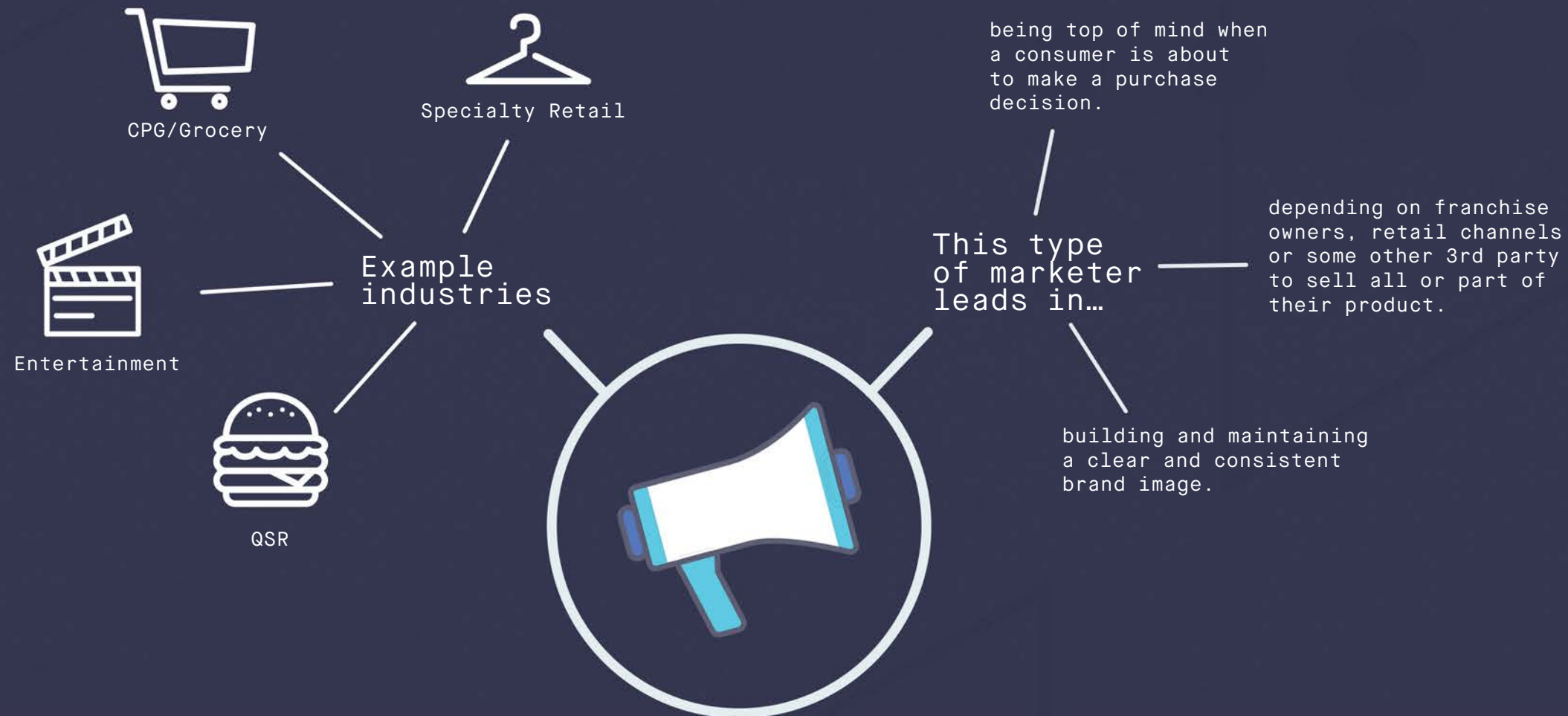
THE CHANNEL CHANGER

Customer journey mapping helps these marketers see the whole picture of their customers, and develop the signals for when someone is going to need service, an upgrade, or have a question in one channel that can or needs to get resolved in another.



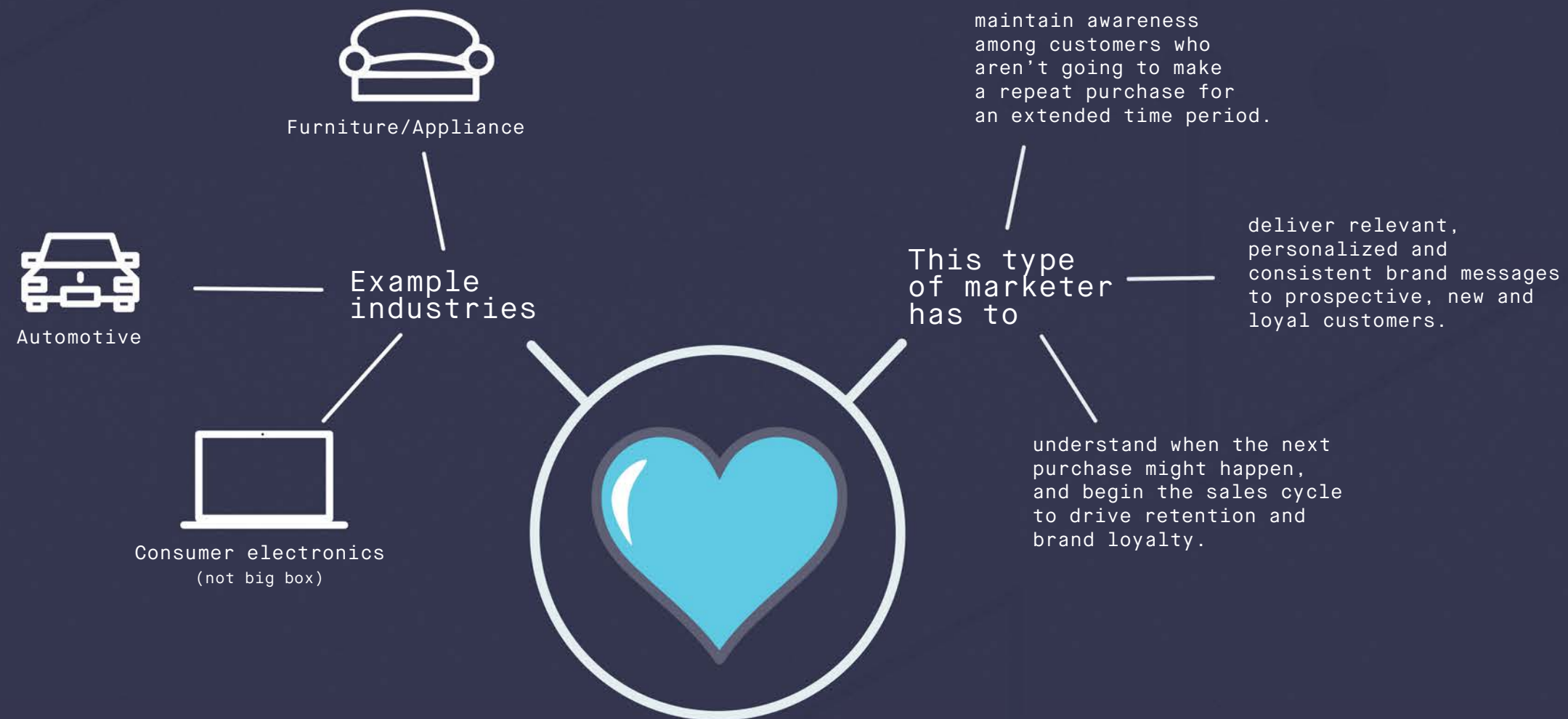
THE PROMOTER

The customer journey provides insight into how customers engage with them directly, and where they go to buy the product through other channels. They can mine this data to determine when to push a notification or geo-fenced offer and to help them tie brand impressions (online and offline) to in store actions, even when they don't have register data.



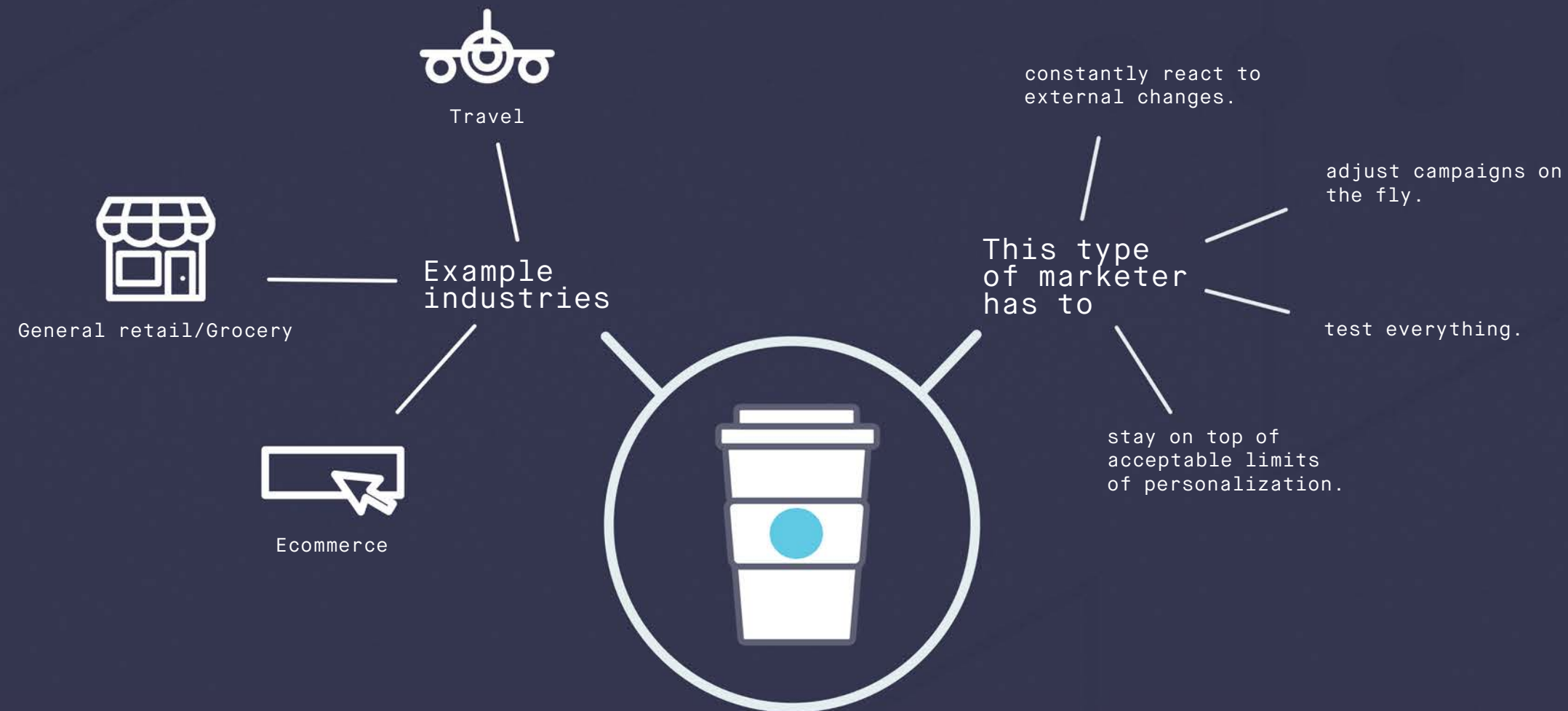
THE BRAND NURTURER

Customer journey mapping helps brand nurturers understand when consumers move from consideration or ownership to interest in making a purchase or upgrade.



THE ALWAYS-ON MARKETER

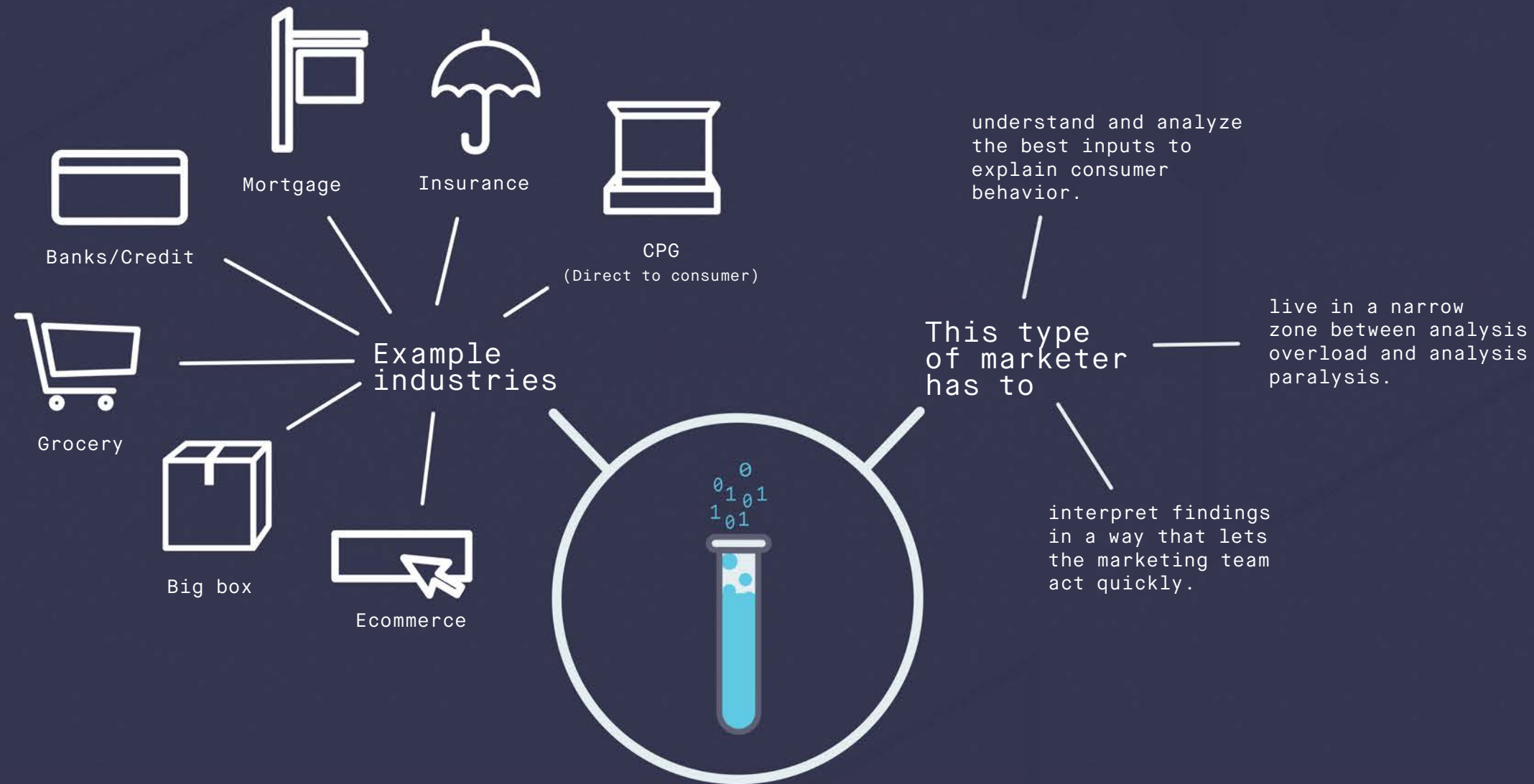
Armed with customer journey data about how the consumer moves about her day, the always-on marketer can better determine the right ideas to test at the right times. A well-mapped customer journey gives this data work the roadmap for when to market to different personas.





THE MAD (DATA) SCIENTIST

The customer journey gives the data scientist additional insight into how the consumer goes about his or her decision-making process. It provides a more holistic lens to understand customer types, and recommend relevant actions.



Location data fills the offline gaps of digital journey maps

The benefits of digital journey maps.

Digital customer journey data is useful when it shows how one click leads to another, and eventually connects that customer to a purchase. It is important to marketers who want to measure attribution of digital marketing spend. As a category, marketers now spend more on digital in aggregate than they do on television ads. So this digital-only mapping helps determine what impact email, banners, search and content distribution have in driving sales.

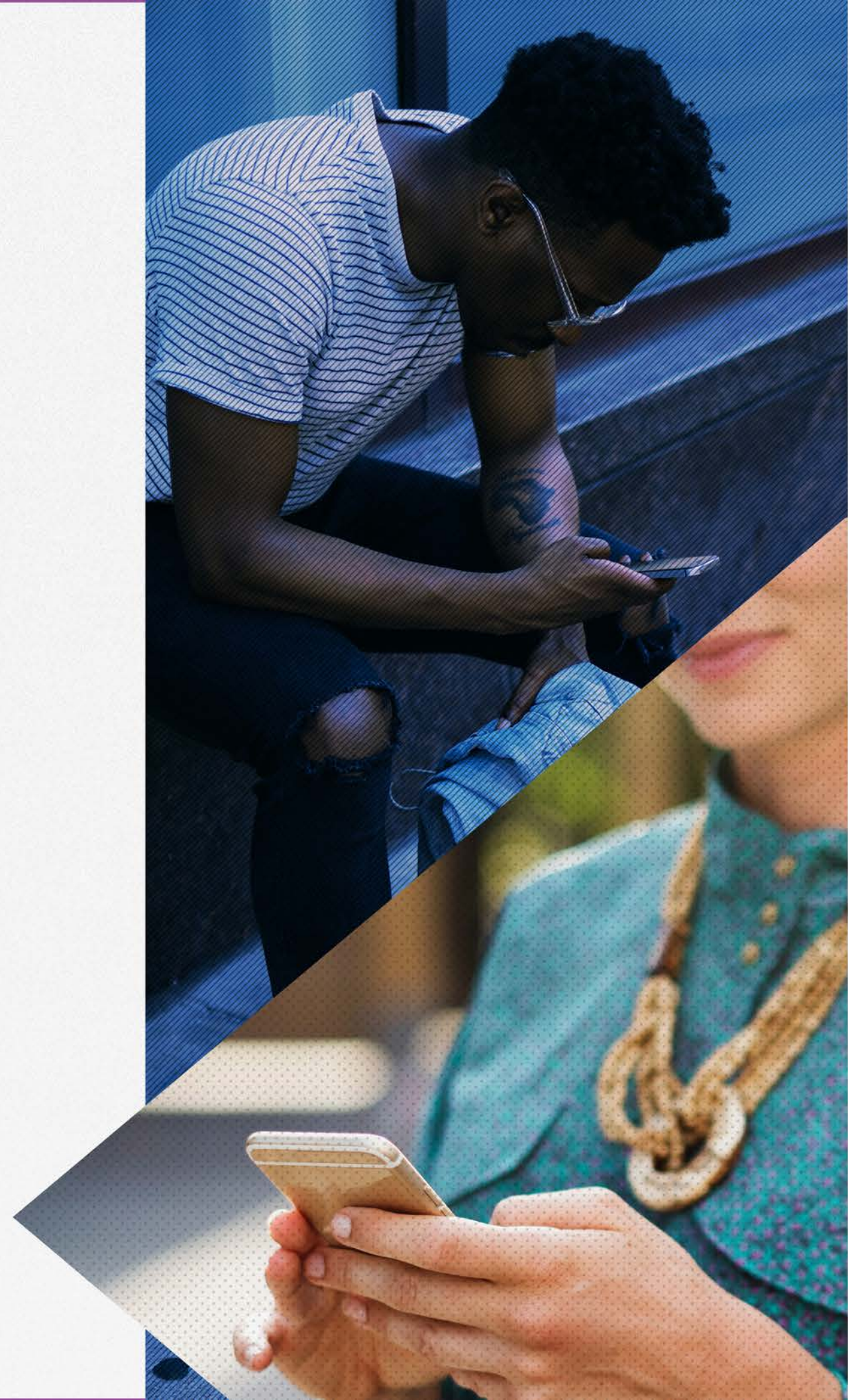
What digital journeys miss.

Online data misses the bigger picture of how a consumer behaves, especially when you consider that most purchases still happen in the physical retail store. Even when you exclude car sales and fuel for those cars, just 12% of retail sales happen online.

Using a digital-only journey map misses some key insights: 1) the impact of brand impressions made in non-digital media like print, TV, and OOH advertising, 2) time between the ad being seen and when the consumer visits the store or buys the product, and 3) the post-purchase journey, either as the start of the next purchase in the cycle, or a path to understanding service and support experiences that drive loyalty and retention.

Customers' behavior patterns help refine messaging, ad placement and economic trends.

Location data supports the customer journey by crafting the true map of how a consumer finds their way to a brand, a store, and a purchase. Beyond attribution of a digital media impression to a website, location data extends customer journey insight to the car, the errands being run, the mall, and into the store.



Location data fills the offline gaps of digital journey maps (cont'd)

Physical dwell time indicates interest and purchase.

Location data providers that offer the ability to measure in-store dwell time (how much time the consumer spent inside a specific location) are able to provide attribution to locations that might not be willing or able to share cash register level details on transactions. When consumer journey data is enhanced with location data, it explains where the person went, how long they spent there, and what they bought. This allows the marketer to close the loop on how online, TV, and other ad formats drive consumer behavior.

The importance of “pre” and “post” purchase journeys.

The “pre-” and “post-” purchase journey indicates to marketers:

Where they were before.

The journey to a purchase includes factors that paint a complete picture of the customer. Having this insight tells you what you need to know about the activities that lead up to a purchase, such as ongoing improvements to where and when to place ads that work best.

Where they go after.

Tells you how the customer incorporates the purchase into their lives, and whether they are likely to buy again. This is key to replenishment, relationship building, and advocacy.



Location data fills the offline gaps of digital journey maps

Which types of location data matter most

A Brief Primer on Location Data

Panels and bidstream data only tell part of the story because the consumer must actively supply the data. Passively collected anonymous information derived from the location services output of a smartphone gives a more persistent and accurate view of the customers' location and dwell time.

Activating Location Data for the Customer Journey – analysis of the options.

Bidstream data – Data collected off an ad when a mobile phone user opens an app. The mobile ad call retrieves latitude and longitude of the mobile phone user based on GPS, IP address, or other location identifier.

Panel based data – Location data based on persistent usage of a single app, which has a specific user purpose. Dependent on user-contributed data and consistent usage. Data is based on the audience that makes up that app's installed base.

Software Development Kit (SDK) for mobile apps – Application of an SDK that connects apps to location awareness on the user's phone, subject to their acceptance when the app installs. Data is normalized based on a diversity of app audiences and greater chances for data collection per person, leading to more complete customer journey insight.

Beacons – Often used in specific physical areas, Bluetooth-based beacons can contribute location data in areas with limited cell coverage.

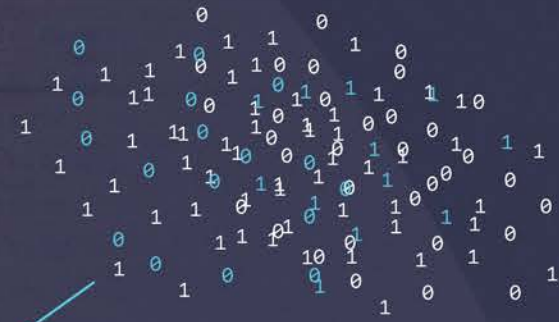
Wi-Fi – Wi-Fi hotspots contribute to location awareness both by the location of the network device, and the active log-in by the individual user.

GPS – The most ubiquitous and accurate indication of where the phone is when communicating its location. GPS solely provides latitude and longitude coordinates.

Background vs. foreground data collection – App settings on smartphones can be set to collect location data even when the app is not being used. Most location SDKs (see above) are only able to collect data while the app is being used (aka in foreground). Some are able to also collect location data in background, provided that the user granted permission. In the latter case, it is important for apps to choose an SDK that provides a battery-saving mechanism, in order to avoid a negative impact on the user's smartphone experience.

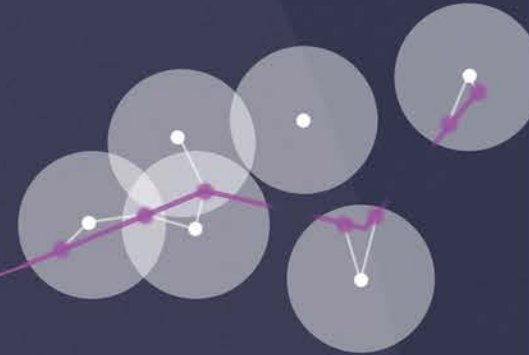
First party data – Company-owned data about interactions with customers. When matched with third party data from location data providers, customer insight can be matched to CRM, using privacy-safe methodologies.





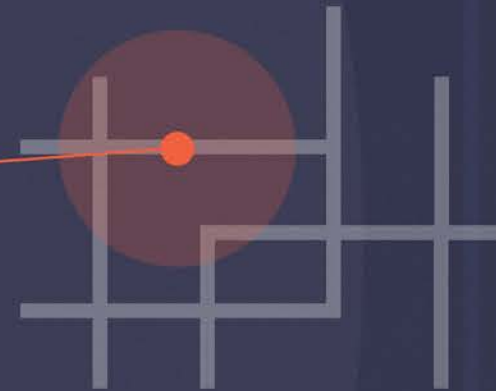
Volume

Billions of data points collected monthly, for data mining analysis.



Density

Volume of daily data collected per anonymous user, to understand the details of their behaviors with minimal gaps.



Accuracy & Precision

Ability to determine exact locations within tightly specific parameters.



Diversity

Number of unique sources of data that can be correlated to better explain diverse segments of customers.



Privacy

Location data is growing in leaps and bounds. The number of data points collected, the use cases for large companies, and the accuracy of the data are all positives for making good use of location data. But the privacy implications – if and how data is collected, stored and shared – are significant. As a marketer, you need to know how your privacy policy aligns with the policies of vendors providing you with data.

Is location data a safe tool to map and measure the consumer journey? Yes. Should you be careful? Yes. Be sure to have a privacy expert review the data practices of all of your vendors, not just when you sign the contract, but throughout the life of the contact to make sure any changes still conform to your own privacy policy.

**source: Kantar Millward Brown, Intalytics, and Figurr research.*

4 Recommendations to marketers

All customer journeys have a starting point, but none should have an end point.

The beginning of your customers' journey starts before they are customers. Learn how customers find out about you, which channels and campaigns led to the most loyal customers, and which channels yield customers with the highest lifetime value. Once you know how they got there, make sure you continue to understand where they go and how they get there. Once they are a customer, they should always be on the journey with you.

Remember that customers live in multiple channels, often simultaneously.

Customer journey mapping across physical and digital channels is no longer a nice-to-have for marketers. Customers don't divide their digital and offline lives, so you need to continuously map their whole journey. Whether you are an ecommerce company learning about who shops your competition, or a grocer for whom most customers are local and loyal, understanding customer activity beyond your own store will help you attract and retain the customers you want most.

Location data provides a major upgrade to how customer journeys are mapped.

Customer journey mapping in digital channels is a fairly straightforward, but flawed exercise (unless you only exist in the digital world). The offline component of the journey used to require surveys and self-reported data about how consumers spend their non-digital time. Knowing how people spend their day – both when you are part of their journey and when you are not – helps you map and manage a more holistic customer profile. Choose the right source for location data based on how persistent and actionable the data is for making marketing, operations and merchandising decisions across the company.

Even CPG and other manufacturers need to understand where consumers go.

Companies with a physical retail footprint clearly need location data to tie fundamental activities like clicks of the finger and clicks of the heel together. The case is less clear for branded manufacturers, like food companies, automakers, and apparel brands, where the journey is managed by the channel that gets the transaction done. However, location matters even when you don't own the entire path to purchase. Brands need to understand location and customer journeys as well. For them, the link between advertising and which channel was chosen for the purchase is key, as it empowers the shopper marketing teams to gain insight into how consumers chose to shop.



About the Paper

The report is based on primary research data collected by Figurr to assess how executives leading digital transformation, marketing, and customer experience across a range of industries are constructing their customer journeys, and the work that they believe remains to be done.

About the Author

David Cooperstein is a 25-year veteran of marketing, strategy, and digital media leadership. He currently does marketing strategy and leadership projects at start-up and public companies as the Founder of consultancy Figurr. Throughout his career he has been a thought leader on the convergence of marketing, technology and internet strategy. David led the CMO research practice at Forrester Research, and had previously led their Telecom and Retail industry practices. In addition to Forrester, David served on the executive teams of four digital media companies. Most recently, he served as the first CMO of PebblePost during their seed stage. He was CMO of Simulmedia where he repositioned the company for TV's digital and data era.

Follow David on Twitter @minicooper

About Cuebiq

Cuebiq is a next generation location intelligence company, leveraging the largest database of accurate and precise location data in the U.S. Its leading data intelligence platform analyzes location patterns of 61 million monthly active U.S. smartphone users on over 180 mobile apps, allowing businesses to glean actionable insights about real-world consumer behaviors and trends. Cuebiq provides clients geo-behavioral audiences for cross-platform ad targeting, the industry's only SaaS based real-time campaign optimization and footfall attribution tools, and offline location analytics. Cuebiq does not collect any personally identifiable information. Its privacy-sensitive methodology has earned the company membership status with the Network Advertising Initiative (NAI), the leading self-regulatory industry association dedicated to responsible data collection and its use for digital advertising. Cuebiq is headquartered in New York with offices in San Francisco, Chicago, Italy, and China.

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