



Customer Journeys and Attribution

Author: UMUT KONUS - Email: u.konus@uva.nl

University: UNIVERSITY OF AMSTERDAM

Access to this paper is restricted to registered delegates of the EMAC 2018 Conference.



**SPECIAL SESSION ON
“CUSTOMER JOURNEYS AND ATTRIBUTION”**

Session Chairs:

Dr. Umut Konus, Associate Professor of Marketing, ISM, Amsterdam Business School, University of Amsterdam, M.1.38 Plantage Muidergracht 12, 1018 TV Amsterdam, The Netherlands, u.konus@uva.nl

Dr. Dennis Herhausen, Assistant Professor of Marketing, Institute of Marketing, University of St. Gallen, Dufourstrasse 40A, 9000 St. Gallen, Switzerland, dennis.herhausen@unisg.ch

Session Papers:

Paper 1: “Disconnect to Connect – Online and Offline Effects of Direct Mailing Along the Customer Journey to Purchase”; *Presenting Author: Lisan Lesscher*

Authors: Lisan Lesscher (University of Groningen), Lara Lobschat (University of Groningen), Peter C. Verhoef (University of Groningen)

Paper 2: “Measuring the Customer Experience along the Customer Journey: Development of the CX Scale”; *Presenting Author: Markus Gahler*

Authors: Markus Gahler (University of Augsburg), Michael Paul (University of Augsburg), Jan F. Klein (Tilburg University)

Paper 3: “Innovating the Customer Journeys: Customer Experience Strategies in the Financial Services Industry”; *Presenting Author: Dennis Herhausen*

Authors: Maleen Knaak (University of St. Gallen), Dennis Herhausen (University of St. Gallen), Marcus Schögel (University of St. Gallen)

Paper 4: “What Does Really Matter in Customer Journeys: An Attribution Model on Customer Conversion”; *Presenting Author: Umut Konus*

Authors: Umut Konus (University of Amsterdam), Jonne Guyt (University of Amsterdam)

Declaration:

We, the participants of Special Session on “Customer Journeys and Attribution” declare that (a) each presenter has agreed to register for the conference and to present the paper, if the proposal is accepted; and that (b) none of the papers has been submitted to other conference tracks, and none has previously been presented at EMAC.

**ABSTRACT:
SPECIAL SESSION ON
“CUSTOMER JOURNEYS AND ATTRIBUTION”**

Today, the rapidly digitalizing relational-landscape has forced firms to introduce and work with new and various customer touchpoints like multiple websites, mobile apps, and social media one after another without assessing the real impact or effectiveness of these touchpoints in managing their customer relations. As a result of this changing landscape, customers encounter and experience more touchpoints and customer journeys characterized by different combinations, sequence, and intensity of touchpoints that are offered to/or used by customers. This challenge requires a holistic view of customer journeys and the multi-touchpoint customer experience, as well as an integrated analysis of the multi-platform data. In business practice, understanding, valuation, and management of touchpoints and journeys has become the priority of many firms. Attribution models, in that sense, help managers to understand the most influential touchpoints and experience moments that contribute to conversion and other business outcomes. Despite its importance, there is still limited scientific research focusing on customer journeys and/or attribution, through which firms could better design, improve and manage customer experience and customer relationships.

This special session therefore gets to the heart of current marketing concerns by focusing on customer journeys and their management through well-designed attribution techniques, which is essential for creating a superior customer experience, better returns, business outcomes, and customer engagement. This special session is composed of four research papers taking different perspectives on customer journeys and attribution.

The **first paper** titled “*Disconnect to Connect – Online and Offline Effects of Direct Mailing Along the Customer Journey to Purchase*” by Lisan Lesscher, Lara Lobschat, and Peter C. Verhoef has an online-offline attribution perspective with particular focus on the impact of direct (offline) mailing and its impact on online and offline customer responses in awareness, consideration and purchase stages of the shopping journey.

The **second paper** titled “*Measuring the Customer Experience along the Customer Journey: Development of the CX Scale*” by Markus Gahler, Michael Paul, and Jan F. Klein has a customer experience perspective and focuses on the development of a multi-item and multi-dimensional customer experience scale which is applicable for multi-touchpoint environments characterized by various customer journeys.

The **third paper** titled “*Innovating the Customer Journeys: Customer Experience Strategies in the Financial Services Industry*” by Maleen Knaak, Dennis Herhausen, and Marcus Schögel adopts an innovation perspective. This research focuses on the identification of different innovation strategies throughout the customer journey to improve the customer experience and uses a partial-profile choice based conjoint analysis to investigate different customer segments with different perceptions and preference levels on different strategies.

The **fourth paper** titled “*What Does Really Matter in Customer Journeys: An Attribution Model on Customer Conversion*” by Umut Konaş and Jonne Guyt, takes a model based and holistic attribution perspective and focuses on the impact of different touchpoints and customer journey types on conversion by using two-step dynamic Heckman probit model and Latent Class models to investigate the underlying mechanisms.

DISCONNECT TO CONNECT – ONLINE AND OFFLINE EFFECTS OF DIRECT MAILING ALONG THE CUSTOMER JOURNEY TO PURCHASE

Lisan Lesscher (University of Groningen), Lara Lobschat (University of Groningen),
Peter C. Verhoef (University of Groningen)

Attribution modeling—understanding the value of different customer touchpoints within the consumer journey to purchase—has become an important and scientifically relevant topic in recent years (see e.g., MSI Research Priorities 2016-2018). One of the main reasons is that customers move through an increasing number of different touchpoints across channels, media and devices before conducting a purchase (Kannan, Reinartz, & Verhoef, 2016). Hence, for firms, it is of utmost interest to understand and predict the impact of firm-initiated touchpoints for their marketing-mix decision making.

However, current attribution studies face some drawbacks, which the current research hopes to overcome and thereby contribute to both theory and practice. First, there is a strong focus on online touchpoints with offline touchpoints widely being neglected (e.g., Blake, Nosko & Tadelis, 2015; Li & Kannan, 2014). Hence, existing research provides little guidance on the role of offline touchpoints within the customer journey to purchase. We will study the effects of direct mailing on customer responses in the customer journey to purchase. Despite the rise of digital media, direct mailing is still widely applied, especially among industries including financial services, consumer packaged goods, and retail, because of its higher response rate and ability to create greater brand recall than digital media. Second, cross-channel effects are mostly neglected in existing attribution studies. We will address this issue by studying the cross-channel effect of direct mailing on both customers' online and offline responses in the awareness, consideration, and purchase stage. In sum, we study the following research questions: (1) How does direct mailing affect customer responses in the different stages of the customer journey to purchase?, and (2) How do the different stages of the customer journey to purchase affect each other over time?

We analyze unique quasi-experimental data from a large German insurance firm covering 609 postal code areas. The data comprise of customers' online and offline responses in different stages of their journey to purchase (i.e., ad clicks, generic and branded searches as well as purchase incidences) before and after (not) receiving a direct mail from the focal firm. Our initial results reveal that direct mailing exerts a positive effect on purchase behavior. Hence, receiving a direct mail does appear to increase the chance of a sale. Further, we reveal interesting dynamics between consumers' responses in the different stages of the customer purchase journey. In line with previous research, we find that generic searches increase the number of branded searches and vice versa. Also, consumers' branded search and ad clicking behavior enhances their purchase behavior. Both generic and branded searches as well as ad clicking also affect each other. Overall, our results show that firms can benefit from using direct mailings, although we did not find evidence for a cross-channel effect of direct mailing on customers' online responses. Moreover, customers' responses in different stages of their journey to purchase all affect each other.

MEASURING THE CUSTOMER EXPERIENCE ALONG THE CUSTOMER JOURNEY: DEVELOPMENT OF THE CX SCALE

Markus Gahler (University of Augsburg), Michael Paul (University of Augsburg),
Jan F. Klein (Tilburg University)

In today's experience economy, providing strong experiences along the entire customer journey is a competitive advantage. To manage marketing activities at all customer

touchpoints, companies need to measure the customer experience (CX). While a well-developed and theoretically solid understanding of CX as a multi-dimensional construct exists in research (e.g., Lemon & Verhoef, 2016), little is known about how to measure CX in a structured and holistic way. Existing studies are limited to a specific domain of the CX concept, such as brands (e.g., Brakus, Schmitt, & Zarantonello, 2009) or services (e.g., Verleye, 2015), and are thus not applicable to all customer journeys and its different elements (i.e., experience providers, touchpoints, and purchase stages). Additionally, these scales assume equal weights for the construct's dimensions, although research indicates that different CX dimensions might be more or less salient in a given situation (Ariely, 1998), and they ignore that single experiences may have individual weights for customers' evaluation of their overall experience. To overcome these limitations in the literature, we ask: How to measure CX along the customer journey as a multi-dimensional construct, while accounting for distinct customer journey elements and differential weights for individual CXs?

Our research provides a measurement scale that captures the diverse aspects of CX along individual customer journeys. The CX scale captures various CX dimensions (affective, cognitive, sensorial, physical, relational, and symbolic) and accounts for customers' interaction with different experience providers (brand, personnel, other customers), across multiple touchpoints (e.g., advertisement, online shop, store), and in different stages of the customer journey (pre-purchase, purchase, post-purchase). Additionally, we suggest an approach for the aggregation of single CXs and CX dimensions to an overall CX measure based on customer-specific weights. The CX scale makes each CX quantifiable to researchers and practitioners and enables firms to include CX in their marketing dashboard.

To develop the CX scale, we follow a five-step scale development process, including five different studies. To generate an initial set of 90 items, we reviewed the literature comprehensively and conducted two exploratory studies (step 1). We first asked 29 German students (55% female) to write down and describe a self-selected customer journey (study 1), and second, we interviewed 21 German customers (57% female) about their last customer journey (study 2). All items focus on the degree to which a customer has a certain CX and include textual placeholders for each customer journey element, so that the scale can be applied to every single and overall CX of any individual customer journey.

As a scale with 90 items is too lengthy to be applied, we reduced the initial item pool (steps 2 and 3). First, we asked 18 German marketing and psychology experts (67% female) to evaluate to which extent each item can be applied as a measure of its respective CX dimension and underlying conceptual domain on a three-point scale ranging from 1="not applicable" to 3="very applicable" (study 3). Items were reviewed when not at least three of five judges rated an item as at least applicable (i.e., point scale of 2) to measure the respective CX dimension. Twenty-one items were adapted, based on experts' suggestions for better item wording, and two items were deleted, due to strong overlaps with existing items. Second, 162 German customers (59% female) were recruited for an item-sort task (study 4). For this purpose, we provided them with the definitions of all CX dimensions and the item pool of step 2. The customers were instructed to assign each item to one of the six dimensions that, according to their individual judgement, it best reflects. We deleted an item when the proportion of substantive agreement among customers was less than 50% or when the substantive validity coefficient was below 0.3 (Anderson & Gerbing, 1991).

This process resulted in a reduced pool of 72 content-valid items which were given to 1,348 German customers (52% female) that evaluated their last single CX in the clothing industry, using a seven-point Likert scale for each item (study 5). We used established scale purification methods to get a parsimonious 18-item CX scale. First empirical results reveal

sound psychometric properties of the CX scale and will be presented at the conference. Several future studies are planned to validate the CX scale and its weighting approach in different industries, settings (lab, field), and countries are planned.

In summary, we extend research by providing a robust and implementable CX scale that is organized around customer journey elements, a refined understanding of CX, and an approach for the aggregation of CXs. The MSI financially supports our research.

INNOVATING THE CUSTOMER JOURNEYS: CUSTOMER EXPERIENCE STRATEGIES IN THE FINANCIAL SERVICES INDUSTRY

Maleen Knaak (University of St. Gallen), Dennis Herhausen (University of St. Gallen),
Marcus Schögel (University of St. Gallen)

Providing strong and positive experiences along the entire customer journey is a competitive advantage for companies. However, with the increasing amount of new touchpoints, managing the customer journey is more complex than ever. Faced with new technologies and demanding customers, competition in many industries increasingly focuses on innovating the customer experience. Still, research and managers lack knowledge on how to successfully innovate the customer journey (Lemon & Verhoef, 2016). The present research aims to identify different innovation strategies that can be implemented throughout the customer journey in order to improve the customer experience.

The conceptual development builds on three literature streams, namely research on customer journey and touchpoint management (e.g., Baxendale, MacDonald & Wilson, 2015), on customer experience (e.g., Lemon and Verhoef 2016), and on service innovations (e.g., Barrett, Prabhu & Vargo, 2015). The empirical part of the research is set in the financial services industry. Improving the company-customer interactions and innovating the customer experience plays an important role in this industry, not least due to pressure through innovative service offerings by FinTech companies, due to rising customer expectations, and technological developments. The present research thus studies FinTech companies that entered the industry with innovations in the customer journeys, and that demonstrated their ability to create value both for their own company and for the customer.

The research methodology follows a sequential three-step design. First, in a preliminary qualitative study, 24 managers from the financial services industry as well as from industries have been interviewed to shed light on how companies innovate in the customer journey. These interviews yielded two generic customer experience strategies: “simplifying” or “enriching” the customer experience. Second, applying a multiple case study design, secondary data of 92 leading FinTech companies has been analyzed with a qualitative inductive content analysis (first-cycle open coding, second-cycle pattern coding). The analysis yielded nine reoccurring innovation patterns that go beyond the simplistic “simplifying” and “enriching” strategies. Third, following a generalization model, the nine strategies are currently quantitatively investigated with a partial-profile choice based conjoint analysis with a sample of 400 representative German customers. This analysis captures the customer perception of the nine strategies, reveals possible interaction effects, and sheds light on different preferences among distinct customer segments.

The qualitative analysis yielded nine innovation strategies to change the customer experience. These include three company-initiated innovation strategies (accompanying, consolidating, anticipating), three customer-initiated innovation strategies (positioning, empowering, co-creating), and three journey-bridging innovation strategies (integrating, brokering, connecting). All strategies encompass innovation options in the customer journey

that yield a positive effect on the customer experience. These changes are described in terms of the constellation of touchpoints throughout the customer journey and thereby make the approach more dynamic and purpose-driven than existing approaches to managing the experience through touchpoints. The strategies can be combined and are not mutually exclusive. Most companies either combine the strategies to different touchpoint sequences in the customer journey, but they can also be combined at single touchpoints. In sum, we extend previous research by (1) identifying nine reoccurring innovation patterns throughout the customer journey that improve the customer experience in the financial services industry, (2) revealing customer perception of innovation strategies, and (3) differentiating preferences for innovation strategies among distinct customer segments.

WHAT DOES REALLY MATTER IN CUSTOMER JOURNEYS: AN ATTRIBUTION MODEL ON CUSTOMER CONVERSION

Umut Konuş (University of Amsterdam), Jonne Guyt (University of Amsterdam)

A customer touchpoint is defined as a direct or indirect encounter with a firm along shopping process (Baxendale et al., 2015). Touchpoints can be one-way or two-way interactions between customers and firms, and the exchange can be rather superficial or intensive in comparison to marketing channels (Verhoef, Kannan, & Inman, 2015). Customer touchpoints vary from offline to online & online-mobile touchpoints. Customer touchpoints are used in different stages of the relational process: information search, transaction and after-sales services. The complex nature of multi-touchpoint environment introduces a new perspective to our understanding of firm-customer interactions, where not only the touchpoints, but also the sequence and patterns where different touchpoints are used together for different purposes is at the focus. Today, the usage patterns, paths, sequence and intensity of touchpoints lie in the center of the new way of understanding multi-touchpoint environment is known as “customer journeys”.

Today, many firms are facing significant challenges while trying to reach and serve their customers through a multitude and increasing number of online and offline touchpoints and journeys. Rapidly digitalizing relational-landscape has forced many firms to introduce and use new customer touchpoints like multiple websites, mobile apps, and other self-service touchpoints one after another, without having a scientific assessment of the real impact or effectiveness of these touchpoints in managing their customer relations. In recent years, there is empirical research on the role of various touchpoints along path-to-purchase (Srinivasan, Rutz, & Pauwels, 2016); and taxonomy of online customer journey elements (Anderl, Becker, Wangenheim, & Schumann, 2016). However, those remain limited in scope there is still no empirical research on customer journeys with a holistic perspective, capturing online and offline platforms and different stages of journeys and focusing on the impact of customer journey elements on conversion with consideration of cross touchpoint spill-over effects and other journey related factors such as journey type (length and intensity).

The objective of this research is to investigate the impact and effectiveness of touchpoints and various types of journeys on customer conversion. Our research captures three main dimensions linked to dynamics of multi-touchpoint environment: a) effectiveness-valuation of touchpoints and journeys with regard to conversion, b) spill-over effects across touchpoints along customer journeys c) the effect of the length-composition or intensity of journeys on conversion.

In this research, we investigate the impact and effectiveness of different touchpoints and journeys (by considering journey length and intensity) on customer conversion by using two-step dynamic Heckman probit model while accounting for conversions on different channels

(online, offline and mobile). In addition to this we employ Latent Class model to investigate how different journey types (on the basis of their intensity, length and the touchpoints involved with regard to their role/position in different stages of relational process) are associated with different conversion levels. In our analysis, we use multi-platform, individual level data sets from an European insurance group to capture customer journeys on different online and offline platforms with all touchpoint encounters and purchases. Our findings provides with guidance to researchers and marketers on multi-touchpoint and journey management, more specifically on more efficient allocation of resources among various touchpoint-mix elements.

REFERENCES:

- Anderl, E., Becker, I. von Wangenheim, F., & Schumann, J. H., (2016). Mapping the customer journey: Lessons learned from graph-based online attribution modelling. *International Journal of Research in Marketing*, 33, 457-474.
- Anderson, J. C., & Gerbing, D. W. (1991). Predicting the performance of measures in a confirmatory factor analysis with a pretest assessment of their substantive validities. *Journal of Applied Psychology*, 76, 732-740.
- Ariely, D. (1998). Combining experiences over time: The effects of duration, intensity, changes, and on-line measurements of retrospective pain evaluations. *Journal of Behavioral Decision Making*, 11, 19-45.
- Barrett, M., Davidson, E., Prabhu, J., & Vargo, S. L. (2015). Service innovation in the digital age: Key contributions and future directions. *MIS Quarterly*, 39, 135-154.
- Baxendale, S., Macdonald, E. K., & Wilson, H. N. (2015). The impact of different touchpoints on brand consideration. *Journal of Retailing*, 91, 235-253.
- Blake, Thomas, Nosko, C., & Tadelis, S. (2015). Consumer heterogeneity and paid search effectiveness: A large-scale field experiment. *Econometrica*, 83, 155-174.
- Brakus, J. J., Schmitt, B. H., & Zarantonello, L. (2009). Brand experience: What is it? How is it measured? Does it affect loyalty?. *Journal of Marketing*, 73, 52-68.
- Joo, M., Wilbur, K.C., & Zhu, Y. (2016). Effects of TV advertising on keyword search. *International Journal of Research in Marketing*, 33, 508-523.
- Kannan, P. K., Reinartz, W., & Verhoef, P.C. (2016). The path to purchase and attribution modeling: Introduction to special section. *International Journal of Research in Marketing*, 33, 449-456.
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience along the customer journey. *Journal of Marketing*, 80, 69-96.
- Li, H. A., & Kannan, P. K. (2014). Attributing conversions in a multichannel online marketing environment: An empirical model and a field experiment. *Journal of Marketing Research*, 51, 40-56.
- Marketing Science Institute (2016). Research Priorities 2016-2018. Cambridge, Mass.: *Marketing Science Institute*.
- Srinivasan, S., Rutz, O. J., & Pauwels, K. H. (2016). Paths to and off purchase: Quantifying the impact of traditional marketing and online consumer activity. *Journal of the Academy of Marketing Science*, 44, 440-453.
- Verhoef, P. C., Kannan, P. K., & Inman, J. (2015). From multi-channel retailing to omni-channel retailing: Introduction to the special issue on multi-channel retailing. *Journal of Retailing*, 91, 174-181.
- Verleye, K. (2015). The co-creation experience from the customer perspective: Its measurement and determinants. *Journal of Service Management*, 26, 321-342.