



# Follow Their Journey: The Changing Consumer Buying Landscape and the Market Research Methods Needed to Map It

By Gina Woodall



**Marketing managers and insights professionals cannot adequately do their jobs by simply following the next big trend such as the shift to mobile market research.**

Instead, we need to follow the journey of our customers, understanding how the buying landscape is defined by varied patterns of behavior. The following discussion provides a roadmap based on recent primary research, followed by case studies on how market research can be shaped to adapt to how consumers truly behave.

**M**ore than a decade ago, we began to experience and talk about a monumental *one-dimensional* shift from a primarily “bricks and mortar” shopping environment to an e-commerce model that provided consumers 24/7 convenience. As businesses embraced the opportunities of this transition by launching e-tail sites and online services (e.g., online banking), insights professionals adopted online methodologies to more effectively gather information. Today, the pace of technology-driven change is accelerating, powered by a convergence of technologies including mobile access (vis-à-vis smartphones and tablets), social media, and the cloud. The transition is now *multi-dimensional*, and goods and services are increasingly purchased in an *omni-channel* environment where consumers pick and choose the most effective and accessible channel to accomplish their goals at each stage of a purchase process.

Before discussing the implications for insights professionals, let’s examine how consumers behave, drawing on data from a recent Rockbridge study on consumer shopping patterns.

### **The Purchasing Landscape**

In a market research survey conducted this year of U.S. adults, we examined a range of behaviors that show the increasing complexity of the consumer journey. One

facet of the research examined the process for significant purchases (specifically, amounts over \$50 in categories that require some degree of “shopping”). A purchasing experience generally consists of three steps: information gathering, checkout, and fulfillment. Looking across these stages, we can identify six distinct segments of buying experiences. Bricks still matter because 62 percent of purchase events involve checkout at a physical store compared with 36 percent online. A relevant question in mapping these processes is: what is the degree of convergence of multiple channels in the consumer buying journey?

The first part of the answer to this question is that half of purchases predominantly use one channel and consist of either consumers walking into a store and then walking out with merchandise or consumers ordering online and having items shipped. Three such situations are apparent, based on a segmentation of purchase events:

- 29 percent of shopping events are “In-person Only.” These consumers gather all of their information at the store via talking to employees, looking at displays or reading packages, and may also be influenced by “offline” channels such as TV/print advertising and word-of-mouth. Such purchases involve the least amount of planning – 51 percent require less than a week for gathering information.
- 20 percent are “Simple Digital Only” shopping events. The consumers order online, typically using a desktop or laptop computer, and have items shipped to them, usually at their home.
- 3 percent are “Phone Orderers,” who phone in an order and either have it shipped or pick it up in a store.

In contrast to the relatively simple processes outlined above, the other half of purchases span multiple channels, are more technology intensive and take longer to plan.

- 17 percent of shopping events can be characterized as “Superficially In-person.” The consumer checks out in a store but relies on a combination of online and offline information sources.
- Rounding out situations where the purchase occurs in a physical store, 16 percent are “Methodical, High-Touch” purchases. A full 72 percent of these consumers spend at least a week gathering information and this information gathering is intensive, spanning a range of in-person and online channels. More than a quarter collect information from smartphones (31 percent) and tablet computers (27 percent), and 27 percent collect this information from a device while inside a retail store.

## **[Consumer] journeys are becoming increasingly complex, with half involving a high degree of channel convergence and information intensity.**

- “Analytical Digital” purchases make up 16 percent of purchase events. The journey is similar in complexity to the Methodical High-Touch purchase except that checkout occurs online. These purchases involve a high degree of information gathering from a range of online and offline data sources. Even though the purchase is made through an online channel, the consumer in this situation may still visit a store and talk to salespeople while also investigating what other consumers say online. Information gathering can involve multiple devices, including smartphones (37 percent) or tablets (33 percent), and 22 percent will collect information inside a physical store. Checkout using a portable device is generally rare in the market, but it is more common for these types of purchases (13 percent of Analytical Digital purchases compared to 4 percent overall). Almost two-thirds (62 percent) of Analytical Digital purchases involve at least a week of planning.

This shopping typology suggests that the traditional one-dimensional methodologies used in most market research studies mirror the paths taken in about half of purchase situations. However, journeys are becoming increasingly complex, with half involving a high degree of channel convergence and information intensity.

Channel convergence is not limited to the purchase of products. This same study examined consumer banking behavior, including the use of different channels such as branches, websites, mobile apps and call centers. Only 21 percent of consumers rely on a single channel for banking needs (80 percent use a bricks and mortar branch), but almost half (47 percent) use three or more channels. Consumers rely on a combination of traditional and technology-driven channels:

- 31 percent of consumers use a branch, a website and mobile application for banking.
- 17 percent use a branch, website, mobile app and telephone banking.

This data illustrates that the complexity and convergence found in consumer purchasing of products is also a dynamic

for services. This raises a question for researchers: is it time to consider tearing down the walls between methodologies so that studies parallel how consumers behave in real life?

## **Adapting Research Methods to the Consumer Shopping Journey**

The data clearly suggests that the market research industry needs to adjust its research methods to reflect omni-channel purchase patterns in order to capture the insights needed to impact marketing strategy. Increasingly, researchers must adapt by using creative multi-mode and multi-stage designs to join customers on their journey. To illustrate, the following are case studies from Rockbridge client engagements designed to capture insights during consumer shopping journeys.

### **Case Study: Exploring the Needs and Behaviors of Omni-Channel Apparel Shoppers**

Our client in the apparel industry was anxious to explore customer omni-channel shopping behaviors given the changes in technology available to its customers, including mobile and tablet shopping. They wanted to better understand customer satisfaction when using multiple channels and uncover innovation opportunities that could enhance the omni-channel shopping experience. Given the exploratory nature of the objectives, we conducted the research using our proprietary virtual research solution that uses a social media platform to encourage rich discussion, regardless of whether the respondent uses a stationary or mobile device. To follow customers on their journey, we intercepted them as they shopped our client’s brand on their mobile phone or online. We asked customers to comment on each stage of their journey, including online, mobile and in-store shopping as they completed the experience. By having them join the discussion from their mobile phone or computer after each touch point, we were able to capture detailed experiences and perceptions of the shopping process as well as spark creativity among participants in suggesting ways our client could enhance the shopping experience when customers move from channel to channel.

After the exploratory phase, we began quantifying the customer journey for our client through a series of online and mobile surveys that captured shopping experiences and perceptions with each channel as customers used them on their path to purchase. The data from this ongoing study allows us to track omni-channel behavior and to gauge customer perceptions over time to understand how channel usage

is changing and customers' satisfaction with innovations introduced to provide a more seamless omni-channel shopping experience.

One of the major takeaways from this study, and others like it, is that many consumers view their omni-channel shopping experience positively. They do not consider having to use multiple channels to make a purchase an issue and, instead, welcome it. The availability of multiple shopping channels is a convenience, providing an opportunity to research and gather information for their planned purchases in more depth and offering more choice based on price and fulfillment channels from different sources. The challenge for companies is to provide a seamless and high quality shopping experience across these channels, which customer journey research can help guide and refine.

#### Case Study: Understanding the Path to Purchase for 4K Ultra HD TVs

Our client in the consumer electronics industry wanted to understand consumer perceptions of the shopping process for a revolutionary new technology – 4K Ultra HD TV. The technology provides an enhanced viewing experience compared to standard HDTVs, but consumers need to

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experience the technology firsthand to fully appreciate the difference. At the time of the research, there was limited availability of the technology in stores, making it impossible to do post-purchase surveys. To understand the customer journey behind potentially purchasing a 4K Ultra HD TV, we conducted a multi-stage study that included an online survey to assess initial awareness and perceptions of the technology, followed by an in-store visit to experience and learn more about the technology, and an in-depth video interview to gather opinions and perceptions of the product. To ensure that consumers were experiencing 4K Ultra HD TVs, we asked respondents to take and send us a picture of the 4K display from their mobile phone. By using this multi-stage design, the study was able to provide insights into consumer reactions to

the technology, information needed when researching a purchase, the role of the salesperson and other information sources, and the decision factors that affect the final purchase decision.

#### The Impact on Marketing Strategy

Managers recognize the changing complexity of consumer behavior in a technology-infused, omni-channel purchase environment and are retooling communications and purchase channels to ensure a seamless and consistent buyer experience. To support this decision-making, insights professionals must guide omni-channel marketing strategies by being creative in mapping the customer journey with consideration of all the research tools and technologies at their disposal. ▽

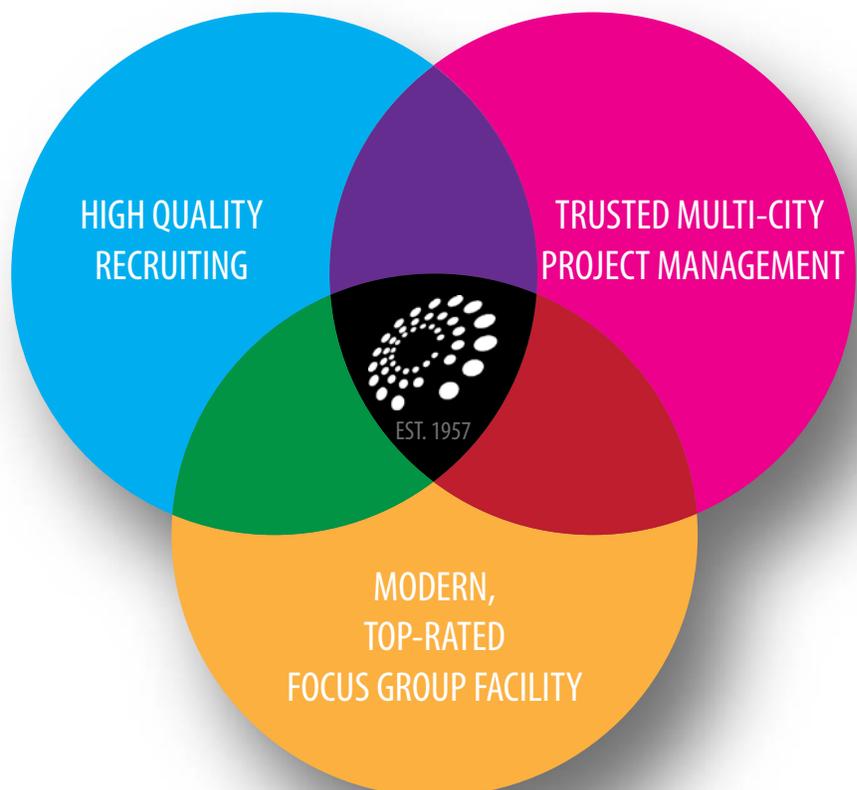
**Gina Woodall** is president of Rockbridge Associates, Inc., a national market research firm specializing in issues for technology and services firms. Gina has two decades of experience in marketing research and consulting centered on customer engagement and satisfaction, new product development for services, customer segmentation and positioning/communications issues.

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