

CUSTOMER JOURNEY MAPPING: LEAD THE WAY TO ADVOCACY

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Customer interactions are more complex than ever before. Companies looking to succeed in today's marketplace must determine how customer sentiment and behavior changes across different stages of the customer lifecycle. This document will highlight the role of journey management in accomplishing this goal.



Journey management ultimately leads to happy customers.

Multi-channel is no longer a differentiator; it has become table stakes.

In fact, trend analysis between Aberdeen's customer experience management (CX) studies conducted in [2016](#) and 2012 reveals that the number of channels companies use to interact with current and potential buyers have doubled over the past four years. This means that companies now capture more structured and unstructured data they can use to determine buyer behavior, specifically map customer journeys. Before we delve into the business value and best practices in journey mapping, let's first define what this activity means.

A typical customer lifecycle can be broken into various phases – see sidebar on next page. Customers have a distinct journey at each phase of the customer lifecycle. For example, the awareness journey for customer A might consist of the customer seeing an online ad and visiting the company Facebook page to get more information. Customer B on the other hand might see a billboard and ask a colleague if they're familiar with the product or service.

Since every customer (both B2B and B2C) have unique preferences, the journeys customers will follow across various phases of the customer lifecycle will also be unique. What's

Traditional Steps in a Customer Lifecycle

Each business is unique; as such the steps customers follow when interacting with companies varies. However, below is an overview of a traditional lifecycle across many businesses:

Awareness: a stage where buyers become aware of a business or a general category of products / services

Consideration: a stage where buyers consider purchasing a general category of products / services

Evaluation: a stage where buyers decided to purchase a product / service, and are now evaluating relevant providers

Purchase: a stage where buyers purchase the product / service

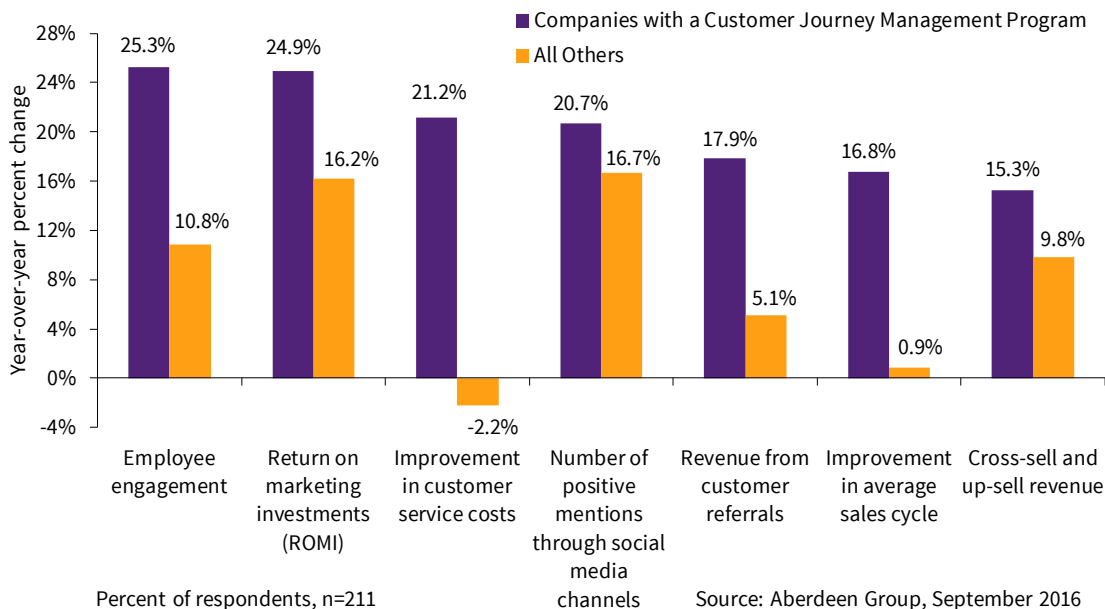
Onboarding: a stage where buyers are educated on the features, benefits and how to use the product / service

Retention & Loyalty: a stage where buyers consider retaining their business with the same firm or moving to a different provider

Advocacy: a stage where buyers have been satisfied with the firm, and are now providing referrals for its products / services

common across all businesses however, is that companies that have a formal journey management program accomplish far superior year-over-year growth across key performance metrics, compared to those that don't – Figure 1.

Figure 1: Top Reasons Why You Need to Manage the Customer Journey



As depicted above, companies that have a formal program to map and manage customer journeys enjoy superior sales, marketing, and service effectiveness. Specifically, they increase return on marketing investments – incremental revenue associated with marketing campaigns – by 24.9% year-over-year. This is in addition to reducing service costs by 21.2% and shrinking the average sales cycle by 16.8%. Collectively, these findings validate that journey mapping helps companies reduce costs and grow revenue.

Accomplishing these results means that companies also meet (and exceed) buyer needs, since happy customer are more likely to spend more and less likely to contact a business with issues. To this point, Figure 1 also reveals that companies mapping customer journeys also enjoy more than three times year-over-year growth in customer referrals, compared to those that don't. Since customers are more likely to refer businesses that meet their

In Aberdeen's May 2016 study, [CX Executive's Agenda 2016: Aligning the Business Around the Customer](#), we used five performance metrics to separate participants into two cohorts:

- Best-in-Class: Top 20% of respondents based on performance
- All Others: Bottom 80% of respondents

The performance metrics used as part of this analysis, and the respective results for both cohorts in each category, are as follows:

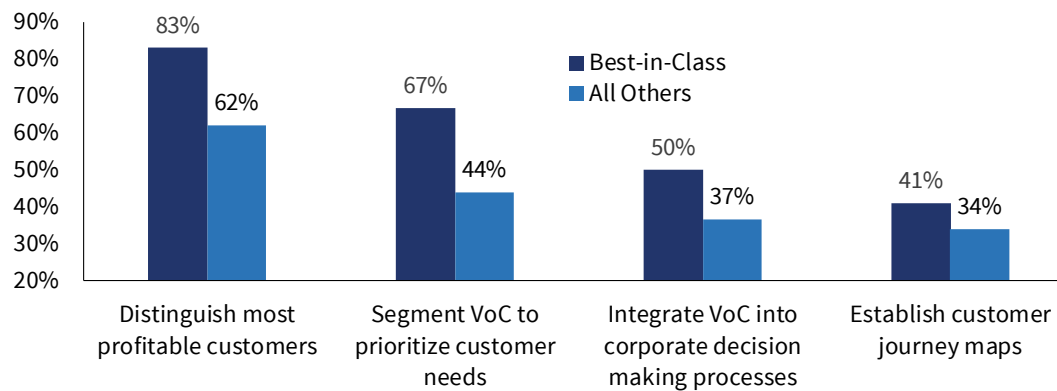
- Customer retention rate:
Best-in-Class: 85%
All Others: 40%
- Year-over-year change in customer satisfaction rate:
Best-in-Class: 37.4%
All Others: -0.8%
- Year-over-year change in annual company revenue:
Best-in-Class: 35.4%
All Others: 7.7%
- Year-over-year improvement in response time to customer requests:
Best-in-Class: 32.0%
All Others: 3.6%
- Year-over-year change in average customer profit margin:
Best-in-Class: 18.2%
All Others: 2.9%

needs, we can validate that journey management ultimately helps companies create happy customers.

How to Map and Manage Customer Journeys?

Findings from Aberdeen's November 2016 [The Customer Experience Value Chain: Paving the Way to Advocacy](#) study sheds light into the above question. We determined a select group of Best-in-Class organizations (see sidebar) that excel in creating happy customers and driving superior financial results. Figure 2 illustrates several activities they use to manage customer journeys.

Figure 2: Know your Customers



Percent of respondents, n=154

Source: Aberdeen Group, September 2016

As depicted above, top performers are far more likely to segment their current and potential customers than other businesses. Segmenting customer base includes breaking up current and potential buyers into distinct groups by specific psychographic, demographic and financial criteria including age, geography, purchase history, and total spend.

Combined with analytical tools such as business intelligence, segmentation allows companies to map the journeys of unique customer segments. This, in turn reveals the typical path buyers in specific segments follow when interacting with the business.

Once journey maps are developed, they provide companies with a wealth of opportunities, allowing for analysis of changes in preferences of specific customer segments, as well as allowing running cross-sell / up-sell campaigns by targeting customers in each segment with products / services other clients in the same segment tend to purchase. Considering these opportunities, it's no wonder why companies with a journey management program far outpace those that don't across a significant number of metrics.

Key Takeaways

A CX strategy is only as successful as its ability to cater to customer needs. Yet, Aberdeen's [*The Customer Experience Value Chain*](#) study shows that only 36% of businesses currently have a process to map customer journeys. This means that almost two out of three businesses don't have visibility into customer expectations. As such, they risk seeing sub-par results from sales, marketing, and service activities – an observation validated by the performance findings in this document.

If you haven't yet mapped how your customers interact with your business across all channels, then we highly recommend making journey management a part of your business activities. Doing so will help your company better align your performance with the Best-in-Class and develop customer relationships that continue delivering success in the long-run.

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About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide improve their performance. Our analysts derive fact-based, vendor-agnostic insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategy. Aberdeen Group is headquartered in Waltham, MA.

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