STRÖER

"HOW DO I REACH TODAY'S CONSUMERS?"
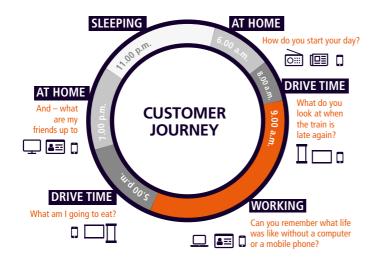
"LET'S MAKE THE CUSTOMER JOURNEY THE FOCUS OF ALL OF OUR MARKETING ACTIVITIES!"

THE STRATEGIC ANALYSIS OF THE CUSTOMER JOURNEY IS INCREASINGLY PROVIDING A DECISIVE COMPETITIVE ADVANTAGE.

THE HIGHLY PERSONALIZED CUSTOMER JOURNEY IN THE DIGITAL WORLD

Digital media shape consumers' everyday lives and allow them to source information across a virtually endless number of channels. However, we have reached a turning point in this process of pervasive digitalisation: following on from the development from offline to online to mobile, the boundaries between the devices used by consumers are increasingly blurring. At the same time, the choice of products on offer is growing, while brand loyalty decreases. Ultimately, this has led to the development of the purchasing behaviour of the "always-on"

consumer, which has more to do with spontaneous stimuli and needs. As a result, the use of media and consumer behaviour have become highly personalised. The customer journey – that is, the journey that consumers take from the first time they become aware of a product until they purchase that product – comprises a chain of experiences that a buyer has with a brand, which take place at different times in different media and in different places. It is becoming increasingly difficult to record the customer's movements through the physical and digital worlds due to the changes in consumer behaviour outlined here.

ANALYSING THE CUSTOMER JOURNEY AND DEVELOPING MEASURES

The stiff model of customer relationship management is no longer enough to target consumers like this, for whom every channel, every touchpoint can be of crucial importance. It is a style of customer relationship management based on an unsophisticated accumulation of loosely linked touchpoints, not on the holistic observation of the customer throughout his or her own specific customer journey, and it is being replaced by the strategic analysis and planning of the customer journey. This new approach is based on a profound understanding of the stages of experience the consumer goes through in the market and the point at which the consumer's desire to purchase one of the brand's products emerges. This is complemented by knowledge of which customer buys which product and how decision-making processes differ depending on the product. All of the customer's actions in both the analogue world and the digital world are analysed and utilised to turn the customer journey into an individual experience. The static relationship that a customer has with a brand is fundamentally different to these more personal,

SLEEPING
11.00 p.m.

AT HOME
6.00 a.m.
How do you start your day?

AT HOME
7.00 p.m.
And – what are my friends up to

CUSTOMER JOURNEY

8.00 a.m.

DRIVE TIME
9.00 a.m.
What do you look at when the train is late again?

DRIVE TIME
5.00 p.m.
What am I going to eat?

WORKING
Can you remember what life was like without a computer or a mobile phone?

more dynamic and more flexible forms of interaction and content. The analysis of the customer journey, the marketing and communication measures that are derived from it, and the related technological expertise constitute an increasingly crucial strategic competitive factor. The more knowledge companies have about the way their end consumers behave, the more purposefully and efficiently they can communicate with them at the right point in time on the right channel. There is huge potential to accumulate more knowledge about buyer behaviour using structured cross-channel analyses. The goal of all of this is to make the customer lifecycle as interesting and as exciting as possible.

In order for this concept to be successful, it cannot be used as a mere buzzword, but must be viewed and implemented as a holistic approach. However, to do so, some groundwork needs to be done to convert existing customer communication processes into personalised targeting. All of the teams, channels and technologies involved have to interact – by taking a new, more personalised view of the customer. This will decide whether customer journey management is a success or a failure.

Taking the concept of the customer journey seriously therefore means carrying out far-reaching changes in relation to communication and marketing measures and aligning them with each stage of the customer journey instead of with brands or products.

OPERATIONALISING THE CONCEPT BY FORMING CLUSTERS

As one of the leading digital multi-channel media companies, taking a holistic view of consumers is of central importance to Ströer. In order to ensure that the concept of the customer journey is manageable and scalable, Ströer has divided the myriad of individual purchasing decision processes and the resulting customer needs into six categories – which are referred to as clusters. The boundaries between them were drawn on the basis of an analysis carried out by FELD M, a digital marketing consultancy, using a total of 19 criteria that are relevant to the customer journey, such as emotionality, the length of the journey, frequency of purchase, product price and many others. Ströer uses these criteria to differentiate between the clusters High Frequency; Retail/E-Commerce & Direct Response; High Invest / Luxury; Contract; Event; and Media & Public Sector, which each come with their own decision-making processes and challenges. The development of the clusters is intended to provide parties interested in this topic area with guidelines and to increase understanding of the customer journey. In doing so, Ströer aims to go one step further. Because only a well-planned customer journey will put companies today in a position where they can engage in targeted communication with consumers, Ströer is the first marketer to put the consumer's customer journey at the heart of its sales strategy in the form of its six defined clusters, thereby moving away from the previous practice of dividing sales into sectors.
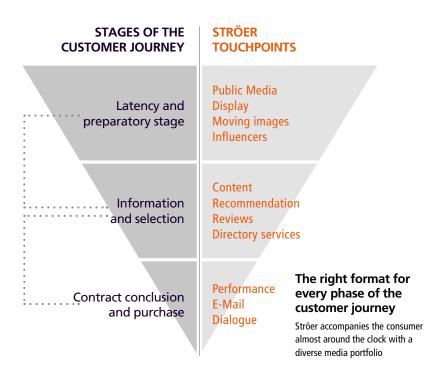
		HIGH FREQUENCY	RETAIL/ E-COMMERCE & DIRECT RESPONSE	HIGH INVEST / LUXURY	CONTRACT	EVENT	MEDIA & PUBLIC SECTOR
PURCHASE CHARACTERISTICS	Frequency of purchase	↑	↗	↓	↘	→	
	Strength // period of loyalty	↓	↓	↗	↑	→	
	Habitual buying	↑	→	↓	↓	↓	
	Impulse purchase	↗	↑	↓	↓	↗	
CHARACTERISTICS OF PURCHASED ITEM	Product vs. service	Product	Product	Product	Service	Service	
	Price	↓	→	↑	↗	↗	
	Usability	↑	↗	↑	↗	→	INDIVIDUAL ANALYSIS
	Complexity	↓	↓	↑	↗	↘	
	Innovation	↘	↓	↗	→	↘	
EMOTIONAL FACTORS	Emotionality	↘	↗	↗	↘	↑	
	Involvement	↓	↗	↑	↘	↑	
	Perceived risk	↓	↓	↑	→	↑	
BRAND // PROVIDER	Awareness	↗	↗	↑	→	↘	
	Brand loyalty	↗	→	↗	↗	↘	
	Differences of providers	↘	→	↗	→	↘	
CHARACTERISTICS OF JOURNEY	Length of journey	↓	→	↑	↗	↑	
	Number of TPs (active)	↓	→	↑	↗	↑	
	Number of TPs (passive)	↗	↗	↑	→	↗	
	Research identity	↓	↗	↑	↑	↑	

Source: FELD M analysis

INTERACTING WITH THE CUSTOMER AT EVERY STAGE OF THE CUSTOMER JOURNEY

Most customer journeys can be reduced to three essential stages: Phase 1 is the latency and preparatory phase; phase 2 is the information and selection phase; and phase 3 is the contract conclusion and purchasing phase. In the first phase of the customer journey, consumers absorb initial product or brand information, without any intention of making a purchase, and develop implicit preferences. Traditional media play an important role in this process: they steer consumers in the right direction, strengthen the mental image they have of the brand and are the basis for the formation of preferences. In the second phase, consumers actively search for information about the product that captivated their interest in phase 1, preferably on online channels. Targeted content becomes the centre of their attention in this phase. Internet searches, comparison websites and native advertising play a crucial role in the last phase, as does personal advice at the point of sale. Shortly before the purchase, the relevant set is narrowed down to a small number of options.

OPERATING DIFFERENT TOUCHPOINTS USING THE STRÖER PLATFORM

There are currently no other companies that operate as many touchpoints with end consumers across so many different channels as Ströer – be it online, out-of-home advertising, the "outernet" (digital out-of-home advertising) or dialogue marketing. As a multi-channel media company, Ströer is able to synchronise these offerings and will be able to provide integrated solutions for different customer journeys in the future. Solid, valid data form the basis of every targeting system.

On the basis of our own extensive database, combined with select third-party data and predictive behavioural targeting technology, Ströer analyses and generates

STAGES OF THE CUSTOMER JOURNEY	STRÖER TOUCHPOINTS
Latency and preparatory stage	Public Media Display Moving images Influencers
Information and selection	Content Recommendation Reviews Directory services
Contract conclusion and purchase	Performance E-Mail Dialogue

The right format for every phase of the customer journey

Ströer accompanies the consumer almost around the clock with a diverse media portfolio

high-quality target group segments. Alongside standardised segments, Ströer also offers industry-specific typologies – which are referred to as "personas". These personas can then be targeted using the right messages at every stage of the customer journey.

With the help of Ströer's diversified product portfolio, the end consumer can be reached in every phase and every cluster using the right message at the right time. In the latency and preparatory phase, the main focus is on strong, attention-grabbing communication with a broad reach (for example, city light posters, mega-light posters and public videos as well as large-format advertising at train stations). In the digital portfolio, this function is carried out with fixed one-day advertising (desktop and mobile) and the integration of moving images. During the information and selection phase, the consumer must be met with the right content and provided with relevant information. In the public arena, event spaces and sampling/couponing are particularly well suited to this task, whereas editorial integration and content-based advertising like native advertising are particularly suitable online, as are WOM and influencer marketing. In the contract conclusion and purchasing phase, the focus is on advertising media right before the

point of sale. Also worth mentioning in this context are posters on the way to the point of sale and adaptive customer networks outdoors. In the digital portfolio, CpX models and dynamic retargeting play a major role, as does geofencing at the point of sale. Ströer also continues to offer services in dialogue marketing, for example, telesales, telemarketing and sales-based field work.

It is important to realise that the last contact before the purchase is by no means the only decisive factor. In particular, advertising contacts at the beginning of the chain create a foundation that will later be translated into direct effect. For advertisers, it is no longer about affordable gross reach, but about the advertising impact and data analyses that will help them to optimally reach their target groups during the customer journey. Giving up the traditional model of classic customer relationship management and the associated, convenient world of separate individual measures in the fields of communication and marketing in favour of a complex customer journey management system that is demanding both in terms of technology and human resources is no easy matter. Ströer accepts this challenge together with advertisers.

"61 PER CENT OF ALL BANKING PRODUCTS ARE RESEARCHED ONLINE AND PURCHASED OFFLINE."

THE IMPORTANCE OF BRAND DIFFERENTIATION AND OMNICHANNEL ADVERTISING

FACTORS WHEN CHOOSING A PROVIDER

Price is the most important criterion when choosing a provider in industries with long-term contractual relationships. This was the result of a Statista meta-analysis of customer surveys on the reasons for choosing banking and insurance products, and telecommunications, electricity and gas contracts. The importance of price as a criterion increases when there is little to hardly any difference between the product characteristics of the service being provided. This applies in particular to electricity and gas contracts. In addition to price, there are differences between the decision-making criteria that are considered important in various industries: for example, in a recent survey carried out by Statista on the decision-making criteria for choosing an insurance provider, 38 % of those surveyed said that the provider's trustworthiness was an important criterion. However, value-for-money also dominates in this area and was named by 59 % of those surveyed. When it comes to telecommunications contracts, service criteria such as network coverage and connection speed play an important role in addition to price. In contrast, plan criteria such as price guarantees and flexible options for changing plans are relevant when choosing a utility provider's products. In light of the characteristics that are common to these industries, such as low frequency of purchase, long contractual commitments and complex products, these results are not surprising. An analysis of these studies shows that customers generally make a decision once they have thoroughly compared different products on the basis of rational factors. However, soft factors such as strong brands and the image of the provider are playing an increasingly important role in customers' decision-making processes. It is still important to develop a brand so that it can make an impact during the latency and preparatory phase as a member of the "relevant set". For example, the results of the Statista "Insurance 2017" survey revealed major differences in terms of insurance providers' level of prominence, but also in relation to the matter of which providers even come into question for consumers. The proportion of customers who would fundamentally consider choosing a provider that they were familiar with fluctuated between 15 % and 43 % for the 20 most well-known insurance providers.

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In collaboration with

statista

LITTLE WILLINGNESS TO SWITCH

One special feature of the industries in question is that customers are not very willing to switch providers. The results of the Statista Global Consumer Survey have shown that approx. one third of customers are not happy with their current provider, although well under half of them are willing to switch. Of the happy customers of telecommunications providers, banks and insurance providers, 3 % to 6 % are willing to switch. At 11 %, this number is much higher for electricity suppliers, which reveals the high degree to which electricity has been commodified as a product. This is additionally underlined by the correspondingly high level of willingness to switch providers solely based on a slightly lower price.

● Unhappy customers   ● Happy customers   ● Customers willing to switch

40%
31%
69%
11%
Electricity

37%
34%
66%
5%
Landlines/DSL

34%
33%
67%
6%
Mobile communications

24%
28%
72%
3%
Banking products

23%
28%
72%
4%
Insurance

Source: Statista – Global Consumer Survey, 2017

THE CHANGING CUSTOMER JOURNEY

If you take a look at the customer journey and the channels used – from research in the information and selection phase until the conclusion of the contract – a very homogeneous picture is revealed for mobile communications, DSL, banking and insurance contracts at the moment: Whereas the internet is the most important source of information when researching the right provider, offline channels still prevail when it comes to concluding contracts. This means that, in all of the industries in question, the customer journey is dominated by the ROPO effect (research online, purchase offline). Data from industry-specific

studies carried out by GfK and Google have shown that this applies to 61 % of all contracts concluded for banking products and 53 % of all mobile communications contracts.
If you add the number of contracts that are researched offline and concluded online, which is a low single-digit percentage in all product categories, the percentage of omnichannel contracts concluded is approx. 60 % in all of the product categories in question. Exclusively online customer journeys are now also playing an important role. They account for 25 % of the contracts concluded for insurance products and for 29 % of the contracts concluded for banking

products. In comparison, these figures were still 10 % and 11 % respectively in 2009. Customer journeys without any internet involvement are now the exception. For example, only 10 % of the contracts concluded for banking products are researched and selected exclusively offline.
For this reason, the trend of substituting offline customer journeys with ROPO will not continue in the same way. It remains to be seen whether ROPO will be increasingly replaced by customer journeys that only take place online in future, as has already been the case in recent years for more transactional purchases such as flight bookings, for example.

● Banking   ● Insurance   ● DSL   ● Mobile communications

○ 2009   ● 2015/17

Purchase - online

100% — Online dominant

50%

50%   100%

Offline dominant   50%   ROPO dominant

Research – online

Source: Google, GfK, Postbank, Zurich, Deutsche Telekom – ROPO studies, 2015/17

Both online and offline channels (omnichannel) play a role in approx. 60 % of the contracts concluded in the industries in question – the majority of them ROPO (research online, purchase offline).

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We help you to optimally address the customer at every stage of the customer journey.

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