The map is not the territory:

A notion on customer journeys and touchpoints in a digital age

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INTRODUCTION

If we are blinded by darkness, we are also blinded by light

(Annie Dillard, referenced in Roberto Verganti, 2017)

We live in fascinating times. New technologies and digital opportunities are introduced at unprecedented speed leaving almost all industries in turmoil and companies open for disruptiveness and innovation. Not least, the Covid-19 lockdown has dramatically accelerated the digital transformation of many industries to accommodate the 'new normal' (Business of Fashion and McKinsey & Company, 2020). But while IT and technology familiarity are growing, so is the pressure on traditional business models. The introduction of virtual, augmented and mixed reality technologies and the developments in portable and embodied devices offer many new alternative ways of blending real life products with virtual offerings to form hybrid experiences. This opens completely new avenues for customer interaction, services and experiences and radically reshapes not only customer touchpoints along the customer journey, but also the very nature of the journey travelled by customers (Flavián et al. 2019). As the number of touchpoints multiply, the need for understanding customer interaction and journey behavior becomes imperative (Tueanrat et. al. 2021). And digital prowess seems to hold the key to unlock such understanding. Markerters are much aware of the fact that meeting customer expectations hinges upon their digital capabilities.

The 'map-making' capacities and skills of companies have reached new levels of sophistication and detail due to technology and digital applications and infrastructures. One needs to just look at the rapid advancements and use of Data Management Platforms (DMP), Customer Data Platforms (CDP), Customer Relationship Management systems (CRM), and marketing automation platforms. The pervasive connectivity, the information abundance due to the emergence of BIG Data, the rapid improvements in IT performance and in particular AI significantly advance the intelligence measures and forecasting abilities of companies. Indeed, the projecting of consumer habits into journey maps for identification of required investments and tailored experiences works to counteract the uncertain and volatile nature of post-modern consumers. Surely, this is a good thing for companies. But companies also face a dilemma: without any data and insights about our customers, we operate in darkness. With too much, we are blinded by the light that follows (Verganti, 2017). So how to strike a balance? How to find a meaningful direction that brings us out of darkness while avoiding getting 'snowblind'?

In this report, we discuss these questions using a reflective approach by exploring the notion of customer journeys and touchpoints in a digital age. We do NOT provide concrete

solutions and "how-to" manuals. Rather, we provide a critical perspective on customer touchpoints and customer journeys as a powerful "mapping tool" that makes us see the customer while also blinding us. However, our approach is pragmatic in the sense that we shed light on the limitations of customer journey mapping to avoid pitfalls while providing inspiration to seizing opportunities and benefits. We sum up the report by formulating three key takeaways on using customer journeys and touchpoints in a digital age. The takeaways are for everybody interested in shaping new actions and next practice of customer journey mapping.

BACKGROUND

This report is the outcome of an activity in Lifestyle & Design Cluster. The project "Digital Commerce and Customers" works in three integrated tracks towards an understanding of digital commerce and the increasingly digital customers (both B2C and B2B) in the lifestyle industry. The three tracks focus on:

1. Digital touchpoints: The introduction of digital touchpoints in customer journeys.
2. The impact of and coping with 'the need for touch' in the sale of design products when digital channels are used.
3. The digitisation of complex B2B relations as part of the sales process

Unlocking and harnessing the capacities of technology and digital potential is widely acknowledged as having transformative impact on the operation of design industries in terms of scale, scope, speed and sources of value creation. While digital technologies may improve or disrupt all stages of the fashion/furniture value chain from design and production to services and end-of-life solutions, the **purpose** of this report is to look specifically into how the promises of digital technologies in commercial activities affect customer interaction touchpoints and customer journey mapping. The report sums up the work done in track 1 and concludes on activities looking into the concept of customer journey mapping in a digital age. In B2C, many brands have found themselves in between a rock and a hard place as they navigate the entanglements of touchpoints of a digital/online nature and of an in-store/real world nature. The **objective** of the report is to identify current challenges and key issues faced by companies and to unfold best and next practices of working with customer journeys and customer touchpoints in the lifestyle industries. Lastly, the report will present three takeaways to consider when shaping next action and practice.

DIGITAL COMMERCE IS INCREASINGLY IMPORTANT BUT INCREASINGLY DIFFICULT

While digital commerce is becoming increasingly important, retailers and consumer brands increasingly compete on their digital capabilities. GroupM, one of the world's leading media investment companies, estimates that global retail e-commerce in 2024 will reach 25% of retail sales, amounting to $7 trillion in annual sales activities (GroupM, 2020). The COVID-19 pandemic has pushed companies and customers to embracing digital commerce, which has accelerated digital commerce by two to five times faster than before the pandemic (McKinsey & Company, 2021). Likewise, in-app social commerce is skyrocketing due to customers' hunger for social interaction and live entertainment combined with technological advances in social media that make the distance from 'like it' to 'buy it' extremely short and easy to make (Chandel and do Fornor, 2021).

While 'digital' is seen among fashion executives as the biggest opportunity ahead (Business of Fashion and McKinsey & Company, 2021; Valtech 2021), it still comes attached with numerous challenges and difficulties. Consequently, despite the huge opportunities and promises of digital commerce, many companies are still lacking behind (Salesforce, 2021). Research and practice show that although real-time customer engagement is a top priority, it is as well a top challenge for marketers. According to surveys by Salesforce in 2021, a third top priority is creating a cohesive customer journey across channels and devices but also a top three challenge. While companies seem to acknowledge that customers are travelling both offline and online and that the boundaries between digital and physical are increasingly blurred, still only 7% of Scandinavian brands offer customer support after closing hours, according to research from IMPACT (IMPACT, 2020). In addition, while 39% offer mobile payment online, 86% offer mobile payment in-store. These are just two examples, but they illustrate well that companies, by and large, do not yet embrace and manage the hybridity of customers moving in and out of domains. In addition, companies have issues meeting basic requirements such as search and navigation, product information and supporting tools (ratings and reviews, how-to's) according to surveys by Forester Consulting (2021). This is supported by IMPACT (2020) who says that close to 75% of brands do not show customer reviews on product pages, although this is one of customers' basic requirements (Forester Consulting, 2021). For instance, marketing decision makers expect hurdles in relation to inventory coordination and management to avoid deadlocks when offering click-and-collect services. What seems simple is not simple in practice. On top of this, cyber risk and digital resilience toward data loss is gaining increasing attention (Business of Fashion and McKinsey & Company, 2021) as is the

tightening of regulations on how companies use and protect data (GDPR). In this regard, global lead of Retail and Digital Consumer Insights at Euromonitor International, Michelle Evans argues in Forbes (2021) that:

> *Of those working at retailers and consumer brands, **68%** expect consumers will judge them more on their digital prowess post-pandemic. (…) Do nothing and they risk alienating their consumer base, which has likely become more digital savvy during this period of rapid digital transformation* (Evans, 2021).

Thus, attention should increasingly be put on the customer journey in the digital age and how hybrid customer experiences are shaped. The value provided by each touchpoint and the reciprocal relation between touchpoints in value creation should be a key matter of concern for companies. However, for many SMEs and micro-businesses the piecing together a unified view of the customer by means of the myriad of data sources is not easy. Neither is it to exploit fully data quality, data completeness and accessibility, timeliness and integration.

THE PRACTICE OF MAPPING CUSTOMER'S JOURNEY

Research and practice have developed a vast number of models of the customer journey. Despite differences in visualisation and formats, they all build on the customer experience and the journey customers go on – or the phases they go through - when making a purchase. See figure 1 and 2 below for two illustrative examples of customer journey mapping, one from academia and one from practice.

Customer experience has been conceptualised as a "customer's journey with a firm over time during the purchase cycle across multiple touchpoints" (Lemon and Verhoef, 2016: 74-76). Touchpoints are in the pre-purchase, the purchase phase as well as in the post-purchase phase relating to behaviour such as search, consideration, choice, ordering, payment, consumption, service and support, and disposal. Touchpoints may be of a digital and/or physical nature and the degree of control of each touchpoint varies from brand-owned to customer-owned to external-owned (Lemon and Verhoef, 2016). Thus customer journey mapping may allow for insights not easily captured by other methods and for that reason become highly useful and valuable for companies aiming at matching customer expectations and actual experience (Tueanrat, Papagiannidis and Alamanos, 2021).

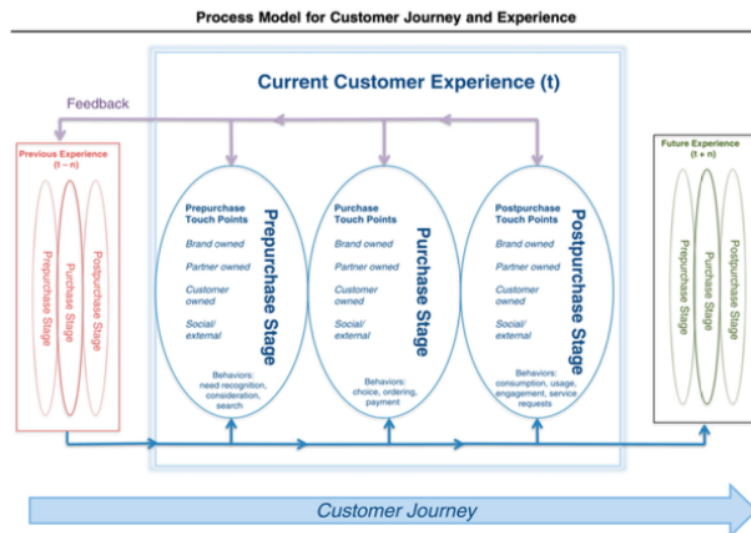**Figure 1. The customer journey, adapted from IMPACT (2020)**

Figure 2. The customer journey, adapted from Lemon and Verhoef (2016)

Amid the digital commerce transformation, it is highly difficult and complex for companies to control and manage customers as they interact with companies through "myriad touchpoints in multiple channels and media, resulting in more complex customer journeys" (Lemon and Verhoef, 2016:69). Furthermore, the complexity is increased by the fact that heterogeneous, dynamic customer segments have different preferences for how to get in 'touch' with brands (direct website shopping, social commerce, live shopping, in-person, etc.). Boundaries between stages in the journey are likewise blurred and shaped by past experiences and hopes for and dreams of future experiences. In addition, increased consumer empowerment necessitates customers who are invited and incited to co-create and co-design their own journeys and experiences by which the management and control of the entire customer journey and experience becomes an illusion (Lemon and Verhoef, 2016). Thus, in the digital age, the customer is very much a moving target in time and space and while "channels multiply; connections between them remain elusive" (Salesforce, 2018, p. 23). For that reason, the customer journey really belongs to the customer – no matter how much brands and retailers imagine they control it. Such a premise escalates the amount and nature of the challenges

faced by brands and retailers in their efforts to attract and nurture customers, who move in and out of physical and digital spaces. And this raises renewed focus on issues of control, brand presence and touchpoints (physical and virtual) to meet the customers on *their entire* journeys.

Implications of this insight is further complicated by the fact that customers learn and unlearn gradually as they enact and interact with brands, which may lead to significant differences between experienced customers versus the non-experienced customers. This calls attention to how the value of touchpoints are changing over time. A touchpoint may be highly important for non-experienced customers while irrelevant or even valueless for the experienced customers. A too generic focus on touchpoints as static entities may lead to blindness towards how the value of touchpoints are changing as customers learn how to handle the touchpoint and gets to know the brand. In other words, the concept of the customer journey should be regarded as a dynamic concept that allows for several different customer journeys being present simultaneously when serving multiple customers. This requires the ability to accurately deliver tailored messages using right channel at the right time – and not least capacity to assess and judge what "right" is in this aspect and for whom? Apparently, this is a vexing problem for many marketing leaders since only 49% of them consider their brand experience to be completely aligned with customer expectations.

THREE TAKEAWAYS ON USING CUSTOMER JOURNEYS AND TOUCHPOINTS IN A DIGITAL AGE

Looking at current practices of working with customer journeys and digital touchpoints, we find the following three key takeaways as having particular interest.

TAKEAWAY 1: BE AWARE THAT THE CUSTOMER MAP IS *NOT* THE TERRITORY

When working with customer journey mapping, a key question to ask is whether the mapping of the journey is for the sake of customers or for us, the company? Putting too much emphasis on the customer journey as a control and management mechanism would make us blind to other aspects and potentially lead to the exaggeration of its impact. Any unreflective use of the customer journey map may lead to what behavioral economics define as a *focusing illusion* (Kahneman, 2011). Brands must avoid focusing on customers as passive recipients on a journey carefully designed *for* them but rather see customers as active participants on a journey co-designed and co-created *by* them. In addition, there seems to be a too narrow focus on touchpoints as either being digital and/or physical. But if we look at the word in its literal

sense, any customer touchpoints are points that can 'touch' the customer, meaning they can influence their experience. Touchpoints, thus, are also mental, attitudinal, and symbolic in nature. This has become clear as brands must navigate in and out of socio-cultural, political, and environmental issues where customer bases can be deeply 'touched' by the standpoint of companies, leading to saddened, frustrated and activistic responses or pride, cohesiveness, and loyalty.

In addition, brands should not forget or downplay the role of the 'internal side' of the customer journey, namely the employee's side of it. Like customers, employees can be frustrated as for instance when asked to deliver on brand promises, but lacking the tools, resources and competencies to do so. The managerial responsibility cannot be ignored, and is the key to ensuring that the internal side of the customer journey supports the customer experience on the outside of the journey.

Thus, a key takeaway is to beware that the mapping of customer journeys does not mirror one-to-one realities. Alfred Korzybski cautioned us long ago to not mistake the map for the territory. What then can we use the map for? Well, we may learn from organisation theorist Karl Weick (1995) who in relation to strategy and theory retells the story by Miroslav Holub of a group of Hungarian soldiers that are lost in the Alps. Tired and without any hope, they fear the worst. Suddenly, one of the soldiers finds a map, and the next day they find their way back to base camp. At base camp, the lieutenant who had been worried about the whereabouts of his men asks if he may see the map. Only to realize that it is not a map of the Alps but of the Pyrenees. So goes the story and although the truth of the story has been questioned, Karl Weick makes the point that 'when you are lost, any old map will do'. Therefore, we should think more in terms of the customer's search and decisions making processes than the journey itself. This also allows for describing the journey as a non-sequential, sometimes repetitive process in which the same steps are processed several times while at other times only once.

In this digital age, brands may feel lost as new technology opportunities, trends and "buzzwords and fads" are introduced constantly. Of course, any old map will not do but if carefully crafted the journey map may provide a projective model. A model that helps companies navigate in and across multiple customer landscapes in a complex, dynamic and uncertain world. But if companies treat the map as if it represents the real world, they of course might be lucky like the Hungarian soldiers and find a path, but chances are slim. Rather, customer journey mapping must be approached as a conceptual construction that animate and orient marketers and guides companies in the face of uncertainties, complexities, and highly dynamic customer segment behaviors.

TAKEAWAY 2: MIND THE PRAGMATIC POWER OF CUSTOMER MAPPING FOR BOUNDARY COLLABORATION

Our study revealed that the content of customer journey mapping is ill-defined and often differs between organisational units and professional domains. However, using "journey" as metaphor is very helpful as a tool for cross-boundary collaboration. It allows for crossing language boundaries by providing a common point of reference when working on and considering customer perspectives, decisions and experiences. This entails that companies are in a position to collaborate for faster responsiveness issues and inquiries. In this way, the metaphor and the visualisations serve as material anchors for discussion and for providing common understanding of the situation as well as a starting point for design and redesign process of the interaction with customers. In this way, the mapping exercise serves as a 'boundary spanning object' used to cross traditional hierarchies and silos within the company. It helps create better communication and internal collaboration across organisational departments, allowing the company to perform better in the sense of reaching the customer, by which a key impact is the increased relevancy that follows. The noun "customer journey" is not the *customer's journey*, but merely the company's part of the total customer journey. In other words, the customer often sees the customer journey in a more holistic perspective than does the company (Dasu & Bjerre, 2018). Companies could, in this regard, engage in 'cross organizational customer journeys' (Dasu & Bjerre, 2018), in which they share customers' holistic perspective on the entire journey. Dasu and Bjerre (2018) find that this present companies with a set of choices. They can *ignore it* and mind their own business. They can *coordinate it* - upstream or downstream – to take responsibility for parts of the customer's journey. Or, they can *integrate it* – upstream and downstream – to take full responsibility for all parts of the customer's journey

Furthermore, the journey map provides the company an interface with touchpoints to connect to customers and vice versa for customers to connect to companies. How customers construct their journey is increasingly related to the number and diversity of touchpoints engaged, and while companies design those touchpoints, we must see the mapping as co-creation. Imagining possible future touchpoints (digital and physical ones) for value creation, then becomes key. For instance, a key question would be how to capture customer lifetime value and balance short-term gains with long-term pains. Here the mapping provides a tool for voicing and aligning our shared common goals with our different occupational and departmental understandings of and expectations on value. For instance, balance our focus

on metrics and KPIs such as customer retention rates, customer acquisition costs or customer referral rates/volume with the 'soft' valuations regimes not based on metrics and numbers.

TAKEAWAY 3: TREAT THE JOURNEY AS TRANSFORMATION, NOT TRANSACTIONAL

Developments in digital commerce are happening at record speed, and the concept has changed much since its infancy a few decades ago. Traditionally, online shopping is very intentional and goal-seeking and transactional in nature, whereas brick-and-mortar retailing has the advantages of mobilising the full repertoire of sensory experiences. But this gap between online and offline is increasingly closed or bridged due to digitalization and the advancement of QR codes, sensors, and augmented reality, among others (Valtech, 2021). As Chandel and de Forno (2021) advocates, then "*easy checkout is still vitally important, but for brands today, closing a purchase is less like crossing a finish line and more akin to stepping into starting blocks*". Hence, in the new digitally shaped customer landscape there should not be a "transactional stop-rule", and neither a beginning nor end but rather customers moving in and out of domains in a state of hybridity and fluidity. So, do not treat the customer journey as deterministically shaped by phases moving towards the transactional purchase. Purchasing is an ongoing process, not transactional. And customers are in for the experiences and are happy to invest in being transformed. In fact, according to research from Salesforce "79% of customers are willing to share data in exchange for contextualized engagement, and 88% will do so for personalized offers" (Salesforce, 2018). Therefore, successful brands focus on the journey experience as transformational and on personalization as underpinning the total customer experience across the entire customer journey.

This way around, a transformational strategy permeate how we deal with aspects such as brand building, lead generation as well as customer acquisition, customer retention and customer advocacy. However, to succeed one must move away from a narrow-sided focus on customers *per se* to embracing more fully the contextual and constituent elements that surround customers and that make customers exist, perform and transform. Customers are truly entangled in a meshwork of encounters with brands, fellow customers, society, culture, and technology. Hence, it becomes a matter of defining the constituent elements, that make our customers exist and importantly to continually adjust to changing circumstances. This taps into how we today understand brands as social constructions (Heding et al. 2021), by which individuals create a shared sense of meaning and purpose. Thus, customers' experiences form the social construction of the brand, not the communication from the firm – although in a best-

case scenario it might happen in and through communication between customers and company. But it also takes place between customers in consumer owned communities and 'tribes', and sometimes even with the participation of individuals without any personal experience with the brand. In other words, brands are not formed exclusively by the company itself but by being interpreted by its surroundings within its context (Heding et al. 2021). Working with customer journeys, brands must embrace this. If not, brands may end up mistaking the map for the territory, and hence fall for a focusing illusion!

A FEW NOTES ON METHODOLOGY

Initially, we conducted a webinar to find and recruit companies for involvement in the track on digital touchpoints. Four companies from the Danish design and fashion industry and one from outside was recruited as cases and selected for interviewing. The reason for adding an "outsider case" was to bring in insights from a case company with strong experience and track record of working with customer journeys and touchpoints from a different perspective than the four cases from the design and fashion industry. The five cases are *illustrative-inspirational* case studies of how to work with customer journeys and touchpoints but also of the challenges and key issues the industries are facing in their efforts to manage customers and adopt new technologies and digital commerce activities. The interviews were conducted as qualitative semi-structured interviews and covered current practice, attitude and intent towards the track's topic. In addition, we did extensive desk research to support our inquiry.

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