# The CMO's survival guide

5 ways to keep growing in a downturn

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# Hunting for value in the Purchase Journey

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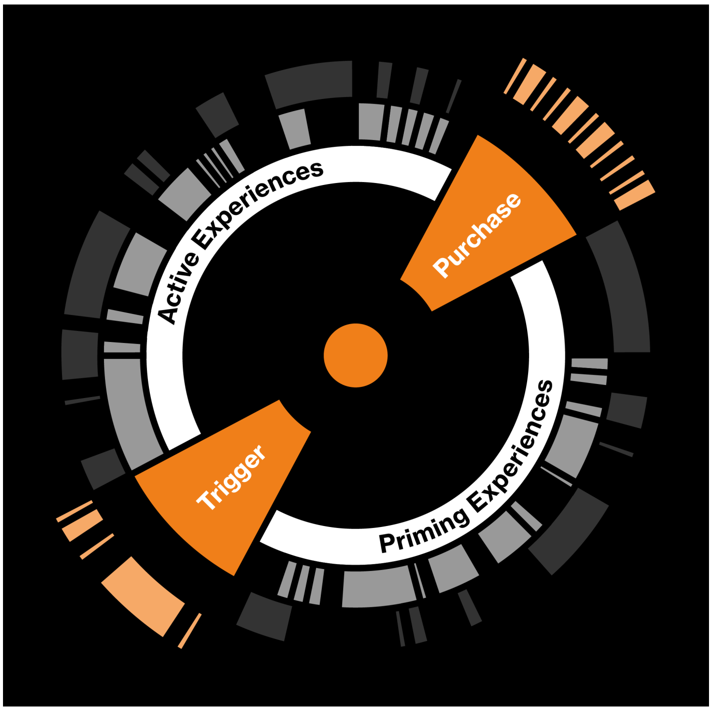


The concept of the Purchase Journey is constantly being updated, from the Sales Funnel to the Zero Moment of Truth, to the Messy Middle, to the Marketing Hourglass. Everyone has a new idea, a new metric, something to sell us in this space.

**In a recession, the hunt for value in the Purchase Journey requires us to go beyond marketing concepts.** We need to step back and reassess everything we think we know about how consumers buy our products. This may seem obvious, but too often we segregate the Purchase Journey and misinterpret signals within it, leading us to misunderstand consumers and optimise to the wrong metrics, away from growth.

**In good times this leads to missed opportunities – in tough times it's a recipe for failure.**

## Misinterpreting signals

The way in which we can all too easily misread signals is best explained with a fantastic case study from **Simply Modern, Amazon's** No1 drinkware supplier. Simply Modern went from spending over $10m on Amazon ads over several years to spending $0, according to co-founder Bryan Porter.

They did this by understanding their Purchase Journey beyond the obvious statistics. They found that the profitability from their ads was driven by ad spend, but it did not drive sales.

Customers who would have bought organically were using paid ad placements to navigate, making the ROI look good, but not driving growth.

For example, people used the paid-for listing at the top of search results to navigate to products they were already searching for, or to navigate between product pages using sponsored listings. Paid-for placements also pushed the organic placements down; Amazon does not want the same listing to appear twice on a screen as it is irritating – and unhelpful – for users.

Discovering this, the company focused instead on the quality of the journey, ensuring that product, selection and quality were what drove sales, and struggling organic placements were revamped to improve visibility. This new strategy also helped to refine Simply Modern's portfolio – if a placement was struggling, they improved the product or discontinued it.

## Segregating the Purchase Journey

The exploration of what drives incrementality is an uncomfortable idea for some marketers, particularly those in performance or direct response teams.

Managing each area of the journey in separate teams makes sense when the goal is to improve that area, but it often blinkers the view of what good looks like. This is especially true in digital Purchase Journeys, where engagements, clicks and even conversions are the most common KPIs – dangerously so.

Chasing clicks and click-through-rates (outside search and some affiliate work) has been outdated for a decade now. In 2009 ComScore found that over a two-year period, 85% of all clicks in the US were made by 8% of people. A click isn't an indicator of interest or intent, it means you have found a clicker. Facebook/Meta has been saying for over 10 years that engagements do not correlate with brand or sales uplift either.

With conversions, it is often the information that is *missed out* when reporting that causes the errors. Post-click measurement, including attribution, rarely includes information beyond the obvious before assigning the sale to a channel. If a person searches for the brand, saw a search ad, clicked and then purchased on the site, a search manager will say they delivered that sale and ask for more budget as their channel is working. But what about the TV ad that reminded them to purchase? Or the excellent customer service they got last time? Or the improvement in the product itself? It's like saying that your tyres are 100% of the reason your car works as they're the part that is touching the ground.

## Misunderstanding consumers

Misinterpreting signals and wrongly segregating the funnel leads to misunderstanding our customers.

Tools like social listening, designed to help us make informed decisions, can compound the issue. Three stats from Twitter illustrate this: 23% of US adults use Twitter; 97% of all tweets are made by just 25% of those people; and 77% of these high-volume tweeters say that expressing their opinion is a reason they use the site[1].

So if we use social listening as a gauge of public sentiment, but that sentiment comes from a quarter of a quarter of the population, who are using the platform to share an opinion which very, very occasionally may be about our brand, we may as well save time and money and sit in the pub listening to the conversations of people around us. At least we can ask them questions while having a pint and a packet of crisps.

## Digging deep into the Purchase Journey

Misreading the Purchase Journey may be the most dangerous habit we (clients and agencies) have going into the recession. It is very easy to keep the blinkers on and feel like things are working when beneath the surface there is a problem which is costing us money.

The good news is that marketing technology has made huge strides since the 2009 recession and can help us to see beyond the obvious. (Take a look at my colleague Chris Worrell's excellent piece about how a new **Wavemaker** piece of kit, built in-house and powered by AI, has transformed scenario planning.)

The solution we recommend is highly structured and practical. At Wavemaker we analyse every aspect of a client's Purchase Journey – there is no segregation and no sacred cows – using a series of consultant-grade **Unlock** scorecard audits. Step one is benchmarking a brand's capabilities vs the category and market across nine verticals, including channels, audience and data. Step two is producing a 12-month plan to improve each vertical based on what will drive growth and the time it will take to implement the necessary changes. Step three is the application of a measurement framework comprised of media health, channel performance optimisation and long-term business and brand metrics.

The fourth and final step is Marketing Mix Modelling to reveal the true contribution of a channel to a sale across the whole customer journey. This prevents the issues discussed earlier – it stops us optimising channels in an echo chamber and misunderstanding what is working and what isn't.

**If it sounds like hard work, it is. Getting a clear, clean view of your entire Purchase Journey takes time, effort and expertise. In a recession the result can be the difference between surviving and thriving.**

[1] Pew Research

### Client case: Unlocking value in electronics

We've recently used our **Unlock** scorecards for a global consumer electronics brand to get a better understanding of the consideration and active stages of their Purchase Journey – and find new value. Audits of consumer behaviour in their digital media channels revealed that there were significant areas of improvement we could make to both their consideration-driving and active stage media – in particular making our visibility, targeting and messaging across these stages more aligned.

For their consideration stage media we introduced dynamic display creative variants showing key features of handsets and lifestyle imagery tailored to target segment interests. In active stage paid search we identified the need for a single search strategy approach that allowed the client to gain a greater share of the highly competitive (and expensive) search results page from a better distribution of content that improved their SEO rankings against key terms.

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