

Customer-Centricity

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The New Path to Product Innovation and Profitability

By

Josep F. Valls Giménez

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INTRODUCTION

The digital revolution—fuelled by Big Data tools, robotics, the Internet of Things (IoT) and increasingly more sophisticated algorithms—has shaken almost every industry to its foundations, disrupting the traditional buyer–seller relationship based on the product-centric model, as described by Kotler. We have entered a customer-centric universe, where the customer is no longer king but dictator. Aided by digital technology, the new consumer is more knowledgeable and actively participating in every step of the journey, from pre-purchase to post-purchase. As customer expectations heighten, companies are being forced to rethink their business models in order to respond to these new hyper-connected and vociferous customers, with a wealth of resources at their fingertips to research, compare and share.

Consequently, customer-centricity has gone from being a buzzword to a strategic business imperative if companies wish to attract, retain and evangelise customers—in short, be competitive and achieve sustainable profitability. This requires adjusting the value proposition and marketing mix. Becoming truly customer-focused is not a quick and easy endeavour as it needs to be woven into the fabric of the organisation: the people, structure and corporate culture (E&Y, 2017). It is not just a matter of empowering the frontline staff; it requires a company-wide adoption of the customer-centric mentality, starting with the C-suite and filtering down to all operational and support departments (Procurement, HR, IT, Finance etc.). It is a proactive approach that harnesses the power of analytics to understand the customer profile and journey in order to design the experience based on anticipated needs; it then encourages the right behaviour among staff to ensure customer satisfaction; and finally, uses customer feedback to drive real-time improvements (Deloitte, 2014).

Organisations now have access to an unprecedented number of analytic tools to gain valuable insights about the needs and aspirations of potential customers in real time—from the initial interest in a product/service to the closure of the sale and post-purchase experience. They can interact permanently with them, influence their decisions and even accompany them through their vital processes, beyond consumption. The Internet and

social media provide the perfect platform for consumer engagement and are embedded in the basic operations of organisations and in the everyday lives of billions of people. In only a few years, this has become the natural medium to share data, information, confidences, emotions, needs, opinions and interests.

To compete in this consumer-led economy it is no longer enough to offer a good product or service. Companies need to become customer-centric and work from the customer back, by using the latest technologies and data analytics tools to track, understand and anticipate customer needs and desires in terms of product type, price and channel; however, the customer journey does not end with the purchase; nurturing the post-purchase phase is vital for promoting customer loyalty and brand advocacy on the web.

We are now in the post-demographic consumerism era where the conventional segmentation of age, sex, income, education, ethnicity or religion is no longer enough to define consumption patterns. Today's chameleon consumers are challenging stereotypes as they construct their own identities, with new trends constantly emerging, such as the "agnostic shopper" (Euromonitor, 2016). There is a growing ambivalence about labels and more concern about health & fitness, sports, active leisure, healthy food, mental well-being and happiness. Consumers are putting greater importance on the experience and the emotional connection with the brand to fulfil their needs and aspirations; as a result, customer engagement is now the Holy Grail that brands seek. Gamification is gaining momentum as a marketing strategy for achieving deeper consumer engagement, with a simple and compelling narrative necessary for success. Consumers are now motivated by diversity in food, clothes, travel, social relationships and work. They place less emphasis on ownership and are happier to share, rent, reuse or exchange (accommodation, transport, food and clothes). They are thriftier, as disposable incomes shrink, and seek value for money, regardless of whether the price is high or low; and they also place importance on sustainability, at affordable prices. Although financial incentives are no longer the main motivation, consumers still appreciate discounts and gifts. Digital consumption is now widespread among native and non-native digital natives alike. As consumers increasingly channel-hop between offline and online, they now expect seamless omni-channel options that make it easy to buy what they want, when they want, and how they want to buy it.

These shifts in consumer trends are dramatically reshaping the retail scenario. The limited universe of luxury brands is now coming up against more nimble competitors offering low-cost, fast fashion, basics, instant delivery and other less glamorous competitive advantages. Classic marketing tactics, such as point-of-sale recommendation or advertising are on the decline, forcing brands to urgently reformulate their marketing strategies in the light of the growing trend of co-creation, word of mouth and digital influencers. Here are the highlights of consumer trends forecast 2020 (Fig. 1):

- More demanding, better informed, more agnostic in shopping
- Concerned about health, fitness and mental well-being
- More interested in experience, storytelling and games
- Motivated by diversity in food, clothes, travel, relationships and work
- More collaborative, prefer to share, reuse, swap
- A shift to value for money and thrifty lifestyle
- Digitally-savvy, but demand cross-channel options
- Rise in number of big-name brands, including low-cost chains
- Shorter delivery time
- Direct-to-consumer channels is the most efficient

Fig. 1: Consumer Trends 2020

In the forthcoming decade 2020–2030, these new consumers, defined by lifestyle, will be the target tribes of contemporary manufacturers, distributors, service providers, ideas and messages. The whole process of identifying them, influencing them, offering them goods, selling to them and retaining them for future purchases moves vast sums of money around the globe (East, West, North and South) and involves governments, large enterprises, SMEs, businessmen, employees, entrepreneurs, freelancers and even the unemployed; and also sectors such as banking, ICT, Innovation Centres, business schools and universities.

While they may share common features, there are generational nuances; and although age is now a fluid concept, we have examined the shopping habits and preferences of Spanish consumers across four age segments: Silent Generation, Baby Boomers, Gen X and Millennials. The main takeaway is that the Silents and Boomers still gravitate toward brick and mortar stores; however, surprisingly Gen Xers and Millennials, despite

their digital fluency, are heavily skewed towards in-store shopping, with only around 15% preferring online. The reason can probably be attributed to the social and instant gratification aspect that real-world stores provide and also to the fact that many Millennials do not have credit or debit cards. As opposed to the Silents, who are influenced by brand reputation, Millennials are influenced by price. Millennials steer towards low-cost shopping, while the other 3 segments still prefer value for money. Specialty and neighbourhood stores are not as popular with the younger generations as with the Silents (Fig. 2).

We are seeing massive growth in platform technology following the slowdown in 2008 due to the global recession. Industries such as banking, manufacturing, distribution, public sector, the media as well as social media are all racing to jump on the DX bandwagon. Digital technology is providing unparalleled opportunities for value creation and growth, but it is a double-edged sword. It is indeed positive as big data, analytics, algorithms, robotics, automation and artificial intelligence facilitate instant access to just about everything, broaden the mind, reduce work time and physical effort, minimise errors, and waiting time. However, just as in other major upheavals in civilisation, it threatens to widen the gap not only between rich and poor countries with different levels of education and access, but also among various socio-economic groups within countries themselves. Although many are being left behind, the process is inevitable and is an unstoppable tide. A survey of 500 chief marketing officers (CMOs) of large companies worldwide revealed that the marketing channels they expect to be using in the near future were Social Media (63%), Web (53%), Mobile apps (47%), Email (36%), while Television, Print and Radio came at the bottom of the list with less than 15% (The Economist Intelligence Unit, 2016).

Developing this new business model with the customer at its centrepiece is not without its challenges, but those that resist, will do so at their own peril. According to Desmet, Loffler and Weinberg (2016) the benefits of this type of management are obvious. IT modernisation can significantly improve operations and productivity by eliminating bureaucracies, reducing defects, machine downtime, maintenance costs and time to market. It also increases employee motivation.

	Silent Generation 1920-40	Baby Boomers 1946-65	Generation X 1960-80	Millennials 1980-2000
Pre-purchase	39.7% Shopping list 49.3% No shopping budget 78.9% Planned purchase	34.8% Shopping list 62.3% No shopping budget 47.1% Planned purchase	41.9% Shopping list 62.0% No shopping budget 45.4% Impulse & planned.	32.5% Shopping list always 27.6% Shopping list sometimes 55.3% No shopping budget 46.2% Impulse & planned.
Price	79.5% Price/quality 68.5% Value for money 44.9% Rationality	79.5% Price/quality 68.5% Value for money 44.9% Rationality	72.8% Price/quality 67.7% Value for money 57.2% Low cost	65.8% Price/quality 59.8% Value for money 64.3% Low cost
Channel	99.9% Offline	94.6% Offline	84.8% Offline 15.2% Online	84.5% Offline 15.5% Online
Store Type	29.0% Speciality 19.4% Neighbourhood 14.2% Supermarket	23.9% Speciality 17.5% Mail 17.6% Warehouse	23.8% Speciality 15.8% Mail 16.9% Warehouse	20.8% Speciality 16.4% Mail
Influenced by	62.3% Brand reputation 52.2% Price	54.8% Brand reputation	57.8% Brand reputation 58.1% Price	58.8% Brand reputation 62.3% Price 21.6% Advertising

Fig. 2: Spanish Shopping Habits by Generation
Source: J.F. Valls

Enterprises are undergoing digital transformation (DX) at a fast pace, with 30% planning to invest in DX technologies. In 2019, worldwide revenue for big data and business analytics is expected to reach \$200 million, double that of 2015 (IDC, 2016). A critical success factor is the adoption of an enterprise-wide approach to the DX vision, aligning business functions and culture with IT, developing a common language for defining and understanding business processes and policies (Popkin, 2015).

This new structure obviously requires new business models, new sources of income, costs, relationships with the community and environment in order to achieve profit and sustainability. In sum, to remain competitive and relevant in the market over the next decades, organisations have no choice but to modify their strategies, infrastructure, architecture, way of conducting business and type of business.

Satisfying customer needs and solving their key pain points should be the cornerstone of any DX agenda. Developing a Digital Business Transformation strategy requires a 360 degree view of what to transform in the company. Enabled by Big Data Analytics & AI, it should be clearly aligned with five core areas, which will form the building blocks of the DX process: gaining customer insight, ongoing customer relationship, value proposition creation, talent management and business sustainability. Getting this right is critical for success (Fig. 3).

Throughout the book we will seek to give some insight into the various new scenarios revolutionising and reshaping the social and economic dynamics of today's world, in addition to the way of doing business.

Part I looks at customer needs and aspirations, both from the traditional angle as well as the emerging, more dynamic, bidirectional and segmented aspect. We will also analyse the different paths of the customer journey: awareness of a need or aspiration right up to the positive reviews on the web and social media. Finally, as the enabler of this new scenario, we analyse data management, metrics and algorithms, and how effective they are at measuring changing needs and lifestyles of consumers.

Part II deals with the new relationship that companies currently have, and will increasingly have with customers, as well as the most effective way to conceive the mission of their enterprise and the structures that will guarantee success and profitability.

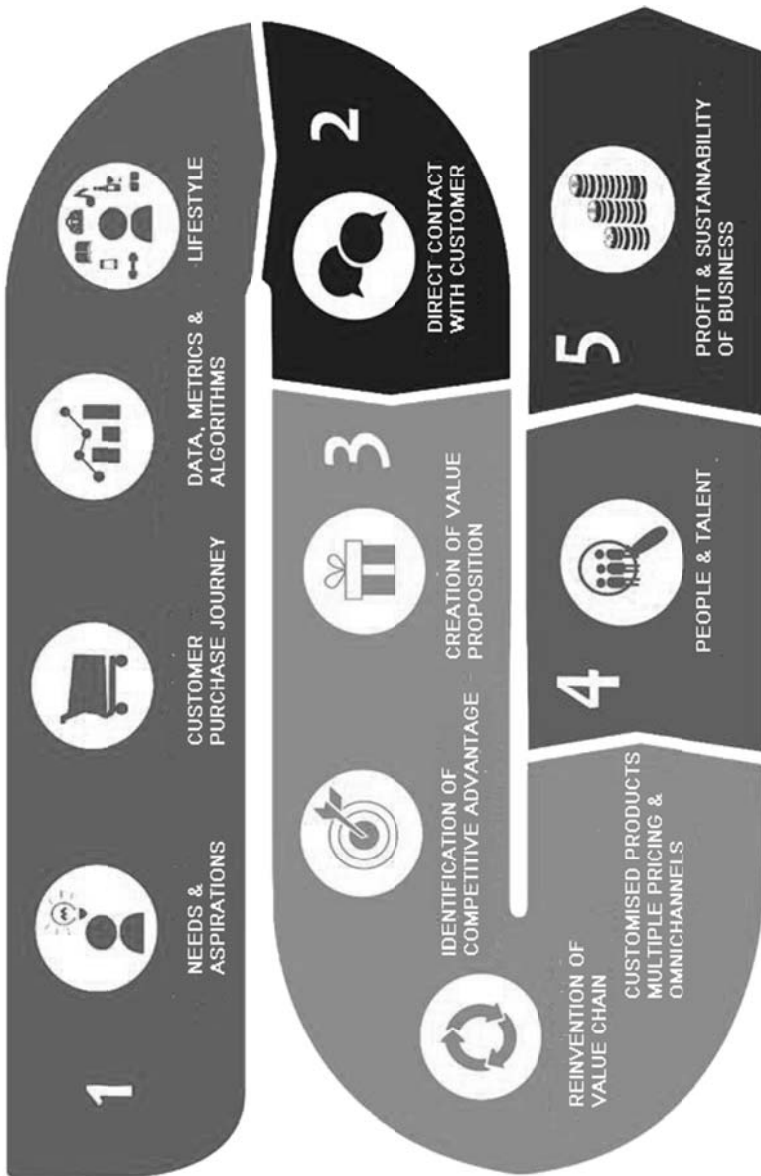


Fig. 3: Digital Transformation Snake Framework
Source: J.F. Valls

Part III focuses on the creation of strong and impactful value propositions and practical competitive advantages, as well as the reinvention of the value chain, in order to offer robust and innovative products. Here we examine the need to offer greater variety and customisation in product offerings, to account for multiple pricing and omni-channel options.

Part IV analyses the future talent that will be impacted by all these changes. We pay special attention to the growing automation of jobs (both routine and sophisticated tasks), which will force HR departments to revisit their talent strategies. Large-scale job destruction is obliging people to create their own jobs, whether the work is carried out in the company or on their own premises.

Finally, Part V examines the new models for the profit and sustainability that are expected from the digital transformation, based on customer interaction. Firms will become the interface (a centre for innovation, data analysis, manufacture and alliances for innovation) between customer and talent. We also look at the distribution of power, revenue and profits among the various players.

In this scenario, all stakeholders are looking not only for a way to survive but a new role that would enable them to thrive and be relevant: customers, who now have the lead role, in order to continue satisfying their needs and aspirations at lower prices; executives, employees and workers, to use their skills under new conditions, which increasingly will be on an outsourcing basis; and companies, as the interface between customers and talent.

PART I

CHAPTER ONE

NEEDS AND ASPIRATIONS

Throughout history, human actions—whether individual, group or as a society—have always been governed by needs and aspirations. Need in the sense of a lack and the compelling urge to be fulfilled for living or survival. We can classify primary and secondary needs as follows:

- Basic survival (food, health, work, clothes, housing, transport, rest, migration or sex);
- Relationships (family, friends, meeting places or private associations);
- Protection (prevention, security systems, police, work safety or social structure);
- Culture and creativity (education, languages, roots, demonstrations, social interaction, technological level, media, skills);
- Participation (freedom, equality, identity, information, privacy, citizenship, rights and obligations);
- Recreation (leisure, arts, shows or group events).

Most needs are economic in nature, especially basic needs. Consequently, depending on the moment in history, level of development of society, the prevailing economic model and the individual's social class, this set of needs varies. For instance, ten years ago, very few people included mobile phones and free internet access in their list of basic necessities. The social changes wrought by technology and globalisation have had a twofold effect on the concept of need: the list of necessities have expanded not only for individuals but for the population as a whole and the checklist of “must haves” is becoming more creative; resulting in greater demands on governments to expand the welfare state.

This rise in necessities has also impacted aspirations, which are now higher. Nowadays, people are looking for bigger and better. Aspirations here are defined as the goals we set in comparison to others, and are much more subjective than needs. Aspirations are linked to happiness, experience,

emotions, well-being, pleasure, innovation, exclusivity, fun, playfulness, prestige, self-actualisation, freedom of choice, independence, higher social status or belonging to a different tribe.

The act of shopping and consumption has been glorified and associated with pleasure—albeit fleeting—and is highly experiential (sometimes leading to mindless consumption and overspending), in an exaltation of the acquired position, in a transformation or a reflection of the purchased item. An individual or group sees how others enjoy certain items and try to emulate them. They want to buy what others buy (Aparicio, 2009).

The advent of the low-cost era in 2000 has opened up enormous opportunities for satisfying needs and aspirations, due mainly to four factors. First, the reinvention of business models based on low production costs has given many consumers access to products and services hitherto unaffordable to them. In less than 15 years airfares have fallen by 80%, leading to the democratisation of travel. Secondly, general overproduction has spawned secondary and tertiary markets, giving each aspirational group access to their dream products at affordable prices. Certain outlet channels sell Ralph Lauren polo shirts 30% cheaper. Thirdly, advertising has shifted its pitch that was targeted to different consumer groups who quickly identify with class codes to a more all-inclusive approach, catering to people almost everywhere on the economic and social spectrum. Thus, emerging trends such as agelessness, beauty, being feminine, status, sports, physical fitness, etc. have gone mainstream. Finally, life cycles of products and services have shortened for two reasons: manufacturers and distributors are churning out goods that are becoming more ephemeral; and the consumer, caught up in a shopping spree of cheap, useless goods, is sucked into a spiral of even higher aspirations. The 2008 financial crisis, far from stemming the effects, has fostered the proliferation of this low-cost business model.

This wide array of shopping options, which adapts perfectly to the needs of the different groups, have democratised aspirations and the ability to achieve them. Standard of living is no longer a barrier to aspirations, as technology and globalisation have allowed people to dream of unattainable opportunities. A high-end brand car can be acquired for less if it is a Demo, second-hand or third-hand car, and the new owner derives the same pleasure behind the wheel as the first. A home can be purchased for a certain price or for half the price depending on the area; rental options give consumers access to the use of products or services at reasonable prices. A

loaf of bread in one shop costs a third of the regular market price; certain online platforms offer luxury massage deals at a third of the going rate. Revenue management techniques allow companies to offer heavily discounted travel rates.

The food blog *El Comidista* periodically publishes a list of generic products. The supermarket that sells them claims that—whilst they might not appeal to the finer palates of gourmets who prefer name brands—they are excellent quality and quite inexpensive. Greek yoghurt, chilled tomato juice, soy milk, bacon pizza, chocolate chip cookies; or the private-label furniture produced and sold by large chains such as Carrefour, Mercadona, Ikea or Walmart are challenging traditional name brands.

The line between needs and wants is becoming blurred, so much so that the act of shopping and consumption of any product or service tends to be linked to aspirations and, by extension, is now something experiential, fun, playful and cheaper (*El Comidista*, 2016).

CHAPTER TWO

THE CUSTOMER JOURNEY AND EXPERIENCE ACROSS DIFFERENT TOUCHPOINTS

Human behaviour is 93 percent predictable, according to a study published in 2010 by Northeastern University scientists. Based on location data from mobile phones of 50,000 anonymous users (randomly selected from 10 million users), the study concluded that regardless of the different distances travelled, time or actions, their movement patterns are highly predictable and regular. This ability to predict people's movements can have a positive impact on addressing urban development and public health issues (Tendencias, 21, 2010).

Through statistical deductions, simulations and futurology, requiring billions of linear equations, it is possible to anticipate future consumer behaviour, and predictive analytics is increasingly used in a number of industries. Trend forecasting in the fashion industry delivers fairly accurate results. Insurance companies use driving style as a reliable guideline for offering a higher or lower premium. Supermarkets use continuous promotions to boost sales. The automobile industry predicts sale prices and the times of highest sales throughout the year. Price comparison websites usually show the best deals. Bearing in mind that there are other determining factors, Big Data and algorithms predictions of behaviour are not always one hundred percent accurate, but they do normally show the patterns of behaviour of the subjects analysed.

Each consumer group shares common features, within a marked tendency towards personalisation and individualisation of needs and aspirations. In this new era of the savvy and empowered consumer, the need to understand present and future behaviour has become even more critical, and customer journey mapping can give powerful insights into the end-to-end customer experience. It tracks the different steps: from pre-purchase, through the process of engagement and post-purchase into a long-term relationship.

Until recently, the traditional purchase journey was fairly straightforward: short and static. Consumers usually started off with a small set of potential brands, to which they gradually incorporated others for consideration. Communication was through traditional advertising, a few direct promotional efforts on the part of manufacturers and distributors, and word of mouth. The new brands for consideration were added to this journey, on a very exceptional basis; after evaluating their features they were included in the group of reference brands. This whole process culminated in the purchase act, which ended in the gratification, representation and true reflection of personality and of the value itself. The contact took place in stores that maintained prices during the traditional seasons, with end-of-season sale or other exceptional discounts. The purchase act (moment of truth) was virtually the sole touchpoint within the production and distribution process. Loyalty endorsed a job well done. It was enough for organisations and distributors to create a bond in the pre-purchase and purchase stages to successfully close the virtuous circle, which subsequently generated repeat business from the customers themselves or from members of their tribe. Consumers would use a number of brands they felt comfortable with and trusted unwaveringly.

Today, the shopping journey has lengthened significantly, with the pre-purchase and post-purchase stages (initial consideration; comparison of price, options and brand; opinion sharing and product review) gaining more importance and less emphasis on the purchase act. The path is no longer linear and is influenced by emotional urges from different sources, closely linked to aspirations.

In this new world of empowered consumers, organisations have now placed customers at the heart of their business decision making. Consumers accept varying degrees of pressure, but react freely, taking the initiative. With riches of information at their fingertips, they become experts on the product or service and are sometimes more knowledgeable than the very employees of the organisation or distribution channels. In their quest for information, the customer moves in-store, online and across social media. The new customer journey map takes into consideration the following:

- More time to think what, why, where and when to buy. The sheer amount of research information available to compare and analyse product features, price and channel is overwhelming consumers, causing a sort of paralysis in the decision-making process.

- Less emphasis on the purchase act. The conventional customer–seller relationship is no longer relevant in the decision making. The physical or virtual contact with the producer or distributor is now a minor procedure, due to two major advances: omni-channel, which facilitates the choice of point of sale (online or offline), and the ease and security of online payments.
- The journey has lengthened indefinitely during the post-purchase and post-consumption phases. In the past, this phase was somewhat residual (limited to nurturing loyalty) but it now encompasses other areas, some already explored and others still unexplored:
 - To retain customers, generating new forms of loyalty;
 - To encourage them to become vocal advocates on social media, via sms, tweets or photos;
 - To encourage brand referral and brand ambassadorship to friends, friends of friends and virtual friends.

These new consumer behaviours lead to the “loyalty loop”, which reduces the impact of the satisfaction obtained, the trust gained and the loyalty forged based on the purchase act (Edelman & Singer, 2015). In this manner, loyalty (hitherto dependent exclusively on the purchase act) is now influenced by the end-to-end customer experience (Fig. 2-4). As a result, the purchase act has been expanded to the following three stages:

- Pre-purchase: The idea is to know the steps of the customer to obtain information in each of his acts, either through friends, family, influencers, recommenders; opinions on social media, comparison sites; Google or other search engines, blogs and chats; destinations, corporate advertising, direct recommendation, or other sources. The pre-purchase stage includes the following acts:
 - **Discover** a need or aspiration from value codes and the moment;
 - **Compare** the different existing value propositions, pushed or pulled;
 - **Consider** all of them and evaluate purchasing capacity according to budget and time.

Post-purchase, Post-consumption	Retain				
	Refer				
	Broadcast				
Purchase & Post-Purchase	Consume				
	Shop/ plan				
	Pay				
	Order				
Pre-purchase	Consider				
	Compare				
	Discover				
		Capture Information	Customer Experience	Improvement Goals	Changes needed & scope

Fig. 2-4: The Customer Purchase Journey
Source: J.F. Valls

- Purchase and Consumption: This is the touchpoint between producer/distributor and the customer (purchase), and the customer and product/service (use/enjoyment), and includes the following acts:
 - **Order:** At the customer's convenience. Price, channel, service, payment method and possibility of abandonment all influence this phase.
 - **Pay:** Depending on the relationship between payment and use, the customer decides on one of the many options (instalments, immediate payment, in cash, bitcoin etc.). In the period between order and payment: access to real-time order tracking, the possibility of amending the order, etc.
 - **Shop & Plan:** Adding or removing different items of the product or service until the time of consumption.
 - **Consume:** With the expectation of additional activities, novelties, instant geolocation of friends and contact with them, lending a social dimension to this phase.
- Post-purchase: This is the phase with highest expectations, since it affords the opportunity to increase satisfaction with use of the product, for three reasons. First, mobile app tools make it easy to instantly share the experience on social media. Secondly, enthusiastic customers who share their positive experience are the best brand ambassadors. Finally, it is the best weapon to retain—with varying degrees of loyalty—a satisfied customer, who already has a bond. These include the following actions:
 - **Broadcast** on social media and, in a certain way, through word of mouth. It has become a reflex act and can be expressed through photos, videos on private webs or YouTube.
 - **Recommend** to friends privately or openly. It forms part of the consumption experience: it lengthens and complements it.
 - **Retain** the customer. Since traditional loyalty programmes have lost their effectiveness, positive post-purchase experience has the potential to deepen the relationship and drive customers into the loyalty phase.

From a business perspective, the change in the purchase process seriously challenges organisations, forcing them to redesign their production processes, but at the same time offers new and big business opportunities. In each of the mentioned phases, there are four key actions:

- **Information Capture:** Customer tracking along each touchpoint through any of the channels.
- **Customer Experience:** This is the impact the customer receives along the purchase journey, from perceiving a good service (instant presence, the right response at the right time, speed, required time, personalised touch) to feeling emotions in all or some touchpoints (pampering, a little gift, a surprise, a game or impressive hospitality programme).
- **Improvement Goals:** Detection of opportunities from the analysis and investigating and identification of ways to leverage them;
- **Changes Needed:** Automation of the consumer decision journey helps to improve and control the formulation of corporate strategies and policies (Court, Elzinga, Mulder and Vetvik, 2015).

One of the first benefits of the consumer journey mapping is that it facilitates segmentation, generates consumer complicity and involvement in the design of the products; provides accurate information in specific moments; creates advertising campaigns focused on the most sensitive points; optimises production processes, or satisfies demand in real time.

Tracking the consumer journey and capturing the motives for choice at each moment (basic or luxury products, cheaper or more expensive, one distribution or communication channel or another: offline or online) is indissolubly linked with big data analytics. Identifying touchpoints makes it easier to establish a strategy to strengthen each one of them; it uses the most appropriate sources of impact and information; adjusts the price/value; and provides ongoing data on customer needs and aspirations, thereby reducing all types of risks. Thanks to the insights revealed, the value proposition can be improved and the key competencies strengthened to facilitate the direct contact with customer on an ongoing basis. This will all result in greater price transparency and the simplification of transactions. In the specific case of financial institutions, it facilitates the opening of new accounts, gives greater knowledge of individual needs and services required and faster delivery of debit cards (Dias, Oinutiu, Lher and van Ouwerkerk, 2016).

Mapping the purchase journey entails identifying the customer's steps toward the selection and consumption of the product/service, as well as the ability to interact across the touchpoints. This gives experience, speed, referral, personalisation and convenience (McKinsey Quarterly, 2016). Through the analysis of these touchpoints, Lidl Switzerland stores have

implemented paperless transactions (printing receipts only upon special request from the customer) in a bid to reduce paper costs; to protect the environment; and to eliminate unproductive tasks that add no customer value.

We have prepared two case studies on models of customer purchase journeys in two Spanish chains, Mercadona supermarkets and NH Hotels. The data obtained allows us to answer the first two points on the above table: how the customer moves to capture information on the company, and their experience in each of the 10 stages of the journey. We have also included the touchpoints used by the companies to interact with customers and some considerations of improvement goals and changes to implement once a gap has been detected.

Designing the customer experience is the process to improve company—customer interaction, by inspiring euphoria and enthusiasm, which boosts satisfaction and loyalty, reduces monotony, and clarifies the competitive edge and differentiation of the product, service, brand or company. This is one of the most advanced innovative approaches that create insurmountable barriers vis-à-vis competitors, especially when big data opportunities are leveraged (Maynes & Rawson, 2016). The experience should be seamless across all the stages of the customer journey. Together with impacts that provide information, familiarisation, problem resolution or incentivisation of the positive aspects, the touchpoints should give the customer a superior experience causing emotions, maintaining a state of heightened engagement to continue the relationship and to advocate positively on social media.

It is a sociocultural asset that impacts on different levels, rational, emotional, sensory, physical and spiritual (Ng I.C.L & Wakenshaw, 2017) that enhances the exchange. It is a question of correctly identifying what makes the customer excited, that is, using a customer lens approach. This is achieved by first defining and understanding the customer persona. The next step is to create an emotional connection, interpret the customer's emotional state in each moment and commit the organisation to this by motivating employees. The final step is to measure the ROI of the application of this strategy (SuperOffice, 2017). Any functional customer-experience programme should measure the results of sales, customer care, service, billing and payment and the change carried out in customer management (Ducan, Fanderl, Maffei, 2016).

The customer purchase journey in Mercadona

Mercadona is Spain's leading food distribution chain in the grocery segment, with a 14.7% market share of total retail space in the organised distribution sector. The group and its production chain CASPOPDONA (acronym in Spanish for Sustainable Food Chain) accounts for 1.8% of Spain's GDP (€19.5 billion) and provides 3.8% of total jobs in the country (640,000 direct, indirect and induced jobs) (IVIE 2015). In 2016, the company reported a 3.9% increase in sales, a turnover of €21.623 billion and net profit of €636 million. In 2015, it invested €685 million, which is expected to increase to €1,000 million in 2016. It works with 126 integrated supplier/manufacturers for its own-branded products including Hacendado (food & beverage), Bosque Verde (household products), Deliplus (cosmetics) and Compy (pet food & complements), with over 2,000 external suppliers and 20,000 SMEs and manufacturers of raw materials, to supply the over 1,600 groceries across Spain where over 5 million households shop. The company created 4,000 new jobs in 2016 bringing the total workforce to 79,000 employees, considered among the best paid in the industry. It has over 8,000 SKUs in its product line, including 400 new products in 2016. The company has started its international expansion plans with the acquisition of land in Portugal for one of the 4 stores it plans to open in 2019.

It all began in 1981 when Juan Roig and his wife Hortensia Herrero, together with his siblings Fernando, Trinidad and Amparo, bought Mercadona from their father. The chain had 8 groceries with an approximate size of 300 square metres. In 1990, Juan Roig and Hortensia Herrero became the major shareholders of the company and in 1993 deployed the Every Day Low Price (EDLP) strategy, which offers shoppers quality products at consistently low prices without the need to wait for special discount or promotions. To be able to do this, they constantly revise the internal production processes, together with their integrated suppliers, in order to reduce costs and innovate. The "Boss" (the company's nickname for the customer) comes first.