



# TO BOOST IMPACT, TAILOR TOUCHPOINTS TO CUSTOMER NEEDS

By Yotam Ariav, Gaby Barrios, Dan Wald, Julien Dangles, and Rohan Sajdeh

**T**ODAY'S BRAND TEAMS FACE more complexity than ever before: fragmented brand and product portfolios, the growth of new channels and e-commerce, and an increasing array of media options. At the same time, consumers are demanding more personalized and relevant engagement. As a result, the challenge to navigate through that complexity and deliver a consistent consumer experience has become particularly difficult. The complaints we typically hear are, "Our shelf displays aren't well aligned with our brand image"; "The digital campaign undermines the traditional media campaign"; and "Our innovation plan is not clearly connected to shoppers' realities."

At many companies, the root of the problem is a basic disconnect among marketing, sales, and digital teams. The marketing team typically focuses on driving consumer awareness and demand, while the sales team focuses on ensuring on-shelf availability and triggering in-store purchases. A separate digital team usually concentrates on the online shopping experience. Be-

cause different teams manage different customer touchpoints with minimal alignment, the customer experience is disjointed—and companies often end up investing in broad-brush marketing programs that don't tailor digital, media, and in-store touchpoints to the company's target customers and their specific needs.

There's a better approach. BCG's Customer Influence Pathways (CIP) methodology provides marketing, sales, and digital teams with a single method with which to manage the entire customer journey, from pre-purchase to consumption. Rooted in a deep understanding of consumer demand, CIP is the latest offering within BCG's proprietary Demand Centric Growth toolkit. Unlike the traditional brand-outward, linear consumer journey, CIP provides a holistic market-in view of shoppers' motivations and the priority touchpoints along the path to purchase, resulting in an integrated execution playbook that is anchored in demand.

Our robust, data-driven methodology reveals five specific insights:

- **Why** shoppers make specific purchase decisions
- **Whom** to target with which marketing outreach efforts
- **How** to engage potential buyers with the most effective levers
- **What** messages will resonate, given a shopper's motivations and context
- **Where** to invest to get the greatest return

Armed with these insights, companies can create sales and marketing strategies tailored to specific customer segments and their needs—greatly increasing the odds of engaging shoppers and influencing their behaviors.

## Shopper Demand and Influence Touchpoints

Underlying our approach is the insight that customer choice is rooted in demand. Two types of need drive demand. The first is consumption, such as the desire to eat healthily versus the desire to indulge. The second type is purchasing, such as the desire for value, convenience, or speed. Together, these needs create a distinct demand context that drives shopping. CIP helps teams to uncover the specific touchpoints that matter along the path to purchase and provides a roadmap for how to deliver a seamless brand experience.

To show how CIP works for a leading food company, we analyzed more than 100 potential consumption and purchasing needs that could motivate a shopper's journey for the company's leading brand. The brand targeted a consumer demand space defined by satiety, bold taste, individuality, and uniqueness—a space with a strong millennial and Gen-Z skew that placed a premium on newness. While the brand positioning highly resonated with the target consumer, the company was struggling to translate it across the full customer path to purchase, resulting in poor in-store execution, disjointed channel strategies, and an

ROI on digital marketing that was lower than expected.

Our analysis of the food company revealed four customer pathways. For the purposes of this discussion, we focus on the following two:

- **Routine Stock-Up Trip.** On this pathway, a mother is shopping for her family, which includes a teenage son or daughter. Motivated by value and habit, she typically buys a week's supply of food at a grocery store or wholesale club. The items will be consumed over time, not immediately, by different family members on different occasions. On this purchase pathway, value is 2.7 times more important than convenience. Routine stock-ups account for about 50% of the food company's brand purchases in any given year.
- **Exploration.** At the opposite end of the behavior spectrum is the explorer—the millennial or Gen-Z shopper who steps into a convenience store to find something new for him- or herself, perhaps inspired by a digital ad or social media post that sparked interest. Open to buying something different, this shopper is 2.5 times more likely to try free samples. This pathway is critical for brand recruitment and accounts for almost 50% of new-product purchases.

Clearly, shoppers along these two distinct customer pathways will not respond to the same customer engagement efforts. That's where influence touchpoints come into play.

Touchpoints are all the places consumers see your brands, from prepurchase to in-store or online acquisition through postpurchase. These touchpoints include traditional and digital media, in-store execution, and advocacy (typically through influencers, crowdsourcing, or friends and family), and loyalty programs. But not all touchpoints are created equal—and their relative impact will vary depending on context. That's why our approach focuses on *influence* touchpoints, which we define as mar-

keting messages and engagement efforts that actually reach and affect shoppers and their behaviors at different points during the purchase journey.

Influence touchpoints will vary according to consumption needs and purchase pathways. For instance, digital advertising, social media, and apps that alert shoppers to special deals nearby have an outsize impact on explorers. Our research shows that a customer on an exploration pathway is significantly more likely than a customer on a routine stock-up trip to have seen a social media post, remembered that post while shopping, and ultimately purchased the advertised brand. Conversely, the routine stock-up shopper is much more sensitive to such influence touchpoints as coupons and promotions. So while the reach of smartphones, online searches, and social media is high across both purchase pathways, the impact of these touchpoints will dramatically differ by pathway. (See Exhibit 1.)

Our CIP tool provides two additional important benefits to brand and trade marketers:

- It inherently accommodates innovation and technology disruption by clearly separating between motivating needs (which are largely stable) and a land-

scape of touchpoints (which are significantly more dynamic) that deliver against those needs. For example, the need for convenience is central on certain purchase pathways, but the touchpoints that deliver convenience are constantly evolving in the digital age because of new platforms, such as home delivery and the Amazon ecosystem.

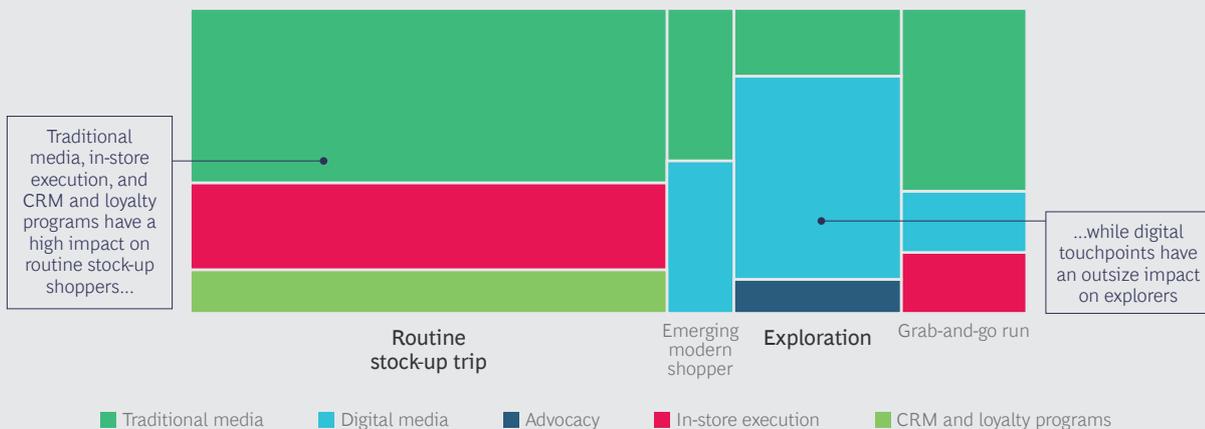
- It offers a granular and analytically grounded view of how existing touchpoints reinforce specific attributes to encourage purchase. These insights allow the team to prioritize particular touchpoint investments on the basis of what they seek to deliver. For example, TV ads are better suited to drive a perception of familiarity and elevate top-of-mind status, while loyalty programs are the primary touchpoint to communicate specific product benefits and good value. (See Exhibit 2.)

### Delivering a High-Impact, Integrated Customer Experience

CIP offers a single playbook that all teams—marketing, sales, and digital—can use to create an integrated view of commercial priorities. For example, our work with the food company mentioned above revealed that consumers on the exploration pathway were interested in larger pack siz-

EXHIBIT 1 | Influence Touchpoints Vary by Customer Pathway

Touchpoints with the greatest impact within each pathway



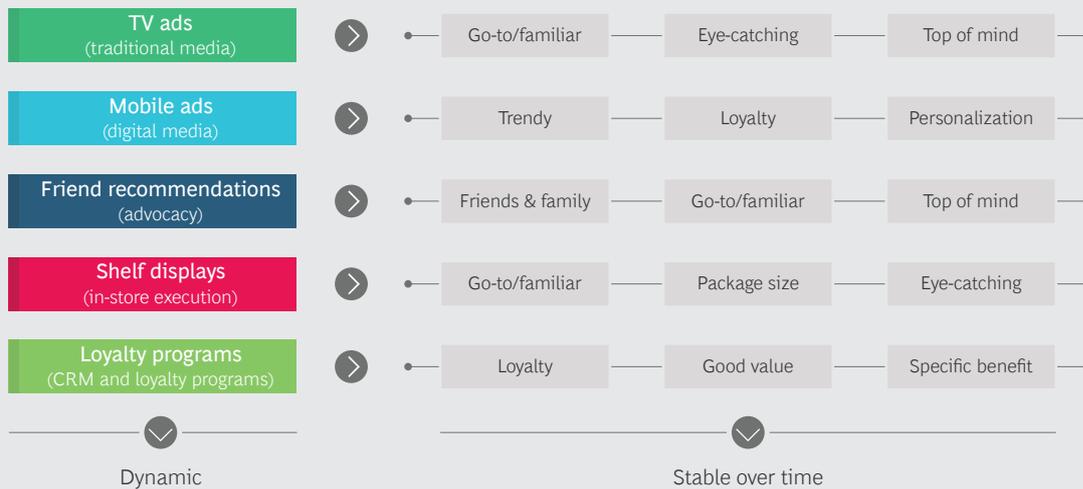
Source: BCG analysis.

Note: CRM = customer relationship management.

## EXHIBIT 2 | A Granular View of How Touchpoints Reinforce Needs

Influence touchpoints

Top three related purchase motivators



Source: BCG analysis.

es, an innovation that was particularly relevant in small-format and convenience stores. The digital team could drive volume through a geographically targeted social-media campaign, and the sales team could support the effort with in-store displays and posters. By combining consumption needs with the influence touchpoints on a specific purchase pathway, CIP offered an integrated roadmap for brand execution and growth.

Acting on CIP insights, the food company was able to better execute at every step, including:

- Deploying more effective channel strategies linked directly to the brand, with clear guidance on the activation priorities to drive growth
- Better aligning brand innovation and price pack architectures with specific purchase drivers
- Allocating funds far more effectively between traditional and digital touchpoints
- Targeting a small but fast-growing segment of shoppers who prefer to buy online with a personalized shopping experience

BCG's approach is to first understand the customer's underlying need and then choose the most influential touchpoints for a given context. Our proprietary analytics can help companies determine which strategic mix of touchpoints will have the greatest impact on their brands and customers. This degree of granularity can deliver unexpected insights—and sharply increase returns on marketing investments. In our research across 50 brands and 40 touchpoints, prioritizing the right touchpoints with the right shoppers on the right pathways delivered an increase in market share that was 25% greater than average performance. Conversely, a misaligned touchpoint mix reduced share by 13%.

BCG's CIP offers marketing, sales, and digital teams a single lens with which to view the customer journey and the interconnected touchpoints—anchored in a deep understanding of demand. This enables a holistic prioritization of shopper engagement levers and marketing investment. Along the way, the approach can unlock strategies and tactics that adapt to the evolving technology landscape, address the durable motivators of shoppers, and enhance execution across the end-to-end shopper experience.

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