Understanding Valuable Segments in Customer Journeys: Multi-Touchpoint Journey Segments on Online Platforms and Their Association with Revenues

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Abstract

Today, having a thorough understanding of multi-touchpoint online journeys and their impact on financial outcomes remains as an important research stream for researchers. The topic is relevant for managers since it directly links to resource allocation problem across multiple contact-mediums, and to investments that could be steered towards a multitude of touchpoints and varying levels of device and platform usage on both firm and customer side. Therefore the main question remained to be answered is: Whether or not having more "touchpoint-rich" journeys has a positive impact on financial outcomes? In our research, using multi-touchpoint customer journey data from a Dutch e-commerce company, we use Latent Class Analysis to explore the existence of customer segments based on their touchpoint use, characterized by various devices, platforms and engagement types along their online journeys. We focus on total revenue per customer and examine whether this is associated with more/less touchpoint-active customer segments based on the exposure, usage and engagement with different platforms and devices. Our results reveal that touchpoint-rich journeys are associated with higher levels of order-quantity and revenues. Hence, spreading journeys across multiple platforms-devices would not only help firms to enhance their customer experience but also to increase their revenues.

Keywords: *Customer Journeys; Omnichannel; Relationship Marketing*

Track: Relationship Marketing