

# Heuristics and the Customer Journey

A lot has been said about the customer journey – the steps or paths consumers take on their way to purchase. These are typically steps that take place over time. I am in the market for a car, I search the web for consumer reports on the best SUVs, I visit dealers, and I make a purchase decision. I have perspectives and feelings at each step in the journey.

What lies beneath a lot of consumer research, however, is a sometimes hidden assumption that consumers follow rational, considered steps in their decision process.

We know from much academic and applied work that consumers often are not rational. Also, they may not have the time, the availability of information, or the interest in the category to undertake a rational step-by-step decision journey.

Confronted with a lot of information competing for their attention, consumers may create shortcuts to make the decision easier. They also might employ ways to simplify the process so they can handle it within their mental faculties.

These shortcuts are heuristics. For example, in shopping for a new car, one might simply buy the same model as one previously owned rather than sifting through all the web data and ads about competing cars. “I have had good experience with my SUV, I’ll just get another like it.” It may or may not be the best decision if one objectively

compared various makes and models on price, reliability, amenities, gas mileage, and myriad other factors. But it may suffice. It gets the job done, and saves a lot of effort. Plus, underneath it all may be an emotional factor of assurance that one will be happy with the new car given one’s experience with the old. A matter of projective attribution – “My prior car was great, this one will be great, too!”

Another way a consumer might make a decision about a new car purchase could be simply due to dealer proximity. “I don’t want to travel across town

to get my car serviced, and there is a dealer within a mile of my home that would be really convenient. The dealer has car X, and that’s good enough for me.” So, in this case the consumer is ignoring all other considerations and just relying on one factor – dealer nearby (with a car that will do).

Yet another way a consumer might make a car buying decision is: “I liked their ads; I could see myself in one of their cars.” In this case, it might be that the car brand is readily recalled by the buyer, and the ads successfully projected the image that they related to. In this case, the consumer would be substituting his or her image with the car as the basis for buying versus analyzing all the details about horsepower, reliability, powertrain warranty, and so forth.

All of the above scenarios are examples of ways in which consumers could make decisions based on heuristics.



CUSTOMER  
JOURNEY

The psychological research about heuristics goes back to the early 1980s when Herbert Simon published a groundbreaking article, "Models of Bounded Rationality and Other Topics in Economics." Simon proposed that when people are confronted with many choices and lots of information, they satisfice – narrowing the number of choices and the factors that might be considered to make the decision easier. Among other points, Simon noted the role of the availability of information, time, effort, and individual ability to absorb information as factors in how people make decisions. In related work in 2011, Gerd Gigerenser and Wolfgang Gaissmaier published another important article, "Heuristic Decision Making," in the Annual Review of Psychology. They viewed a heuristic as a strategy people use to make decisions more quickly, frugally, or perhaps even more accurately by ignoring part of the information given them or using rules of thumb rather than careful reasoning.

Our car-buying consumers essentially used a "shortcut" process to make their decision. They satisficed. They ignored much of the information. Maybe they just didn't have the time, did not want to expend the effort, or lacked the patience or acumen to undertake thorough analysis. They instead invoked a heuristic strategy to make their car buying decision.

Why is any of this relevant or important? If you have ever mapped a customer journey, designed

or used a brand survey, conducted a customer satisfaction survey, or researched a consumer's path to purchase, you undoubtedly wanted to understand how consumers behave toward your brand and why. Why do they buy? Understanding what consumers do and when they do it is important. But, understanding their mindset and the way they mentally approach the purchase along the way also is important. That's where understanding the heuristic journey plays a key role.

What if the heuristics that really mattered in the consumers' minds about their experience and decision making were at the level of, say, "I could see myself

in that kind of car." (Surely advertisers would like this to happen.) What if consumers really don't think at the granular level about all the questions we typically ask them in surveys (given bounded rationality)? What if the outcomes we really should be modeling against are at the level of decision heuristics versus the same-old, same-old tired battery of willingness to recommend, overall satisfaction, etc.? If we include anything resembling a heuristic strategy

in our research, it typically gets lost in the analysis. Why? Because internal stakeholders want answers – tactical steps they can take to improve "willingness to recommend or intent to buy." And, sometimes they may have difficulty believing that the decision was as simple as just buying the same make as one's prior car. Or, they want to intercept that heuristic strategy in some way by exposing the consumer to more ads, information, or social blogs that the consumer has already rejected because the consumer wanted the decision process to be simple.



Are heuristic strategies the same for every consumer and every brand and every customer experience? Definitely not. Do we give enough attention to understanding what they might be, how they affect consumer decisions, how they affect ratings of all the tactical drill down attributes and details, how they might be important outcomes and act as drivers of consumer decisions? Probably not.

Let's look at heuristics from one last lens: the internal stakeholder who needs to manage a brand or customer experience. Consumers aren't the only ones who rely on heuristics in decisions, so do these stakeholders. And, there can be some value in that. If one wanted to craft a customer experience or brand strategy, one might be advised to rely on the beauty of elegant simplicity embodied by heuristics. The complexity of tactical details may provide a focus in the short run, but will lose the organization in the long run on what really matters, and lose the ability to get everyone on board and focused on what to do in the business. One can't micro manage the entire customer experience; employees need simple, clear, compelling focus and empowerment to make decisions consistent



with this focus. Heuristics can occupy a rightful seat at the strategy table to serve this end.

In sum, when developing a customer journey map or conducting brand and customer experience surveys, don't forget the pivotal role heuristics can play in consumer decision making, and indeed how they

might affect responses to the classic drill down questions and brand attribute batteries. Or, how they might affect marketing strategy. Think about how customer journey mapping and survey data can be structured to uncover heuristic strategies, and how focusing on these strategies

might deliver even better insights than just using "willingness to recommend" or "overall satisfaction" as the ultimate outcomes. Gain clarity on the heuristics consumers use around your brand, and focus the organization's brand and customer experience strategy around those.

Hansa has worked with companies to integrate their brand into their customer experience, to revamp their customer research to mirror heuristics in decision making, and to enable organizational change to manage a customer experience that lives the brand. If you are interested in continuing the conversation, please contact us below.



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