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## Pathways to Purchasing

***One of the keys to successful marketing is to know how consumers make purchasing decisions and why, at some point, they decide to buy a new product.***



***The marketing plan should be focused on the steps leading up to the purchase.***



It is clear that one of the keys to successful marketing is to know how consumers make purchasing decisions and why, at some point, they decide to buy a new product in a category. However, sometimes we are surprised to find cases of big brands, especially of durable goods (whose potential consumers will spend considerable time surfing the Internet gathering information before deciding the purchase) displaying poorly designed web sites, which will not help at all to encourage consumers to close a purchase with those brands.

We have also seen cases of sports sponsorships held by large financial institutions (that everyone knows about and quotes in studies where awareness is measured), showing poorly elaborated webs which, for instance, could hardly help consumers to make a decision about with which bank will they sign up a mortgage.

The problem stems in part from the fact that a perishable goods Marketing model has been applied for many years to any general market. Metrics like awareness, effectiveness measurement like coverage and frequency, or huge advertising campaigns with a song everyone remembers, are all components of a marketing model of such companies as Procter & Gamble, Coca-Cola or Unilever.

Consider, for example, a company that makes educational materials. Most of the time teachers make a list of materials which students are required to buy, so it would be much more useful to invest in information courses for teachers rather than in a massive television campaign.

The marketing plan, whatever the type of company, should be focused on *the steps leading to a purchase*, and the product must be kept under regular review in order to better satisfy the need of consumers.



# Conento



## Marketing Analytical Consulting

### *Mathematics at the service of Marketing*

*The key dynamics of the path towards the purchase are the consumer's experience level and the degree of importance attached to the purchase .*



*The purchasing dynamics are:*

- *Habitual*
- *To be discovered*
- *Interested*
- *Delegated*



#### • Identifying purchasing decision dynamics

There are two key factors when it comes to considering the dynamics taking place on the path towards the purchase decision:

1. The level of **buying experience** a consumer may have: a person who has bought ten mobile phones in recent years, is not the same thing as one who has only bought two.
2. The degree of **personal importance attached to the purchase**: which is a combination of the risk associated with the decision and the impact that the purchase might have on the consumer's own image.

From these key factors four possible dynamics emerge:

#### • **HABITUAL**: *High buying experience – low importance*

Most food products belong to this dynamics.

The path towards a purchase is a habitual path, which can almost be followed blindly, most of the time with a common final result (the acquisition of the product), but which in turn has other possible outcomes that could easily occur as there is no risk involved.

As they are usually mass consumption products, we had better run a mass communication campaign and expect that the calculation of probabilities will favor us.

#### • **TO BE DISCOVERED**: *High buying experience – high importance*

Like shoes or books.

The path towards the purchase is not followed blindly but requires some time to look and choose wisely. We all know the importance of choosing shoes which won't hurt you.

Because word-of-mouth is so important for the product here, attention to detail is crucial. And looking after the buying experience too — this involves well-trained staff, attractive and distinctive decoration etc.

#### • **INTERESTED**: *Low buying experience – high importance*

A pharmaceutical product, a car, a house.

The path towards the purchase is characterized by a learning process and thorough evaluation. The consumer, who hardly ever has purchased a similar product before, is interested to know, read, search information online, checking with experts, etc.

It is perhaps the path with more contact points and we need to select them very carefully.

#### • **DELEGATED**: *Low buying experience – low importance*

Padlocks, car repairs.

The path towards the purchase is delegated to the experts, and therefore, addressing the marketing actions to them will be crucial, as well as dealing with the product with agility and with good economic conditions.



*For the HABITUAL purchase path, skill in the use of television, sponsorships, promotions, etc., will be crucial.*



*The paths TO BE DISCOVERED are focused on the selling point. Magazine and online advertising, are also effective.*



*On the DELEGATED path the most important resource is the sales force.*

#### • Brand positioning

It will not be the same for the four purchasing paths.



#### • Media selection

The differences in the four paths towards the purchase have different implications in the selection of media. Furthermore, the new media of the last decade has been gaining importance in some of them.

Along the “habitual” path the focus is placed on the mainstream media, which are accompanied by promotions that will be ready to meet the demand resulting from the frequency and the coverage achieved.

Skill in the use of television, sponsorships, promotions, sampling, etc., will be crucial to achieve product trial and loyalty.

In this case the new media are not as desirable since they are very fragmented, but neither can they be avoided as they are becoming more and more important in the life of consumers.

The paths “to be discovered” are focused more on the selling point. Magazine advertising is often very effective as they are usually read with the same attention for detail as the magazine itself is read by a hungry-information consumer. Also the Internet, which accompanies the exploration of information both in specific websites and in more general information sites.

Goods and services whose purchase “delegated” requires media strategies for professionals who help make decisions to purchase.

The goods and services whose purchase “is delegated” require media strategies addressed to professionals to help make purchase decisions. Perhaps the most important resource is the sales force, which is directly addressed to these professionals. Nontraditional media also have great opportunities here such as the webinars, the blogs or the online communities, all of the available both to the sales team and to these professional in contact with the consumer.



*Different paths to the purchase require different measurement techniques.*



*We need to know well the consumer in order to optimize communication with them along the path of the purchase.*



Finally, media strategies for the paths towards the purchase of “interested” goods are the most complex for the need to reach both the final consumer and the professionals who are recommending them. The most important thing is to identify the key points on the path leading to the purchase and keep in mind that these may change with the maturity of the product: from the beginning keeping in touch with the professionals until we gain their support. Once achieved, we can address the final consumer. The key factor here is to know the returns of the various actions and to allocate budget resources optimally between the two target groups.

#### Measurement

The different paths leading to the purchase require different measurement techniques.

Traditional metrics such as awareness, consideration, loyalty, etc., are suitable to “normal” purchase products.

However, for the products “to be discovered” is more important to consider the buying experience.

Finally, both for the “considered” purchase products and the “delegated” purchase products the recommendation measurement will be critical and how this is communicated from one consumer to another.

#### • Summary

In order to optimize the communication with the consumer along the path to the purchase is very important to know it well, not only knowing where the final purchase takes place, but also knowing the whole path until we get there.

This path may be different for different segments of the population and opportunities to contact between them may also have very different returns.

We need to forget generalizations.