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# **A Comprehensive Guide to Customer Journey Mapping**

Why Understanding Your Customers Is Key to Success

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# Introduction

The customer experience is arguably the most important focus for companies today. Numerous statistics show that consumers place more value on experience than on price. As a result, companies are **prioritizing the customer experience** as a key differentiator. The question is, how do you build customer experience (CX) initiatives that deliver results?

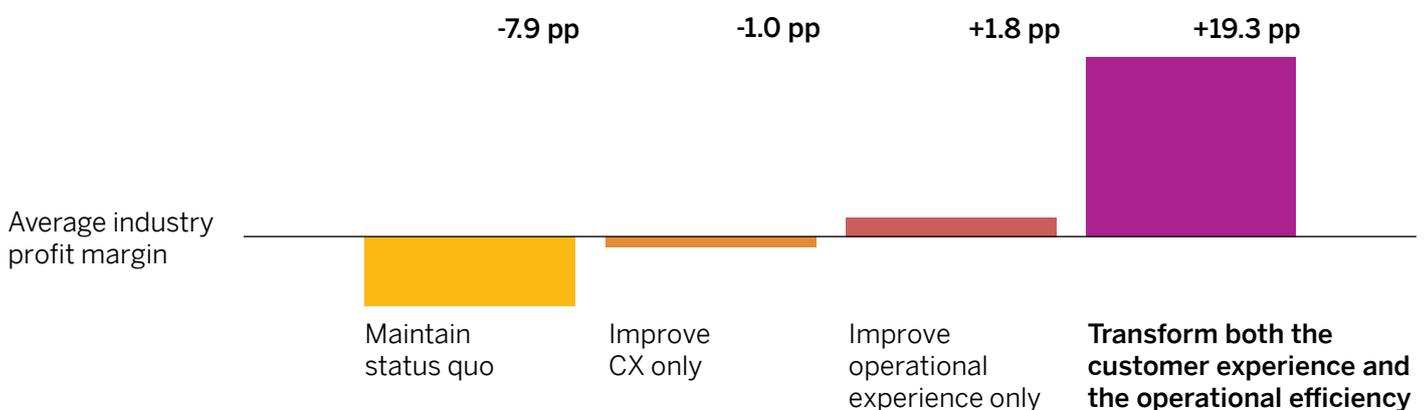
Too often companies take an inside-out approach focused on optimizing internal processes. This approach doesn't account for external factors, notably dramatic shifts in customer behavior and expectations such as the increasing demand for digital experiences. The COVID-19 pandemic accelerated these market changes, raising the stakes for companies to transform.

Direct-to-consumer, digital-native brands didn't just disrupt industries with lower prices and added convenience; they met needs and solved problems that established brands weren't even aware of. Many of these brands engaged customers in open conversations about everything from where companies source materials to new products and features. This shifted the focus from selling a product to understanding and solving customer problems.

As a result, consumers expect more from all brands – more personalization, more convenience, more value, and more control over their interactions with companies. They are digitally savvy and quick to change brands if a company is out of touch with their needs and preferences or too slow to address problems in their customer journey.

To win in this changing market, companies need to combine an inside-out focus on operational excellence with an outside-in focus on the customer. According to MIT CISR research published in 2021, companies that improved both the customer experience and operational efficiency gained up to 19.3 net profit margin percentage points (pp) over industry peers.<sup>1</sup> Focusing on just one or the other is not enough.

**Improving both the customer experience and operational efficiency is vital to a healthy ROI.**



**Figure 1: Statistics Regarding the Customer Experience and Operational Efficiency<sup>2</sup>**

1., 2. Stephanie Woerner and Peter Weill, "[Update on the Four Pathways to Future Ready](#)," MIT Center for Information Systems Research (CISR), February 2021.

Customer journey mapping delivers an outside-in perspective that helps you develop empathy for and a deep understanding of your customers. By connecting the customer journey to your internal processes, you can develop a transformation road map and become the customer-centric company your customers want.

This can be especially valuable when opening a conversation with customers about subjects that might usually be avoided or fall outside the mainstream. Examples could include an underwear company engaging with consumers to improve underwear for women during their periods, or a sportswear brand developing products in consultation with disabled athletes. In many if not most cases, such conversations lead to product improvements and new product lines. Beyond the general benefit of these new products serving a gap in the market, engaging with consumers in this way is a powerful method to enhance customer loyalty. A note of caution, however: you have to mean it. Inauthentic engagement or consultation without action can in many cases be more damaging to the way an organization is perceived than doing nothing at all.

With customer journey mapping, you can uncover opportunities to delight your customers, whether it's through improving the existing customer journey or solving a new problem your customers are facing. This paper will highlight the value of customer journey mapping, not just for customer-facing teams but across the organization. We'll share examples and provide a step-by-step guide on how to get started.

## **MAPPING VERSUS MODELING**

As this paper may serve as an introductory resource for some readers, we have used customer journey “mapping” and “map” throughout for consistency. While the terms customer journey “map” and “model” are often used interchangeably, there is a difference.

A tabular customer journey model offers a richer picture of where customers are in their journey, in particular by connecting customer experience data with process mining analysis. The difference between an isometric customer journey map and a tabular customer journey model is like the difference between a hand-drawn map and a modern GPS app: they both get you to where you're going, but one offers better functionality, including giving the user much more information.

If you are just beginning your work on investigating how customers interact with your organization's internal processes, this distinction will be largely academic. As you progress along the road to building exceptional customer experiences, however, the more sophisticated and data-rich customer journey models will become increasingly important.

# Rethinking Business as Usual

Customers are stressed, anxious, and tired. They want brands to make their lives easier, not force them to contend with redundant steps or bombard them with irrelevant messaging. Supply chain shortages, extended shipping times, and weather-related delays have sapped them of the emotional strength to forgive companies that fail to anticipate and eliminate problems before they happen. Brands need to show their customers some love and demonstrate that the responsiveness customers saw during the pandemic will be part of the new normal.

Even before COVID-19 hit, direct-to-consumer digital natives such as Dollar Shave Club, Warby Parker, and others had been raising customer expectations for seamless, personalized and convenient customer experiences. The pandemic accelerated this shift toward more customer-centric companies and drove record numbers of consumers to digital channels. Think about the explosion of telehealth services, home-fitness apps, and retailers that offer a choice of in-store, delivery, or contactless curbside pickup.

Some customers already understood the convenience, lower costs, and other advantages of interacting with businesses through their devices; others were discovering these benefits for the first time. In either case, and unfortunately for businesses, once consumers have made the move to digital, they are unlikely to go back. This means that in the modern marketplace, consumers are more open to discovering new products and services and less loyal to brands, especially if they perceive them to be lagging behind the digital curve.

## **CHANGING CUSTOMER EXPECTATIONS WILL RESHAPE COMPANIES**

Companies have had to up their digital game, shifting from brick-and-mortar to digital channels and expanding digital products and services. Brands have now shown they can give customers what they want, and customers will continue to expect this in 2021 and beyond.

Businesses that have fallen behind now face a double burden of rising customer expectations and increased competition, and one of the biggest challenges will be determining how pandemic-driven changes will shape customer behavior moving forward.

Companies will need to have a broad base of employees who know how to empathize with the customer, apply insights, and adjust the experience through digital excellence and contactless engagement. Organizations need to invest in developing these capabilities, taking advantage of the digital-learning tools that are now available.

Customer journey mapping is one of these powerful tools, helping companies understand their business from the customer's perspective. Employees can see how internal processes impact customer touch points, and they can better understand what the customer wants to achieve and what steps the customer has already taken. By mapping these touch points to the processes that support them, business leaders can prioritize changes and balance internal goals with the impact operational change will have on the customer journey.

### **CUSTOMER JOURNEY MAPPING HELPS COMPANIES EVOLVE WITH THEIR CUSTOMERS**

Understanding and meeting customer needs requires a different type of organization than how many operate today. Everything must begin with the customer and how companies can find business value in products by solving customer problems. Established companies need to rethink their business models and adopt an outside-in approach to understanding their customers.

One common misconception – and the biggest downfall of an inside-out approach – is that people will act rationally. Companies make assumptions about how customers will move through a sequence of steps, but people aren't linear. They jump from device to device, circle back to earlier steps, or miss steps completely. Algorithms and artificial intelligence can help predict this behavior, but those are still just educated guesses. To understand your customers, you have to step outside the company and observe how each persona behaves across the customer journey.

Research has shown people are poor predictors of their own emotions and behavior. That's why customer journey mapping goes beyond just listening to your customers and instead helps you identify precisely how customers perceive the way you produce, market, sell, and deliver products and services. The resulting maps reveal how different personas move through the customer journey, highlights moments of truth where customers decide to continue or depart, and connect each customer touch point with the internal processes behind it.

Looking from the outside in bypasses organizational silos to show the end-to-end customer experience across business functions, product lines, and channels. Understanding these end-to-end experiences is critical for companies that want to deliver connected customer experiences that span multiple channels, physical locations, and various human touch points.

Now is the time for companies to look to their customers for guidance on what the new normal will be. To succeed in a postpandemic market, these new models must start with and align to customer needs. This may mean more than a few digital tweaks; some organizations will need to undergo a fundamental rethink of basic assumptions and operating models. Those that fail to adapt will be replaced by brands that have already become customer obsessed.

# Business Benefits of Customer Journey Mapping

Customer journey mapping reduces costs, increases sales, and improves customer and employee satisfaction. Companies that embraced an outside-in perspective delivered shareholder returns of 150% and increased sales 134% between 2001 and 2007.<sup>3</sup>

With customer journey mapping, you can create a model of the current state of an organization's internal processes and then map those processes to an ideal customer journey. This enables you to identify and prioritize the processes that need to change. Your customer journey map becomes your guide to transforming your business into one that delivers ongoing value and convenience to customers. In return, your business benefits from increased loyalty and customer growth.

While it's easy to see how customer journey mapping ties to customer support and customer success teams, the insights can also be applied across the enterprise. A holistic approach to customer journey mapping will maximize value for your company by bringing an outside-in perspective to segments of the business that operate at a distance from the customers they serve.

This approach is not easy, however. It requires collaboration to achieve transformative change through frequent communication, assessing and improving experiences where different groups intersect, and driving improvement by prioritizing customer needs over traditional ROI metrics.

Benefits of customer journey mapping across the enterprise include:

- **Product:** Find points of friction in task completion that can be improved.
- **Support:** Route issues to the right teams.
- **Customer success:** Improve onboarding, reduce obstacles throughout the customer life-cycle, and benchmark your desired customer experience for customers against what they actually receive.
- **Sales:** Understand how different buyer personas progress through your sales funnel, discover new opportunities to connect and engage with prospects, and assess if the transitions from marketing to sales to customer success are effective.
- **Marketers:** Identify gaps in content, and understand where decisions are being made.
- **Analytics:** Generate hypotheses about what data is reflecting.
- **Finance:** Determine the cost to serve at key touch points to identify possible cost reductions.
- **Human resources:** Understand and improve the hiring and onboarding journey.

3. Sarah Jane Gilbert, "[The Outside-In Approach to Customer Service](#)," Harvard Business School, February 2010.

# Customer Journey Maps as a Catalyst for Business Transformation

For companies that want to transform into digitally adept, customer-focused businesses, transformation isn't a success metric to be chased and it cannot be a goal in itself. To succeed, business transformation must be aligned to your customers' reality and driven by a clear-eyed understanding of what customers want and how your business can best provide it.

## INSIDE OUT: CONTINUAL OPTIMIZATION FALLS SHORT OF TRANSFORMATION

Most companies recognize the need to build digital competency to deliver the seamless digital experiences customers want, but often-times plans to transform never make it from ideation to execution, or sometimes the solutions create even more problems. Companies are struggling to align day-to-day operations with changing priorities and strategies. At the heart of it, there's been a disconnect between operational excellence initiatives and the customer experience.

Operational excellence focuses on changing from the inside out. It asks, **how do you optimize what your company is already doing?**

But optimization is not the same as transformation. Continual improvements add value, but to transform, companies must also be open to becoming something different. The question therefore becomes, **what does your company need to become to solve your customers' problems and meet their needs?**

Our natural tendency is to drive change from within; but to attract, serve, and retain customers, we need to take an outside-in approach. That must start with the customer. Customer journey mapping is how companies bring a customer-centric, outside-in approach to their business strategy. With customer journey mapping, you can find deep empathy and align internal business strategy to serve customer needs.

Ranjay Gulati gives the example of Best Buy in his Q&A with Harvard Business School.<sup>4</sup> Customer research revealed two interesting facts about customer experiences at the U.S. electronics retailer. First, women accounted for a majority of the company's shoppers (55%). Second, women were not very happy with their shopping experiences at Best Buy.

Digging deeper into these customer experiences, Best Buy learned that women wanted a fundamentally different shopping experience, not just improvements on the status quo. They wanted to browse, were less interested in technical specs, and had questions about installation. To meet these customer needs, Best Buy invested in staff training, redesigned its stores, and acquired Geek Squad, a company that provides installation and repairs, to support customers in-store. By mapping and understanding the way women interacted with the company's offerings, Best Buy was able to adapt and become a better store for women.

4. Sarah Jane Gilbert, "[The Outside-In Approach to Customer Service](#)," Harvard Business School, February 2010.

## **OUTSIDE IN: THE MISSING PIECE OF THE TRANSFORMATION PUZZLE**

An inside-out approach to change is important for continued business growth and success, but it must be combined with an outside-in perspective that can identify unexpected opportunities for transformative change. A customer journey map developed with input exclusively from people inside a company is unlikely to be one that captures the real story.

When companies have only an inside-out perspective, they miss the context that an outside-in approach provides, and the results can be devastating. One of the most infamous examples took place back in 1975, when Kodak developed the first digital camera. The company took an exclusively inside-out approach and saw this new technology as a threat to their film business. An outside-in approach could have revealed the opportunity to lead customers into the future of digital photography, currently a multi-billion-dollar market worldwide.

An outside-in approach helps you understand who your most valuable customers are, how specific personas engage with your company, and what matters most to them. This is especially important as companies navigate fast-paced digital engagement with customers who hold strong opinions about how companies respond to trending topics or controversial issues.

The pandemic was an unavoidable reality that forced many companies to engage with customers in new ways. Banks, fitness centers, schools, and restaurants all reached out to customers to understand what they needed and asked how they would respond to proposed changes. Parents wanted to know when schools would allow children to come back, fitness centers and restaurants wanted to know what would make customers feel safe, and banks needed to find new ways to help customers secure loans and manage finances.



# How to **Successfully** Put Customer Journey Maps into Action

In the shift to become customer focused and digital first, many companies still struggle with siloed data, legacy systems, and hundreds of internal processes that need to be managed and monitored. The challenge of making internal processes – some of which are governed by regulatory requirements – seamless for the customer is daunting. Combining customer journey maps shines a light on where customer touch points and internal processes intersect.

By connecting the inside-out process perspective with the outside-in customer perspective, companies can visualize a path forward. Bank of Montreal is a good example of this. In an interview with *DMN Magazine*, Lori Bieda, Chief Data and Analytics Officer at Bank of Montreal, says, “We’ve had a customer-first culture for a long while. We see journey analytics as an innovation wedge to activate the potential value around each customer.”<sup>5</sup>

Bank of Montreal maps customer journeys to evaluate friction points within tasks and processes. Digital data helps it identify customer intentions versus online behavior. Bieda notes, “The ability for us to make very smart risk-return decisions in real time, understanding what customers need, at what credit limits, at what price points, and when they need it based on their life stage, is essential. Companies who master that will move to the front of the pack.”<sup>6</sup>

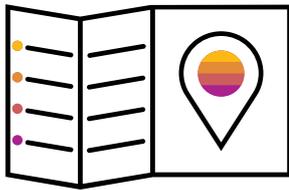
An outside-in approach ties internal process changes to the shared objective of customer satisfaction. Employees can see the ideal process from the customer perspective and how changes in the processes they own will help reach that goal. This helps overcome resistance to change by putting the focus on effectiveness from the customer perspective and not on internal efficiency.



5., 6. Steven Shaw, “[Interview with Lori Bieda, Bank of Montreal](#),” *DMN Magazine*, January 2019.

# Seven Steps to Start Customer Journey Mapping

01



## Establish the scope of the project.

Clearly establish the scope of the project by defining who, what, where, and when. The map will help you show how and why.



### When

The time period in the customer journey when the customer will achieve the outcome. What is the before, during, and after of the journey you are assessing?



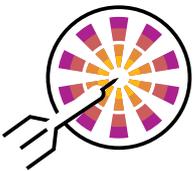
### Where

The channel(s) in which the journey happens



### Who

The persona or customer. Create one journey map per persona or point of view.



### What

The goal, action, or task you want to improve. You may wish to prioritize journeys that happen most often or have the most known issues.

02



## Conduct internal research.

Gather existing data around the journey. This could include Web site data, call center logs, social media posts, or operational data.

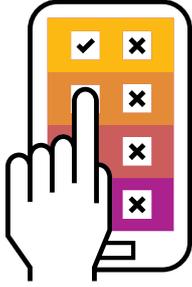
03



## Map the “current state” customer journey.

Identify the teams that interact with the persona and experience you are mapping. Engaging with teams that touch the journey you are mapping will help tie the resulting journey map back to business processes, metrics, and results.

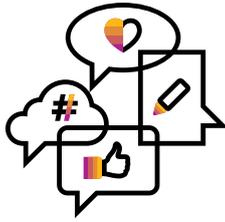
04



### Develop and document your hypothesis about the journey.

What's working well? Where do things break down? Identifying "moments of truth" – the make-or-break touch points in a customer's journey – is a key component of journey mapping.

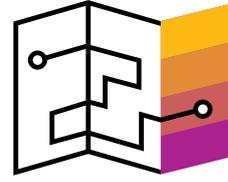
05



### Conduct customer research.

Ask research participants to detail the steps they take to complete the task you've decided to map in their own words. Keep questions open ended. Listen for "doing, feeling, thinking" verbs as the participant explains the steps. The language customers use matters and may offer a clue into how they feel about a part of the journey.

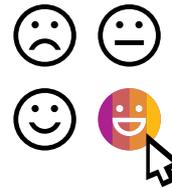
06



### Review the journey.

Analyze the gaps between the current strategy and expectations. Use the participant's responses to validate or disprove your team's observations. Discuss perception gaps. Train customer-facing teams on the moments of truth and challenges that you've discovered. Make sure your map includes accountability and metrics so that you can show results and improvements.

07



### Improve the journey.

Put change into action by fixing what you've identified as a problem. Communicate the change to the teams that are involved in the journey, and measure the behaviors that result from the change. Share insights and results outside of your team to help employees identify with the customer and have a voice in the customer experience.

# How to Measure Customer Journey Mapping Initiatives

Maps are a means to an end – a way of planning where you want to be and how to get there. No map is 100% accurate, but it can help teams make more-informed decisions about how customer experiences can be improved. The impact of any customer journey mapping initiative will be in the actions teams take once the map has been created. As such, measuring success should focus on the outcomes of those actions.

When you break down the customer journey in different ways, each element can then be measured with context-appropriate metrics:

- **The customer journey as a whole:** Net Promoter Score (NPS), Customer Satisfaction (CSAT), and Customer Effort Score (CES) are three metrics to look at when considering how customers feel about a particular journey. Many teams and touch points impact NPS or CSAT, so consider more than just this metric to measure your efforts.

- **Phases of the customer journey:** The phases of awareness, consideration, purchase, retention, and advocacy each have business metrics associated with them. Are more customers that started the purchase process completing a purchase after implementing the improvements identified through journey mapping? Are Web or mobile statistics reflecting behavioral changes in the areas of the journey the team has optimized?
- **Journey touch point:** Does the touch point reduce friction or make the specific action more positive for the customer? Measurements may include decreasing wait or task time, generating positive feedback from surveys.



# Future-Proof Your Business

The last few years have sparked more changes than many companies experienced in the past decade. To stay relevant, companies must learn to adapt faster than the competition with changes that are significant, continuous, and aligned to their customers. But this adaptation cannot be achieved with superficial changes. Organizations must understand and optimize the underlying processes that deliver the customer experience.

For this reason, it is crucial to view customer journey mapping as an ongoing improvement program, rather than a one-off project. Like any significant business transformation, it helps to have an executive sponsor and an ongoing program owner accountable for change. Plan improvements, and use customer insights

gathered from interviews or other data points to drive strategy. As your business changes and new products are introduced, retest your hypotheses and review your processes – then start the improvement cycle again.

Customer journey mapping shows how real people connect with your business processes. It empowers you to anticipate and respond to changes quickly so that you can stay ahead of disrupters and future-proof your business. It gives you a view into every customer interaction from their perspective, unlocking insights to drive innovation and competitive advantage and helping you create moments that matter. At its core, the value that journey mapping brings is helping organizations change by thinking and acting in a more customer-centric way.



# Why Use SAP® Signavio® Solutions?

SAP® Signavio® Process Transformation Suite includes the powerful SAP Signavio Journey Modeler solution alongside process mining, modeling, and collaboration tools that make it easier to share insights and make changes across the organization. Sharing this outside-in perspective encourages a more customer-centric culture and brings different business units together so that they can deliver a unified customer experience.

While customer journey mapping is the most common use, SAP Signavio Journey Modeler also empowers companies to map and improve other interactions. Companies that start with customer journey mapping can apply those same principles to improving the path candidates follow from recruitment to hire, employee journeys, sales journeys, and more.

## Customer journey mapping succeeds when it is supported by SAP Signavio solutions

Collaboration and sharing



Visual maps create transparency, allowing everyone to see the moments of truth in the customer journey and where that journey diverges from the intended path. Real-time collaboration tools make it easy to share with stakeholders and frontline employees who will implement changes.

Path to action



SAP Signavio Journey Modeler shows you the interface between customer touch points and the underlying processes, so you can understand the root causes of customer frustration or happiness and then repair or enhance your business processes accordingly.

Focus



Embed process mining investigations directly into your customer journey map, so you can focus on specific customer-facing processes or even individual process steps to map and optimize.

Results



A centralized, real-time view of the customer experience that links journeys with business processes, related IT applications, integration points, and data sources is a good foundation on which to make smart decisions and turn customer expectations into operational reality.

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