

Marketing Review St.Gallen

Brand Loyalty



Schwerpunkt

Brand Loyalty neu gedacht –
Ein Interview mit Elke Wilgmann,
Mitglied der Rewe Geschäftsleitung

Modern Love –
Exploring Loyalty in a Time of Evolving
Brand-Consumer Relationships

Brand Loyalty Dissociation –
How Consumers Navigate
Brand Loyalty in the Attention
Economy Marketplace

Close to Consumers –
How Brands Can Foster
Brand Loyalty Within Families

Kundenzentrierung als Treiber
erfolgreicher Kundenbeziehungen –
Messkonzept und Wirkungsanalyse

Spektrum

The Customer Spending Map –
A Framework for
Omnichannel Excellence

Strategische Prioritäten der
Marketing-Automatisierung



The Customer Spending Map

A Framework for
Omnichannel Excellence

As omnichannel shopping is becoming the norm, new tools are required for managing customer touchpoints. This article introduces a novel customer-oriented framework that combines three important levels of customer journey analysis. By identifying eight mutually exclusive customer segments, the customer spending map enables omnichannel managers to steer customer journeys more profitably.

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Swiss retailers are undergoing a significant transformation as omnichannel shopping becomes the norm (Rudolph et al., 2024). Swiss consumers are no longer confined to traditional shopping channels; instead, they move seamlessly between digital and physical touchpoints (Herhausen et al., 2019), from browsing products online to picking them up in-store (Kleinlercher et al., 2020) or even interacting with brands on social media (Linzmajer et al., 2023). This shift towards omnichannel retailing has created both opportunities and challenges for retailers in Switzerland, where customer expectations regarding the quality and convenience of touchpoints along the customer journey are exceptionally high (Rudolph & Eggenschwiler, 2024).

The proliferation of new channels and devices empowers customers to shape their journey from search to purchase (Herhausen et al., 2019). Nowadays, customers engage with retailers through a variety of touchpoints, creating a complex and ever-changing retail landscape (Lemon & Verhoef, 2016; Mathur et al., 2008).

In light of these changes, omnichannel managers must focus on understanding the intricacies of customer journeys. This article introduces a novel management tool, the *customer spending map*, which is designed to help retailers map consumer behavior across three critical dimensions: shopper type (target-oriented vs. experiential), number of touchpoints, and channel preference (online vs. offline).

After theoretically deriving the management tool, we demonstrate its usefulness using secondary survey data from Swiss customers and provide actionable insights that support effective omnichannel management strategies.

Background

Customer journey management involves managing and understanding the cus-

tomers' experience along the customer journey (Grewal & Roggeveen, 2020). To do so, retailers should analyze the touchpoints and sales channels used to identify the dominant customer journeys. Academics and business practitioners are looking for novel concepts and frameworks to better understand the customer journey. This article proposes a novel framework, the *customer spending map*. Based on three relevant levels of customer journey analysis (i.e., shopping motivation, number of touchpoints, purchase channel), the customer spending map segments customers into eight mutually exclusive customer groups.

Target Shoppers vs. Experience Shoppers

The first step in creating the customer spending map is to distinguish between *target shoppers* and *experience shoppers*. This distinction is an essential factor in omnichannel management and customer journey analysis (Grewal et al., 2016; Lemon & Verhoef, 2016; Verhoef et al., 2009; Verhoef et al., 2007). Shoppers have different motivations. In general, utilitarian and hedonic shopping motivations can influence consumers' shopping values (Babin et al., 1994; Fischer & Arnold, 1990). This notion differentiates between shopping as an act 'to get something' tangible and shopping for pleasure because 'you love it' (Holbrook & Hirschman, 1982; Triandis, 1977).

Target shopping motivation refers to rational, functional, and task-oriented shopping, in which shopping serves as a means to an end (Picot-Coupey et al., 2021). Target shoppers plan their purchases. They almost always write a shopping list or have a clear purchase idea in mind. In contrast to target shopping, consumption can also be seen as an experience (Arnold & Reynolds, 2003; Holbrook & Hirschman, 1982). Experience shopping motivation refers to emotional, enjoyable, and entertaining shopping, with shopping as the main purpose

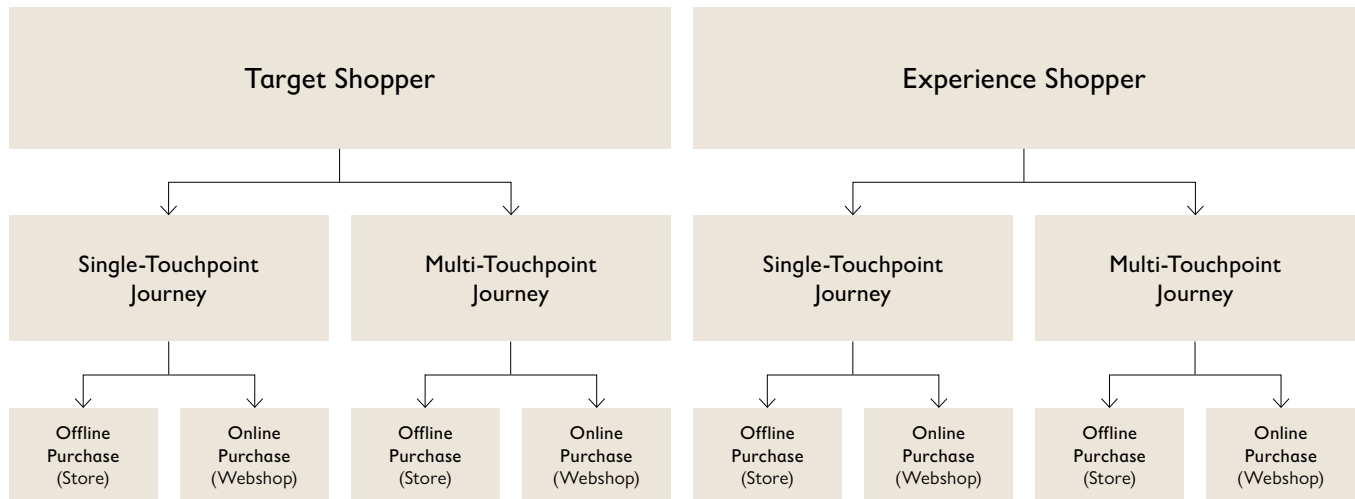


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Figure 1: The Customer Spending Map



Source: Own illustration.

(Picot-Coupey et al., 2021). Experience shoppers are receptive to advertising and inspiration (Rudolph et al., 2023).

An extensive review of this two-dimensional value framework confirmed that consumers' value perceptions have remained stable across different environments over 25 years of research (Picot-Coupey et al., 2021). For simplicity, we describe only the two extremes of the continuum in more detail below, although we know that consumers some-

times move from target to experience shopping and vice versa.

Single Touchpoint vs. Multiple Touchpoints

The second step in creating the customer spending map is to differentiate between single-touchpoint and multi-touchpoint customer journeys. Digitalization and the proliferation of new touchpoints have made customers' buying journeys less

linear and more complex in recent years (Srinivasan et al., 2016). Today, customer journeys incorporate more touchpoints in the buying process (De Keyser et al., 2015; Grewal et al., 2016; Herhausen et al., 2019; Konuş et al., 2008). More importantly, customer characteristics and behaviors are associated with the number of touchpoints they use (Herhausen et al., 2019). For the sake of simplicity, we distinguish between single-touchpoint and multi-touchpoint journeys. However, multi-touchpoint journeys can be further differentiated into sub-categories (e.g., 2–5 touchpoints and >5 touchpoints) if necessary.

Management Summary

Customer journeys are becoming increasingly complex. We present a novel management tool, the customer spending map, that provides new insights for omnichannel managers. We propose to analyze three levels of spending behavior. The first level encompasses the proportion of target and experience shoppers, the second examines the number of touchpoints used, and the third level is about shopping channels, divided into online and offline purchases. We demonstrate the usefulness of our management tool on survey data of 2,477 Swiss retail customers. Our framework helps to understand spending behavior and supports omnichannel management strategies.

Different Sales Channels

The third step in creating the customer spending map is to differentiate purchases by sales channel (typically, in-store vs. online) to clearly show where the purchase is ultimately made. Differentiating purchases across different sales channels is crucial to analyzing customer spending behavior (Bhatnagar & Ghose, 2004; De Keyser et al., 2015; Herhausen

cross-sectional survey data from a stratified sample (using quotas for age and gender) of consumers in the German-speaking region of Switzerland, collected by us in 2016 and 2023 (Rudolph et al., 2023). This dataset was ideal for our analysis, as it covers six different retail industries and provides comprehensive information on all three levels of our framework, allowing for an in-depth evaluation of its usefulness. First, we present the customer spending map for all six industries. Second, we focus only on two distinct industries, (1) fashion/textiles and (2) cosmetics. Consumer behavior in these two industries is considered similar by other researchers (e.g., Çelebi, 2012), so they are well suited to test the differentiating power of the customer spending map.

Data Collection

Participants in the aforementioned survey (Rudolph et al., 2023) were randomly

assigned to one of six product categories: food, consumer electronics, sporting and leisure products, furniture, fashion and textiles, and cosmetics. Using the critical incident technique (Flanagan, 1954; Gremler, 2004), Rudolph et al.

asked participants to reconstruct their last purchase for the assigned product category. To minimize potential recall bias, the interval between the purchase and study participation was limited to a maximum of two weeks to ensure that customers accurately recalled their purchase. The questionnaire was standardized across both waves of the survey.

The sample sizes were 1,274 in 2016 and 1,393 in 2023. We excluded customers

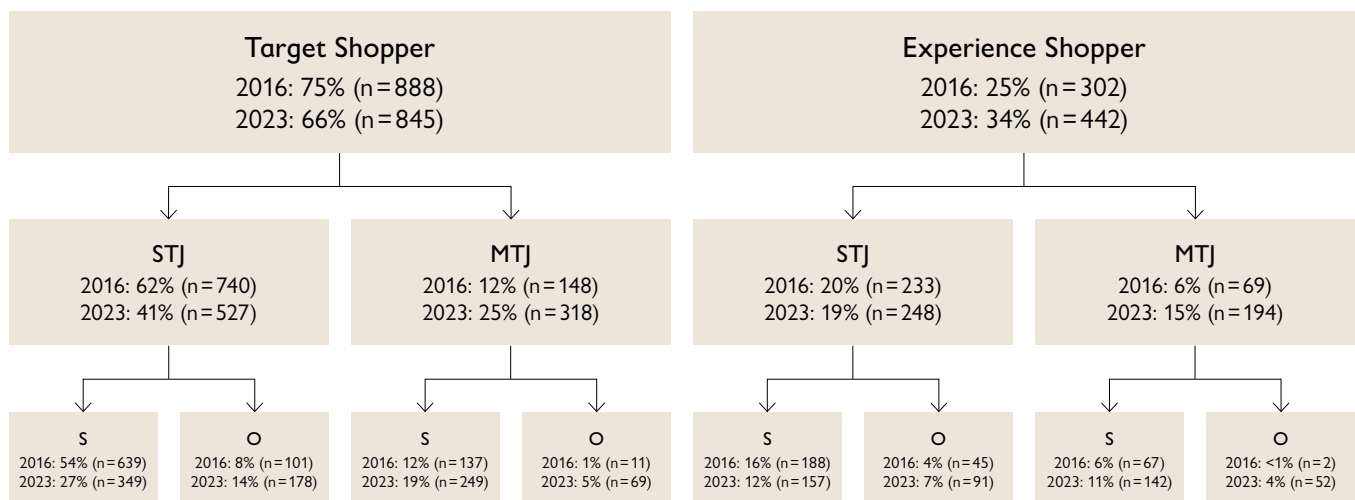
who could not be identified as either target or experience shoppers (i.e., participants who chose the midpoint on the 7-point semantic differential scale). Thus, the final samples comprised 1,190 customers in 2016 and 1,287 in 2023.

The customer spending map combines the three levels of customer journey analysis to create eight mutually exclusive customer segments.

This included 204 fashion and textiles customers and 206 cosmetics customers in 2016, and 225 fashion and textiles customers and 231 cosmetics customers in 2023.

The descriptive statistics (e.g., age and gender) of the samples are comparable across industries and years. We did not observe statistically significant differences in the average age or gender distribution across the groups.

Figure 2: The Customer Spending Map Applied to Six Product Categories in Switzerland



Legend: STJ: Single-Touchpoint Journey, MTJ: Multi-Touchpoint Journey, S: Offline Purchase (Store), O: Online Purchase (Webshop)

Reading example: In 2023, 27% of all respondents shopped in stationary stores, using only one touchpoint, with a clear purchase idea in mind. In 2016, 54% of consumers shopped this way.

Source: Own illustration.

Measures

Rudolph et al. (2023) used a single-item measure adapted from Babin et al. (1994) and Picot-Coupey et al. (2021) to measure customers' shopping motivation. They asked participants to rate on a 7-point semantic differential scale whether (1) they knew exactly what they wanted to buy or (7) the purchase only became more concrete in the store/online shop. Participants who knew what they wanted to buy (i.e., <4 on the 7-point semantic differential scale) were classified as target shoppers. Participants whose purchase became more concrete in the store/online shop (i.e., >4 on the 7-point semantic differential scale) were classified as experience shoppers. Participants answering midpoint (=4) on the scale were excluded from the analysis, as they could not be identified as either target shoppers or experience shoppers.

To determine whether a customer journey was single- or multi-touchpoint,

respondents were asked to select all touchpoints that influenced their purchase decision from a pre-defined list (e.g., website, social media, TV ads). The option 'other' in combination with an open-ended text field was used to ensure that the list was complete. Lastly, Rudolph et al. (2023) identified the sales channel of the purchase based on the participants' responses to the question of whether they purchased the products from a physical retail store or an online shop.

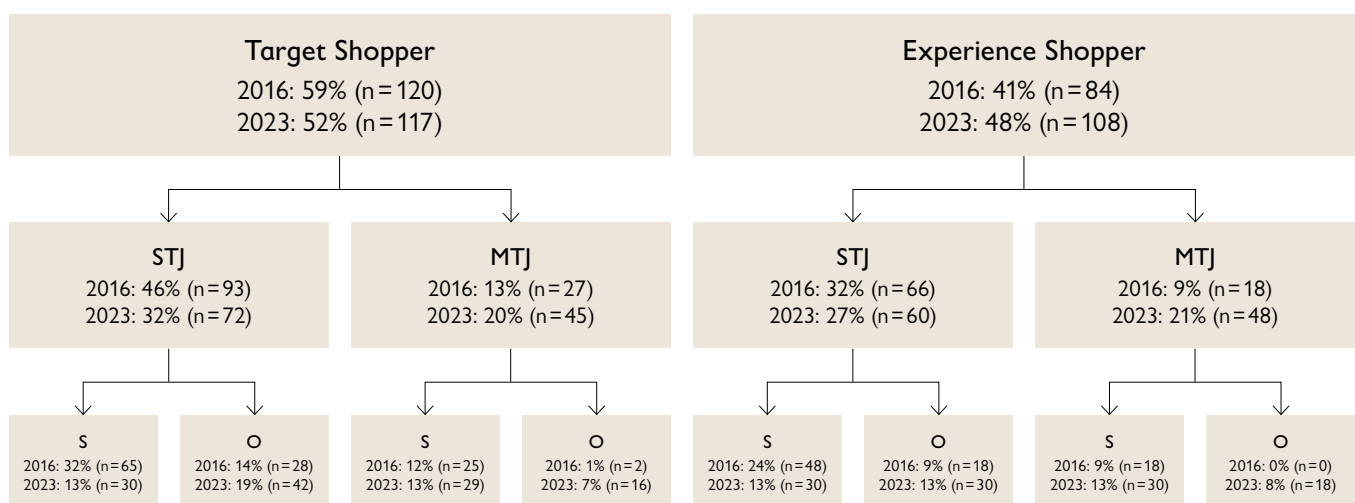
Results

We categorized participants in 2016 and 2023 into the three levels of customer journey analysis along the customer spending map (see figures 2–4). The overall results, presented in figure 2, show that in 2016, target shoppers who purchased their item(s) in a single-touchpoint journey at the stationary retail store formed the largest group,

with 54% of customers. However, in 2023, only 27% remained in this cluster. The segment of experience shoppers who purchased their item(s) in a single-touchpoint journey at the stationary retail store also decreased, from 16% in 2016 to 12% in 2023. The other six segments increased in recent years. A chi-square test was used to compare the shares of the eight customer segments across the two years of observation. There were no cells with expected frequencies below 5 (Kim, 2017). The results show significant differences ($\chi^2(7) = 269.088$, $p < 0.001$, $\phi = 0.330$).

However, the results for the fashion and textiles industry only show that all eight segments were equally distributed in 2023 (see figure 3). This was not the case in 2016, when customers predominantly purchased offline using only one touchpoint. Multi-touchpoint journeys and online purchases have increased throughout the last few years. When we compare the customer spending map of

Figure 3: The Customer Spending Map Applied to Fashion and Textiles Customers in Switzerland



Legend: STJ: Single-Touchpoint Journey, MTJ: Multi-Touchpoint Journey, S: Offline Purchase (Store), O: Online Purchase (Webshop)

Reading example: In 2023, 32% of all respondents shopped in stationary stores, using only one touchpoint, with a clear purchase idea in mind. In 2016, 13% of consumers shopped this way.

Source: Own illustration.

the fashion and textiles industry to the industry average, we see an above-average share of experience shoppers, which has grown noticeably over time. The results of a chi-square test also show significant differences in the shares of customer segments between the years studied ($\chi^2(7) = 54.136$, $p < 0.001$, $\phi = 0.355$).

A similar pattern (i.e., a high level of experience shoppers, increased touchpoint usage, and above-average online share) was expected for the cosmetics industry. However, this was not the case. When comparing the results of the cosmetics industry (figure 4) with those of the fashion and textiles industry (figure 3), the only similarity between the two industries was the level of touchpoint usage in the customer journey analysis. Thus, the results provide evidence that the share of single- versus multi-touchpoint journeys is comparable between the two industries. However, the share of target shoppers was much higher in the

cosmetics industry than in the fashion and textiles industry, regardless of the year. It is also evident that the online distribution channel has grown in size, although not as much as in the fashion and textiles industry. A chi-square test was used to compare the shares of the eight customer segments in the two years of observation. Four of the expected cell frequencies were below 5 (Kim, 2017). The results show significant differences in the shares of the customer segments between the years studied ($\chi^2(7) = 66.024$, $p < 0.001$, $\phi = 0.389$).

Discussion

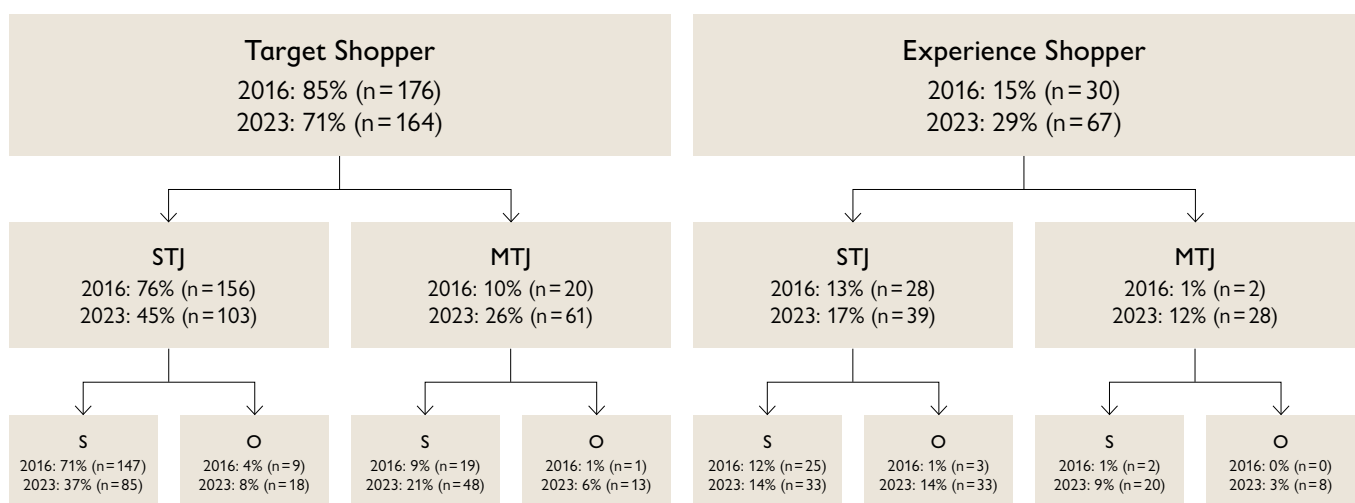
Empirical Results

Using the customer spending map framework, we conclude that from 2016 to 2023, Swiss retail customers have become more experiential shoppers and have started to use more touchpoints and more online offers. Our findings

reflect an industry average across the six product categories studied. However, the share of segments differed significantly between the two industries observed in detail, with different customer shopping motivations and sales channel preferences. We find that cosmetics customers are more likely to be target shoppers (71% in cosmetics vs. 52% in fashion), driven by utilitarian motivations, and strongly prefer offline stores (81% in cosmetics vs. 52% in fashion). These findings refine existing knowledge (e.g., Çelebi, 2012) and demonstrate the usefulness of our tool in uncovering deeper behavioral patterns in different retail contexts. For managers in the cosmetics industry, these findings indicate that targeted purchasing behavior requires comprehensive assortments. Furthermore, advertising should support targeted shopping behavior.

The dataset used to demonstrate the usefulness of the customer spending map is limited to information and data

Figure 4: The Customer Spending Map Applied to Cosmetics Customers in Switzerland



Legend: STJ: Single-Touchpoint Journey, MTJ: Multi-Touchpoint Journey, S: Offline Purchase (Store), O: Online Purchase (Webshop)

Reading example: In 2023, 37% of all respondents shopped in stationary stores, using only one touchpoint, with a clear purchase idea in mind. In 2016, 71% of consumers shopped this way.

Source: Own illustration.

collected up to the point of purchase, so we focused our analysis on the pre-purchase and purchase phases. Future research could incorporate the post-purchase phase in the framework to provide a more comprehensive understanding of the customer journey.

Customer Spending Map Framework

The customer spending map helps companies segment customers by shopping motivation, touchpoint usage, and channel usage.

In addition, the customer spending map can provide company-specific results for different retailers in the same industry, making the analysis extremely valuable for retail practice. Retailers can allocate resources more wisely and complement their customer spending map framework with subsequent analyses of customer segments. For example, omnichannel managers can better evaluate customer segments by analyzing key performance indicators such as the average amount of money spent, the level of customer inspiration, or the net promoter score for each customer segment.

Conclusion

This article introduces the customer spending map as a novel and useful management framework for academics and omnichannel managers. It can be an insightful tool for customer journey analysis and customer journey management. The framework is based on the academic literature on customer experience, shopping motivation, customer journey management, and channel management. The customer spending map guides retailers in improving the overall customer experience and enables them to interpret long-term trends in consumer behavior.

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