The Path to Purchase: A Customer’s Journey: Your Opportunity

Arthur De Gennaro, President
Arthur De Gennaro & Associates, LLC
803-359-7887
Arthur@adegegennaro.com

The Path to Purchase, Defined

- The PTP is the *mental journey* a consumer takes during the process of making any purchase
- Your goal is to...
  1. Convert a consumer into a shopper
  2. Convert a shopper into a buyer
- The PTP has a number of predictable phases
- Along the PTP there are *Moments of Maximum Impact*
  - MMs are times when the shopper is more open to accepting marketing messages and to be influenced
  - MMs happen before, during and after a purchase

Path to Purchase Phases

The consumer will pass through 5 phases:
1. Awareness
2. Consideration
3. Purchase
4. Retention
5. Advocacy
Awareness: Path

- "Out of the market"
  - The consumer has no need for the product
  - "I see fine"
  - Will be less accepting of marketing messages
- "In the market"
  - The consumer becomes aware of the need for the product
  - "I see fuzzy"
  - Changes from consumer to shopper
  - The shopper is more open to marketing messages

Awareness: Path

- "What do I need? What do I want? What do I desire?"
  1. I want to see clearly
  2. I need new eyeglasses
  3. I need an eye examination in order to get new eyeglasses
  4. Desires are psychological wants. They are strong motives to buy

Two Paths to Purchase

- For ophthalmic shoppers there are two paths to purchase
  1. Path to choosing a doctor for the eye examination
  2. Path to choosing a new pair of eyeglasses
- The two paths (decisions) are separate but interrelated
- Your goal is to convert eye examination bound patients into dispensary buyers
- Problem: most practices are not focused on the dispensary; they are almost exclusively focused on the medical practice
- Today we will focus on the path to the dispensary
Consideration

- Initial Consideration Set
  - 24 places to obtain the product or service
  - ICS is heavily influenced by...
  1. Consumer’s previous experience with product/service
  2. Referrals
     - 60% of ophthalmology patients are referred by a family member or friend. (Source: John Pelosi)
     - The importance of word-of-mouth communication
     - Patient’s/Treatment experience
  3. Top of the Mind Awareness
     - “Pull” advertising creates TOTM (radio, TV, newspaper, email, direct mail, etc.)
     - Every advertisement creates an impression
     - The more impressions the higher the TOTM

Consideration: Research

- The funnel model
- The Consideration stage is when shoppers do research
- Pull advertising (internet, etc.)
- They begin to filter the results by:
  - Brand, Image, perceived value (Trust, Value)
  - Services available (Need/Want)
  - Location (Convenience)
  - Hours of operation (Convenience)
  - Incentives, promotions (Value, Urgency)
- Eliminate names from the ICS

Consideration; Pull Advertising

- The internet has changed the retail business forever
- Consumers now ‘pull’ information about places to do business and products
- General internet searches (‘Google It’)
  - Your practice’s website
  - Your optical lab
  - There’s optical tab www.lenscrafters.com/us-white-map
- Reputation sites (Yelp, Angie’s List, Consumer Reports, etc.)
- Facebook, Twitter, You Tube, Pinterest, etc.
Consideration: Disruption

- While doing research new brands may get the customer’s attention
- These do not have TOTMA
  - Process is known as Disruption
  - Disrupters can successfully replace brands in the ICS

Consideration: Research

- The shopper may call or shop the store
- Ask questions
  - Learn about features, advantages and benefits
- See product
  - Handle/try product
- The shopper will evaluate the cost vs. benefits, value

Purchase

- The goal of all your marketing is to turn shoppers into buyers,
- Your marketing must provide compelling reasons to choose you over all other competitors
  - What are your value propositions?
- The sales presentation must identify and address all of the customer’s needs, wants and desires
  - 8 parts to a retail sale
- The entire in-store experience must be impressive
- Shoppers become customers when all of their needs are met
Retention

- "Customers vote with their feet"
  - 96% of unhappy customers do not complain. They leave and don’t return.
- The sale is not over when the customer agrees to buy
  - Order fulfillment/delivery
  - Anything can go wrong, and generally does
  - Use the product
    - Set ideal
  - Did a good value?
  - How will you know if the customer is satisfied?
- The customer’s experience with the product
  - Good = likely advocate
  - Bad = likely detractor

Retention

- A good customer experience:
  - Increases (brand) loyalty, customer more likely to return and purchase again
  - Increases referrals, customer more likely to refer others
- Post-purchase:
  - Further the relationship with the customer (after-marketing)
  - Drive the customer to the Advocacy stage
    - Remember, a satisfied customer is not an advocate, just content
- Ongoing relationship:
  - Email groups
  - Newsletters
  - Blog
  - Social media

Advocacy

After a purchase there are 4 types of customers:
1. Active loyalists. "You have to go there!"
2. Passive loyalists. "I might consider going there again."
3. Passive detractors. "I'm not sure I would go there again."
4. Active detractors. "You should not go there!"
Question

• Which of the 4 customer types do you want your patients to be?

Active Loyalists

• Everyone says they want active loyalists...and they should.
• What is your practice's strategy to create active loyalists?
  • 'Chief Experience Officer'
• Analyze every interaction with patients
  • 'Moments of Truth' (Scandinavian Airlines)
  • "How do we plus that?" (Walt Disney)
  • "How do we make that easier (simpler, faster, more enjoyable, user friendly, etc.)?"

Passive Loyalists

• Are not wowed. May not be fully satisfied.
• Are at-risk of being lured away by competitors (disruption)
• Are not actively building your brand or business
Passive Detractors

- Are somewhat dissatisfied
- Likelihood of returning is questionable
- Do not generally complain to management or respond to written or online surveys
- “Customers vote with their feet.”

Active Detractors

- A serious breach in customer service has occurred
- The buyer is actively taking opportunities to dissuade people from doing business with you
  - Word of mouth: “Let me tell you what they did to me!”
  - Social media
    - Yelp, Angie’s List, Facebook, Twitter, Pinterest, YouTube, blog, etc.
  - “United Breaks Guitars”
    - “Efficient but inhUMAN customer-service policies have an unseen cost.” Dave Carroll
  - 4 million views in a day on YouTube. United stock lost $180 million, 10% of its value.
  - Appeared on CNN, The View and others
  - 14.5 million views today. He has written a book and lectures.

Part 2: Strategies for Improving the Patient Experience

- Look for “Moments of Truth”
- Reengineer every process
- Relentlessly solicit customer feedback
- Drive for performance excellence

What are the barriers to patients remaining on this journey?
Questions

* As a percentage of **practice** revenue, how much does your practice spend on advertising the medical practice?

* As a percentage of **dispensary** revenue, how much does your practice spend on advertising the dispensary?

Awareness Phase

* Patient is out of the market
  * Advertising builds TOTMA
  * 80% of ophthalmology practices spend less than 3% on advertising. (Source: ASOA)
* Takeaway: You don’t have TOTMA because you don’t advertise. You are ‘media invisible’.
* Optical Strategies
  * Most practices cannot afford to use media advertising for their dispensaries
  * Guerilla marketing
  * “People do business with people they know and like, not people they do not know or do not like”- Arthur De Gennaro

Consideration Phase

* Shopper has entered the market
* You will not be in the Initial Consideration Set
* Shopper has begun to do research
* More open to accepting marketing messages from you
* To win the shopper you must become a **disruptor**
* Optical Strategies
  * Robust optical website tab
  * Search engine optimization for optical
  * Social media and reputation site management
  * Blog
Moments of Maximum Impact: Consideration Phase

1. Patient calls to make an appointment.
   - Is the scheduler friendly, helpful?
   - Is the scheduler well prepared and well trained?
   - Different questions.
   - Transferred to a different department.

Optical Strategies
   - Program length of the visit, including a visit to the dispensary.
   - Pre-certify vision benefits. Give to patient at intake.
   - Refer patient to practice website and optical tab.
   - Mention current dispensary promotion.

Moments of Maximum Impact

(Shopper is still in the Consideration phase)

2. After Making the Appointment • Before the Visit
   - Buyer has purchased the eye examination.
   - Shopper is in the Consideration Phase for optical.
   - Actively researching who to purchase eyewear from.
   - The consumer is very open to optical advertising from you.

Optical
   - Welcome letter with dispensary value propositions, promotions.
   - 5 or more letters or email blasts.

Moments of Maximum Impact

(Shopper is still in Consideration phase)

3. Intake
   - Be aware of incoming patients.
   - It’s your last patient in for her only visit.
   - Friendly, smiling faces. “It’s show time.”
   - Non-business-related chat.
   - Invite patient to use free internet service.
   - Open to practice website page.

Optical Strategies
   - "Extended Family History Form. "How do you use your eyes?"
   - If appropriate, invite to browse optical.
   - Make aware of current promotion.
Moments of Maximum Impact

(Shopper is still in Consideration phase)

4. Present
   - Clinic must stay on top!
     - Dispensary sales fall when the clinic falls behind
   - Review ESH form
     - Make recommendations for doctor
   - Optical Strategies
     - Evaluate all pairs of glasses for serviceability
     - Look for scratched lenses and cracked frames

Moments of Maximum Impact

(Shopper is still in the Consideration phase)

5. Examination
   - The shopper is most influenced by eyewear recommendations from the doctor...
   - And the doctor’s recommendation to use the practice’s dispensary
   - Optical Strategies
     - Doctor reviews ESH form with patient
     - Doctor makes appropriate recommendations for eyewear
     - Rx is printed out in the dispensary
     - Doctor escorts patient to the dispensary to pick up Rx
     - Doctor introduces patient to an optician and instructs (handoff)

Moments of Maximum Impact

(Shopper is still in the Consideration phase)

6. Sales Presentation
   - The sales presentation is the ultimate MBA
     - Opticians must understand the retail selling process
     - Speaks to retail sale
   - The dispensary must be attractive
   - The dispensary must have the right merchandise
   - It’s not about price, it’s all about value
   - Learn how to build value
     - No charge for warranty versus LensCrafters
     - One-size-fits-optical
Moments of Maximum Impact

- If the shopper leaves without buying it is only because you have been eliminated from the Consideration Set, the shopper is still shopping
  - Your practice/Dispensary was not able to convince the shopper that it was a good value
- Lost customers are likely to be passive or active detractors
- They end up on someone else’s recall list!

Retention

- Anything can go wrong with the order
  - Goal: 100% of glasses delivered on time, as promised
  - Your ordering and handling processes must be zero defects
- When the glasses are delivered the Buyer enters the Retention phase
  - Program the buyer for success: “You’ve made a wise decision”
  - Explain warranties and other protections
- How you handle problems and returns will affect the buyer’s opinion of the practice/Dispensary

Retention

- What happens after the sale can influence the buyer’s opinion
  - Aftermarket “thank you” phone call or letter
  - “How are you enjoying your new glasses?”
- Invite to join customer group. (Stay close to your customer)
  - Email newsletter
  - Blog
  - Preferred customer
  - Facebook/Twitter
  - Special events
  - Early notification of new products
Retention

- It is cheaper to keep a customer than to obtain a new one
- Retention and TOTMA diminish over time (disruption)
- Need to stay in touch with the buyer

Advocacy

- Will this customer be an active loyalist?
  - If not, you have failed
- Did you do enough for this buyer to return?
- How will you know?
  - Written survey
  - Oral survey
  - Focus group
  - Customer board
  - ‘Chief Experience Officer’ (Virginia Eye Institute)
- Monitor social media, review and reputation websites
  - Respond to negative comments immediately

Recap

- The Path to Purchase has 5 phases
- Consumer behaviors are predictable during the journey
- Identify and leverage Moments of Maximum impact
- Storyboard Moments of Truth, optimize all processes
- Create active loyalists
- Stay close to your customer

If we keep doing what we’re doing, we’re going to keep getting what we’re getting.
- Stephen Covey
Thank you for your time and today

Arthur De Gennaro, President
Arthur De Gennaro & Associates, LLC
813-339-7667
Arthur@adegennaro.com