

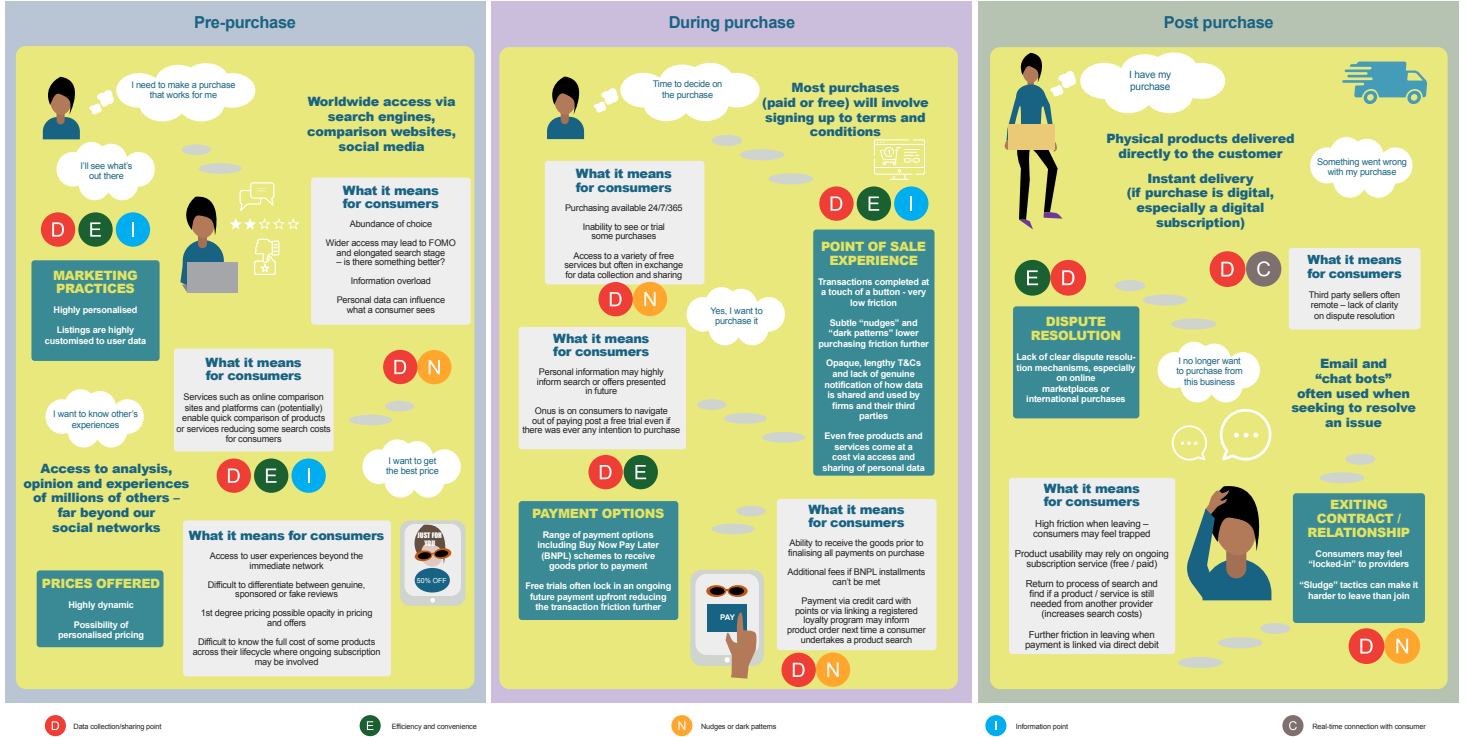
The Digital Checkout

JOURNEY MAPS

THE DIGITAL CHECKOUT

Today

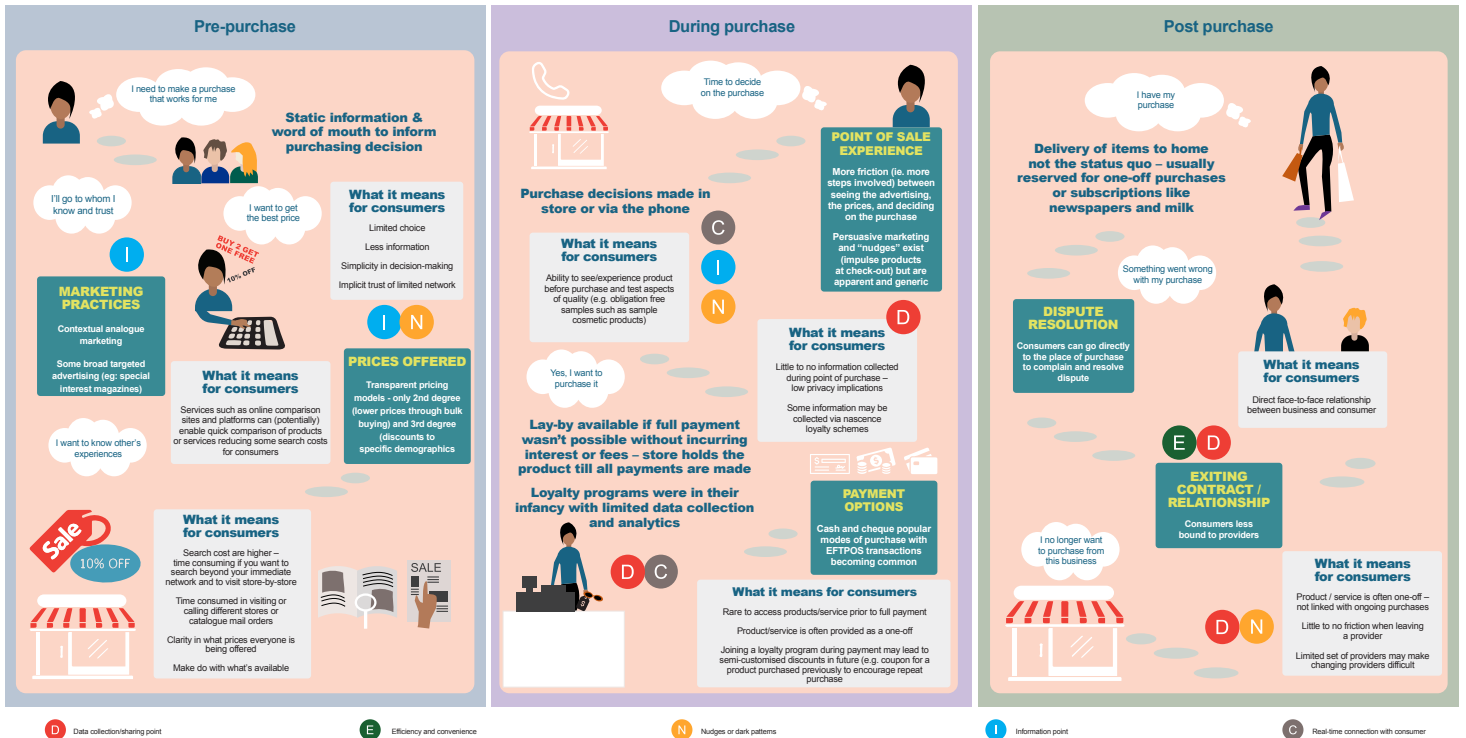
The consumer journey



THE ANALOGUE CHECKOUT

During the 1990s

The consumer journey



The consumer journey



During the 1990s



Today

THE ANALOGUE CHECKOUT

I need to make a purchase that works for me



Static information & word of mouth to inform purchasing decision

I'll go to whom I know and trust

What it means for consumers

- Limited choice
- Less information
- Simplicity in decision-making
- Implicit trust of limited network

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MARKETING PRACTICES

Contextual analogue marketing

Some broad targeted advertising (eg: special interest magazines)

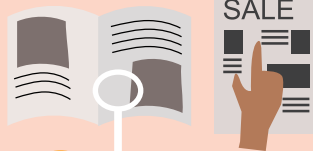
BUY 2 GET ONE FREE
10% OFF



I want to get the best price

PRICES OFFERED

Transparent pricing models - only 2nd degree (lower prices through bulk buying) and 3rd degree (discounts to specific demographics eg: senior discount) offered



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What it means for consumers

- Search cost are higher – time consuming if you want to search beyond your immediate network and to visit store-by-store
- Time consumed in visiting or calling different stores or catalogue mail orders
- Clarity in what prices everyone is being offered
- Make do with what's available



THE DIGITAL CHECKOUT

I need to make a purchase that works for me



Worldwide access via search engines, comparison websites, social media

I'll see what's out there

What it means for consumers

- Abundance of choice
- Wider access may lead to FOMO and elongated search stage – is there something better?
- Information overload
- Personal data can influence what a consumer sees

D **E** **I**

MARKETING PRACTICES

- Highly personalised
- Listings are highly customised to user data

What it means for consumers

Services such as online comparison sites and platforms can (potentially) enable quick comparison of products or services reducing some search costs for consumers



PRICES OFFERED

- Highly dynamic
- Possibility of personalised pricing

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I want to know other's experiences

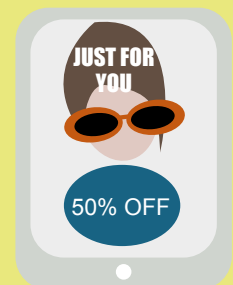
Access to analysis, opinion and experiences of millions of others – far beyond our social networks

I want to get the best price

D **N**

What it means for consumers

- Access to user experiences beyond the immediate network
- Difficult to differentiate between genuine, sponsored or fake reviews
- 1st degree pricing possible opacity in pricing and offers
- Difficult to know the full cost of some products across their lifecycle where ongoing subscription may be involved



D Data collection/ sharing point

E Efficiency and convenience

N Nudges or dark patterns

I Information point

C Real-time connection with consumer

The consumer journey



During the 1990s



Today

THE ANALOGUE CHECKOUT

Time to decide on the purchase



Purchase decisions made in store or via the phone

What it means for consumers

Ability to see/experience product before purchase and test aspects of quality (e.g. obligation free samples such as sample cosmetic products)

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POINT OF SALE EXPERIENCE

More friction (ie. more steps involved) between seeing the advertising, the prices, and deciding on the purchase

Persuasive marketing and “nudges” exist (impulse products at check-out) but are apparent and generic

Yes, I want to purchase it

Lay-by available if full payment wasn't possible without incurring interest or fees – store holds the product till all payments are made

Loyalty programs were in their infancy with limited data collection and analytics

D C

What it means for consumers

Little to no information collected during point of purchase – low privacy implications

Some information may be collected via nascent loyalty schemes



PAYMENT OPTIONS

Cash and cheque popular modes of purchase with EFTPOS transactions becoming common

What it means for consumers

Rare to access products/service prior to full payment
Product/service is often provided as a one-off
Joining a loyalty program during payment may lead to semi-customised discounts in future (e.g. coupon for a product purchased previously to encourage repeat purchase)



THE DIGITAL CHECKOUT

Time to decide on the purchase



Most purchases (paid or free) will involve signing up to terms and conditions

What it means for consumers

Purchasing available 24/7/365

Inability to see or trial some purchases

Access to a variety of free services but often in exchange for data collection and sharing



D E I

POINT OF SALE EXPERIENCE

Transactions completed at a touch of a button - very low friction

Subtle “nudges” and “dark patterns” lower purchasing friction further

Opaque, lengthy T&Cs and lack of genuine notification of how data is shared and used by firms and their third parties

Even free products and services come at a cost via access and sharing of personal data

D N

Yes, I want to purchase it

What it means for consumers

Personal information may highly inform search or offers presented in future

Onus is on consumers to navigate out of paying post a free trial even if there was ever any intention to purchase

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What it means for consumers

Ability to receive the goods prior to finalising all payments on purchase

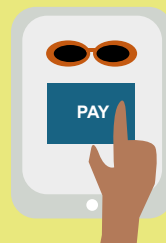
Additional fees if BNPL installments can't be met

Payment via credit card with points or via linking a registered loyalty program may inform product order next time a consumer undertakes a product search

PAYMENT OPTIONS

Range of payment options including Buy Now Pay Later (BNPL) schemes to receive goods prior to payment

Free trials often lock in an ongoing future payment upfront reducing the transaction friction further



D N

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THE ANALOGUE CHECKOUT

I have my purchase



Delivery of items to home not the status quo – usually reserved for one-off purchases or subscriptions like newspapers and milk

Something went wrong with my purchase

DISPUTE RESOLUTION

Consumers can go directly to the place of purchase to complain and resolve dispute



What it means for consumers

Direct face-to-face relationship between business and consumer



EXITING CONTRACT / RELATIONSHIP

Consumers less bound to providers

I no longer want to purchase from this business



What it means for consumers

Product / service is often one-off – not linked with ongoing purchases

Little to no friction when leaving a provider

Limited set of providers may make changing providers difficult



THE DIGITAL CHECKOUT

I have my purchase



Physical products delivered directly to the customer

Instant delivery (if purchase is digital, especially a digital subscription)



DISPUTE RESOLUTION

Lack of clear dispute resolution mechanisms, especially on online marketplaces or international purchases

Something went wrong with my purchase

What it means for consumers

Third party sellers often remote – lack of clarity on dispute resolution



I no longer want to purchase from this business

Email and “chat bots” often used when seeking to resolve an issue



EXITING CONTRACT / RELATIONSHIP

Consumers may feel “locked-in” to providers

“Sludge” tactics can make it harder to leave than join



What it means for consumers

High friction when leaving – consumers may feel trapped

Product usability may rely on ongoing subscription service (free / paid)

Return to process of search and find if a product / service is still needed from another provider (increases search costs)

Further friction in leaving when payment is linked via direct debit

