

**D2C**

**MASTERING THE  
DTC CUSTOMER  
JOURNEY:  
INSIGHTS AND  
STRATEGIES FROM  
E29 EXPERTS**

**BY E29 MARKETING**

COPYRIGHT 2024. E29 MARKETING. DO NOT REPRODUCE WITHOUT PERMISSION.

# INTRODUCTION

In the dynamic landscape of 2024, Direct-to-Consumer (DTC) brands face a unique set of challenges and opportunities. The rise of e-commerce has empowered businesses to bypass traditional retail channels and connect directly with consumers. However, this also means facing heightened competition and evolving customer expectations.

One of the most pressing challenges for DTC brands is the need to stand out in a crowded marketplace. With countless options available to consumers, capturing attention and driving conversions has become increasingly difficult. Additionally, the rising costs of customer acquisition make it essential for DTC brands to find innovative ways to reach their target audience efficiently and profitably.

The ongoing shift towards digital-first consumer behavior presents both opportunities and challenges. While online channels offer new avenues for reaching customers, they also require businesses to adapt their strategies and invest in digital marketing capabilities.

“  
People buy from  
the last business  
they remember  
solves their problem  
well

”



To thrive in this dynamic environment, DTC brands must prioritize the customer journey—the intricate path that customers take from initial awareness to purchase and ultimate leading to brand loyalty. The customer journey is more than just a series of transactions; it's an opportunity to build meaningful relationships with customers. By understanding and optimizing each touchpoint along the way, DTC brands can create a seamless and satisfying experience that drives customer loyalty and repeat business.

However, navigating the customer journey is not without its challenges. Small DTC businesses, in particular, often face resource constraints that can hinder their ability to effectively map and optimize this critical process. Limited budgets, personnel, and time can make it difficult to allocate resources to customer journey initiatives.

Despite these challenges, it is imperative for DTC brands of all sizes to prioritize the customer journey. By investing in this area, businesses can differentiate themselves from competitors, improve customer satisfaction, and ultimately drive long-term growth.



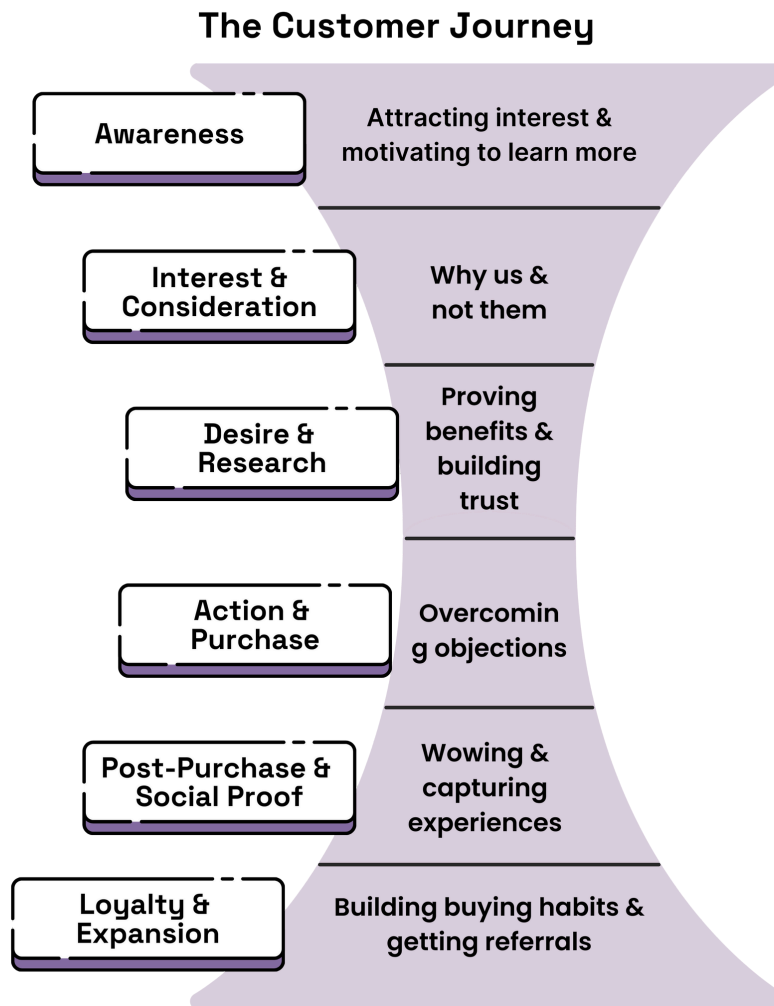
# CHAPTER 1:

## IT ALL STARTS WITH THE CUSTOMER JOURNEY

On a surface level, the customer journey is best described as the path a customer takes from initial awareness of a brand to making a purchase and becoming a loyal customer. This is made up of several stages that start with awareness, where the customer becomes acquainted with the brand or its offerings. This awareness can be sparked through various channels, such as advertising, social media, or word-of-mouth.

Following awareness, interest develops as the customer expresses curiosity and seeks to learn more about the brand or its products. This stage often involves researching information online, visiting the brand's website, or reading reviews from other customers. Social media platforms also play a crucial role in fostering interest, as customers can follow brands, engage with content, and interact with other fans.

The next stage is consideration, where the customer weighs the brand against its competitors. They evaluate various factors, such as price, quality, features, and customer reviews, to determine if the brand meets their needs and expectations. Customers may also compare the brand's offerings to similar products or services available on the market.



Next is the purchase stage. This decision may be influenced by a variety of factors, including promotions, limited-time offers, or personal recommendations. Online shopping has made it easier than ever for customers to make purchases, with features like one-click checkout and convenient payment options.

Beyond the purchase, the customer journey continues with loyalty. Loyal customers are those who repeatedly purchase from the brand and advocate for its products or services. They become brand ambassadors, spreading positive word-of-mouth and contributing to the brand's long-term success. Building loyalty requires a consistent and positive customer experience, which can be achieved through excellent customer service, personalized interactions, and ongoing value.

It's important to remember that the customer journey is not always a linear progression. Customers may move back and forth between different stages, or they may skip certain stages altogether. The journey can vary depending on factors such as the product or service, the target audience, and the specific marketing efforts employed by the brand.



## METRICS YOU NEED TO KNOW

To effectively map and optimize your customer journey, it's also important to know key metrics that provide insights into customer behavior and performance. These metrics can help you identify areas for improvement, measure the effectiveness of your strategies, and make data-driven decisions. Before you start mapping your customer journey, make sure you familiarize yourself with the following key terms and concepts:

**Conversion rate** measures the percentage of website visitors who make a purchase. A low conversion rate may indicate that there are obstacles in the customer journey, such as a confusing checkout process or inadequate product information. By analyzing conversion rates at different stages of the journey, you can identify bottlenecks and take steps to improve them.

$$\frac{\text{Site Visitors}}{\$ \text{ Purchasers}} = \text{Conversion Rate}$$

**Average order value** reflects the average amount spent per customer. A high average order value indicates that customers are purchasing more products or higher-priced items. By understanding the factors that influence average order value, you can implement strategies to encourage customers to spend more, such as offering bundled products or upselling.

$$\frac{\text{Total Purchasers}}{\text{Total Order Value}} = \text{Average Order Value}$$

**Customer lifetime value (CLTV)** is a crucial metric that measures the total revenue generated by a customer over their lifetime. A high CLTV indicates that customers are loyal and repeat purchasers. By focusing on retaining and nurturing existing customers, you can maximize their lifetime value and reduce customer acquisition costs.

$$\frac{\text{Total Spent By Customer}}{\text{Average Customer Lifespan}} = \text{Customer Lifetime Value}$$

**Customer acquisition cost (CAC)** represents the cost of acquiring a new customer. A high CAC can strain your marketing budget, so it's important to optimize your acquisition efforts. By tracking your CAC and comparing it to your customer lifetime value, you can determine whether your customer acquisition strategies are profitable.

$$\frac{(\text{Cost Of Sales} + \text{Cost Of Marketing})}{\text{Number Of New Customers}} = \text{Customer Acquisition Costs}$$

**Churn rate** measures the percentage of customers who stop doing business with your company. A high churn rate indicates that customers are dissatisfied with your products or services. By analyzing churn data, you can identify the reasons why customers are leaving and take steps to improve customer retention.

$$\frac{\text{Lost Customers}}{\text{Total Customer at the start of the time period}} = \text{Churn Rate}$$

By tracking these key metrics and analyzing the data, you can gain valuable insights into your customer journey and make data-driven decisions to optimize it. This will help you improve customer satisfaction, increase sales, and drive long-term growth for your business.

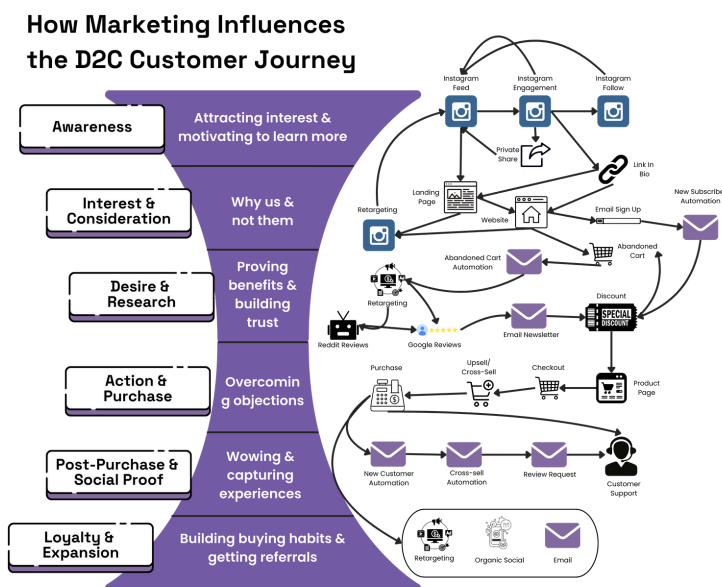


## THE IMPORTANCE OF A HOLISTIC VIEW

Now that you understand the different basic components of the DTC customer journey, and some of the metrics that you'll be tracking as you begin to better understand your business, it's time to look for opportunities for optimization. A well-optimized customer journey encourages customers to make repeat purchases and refer the brand to others, ultimately increasing customer lifetime value. Additionally, by identifying and addressing areas where competitors fall short, businesses can differentiate themselves and gain important footholds in key markets.

To effectively optimize the customer journey, it's essential to take a holistic view rather than focusing on individual touchpoints. A holistic view allows businesses to see the entire customer experience from start to finish and identify areas for improvement.

For example, consider a customer who discovers a new brand through a social media advertisement. They click on the ad, visit the brand's website, and sign up for their email list. Later, they receive a personalized email recommendation based on their browsing history. They click on the recommendation and make a purchase.



If your business were only focused on the individual touchpoints, you might optimize the social media ad for clicks or the email for open rates. However, a holistic view would allow you to see the entire journey and understand how these touchpoints work together to influence the customer's decision. Perhaps the email recommendation was the most crucial factor in driving the purchase, or maybe the social media ad was simply the initial spark that led to the customer's interest.

Another example is a customer who visits a physical store, but doesn't make a purchase. They later receive a targeted online ad for a product they viewed in the store. They click on the ad, visit the product page on the website, and make a purchase. In this case, a holistic view would reveal that the in-store visit and the online ad worked together to drive the sale.

By taking this inclusive approach, businesses can identify opportunities for improvement that might be missed if they were only focusing on individual touchpoints. For instance, if a business notices a high drop-off rate between the website and the shopping cart, they can investigate the reasons for this and make changes to improve the checkout process.

The goal here is to identify the big picture and find areas for improvement that can lead to increased customer satisfaction, loyalty, and sales. By understanding how different touchpoints work together, businesses can create a more seamless and effective customer experience.

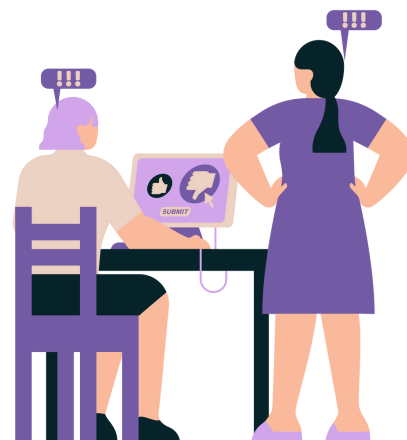
## THE PITFALLS OF A DISCONNECTED CUSTOMER JOURNEY

Though knowing the benefits of understanding the customer journey can help your DTC business on the way to increased sales, it's also worth knowing what a disconnected customer journey looks like as well.

The biggest sign of a disconnected customer journey is a rise in negative feedback. If customers are expressing dissatisfaction or frustration, it's essential to listen to their concerns and take action to address the underlying issues.

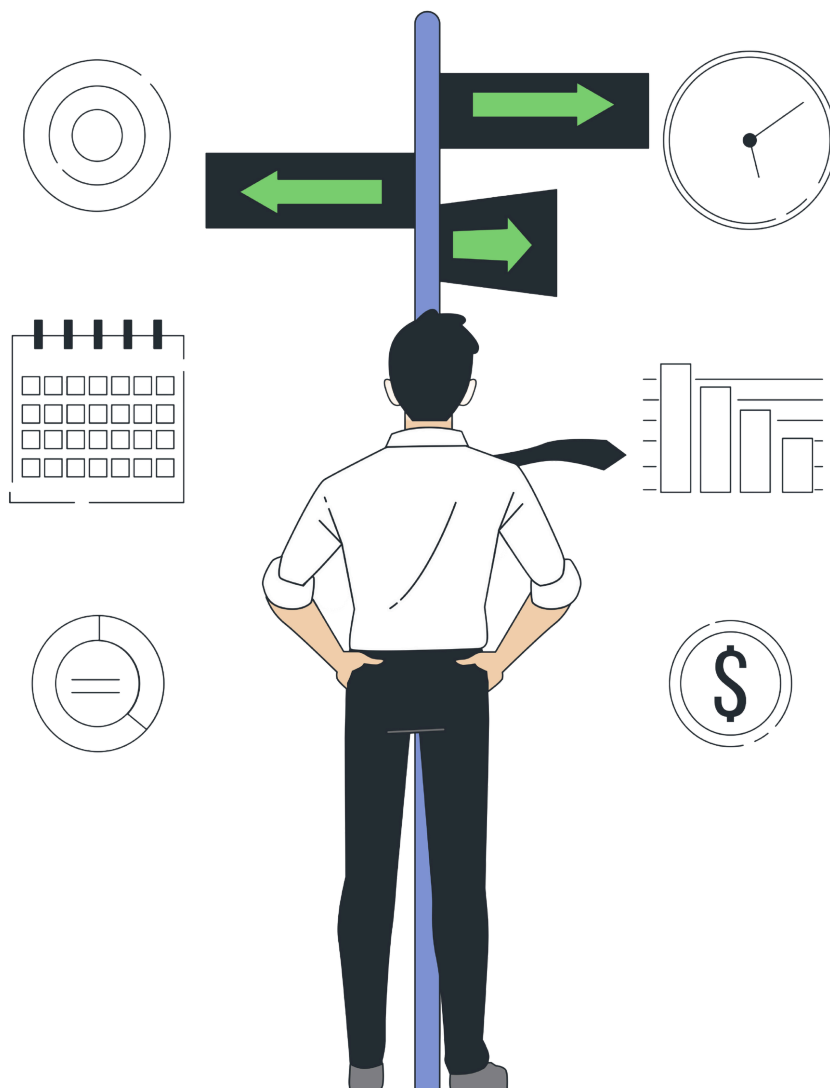
Another, less obvious sign is a high bounce rate, which occurs when customers quickly leave your website after landing on it. This suggests that they are unable to find what they are looking for or are not satisfied with the initial experience.

An additional red flag to look out for is a slipping conversion rate. If a significant number of website visitors are not progressing to the point of making a purchase, it indicates a problem within the customer journey. This could be due to a variety of factors, such as a confusing checkout process, insufficient product information, or a lack of trust in the brand.



High customer churn, or the rate at which customers stop doing business with a company, is another warning sign. If customers are not returning for repeat purchases, it suggests that they are not satisfied with the overall experience.

By recognizing these common signs and taking proactive steps to address them, businesses can improve their customer journey and drive growth.



# CHAPTER 2:

## MAPPING AND IMPROVING THE CUSTOMER JOURNEY



Now that you understand all the different components of the customer journey, it is time to start mapping. Start by clearly defining your goals. What do you want to achieve by mapping your customer journey? Are you looking to improve customer satisfaction, increase conversions, or identify new marketing opportunities? Your goals will guide the direction of your mapping efforts.

From here, you'll need to gather data for your customer journey mapping, leveraging analytics tools like Google Analytics, Meta Business Suite and more to gain insights into website traffic, user behavior, and conversions. Additionally, you can conduct surveys, interviews, or monitor social media to gather direct feedback from your customers about specific parts of their consumer journey.

Once you've gathered your data, it's time to visualize the customer journey. Start by creating a basic horizontal line on a whiteboard or using software like Microsoft Clarity to represent the entire journey from awareness to loyalty. Then, add key touchpoints, each with a brief description, along the timeline.

As you construct your customer journey map, you may discover that certain touchpoints are parallel or perpendicular to one another, reflecting the complex nature of the customer experience. Even if the map begins to resemble an octopus with multiple tentacles, remember that the process is valuable. The complexity itself might be an indicator that there are areas in your customer journey that require attention and improvement.

To complete the map, connect the touchpoints with arrows to illustrate the flow of the customer journey. Consider adding additional details, such as the average time spent at each stage and flagging potential bottlenecks, pain points, or areas where customers may be dropping off. This will provide a more comprehensive understanding of the customer experience and help you identify opportunities for optimization.

## **GOING DEEPER WITH PERSONAS AND EMOTIONAL CONTEXT**

While the core elements of customer journey mapping involve defining goals, gathering data, and creating a visual representation, there are additional considerations to enhance the process:

To truly optimize your customer journey, it's essential to delve beyond the surface and understand your customers on a deeper level. This involves creating detailed customer personas and exploring the emotional factors that influence their decisions.

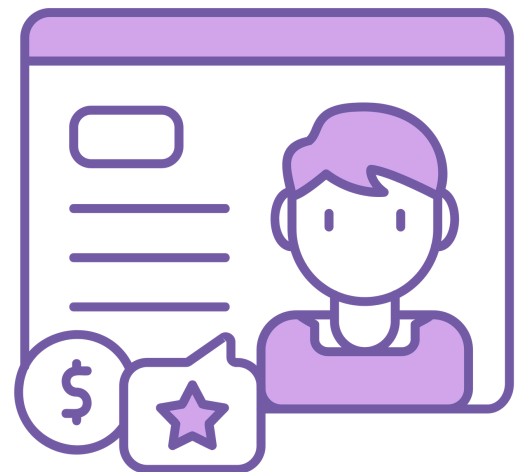
## CUSTOMER PERSONAS

Customer personas are fictional representations of your ideal customers. By developing detailed profiles of these personas, you can gain a better understanding of their needs, preferences, motivations, and pain points. This information can be used to tailor your marketing efforts, product offerings, and customer experiences to resonate with your target audience.

When creating customer personas, consider the following attributes:

- Demographics: Age, gender, income, education, occupation
- Psychographics: Lifestyle, interests, values, beliefs
- Behaviors: Purchase habits, online behavior, communication preferences
- Goals and motivations: What are their goals and what drives their purchasing decisions?

By developing well-defined customer personas, you can gain a deeper understanding of what kinds of customers are taking different routes through your customer journey, and how you might cater to them specifically to nudge them along.



## EMOTIONAL FACTORS

The customer journey is not just about logic and reason; it's also influenced by emotions. Understanding the emotional factors that drive customer behavior can help you hone in on what is motivating customers to move through your pipeline, or conversely, what is stalling them.

Consider the following emotional factors:

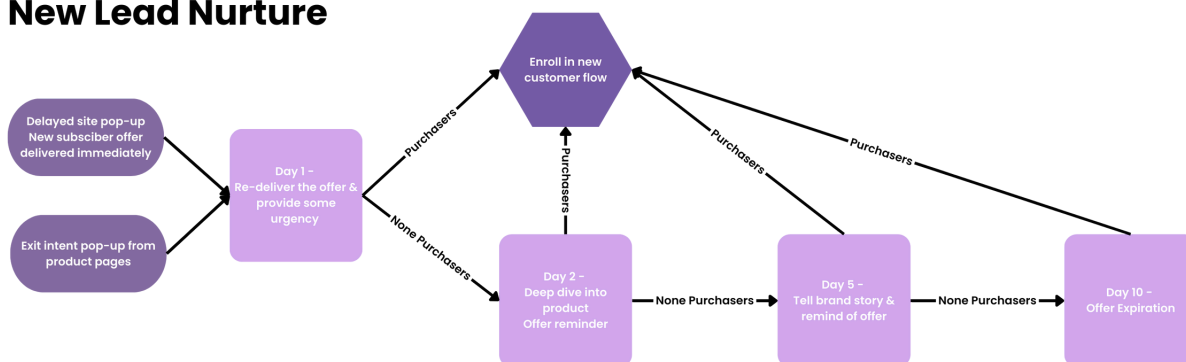
- **Fear and anxiety:** Customers may experience fear or anxiety when making a purchase, especially if the product or service is new or expensive. They also may fear missing out on limited edition items
- **Excitement and anticipation:** Customers may feel excitement and anticipation when they find a product or service that specifically meets their needs, motivating them to make a purchase
- **Disappointment and frustration:** If a customer has a negative experience, they may feel disappointed or frustrated, which could stop them dead in their tracks

By understanding the emotional factors that influence your customers' decisions, you can contextualize their movements through the customer journey and find opportunities for improvement.



# IMMEDIATE ACTIONS YOU CAN TAKE WITH A COMPLETED CUSTOMER JOURNEY MAP

## New Lead Nurture



By understanding the various stages customers go through and the factors that influence their decisions, businesses can identify opportunities to improve the customer experience, increase customer satisfaction, and drive growth. One of the most immediate ways that this map can help DTC organizations grow is that it can help them identify opportunities for cross-selling and upselling. By understanding a customer's needs and preferences, businesses can offer additional products or services that might be of interest. For example, if a customer purchases a new smartphone, a company could offer a complementary case or screen protector. By identifying these opportunities, businesses can increase average order value and generate additional revenue.

Customer journey maps can also help businesses identify key touchpoints where customers interact with the brand. By understanding these touchpoints, businesses can ensure that their communications are relevant and timely. For example, a company can send a welcome email to new customers, a follow-up email after a purchase, and targeted promotional emails based on customer behavior with optimized timing that keeps attention, but doesn't veer into annoying territory.

Specifically mapping out the customer journey can also help the marketing department see the effect of various campaigns on customer behavior. By analyzing customer data at different stages of the journey, as well as different mediums and channels, businesses can determine which campaigns are driving the most conversions and identify those that could benefit from being retooled.

# CHAPTER 3:

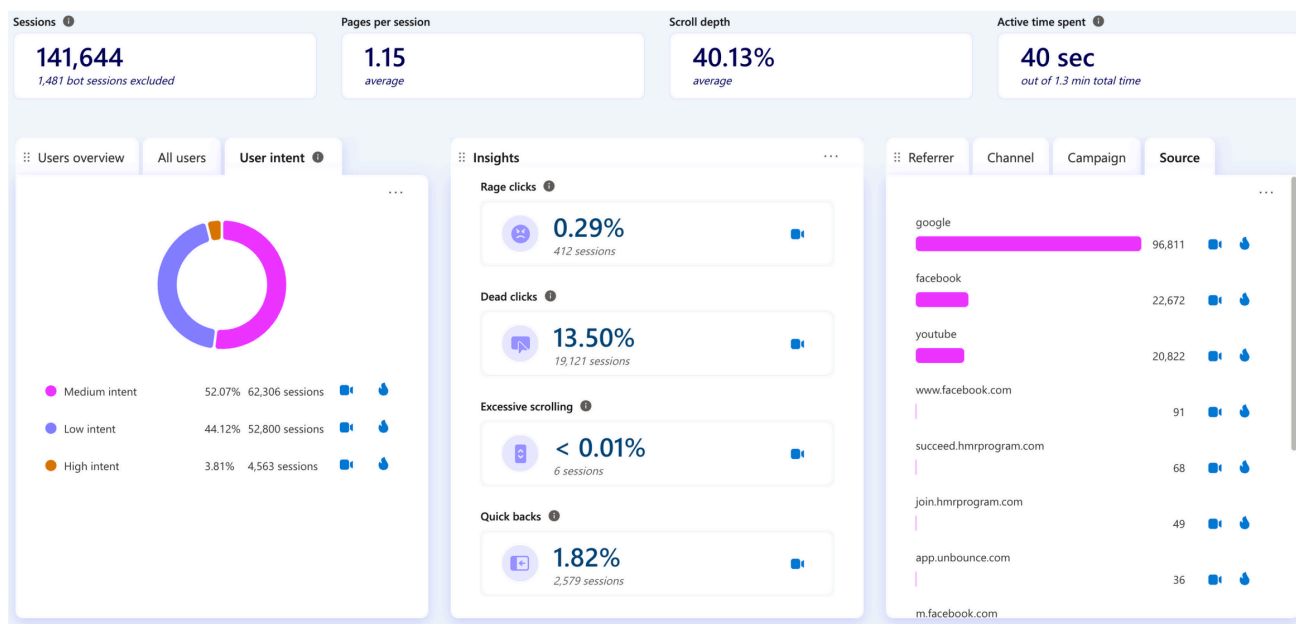
## DIVE INTO ADVANCED ANALYTICS FOR LONG TERM SUCCESS

While traditional customer journey mapping provides a valuable overview of the customer experience and can help inform some important initial changes, advanced analytics offers a more sophisticated approach to understanding long-term customer behavior. By analyzing vast datasets, businesses can uncover hidden patterns and opportunities for improvement that may not be apparent through surface-level analysis.

### TRACKING MICRO-CONVERSIONS

While the ultimate goal of a DTC business is to drive sales, focusing solely on purchases can limit your understanding of the customer journey. By tracking micro-conversions, you can gain valuable insights into customer engagement and identify areas for improvement.

Micro-conversions are smaller actions that customers take before making a purchase. These can include signing up for a newsletter, downloading a freebie, adding a product to the wishlist, watching a product video, or engaging with social media content.



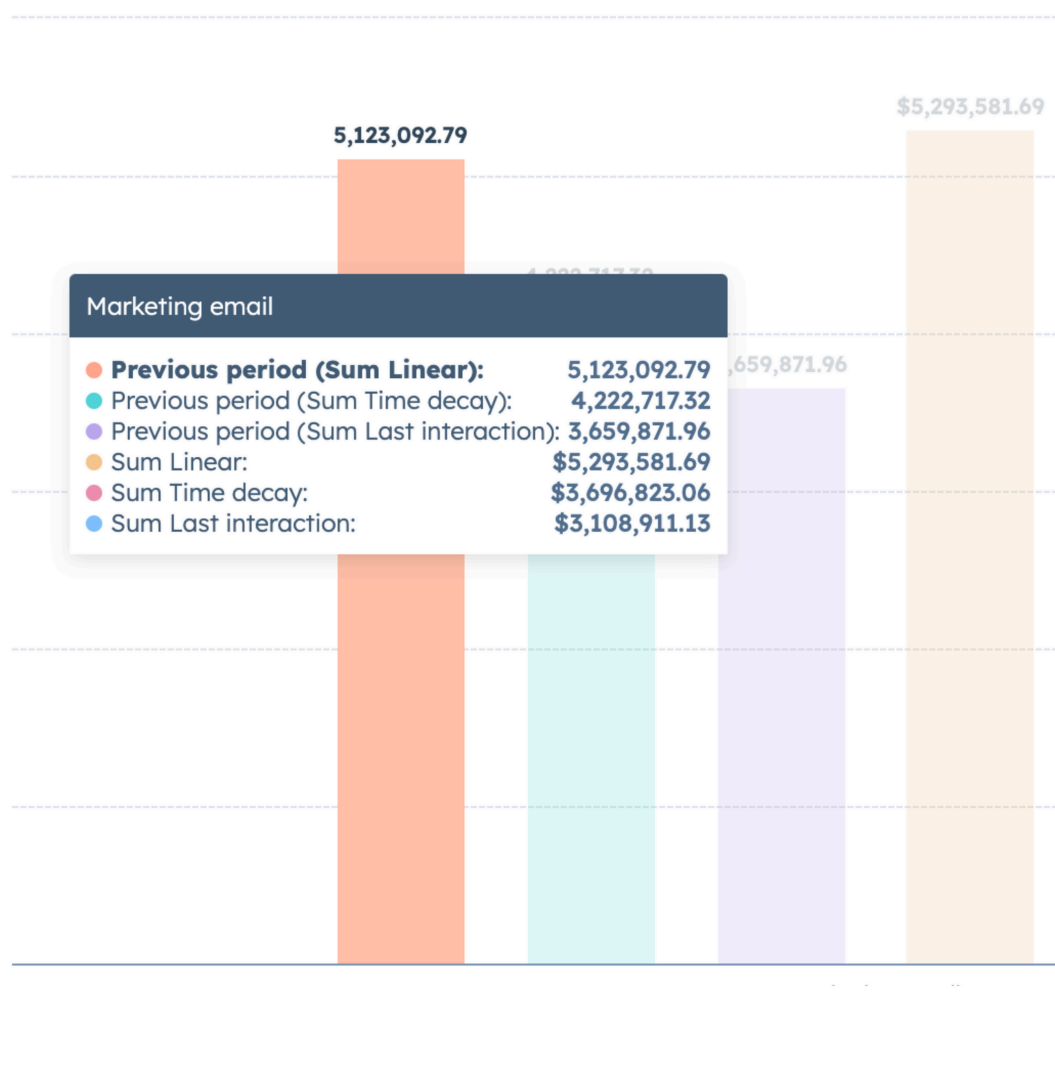
By tracking micro-conversions, you can identify which parts of your customer journey are most effective at engaging customers and driving them towards a purchase. This information can help you optimize your marketing efforts and improve the overall customer experience.

For example, if you notice that a large number of customers are adding products to their wishlists but not proceeding to purchase, you may need to investigate the reasons for this. This could involve improving the checkout process, offering more payment options, or providing additional product information.

By tracking micro-conversions, you can gain a more comprehensive and granular understanding of your customer journey and identify additional opportunities for optimization.

## CHURN ANALYSIS

Another type of advanced analytics that can be particularly helpful for DTC organizations is churn analysis, which can identify the underlying causes of customer attrition. To effectively analyze churn, businesses should track key metrics such as churn rate, within the context of customer lifetime value (CLTV), customer acquisition cost (CAC), and customer satisfaction. These metrics provide valuable insights into customer behavior and help identify potential issues.



Once businesses have identified the factors driving churn, they can implement targeted retention strategies. This may involve offering discounts or promotions, improving customer service, expanding product offerings, or personalizing the customer experience.

By conducting thorough churn analysis and implementing effective retention strategies, businesses can reduce customer drop off and improve overall loyalty.

## **ATTRIBUTION MODELS**

Attribution models are essential tools for DTC businesses to understand the effectiveness of their marketing efforts. By assigning value to different marketing channels and touchpoints, attribution models provide insights into which channels are driving conversions and which may be underperforming.

Last click attribution is the simplest model, assigning all credit for a conversion to the final click a customer makes before purchasing. While straightforward, this model can overlook the influence of earlier touchpoints that may have played a role in the customer's decision.

First click attribution is the opposite of last click, focusing on the initial click a customer makes. This model can be useful for understanding the effectiveness of awareness campaigns, but it may undervalue the impact of subsequent touchpoints.

Linear attribution assigns equal credit to all touchpoints in the customer journey. This model can be helpful for understanding the overall contribution of each channel, but it may not accurately reflect the true impact of certain touchpoints, such as those that occur closer to the conversion.

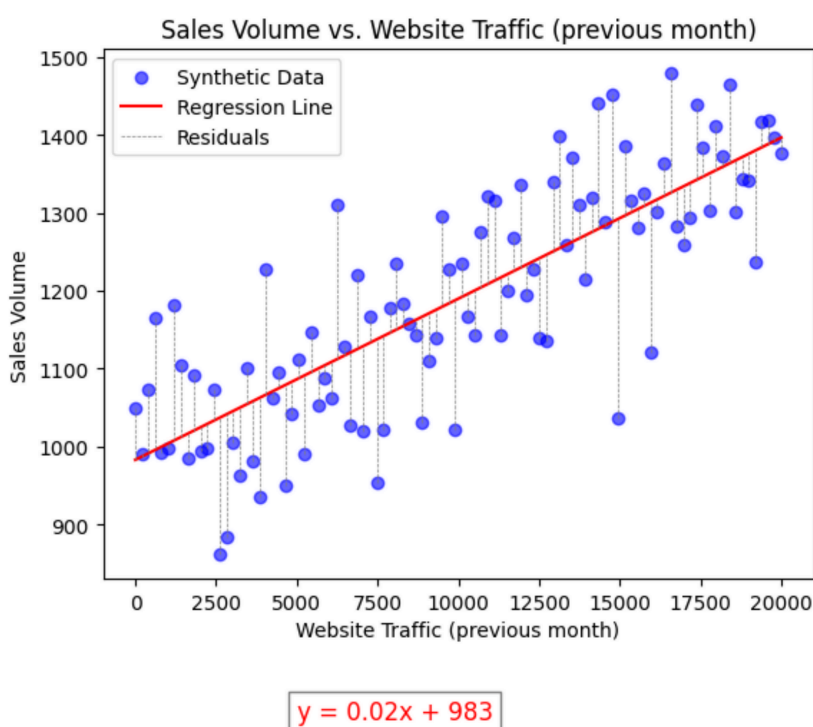
U-shaped attribution assigns more credit to the first and last touchpoints, recognizing that these touchpoints may have a greater influence on the customer's decision. This model can be useful for understanding the impact of both awareness and conversion-focused marketing efforts.

Time decay attribution assigns more credit to touchpoints that occurred closer to the conversion. This model is based on the assumption that the most recent touchpoints have a greater impact on the customer's decision.

The most appropriate attribution model will depend on the specific goals and objectives of the DTC business. For example, a business focused on brand awareness may find first click attribution to be more relevant, while a business focused on driving conversions may prefer last click or time decay attribution. By experimenting with different models and analyzing the results, DTC businesses can gain valuable insights into the effectiveness of their marketing efforts and optimize their strategies accordingly.

## PREDICTIVE ANALYTICS

Looking to take the deepest dive possible into your data? Predictive analytics, a sophisticated data analysis technique, empowers businesses to forecast future outcomes and make data-driven decisions using statistical models and machine learning algorithms, based on the initial data you gathered while creating your customer journey map.



One of the most popular analytical models is regression analysis, which is a statistical method used to model the relationship between two or more variables. In the context of DTC, regression analysis can be used to predict sales based on factors such as marketing spend, customer demographics, and product pricing. For example, a DTC clothing brand might use regression analysis to forecast sales for a new product line based on historical sales data and marketing campaign performance.



Another predictive model that can be helpful in concert with regression analysis is time series analysis, which is a technique specifically designed to analyze data that is collected over time. This is particularly useful for DTC businesses that want to identify trends, seasonality, and other patterns in their data. For instance, a DTC subscription box service might use time series analysis to predict sales fluctuations throughout the year based on historical data, or to see when seasonal events pegged to holidays like Halloween or Valentine's Day are most effective.

Looking to harness the power of AI? With machine learning business can train algorithms to specifically look for patterns in data and make predictions. Machine learning techniques can be applied to a wide range of tasks, such as customer segmentation, churn prediction, and product recommendation. For example, a DTC beauty brand might use machine learning to recommend personalized product bundles to customers based on their purchase history and preferences. Though machine learning does take a substantial investment (both in time and in capital) the data gained from these specially-trained models can be invaluable for businesses looking for actionable, data-backed solutions that can help them optimize their business in the short term.

# CHAPTER 4:

## PUTTING YOUR INSIGHTS TO WORK

For new DTC brands, the journey to success can be daunting. With so many factors to consider, it can be difficult to know where to start when it comes to using your analytics and insights from your customer journey optimization to work for you.

### GOING BACK TO BASICS

While it's tempting to chase the latest trends and cutting-edge technologies, it's crucial to remember that a solid foundation is essential for a successful customer journey. Neglecting the basics can lead to a subpar experience and hinder your ability to achieve long-term growth.

One of the easiest ways to get started is to take a hard look at your website. Modern customers have little patience for a website that they can't use easily, which is why investing in your user experience (UX) is key. Clear calls to action, consistent branding, and well-organized content will help guide visitors towards conversions, and instantly help boost your metrics.

In addition, it is equally important to have a clear value proposition, which differentiates your business from competitors and articulates the unique benefits you offer. It should be concise, compelling, and easily understood by your target audience. A strong value proposition helps customers understand why they should choose your brand over others and drives customer loyalty.

Another simple way that DTC businesses can get started on improving their customer journey is to invest in feedback initiatives where they can gather insights directly from customers and identify areas for improvement. Regularly conduct surveys, interviews, or social media monitoring to get a handle on how customers are feeling about your organization so you can identify problems and come up with ways to address them before they spin out of control. By actively listening to your customers, you can gain valuable insights into their needs, preferences, and pain points, enabling you to tailor your customer journey to their specific requirements.

By focusing on these fundamental elements, you create a strong foundation for your customer journey. This solid base will support your efforts to implement more advanced strategies, sooner.

## EXPERIMENT WITH DIFFERENT APPROACHES USING A/B TESTING

DTC brands should embrace experimentation to discover the most effective strategies for their specific audience. This involves testing various approaches to the customer journey, from messaging strategies to landing page designs and product recommendations.

A key tool in this experimentation and optimization phase is A/B testing, which pits different versions of a webpage or marketing element against one another to determine which performs better. By creating two or more variations and randomly assigning visitors to each version, businesses can gather data on user behavior and measure the impact of changes to their customer journey. Such changes could include:

- Testing different messaging strategies can help businesses identify the most compelling and effective ways to communicate with their target audience. This could involve experimenting with different headlines, calls to action, or value propositions.
- The design of a landing page can significantly impact conversion rates. Testing different landing page layouts, headlines, and calls to action can help businesses identify the most effective design elements.
- Experimenting with different product recommendation strategies can help businesses increase sales and improve customer satisfaction. This could involve testing different algorithms for recommending products, trying out different product categories, or personalizing recommendations based on customer behavior.

By conducting A/B tests and analyzing the results, businesses can make data-driven decisions to optimize their customer journey. This approach allows businesses to avoid relying on assumptions and ensure that their strategies are based on evidence.

Optimizing the customer journey is an ongoing process that requires constant monitoring and iteration. DTC brands should regularly review their customer journey maps, track key metrics, and make data-driven adjustments to improve the experience. By staying agile and adaptable, businesses can ensure that their customer journey remains aligned with evolving customer preferences and market trends.

