How to create more effective marketing strategies with data

Written by

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[Marketing](#)

Key topics

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For a long time, academics and marketers have struggled to directly observe the consumer's "journey". But all that's changing, thanks to the availability of pre-purchase data.

Our understanding of pre-purchase behaviour changed almost overnight with the advent of the internet and the growth of online retailing. Since then, the search processes of consumers have become increasingly observable, from the virtual stores and review sites they visit to the products they browse, all in seconds from the comfort of their own homes.

Search data can even drill down into the detail of the clicks they made and the length of time they spent in making their purchase decision. This has opened the door to a **far better understanding of consumer behaviour** and targeted marketing strategies based on this data.

Our research takes stock of how pre-purchase data has been used by academics and marketers and highlights opportunities for its future use as the quality of data improves.

Why data matters

There are two important areas of marketing decision-making where search data is particularly useful. Firstly, it tells us a lot more about a consumer's preferences than just observing the purchase. **Most consumers compare at least a few products** before making their decision and search data allows us to see specific pairings which are clearly viewed as similar products.

It also allows us to see the key product features that assume the most importance in the purchase decision and other aspects of the process, for example the outlets customers considered and to what extent price or other factors played a part. Search engine data can even show us when consumers visited review sites to aid their decision-making. This is important information for recommendation systems or pricing decisions.

> We expect data quality in offline retail to increase soon, allowing managers and researchers to study offline pre-purchase behaviour

Secondly, the new data on search behaviour confirms that **consumers search very few products before making a purchase, typically only two or three**. This not only allows firms to shape which products consumers discover through marketing activity such as product rankings online or preferential shelf placement in a physical store, but it makes this activity crucial in bringing relevant products to a consumer's attention.

If consumers do less research before their purchase, product visibility assumes greater significance; if a firm's product isn't seen quickly, it may not be seen at all. This type of data allows marketers to put their products in front of those consumers most likely to buy them, and establishes how strongly individual marketing actions impact search behaviour, as well as purchases.

More recently, **regulators have also taken an interest in such data and analysis** because they worry that retailers will display their own products more prominently on their webpage. Pre-purchase data, and information on how

consumers react to changes in product rankings, can show us how detrimental this type of retailer behaviour is to consumers.

Tracking consumer behaviour in physical stores

Off-line retailing presents more of a problem as it's far more challenging to track a customer's search and purchase journey through what could be a number of physical stores, reviewing comparable products, then checking their requirements are met, before making a final purchase. **In the future, stores might be able to track consumers using their cell phones**, but this does not yet provide accurate enough location data to see the route customers took through a store, where they stopped to browse products or which products caught their attention.

> If consumers do less research before their purchase, product visibility assumes greater significance

Eye-tracking technology (both on- and off-line) can also provide important data for marketers, but this can only be done in a research environment where the customer is fully aware that their behaviour is being analysed, which in turn can skew results. However, we expect data quality in offline retail to increase soon, allowing managers and researchers to **study offline pre-purchase behaviour** in an equally comprehensive way as is currently possible online.

Pre-purchase behaviour has already become a **key tool in the retailer's armoury** and an important factor in building an effective marketing strategy. In the online world it's likely that this will become even more sophisticated as technology continues to evolve and the proportion of customers shopping online increases.

The same is true in the off-line world, as the tracking data on mobile phones improves – although it will always lag behind. Perhaps those retailers – supermarkets in particular – that straddle both worlds will benefit the most.

This article draws on findings from "[Consumer search: What can we learn from pre-purchase data?](#)", by Elisabeth Honka (UCLA), Stephan Seiler (Imperial College London) and Raluca Ursu (NYU Stern).

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