Roadblocks on the Service Journey: Using Netnography to Understand and Predict Consumer Agency and Action in the Home Buying Process

Extended Abstract

Buying a home and obtaining a mortgage-backed loan to finance its purchase is one of the most impactful and consequential life events for consumers (Mintel, 2019). Mortgage loans, as a financial service from banks, fund over 80% of home purchases in the United states (Bernanke, 2009). A home's attributes, such as size or location are buyers' choice issues. But mortgage approval is a function of the creditworthiness of the buyer and the collateral value of the home (idem). From the perspective of the potential home buyer, therefore, the financial service provider is a critical actor, determining the budget. At the same time, qualifying for a mortgage is considered "difficult" by over 50% of homebuyers, across all generational cohort (Statista, 2019).

Finding the right property and obtaining a mortgage are two interlinked customer journeys, generally cogitated and experienced as one, integrated home buying process (Levy et al., 2008; Mintel, 2019; Savolainen, 2010). Purchasing a home is a one-time, or at best, a few-times per lifetime event for consumers (Lindblad et al., 2017; Mintel 2019). Moreover, 80% of millennial buyers are first-time buyers. So, it can be safely assumed that most home buyers start the process lacking prior experience and a frame of reference for it. As a result, consumers' need for information and evaluation considerations during the pre-purchase stage of the home purchase journey must be dominant (cf. Lindblad et al., 2017).

Product and service marketing management and research have shifted focus from the core service or purchase transaction towards creating positive customer experiences throughout the customer journey (Lemon & Verhoef, 2016; Voorhees et al., 2017). In addition, technological advancements now allow for an omnichannel approach to product and service marketing (Cortiñas et al., 2010; Harris et al., 2019; Stein and Ramaseshan, 2019), providing a seamless customer experience before, during, and after the service (purchase) event and across market channels (Voorhees et al., 2017). Technological advances also provide home builders, real estate brokers, and financial service providers with tools for establishing trust-based, personalized "human" relationships with potential customers (BAI, 2020). However, technology also enables information sources unrelated to the

service provider, such as online consumer communities where people share experiences, opinions, and reviews. This increases market transparency, effectively allowing consumers to deviate from the customer journeys mortgage providers, for instance, controlled before (cf. Harris et al., 2019; Islam and Rahman, 2016; Verhoef et al., 2009).

In case of issues or problems that delay or even halt the home buying process, consumer agency theory (Bagozzi, 2011; Sugarman, 2016) suggests that consumers will take action to overcome such obstacles. Given the complexity of the home buying journey and the availability of alternative information, we purport that during the prepurchase stage, consumers will now actively seek out alternative information. High valance sources, such as other consumers in online platforms, will so become more relevant to the actual customer journey home buyers undertake (Burnham, 2018; McColl-Kennedy et al., 2019; Ordenes et al., 2014).

We propose that unsolicited feedback has the potential to affect customer journeys significantly more than service provider-controlled touchpoints (Ordenes et al., 2014). This market reality of customer empowerment provides a direct challenge for service providers: losing insight and control of the customer journeys that determine business performance (Medberg and Heinonen, 2014). The challenge for scholars and managers is, therefore, to formulate a more accurate representation of the homebuying customer journey, including possible roadblocks and customer pathways to circumvent them (Voorhees et al., 2017; Rosenbaum et al., 2017). Approaching the home buying customer journey from the perspective of the negative service experiences is analogous to the theory of constraints (Goldratt, 1990), which focuses on locating and resolving bottlenecks in order to achieve process improvement.

Two research questions motivate this research; 1) Can we develop a blueprint of the homebuying customer journey based on unsolicited customer feedback sourced from online communities? Moreover, 2) Can we classify and predict negative service experience "roadblocks" on the homebuying customer journey based on these data?

We use netnography as our research tool (Heinonen and Medberg, 2018; Medberg and Heinonen, 2014). We selected the online platform Reddit.com for collecting 11,310 threads (or conversation streams) on the topic of home buying. We then coded the data using an iterative procedure of open and axial coding to develop a 13-step process model of the three-stage homebuying customer journey. Second, we developed a taxonomy of negative service experiences on the home buying journey, and consumers' consequent information-seeking behaviors. We so identified the most common roadblocks for each step of the customer journey. In turn, roadblocks were assigned to

five overarching categories: home selection, real estate market, market intermediaries, financing, and legal.

Providing superior customer experience in the era of empowered customers is a popular topic for much research. This study contributes to this field in three ways. First, we develop a more accurate customer journey map for the home buying process through netnography, a customer-driven "inside-out" methodology instead of approaching journey mapping from the more traditional "outside-in" perspective. Second, we use a novel approach in applying the theory of constraints to detect and classify journey roadblocks. Third, we show how online communities fulfill the role of the "feedback loop" from the Lemon and Verhoef (2016) customer journey model, when such instrumentality cannot be based on consumers' own experience, given the infrequency of buying a home.

For practitioners in the real estate and mortgage industry, this research generated three critical insights that can aid in providing improved customer experience management, i.e., relationship marketing in the digital age (cf. Palmatier and Steinhoff, 2019). First, our method provides a tool for anticipating problems in service delivery to a non-repeat customer base. Second, our approach of relationship marketing from the perspective of negative service experiences and interruption of the customer journey aids in adapting and changing customer touchpoints to become more appropriate and relevant to customers. Third, we underline how mining unsolicited customer feedback is a direct source for service and product innovations.

References upon request!