Asking All the Right Questions

Exploring customer purchase stories can yield surprising insights.

By Gerald Berstel and Denise Nitterhouse

No matter how successful they are, most organizations have at least one product, venture, or program that just isn’t working. You’ve struggled to penetrate the problem with both qualitative and quantitative research, but no breakthroughs. Sales and marketing teams keep generating new theories, but they lead to dead ends. Are there questions to help you hit a gusher after it seems the well has gone dry?

Customer case research (CCR) is an exploratory, qualitative market research method that conducts in-depth case studies of actual purchases. These “treasure hunts” into the twists and turns of the purchase process often discover previously unknown purchase drivers and decision influence points. The more you know about the dynamics of the purchase process, the better you can address and manage them.
EXECUTIVE SUMMARY

Customer case research (CCR) is an exploratory, qualitative market research method that conducts in-depth, chronological case studies of actual purchases. It systematically captures every event, turning point, and influence along the path to a purchase decision, frequently discovering customer experiences and thought processes that were never considered before. The seven questions outlined here are CCR's most powerful tools for drawing out purchase stories that yield "eureka!" customer insights.

While most research methods structure interviews by topics defined by the researchers (e.g., product attributes, advertising messages), customer case discussions are structured chronologically according to the experiences and processes of the customers. They systematically capture every event, turning point, and influence along the path to a purchase decision, frequently discovering customer experiences, thought processes, and purchase drivers that were never considered before.

The following seven questions are CCR’s most powerful tools for drawing out purchase stories. They consistently yield "eureka" insights into strategies for product design, positioning, packaging, pricing, and advertising themes and placement.

1. What started you on the road to making this purchase?
   This question kicks off the storytelling process by prompting customers to introduce the circumstances that first led them to a product category. There’s often a convoluted path between the initiating circumstances and the eventual purchase, and a researcher can frequently hit the jackpot by learning how to make that path shorter and straighter.

   Scuba shop. A scuba shop gathered purchase stories from people taking its dive-certification course. A large number of these stories began with an engaged couple planning a wedding trip to the Caribbean. The partners sought a new adventure they could pursue together in a tropical setting. They were especially intrigued by the idea of pursuing a new and unfamiliar activity, so they could learn it together.

   The scuba shop had previously purchased direct mailing lists from diving magazines, but now realized a major opportunity to target local subscribers to bridal magazines. The heart of its new direct mail piece was the story of an engaged couple starting their marriage with the pursuit of underwater adventures. This new targeting and communication strategy greatly shortened the path to the newlywed market, tapping a prime market ignored by competitors and filling its classroom during traditionally slow seasons.

   Office chairs. When asked point blank, "What are your unmet needs?" customers provide notoriously useless responses to marketers seeking new product ideas. But that doesn’t mean they don’t have unmet needs or cannot articulate them. One way people exhibit unmet needs is by using available products in ways unforeseen by their producers. Creative product uses typically come out at the beginning of the customer’s purchase story. For instance, an office furniture maker found some companies buying numbers of chairs that exceeded their numbers of employees—sometimes five times as many. It turned out these companies had recently eliminated private offices in favor of open office plans and needed ways to convey organizational status despite the lack of private offices and windows. They found the number, heights, and materials of guest chairs could be used to convey status in an open setting. These seldom-used chairs weren’t selected for their comfort, durability, or price, but for their variety of materials and seatback heights.

   When companies discover customers using a product in ways the maker didn’t intend, two opportunities become clear:

   - Retarget and communicate the product to the newly found alternative application—which sometimes represents a market opportunity far larger than the original one. For instance, it’s hard to remember what the original purpose of baking soda was because Arm & Hammer discovered people were using it to dispel refrigerator odors and refocused it to this alternative positioning.

   - Develop new products specifically to meet the newly uncovered need. The chair maker discovered an opportunity to develop other products in addition to chairs to indicate status in open office settings.

   Refrigerated entrees. One of the worst marketing failures of the 1980s was refrigerated entrees. Because of costly distribution requirements, prices were high. To conform to the high price, these products were positioned as at-home gourmet dinners for special occasions. Unfortunately, there wasn’t much of a market for microwaveable at-home gourmet dinners.

   In contrast, stories related by early adopters most often described the problem of getting a good lunch while at the office. Customer stories laid out the numerous constraints that make workday lunches a big problem: limited time and money for a "decent" lunch, nutritional deficiencies of fast food, impracticality of frozen food, and the nuisance of brown bags. These stories quickly revealed the opportunity to reposition refrigerated entrees to an originally unanticipated use. They also prompted a deeper look into other opportunities created by the problem of the office lunch. Customer case studies of leading users often show them adapting products to surprising applications, pointing the way to new targeting and communication strategies—and even new products.

2. Why did you make this purchase now?
   One of a marketer’s greatest frustrations is knowing thousands of people seem to want his or her product, but don’t ever buy it. People know they need new tires, want to go to Paris, and should start a weight-loss program, but they don’t do it. You don’t need to convince them that they should do these things—they already know that. But what circumstances finally trigger action? When you know what they are, you may spark these conditions—or be there with your message when they take place.
“Why did you purchase this now?” prompts the discussion of triggers that get people to act on frequently long-held desires. For instance, many scuba customers said they wanted to try diving since watching *Sea Hunt* as children, but never acted on it until they got engaged.

**Architectural boat tours.** Every day thousands of downtown Chicago workers pass the dock where the architectural boat cruise departs. In relation to stories behind their decisions to take the tour, locals said they had heard great things about the tour and had wanted to take it for years. What finally got them to do was the arrival of out-of-town guests who needed to be entertained. Many said it was challenging to find appropriate activities for their visitors. As a result, the cruise operator started to position and advertise the tours explicitly as a solution for this common problem. Within a month after the start of the campaign, the tour was named “best place to visit guests” in the annual “100 Chicago superlatives” list published by one of the city’s top entertainment publications. On a given day, far more people in Chicago have a strong need to entertain guests than to learn about architecture.

**Physicians' malpractice insurance.** The “why now?” question is useful for learning not only what initially brings people into a product category, but also for learning what sparks brand and vendor switches within that category. If you’re trying to take share from competitors, you can profit by learning what triggers precipitate switching behavior. Such insights can also help you anticipate and head off defections from your own base.

Doctors are required to carry malpractice insurance, and numerous surveys always showed price to be the prime selection factor. But many doctors retain the same insurance carrier for years even when they’re not the cheapest. What triggers them to compare prices and switch carriers? When switchers were asked, “why now?” their stories revealed hiring of a new practice administrator as the spark that fueled the decision. New administrators frequently want to demonstrate their value to their new employers soon after they start their new jobs. Many find that a review of this high-ticket expense item can quickly lead to large savings and make them look smarter than their predecessors. In this extremely price-sensitive market, it became clear that tracking medical administrator job changes was as important as tracking competitor pricing.

3. **What was the hardest part of this process? Was there any point where you got stuck?**

Products often fail because of obstacles impeding the purchase process—many unintentionally erected by the seller. This question helps find and remove purchase process impediments, whether erected by the seller, the buyer, or even the buyer’s organization.

Research into financial services found that one company’s information packet and application forced prospects to embark on a scavenger hunt through a lifetime of personal data. Each time people had to hunt for another piece of information, they set the application aside. Most of those who did complete it reported setting it aside several times and letting it sit for up to three years before they finally finished it. Although the form was logical and easily understood, no one anticipated that the process of collecting its information could delay the purchase for years—and often derail it altogether.

**Architectural boat tours.** In case study interviews for the previously mentioned Chicago boat tour project, some passengers complained that the brochures obtained from hotel concierges were misleading because they had the wrong tour time. Probing into this problem revealed that people with this complaint had the brochure for a different boat departing from a different dock! This insight prompted the researcher to ask if other people had trouble finding the right dock, and a large number of those using brochures from hotels had in fact gotten lost. It became clear that, although the brochures had maps of the docks, there was no indication of how to get there from the major hotels where guests pick up the brochures. In this case, the tour operator learned hotel guests would find the correct dock only if the pathway from the hotel district was charted on the map.

**Jewelry retailer.** Case research conducted on men buying jewelry for their significant others revealed that they considered presenting the gift to be a more challenging part of the process than selecting it. Presenting jewelry involves a lot more than gift boxes and wrapping paper! Case study discussions of how men overcame this challenge elicited amazingly clever and romantic schemes for presenting jewelry. Men need help with this critical part of the purchase, and jewelers weren’t providing it. This resulted in ideas for an ongoing promotion to collect novel and romantic jewelry presentation ideas and feature them in radio advertisements during sports broadcasts. Men also were directed to come into the stores for more ideas.

**Scuba shop.** Case discussions at the scuba shop discovered that one of the greatest obstacles to scuba honeymoons was the difficulty in finding classes fitting the busy and often conflicting schedules of career couples. The shop created a uniquely flexible class schedule that accommodated this need, and then touted it in their ad and phone machine greeting. The difficulties of coordinating schedules of working couples made this a strong competitive advantage over other shops offering the same certification course.

**Medical journal: physician subscriptions.** A prestigious medical journal was losing both subscribers and cash. In examining the subscription renewal process from the doctor’s perspective, case studies showed that renewal letters to individual doctors were routed to, and ignored by, their support staffs. Despite high-cost, multiple renewal mailings, subscriptions often lapsed, and doctors were upset when they did. It was clear the doctors needed to see the renewal reminder themselves, even if they just passed it onto their staffs with the instructions to pay. The only step needed to make this happen was to wrap the “about to lapse” reminder around the journal itself, so the doctor would notice and take action.

If “handling” an obstacle is good, eliminating it is better. Learning about the obstacles erected at each renewal occasion, the journal concluded it could eliminate them by offering longer subscription terms so doctors would not have to go through the process as frequently. This eliminated substantial reminder mailing costs and reduced the risk of subscription lapses as well.

**New training technology.** Customer case research into the first purchasers of a new service can provide essential insights not
only into the obstacles it faces, but also into how early adopters overcome them. Case research into a new training technology marketed to corporate training managers found that the greatest hurdle in the purchase process was the need to justify the capital expenditure to the finance department. At the time this product was introduced, training managers often had the authority to spend millions to bring in outside instructors, but rarely dealt with their companies’ procedures for buying even $500 in equipment. Early adopters showed how pricing could be restructured to circumvent the capital expenditure approval process that many found so intimidating.

There are usually far more reasons not to buy a new product than to buy it. Get the stories from those who beat the odds and bought. They’ll tell you not only about all of the negatives they had to overcome, but also about the special circumstances and problems that made it worth the cost and effort—leading you to improve targeting and positioning. This question will spark stories of the often-creative ways early adopters overcame the negatives—inspiring marketing efforts to apply these solutions to a broader audience.

4. When and how did you decide the price was acceptable?

Judging how reasonable the price is usually is a part of the purchase process. Often it’s as simple as comparing today’s price to that paid for a previous purchase or to that charged by competitors. However, many times understanding the price evaluation process not only helps you better price your product, but also helps you understand who your real competitors are.

Medical journal: library subscribers. The pricing question has hit especially big jackpots when customers reveal that their purchase process didn’t include any kind of pricing evaluation. Hospital, university, and public libraries comprised a significant portion of the subscriber base for the medical journal described previously. Examining the process by which libraries make subscription decisions revealed that most of them source the purchase of periodicals to subscription agencies that manage the acquisition and servicing of thousands of subscriptions for each library. These agencies pay the bills for each subscription and bill libraries for the aggregate totals.

When the pricing process question was posed to both librarians and agencies, both answered that their purchase process didn’t include a price evaluation step. The decision to start or renew a journal subscription was based on either usage patterns or the clout of those requesting the journal (especially in academic settings); nobody ever looked at the price. This insight led the journal to triple library subscription prices. To say the least, tripling prices in the face of declining overall circulation was considered a risky move. But not one library cancelled its subscription, nor did any even contact the journal to complain or even ask the reason for the price hike. Thorough understanding of the purchase process enabled the journal to make this bold move with confidence and thereby achieve a financial turnaround within months. Learning that the renewal process was fully entrusted to agencies also saved the journal tens of thousands of dollars each year in mailing renewal notices to the libraries.

Medical journal: physician subscribers. Most customers consider price and usually compare it to the benchmarks of competitors’ prices or the price they paid for something similar in the past. The key here is “something similar.” Some customers compare the price to something the seller had never considered to be competition. These comparisons reveal how the customer has mentally positioned the product and the unexpected ways they use it. This, in turn, leads to new positioning strategies.

Case studies of physician relationships with the medical journal showed doctors in that specialty considered the journal a “must read,” but many did so in the libraries of the hospitals where they worked or at the main offices of group practices. Ironically, non-subscribing doctors were as likely as subscribers to read it. How can you get somebody to pay for information they’re already getting free? The answer emerged in purchase stories told by doctors who started buying subscriptions after reading the journal free for years.

This showed that new subscribers weren’t comparing the cost of the journal to the value of its information or to the costs of other medical journals, but to the time and inconvenience of going to the hospital library (often repeatedly if an issue couldn’t be located). The journal learned that readers would pay for convenience, even when they already had free access to the information. Direct mailings to doctors in group practices now focused on the theme that a personal subscription mailed to the doctor’s home could save precious time in tracking down the journal each month in libraries and group practices. This repositioning was instrumental in halting long-standing circulation declines caused by the migration of doctors from individual to group practices.

Refrigerated entrees. Purchasers of the refrigerated entrees described previously compared their prices with the cost of lunch at restaurants near their offices. This price comparison confirmed the finding that they were using the product for office lunches rather than at-home gourmet dinners. It also uncovered the pricing opportunity created by the high price umbrella set by restaurants for away-from-home lunches.

Summer music festival. When attendees of outdoor summer classical music concerts were asked how they evaluated the reasonableness of ticket prices, those sitting in the covered “pavilion” seats compared their prices with those at the indoor concert hall during the winter season. In contrast, people sitting on the lawn compared the admission charge to what they would pay for other summer activities, such as movies. These differing comparisons by different audience segments showed pavilion seat
prices could easily be raised and the appeal of lawn seating could be greatly broadened by making them comparable to alternative summer activities.

When the festival planners learned much of its audience was comparing the music festival to other summer activities, it also started thinking for the first time about what it needed to do to compete with them. It learned to change its advertising from listings of pieces, composers, and conductors to the theme of the festival as the ideal way to spend a summer evening. "Summer evening" is a more engaging message than "Bartok"—even to Bartok lovers. The new positioning affected not only the advertising and pricing, but also the product itself. If your competition is movies, you have to provide refreshments as well as entertainment. Enhancing the "summer evening" with more elaborate refreshment offerings also enhanced the festival's financial condition.

Market research. Early CCR researchers used their own technique to help them decide how to price their own services. When asked this pricing question, one client said he found the research had prompted "outside the box" thinking among top executives at his company. To promote more such thinking, he was considering an off-site retreat with several days of sessions involving management gurus and creativity exercises. "This kind of research accomplishes the same thing and is a lot cheaper," he reported. This insight led to repositioning and repricing of CCR to this new application and audience.

5. Is there someone else with whom I should talk to get more of the story behind this purchase?

As customer case researchers introduce themselves to the people identified as the "customers" by research sponsors, it's increasingly common for the identified customers to immediately say things like, "You'll need to talk with my wife about that," or "I used to be involved in that decision, but it is now outsourced." With organizational structures changing so rapidly today, it's not uncommon for the site of a specific B2B purchase decision to move more than once a year. Some of CCR's most valuable findings have been achieved in the few introductory moments when the presumed customer points the way to the real one. When the presumed customer begins the discussion with comments like, "I'm not sure I'm the best one to ask about this," this question will often lead to the kinds of marketing breakthroughs that occur when the true decision maker is discovered and his or her buying process is understood.

6. If you've purchased this product before, how does the story of your last purchase differ from this one?

Marketers often make the mistake of forever locking customers into fixed segmentation slots based solely on demographic/psychographic profiles. Although a family's ethnic identity, political party, education levels, and socioeconomic status usually don't vary much over time, few families have two identical cars in their driveways. The differences in the stories behind the purchases of two different cars let researchers know what leads people beyond the boundaries of their demographic boxes. This creates more sophisticated and actionable segmentation models that may lead to strategies for breaking into even the most entrenched customer relationships.

Local TV news. Whenever people tune into the local news, they usually watch the same channel. Seeking to build ratings—especially at critical "sweeps" times—one station asked people not only which channel they normally watch, but also which ones they had watched during each of the previous few days. It learned that people switch a lot more often than static ratings books can ever show and that a wide range of events drives these switches. For instance, pre-emption of one newscast by a sports event drives large numbers of both sports-loving and sports-hating viewers to newscasts they normally wouldn't watch. And the sight of one channel's news vans and newscasters around town during the day can make many people curious enough to follow up by watching that channel that night. In fact, if the story doesn't play the same day, many continue to tune in for up to a week to see what happened. During sweeps periods, the brightness of the graphics on the news vans can be more important than those on the weather forecast! Colorful station logo jackets worn by the news team in high visibility locations such as shopping malls before and during sweeps also brought attention to their newscasts to tip the scales during these critical periods.

Tires. When asked about current and previous purchases of replacement tires, customers commonly reported purchasing them in up to six different ways, depending on variables such as the use, type, and age of the car. They used different evaluation criteria when a car was new vs. when they were about to replace it. Their processes differed for cars taken on long trips vs. cars used only for commuting. Replacements made under emergency conditions differed from those that were more discretionary. Once salespeople acquired car phones, many became obsessive about finding tires producing a quieter ride, although they were unconcerned about this attribute for cars they didn't use in their

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business. Even for a product as mature as tires, this question can capture new purchase processes and the trends behind them.

**Medical journal: advertisers.** The aforementioned medical journal didn't have the highest circulation or the lowest advertising cost per thousand subscribers (CPMs) in the industry, and it needed new strategies for getting its foot in the advertisers' doors. It scoured through its own and competitors' journals to find examples of advertisers placing ads in media they didn't normally use. The stories behind these placements uncovered a variety of ways to make inroads with new advertisers. The journal learned that article researchers/authors often have corporate affiliations that can help start advertising relationships. And though the journal strictly separated its editorial functions from advertising, it learned that "coming attractions" notices of upcoming articles could prompt interest by advertisers of products in related areas.

7. **At what point did you decide you trusted this organization and this person to work in your best interests?**

When most of the product expertise lies with the vendor, opportunities exist for the vendor to take advantage of the buyer. Buyers often know this and are cautious. Therefore, developing trust is critical to marketing many products and services where buyers feel insecure. Common examples include health care services, consulting services, legal services, accounting/tax services, investments, real estate, home improvements, and auto repairs. For such products, it's critical to understand the points in the purchase process where customers test sellers and determine they are competent and trustworthy.

**Scuba shop.** Prices for scuba equipment vary widely, and the quality of some of that equipment is literally a matter of life and death. Prospective honeymooners usually don't know much about scuba equipment and often feel vulnerable to making purchases not in their best interest. Many customers said the salesperson gained their trust by asking detailed questions about their intended usage patterns and pointing out that the best fit wasn't the most expensive product. The trust built at this crucial moment was often so solid that it extended to subsequent decisions where the recommended product was the most expensive.

All of these examples demonstrate how asking the right questions and digging a little deeper can yield important discoveries for researchers. Asking these seven questions often draws out revealing and unexpected customer stories. The insights they generate can change the direction of your marketing strategy and ultimately improve your firm's bottom line.

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**David K. Hardin Award**

The David K. Hardin Award, given each year to the best feature article published in *Marketing Research*, for the year 2000 goes to Marco Vriens and Frankel Ter Hofstede for their article "Linking Attributes, Benefits, and Customer Values," which appeared in the Fall 2000 issue of *Marketing Research*. The award was presented to the authors at the annual AMA marketing research conference in Atlanta in September 2001. Congratulations!

The selection committee also cited Bryan Orme and Joel Huber's article "Improving the Value of Conjoint Simulations" (*Marketing Research*, Winter 2000) for an honorable mention, as it was a very strong contender for the award. Again, congratulations!

I would like to thank the members of the selection committee—Jack Hollfelder, William D. Wells, Diane Schmalensee, and Gary Mullet—for their reviews and recommendations.

Chuck Chakrapani
Editor, *Marketing Research*