

Why Customers Buy Products and Services

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The following is an excerpt from my upcoming book **Customer Service Skills for Success**, McGraw-Hill, New York, NY, (2005) by the author of this article.

There have been many research studies on the motivation of consumers. While there are different reasons for buying habits, factors such as, needs, wants, and emotional reaction typically drive customer purchases. Each of these factors provide stimulus for the customer to shop, compare, and possibly purchase a product or service.

Needs are things that a customer feels compelled to address or that they feel are necessary for whatever reason. Such needs are an individual matter and are driven from an internal source or motivation that varies from one customer to the next based on their situation and background.

An important realization on the part of any successful service provider, which will assist in better serving customers, is to acknowledge that all customers have individual needs and wants. Since each customer's needs are likely different, no two customers are going to like the same thing or buy the same product or service for the same reason. Because of this, some of the basic customer service techniques used in many organizations will aid in determining and addressing customer needs, while there will be other times when these techniques will not help. The diversity of customers, along with customer expectations and the various circumstances in which service providers find themselves also impacts success. Depending on the customer, situation, emotions, and other contributing factors, some customer contacts are challenging or difficult than others. These instances are not generally hopeless if the service provider plans ahead and mentally prepares for the extraordinary.

Another crucial factor to understand is that needs alone do not drive customer purchases. Research has shown that emotion or what people want often influences buying decisions. A classic example of this was demonstrated when the Coca-Cola Company decided to introduce the "New Coke." Prior to the introduction of a newly formulated version of the original soft drink, company executives had become concerned about the slipping market margin. They were losing ground to their major competitors, Pepsi® and 7Up®, and also to their own "Diet Coke®." Additionally, they had seen the price of sugar cane sugar rise and were looking for a way to reduce costs and increase revenue. They decided that they would introduce a new product and gradually take the original Coca-Cola® off the market. One of the things that separated the taste of Coke®, Pepsi® and Diet Coke® was that the latter two had a smoother, sweeter taste.

Before making such an important decision, the Coca-Cola management did all the right things. They experimented to find just the right combination of ingredients and market tested their product through blind taste tests (where consumers were solicited to participate in the tests, blindfolded, and asked to sample various products including the original Coke®, Pepsi®, and Diet Coke®). During the tests, consumers overwhelmingly

selected the “New Coke” as their product of choice. Coca-Cola then put together fancy advertisements and an advertising campaign to introduce the product with great fanfare.

When all was said and done, Coca-Cola executives were sure they had a huge success on their hands and could see leaving Pepsi® and other products far behind in the market acceptance ratings. Instead, they failed miserably, in part due to the fact that Coca-Cola had kept secret it’s plan to remove the original Coke® from shelves the same week that the new product was released. The public was outraged and Coca-Cola had one of the greatest marketing fiascoes of the 20th Century on their hands. What they had failed to reckon with was the “emotional” reaction of the public. Even before people tasted the new product, they felt betrayed by a company they had come to trust. As a result, they rebelled and wanted the original Coke® back. After all, they had grown up with this product. Many had gotten their first Coca-Cola® as an infant in a bottle, others had given it to their children. The New Coke® was introduced on April 23, 1985. Within days, Coca-Cola was receiving thousands of calls and letters of complaint. On July 11, 1985 at a press conference, the Chairman of Coca-Cola (at the time), Roberto Goizeuta, and President and CEO, Donald Keough, announced, “We have heard you.” New Coke faded into oblivion and “Classic Coke®” was born with the original formula.

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