

CUSTOMERS

What Really Makes Customers Buy a Product

by Hugh N. Wilson, Emma K. Macdonald and Shane Baxendale

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On a cold English autumn evening recently, we three found ourselves together in the bar of our business school, [Cranfield School of Management](#), along with some clients. Emma, an Australian by upbringing, did something entirely unexpected: she ordered the quintessential summer drink of [Wimbledon](#), a [Pimm's](#). She didn't say this was a good idea, or praise Cranfield's Pimm's, she just ordered it. Most of the group instantly followed her.

The business world is rightly obsessed with net promoter score and other measures of peer recommendation. What other customers *say* is incredibly influential on our buying behavior. But

there is a touchpoint that is even more influential, which marketers rarely think about and almost never measure: observing what other customers actually *do*.

We have hard evidence to back this statement. We recently analyzed the brand touchpoints of 14,000 people in North America and Europe over a one-week period. Each person was asked to report their experiences during the week of a brand in one of four categories: mobile handsets, soft drinks, technology products, and electrical goods. The data were collected by structured text message as touchpoints happened, using [research agency MESH Experience's real-time experience tracking](#) approach.

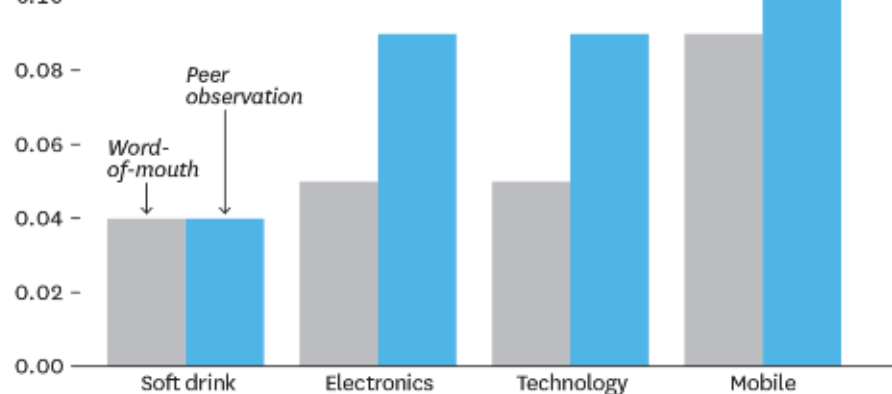
After mining the data from the resulting 69,000 texts we found that observing other customers wasn't only very common, it was also strikingly important in shaping consumers' views of a brand: equally important as word-of-mouth recommendations for mobile handsets and soft drinks, and even more important than word of mouth for technology products and electrical goods (see the figure below). Overall, peer observation was equal in importance to the brand advertising on which companies spend billions.

We discovered this by accident, but it makes sense. As parents we are taught that what we do is far more important than what we say (this is familiar to social psychologists as the concept of the descriptive norm). When others at the rock concert drop litter, we express disgust at the state of the field and then surreptitiously join in. A recent experiment showed that the number of migrants citizens think their country should take is vastly influenced by the data they are given on what neighboring countries are doing. What the psychologist and Nobel economics laureate [Daniel Kahneman](#) terms "System 1 thinking" also applies: with many decisions to take, it saves effort to assume that if others are using a product, it's probably good.

The Impact of Word-of-Mouth vs. Peer Observation on Consumer Behavior

Seeing almost always trumps hearing.

RELATIVE IMPACT ON CUSTOMER BRAND PERCEPTION
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So what can marketers do about it? First, it's important to **think about distinctive branding for the product in use** not just for the purchase moment, so we notice when a friend is using the brand. Apple's early advertising of the iPod focused on associating it with the characteristic white earphones, visible even when the iPod wasn't.

Second, if decision-making is made by the group rather than the individual, marketers can **try to win the group**. One global drinks manufacturer we follow is now using group discounts as well as communicating that the product can be enjoyed in groups. (And the Cranfield bar has now taken to offering Emma a pitcher of Pimm's when she orders a glass.) Brand research shows that Coca-Cola's customized cans have helped it own the brand attribute "Good for sharing," one of the three top attributes for driving drinks purchases; one of the several effects going on in this successful "share a Coke" campaign is positive peer observation.

Third, **expose normally invisible customer behaviors to their peers**. Just adding figures to a website on how many people are buying increases both sales and the price customers will pay. And if they are figures on *my group* buying, so much the better: people are more likely to reuse their towel in hotels if they are given statistics on reuse within that hotel, rather than exhortations about the whole planet.

Fourth, **build in peer observation to product launches**. When Hutchison launched its early social-media-enabled mobile handset INQ in Singapore, rapid take-up was helped by rapid transit: real-time experience tracking found that people were particularly noticing other travelers' phones on the evening commute. So the company engaged a tribe of young people to use the bright, colorful handsets while walking along the trains.

How well do these strategies work? What else can we do? We'd love to hear more from marketers. Because when we talk to blue-chips about this research, the reaction follows a common pattern. Managers are instantly struck by the evident importance of this neglected touchpoint. Soon after, they declare it to be someone else's problem in the firm.

Marketing communications people are charged with improving the efficacy of paid-for media, service people with improving Net Promoter Score (NPS). Perhaps we should first ask chief executives: is anyone tasked with tracking the importance of peer observation? And amidst the armies of communications specialists and their agencies, whose job is it to make sure this free touchpoint works in our favor?

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