

## CASE STUDY

# A major chemical and coatings manufacturer uncovers latent customer needs

### THE CHALLENGE

Our client, a major manufacturer of chemicals and coatings for use in automotive, machinery and other industrial products, was struggling with increased competition and eroding market share in its auto refinish business line. They were urgently searching for ways to differentiate their product in a commoditized market. The company needed to develop new products and services in ways that moved beyond the merely incremental innovation that had been a hallmark of the industry for decades.

### WHAT WE DID

The company partnered with Applied Marketing Science (AMS) to devise a Voice of the Customer initiative aimed at understanding the unstated needs of the market. The ultimate goal of the research was to identify performance gaps in the market that would inform subsequent brainstorming sessions for new ideas and innovative solutions. The Voice of the Customer initiative relied heavily upon ethnographic observation to identify unstated needs. In order to gain a true understanding context, AMS visited auto body shops to observe the actual usage of the product. AMS was a partner through every step of the process: devising a detailed observation plan, coordinating visit logistics, designing and executing an effective discussion guide, conducting the field research, compiling analysis and creating a streamlined report with actionable insights.

### THE OUTCOME

The research conducted by AMS uncovered insights through ethnographic observation that would have been nearly impossible to capture through face-to-face discussions alone. The findings provided the basis for a strategic shift at the company away from a detailed focus on "exact color match" to one that was "good enough" for what their customers needed. Because of the high margins involved, paint companies typically strive to help collision shops achieve the most perfect color match possible. They offer huge databases with thousands of tint formulations, automated measuring devices, sophisticated computer systems, and advanced training classes for car painters. However, the ethnographic research revealed that these systems were hardly being used. Why? Most car painters are paid on a piecework basis, i.e., the more cars they painted in a day, the more they got paid. So going exactly "by the book" just slowed them down. Their attitude was that, for 99% of the customers, "Close enough is good enough". While this was disheartening information for our client to learn, the solution was obvious: stop investing so much on color matching. It was not creating much value in the eyes of customers.

#### CLIENT

A major manufacturer of chemicals and coatings

#### INDUSTRY

Chemicals, Coatings and Additives

#### SERVICES

Ethnographic/Observational Research,  
Voice of the Customer,  
Customer Experience

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APPLIED MARKETING SCIENCE  
(781) 250.6300 | inquiry@ams-inc.com  
www.ams-insights.com