

Study customers intensively

For more sales and product and service innovation ideas

Plus: Design Thinking and its secret history.

Routine contact with customers and prospects is the place to start building deeper understanding, with questions based on genuine interest and curiosity. Then extend your insights with systematic monitoring, surveys and observation.

Before deciding what to do, consider these questions. An answer of “yes” means zoom ahead. For any other answer work on getting to “yes”.

- Do you know that customers feel that your staff are *really* listening – hearing, and understanding their situation; their views?
- Are your staff close enough to customers to have frank conversations with them? Many consumers find it easier to go elsewhere than to criticise.
- Do your customers trust your company enough to tell you what they really think? Will they talk openly about their experience of your products and services, and how they compare with those of competitors?

Once you’ve won it, customer’s trust is like gold.

The internet has multiplied the settings and channels for customer intimacy and research. Leading companies make the most of their online presence with chat windows and popups, phone support and artificial intelligence (AI) ‘bots’, supported by regular monitoring.

Some entrepreneurs live their commitment to being “close to the customer”. Airbnb founder Brian Chesky is always close to his customers. Since 2010 he has been living in successive Airbnb listings. When not travelling he is still an active Airbnb host.

Part of customer insight folklore is that customers don’t know their latent needs. However, there’s still plenty of scope to simply ask customers for their ideas. Café chain Starbucks reach beyond daily customer contact with their open innovation site - <http://mystarbucksidea.force.com/>. They use just three headings: GOT AN IDEA? VIEW IDEAS and IDEAS IN ACTION, and they provide feedback on the ideas they have used.

Digital WAVE Guides draw on research and best practices. They outline the steps to take to sift symptoms from real problems and to fix the problem or build new abilities or both. If you call in an expert, the Guides will help you to ask the right questions.

You can jump to TIPS for fast action.

FRAME YOUR TASK

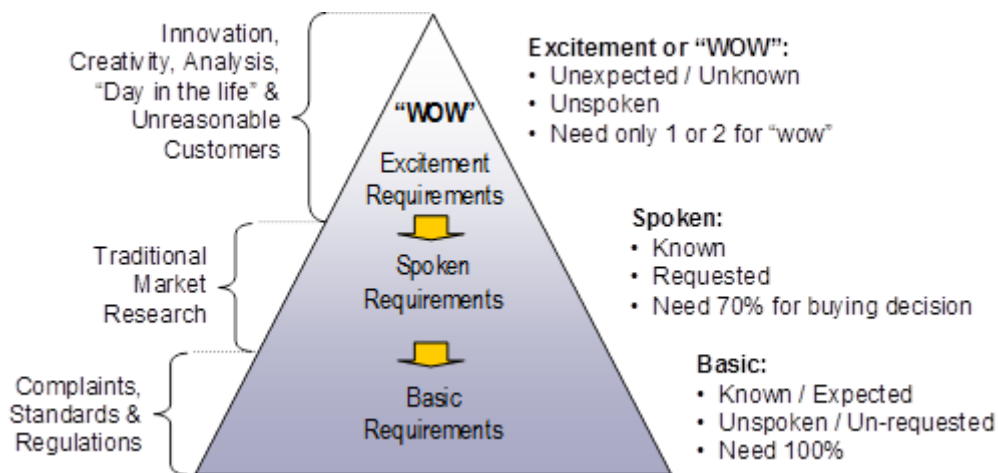
Customer insights are in-depth and actionable knowledge of your customer’s wants, needs and behaviours – both known, which customers can identify; and latent, which they cannot.

Deep customer insight comes from collecting data at all levels, sifting it and then seeing the connections between the surface comments of customer and their underlying experiences, reactions, moments of delight, frustrations and preferences.

Use our diagram below to identify what you do know about your customers, what you would like to know and what methods and tools to use. It helps to ensure that you know:

- Basic expectations (never just assume you know these, they have to be made explicit).
- The importance and the limits of traditional customer and market research.
- The importance of observation to discover "WOW" factors and new opportunity areas.

You can sketch a plan for building your customer insights knowledge over time, and periodically analysing the data from different sources.



"Day in the life" is a technique for tracing how customers use and experience your product as part of their daily routine. Unreasonable customers can be a pain. But their unreasonable demands can hide great opportunities.

Use this customer insights "map" to plan and check what you will be covering as you dig for insights.

| | | Stages in the buyer's purchase, use and disposal cycle | | | | |
|--------------------------------|----------------|--|----------|-----|-------------|----------|
| | | Pre-purchase | Purchase | Use | Maintenance | Disposal |
| Sources of value for customers | Productivity | | | | | |
| | Simplicity | | | | | |
| | Convenience | | | | | |
| | Risk reduction | | | | | |
| | Fun and image | | | | | |
| | Sustainability | | | | | |

Once you've sketched a plan, check that it will draw data from the three levels – basic/assumed, explicit, and unspoken/unknown. You need data from all levels for rich and revealing insights.

TIPS

- Draw on your own experiences as a customer – delighted, satisfied, displeased, and unmentionable – to shape your customer relations and research.
- Customer contact still offers great insight opportunities; consider which customer touchpoints offer the best insight opportunities.
- The views of your customers' customers always enrich insights. See (below) how Seagate bypasses its customers on student campuses.
- It can be challenging to listen to critical customers when you've worked so hard on your products and services. One trick is to remind yourself that "the customer is always right, even when they are wrong". This self-talk gives you space to see their comments entirely from the customer's point of view.
- A focus on sales and support efficiency can turn "close to the customer" into "remote from the customer". Keep a balance.
- If your customers are on the other side of the world, once you visit them a couple of times and establish authentic business relations, you'll be able to continue close contact with phone, email and good customer management software. And the Starbucks example (above) shows how.
- Are your staff close enough to your customers? Why not invite them to join you in "stepping into your customers' shoes". Use the form below.

With TIPS you can sprint from the starting blocks while also taking time to plan well-grounded action.



INSIGHTS FROM THE CUSTOMERS' CUSTOMERS

Seagate is a global leader making hard drives for computers. It traditionally gathered most of its market intelligence from its top 20 corporate customers: the market leaders in the personal computer, notebook and server markets. But their leadership team decided that wasn't enough.

They decided that they had to get past current horizons and understand the preferences of their customer's customers so well that they wouldn't be caught by a sudden turn in the market. They realised they would be better off connecting with students at a college campus, showing something leading edge and asking them, "What would you do with this?"

They also saw that the intelligence gathered in this way required a lot more "trawling" than the nicely packaged presentations from corporate customers. Ninety percent of what came back from the campus visits was useless, but the other 10% sparked product innovations that have kept their market position strong.

Outreach programs now flourish at Seagate. Customer research was previously done by only sales and marketing. Now the company looks for free-spirited engineers and pairs them with salespeople to gather consumer intelligence. Adding engineers has made the outings more productive because the builders of future products are engaging directly with future customers and they can think from the earliest about what would be involved in making a new product.

DESIGN THINKING

Design thinking is on everyone's lips. With the energy of a social movement it's a sign of our innovative times.

Design thinking is an iterative customer-and user-centric five-step-process. The steps are:

1. **Empathise** with the customer/user; step into their shoes.
2. **Define** what they see as their needs/problems
3. **Ideate** come up with possible creative solutions, and "play" with them
4. **Prototype** and make a first, real-life version of a possible solution
5. **Test** the prototype. Expect that changes will be needed, and it may fail.

Tim Brown, CEO of the global design company IDEO, describes design thinking as a process "powered by thorough understanding, through direct observation, of what people want and need in their lives and what they like or dislike about the way particular products are made packaged, marketed, sold and supported."

Tim's description reveals that *direct real-life observation, more than customer surveys and feedback, is central to design thinking.*

While it has a complex 50-plus year history, the concept got a major boost in 2005 when it was first formally taught at the Institute of Design at Stanford University.

World War II, the cold war space race and the Internet pushed the boundaries of what we thought was technologically possible. These events also pushed the boundaries of the thinking that we needed to deal with an increasing number of Wicked Problems. Engineers, architects, industrial designers, social scientists and cognitive scientists, all began to converge on the issues of collective problem solving, in the context of increasing social change. Leading Design Thinking practitioners began to formulate new ways of leveraging their existing (design-centric) problem-solving, innovation-focused activities towards finding solutions to plain and complex problems.

Design Thinking emerged, or should we say converged, out of the muddy waters of this chaos to combine the human, the technological and the strategic needs of our times, in a synthesis, which is still being explored today by those at the forefront of the field.

Adapted from: DESIGN THINKING: GET A QUICK OVERVIEW OF THE HISTORY, RIKKE FRIIS DAM, TEO YU SIANG
[HTTPS://WWW.INTERACTION-DESIGN.ORG/LITERATURE/ARTICLE/DESIGN-THINKING-GET-A-QUICK-OVERVIEW-OF-THE-HISTORY](https://www.interaction-design.org/literature/article/design-thinking-get-a-quick-overview-of-the-history)

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STEPPING INTO YOUR CUSTOMERS' SHOES

Unearth your assumptions about why customers buy your products. Do this exercise by yourself in 5 to 10 minutes and use the results to improve your conversations with prospects and customers. It's more valuable when done by managers and staff from across your company. Discussing the results takes a little longer.

STEPS

Imagine you are the customer. Write a few sentences to complete the following statements. Do it without discussing your views with others. Compare your views afterwards.

I chose (write the name of your product)

ahead of other products that would have helped me get the same result because:

Since purchasing (name of your product)

I've been delighted with it because:

Who was the customer that you imagined? What were their family, work, community roles? And their demographic and psychographic profile?

What's your level of confidence that you know what your customer thinks?%

For the record: Name

Date