Don't Ask Customers, Observe Them

I have found that there is an inverse relationship between the length of a customer research report and the quality of its insights. As the report's number of pages increases, the chances of finding any nugget that could lead to real action and new benefits decreases proportionately.

The trouble is that most customer research documents that I see are over 100 pages long! It's as if the researchers, painfully aware that their questions have failed to uncover anything worthwhile, try to confuse their buyers with excessive, and often contrary, statistics.

This problem is increased when asking potential customers about a new product or service you are developing. Three issues immediately arise:

1 We are poor at predicting our own future behaviour;

2 We want to give an answer, even when we don't have one; and

3 We overstate logical considerations at the expense of emotional triggers.

Famously, for example, the Renault Twingo, one of Renault's most successful car launches of the 1990s, would never have come to market if the usual market research rules had been applied. The research showed that a majority of respondents didn't like the car, although, critically, a 20% minority said they loved it. In the end it took a letter from the head of design to the chairman before the launch could proceed. The Twingo's unique looks quickly grew on buyers and millions of the cars were sold.

You cannot get a feel for your customers' real issues and unmet needs through the pages of a Powerpoint® pack. More direct involvement is required if you are to really understand what drives the people that you hope will buy your product or service. Here are five practical approaches you can use:

1 **Observe customers in their normal, every day surroundings.** Before his retirement earlier this year, Procter & Gamble's ex-CEO, AG Lafley, spent a day or two each quarter in the homes of P&G's consumers, watching how they manage their home and identifying issues and opportunities to take back to the business to work on. Not only was Lafley gaining a greater understanding of P&G's consumers, he was also sending a huge signal to his colleagues and business leaders about what they needed to focus on.

2 **Observe how customers shop for, buy and consume your product.** According to *FastCompany* magazine, when Marriott hotels wanted to refresh its hotels, design agency IDEO, after hanging around the hotels watching guests, showed Marriot's management that fancy lobbies were relatively unimportant - guests simply didn't want to go there, as it's a sign that you have nothing to do - and so put more effort into efforts such as highlighting guests' top local discoveries.

3 **Spend time in your customers' shoes.** Do you have first-hand experience of the products or services you offer? Even if you are focused on internal clients, direct experience of your offering can bring home to you the realities of what it's like being your customer. Only when you've been standing in a retail store's queue with a screaming baby, or perhaps have tried to use your call centre to ask for support, do you get an unfettered view of your customer experience.

4 **Use prototypes to gain rapid customer feedback.** People are much better at giving feedback on something real than an abstract concept. A retail client of mine wanted to increase the number of shoppers buying the higher value products in their range, and believed the issue was the packaging. Rather than ask customers what was important, the

team made several – very simple and low cost – prototype packs and, over the course of a couple of days, tried them in a store. The team then observed how customers interacted with the different versions, and picked a winner that has subsequently driven double-digit sales growth for that range.

5 **Involve customers in the development of new ideas.** Not only can customers provide feedback on your ideas, but they can also become involved in their development. This happens most rapidly and most effectively when they are done alongside the development team. At one client, a customer development team worked with a small group of engaged customers, as well as a couple of executive directors, to collectively develop some new product and service ideas. In the initial workshop, the customer group was dismissive of the team's initial prototypes, complaining that they were insufficiently distinctive and were, in essence, me-too ideas. The development team went away and came back with more radical and distinctive ideas and prototypes. These led to more constructive discussions in the subsequent meetings, and within four weeks full-scale prototypes had been developed for wider and more detailed testing.

Companies of all shapes and sizes argue that they are customer-focused. However, putting customers at the heart of your growth strategy requires moving beyond a two-dimensional understanding of research reports to a deeper, more intimate and three-dimensional level of knowledge about what really makes your customers tick.