New Product Development--The Customer Interview

Application Note AN-3   **by Christopher Moore**

Customer interviews will help you define successful products.

Question: What activity--

- takes some of your best people away from the office for days, even weeks?
- results in still more work after they return?
- delays the start of "real" design work?
- might shake up your organization a little?

Answer: A program of customer interviews.

Customer interviews do have a cost. So why are they one of the wisest investments in new product development that your business can make? Why are they used by industry leaders such as Hewlett Packard? Here are some of the benefits you can expect from such a program:

- See the world from your customer's viewpoint, feel his frustrations and victories.
- Begin the design process with your team in agreement on what they are going to design.
- Achieve a product specification that is likely to remain firm during the development cycle. The cost of changing a product specification after work has begun is said to rise by a factor of ten as the project moves through each of its various stages.
- Meet a "lead user," someone who can help the team again and again during the design process.
- Gain an unexpected, yet important insight into your market that will prove decisive in defining a new product.

Creating the interview guide

First, you should select a coordinator to manage the interview program. Then establish a focus for the customer interviews. Find the focus by articulating who your customers are, what market you are in, what products you want to develop, and what things you must learn in order to define the products more clearly.

You will need an interview guide to use during the visits to help keep the conversation on track. Your questions should be open ended; that is, they should not elicit a simple yes, no, or quantitative answer. They should instead invite a qualitative, thoughtful reply, one that opens up related avenues of discussion. Avoid leading questions (ones that subtly imply the answer you're unconsciously seeking). Try to discover the emotional aspect of your customers' interaction with products and the problems they have with current products.

To break the ice, start with questions about the person, his background, the company he works for, and the nature of his work. Good questions might be "What problems remain that still irritate you?" "What do you need in order to solve the problems of your customers?" To improve the interview guide and gain buy-in, circulate draft copies to all interested parties for comment.

Selecting and preparing the interviewers

The interviews will be conducted by teams of two or three persons. The presence of an experienced manager on teams can be very effective and may also help the entire process gain acceptance within the organization. Teams typically include a person from marketing and a person from engineering. In general, team members should be those who have the leverage to act upon the information gained. Once the teams have been identified, they should work together to develop the interview guide. Next, they can do practice interviews within the company.

Setting up the interviews

You will be interviewing so few end users that you would like each interview to be valuable. One challenge is to identify who your customers really are. They may include end users, specifiers, and equipment maintainers. There will also be stake holders--sales persons, channel people, and sales representatives. You will have to choose which of these are the most relevant to your inquiry. Consider including both your current customers and customers lost to competitors. Also, look for at least one or two lead users, persons whose interest in the technology and whose creativity have driven them to formulate solutions in advance of the general market. Your sales and marketing people will probably identify candidates, but they should understand your goals and provide a list of diverse customers. You can also identify users by reading trade or journal articles and by checking bibliographies. All told, you will carry out from 16 to 36 interviews.

You may find it helpful to construct a matrix with columns for market segments and rows for product types. Within the most important cells, look for a diverse set of persons. Don't try to cover every cell; visit three or four persons for each important cell, and perhaps one or two for some of the secondary cells.

Once you have the names, start calling to screen and set up interviews. Screening must be handled tactfully, perhaps by not mentioning the possible
interview right away. If you detect that the person may not be sufficiently interested or articulate, you might decide not to request an interview. Try to arrange for a 1-1/2 to 2 hour block of time in their facility free of interruptions.

Conducting the interviews

Each interview team includes a leader (the person with the best people skills), who asks most of the questions and ensures that a time line is followed. The second person acts mainly as a listener and note taker, but asks questions if he detects an opportunity about to be missed. The third member of the team, if there is one, acts as an observer, soaks up impressions of the work environment, and reads between the lines.

Ideally, the note taker will use a notebook computer, although hand written notes can also work out well. It is valuable to make an audio recording of the interview, but ask permission first and offer to turn the recorder off whenever the customer desires. Arrange seating so that the team leader and the user are seated face to face, with other team members in the background.

At the beginning of the interview, the leader explains the reasons for the interviews, introduces the team members, and points out that notes will be taken. Remember to carry on a conversation, not an interrogation: your meeting should be relaxed and interesting and should invite open discussion. Stay alert for an opening into something you didn't anticipate and pursue it. And don't dilute your fundamentally research-oriented mission by including sales or troubleshooting discussions.

Processing the interviews

If possible, the team should immediately review the key points covered in the interview, looking for things that could have a major impact on the current product concept. Later that day, the note taker should clean up the transcripts. A thank you note should be mailed to each customer.

By the time the interviews have been completed, you should have a wealth of useful information. However, it is not trivial to take a large quantity of interview data and distill it. The team will first summarize what was learned about the end user's working environment, the emotional context of his challenges, and his relationship to his customers. Next, it can extract and organize information that will help establish the characteristics and features that should be included in the product.

When to use--and when not to use--customer interviews

An interview program makes the most sense where sales are made from business to business. Interviews can be especially appropriate when the users of a product have very different outlooks or backgrounds from the developers of the product. They can be helpful when you want to learn what features your customers want in the next generation of products or how they feel about current products.

On the other hand, an interview program is not the best approach if you're after quantitative information, such as the size of a market or its segments, the degree of preference for various features, etc.

You should also soberly consider the commitment required within your organization for such a program, especially if one has never been used in your company. An interview program can be costly and could shake up existing practices and work roles. Since the information gleaned may have implications for a variety of functional groups, these managers must be aware of the program and its goals and persuaded to accept it.

As you proceed, beware of pitfalls, such as failing to achieve buy-in from top level managers, or the biases of engineers which prevent them from hearing things counter to their beliefs. Will field sales people avoid the temptation to turn the visits into sales calls? Can marketing and engineering team members work together? Can the project team resist making quantitative interpretations of the data?

Customer interviews and the smaller company

A smaller company may find it too demanding to carry out an interview program of 16 or more end users. The risk of obtaining misleading data clearly rises when the interview program is more limited. Nevertheless, a few years back I led a program where we visited only about eight end users. The visits were made without a real interview guide, but were appropriately open minded. The insights we gained were surprising, precisely to the point, and eminently useful. They altered our product concept and ultimately shaped a product that was well accepted by its users. So, while realizing that it is dangerous to seriously down size a customer interview program, I believe it is better to reach out and visit some customers than none at all.

Bibliography

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Mission statement of Seven Woods Audio

I am an electrical engineering consultant specializing in the conception and design of products and circuits used in audio applications. My company, Seven Woods Audio, is committed to helping manufacturers quickly create digital or analog audio products that generate a good return on investment, work right the first time, sound excellent, and please the end user. Seven Woods Audio works with manufacturers of professional audio, consumer audio, broadcast, telecommunications, and computer equipment.

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