Customer needs and wants

Any successful product has to be something that customers want to buy.

That’s even true for technology push products.

How do you find out what customers want?

Reading assignment: Chapter 4 of the textbook
Needs and Wants are not the same

• A need is something required to satisfy the basics of life.
  • Food, clothing, and housing are examples.
  • A need is something few people would argue are necessary.

• A want is something based on personal or societal preference.
  • For example, you may need to have food, but you WANT a particular kind of food, like pizza.
  • Another example, you may need to wear clothes, but you want clothes from a particular designer or in a particular style.

• As a population become wealthier, the wants of the population increases. Companies take advantage of this.
Consumers are humans and humans are hard to model.

Consumer behavior is irreversibly mixed with human behavior. *Maslow’s hierarchy of needs* is one tool to help describe behavioral drivers.
Drivers of the higher layers

At the “Relationships”, and “Esteem” layers, there are many drivers that influence how people will react to and select ICT products.

The most powerful are:

- Cultural
  - Values and ideas learned from family, religious organizations, nationality, and social class

- Social
  - Influential factors from the groups one belongs to.
  - Peer pressure, business groups, social networks, and professional societies.

- Personal Factors
  - Age, ethnicity, gender, education, profession, wealth, self esteem (sense of self worth).

- Psychological Factors
  - Motivation, perception, learning and attitude
Tools to identify needs and wants

Maslow’s hierarchy of needs give a good way to see actual customer needs. Wants are harder than needs as they are more personal and they change.

1. Direct observation
   • How do people use ICT?
   • How do they interact with their surrounding and each other?
   • What is their solo (working alone) behavior when using ICT?
   • What happens when they are in a group and using ICT?

2. Indirect observation
   • Data mining
   • Read blogs, wikis, and other internet content
   • News feeds and journal articles
   • Join social networks, both traditional ones (clubs) and on-line ones.
3. Ask them
   • Conduct focus groups. This is kind of like brainstorming by customers.
   • Conduct surveys.
   • Do interviews with key people (one on one) and key user groups

4. Pay for 3rd party information
   • Market surveys are available, for example Bain or Gartner
   • You can hire private consultants to do this
Interviewing customers

The text has a good discussion. Other things go keep in mind:

• Use prototypes, models or simulators if at all possible.
  • Having something real to discuss is extremely valuable
• Take notes, recording, videos and pictures
  • But, be aware if customers will not be open if they are recorded
• Beware of thinking customers always know what they want
  • Look for what customers mean in addition to what they say
• Beware of influencing the people you are interviewing
  • It’s easy to do if YOU have strong feelings about the product
• Let the customer help drive the conversation
  • You need to keep the interview on track, but…
  • Allow the customer to bring up their own issues and thoughts
• Thank them afterwards.
  • You will need to talk to them again
  • It’s always good to keep relationships with your thought leaders
The art of writing surveys to determine product parameters

- Surveys are very useful and commonly used.

The skill is in:
1. Asking questions in a way that return the most information
2. Not asking too many questions
3. Asking questions in a way that is clear
4. Asking questions in a way that does not influence (bias) the answer
5. Constructing the survey so that it makes sense to people
6. Constructing the survey in a way that allows you to score it
7. Not giving a survey that takes too long to fill out
8. Sending it to the right people who know what you want
9. Sending it in a way that help maximize your response percentage

Survey skills are useful in many other areas as well, such as measuring customer satisfaction or customer reaction to an existing product.
Interpreting the data

For identifying customer needs, you need to interpret the data to reflect what you should design. For this reason the data needs to come from a positive angle. Not what you should NOT do, and not HOW to do it.

• Express needs as an attribute of the product
  • “The MP3 player has good battery life”.
  • “The smart phone is attractively styled.”
  • “The program works with mobile devices.”

• Use positive phrasing to do this
  • Negative phrasing implies nothing to do, for example:
    • “The batteries should NOT catch fire.” (OK, don’t light them on fire)
    • “The product is safe” (this is much better)

• Do not assign priority to anything yet. That comes later.
  • Do not use words like ‘must’ or ‘should’.
  • Right now, you just want to know the wants and needs as raw data
Example statement of needs

Be sure to understand why the wrong statements are actually wrong!

[See Exhibit 4-7 in the textbook]
Assign priorities

Do this after you collect all your customer needs and wants for the product. The intent and process is very similar to sorting the results of Brainstorming.

• Group similar needs statements together
  • Eliminate redundancy

• Form categories from each group
  • The working group team can assign names to these categories, or express them as a new, concisely worded need.
  • See Exhibit 4-8 in the text for a good example of this

• If there are a lot of groups, form them into more hierarchy
  • If you have more than 20 groups or so, depending on the product
  • A kind of tree structure, where each tree is a ‘super group’

• Then, for each group or super group, assign a relative priority
Priorities

• Musts
  • These are critical. Without them the product has a high probability of failure.

• Wants
  • Important needs that should be accommodated. Not doing them may not doom the project to failure, but may result in disappointing sales.

• Extras
  • These are provided only if they can be done with little or no extra effort or expense.
  • They add nice features, but without them the product is completely viable (useful, capable).

• These may not be apparent from the raw customer data
  • If there is doubt, you will need to go back and survey your customers
  • This kind of survey is very focused, so somewhat easier to do
Grouping Needs Statements

[See Exhibit 4-8 in the textbook]