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Conversations with Ma and Pa Public

Designing Research and Talking to Your Customers

A BrandSequence Whitepaper

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BrandSequence Whitepapers

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Customer research is an emerging field, and new, exciting developments from many disciplines are being combined to offer more effective ways to understand how customers think, feel and behave. Companies need customer research as a strategic tool now more than ever.

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Designing Research and Talking to Your Customers

A BrandSequence Whitepaper
by Clifton Lemon

Well designed customer research is a crucial tool for business strategy. Even if internal consensus on key decisions is built within a company, these decisions are more likely to be in sync with customers' needs and behavior if they're made with the benefit of insights gained from customer research that's carefully planned and correctly executed.

There are many different systems of thought on customer research today. Many focus on complex analytics that attempt to predict customers' future buying behavior from their past behavior. Few methods offer a useful understanding or explanation of customers' deepest thoughts, feelings, and beliefs and how they drive buying decisions in the first place. This understanding is what BrandSequencing research delivers.

This report talks about how to design and implement effective customer research. It's based on our experience in talking to hundreds of customers all over the U.S., during in-depth, one-on-one conversations that yield useful data and valuable insights from every customer.

Before you design your research, consider what business objectives you're trying to address with the research and how the research itself sends a message to customers:

1. Identify clear objectives

Customer research can and should be used to help meet concrete, tangible business objectives, which typically concern brand issues, category issues, or internal problems. We also feel strongly that the research needs to be understood in the context of competitive differentiation, or positioning—what Jack Trout calls the "battle for the mind."

Take for example a hypothetical DSL provider. Companies in this space are operating in a market that's currently about as stable as quicksand—it could take a sudden turn depending on what appear to be the "whims" of small business and home customers. A useful objective for this company might be to research the entire category, with an eye for improving positioning strategies. Research inquiries could be: "What are customers really feeling about the whole process of buying these kinds of services? Do they trust any of the providers? How much do they really value the services? This research would uncover possibly hidden or poorly articulated attitudes customers have about the category in general, not just specific brands. Most current small business and residential broadband customers undoubtedly have a long list of complaints and frustrations regarding this essential service. The market is probably wide open for the company that's successful in delivering to customers the right combination of service, price, and stability.

After category questions are answered in detail, research could proceed to more specific brand attribute inquiries. Measuring attributes compared with those of competitors will clarify customers' attitudes, beliefs, and behaviors and provide a basis for specific positioning strategy.

If the objectives of the research are clearly defined, and center around clarifying attitudes and beliefs in the context of competitive differentiation rather than making predictions or validating bad decisions that are already "done deals," the research will provide more useful, objective insights.

2. Consider the message

Every contact you have with customers is a potential marketing or CRM opportunity, and your research should be designed in a way that's consistent with the best qualities of your brand.

Like all marketing communications, research sends a message to customers. Unfortunately, the message sent by many companies conducting research today is along the lines of: "We don't really have a clue who you are and what you want, but we're spending a lot of our money and your time in a clumsy and irritating attempt to find out." Often research like this signals trouble to customers, especially when they're not part of the best target sample and haven't been qualified correctly (most aren't), or when the business objectives of the research aren't clear.

The message you want to send with your research should be more like: "We want to know how you see us so that we can make our company and products better for your benefit." This is inherently customer-centric. Deep down, customers know they benefit when companies really listen to them, which is why they're willing to give honest feedback with token incentives if they're approached correctly and asked the right questions. Many successful companies actually do this. They're usually the ones with the strongest brands.

When putting together a survey or other type of research project, the following rules of thumb will greatly increase the success of the effort.

1. Pre-visualize results

Every research event is an experiment, and careful design will pay off in more useful results. When designing research, visualize how customers are likely to respond to questions and choices. This can include trial runs, or enlisting actual customers to help you understand what other customers will respond to. Most market research today is designed to answer the needs of the researchers, not customers. Often the choices researchers present in surveys are confusing or repetitive—the effect of this is to irritate customers and make them want to give false or inaccurate answers just to get the survey or focus group over with quickly.

Another aspect to pre-visualization is determining which things to measure. Quantitative measurement should usually focus on competitive differentiation and tangible attributes. You need to get into the customers' mind to visualize how they're likely to perceive the differences in the choices present to them. Often we enlist customers to help us design research by doing in-depth one-on-one interviews with selected customers. We also do small trial-runs of different segments of the research before we deploy the final design.

For instance, in a Brand Interview, we may ask: "What category do you place Covazone [the hypothetical DSL provider] in your mind: DSL Provider; Broadband Provider; Internet Services Provider; Phone Company; or Cable Company?" Each of the categories presented represent viable categories in people's minds—we're looking for the one that resonates with most customers. So if our research returns results that 70% of customers see the company as a Cable Company, and all Covazone's ads are desperately trying to position them as a Internet Services Provider, we have compelling qualitative and quantitative evidence that they're seriously out of step with customers' perceptions. They can then begin to revise positioning strategy accordingly.

2. Sample selection: talk to the right customers

Getting the right sample seems like an obvious requirement, but if your email inbox is any indication, most marketing communications, as well as market research, are still directed at the wrong people. We pay particular attention to identifying the "brandscape" (direct customers and other groups that influence customers).

A carefully considered brandscape is the best start on good customer research. When compiling a list of who to target, try to use demographic data as a means to an end, rather than as the main criteria. A common misconception in marketing is that all you have to do is to use highly sophisticated data technology to define your "target market" and then simply attack it. And the more customers you attack the better—the fact is that massive email blasts and even traditional direct mail remain the cheapest and most effective marketing methods for many companies. But this approach also alienates customers—even if they do buy something once, the endless cascade of spam that follows often turns customers off from buying again.

It's also important to qualify your lists very carefully from the very beginning. The clearer your description of your customers, the more effective your research will be. Try to qualify potential customers by their motivations and emotional realities, rather than their zip codes, ages or income levels. People resent being categorized narrowly and will not respond if they sense you're contacting them for the wrong reasons. Good research uncovers hidden motivators that "quantitative" analysis can't reach effectively, which is why it's possible to get valuable qualitative results from a customer who may not necessarily fit into all predetermined demographic profiles.

Another crucial element to compiling a sample is to consider including individuals who act as "flowers to the bees" or better yet, "infectious agents." In other words, they spend so much quality time on the front lines with customers that they know their customers' minds better than customers themselves. These VARs, sales staff, customer support people, distributors, or people with similar roles can be in a position to influence customers in significant ways. They will be also a lot more objective about customers' behavioral patterns, preferences, and attitudes than customers themselves.

3. Invite customers to participate
This also seems obvious, but almost all marketers ignore this rule, and persist in spamming customers to death. We feel very strongly that any research that involves asking people to give up even fifteen or twenty minutes of their day to give you information should be "opt-in" and should offer valuable (not necessarily expensive) incentives. If you don't give people control over when and how they talk to you, and call them unannounced, you're already off to a very bad start in the conversation (or the relationship). If they do agree to talk to you when "cold called", they'll often answer your questions without full consideration because they just want to get off the phone quickly and are perhaps too polite to beg off. Add to that scenario an interviewer who is only trying to meet his quota and fill in all the boxes, and you have an obviously flawed method for collecting meaningful information.

Spamming potential customers to interview is often a necessary evil, as it can greatly increase your chances of success. But you should only work with an "opt-in" list—customers who have agreed to receive promotional information or let you bother them periodically. Most of us quickly forget whether we gave a marketer permission six months ago for something that's usually not very important anyway. Don't expect a high rate of return across the board from spam, but don't be afraid to use it judiciously.

If you don't happen to have a good opt-in list of customer names, (or even if you do), other methods can be more successful, depending on your brand or issue and the nature of the research you're doing. Bulletin board posts, links on the homepage of your website, or "tell-a-friend" techniques can all be productive in recruiting customers for research.

4. Offer compelling incentives
Incentives to customers are crucial in presenting your case. When you offer customers even a token incentive, the first message that you're sending is that you value their time and don't take it for granted. Another, perhaps more important message is that in considering a particular incentive, you've thought about what they value. Think of it as the difference between getting a special gift from Uncle Don at Christmas rather than just a check. (Or, knowing Uncle Don, maybe you'd rather just take the cash!) The point is that you don't need to go overboard with incentives. In fact, offering too much can send a bad message—even if you can justify spending $100 and up per customer (typical focus group pay) as an incentive, customers perceive that you're so desperate to know what they think that you're willing to dump a lot of dough into finding out, even if it's hard to tell if any useful information comes from the interview of focus group. This makes them uneasy, as successful companies know what their customers want, that's why they're successful. They don't need to do run-of-the-mill bogus research to know their customers. Think about it.

Customers in the kind of research we do are often quite happy with an inexpensive item that may carry a high emotional value, like online credits that can be sent and spent immediately, gift certificates to a retailer that offers "small indulgence" products like Starbucks or Godiva chocolates, or donations to a favorite charity or cause.

The way you approach potential customers to engage in research is as important as anything else in your research design. You can easily differentiate your approach from that of most companies by respecting your customer and spending some time figuring out what motivates them before you start recruiting, not after. When approached correctly, most people are more than willing to state their opinions and preferences—good customers want a company to succeed, especially when they take initiative in talking (and more importantly, listening) to customers in a truly productive way.

5. Engage customers' imagination

Most traditional market research involves the endless fill-in-the-bubbles type of multiple-choice questions that remind us of the standardized tests once widely used in educational testing—the ones where you had to use the big pencils and make your marks really black so that the computer could read them. This does not stimulate the imagination with positive associations.

When you design your research, think of ways to assist the customer in visualizing choices more vividly. Use photographs or illustrations to help them imagine the competing products, attributes, or emotional reactions you're trying to assess. Often the combination of a visual clue with a verbal one creates a much stronger image that stimulates thought and emotions, which is what you're really looking for in your research.

Also, it's critical to pay attention to the design and presentation of whatever software, online interface, or presentation you use, so that it doesn't get in the way of establishing a fluid conversation quickly. Customers should be able to get on easily, find their way around, and not feel burdened or inconvenienced by the interface. Many people are still relatively uncomfortable with computers, so make it easy to use.

Unlike many research firms, we rarely do "passive" research, with surveys that customers take without the benefit of interviewer guidance. We prefer research that actively engages customers one-on-one with interviewers. This is the antithesis of the outmoded focus group approach, but the following rules will apply to many different types of "active" research.

1. Interview customers in their territory when possible

With online buying growing rapidly, the "point of sale" is the customer's mind, now more than ever. Transactions can take place anywhere they have access to the internet. We like to combine telephone interviews with a guided web interface, to maximize the benefits of both. We interview the customer in the most comfortable context, at home or at work in front of the computer where he or she actually buys online, rather than a conference room with pizza, where they're not in their own territory. Also, in a conference room situation, people often revert to acting like children in a classroom—they raise their hands when they want to speak, and they automatically assume that there are "correct answers" to the moderator's questions. The focus group or survey thus becomes a "test" to be passed or failed, rather than a conversation or interview that yields valuable insights.

2. Respect customers' time

When research focuses first on "top-of-mind" perceptions, it naturally moves smoothly and quickly. Because positioning drives customer buying behavior, our first step is to get a quick profile of what the components of a brand's positioning are—we ask customers about this as directly as possible. After they give us their first impressions, we probe into what's behind those impressions, but we try not to allow customers to begin to analyze themselves too much. Simply relating their feelings and impressions clearly is enough.

Several other things help to manage time. Good incentives will help to mitigate customers' concern over the amount of time they're giving up. Giving customers a way to schedule their calls gives them a sense of control over their time—it also helps the research team to manage the project better. And qualifying customers correctly long before they are contacted saves time by eliminating customers who are outside your research criteria.

3. Give "Instructions to the jury"

An essential part of the process of law is instructing jurors what evidence to consider, and how to consider it. It helps them to be rational about the facts and testimony they're presented with. You also need to be as clear as possible with customers when you're asking for their perceptions and opinions. In any given sample group, there will be many who don't quite understand what you're asking for at first, despite all your best efforts at research design and careful explanation.

Research is most constructive when customers can initially choose from a limited set of options within a given category, which is most like what they do when they make split-second buying decisions on the spot, online or in a store. You're forcing an evaluation of choices within a competitive context. Asking open ended questions like "how does this ___ make you feel?" (where you fill in the blank with: ad, song, flavor, color, name, etc.) at first, before there's no context or trust established, is counterproductive. Probing questions should come later, after "quantitative" choices have been made.

4. Don't "lead the Witness"

In the late 1980s, the McMartin preschool child abuse trial rocked the nation, with lurid accusations of unspeakable transgressions. The lengthy and monumentally expensive trials produced not a single conviction, in part because the investigative techniques used in interrogating the alleged victims, all young children, were deeply flawed. Granted, the complexities of determining the truth in such a situation were daunting, but it became clear that undue influence can be exerted on witnesses simply by the context of the interview.

There are useful parallels in customer research. If customers feel that there is somehow a "right" answer to a question that is supposed to be exploratory, because of subtle signals given by the interviewer or focus group leader, their responses are not truly objective or spontaneous. Also, because of the unique dynamics of the social context, people think and behave very differently in isolated groups than they do in the environments or situations in which they make buying decisions.

5. Listen intelligently

Once you've reached the right people, gotten their attention, and asked them the right questions, you need to know how to listen to the answers. Customers are often dying for someone to listen to them about anything relevant—one of the amazing things about doing customer research is that you quickly realize how much customers actually care about companies and products; how much they know about them that you could never find out any other way; and, unfortunately, how poorly served they are by many, perhaps most, companies today.

Your listening needs to be selective, though. Much of what customers tell you is irrelevant and off the subject of your inquiry. This is where "instructions to the jury" are important, and it's also where instructions to your interviewers are even more important. You often don't know what kinds of responses you're going to get until people start responding, so you have to be ready for everything from unmitigated vitriol to lavish praise. Most people want to contribute an opinion, though. It's often enough for them to clearly state their preferences to someone who actually listens, This is another reason why incentives shouldn't be too expensive.

Good listening also involves letting the customer feel that you're not forcing your agenda on them. Customers are used to researchers doing this, either with poorly designed research, bad interfaces, or subtle cues that they need to "just pick an answer" so they can move on and complete their daily quota. The best way to get valid responses is to ask interesting questions that require more than "yes" or "no" answers, and then be prepared to record the responses as accurately as possible.

Customers are often inarticulate, but they almost always have clear ideas and opinions. It's a matter of how you extract them.

6. Focus on how customers think, not what they say they want or what they'll do in the future

When asked directly, most people don't really know what they want, and there is a big gap between how they say they will behave and how they actually behave. This is why focus groups, customer satisfaction surveys and "visioning" are only of limited value as research techniques. "The correlation between stated intent and actual behavior is usually low and negative," writes Harvard Business School professor Gerald Zaltman in his influential book *How Customers Think*.

This is why our research is completely focused on starting with a snapshot of the current state of the customers' mind with respect to a specific brand, product, company, or issue in its competitive context, then probing for deeper meanings. We know that in any research project, much of what people say is unreliable. We also know that by finding commonalities in individual responses (especially commonalities in deeply buried metaphorical images) within groups of limited sizes can be much more useful and valuable than large data sets of "quantitative" measurements. Correctly designed research with as small a sample size as 25 can reveal invaluable strategic insights.

7. Probe for Metaphors

Quantitative measurements are definitely useful and important in the correct context, but we find that the most powerful indicators of customers' thoughts. feelings, beliefs, and attitudes are expressed metaphorically, using colorful images or phrases that convey their emotional realities.
We analyze interview transcripts for incidence of word use, as people repeat words that signify concepts and ideas that are relevant to them.

Probing for metaphorical imagery requires a certain skill and understanding of effective interview technique. A typical question that might follow an inquiry about a specific attribute or feature might be: "So what's that feel like to you?" This may elicit a short answer, but also often can lead the customer effortlessly into revealing some deep inner attitudes that wouldn't emerge otherwise.

A particularly effective technique is to invite an interviewee to imagine a visual image that sums up all of their experiences or feelings about a particular brand, issue, or process. The interviewer can ask: "If you could paint a picture of what it's like for you to go through this whole process of buying a car, what would it look like?" When prepared correctly by a good interviewer, customers usually can tap into very compelling, archetypal, dream-like images that convey a strong impression of their inner emotional realities. Understanding customers at this level is invaluable in building or improving positioning and marketing strategy.

8. Incubate surprises and accidental revelations

The most valuable insights are frequently the unexpected ones. Historically, many key scientific discoveries and technological innovations have been made accidentally.
But they're also usually made within a context of serious, objective inquiry, almost as if surprises and accidents are "incubated."

In customer research, inadvertant revelations and surprises aren't so surprising, especially if interviewers are sensitive to subtle clues in conversations, and people wanting to offer comments "out of the boxes" or after the official part of the interview. People frequently need to reach a certain comfort level with an interviewer before they give themselves permission to speak freely. The most unlikely customers sometimes will offer some of the most important revelations, suggestions, or images.

Removing yourself from the context of the company and placing yourself in the customers' mind is really what it's all about. Many of the images found there have to be surprising—in a very real sense, they're from an alternative reality: Planet Customer.

Research is a type of marketing communications activity, albeit one in which the intent is to listen, and not to sell, but there are still customer relationship management issues to consider.

1. Respect customers' privacy

This should go without saying, as it seems like simply good manners. Unfortunately, customers' contact information is traded freely and widely today, more so than ever before in history, and most of us haven't gotten used to the massive shift in the very idea of privacy that the internet has effected. This means that a basic respect of customer privacy now entails a proactive statement about exactly what the information they give you during your research will or will not be used for. This transparency serves to establish a mutual trust, and differentiates your company from others that may be perceived as ruthless spammers.

Explicit and considerate privacy policies also serve another important purpose. During research, if your company's doing anything right at all, you're likely to collect a truckload of happy testimonials that can be used to great effect in marketing communications, and you want express permission to do so. Also, you may be surfacing some important sales leads while researching, and you want customers' permission (and willingness) to have sales representatives contact them later if necessary (or appropriate.) But be careful here, as there are different laws that address mixing research with marketing and are meant to protect customers. In addition to considering legal implications, you must maintain the credibility of the research.

2. Field complaints diplomatically

In any research sample group, there will be disgruntled customers looking for any target upon which unload their litany of heartbreak and despair. Your interviewers will need to be briefed on how to deal with these individuals. Many of them will have legitimate complaints that can point out important issues that a company needs to address. Many will also be very happy with certain aspects of your product or brand, and very unhappy with others. That's exactly what the research is trying to uncover.

In the first place, your research should be designed not to promote a party line of happy news and good feelings, but to present a realistic inquiry into the various attributes, feelings, and beliefs that surround your category, brand, or issue. The credibility of your research can suffer if customers perceive that you're promoting or even offering any specific point of view. If your research is on an issue in which there are known problems, it needs to be designed very sensitively in order to maximize the useful customer feedback that you can get.

Interviewers need to know the criteria for rejecting or including any individual's feedback in the research. They also need to give disgruntled individuals a prompt referral to someone in the company who can deal with their problems in a customer service capacity. Your interviewers and researchers are representing your company and must present a responsible and appropriate response- it's good for the brand!

3. Deliver incentives promptly

We've found that it's just basic good CRM to deliver the incentives you offer to customers for their time as quickly as possible. Often these incentives aren't much, in the range of $15 to $50, yet honoring the contract has great symbolic value. After all, if you can't deliver a small thing in a timely fashion, how can you be trusted to deliver something larger? Unfortunately, many clients overlook this step when the research is complete—customers always resent this and are very direct about expressing their dissatisfaction.

We hope the experiences and knowledge we've shared here have been helpful to you in understanding what it takes to effectively design and conduct customer research. We believe that the best business strategy comes from knowing your customers—not just what they want, but how they see your company and products in the context of competing alternatives. Good customer research is the best way to gather this knowledge. It will uncover the kind of insights that can't be revealed any other way.

Most customers who do business with a company do so because they've identified something unique that only that company can provide, within a certain context. If you engage them properly, they're usually more than happy to tell you far more perhaps than they realize they're telling you about the deep thoughts and feelings that drive their buying behavior. All you have to do is to create the right situation in which a productive conversation can take place, listen carefully, and effectively interpret the results.

For more detailed information on our solutions and services, please contact us at:

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