An Implementation Tool for *Winning Digital Customers*

STUDYING CUSTOMERS

SECRET TECHNIQUES TO FIND OUT WHAT CUSTOMERS REALLY NEED

HOWARD TIERSKY

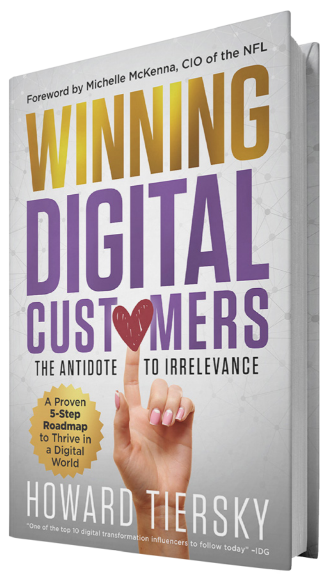
"One of the top 10 digital transformation influencers to follow today" –IDG

This is a special supplemental ebook to Winning Digital Customers that provides further detail about conducting customer research hat we couldn't fit in the book, such as key considerations for surveying customers, a closer look at each data analysis source, and answers to common questions about real time customer research. If you read the book and are now looking to get started with researching your customers, this ebook is a great place to start.

If you're reading but don't have the book, make sure to go to www.WinningDigitalCustomers.com/preoreder and buy it. In the book, innovation consultant and Amazon Bestselling Author Howard Tiersky lays out a five step methodology that any company can follow to embark on digital transformation at their company.

THIS PROVEN 5-STEP ROADMAP WILL HELP YOU:

* Conduct insightful customer research
* Envision the customer experience that will maximize your competitiveness in the market
* Align your teams around a vision for digital transformation
* Identify the quick wins that will help you out of the gate
* Ultimately drive the transformation needed to bring your company into alignment with today's digital world.



This roadmap has been developed over decades of helping brands drive digital transformation and it is proven to achieve results.

To take the first step towards leading digital transformation at your company, and go to www.WinningDigitalCustomers.com/preorder to get your copy today!

Introduction

How do you go about understanding your customer? If you've read Winning Digital Customers, you know the answer is a variety of different types of research. But WDC could only fit a small portion of what there is to know about conducting customer research. Building on the book content, this ebook will provide a detailed, actionable approach to identifying who your customers are and then gathering and synthesizing the insights that will give you a rich, actionable understanding of the customer. If you found the book's portion on customer research valuable and want to start putting it into action, this ebook is for you. It will go into granular detail on every facet of the process, providing you with a proven guide that you can follow along with and adjust when needed. Happy researching!
The Digital

Chapter 1: A Closer Look at Data Analysis

As discussed in the book, data analysis is the process of taking data sources and using them to answer the research questions you've defined. The method by which you analyze a data source will be quite different depending on what kind of data it is, but what's similar is that, in every case, you will look to the data source with your list of research questions in hand to first determine which research questions are potentially answered by it.

Here are some data sources you should try to track down, as listed in the book:

1. **Digital Metrics** such as web, email and mobile traffic patterns
2. **Sales & Inquiry Data** showing where your sales and leads are coming from
3. **Call Center Records & Recordings** showing the reasons customers or prospects call your call center.
4. **Customer Feedback Mechanisms** such as satisfaction surveys and complaints or suggestions.
5. **Branding & Marketing Studies** that assess how your company is perceived, known and remembered.

Data Analysis Sources

Now, we'll take a closer look at each data source and how to best harness it.

a. Digital Metrics

Description: Your digital channels of customer interaction, such as your websites and mobile apps, tend to be the easiest to measure, and therefore your company probably has a lot of data in this area. In fact, there may be a few different sets of digital metrics. Some companies use one tool, such as Adobe Analytics, for the website and another, such as Braze, for apps. Other companies have separate tools for testing campaigns or changes to their digital properties (these are called AB testing tools or multivariate testing tools). And you most likely will have yet another tool for measuring your email campaigns. The types of information available from these tools should include data on the amount of people who visit different websites and apps, how frequently they visit, how much time they spend, and where they go within those digital properties (i.e. what pages and features they use). These tools also know where the "traffic" on your digital properties comes from (Google, social sites, etc.). If you have properly set up these tools, they can also tell you what percentage of customers wind up buying or creating a lead (if those are appropriate to your business). Very often this data can be segmented, so, for example, you may be able to see how the behavior in digital touchpoints varies based on whether someone is a customer or what their geographic location, age, or gender is.

Typical Owner: Marketing or the "Digital" team.

Analysis Techniques: This data generally requires an analyst trained in whatever tools are being used to gather the data. By understanding what customers do on the site and how that behavior might vary by different types of customers, you can start to get a sense of where they are being satisfied and where their needs are not being met.

Benchmarking This Data: Companies such as Comscore will sell you data on competitors' web traffic.

Depending on your industry, there may be studies which compare online conversion. For example, Internet Retailer publishes data each year comparing conversion as well as revenue for the top 500 internet sites.

When it comes to measures like bounce rate or email open rates, you can Google and find various sources of data and general best practice benchmarks. For example, CampaignMonitor reports that a typical email campaign open rate is 15-20%.

b. Sales and Inquiry Data

Description: Data on how much you are selling and to whom, as well as what level of customer interest you are seeing across different channels and how much of that is turning into real sales. This category includes aggregate sales data, such as by product, geography, or customer type, and it might include information about inquiries as well. It should cut across all sales channels (web, stores, catalog, third party distribution, etc.) and ideally will also be broken down by those channels.

Typical Owner: Sales

Analysis Techniques: Analysing this type of data is often done by crunching numbers in Excel. Some companies have dashboard tools that can also be useful, such as Tableau. You may need a resource dedicated to utilizing these tools. However, a lot of the analysis also entails thinking about what data is available and how it might reveal insights relevant to your analysis. The technical operator of the number-crunching tool might not have that insight. You may need to supply it and collaborate with them to explore the data, run different types of numerical comparisons, and iteratively look for relevant insights. You may also find that it makes sense to bring disparate data sources together to maximize your insight. For example, it's very helpful when looking at sales data to gain insight into why some customers buy and some don't (one of our core, generic research questions). By bringing data sets together, you may discover that the new customers who bought for the first time were more likely to have gone to one of your events, have received a brochure, or live within a few miles of an existing customer.

Or, by bringing different data sets together, you may discover that customers whose purchase patterns grew year-over-year tended to have purchased products from Category A, whereas those who purchased from category B tended to have far smaller follow-on sales.

Benchmarking This Data: If you're in a B2C business, like entertainment or apparel, companies like Nielsen and NPD will sell you data comparing sales of many different product categories from many different companies, slicable by a wide variety of variables. It's harder to benchmark if you are in a B2B business or in financial services, but another approach is to identify individuals within your organization who may have recently come from other companies in your industry. While making sure to respect any confidentiality obligations they may be under, you may be able to get insight from these individuals about what other companies are seeing in terms of these numbers. Lastly, if your company is a publicly traded company, financial analysts covering your industry may be tracking key sales metrics (or forecasting them) for you and your competitors. This is another place to look for benchmark data, although the accuracy cannot be assured.

c. Call Center Records & Recordings

Description: Information from your customer contact center about what types of customers are contacting it, the reasons for the contact, the length and outcome of interactions, and the satisfaction with those interactions.

Typical Owner: Customer Service/Contact Center

Analysis Techniques: In many industries, customers seek to avoid calling the call center, so if they do so, it may reflect a failure of another channel, most likely a digital one. Call centers generally record what they call the "disposition" of a call, which means the reason for the call. It's beneficial to understand what percentage of calls are for what reasons and then to consider whether it's a good or bad thing that people are calling the call center for these reasons. For example, if you are in the furniture delivery business, and 30% of the calls are because people did not receive their furniture on time, that would clearly highlight a customer experience problem. Perhaps you also have a lot of calls from customers checking on the delivery date. That might tell you that your customers have otherwise unmet needs around knowing when their furniture will arrive. If another 15% of calls are from people whose furniture is falling apart, that is important information. Likewise, if 20% of your calls are from customers who are confused by the online order process and therefore need help completing their order, that's another actionable insight.

Another step in call center analysis is then reviewing the detailed substance of the actual calls. Have you ever called a call center and heard that phrases, "Calls may be monitored for quality assurance?" Well, guess what? When you are engaged in this activity, you are the "quality assurance!"

Most call center calls are recorded, and, once you have looked at call disposition, you can often then bring up the recordings of dozens or even thousands of calls that were for that "reason" and listen to them (or, in some systems, review automatically generated speech-to-text transcripts). While the process of reviewing the substance of calls can become time consuming, spot checking some calls can give you a greater understanding of each of these types of issues.

Clearly, call center data can tell you about a lot more than just the call center, but of course you can also look at these data sets to understand customer satisfaction with the call center itself.

Benchmarking This Data: If you are looking to benchmark data like call handling time, hold time, and customer satisfaction with the call center experience, there are industry players who provide benchmark data, such as CallCenterHelper.com.

d. Customer Feedback Mechanisms

Description: Most companies have a variety of different methods in place for customers to provide feedback, sometimes dozens of different ways. This category involves identifying those various ways and bringing that data together. Typically, companies have a wide range of feedback tools, but nobody is looking at them in an integrated way.

The ways companies gather or receive feedback data include: customer comment cards in stores, emailing customers with satisfaction surveys, outbound calling to ask customers about their satisfaction, web intercept tools like ForeSee or Medalia that ask you questions during your interactions, emails sent to the "webmaster," the CEO, or other executives, etc. Another increasingly popular mechanism to gauge satisfaction in physical environments is tools like the Smiley Terminal from www.happy-or-not.com, which simply presents a series of three or four faces with emotional expressions from happy to unhappy and asks passersby to "rate their experience" by pressing one of the buttons. This data is then collected and can be analyzed based on location as well as date/time.

Typical Owner: Probably multiple. Retail store operations, market research, marketing, and others.

Analysis Techniques: The data may be a combination of scoring data (such as a 1-10 ranking) and comments. Furthermore, you may possibly have differently worded questions being asked in different data sources and different scoring mechanisms. I suggest starting by looking at each data source independently and matching it up to your research questions. Some of these sources may contain large amounts of data which, if the variables are present, may allow you to segment it based on your segmentation model and thus see how factors may differ across different relevant customer characteristics. Other sources may not have this level of granularity.

When looking at data that includes written comments, it can be overwhelming if you have thousands of different chunks of customer feedback. You may not want to read all that content, although "spot reading" it can still give you valuable insights.

Here are a few other suggestions for dealing with large amounts of written comments: Take a look at the comments from the most dissatisfied customers first (based on their scoring). This narrows the field and most likely gives you some of the most valuable information.

There are also a growing set of tools that use AI to analyze a large amount of text and draw conclusions. These include tools that use Sentiment Analysis to gauge the emotional tone of response (another way to potentially narrow your reading to comments that are especially passionate) or tools that attempt to extract the most important keywords from large amounts of text and create a "word cloud" that allows you to quickly find comments that may relate to relevant issues like "bathrooms," "prices," or "website." Typically, these tools are also "smart" about synonyms, so they can combine comments that are saying the same things with slightly different words.

Once you have gained insight from the individual feedback tools, it's interesting to look across them and consider what you are seeing that is consistent and what isn't. Don't be surprised if numerical ratings are not aligned. Even a slight difference in the way a question is worded can change numerical ratings, and customers asked to rate on a 10-point scale might not put you in the same numerical equivalent as if they are asked to rate on a 7- or 5-point scale. It's just the vagaries of research.

Of course, if you are seeing differences that are profound, that's interesting. For example, if one study shows satisfaction is 2 out of 5, and the other shows 7 out of 10, that suggests a deeper look is needed. It may turn out that the respondents were largely from different segments (for example, retail customers versus web), and so these distinctions can become not anomalies but insights into how satisfaction varies by channel. In other cases, it may be that you are looking at data from different points in time, and you may find it actually reflects a change over time.

To that last point, looking at customer feedback longitudinally (which means over time) can also help you understand in which areas satisfaction is increasing versus where it is getting worse or stagnating.

Benchmarking This Data: There are rarely good ways to benchmark satisfaction data across companies. Of course, you may be able to compare it within divisions or geographics of your company where you have the data. The most reliable method we have used to gain benchmarking against competitors is to simply ask your customers in the same feedback instruments if they have used these competitors and how they would rate them, or to ask them how they feel you compare to competitors.

e. Branding and Marketing Studies

Description: Many companies conduct recurring surveys or other customer research to understand how their brand is perceived and how it relates to competitive brands. These include studies that look at whether customers "recall" their brand, such as in a question,"Name the top 5 hotel brands," or "recognize" their brand, such as in a question, "Check which of the following companies sell auto insurance." These studies often also ask questions about topics like brand preference and what the consumer feels is "different" about the brand versus their competitors.

Typical Owner: Marketing

Analysis Techniques: Generally, these studies will have already been "analyzed" by the branding or market research company that conducted them. Expect a thick deck of charts and graphs that slice the brand perception many different ways. Some of this data may not pertain to your research questions, and that's fine. The main analysis activity is to read through the report looking for answers to key research questions.

If you need help interpreting the report, you may find that the company that created it is happy to get on the phone with you and help you with that. Provide them your list of research questions in advance. While all of them may not be within the scope of the research they've already conducted, you never know. There may be some insights that "didn't make it" into the branding report because they were not key to the goals of that particular project, but which might be pertinent to your research objectives.

You occasionally may find that you have a need to “drill into” some areas of data in a way that is different from how the research deliverable was created. In that case, it’s probably best to go back to the vendor that created it and simply ask them to conduct a few additional analyses on the data set based on your research questions.

Brand studies are generally done longitudinally, so you will also be able to get a sense of how brand perception by different segments is changing over time.

Benchmarking This Data: The same company that conducted the study will almost certainly have benchmark data, and that data will typically be included with the report. In addition, because the nature of this type of research is to compare your brand to competitors, the study itself is a kind of benchmark, since generally you as the same subjects about their experiences with and awareness of competitive brands.

So that’s an assortment of places in which to look for data around your enterprise as well as some suggestions about how to analyze it in order to answer your research questions. Of course, you may have some other data areas not mentioned above.

I suggest you share your research questions with people from a variety of departments and see what ideas they have about where helpful information may be located.

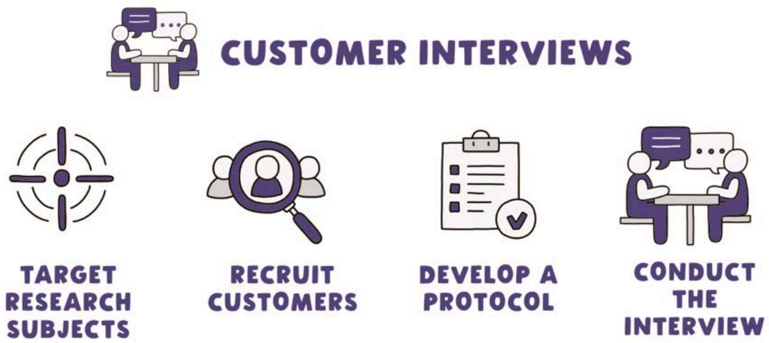
When seeking to to share your research questions and inquire about ideas for data sources, there are a few areas of large enterprises that can be especially helpful, including:

- Marketing
- IT (who often run the systems that collect the data)
- Data Teams (Chief Data Officer and his organization)
- Strategy
- Customer Insights (if you have such a department)
- Customer Service
- Operations

Chapter 2: Asking Effective Questions in Customer Interviews

While the book outlined the basic process for conducting customer interviews, there are a variety of specific practices that are exceedingly effective that we did not have room for in the book. As a result, we're expanding on the customer interview process here.

Customer Interview Process



A. More Details on Recruiting Interview Subjects

As discussed in the book, there are many market research companies who are in the business of recruiting people to participate in studies. If you aren't experienced doing research, you may want to enlist one of them.

As you undertake the recruitment process, there are some things you should know. Most typically, once you have compiled a list of potential subjects in, you will reach out to potential research subjects with an offer that they can earn a small honorarium if they are willing to participate. Common incentives range from $50-$150. However, we have on occasion had to do research with the affluent or business leaders where the offering had to be much more.

Once potential recruits are connected, usually either via phone or email, they are given a few screening questions to see if they qualify for the research, based on the segmentation criteria. If they do, and if you still need more subjects with their individual characteristics, you sign them up.

You'll then give subjects logistical information about where and when to show up and subsequently follow up with them to ensure they do. You will inevitably have some no-shows, so be sure to schedule a few extras.

B. A Closer Look at Composing an Interview Protocol

As discussed in the book, in parallel with getting your subjects signed up, you need to develop a "protocol" for the session, which is a cross between ad agenda and a script. You will then use that protocol to run the sessions. We discussed interview protocols briefly in the book, but now we'll go more in-depth on each one.

Activity 1. Introduction and Logistics

This is typically just the first few minutes of the session. The subject is made to feel at ease, and given whatever limited background they may need about the purpose of the study.

At the start of any research session, it's important to convey to subjects that we are not trying to evaluate them. Rather, we are looking to gain insights about a specific product, brand, or whatever the subject of the research session is. What this means is that there are no wrong answers that the subject can give. We just want to know what they think and have a conversation with them (and possibly engage in some fun activities). It's also useful to express your sincere appreciation for their time as well as, in advance, their candor.

To that last point, sometimes when we do research, we let the subject know what company we are working with, and sometimes we don't. However, we always try to let them know that we are not employees of the company and aren't the "creators" of any experiences we may be researching. Therefore, there is nothing the subject can say that will hurt our feelings. We want to make the subject that they can be totally honest.

Activity 2. Subject Profiling

The second step of most protocols involves some basic subject profiling. This entails asking questions regarding their experience with the brand, frequency of interactions, use of competitive products or services, etc. While the exact questions will vary depending on your industry and research goals, you are really just trying to understand what type of person to whom you are speaking. Some of these questions may have been covered in the screening done before the subject's interview was scheduled, but it doesn't hurt to ask them again so you can verify them and also get the subject talking about topics that are easy to discuss. It also gives you the opportunity to ask some follow-up questions, if they arise, to be sure you understand this subject's situation as it's relevant to the topic at hand. Usually, this part of a protocol takes 10 minutes or less.

Activity 3. Insight Questions

As discussed in the book, the third stage of customer interviews is typically the "meat" of the session—the insight questions. This is where you will unpack the core issues defined in your "research questions"—the things you really want to know. Your protocol should list out the questions you want to ask in a draft chronological order.

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As explained in the book, generally you don't want to ask the research questions in their original form to the subject. We explained why you do want subjects to talk about themselves, not "people" or "customers" in general.

But let's take a closer look at what makes a good interview question. Let's use an example from the book and say your research question is, "Do customers really care whether our toys are made of higher quality materials than our competitors? Does it influence their purchase decisions?" Would you just want to reword it by saying, "Do YOU care about whether our toys are made of higher quality materials than our competitors?" Is that all it takes to have an effective question? Not really. While sometimes there are research questions that you can ask in a fairly straightforward manner, very often you need to be a bit trickier to figure out a protocol that will really get you accurate answers to your research questions. Why?

People don't always answer straightforward questions honestly. In the toy example, subjects might feel that it's the "right" thing to care about the quality of the materials and so they may say "yes" even if, in truth, they don't.

Here's another example along those lines. We were researching consumer interest in "green" energy plans for an electricity utility. The green plans cost more, but the energy you were using was from solar or wind, not fossil fuel. We started by asking prospective customers to rate how important "the environment" was to them on a scale of 1 to 10. The average score was around a 7.

Then we asked them if they would be willing to spend a little more if it meant the products and services they purchased were better for the environment. 59% said yes. Smaller, but still a majority. Then, much later in the protocol, we showed them a web interface for buying electricity plans, and we asked them which plan they would select. It included green plans, which cost about 1.5 cents per kilowatt hour more than the regular plans. Only 20% of people selected the green plans, around a third of the people who had said they'd be "willing to pay a little more."

When the company implemented the green plans on the website, what percentage of people do you think actually bought them? Just 2%, only a tenth of the number that said they would and about a thirtieth of the percentage of people who said more generally that they were willing to "spend a bit more" if they were better for the environment.

So people will often give you either the answer that they think you want to hear or the answer that they feel makes them look better. They may not be intentionally lying, but the information you are gathering may be highly inaccurate. Fortunately, there are steps you can take in research to increase the accuracy using the concept of the Four Time Mindsets, which we'll discuss later in this book.

Activity 4: Wrap Up or Transition

At the conclusion of the interview, there are typically several wrap up activities such as thanking the participant, giving them any compensation they may be owed for their participation and getting any necessary release paperwork signed.

The Follow-up Questions to Get to Why

In reality, just knowing what the subject did in a past situation is only about 25% of the value. The rest usually lies in understanding why, so we often craft follow-up questions to understand why they did what they did.

Why is it so important to get to "why?" Let's remember why we are doing all this research. At a high level, we are studying the customer so that we can understand how certain experiences lead to specific thoughts and feelings that then lead to actions. Insights on this process allow us to then craft strategic experiences. When the customer is telling you what they did, they are talking about actions.

"Why" follow up questions are moving upstream in our Strategic Customer Experience Model (Chapter 5 in Winning Digital Customers) into their psychology so that we can understand the causality—what thoughts and feelings triggered that action, and what experiences inspired those thoughts and actions.

It's tough to script follow-up questions in advance because you don't know what the subject is going to say, but you can still create guidelines. If the user is telling you about an action they took, see if you can probe to understand the thoughts and feelings they had that led to that action, and what experiences inspired those thoughts and feelings. They may not always know, but often they will have an idea. For example, if a subject tells you they don't shop at a given store because their products are of poor quality (a thought, or belief), ask them what makes them think that? Was it something someone told them? If so, who? Was it an experience they had?

Alternatively, if they are telling you about an experience, probe to see what thoughts and feelings that experience created and what actions they took as a result, if any. And if they are telling you about a thought or feeling, see if you can go in both directions, to understand what experience created that thought or feeling (without probing into overly personal areas of their psychology) and then what actions, if any, they took as a result of that thought or feeling.

But be careful with your tone when you ask "why?" If used with the wrong mindset, it can sound judgmental and shut the subject down. It's key to inquire in a way that makes it clear that you are asking "why?" because you are fascinated with their thought process and want to understand it more thoroughly, not because you think anything they did was wrong. If you can maintain this genuine non-judgmental curiosity, you are in a good position to learn some amazing things.

One Question at a Time

Whether doing follow-ups or in your initial questions, only ask the subject to think about one thing at a time. Avoid asking a question like, "Can you tell us about the last time you went to a theme park, what made you go, whether you had a good time, and if you told your friends about it afterwards?" That's four questions. Just ask one question, get the answer, and then ask the next one. You will get higher quality answers because the subject can focus on telling you what you want to know rather than trying to remember all the different things they are supposed to include.

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In that same vein, I recommend giving the subject as little information as possible about how the interview session will be structured. Let them know how long the interview will take and that it's fine to ask for a break if they need one, then start at the top. They don't need to know that first there will be a bunch of questions about Topic A, and then some about Topic B, and then we are going to show them a prototype of a new app. All that information just burdens the subject. You be their guide and lead them on the journey one step at a time. Let them just focus on what's happening at that moment.

Ideas and Suggestions

Very often, research clients want us to ask a subject for their ideas and suggestions about how, for example, to improve the customer experience. Or to ask them, "What do we need to do to get you to..." take a specific action.

These are great research questions but terrible questions to ask a subject. While it would be great if subjects could give you accurate answers to these types of questions, they generally can't. Subjects can effectively tell you what they do or don't like about their experience of your product, or what they like about other products. But figuring out how to improve a product is a design skill. Unless your subject coincidentally happens to be a product designer, this most likely will not be a successful line of questioning; it's like asking for medical advice from your plumber.

Your protocol questions should focus on understanding the subject's past experience and their current thoughts and feelings, not on hypothetical situations and possible product changes.

However, it's not uncommon for subjects to volunteer their opinions about how to improve their experience even when we don't ask. Our approach when they do this is to be polite and appreciative. Listen and be sure they can see that you are writing things down. But don't make that a key part of the protocol. Occasionally, research subjects have useful ideas. Occasionally, you can get good medical advice from a plumber. But good customer research is not about getting ideas from customers—it's about understanding your customers.

There is an opportunity to turn these types of volunteered ideas into useful insights, however. If a subject volunteers their own vision for how to improve a product or an experience, ask they why they think that would be useful. The why may be more valuable than the idea. For example, if the subject suggests putting heating coils in the seats at professional hockey games, that idea may be impractical for many reasons and therefore a terrible idea. However, what they are really telling you is that they have a point of pain they'd like solved. When asked why, you may hear about the problem of being cold during the game. You'd want to be sure to document that as an unmet need. In future parts of the process, you will be generating ideas to address customer points of pain, and there are of course many ways to address the problem of being cold besides heated seats.

Chapter 3: The Four Time Mindsets

Very often in research, we want to understand what customers have done and what they would do under different circumstances. As we've discussed, there are a lot of factors that shape the way a customer answers a given question, and the way you ask the question can make a big difference in terms of the answers you get.

When designing the questions for research protocols, we use a model we developed called the four time mindsets to help us improve the accuracy of the data we collect by being very strategic about the way we ask questions. We've observed that when people answer a question, they do so in one of four different mindsets about time, and some are more effective than others for research.

1. The Future
2. The Generalized Past
3. The Specific Past
4. Right Now

Mindset 1: The Future

One timeframe one can use is the future. A question about the future might be, "If our company were to release an app that did everything our website does, would use you it instead?" As in the energy example described earlier, the accuracy with which people can predict their future behavior is very low, as is the honesty with which they answer questions about the future. When you combine those together, it means we try very hard to avoid asking customers about what they will do in the future.

And it doesn't help to just restate the question in the present if the user is not actually engaged in an activity. An example is saying, "If our company right now had an app that does everything the website does, will you use it?" It's still a question about the future because, right now, the user is sitting in a market research session. They aren't going to use the app right at this second. So, although the question is stated in the present tense, the question is really about their future behavior and the answer is still going to be fairly inaccurate.

But what to do? Your research question, after all, involves trying to determine what customers will do in the future. How should you ask the question? Well, let's take a look at some of the other time horizons.

Mindset 2: The Generalized Past

The next time horizon is what we call the "generalized past." So, in this example, that might mean a question like, "In the past, when companies with whom you do business have offered you apps instead of websites, have you switched to them?"

It may seem like this question is less predictive because it is about the past, while we want to know about the future. But asking someone how they handled a similar situation in the past will yield a much more accurate prediction about how they will handle it in the future than directly asking them how they will handle it in the future. Weird, but that's human psychology.

Although memory is subjective, most people are at least much better at remembering than they are at predicting the future.

So this question is an improvement. The problem with the generalized past, however, is that it also requires some degree of analysis by the subject. Most likely, this situation has occurred a number of times, and there have been different outcomes, so the subject has to "generalize" what they "usually" do. Remember the story of the woman in Oklahoma who wanted to tell us what "people" do and then proceeded to tell us what she does is totally different? Well, many people will do the same thing with their own generalized past.

Mindset 3: The Specific Past

In contrast is the third alternative: the "specific past." The specific past is when you say something more like, "Can you remember the last time a company offered you the opportunity to switch from their website to an app?"

The answer will either be yes or no. If yes, then ask them what happened —did they do it? And why? It might seem like this is less helpful than the generalized past because we limit the question to a single incident, but, in fact, it's far more accurate because subjects are bad at generalizing. If we want more data, we can then ask, "Can you remember the time before that when…" and get a second example and, if need be, a third.

Here's one quick story about how superior the specific past is to the generalized past. It's actually the incident that fully convinced me to avoid the generalized past whenever possible.

We were studying how people shop for gifts online. We asked a subject how he "usually" (a generalizing term) determined what would be a good gift for someone. He described how he would usually either ask the person's spouse or look online at their social media to see what they like, then use that information to determine what to get them. Seemed logical.

The next question in the protocol asked about a specific past incident. In that case, the subject described how they had used a gift recommendation wizard that recommended a product based on the age of the recipient, a child. We asked if they had asked the child's parent or done any of the social media research they had described. The answer was no.

But, of course, this was a child, so we thought, well that makes sense. The situation could just show how a specific outlier situation might not conform to what one does "usually."

So we asked, "Can you remember the last time you did speak to a spouse or checked a social media profile to figure out what kind of gift to buy someone?" The answer was, "No." They didn't remember the last time they did that. It was a little confusing. We asked, "Do you remember any other times you bought a gift for someone online?"

"Sure," said the subject. "Lots of times."

“And, of all those times, do you ever remember speaking to a spouse or checking social media profiles?” We figured we’d ask a second time since the first answer didn’t really make sense.

“No, actually, I don’t,” replied the subject a bit sheepishly. “I guess that’s not what I usually do, really, come to think of it.”

“Come to think of it!” The thing the subject describes as their usual activity is actually something they never do; it was just something that sounded logical.

And I really don't think this subject was lying to us. He was just giving an answer that made sense, and, since it made sense, and he saw himself as a “sensible” person, he figured he’d probably done it. But when he tried to remember doing it, he realized it wasn’t true at all. That’s the problem with the generalized past—and the power of the specific past.

By the way, we like to ask only about the last time (rather than, “Can you remember a time when...”) because we don’t want the subject to “cherry pick” an example that they think is “typical” (or makes them look good, or logical). Again, subjects are bad at generalizing and will tend to just pick something that, in their mind, is what we want to hear or is the “right” way to do it. If our gift-buying subject had ever asked a spouse for advice, then he probably would have cherry picked that one time, even if it was just a one-off, because it followed what he considered to be a logical method. In addition, respondents are likely to have the best memory of the most recent incident.

Mindset 4: Right Now

The fourth mindset is observing or asking questions about something the subject is doing right now. This falls into the category of observational research, which we will discuss later in the chapter.

Chapter 4: Common Questions about "Real Time" Customer Research

The book goes fairly in-depth on how to conduct effective real time customer research, but I've had the opportunity to teach customer research in a number of circumstances, and there are some common questions I receive that I wanted to unpack here.

What About Focus Groups?

I don't like focus groups for most research. I find it much more powerful to speak to people one at a time. If you bring six people into a room and ask about their views, they often start influencing each other, with the more outgoing subjects doing most of the talking. It's also very difficult to do observational activities with a large group at the same time. Focus groups may have their place, but I rarely use them.

Should Research Sessions be Done in Person or Remotely?

Sessions are always better in person because you can establish better rapport and better observe subjects' body language. However, there are times when doing research remotely simply has too many practical and cost benefits to ignore, especially if you need a lot of geographic diversity in your subjects. Thus, we probably do about half our research in person and the other half remotely.

It helps that we're in an age in which just about every potential subject has Skype, Facetime, or a similar technology at their disposal. This allows us to at least do a video conference for remote research rather than audio only. I highly recommend this, as it both allows you to see the subject's body language and allows them to see you, creating greater rapport, trust, and communication.

Should In-Person Sessions be Conducted at the Subject's Home or Office or at Your Office?

Similar to the in person versus remote issue, it is very powerful to be in a subject's own environment when you are doing research, as it's a more pure form of ethnography. You can understand much more about someone when you observe them in their "natural habitat." They also feel more at ease and are therefore more likely to give you better answers.

When we do B2B research, we love to be in the office of the customers to see how they organize their desk, what sticky notes they have on their monitors, and what the vibe of their office is like. It's much richer.

In the case of our Girl Scouts of America project mentioned earlier, we researched the digital behavior of tween girls by interviewing them and their moms at homes across America. They were usually sitting in their living rooms or sometimes on the front porch. We went to farms, apartments in poor urban areas, affluent suburban homes, and even a trailer park. Seeing their diverse environments was enlightening, much more so than if we had just Skyped.

However, it's more efficient to line up 8 to 10 subjects in a row, hour after hour, and have them come to you.

Once You Define the Protocol, Does it Need to Stay Consistent for All Subjects?

No. We often learn things from early interviews that lead us to identify additional questions to add to the protocol. On the other end of the spectrum, if some questions seem confusing or don't yield the desired kind of information when used in the sessions, we improve them or discard them. Surveys and other quantitative measures are a different story, but for qualitative research, it's more beneficial to iterate the process than it is to keep it consistent.

What is the Best Way to Document Real Time Research Sessions?

We use a combination of two methods. We video record interviews or screen capture record in the case of remote sessions. We then have automated transcripts made so we can easily search the transcripts for key topics.

While it may sound creepy, when we are doing ethnography in public places, we often use pen recorders, which are working pens we keep in our shirt pocket (or clipped to a purse strap in the case of female researchers). The pens have tiny cameras and microphones so they capture whatever we are facing towards. The pens double as USB drives, so when the day is over, we plug it into a PC to download the videos and charge the battery. But before you use any James Bond devices like this, be sure that you're of any relevant legal considerations, which are often state-specific in the US.

We also create an observation log for each session. We generally have two analysts running any given research session, one asking the questions and one taking notes in an Excel-based observation log. The log allows us to capture individual comments chronologically (one row per) and then to tag them in other columns with the topics to which they relate. That way, after we have interviewed, say, 25 subjects, we can easily go back and filter to see who may have commented on a particular topic and compare their responses to check if they are consistent or contradictory.

Chapter 5: Critical Considerations for Customer Surveys

As discussed in the book, surveys are a valuable research tool because they allow you to reach a much larger number of subjects than would be practical with any sort of observational activity. While the book provides an overview of surveys and some of their key strengths and weaknesses, here are a few additional practices to consider when constructing your survey.

Survey Length

A survey should be no longer than it absolutely needs to be. With most surveys, we aren't in a position to mandate that people fill it out, and the more questions you add, the more people will abandon the survey. So be disciplined and only ask questions that are going to add real value to the research.

Survey Software

There are a wide range of good survey tools out there. For most surveys, we use SurveyMonkey. It's easy to use and inexpensive.

Finding Subjects to Complete a Survey

If you are surveying your own customers, you probably have an email list you can leverage. Send an email that explains that the company values their feedback and intends to use the survey to improve their customer experience. Emphasize the brevity of the survey and, ideally, offer a reward for filling it out, or at least a "chance to win" something good like a tablet. (Be sure to check on any legal considerations relating to such a "contest.")

Once the email goes out , we generally see that the responses that we will get are received within 36 hours. In that timeframe, subjects either do it or they don't. We'll usually send out a single reminder two days later to those that haven't yet taken the survey, and that generally gets us the data we need.

If you are looking to reach people not on your customer list, many companies maintain what are called panels—lists of individuals willing to take surveys for compensation. You provide the criteria for the users you want to take the survey (for example, internet savvy Americans who have taken a vacation to Mexico in the last year) and provide the survey, and the company will recruit the subjects and charge you a fee per response.

SurveyMonkey has a business doing this, as do Yahoo Surveys and other companies. These companies then take care of finding the people and nagging them to complete the survey, but you pay for the service.

Ensuring Good Survey Validity

It's very easy to ask unintentionally leading questions on a survey and bias your results. The safest route is to use a professional trained in survey design who knows how to optimize the questions. You may be able to write the first draft, but the final language should follow best practice standards to avoid skewing the data. Whole books have been written just on this subject, we will provide a list of recommended addition reading on WinningDigitalCustomers.com

It's also a good idea to test the survey on a handful of beta subjects who have not been part of its creation before it goes out to the full subject pool. In particular, ask the testers if there are any questions where they feel they weren't 100% sure what was being asked (or what the answers meant). You don't want subjects trying to interpret what you mean on the survey; that is a recipe for inaccurate results.

Conclusion

We hope you found this ebook with further details on how to conduct customer research helpful. Understanding your customer is foundational to everything you will do in Digital Transformation, which is why we found it necessary to create a full ebook to cover the topic. If you want more guidance on how to conduct customer research, make sure to check out the variety of supplemental materials we've made available at the book website, www.from.digital/dti.

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