



## ***Select the Right Customers to Discover Un-met Requirements***

*Interviewing the right customers for a VOC program can yield valuable insights and deliver competitive advantages*

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## Introduction

We are all interested in understanding customer requirements, many of us are eager to talk directly to the people who will purchase our new products. Understanding customers is not just a matter of taking an airplane and interviewing random customers, far from it. Yet, this lax approach is prevalent in the industry and then we wonder why we did not get valuable input or what we did get is not relevant.

Voice of the Customer (VOC)<sup>1</sup> research is a unique way to uncover customer requirements. It can help you discover a customer's critical un-met or un-stated needs — including needs they might not be aware, which reside in their subconscious.

To tap this wealth of information, you must first select the right customers to interview. Important VOC selection criteria filters include:

- Does the customer represent the most important market segment for your new product?
- Does the person represent the right company in your chosen market segment?
- Are you talking to people at the right level in the organization?
- Is the person striving to solve the problems for which you might develop an innovative solution?
- Is the person working in the specific application area that is of critical interest to you?

If you are planning to talk to customers to determine un-met needs and differentiate your products, this article will help you focus on selecting the right customers for your VOC interviews.

## All You have is 12 hours

To define a new product using Voice of the Customer methodology, you typically set a target of completing 12 interviews, one hour per customer. The total number of customers interviewed can vary, depending upon the strategic importance of your product. The

critical point is to select a small number of customers that accurately represent your market segment. Experts on VOC methodology, including Ed McQuarrie, author of *The Customer Visit*, as well as Jose Campos, author of *Voice of the Customer for Product Development* agree that the correct number of interviews can be as few as three, but no more than 24.

*"Your Product has no value — all value is in the mind of your customer"*

Jean-Claude Balland PhD.

## Sample Selection

In simple terms, sample selection is the creation of a profile of the types of customers that will provide the right information from the right market segment. The profile or "persona" outlines the qualities, position, the type of work and other important attributes that defines the perfect customer to interview to meet your objectives. In addition, you must know where they work; that is, the type of company or industry that you have targeted for your new product.

Because of the small sample size, the importance of carefully selecting each customer is paramount. These 12 hours of interviews must yield enough information to create a set of prioritized customer requirements.

<sup>1</sup> Voice of the Customer (VOC) is a methodology to select, interview and process the information to identify and prioritize customer requirements. Several books have been written on the topic including **The Customer Visits** by Ed. McQuarrie and **Voice of the Customer for Product Development** by Jose Campos, author of this paper.

The interviews must reveal clear differentiation about customer needs that will allow you to deliver superior value via your new product — while still achieving the desired gross margin.

Sample selection is essential to defining the right solution for your customers. Consider that you are depending on a few individuals to speak for an entire market segment, more importantly the success or failure of your new product will most likely rest with the information you obtain from this small number of interviews.

### ***Before you start, define why you want to talk with customers***

Product managers — and others responsible for product planning — tend to underestimate the importance of sample selection. To obtain meaningful results that influence new product definition hinges on interviewing a small number of the *right* customers. Selecting the sample requires dedication and careful analysis of the new product's business objectives and your research intention. For example, you may want to find out more about a critical new problem that is plaguing the market segment. Or, you may want to explore how a new technology can be used to solve a problem.

Defining the goal for your VOC interviews is often missed in the planning process. It is not enough to say, "Let's talk to our customers." Coincidentally, informal conversations with chance customers do not count as formal interviews. You must define *why* you want to talk to them — with absolute clarity.



## **The Criticality of Market Segmentation**

"If you are not thinking segment, you are not thinking" — T. Levitt, an American economist noted for his writing about globalization. Lack of a verifiable segmentation will surely be an impediment to creating value and well-differentiated products.

### **Definition of segmentation**

In its simplest form segmentation is the identification of parts of a market that are different from other parts of the same market.

More practical, segmentation is the grouping of customer types based on a clear and verifiable set of criteria for the purpose of understanding needs, opportunities and threats and in order to provide clearly differentiated solutions that achieve a set of business objectives.

### **Applicability to Voice of the Customer**

When it comes to Voice of the Customer, segmentation is essential to identify a defensible sample. **It becomes very difficult, if not impossible, to describe sample selection when your market appears to be a giant, amorphous field.** Furthermore, you must define solutions for specific groupings of customers, who you know will value your offering.

Many market segmentations are flawed as they are generated internally and based on the products you offer. All segmentation must start with the customers and revolve around their attributes.

Your segmentation must answer the following questions with as much clarity as humanly possible:

#### **Who are they?**

Describes the profile of the individuals that fall into the targeted segment, such as the title, function, training, personal traits, etc.

#### **Where are they located?**

This attribute characterizes where the individuals work, for example the type and size of company. Another possible attribute is the geographic location.

#### **What problems are they striving to solve?**

These individuals are striving to achieve a set of objectives. That is, the reason why they work in the type of company and perform the function described in the previous attributes. In short, this describes the specific problems they are striving to solve.

With the above characterization, identifying your sample selection should be an easier task.

Additional resources: [click here for a paper on segmentation](#)

The information you obtain must, first-and-foremost, provide deep insights into the problems and challenges that the customer is trying to solve, which is the sole source of essential customer requirements.

Mistakes about sample selection most often include: casual or random customer selection is left to the last minute, or targeting the easiest-to-schedule customers. Given the importance of this small number of spokespersons (who will speak for an entire market segment or area of application), I suggest that you spend considerable time and effort profiling, identifying, and prioritizing your sample.

### **Market research may not help you**

Surveys, focus groups and other types of market research lack the deepness derived from a face-to-face customer interviews. Specifically, it is the ability to probe in-depth to obtain the entire message from your customer — this is particularly important where the problems are particularly complicated or an esoteric technology is involved.

Furthermore, your ability to observe the body language, tone of voice, and other indicators are lost in surveys. Your objective is to determine your customer's value drivers. You need to know those few things — that in the mind of your customer — will determine the compelling reason to purchase. This information is difficult to obtain. Some of it resides in your customer's subconscious. This fact has been demonstrated by several books on this topic, including *How Customers Think* by Gerald Saltzman and *Emotional Intelligence 2.0*, by Jean Graves. Consequently, your ability to interact with your customers and to explore their minds deeply is critical.

Market research is essential to defining market size, growth rates, and other quantitative information critical to the success of your new product. Focus group research is helpful for answering emotional questions and soliciting opinions. I am not against market research. I am in favor of the ability of the product managers, R&D managers, and others to define new products by directly interfacing with their customers without a middleman or filters of any type.

### **The four critical questions for successful sample selection**

Selecting the customers (or prospects) to interview must be done with care and purpose. There are four critical questions that you must address.

**1 Who are you going to interview?** While this may seem obvious — and perhaps even trite, the answer is not always clear. It requires introspection and dialog with your peers and R&D. The answer is driven by the business objectives of the product you are defining. You must identify the function, title, role, and eventually the name, of these individuals<sup>2</sup>. For example: "Engineering Managers leading engineering teams who are designing Embedded Systems." This starts to provide a direction and starts the process to identify the right person to speak for an entire market segment. With further analysis, you may further qualify the individual. For example, you want to include engineering managers, but also those who have recently purchased a certain type of equipment. Recent purchases may indicate a move towards a new technology. In our example above, you may want to be more specific about the type of Embedded Systems they are designing.

Another variable that can influence sample selection is the intent of your interviews. For example, if you want to discover opportunities to create new value, you would interview the end users. You would try to discover the problems they are trying to solve, and how well the current solutions meet their requirements.

**2** Identifying the "who" is a perfect application for a "Persona", which is a methodology that describes a user archetype (a classic example of something, the typical specimen) used to help profile a typical customer. Personas are a way to profile a market segment or a group of customers by describing a single person that aggregates the common traits of the rest. In short, a persona is a set of user characteristics that include behavioral patterns, personal and company goals, skills, attitudes and surrounding environment.

On the other hand, if you wish to find out how products such as yours are purchased, then you must interview the “economic buyer” such as Engineering Managers and Directors of Procurement.

**2 How many will you interview?** In question number one, you defined the profile of the people you wish to interview. Now you need to decide how many of each type you need to achieve your objectives. Figure 2 provides a template to guide you in determining the number of people to interview. Please note that this is not an exact science. You must use your judgment and experience to refine your target number.

The rule of thumb is to select no fewer than three and no more than 24 interviewees<sup>3</sup>. There are variables that impact these numbers. For example, how strategically important is the new product? This may require 12-15 interviews. If you are defining a new platform for a new market, you might need to conduct as many as 24 interviews.

**3 Which venue will you use?** The traditional answer is for you to go visit customers in their own facility. But, that may not be the most appropriate place. In some cases you may wish to remove the customer from their environment. They may be able to concentrate much better without constant interruptions. Thus an interview conducted while attending a technical conference may make it more convenient for your customer and more valuable to you.

**4 What is the Cross-Section?** At this point you have already decided “who” and “how many”. Now you need to define which cross-section of your market segment is appropriate. For example, customers from small, medium, and large companies. Another example might be customers in “Europe, Asia, and America,” or “telecommunications, semiconductor, and power management.” In short, how many people do you need from each of the major groups within your market segmentation? Appendix A shows a template that might help you map the four critical questions in a single document. Segmentation is another name for Cross Section, with the exception that it is used to define a new product and not to define product roadmaps where the sample selection might be different ([click here for a paper on Market Segmentation](#)).

### **Customers not to interview**

Frankly, every customer is important. However, there are some customers I suggest that you avoid. In B2B environments, product managers rely on their sales force to obtain willing customers to interview. This approach has a high risk of providing you with the wrong sample. Specifically, sales people are very busy selling — as they should be. Consequently, they are not likely to spend much time searching for the exact profile you provided. Instead, they know certain customers who are always willing to be interviewed and you may end up with one of these. Furthermore, sales people — perhaps unintentionally — tend to skew the sample. They call on customers in their territory whom they have had recent contact and are also on “good terms”. Smart sales people will not take you to customers who are upset, nor will they point you to those who bought competitive products. Finally some sales people know which customers are always eager to be interviewed, which makes it easy to schedule — regardless of your desired profile.

Remember that the role of the sales people is to sell. Anything outside of this realm reduces their “up-time” — i.e., their selling efficiency. When people from the factory call to request time out of their schedule, it causes a distraction, and thus a loss of sales productivity.

### **Reducing Complexity**

Once you formalize the sample selection process, it is possible to end up with too much complexity, given all the variables you are trying to satisfy. Namely, you have to find the right titles + geography + type of company + number of sites + size of company + the number of topics you wish to discuss.

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<sup>3</sup> Edward McQuarrie and other experts in voice of the customer suggest that more than three and fewer than 24 is the appropriate sample, but it is driven by the objectives of your development program. There is no formula, except guidelines that help you narrow the number keep in mind that this is qualitative research