

Customer Validation

For Product Managers





Experts in technology product management and product marketing

Specialize in training

Trained hundreds of thousands of people at thousands of companies since 1993

What You'll Learn Today



What exactly is Customer Validation?

Why is it critical to the success of your product?

Who owns CV within an organization?

Where in the market does CV apply?

When does it take place within the product life-cycle?

How does it actually work?

About the speaker and Centercode

What is Customer Validation (CV)?

Why is CV critical to the success of your product?

Who owns CV?

Where does CV apply?

When does CV occur?

How does CV actually work?

Q&A and next steps

About Me

Luke Freiler

CEO + Co-founder
Centercode

Engineering & UX Background

Previously with Samsung & Ericsson

Hardware & Software • Consumer & Business

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"Technology is a word that describes something that doesn't work yet"

- Douglas Adams



The Centercode Mission

We help companies create technology that works.

Centercode Overview

Customer Validation (CV) is our core competency • Founded in 2001 • Industry leader

ASSETS

Platform
Framework
Tester Panel



End-to-end SaaS Customer Validation platform



Scalable and adaptable Customer Validation process



200k+ deeply profiled global test candidates

OFFERINGS

1

Platform
Subscription

Platform
Support Services

2

Full Managed
Programs

Industry Leading Clients



More than 90 Product Managers at **Autodesk** run customer facing tests on Centercode each year

Roku has leveraged Centercode Managed Tests for their entire beta program for more than 5 years

WE PARTNER WITH INCREDIBLE **HIGH-GROWTH TECHNOLOGY** AND **MODERN ENTERPRISE** COMPANIES

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What is Customer Validation?

Lower Case

Customers testing unreleased products in real environments.

AKA Beta testing

Upper Case

A proven discipline for gathering and evaluating representative customer feedback in order to deliver a more successful product.

The Need for "Uppercase" Customer Validation

Beta Testing

Charter Program

Client Validation

Controlled Release

Customer Acceptance Testing (CAT)

Customer Development Program

Customer Experience Trials

Customer Feedback Sessions

Customer Integration

Customer Satisfaction

Customer Tech Preview

Customer Technology Preview

Customer Validation

Design Validation Test

Early Acceptance

Early Adopter Program (EAP)

Early Preview

Early Release

Early Visibility

End User Validation

Field Test

Friendly User Trials (FUT)

Labs

Let the Customer Bang on It

Limited Availability

Limited Release

Market Readiness Testing (MRT)

Pilot Test

Play Test

POC

Pre-Release

RA Release

Ramp Up

Soft Launch

Soft Release

Trusted Testers

User Acceptance Testing (UAT)

User Test

User Validation

Voice of the Customer

~330 companies surveyed "What is your customer testing program called?" lead to 90+ unique responses

Defining Attributes of Customer Validation

Targeted Users

Market Audience



Real Environments

Homes, Offices, etc.

Actual Products

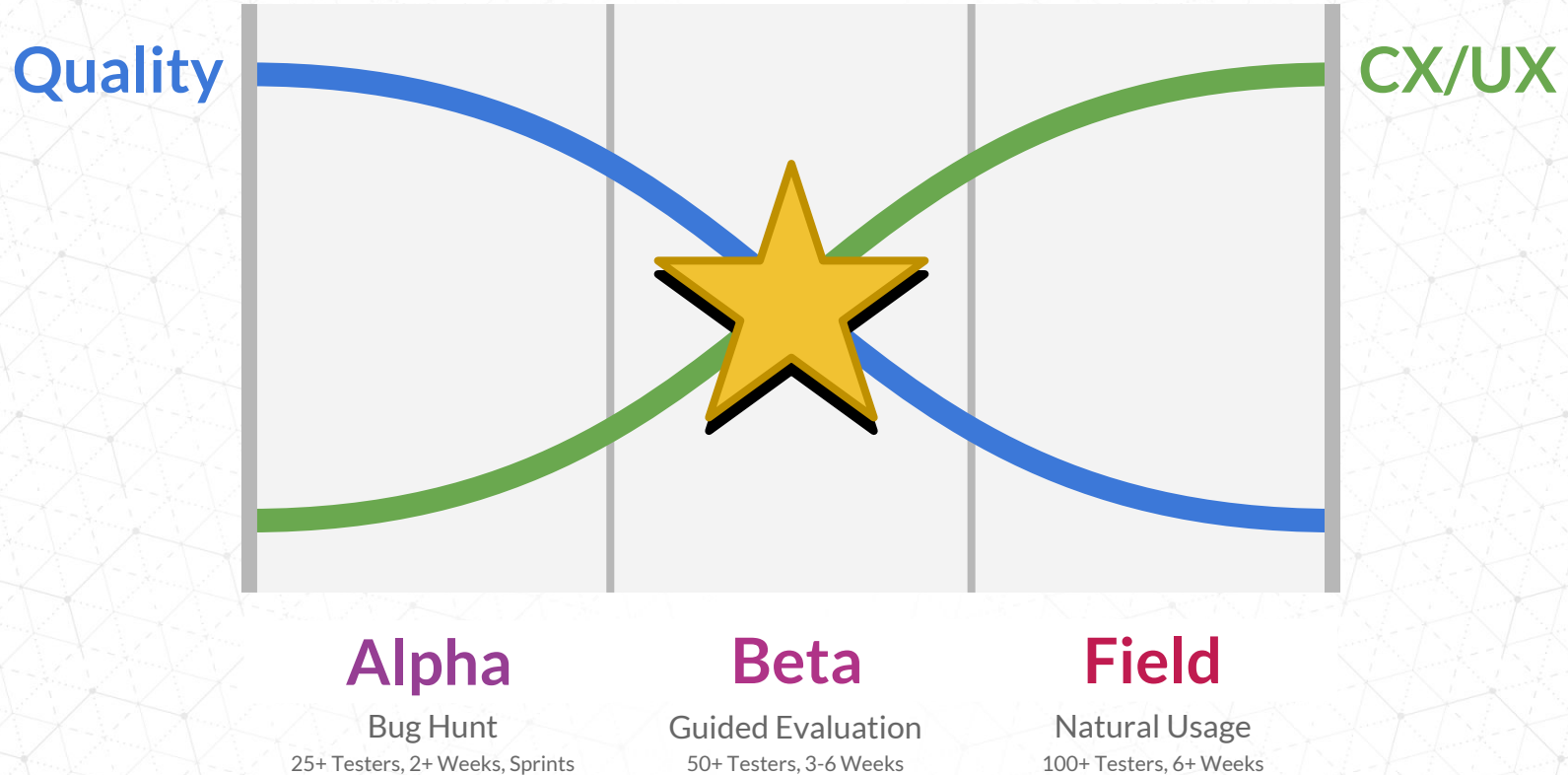
Post-Prototype



Over Time

Weeks or Months

Customer Validation Stages



Customer Validation Results (Beta Example)

64

(51+13)

Testers

88%

(110%)

Engagement

3

Weeks

115

Unique Bug Reports

6

Critical

29

Major

46

Minor

24

Trivial

150

Self-Reported
Feedback

165

Unique Survey
Responses

20

Product
Recommendations

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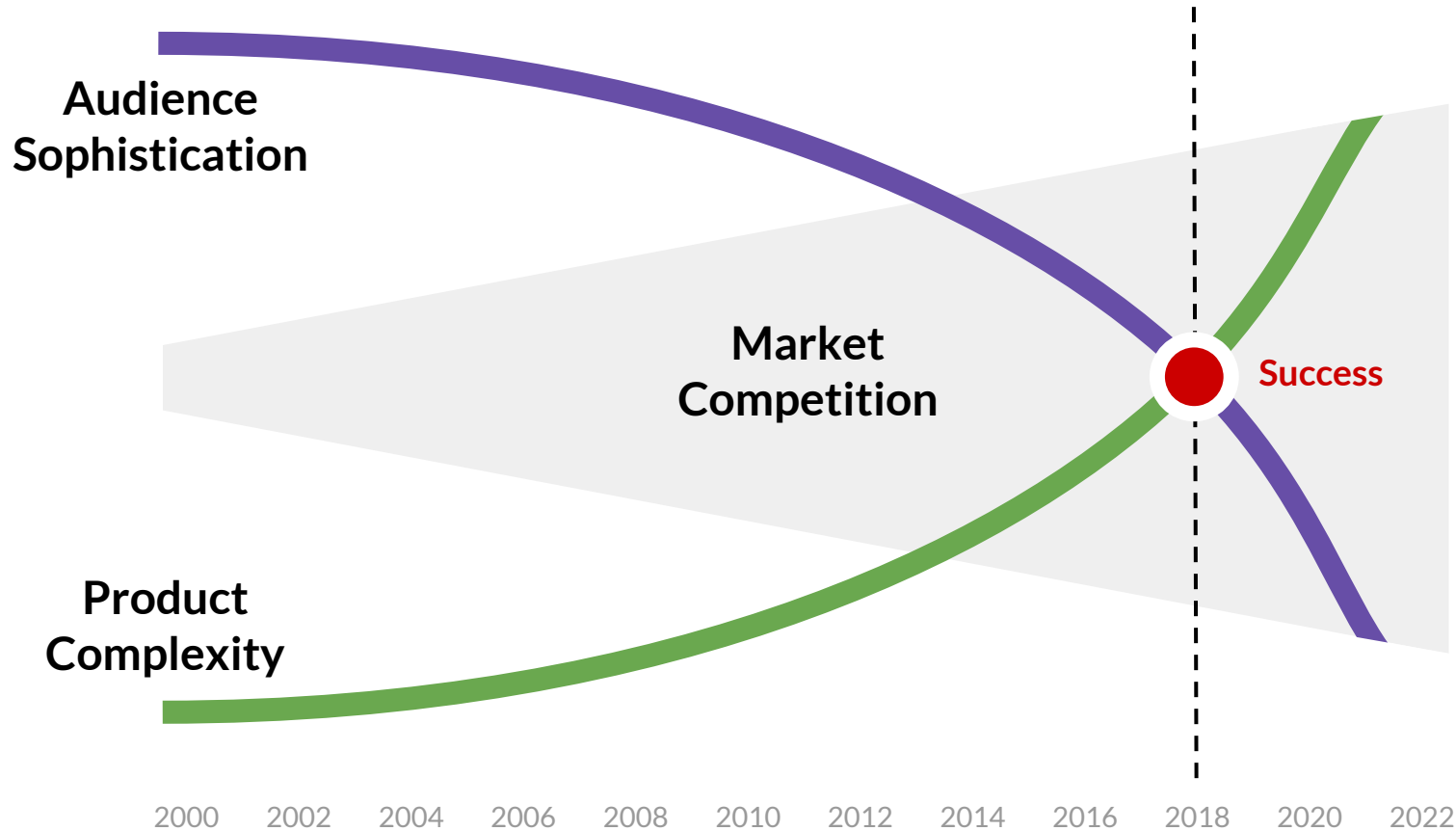
Where does CV apply?

When does CV occur?

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Q&A and next steps

The Evolving State of the Technology Market



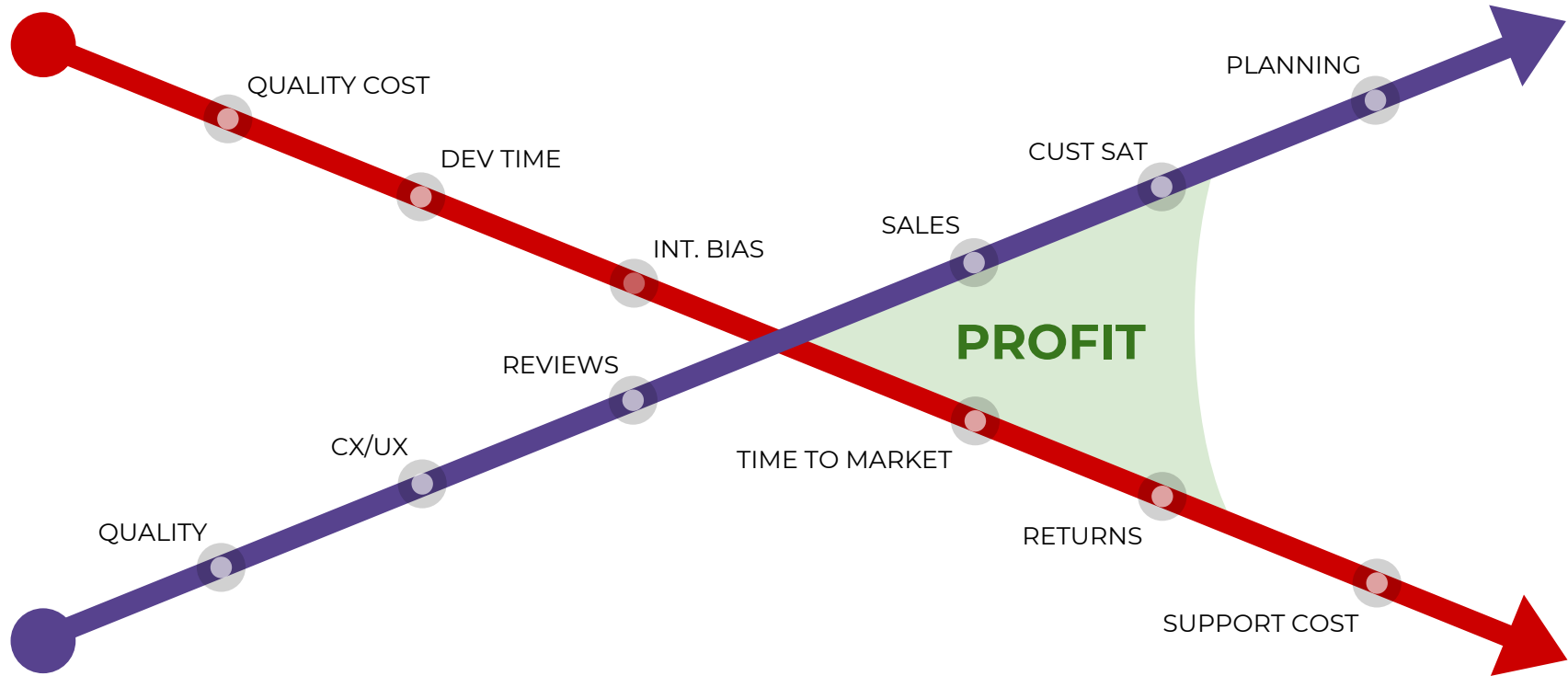
Key Example: IoT Products



IoT ("Internet of Things") products are a model example of this:

1. They're highly complex -- Software + Hardware + Services
2. They're deeply interconnected -- Homekit, Zigbee, Alexa, etc.
3. They never stop evolving -- OTA Updates
4. They're hyper competitive -- 30+ smart pet trackers!

Effective Customer Validation Impact and ROI



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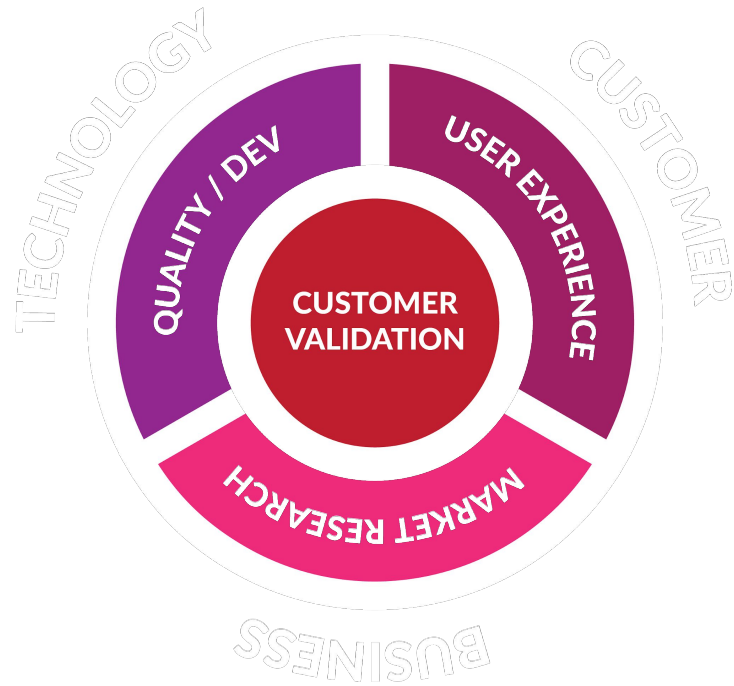
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Who owns Customer Validation?



Where does Customer Validation Belong?



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Which Products Benefit from Customer Validation?

Product Type	Product Audience
Hardware Software Services	Consumer Business Enterprise

Short Answer: Any product with a customer

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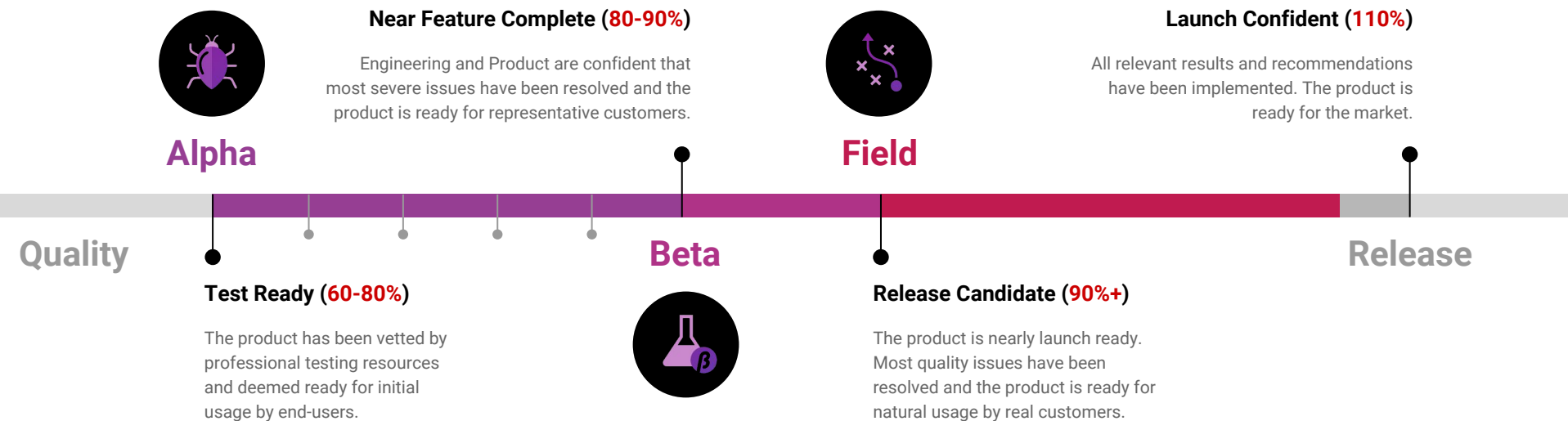
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Customer Validation Lifecycle



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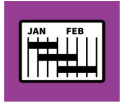
Typical Legacy Beta Testing Process



1. Beg engineering for a beta build
2. Scavenge for people willing to be testers
3. Send out the beta product (without context)
4. Beg testers for feedback (via email)
5. Shotgun distribution of results
6. **Pray nothing fell through the cracks**



Key Customer Testing Challenges



Project design and scoping



Persistent user engagement



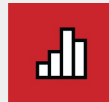
Allocating qualified resources



Collecting useful feedback



Recruiting ideal testers



Deriving actionable recommendations

CV 101



The Objective of Customer Validation



Ensure product success in the eyes of the **company**, the **product owner**, and the **customer**.

Generate Actionable Recommendations



Fix

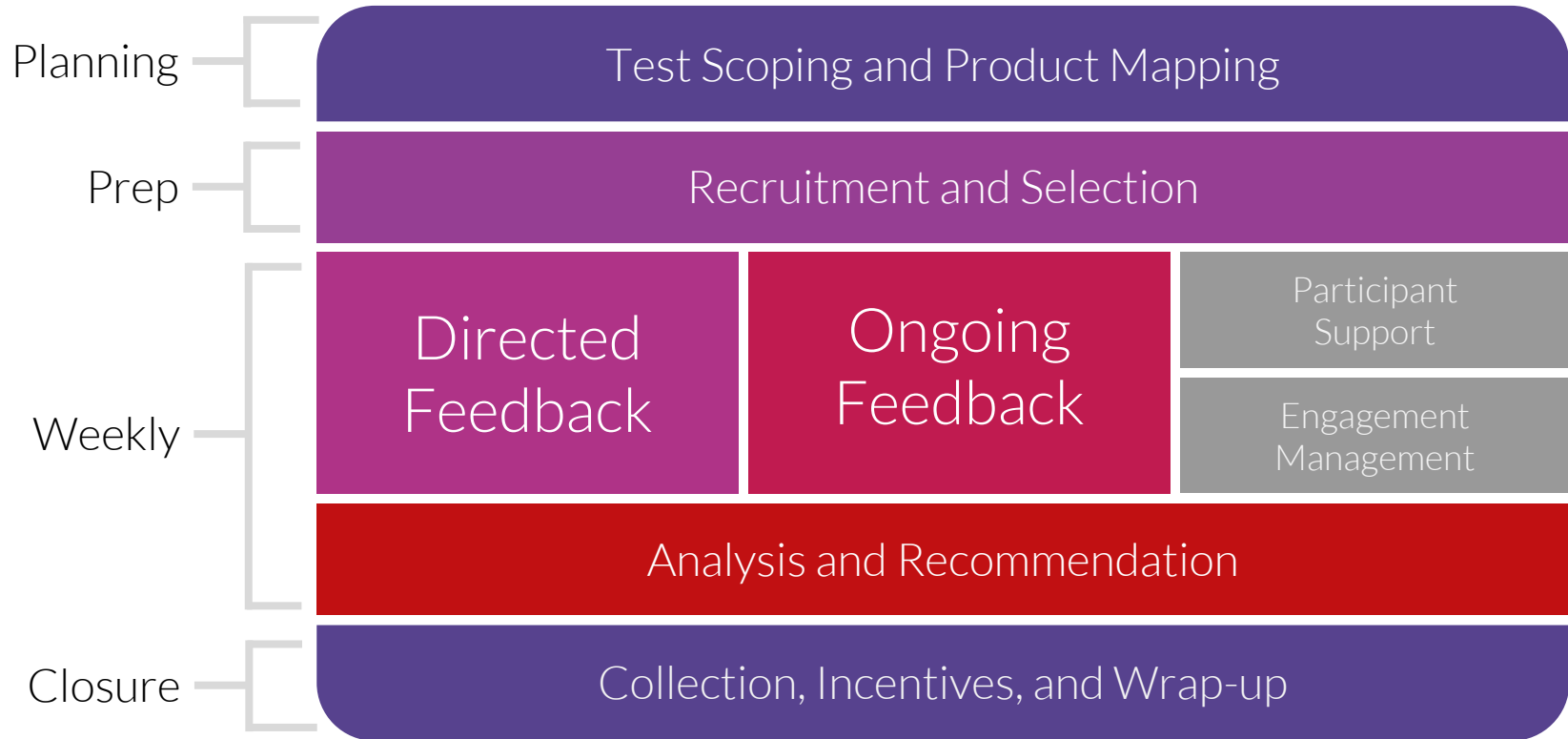


Improve



Promote

Customer Validation Test Process Overview

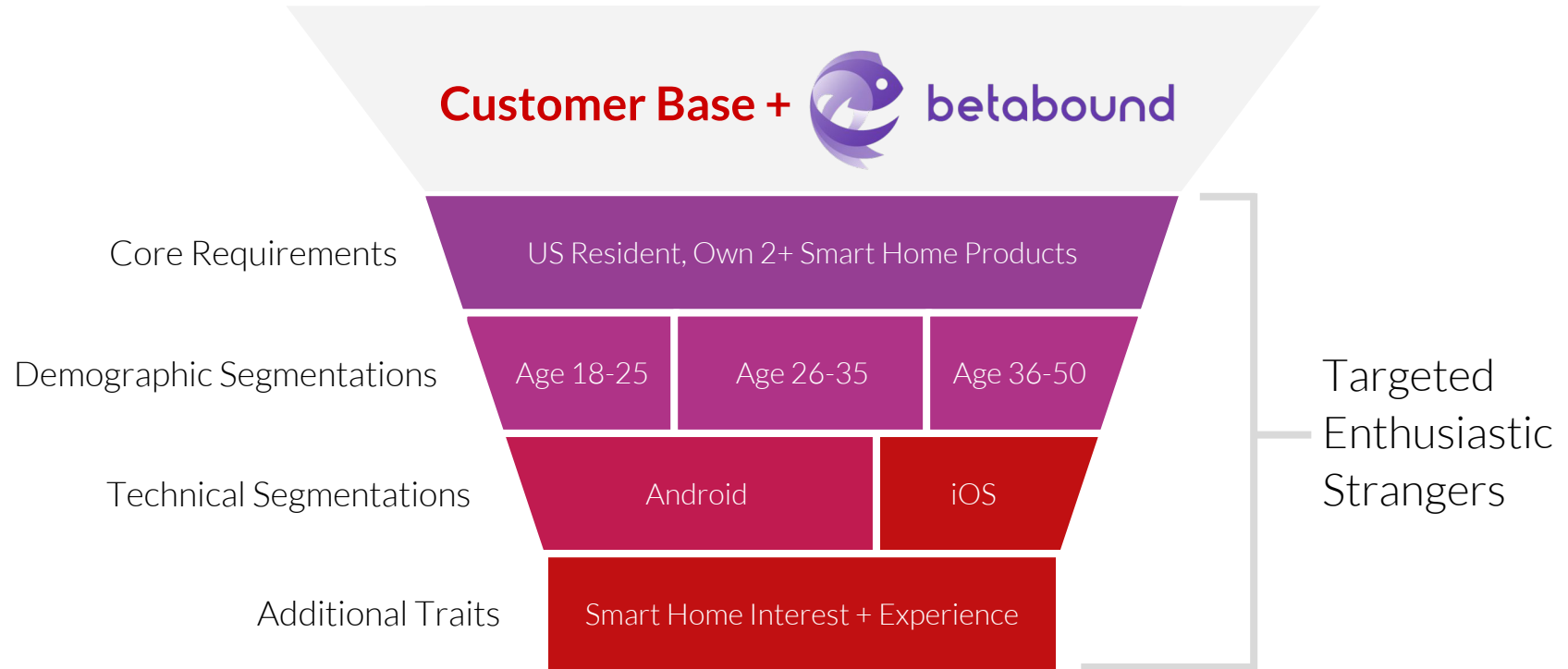


Test Scoping and Product Topic Mapping

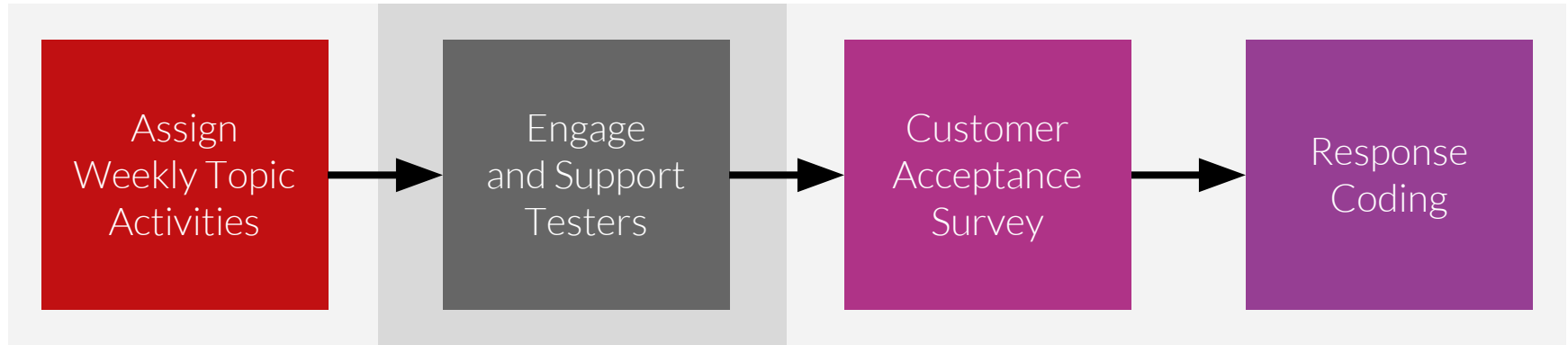
Topics represent the individual features, functions, and experiences you want tested

Topic	Description	Activity	Weight	Size
<i>Onboarding</i>				
Out of the Box	The initial experience opening the product package.	Receive and unbox the product.	1.2	S
Product Setup	The process of connecting the product for first time use.	Find a spot to plug the device into both the network and wall.	1.8	M
Account Creation	The process of creating a personal account to customize the product.	Log into www.xyz.com and create a new user account.	1.2	S

Recruitment and Selection



Directed Feedback (Weekly)



Customer Acceptance Survey

Please rate your satisfaction of **unboxing the product**



What went wrong?

Customer Acceptance Survey

Please rate your satisfaction of **setting up the product**



What could have been better?

Customer Acceptance Survey

Please rate your satisfaction of **creating your user account**



What specifically earned your 5th star?

Ongoing Feedback



1



Issues



Test quality, interoperability, and real-world performance

2



Ideas



Measure acceptance, prioritize backlog, generate new ideas

3



Praise



Gather delights, strengths, and real-world usage insights

4



Discussions



Emulate real-world discussion; drive focused collaboration

All **Ongoing Feedback** should be aligned with and prioritized by **Topics**

Actionable Results

Topic-Based Scorecards

CUSTOMER ACCEPTANCE SCORECARDS

Week 1 Topics

OUT OF THE BOX

80% C+

PRODUCT SETUP

92% A-

ACCOUNT CREATION

85% B

Topic Grading Scale

Greater than 90%	A
82% - 90%	B
70% - 81%	C
62% - 69%	D
Less than 62%	F

The comparison of your topic Customer Acceptance score is based on Centercode's collection of Customer Acceptance Scores across all Beta Tests. See Appendix for more details.

Topic Overview Scorecard Sample

TOPIC: OUT OF THE BOX

Customer Acceptance Score

C+

80%

This score is **AVERAGE**.

Unboxing Task

TASK

Review the packaging of the product.

DESCRIPTION

Review the product packaging and information without opening the box.

Get to know the product as if you were considering it prior to purchase.

Recommendations

Recommendations to **FIX**

3

Recommendations to **IMPROVE**

4

Recommendations to **PROMOTE**

1

Fix Recommendation Sample

Reinforce the Antenna in Packaging

Some testers reported frustration with the antenna breaking while attempting to remove it from the packaging.

A broken antenna can lead to a poor perception of product quality as well as performance issues.

RECOMMENDATION

FIX

20%
RESPONDENTS

Critical
SEVERITY

P1
PRIORITY

Tester Quotes

"While trying to remove the product from the box the antenna snapped off. I did not even apply that much pressure."

"I did not realize that the antenna was broken off until I heard it banging around in the box. Very cheaply made. Plus the packaging was so hard to remove, it is no wonder it broke off."

RELATED FEEDBACK

[BUG-0015](#)

Antenna broke pulling it out of the box

[SUG-0013](#)

Better packaging for the antenna

Improve Recommendations Sample

Provide Higher Quality Twist Ties

Testers feel that the twist ties are very cheap compared to the rest of the contents in the packaging. Some testers reported that twist ties were broken upon first inspection.

This gives testers the mindset of a product of lesser quality and can result in a poor display.

RECOMMENDATION

IMPROVE

23%
RESPONDENTS

Minor
SEVERITY

P4
PRIORITY

Tester Quotes

"Everything was going great as I pulled stuff out of the box, except the twist ties that held the ethernet cord together were already broken."

"I enjoyed pulling everything out of the box. Things were neat and easily accessible. But, the twist ties around the cords looked like twist ties on bread and took the feel of quality out of most the experience."

RELATED FEEDBACK

[BUG-0041](#)

Twist Ties Were Broken

[SUG-0013](#)

Needs Better Twist Ties or Restraints

Promote Recommendation Sample

Quick, Intuitive Setup and Installation

Testers felt the onboarding experience as a whole was very simple and was done in a matter of minutes with no major errors.

This should be shared with your marketing team to fuel customer testimonials and product messaging.

RECOMMENDATION

PROMOTE

30%
RESPONDENTS

P3
PRIORITY

RELATED FEEDBACK

[DIS-0100](#)

Onboarding was ultra fast

Tester Quotes

"WOW! That was probably the simplest product setup I've ever done. I was up and running in less than 5 minutes."

"I couldn't think of a way to make the setup experience any better. I finished just as soon as a started."

"I'm pretty impressed with how quickly I was able to get set up. I assumed it was going to take a decent amount of my time, but was pleasantly surprised. Documentation, packaging, pretty much everything was easy to get through. I would expect my mother could pick this thing up and install it with ease."

Tester Incentives



A sincere **Thank You** for their engagement

Shouldn't be the primary motivator

The final product is typically preferred by testers

Generally \$20-50 value is sufficient for **B2C**

B2B is complicated...

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When does CV occur in PLM?

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Customer Validation Resources and Solutions



Engage with Centercode

Schedule a Platform Demo

<https://centercode.com/demo>

Request a Test Plan

<https://centercode.com/plan>

Download Free Resources

<https://centercode.com/resources>

2018 CV Industry Survey



We're conducting our annual industry survey:

<https://centercode.com/survey18>

\$10 Amazon Gift Card as a thank you...

Thank You For Joining!

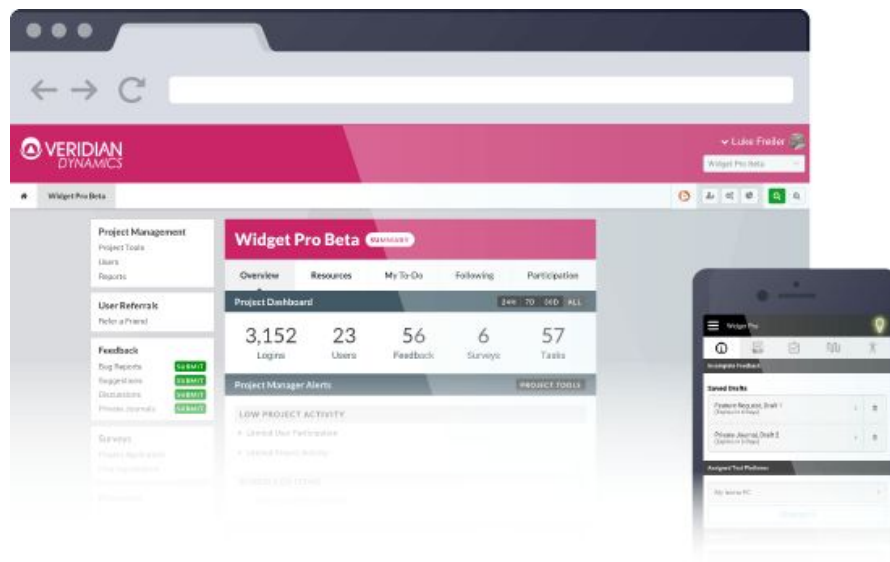


Q&A

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Thank You for attending!

Join us for our next webinar:

Using Competitive
Intelligence to Ensure a
Successful Product Launch



JAN

**Distribution
Strategy**

FEB

Channel Training

MAR

Use Scenarios

APR

Market Definition

MAY

Personas

JUN

Positioning

JULY

Programs

AUG

**Buy, Build or
Partner**

SEP

Awareness

OCT

Measurement

NOV

**Buying
Experiences**

DEC

Business Plan