

PRAGMATIC | **live**)))

User Testing

BEST PRACTICES FOR

Uncovering Market Problems

ABOUT US

Experts in technology product management and product.

Specialize in training.

Trained hundreds of thousands of people at companies around the world since 1993.

STRATEGY



EXECUTION



Questions

● How do you define a market?

- Is it viable? Is it feasible?

Who is my customer?

- What's their problem?
- What's the best solution I can build for them?
- What value propositions will resonate the most?

What are the best practices?

- Practical ways to test and validate ideas
- How to get alignment
- How to streamline the process

Your questions: Clarity vs. discussion



Summary

- Don't predict what'll happen, identify what's possible
Don't think about markets, think about problems
There's no substitute for talking to people
We believe that's hard and slow, but it isn't



About Me

● Apple

- Director of worldwide customer & competitive analysis
- Director of marketing, Home & Education division

Palm

- VP Product Planning

Lots of consulting, B2B and B2C

Two startups

UserTesting

- VP mobile, VP market strategy



About UserTesting

- Fast feedback for better products and marketing
 - In two hours, video and audio feedback from customers on almost anything
 - Target your particular customer
 - So easy that anyone in your team can use it

100k videos per month,
rising use by product and
marketing teams





A Market is a Dialog

- Their problem, your solution
Products and purchases do the talking
Evolution





1970-2020

Station wagon





1970-2020

Minivan



Station wagon





1970-2020

SUV



Minivan



Station wagon



Three markets or one?

Hard to Predict

● January 1988

“Large wagons haven't been affected all that much.”

- Louis E. Lataif, head of Ford's North American Automotive Operations

“The Stanza wagon segment is going to get much, much bigger.”

- Thomas D. Mignanelli, head of sales and marketing for Nissan USA

“If they've been buying wagons for a long time, they may want to continue to buy a wagon.”

- Thomas E. Gale, design chief at Chrysler Motors





How Do You Accelerate the Dialog?

- Focus on problems
 - Talk to the right people
 - Use the right methodologies
 - Ask the right questions (and be careful interpreting the answers)
 - Use the results to drive change



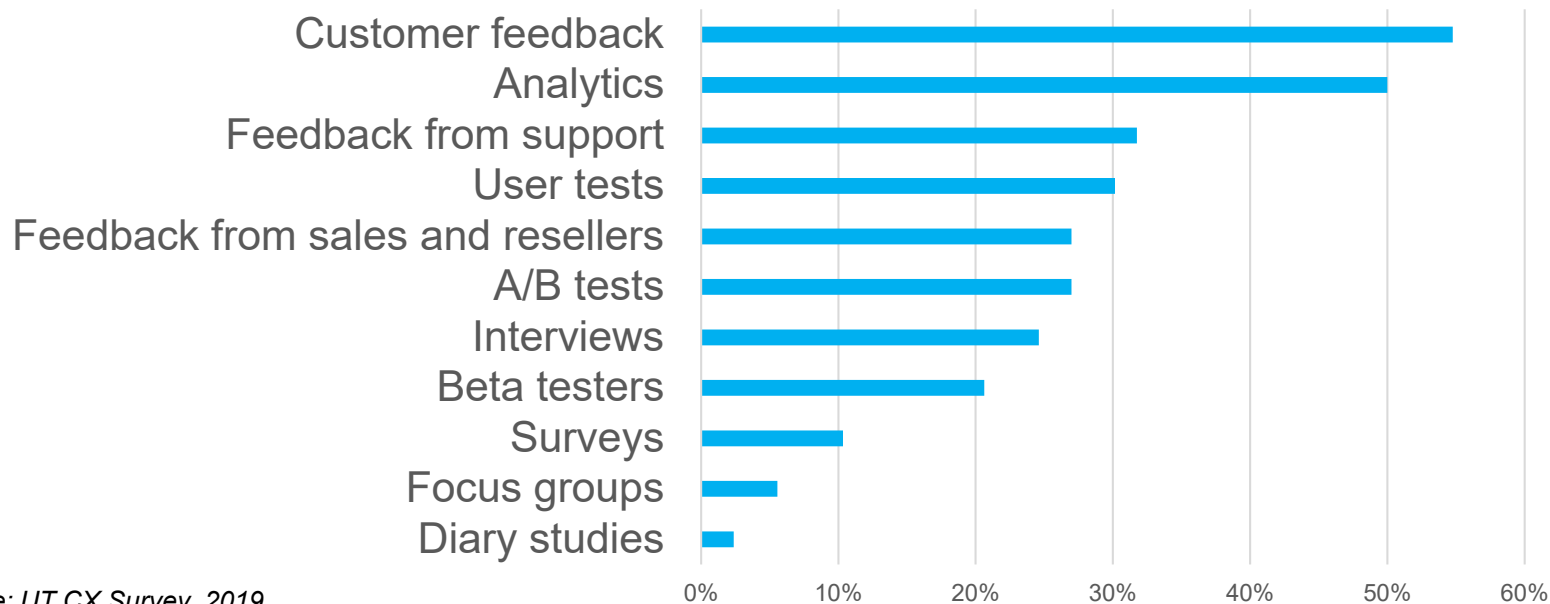
Conventional Wisdom on Market Info

Conventional Wisdom	Reality
“Market research surveys are king”	Surveys are great, but they can’t answer some questions, can be deceptive, and are very hard to get for verticals
“Check out this third party report”	If you can afford it, there’s probably something wrong with it
“We’ll iterate our way to success”	How much money do you have?
“Analytics tell us everything we need to know”	What vs. why



Information Sources of Product Managers

- “How important are each of these information sources to your design and development process?” Percent saying “extremely important.”



Source: UT CX Survey, 2019



Self-Selected Feedback Isn't Representative

- Social media is a performance
 - Pew Research: 2% of the US population writes 80% of tweets
 - Those users are much more polarized politically, younger, more likely to be female

Similar things happen in all unpaid media

We see the same pattern in customer feedback





Be Wary of All Convenient Feedback

- Sales reports
 - Support tickets (bugs vs. feature requests)
 - Advisory boards go native
 - Enthusiastic customers
 - People in your home city

Third Party Reports

- Cheap “research” studies

- \$3,495

Website surveys

Analyst firm surveys

- Play back their own analysis

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Quantitative Surveys

- SurveyMonkey is wonderful, but...

For non-consumer business, it's very hard to get a good sample

- Volunteer respondents and social media are misleading

They won't tell you why

- Always include a comment field

Regression to the mean

- Multimedia versus hard drives at Apple

Recommendation: Mix interviews and surveys

- Do the interviews first, and then decide if you need a survey



Strengths and Weaknesses of Analytics

● Strengths

- Very precise
- Objective
- Fast
- Great when you're optimizing

Weaknesses

- Don't tell you why (so you're not sure what to fix)
- Correlation vs. causation
- Make you ignore things you can't quantify



Good Sources of Market Data

- Major polling firms

- Pew Research

US Business Census

- Vertical, company size, revenue, employment

Interviews

Cross-check between sources of info



Interviews: The Real Gold Standard

- You may have to pay for their time

- \$300-\$400 for half an hour

LinkedIn is great for recruiting

- Consider former roles, people who are consulting

Make really clear that it's not a covert sales pitch

- And that you won't use their voice/image in marketing

A hit rate of 10% is fantastic

Record video AND take notes!

- Zoom is your best friend

Do at least five

- You've done enough when they all start to repeat each other



Customer Interview Tips

● Get them talking about themselves

Invite them to guide the conversation

- “I’m looking to learn from you, please steer this toward what I need to know”

Get inside their heads

- Don’t talk about your product, talk about their problems
- What are your goals for the year?
- What are the biggest barriers to achieving those goals?

Ask followups: Why? What did you do about it?

Don’t test your thesis until the last 10 minutes

Anything less than strong enthusiasm is a fail

- Aspirin vs. vitamin



Use Video to Persuade

- Show vs. tell
 - Align teams
 - Deflect “helpful” advice



Don't Guess

● It's incredibly risky

- Every sprint is expensive
- Rework destroys morale
 - Distrustful engineers
 - Demotivated salespeople
 - Lost authority

You don't have to guess any more

- Two-hour customer feedback on any question

55% of product managers frequently have to guess how customers will react to a new feature

63% wish they had more user data to help make decisions

75% say their analytics show customer behavior that they can't explain

Source: UserTesting 2018 CX Survey. 3,900 respondents across all industries.



Remember

- A market is a dialog
 - Their problems, your possibilities

Get inside your customer's head

Interviews plus high-quality quantitative data are best

Be wary of self-selected feedback

There's no excuse for guessing



Discussion

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Join us for our next
webinar March 17,
1 pm Eastern:

Revenue Growth

BAM 2020

JAN Sales Alignment	FEB Market Definition	MAR Revenue Growth	APR Awareness
MAY Market Problems	JUN Revenue Retention	JUL Buy, Build or Partner	AUG Pricing
SEP Measurement	OCT Buyer Experience	NOV Win/Loss Analysis	DEC Competitive Landscape