
Into the Minds of Your Customers

New Insights into How to Know What your Future Customers will Find Compelling

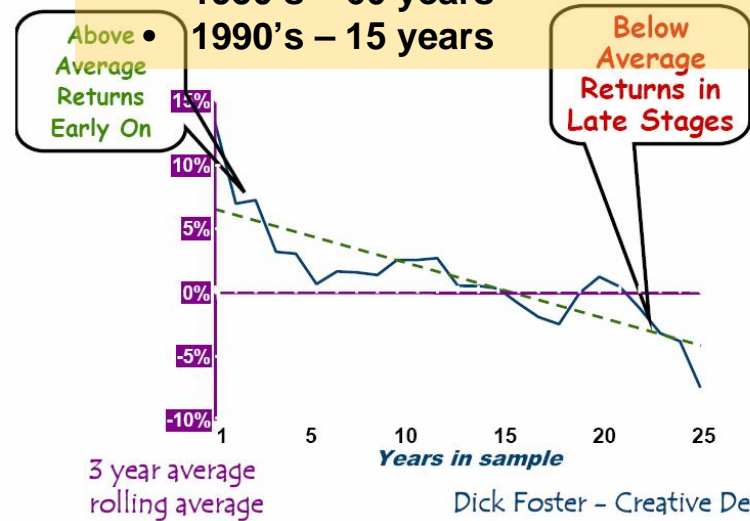
The ‘Voice of the Customer’ is no longer enough – understanding the different types of future customers and why they will (or won’t) adopt is now required

The Evolving Nature of Enterprise

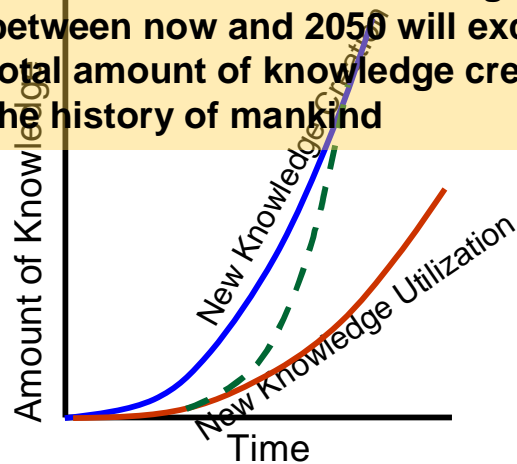
- n The world of the individual and the enterprise is evolving– fast
- n This new world is creating significant opportunities
- n Create options at every stage of the front-end
- n Continue to learn about the future
- n Be diligent at opportunity discovery
- n Understand your future customers

Average company lifetime in Fortune 500

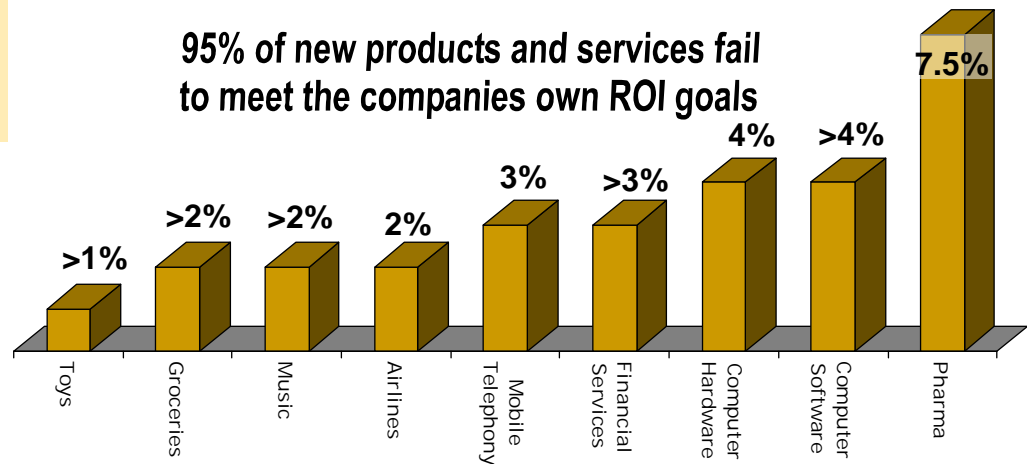
- 1950's – 60 years
- 1990's – 15 years



The amount of new knowledge created between now and 2050 will exceed the total amount of knowledge created in the history of mankind



95% of new products and services fail to meet the companies own ROI goals



Evolution of Organizations and Individuals

- n Individual oriented organizations
- n Leadership over managing
- n Getting Bigger & Getting Smaller
- n Operating as a network of agents
- n Blurring of the knowledge & skill boundaries



- n Extremely independent & tech savvy
- n Communicate with anyone, anytime
- n Empowered and capable
- n \$100K is the new \$5M
- n Security is individual knowledge and skill – not a corporation

Innovation is Key

Innovation **IS**...

- n ... **a process** for creating **experiences or effects** that people find valuable – valuable enough that they choose to **adopt (begin using)** the product or service that provides the experience.
- n ... **a transformation** process – from ideas or **knowledge** into **value** (sometimes in the form of *money*).

Innovation **IS NOT**...

- n ... just **inventing**.
 - à (But inventions that are valued and adopted may be successful innovations.)
- n ... just coming up with good **ideas**.
 - à (Ideas are nothing until turned into something valuable that people adopt.)
- n ... just **problem solving or creativity**.
 - à (But these can be useful in creating and understanding *some* innovations.)
- n ... just cool **technology**.
 - à (Technologies that are not valued and adopted have little impact in the world)
- n ... just **design**
 - à (But good design can drive desire and use)

Innovation is all about ADOPTION

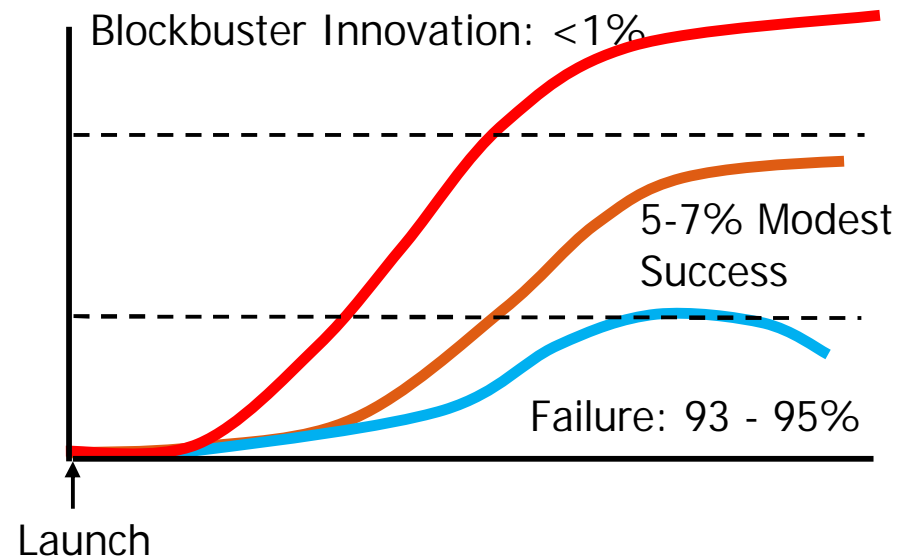
To **ADOPT** something means to accept it, embrace it, or to start USING it to affect your world – whether or not you have to buy it.

People adopt products, services, and even IDEAS...

- n Nothing happens *until something gets bought (adopted)*
- n 'Innovation' isn't what innovators do... *It's what customers and clients adopt*
- n It is customers and clients – not innovators – who determine how great ideas become successful innovations
- n ***The term 'innovator' cannot be self assigned***

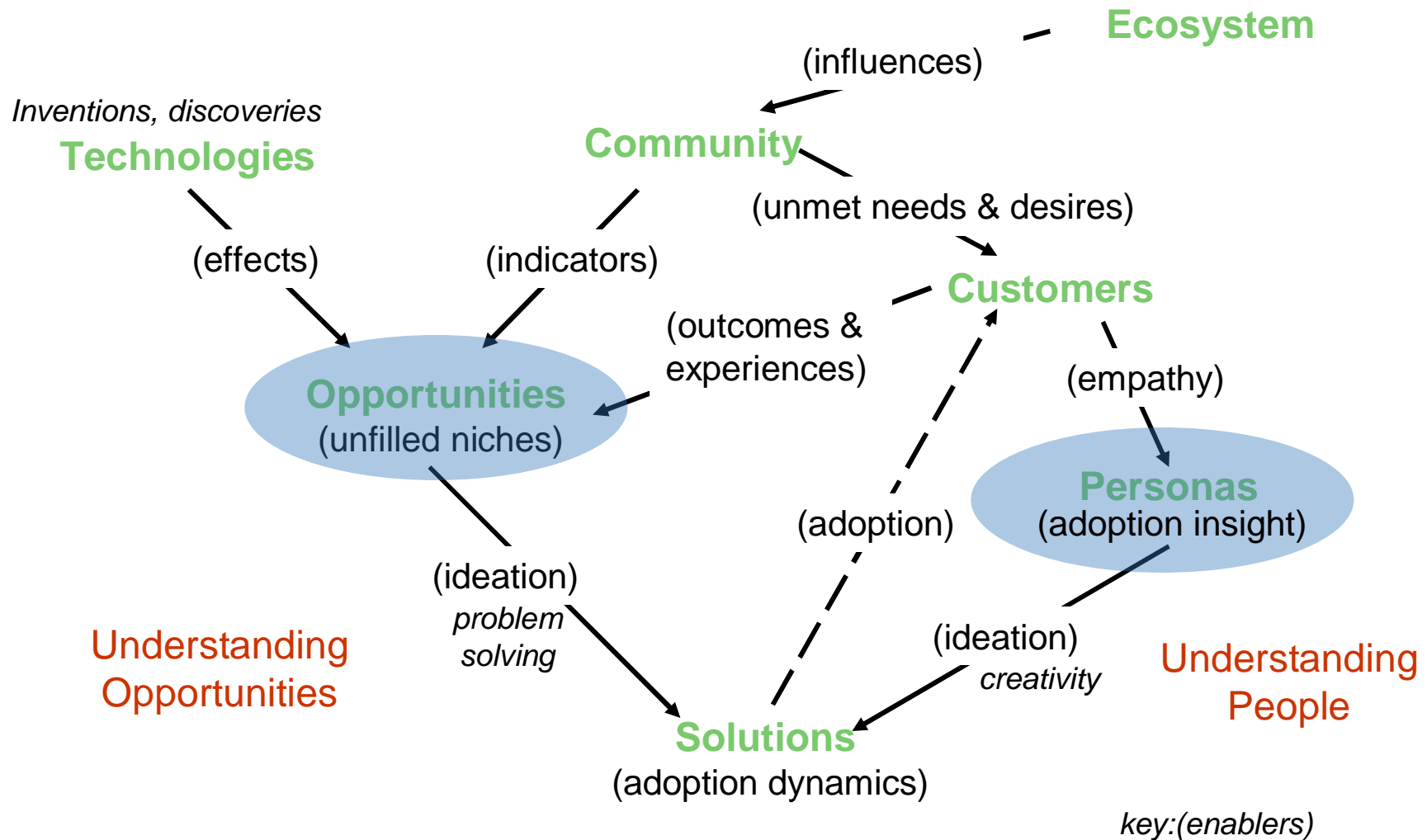
Michael Schrage - Co-Director, MIT
Media Lab's E-Markets Initiative

Typical Adoption Curves



Adoption is the Innovation Scorecard

Driving Adoption



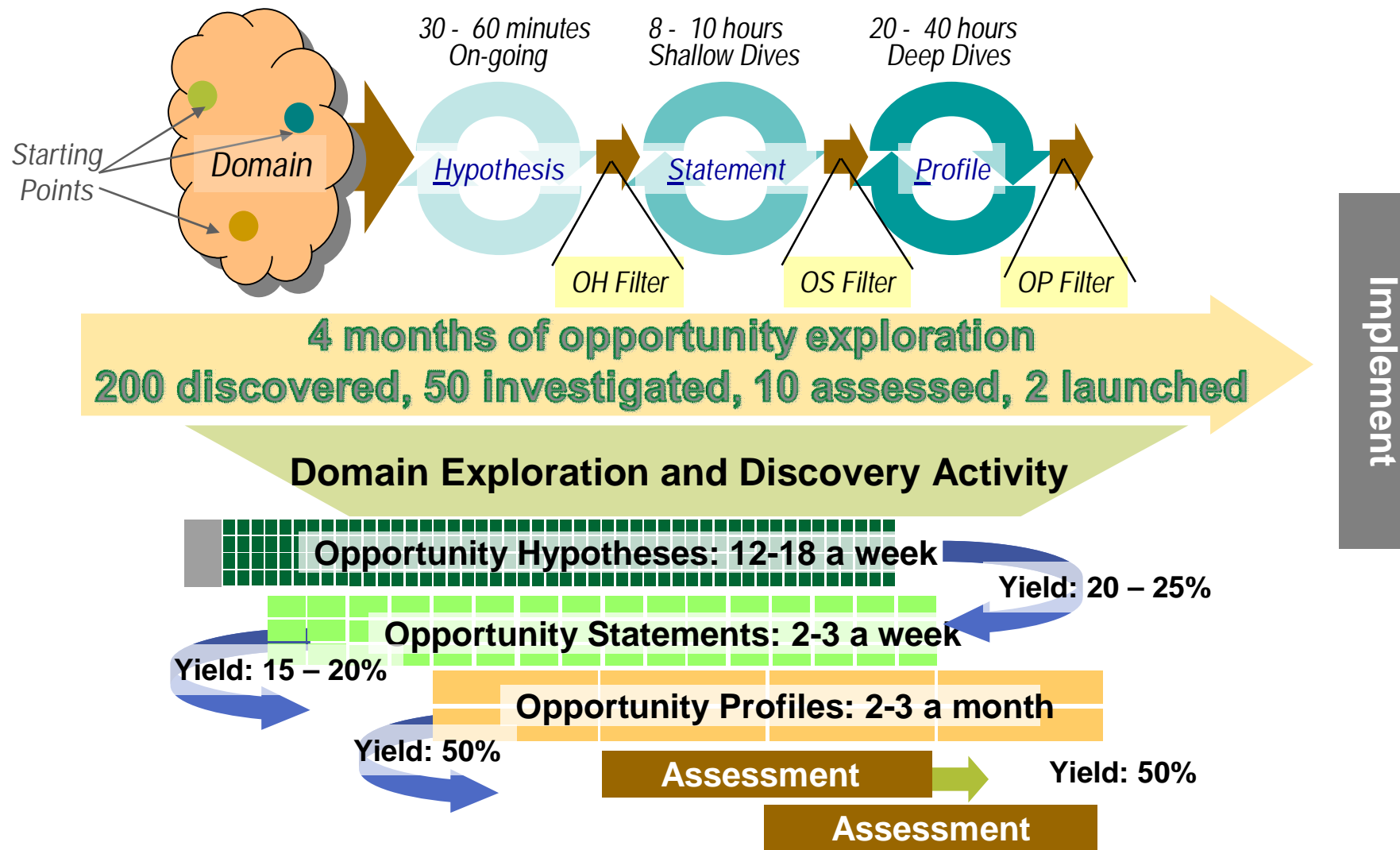
Needs and Desires à Opportunities

- n An opportunity is A 'niche' in the ecosystem where a new thing can flourish
- q New value, new solution, new behavior, new action ...
- q If we could do this, people would care – who cares and why?
- n An Opportunity is Not
 - q An idea for a new product or service
 - q A plan for a business
 - q Something that others are now doing
 - q A market niche

Begin with the end in mind....
“I need something that will...”
or “what if you could...?”

- n What is the **need** or **desire** and **who** has it?
- n **How** can we **satisfy** it and what are the **alternatives**?
- n What **value** is created and how do we **capture** it?
- n Can you create **value that people don't even know they want or "need" (at first)?**
- n **Timing**, timing, timing...

Opportunity Exploration

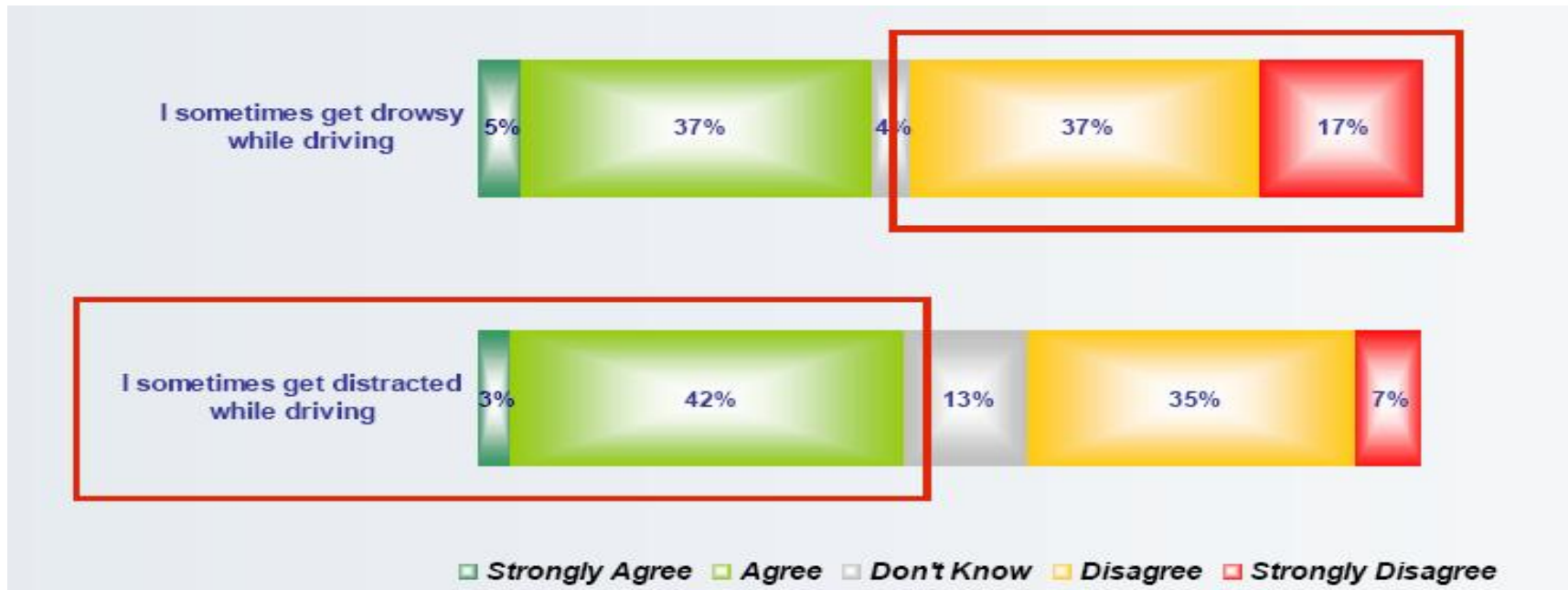


People are Complex – They're Hard to Predict

- n We prefer **STORIES** to statistics
- n We seek to **CONFIRM**, not question, our ideas
- n We rarely appreciate the roles that **CHANCE** and **COINCIDENCE** play in shaping events
- n We sometimes **MISPERCEIVE** the world around us
- n We see or create **PATTERNS** by prediction, sometimes filling in details erroneously
- n We tend to **OVERSIMPLIFY** our thinking
- n Often, we have **INACCURATE MEMORIES**
- n Our **SUBCONSCIOUS JUDGMENTS** are sometimes at odds with our conscious reasoning (and wrong)



What's Wrong with this Picture?



Do these results make sense?

Do over ½ of drivers never get drowsy or distracted?

How Customers Think and Choose



There is no one answer, no one point of view

- Multiple different, even conflicting, perceptions vary by personas
- Each Persona has a different set of primary Needs and Desires

Perceptions are formed every day

- Personas respond to specific effects in specific contexts

It is not about features, functions, benefits

- Experiences, outcomes, needs and desires determine what will be adopted



Customer Myths

All Customers Behave the Same
Customers want what you want

**The more customers see it,
the more successful it will be**
Customers will find a product's value

More features are better

Business Customers are not Consumers

**You only need to listen to your direct customer
and not the customers of your customer**

Customer Understanding and Insight

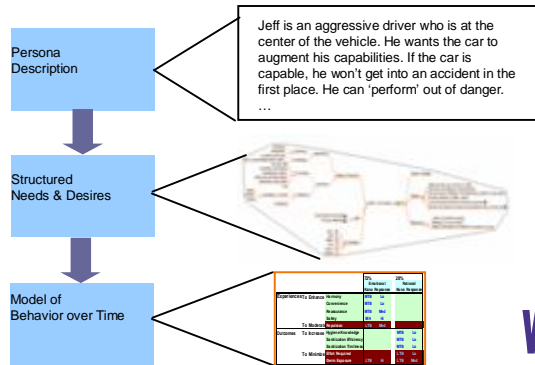
Community R&D



How do people think and choose?
 What will they truly desire?
 Why do they desire?



How do we effectively use our new knowledge?
 How do we create compelling new concepts?



Model Personas

Uncover latent needs and desires

What outcomes and experiences will personas respond to?
 How do we decide among alternatives?

Personas – A Tool for the Front-End

n Personas are...

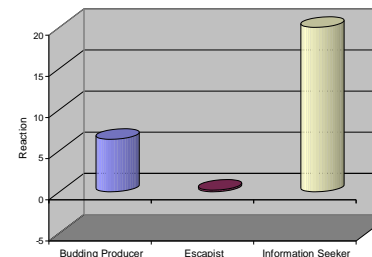
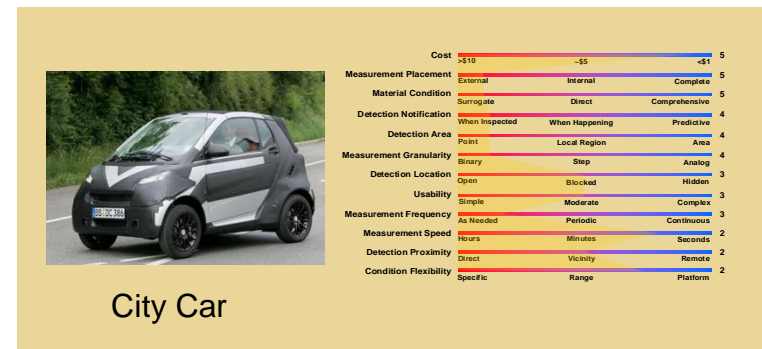
- q A representation of a type of person who thinks a certain way
- q Based on motivations, aspirations – the rational and the emotional
- q Captures why people behave, not what they do

n Personas are not

- q A demographic segment
- q A product segment
- q A behavioral story
- q A specific person

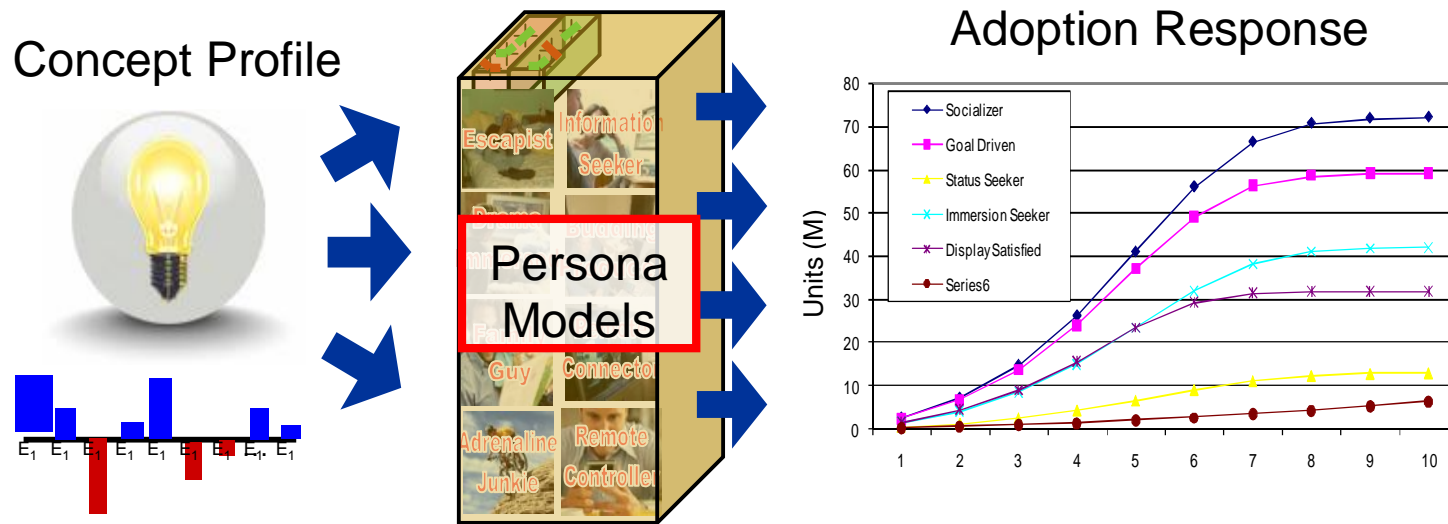


How will this persona



Respond to these concepts?

With Personas You Can



- n Determine why a persona will (or will not) adopt a concept!
- n Understand the true needs of different customer types
- n Create and prioritize numerous new concepts that customers will respond to
- n See plausible customer reactions to any new concept you can conceive
- n Create the most effective messaging for new products and new markets

And... develop deep, qualitative insight into the minds of your customers

New Methods are Needed

- n Consumer Behavior is Changing
 - q Technology is causing changes in behavior
 - q Changes in behavior are causing technology development
 - q A complex, dynamic system?
- n The new world is making old market research tools insufficient
 - q The need for new tools that can directly address the how people think and choose



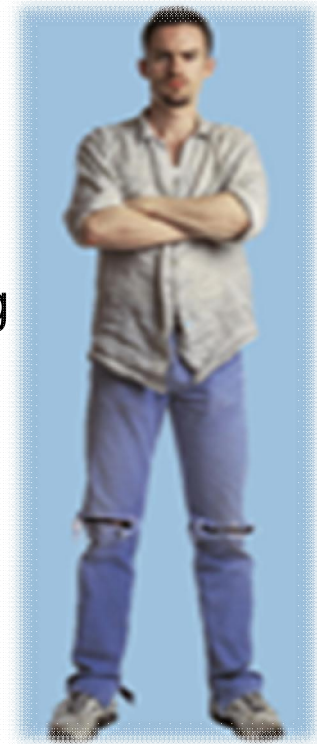
Two Critical Abilities for the New Era

n Evidence-based Opportunity Exploration

- q Search large domains
- q Find all the best opportunities
- q Build a portfolio of options
- q Use the 'wisdom of crowds'
- q Create a pipeline that runs
- q Iterate and go deeper

n Persona-based Customer Understanding

- q Capture the essence of the customer
- q Find unmet needs & desires
- q Predict adoption
- q Create compelling new concepts
- q Test ideas before developing
- q Make the qualitative explicit



		Indicators			
Need Indicators	Unmet needs				
	Unmet desires	■			
	Resource intensive workarounds		■		
	Lack of or insufficient alternatives	■			
Momentum Indicators	Attracting attention	■			
	Future potential				
	Upside headroom		■		
	Activity & energy		■		
Maturity Indicators	Technology forces and drivers		■		
	Community trends & drivers		■		
	New discoveries	■			
	New business formation		■		
Access Indicators	Leading media interest		■		
	Potential to scale		■		
	Multi-generational potential		■		
	Strategic Indicators		■		
Economic Indicators	Relevant knowledge and expertise				
	Barriers & alternatives				
	Addressable market				
	Engineering or basic science				
Strategic Indicators	Realistic for an organization	■			
	Emerging market				
	Plays into growth trends				
	Point on growth curve				
Strategic Indicators	Economic 'equation'				
	Capital investment				
	Expressed interest				
	Expressed need				
Strategic Indicators	New business model potential				
	New platform potential				
	Strategy positive				

Inovo

An Innovation process for any domain –

- q Corporate (B2B), Consumer (B2C)
- q Automotive, IT, Telecom, Medical Device, Consumer Goods, Semiconductor, Electronics, Pharma, Biotech, R&D ...
- q Industry, Government, Education



