CASE STUDY 1

1. How to gather customer requirements?

→ we use a four step process to collect and analyze customer data. These four steps are: -

i. Identify

ii. Collect

iii. Analyze

iv. Translate

The Collect Phase:

There are basically 2 ways of obtaining data about customer needs, these are Leading and Lagging indicators. Lagging indicators are useful to give information about past customer behaviour, for example warranty or complaint data, the data usually already exists. Leading indicators give information about future customer behaviour or needs, for example customer surveys. Often this data does not already exist and needs to be collected proactively.

The cost of collecting lagging data is typically low as it already exists, but of course the business will most likely have already incurred costs due to having to correct warranty problems or put right complaints. The cost of collecting leading data is higher, but as it is forward looking there will most likely not be any cost already incurred.

It is important when considering data collection methods to bear in mind the total cost, which is a combination of the Cost of Quality (cost already incurred) and the data collection cost.

The chart below illustrates the total cost of data collection. The blue line shows the data collection costs, and the red line shows failure costs. Lagging indicators have low collection costs, but incur high failure costs, whilst leading indicators have low failure costs but incur high collection costs. The total cost is the sum of the two elements.

Examples of lagging indicators include the following:

i. Existing customer surveys

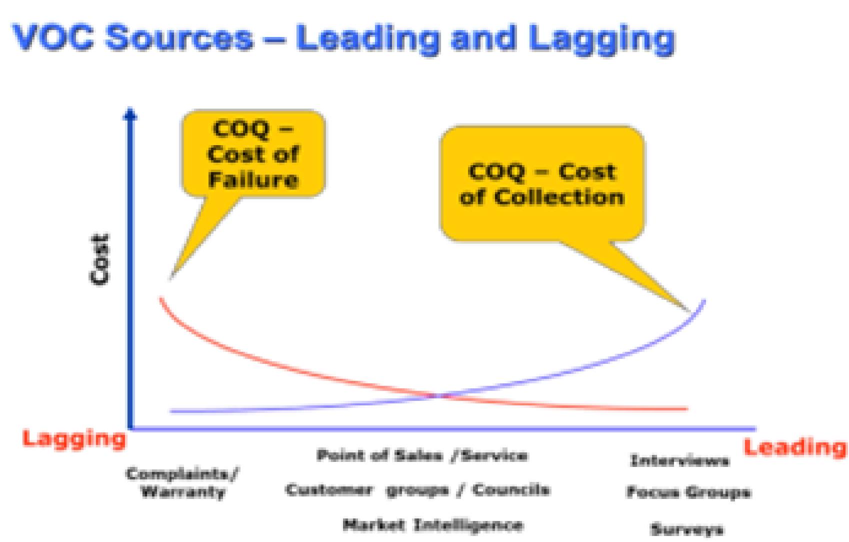
ii. Warranty information

iii. Industry publications and articles

iv. Research reports

v. Market forecasts

vi. Strategic planning documents



Specifications and Service Level Agreements (SLA's):

Specifications and Service Level Agreements are very useful sources of data about customer requirements, and of course should not be overlooked. In many cases capturing the customer requirements is no more complex than obtaining the specification! However, just because there is a specification does not mean it fully captures the requirements, or that it is accurate. It is always worth asking questions of the customer about the validity and accuracy of the specification.

Leading indicators include the following:

i. Interviews
ii. Focus Groups
iii. Surveys
iv. Market Research

An interview is a formal methodology for collecting customer needs using phone or face to face methods. An interview would usually be used to learn about a particular customer segment, and is an opportunity to find out a lot of qualitative data about customer needs. It is a useful method to get in-depth information from customers where there is no real understanding of their needs.

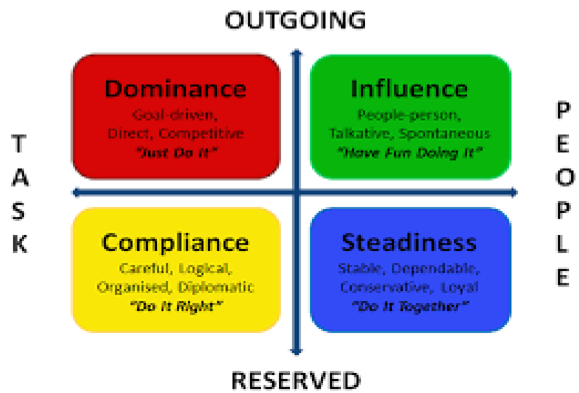
A focus group brings together a small group of customers to uncover general needs. It is used to capture a collective point of view from several customers at the same time, exploring the needs and concerns of specific customer segments. Focus groups are reflection oriented, and designed to understand factors influencing needs, wants and delighters. They are often used as a follow up to interviews, or as an introductory step before a big survey effort. Surveys are a research method to understand customer wants and perceptions using a large sample to gather valid, reliable and useful information that can help to provide quantitative data on customer wants, needs & opinions. They are most often carried out on a scale large enough to draw statistically valid information. They can also be used to benchmark a position, and the survey can be repeated at agreed intervals to track progress over time.

Market research is a general heading for any organized effort to gather information about target markets or customers. Market research provides important information to identify and analyse the market need, market size and competition. Any of the above techniques may be used in market research, but it is also possible to commission market research from an independent agency, who will then systematically gather information for the organisation to gain insight into customers and markets.

2. How to identify which type of customer dealing with?

→ Those of us that interact with customers have noticed that each one has a little bit different personality that comes out during our interactions with them. Thankfully, we're not all the same. These personalities are individual and depending on your interaction with them may determine your success or failure of striking an understanding, agreement, or sale. Thrown into this mix is your personality. You have unique personality traits that make you.

While everyone has a unique personality, there are 4 dominant traits that is weaved in all of us, and it's a blend of these 4 dominant traits that make us unique. Here's where the science of personality and your ability to identify those dominant traits and which are more and which are less dominant can affect your success or failure in dealing with another individual. While an in depth study of this subject may take weeks or months to fully understand, here are a few tips that you can practice on the job and hone your skills to make this a positive for you and your customer.



Let's discuss these four types of customers in details.

1) Dominant Customer:

this person is a bottom line type person. They want to cut to the chase and make a decision with a few facts that they tend to piece together to make a decision. With this type of customer, you will only hurt yourself continuing on with a detailed explanation. He's identified the problem in his mind, made a decision to move forward and fix it and only wants to know the bottom line price and time line. If your personality type is the next one, we will discuss and you continue on with what you feel comfortable explaining you will most likely lose his attention and he'll move on to finding someone who can give him the bottom line information he wants.

2) Steady Customer:

The next type of customer is a steady type personality. They like details and the more the better. They are the folks who read all of the information you give them and usually want more. If you are the same type, you will both revel in the detail and most likely come to agreement. They will expect to see all of the specifications, ASTM's if applicable, data, studies, and other information. They also will read every review your company has ever received by online rating sites. He wants to be sold this way and the more documentation you feed him the better.

3) Influencer Customer:

An influencer is our next type. They're relationship orientated and would rather gather with you over golf or cocktails, and form a friendship bond with you. They could care less about how you fix the issue as long as you are friends and vow to fix the problem as a friend would fix it. Giving this person a bottom line proposal will most likely fail as well as feeding them all of the specifications will fail. Friends first, then they'll do business with you. Short of making that friendship bond your proposal will end in the dead file.

4) Compliant Customer:

The final type of customer is referred to as compliant. Being friends with this type doesn't make much difference. They do like most of the details of what you are proposing, but not in the quantify of information the steady type wants. They enjoying friendly relationships with those they do business with, but not to the extent found by the influencer. Finally, they will get to the bottom line, but need to know all of the information they believe they need to be comfortable and will want the advice of others to make a decision. Referrals from previous customers is very helpful in getting these folks to do business with you.

The other types of sales customer are follows-

1) Potential customer - The Potential Paul (example): -

The Potential Paul is a type of customer that is on the very beginning of your sales funnel. Technically, Paul is not your customer yet.

How to deal with Potential Paul:

- **Show him value**: You can capitalize on his interest by clearly showing him what he can get from your product. You can do this yourself or point him to a resource like a landing page or a case study that will do it for you.

- **Reveal yourself**: Make sure to let the potential customer know that they can ask for help or advice at any time. Even if the customer won't need it immediately, they will appreciate the offer.

2) New customer – New Neil (example): -

New Neil is the fresh customer that just bought something from you. He is still learning the ropes of using your product. You need to do everything in your power to make that adoption period smooth.

How to deal with New Neil:

- **Guide them to success**: You can earn a long-lasting customer by investing a bit of your time into explaining how your product works and making sure the new customer knows how to use it. You can do that with a proper onboarding process.

- **Leave a contact option open**: Even if you offer an automated onboarding to customers, have a live customer service option available. It will go a long way in situations when a customer has a question that's not covered in the onboarding.

3) Impulsive Customer - Impulsive Iggy (example): -

This is the type of customer that can make a buying decision in an instant, provided that the conditions are right.

How to deal with Impulsive Iggy:

- **Clear the way to checkout**: Make sure nobody needs a manual to make a purchase on your website. The less clicks and information needed to make a purchase, the better.

- **Quick and concise help**: If you get a question from Iggy, make the answer short. Stick to the brass tacks. You also need to provide the response quickly. If you take too long, the buying impulse will fade and Iggy will leave your website.

4) Loyal Customer - Loyal Larry(example): -

This type of customers keeps coming back for more. Apart from having a significant impact on your revenue, Larry will be also your brand's ambassador.

How to deal with Loyal Larry -

- **Give him a platform**: You can help Larry spread the love and feature him in a case study. A bit of social proof like that will make your landing pages much more appealing to potential customers.

- **Learn from his experience**: See what turned Larry into a loyal follower and make sure that happens more often with other customers.

3. How to prepare questionnaire based on your observation?

➢ Definition of Questionnaire: -

1. a set of question for obtaining statistically useful or personal information from individuals
2. a written or printed questionnaire often with spaces for answers
3. a survey made by the use of a questionnaire

➢ The following are characteristics of good Questionnaire: -

- Questionnaire should deal with important or significant topic to create interest among respondents.
- It should seek only that data which cannot be obtained from other sources.
- It should be as short as possible but should be comprehensive.
- It should be attractive.
- Directions should be clear and complete.
- It should be represented in good Psychological order proceeding from general to more specific responses.
- Double negatives in questions should be avoided.
- It should avoid annoying or embarrassing questions.
- It should consist of a written list of questions.

Types of Questionnaires: -

Based on the type of questions used, questionnaires are as follows: -

1) Structured Questionnaire: -

Comes under quantitative research. It includes the low number of researchers and the high number of respondents. They are also called as closed questionnaires. They usually include answers such as very bad, bad, good, very good and so on.

- They have a definite and concrete questions
- They have to be prepared well in advance so as to ask as much questions and receive info from the respondent.
- A formal inquiry is initiated.
- Supplements and checks the previously accumulated data.

- Commonly used in for social and economic problems, to study about the changes caused due to change in policies, laws etc.

These question come sunder structured questionnaire.

Contingency questions:

This comes under structured questionnaire. Here a question is asked only if the respondent is able to give a answer to the previous question.

Matrix questions:

Similar kind of options are provided to multiple questions. The questions are provided one under the other, forming a matrix with response categories on top and questions down the side

2) Unstructured Questionnaire: -

A version of qualitative survey. They are usually based around more open questions. Open questions also mean recording more data as the respondents can point out what is important for them, in their own words and methods. But it is more difficult from the researcher’s side, since it does not give the correct idea of the topic and moreover proper understanding of the data is needed.

- Usually used at the time of an interview.
- Doesn’t require much planning and time.
- More flexible for applying in many areas.
- Usually used to collect data about people and their personal info such as family, debates, beliefs etc.

3) Scaled Questionnaire:

The respondents are asked to scale the answers based on a given rating prescribed by the question

Advantages of Questionnaires: -

1. Questionnaires are really inexpensive when they are handled properly. They can be cheaper than taking surveys which requires a lot of time and money.

2. Questionnaires can be of different types, written, postal, telephone and many other methods.

3. A single question or a topic can be asked to many at the same time without any kind of delay. Unlike surveys they don’t have to go to each and everyone to get an opinion.

4. It is an effective method to get an opinion from a large number of people.

5. Large number of respondents can be possible varying in age, sex, occupation etc.

6. Question responses can be highly defined and specific, depending upon the type of questions asked in the questionnaire.

7. These results can also be included as statistical survey, the deciding factor is the nature of the questionnaire and on what topic was the questionnaire based on.

8. Unlike face to face surveys where the respondent has to answer within that moment itself, questionnaires gives time to the respondents to think carefully, before giving the answers.

9. Questionnaires are easily replicable and can be repeated, and if well-constructed and properly piloted, they can be used as comparative materials for future studies and projects.

10. Standardized questionnaires can already be validated and can be used to compare between works and studies.

Disadvantages of Questionnaires: -

1. The results for questionnaires are based only on the type of question being asked. If the questions are poorly worded or is biased in nature, then the result analyzed will also be of the same nature.

2. Questionnaires can pose difficulties to the analyst if he/she is not familiar with the system based on which the questions are being asked. That is, the analyst may not be able to produce the required questions, and hence the required results cannot be achieved.

3. Questionnaires tend to give an alien feeling to many respondents and hence they are very impersonal irrespective of the situation. Thus, many people do prefer face to face conversations than answering questionnaires.

4. The response rate maybe poor in questionnaires, if people do not have time or they don’t feel any importance in answering them. This is one of the main disadvantages of questionnaires.

5. Questionnaires do make it impossible for people to answer questions according to their own opinion. This makes them very constricted in terms of answering such questions. This feels true particularly when the questionnaires have closed end questions. They limit the opinions of the respondent by a huge factor. Hence, less honest and detailed answers can be received.

6. Some participants may forget about the whole issue and tend to forget why such questionnaire was present in the first place.

7. Open ended questions may take a long time and will produce a large amount of data that will take time to analyze.

8. Respondents may answer the questionnaire superficially, if it takes time to answer such questions. This might lead to inadequate and maybe unwanted data to analyze the final result.

9. Do not try to ask too many question since it might bore the respondent and ultimately it will lead to incorrect answers.

10. Try to make the questionnaire as anonymous as possible as it will be more beneficial for the respondent to explain their opinions in detail.

➢ Six steps to Creating an Effective Questionnaire: -

1. **Work as a Partner:** Align your research theme with your client's overall business objectives so outcomes will complement the communications strategy. Together you can begin to craft the concept, timing and desired findings.
2. **Keep it Simple:** Write short, simple, specific questions using as few words as possible. To capture the respondent's actual beliefs, it's best to write a clear statement that can be responded to without too much deliberation. The more instinctual reaction you receive, the better.
3. **Choose the Best Delivery Method:** Today's surveys can be delivered over the computer, in person, on the phone or by mail. Postal surveys can be cheap but responses can be slow. Face-to-face can be expensive but will generate the fullest responses. Web surveys can be cost-effective but inconsistent with response rates. Telephone can be expensive, but will often generate high response rates and will allow for follow-up questions to enhance findings. So, a choice must be made.
4. **Ask the Same Question Twice but in Different Ways**: To ensure you are understanding a person's true opinion on a given topic, it's smart to ask the same question a couple of times. It will help you avoid the respondent bias that inevitably presents itself with each survey, and gives you a better chance at finding the person's true opinion on a given topic.
5. **Be Selective from the Start:** Although you may feel a person is the right one to take the survey, it's best to ask a series of screening questions to make sure. Position those at the beginning so you're not wasting anyone's time. Examples would be demographic benchmarks, such as salary, education and geography, etc.
6. **Pilot the Questionnaire**: By testing the survey with a small population, you'll determine if it's set to do what you need it to do. This soft launch enables you to determine whether some questions may need to paraphrased, reordered or removed.

➢ Order of the Questions: -

1. Begin with simple and general question.
2. No sensitive an embarrassing question at beginning.
3. Move from general to specific logical manner.
4. sensitive question at the end.

➢ Conclusion: -

1. Questionnaire are the main way collecting data.
2. But the questionnaire must be highly reliable and valid.
3. Using standardized questionnaire will give us the appropriate data and will yield a valid study.
4. One man follows all the basic guidelines and method of constructing a questionnaire and test it before using it.