



Understanding Customers

Market Research

Market research is the process of gathering information about your customer's needs and preferences. There are lots of ways to get input from customers. Some include:

- Interviews or observations—bring depth to the customer frustrations to help you uncover important opportunities, and refine the target customer in order to make surveys and internet research more directed and valuable
- Internet research—most suited towards covering specific topics such as researching competition or learning more about the market size.
- Surveys—most suited towards gathering quantitative data or rankings, such as determining the most important purchasing criteria for a specific group of customers.

There are advantages to each of the different research methods, though the advantages of interviews, in particular, makes them most suited to this early stage. Interviews allow you to get actionable insights on customer needs to build an offering of value.

Surveys work best after an initial need is uncovered and verified, so that actionable and pointed questions to your target customers can help you design your product. This will be covered in a later section of the course.

How to Interview

What NOT To Do

- Don't come into a customer interview feeling you have the answers. If your idea doesn't adjust at least some based on these conversations, you're not listening.
- Don't expect customers to have the answer. They'll know their frustrations and needs, but not necessarily how to solve it.
- Do not sell! This is the time to learn, so do NOT mention your specific ideas for how to solve the problem.



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- Do not include friends and family in your interviews - you will not get as realistic perspective on the problems.

What To Do

- Focus on the need, not the solution!
- Beware of confirmation bias — you are NOT there to validate what you think, you are there to uncover a need.
- Do it in person, one at a time — this will allow you to pick up on cues from gestures and facial expressions.
- Ask open-ended questions — this makes it a conversation and allows you to get to more depth of the need you may not have thought about before.
- Get subjects to tell a story.
- Listen much more than you talk!
- Follow your nose and drill down (Why? Why?...).
- Understand their priorities.

Choosing Your Customer

Your Customer Persona will be the person with the biggest unmet need - know this person really well and you have the foundation of your business!

- Organize your interview notes by customer segment (group of customers with similar buying behavior)
- Gather similar insights within a customer segment
 - Determine the common themes of the need first
 - Assess where the need is the biggest / most frequent
 - Additional research may be valuable
- Choose your top segment - this will be your beachhead market or target market
 - Determine which segment has the biggest need, with the potential to prove the value of a solution to other markets



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Customer Persona

What it is

One single person within your target market, ideally someone from your interviews, who...

- Has the biggest unmet need where you could create the most value and
- Will spend the time and money to adopt your offering

Why it's important

- Align the company around a common vision of the customer need
- Refer back to this person when making decisions, either through reminding yourself and asking what this customer would want or where he/she would look for solutions, or by physically calling or emailing the person to ask!

This can be a poster, PowerPoint, video, or other visual reminder of key details.



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Interview Guide Worksheet

Potential Customer Segments

- 1.
- 2.
- 3.

Where to find survey subjects / who to survey (across each segment, NOT friends / family)

Segment #1

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Segment #2

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Segment #3

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Interview Questions (open-ended questions about current process, needs, etc.)

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Results / Insights

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-

Customer Persona

Target Customer: _____

Why did you choose this customer?

Develop a depiction of your Customer Persona:

- Name and Title _____
- Frustrations, Needs, Challenges _____
- Goals _____
- A Quote _____
- Interests _____
- Age, Location, Background _____
- Occupation, Socioeconomic Status _____
- Other important information _____
- A picture of the person



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