

L-9: CUSTOMER VALIDATION

VIDEO

- Customer feedback is about gather honest opinion about your product from your target audience. It is a process of gathering feedback from potential customers to ensure that you are building something that your customer actually wants and, in the process, you will build something that your customer will continue to use.
- Customer Validation is an action and the product is a process- the process of getting the product from idea to the market.

CUSTOMER VALIDATION PROCESS:

- It involves establishing repeatable processes for identifying, communicating with, and acquiring customers who will be satisfied with the product and repeatedly use it.
- It helps to understand the barriers to adoption.- do customers actually understand the value proposition? Are customers easy to identify and acquire? Where and how customers are willing to pay?
- Methods for conducting customer validation research and building minimum viable product (MVP).
- Research- conducting surveys, interviews, user testing and data analytics
- It also involves creating and testing prototypes.

THE STEPS OF THE VALIDATION PROCESS:

1. Defining the target audience – This involves creating the detailed profile of your ideal customer like demographics info
2. Selecting the validation methods- interviews, surveys, testing and launching an MVP
3. Gathering and organizing- Selecting a proper validation method will help gather feedback from the audience
4. Analysing the feedback- Gathering info will help us analyse the feedback that was given by the customer demographics
5. Iterating and improving- The feedback gathered can be used to improve your product.

WHY IS CUSTOMER VALIDATION IMPORTANT?

- Understanding Customer needs
- Market Research
- Product Validation
- Makes it easy for teams to iterate early and increases the chances of success.
- It saves resources as we are not building a product no one wants.
- It gives evidence that there is market for your product.

PPT-1

WHY IS MARKET SURVEY NEEDED?

- Ask questions to test your business idea within your group and withing your class
- How will a market survey help you?
- Whom should you ask the questions in the survey?
- What type of questions should you ask?

- Why validate our business idea with prospective customers?

SOME TERMS

- NEED OF CUSTOMER: is also called a problem in marketing terminology
- OFFERING: Product/idea/service intending to be sold
- VALUE: Specific and relevant benefits which the customer looks for at a particular price.
- PROPOSITION: Refers to a statement which should focus on benefits rather than on a feature or an advantage.
- VALUE PROPOSITION: means a simple statement why a customer should choose your product or service.
- PITCHING: How should you frame the benefits of your offering to the customers?

HOW DOES THIS EXERCISE HELP YOU?

It helps us to:

- Learn probing which means asking suitable questions to uncover the customer needs
- Listen actively to spoken words, face expressions and body language.
- Understand if and when a customer intends to buy
- Estimate a price the customer is willing to pay
- Get suggestions/feedback for improvements through some open ended questions.

WHOM SHOULD WE ASK THESE QUESTIONS?

- We should ask the questions from at least one target segment of customers defined sharply on the basis of one or more of the following criteria:
- Demographic: Age, income, gender, occupation, education level
- Geographic: Country/Region/State/City
- Psychographic: Personality, attitude, lifestyle
- Behavioural: Season/month/day/time of the day for likely consumption

WHAT KIND OF QUESTIONS SHOULD YOU ASK?

- Uncover the problem/need of the target customers.
- Find out more about the 7Ps of Marketing (Product, Price, Promotion, Place, People, Process, and Physical Evidence)
- Discover the intentions(Yes/no/maybe) of customers to buy.
- Know the timeframe (Now/ within a week/ within a month) when customers intend to buy.

VALIDATING YOUR IDEA FROM PROSPECTIVE CUSTOMERS:

- The Survey may be done through tools like Google Form or SurveyMonkey.
- You may use simple graphical tools like pie charts or bar diagrams to interpret the results.
- You may draw conclusions on the basis of the observations related to your sample.
- You may assume that the conclusions will be applicable to your target customers, provided the sample is reasonably large. It is advisable to take minimum 100 prospective customers in your sample.
- An idea targeted at retail consumers is easier to research as compared to an idea targeted at organizational consumers.

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WHY START-UPS NEED SURVEY?

- Feedback for iterative improvement
- Identifying Early Adopters
- Pricing and Monetization Strategies
- Target Market Segmentation
- Customer Satisfaction and Retention
- Investor Pitch Preparation
- Building a Customer-Centric Culture

WHAT IS A SURVEY?

- A survey is a research method used to gather information, data, or opinions from a group of people, known as respondents.
- The primary purpose of surveys is to obtain quantitative or qualitative data that can be analyzed and used to draw conclusions, make informed decisions, or identify trends and patterns. Surveys are widely used in various fields, including market research, social sciences, business, education, healthcare, and government, among others.

MEDIUM BASED TYPES OF SURVEYS:

- Online Surveys
- Paper Surveys
- Telephone Surveys
- In-Person Interviews
- Focus Groups
- Email Surveys
- Mobile App Surveys
- Social Media Surveys
- Kiosk Surveys
- Mixed-Mode Surveys

CHARACTERISTICS OF SURVEY:

- Clear Objectives
- Relevance
- Brevity

- Clear and Simple Language
- Avoid Leading Questions Pre-tested and Piloted
- Use Multiple Question Types
- Logical Flow
- Avoid Double-Barreled Questions
- Inclusivity
- Anonymity and Confidentiality
- Randomization
- Mobile-Friendly
- Progress Indicator
- Thank you and Closure
- Test for Completion and Quality