

TUNED IN



Uncover the Extraordinary
Opportunities That Lead to
Business Breakthroughs

Craig Stull, Phil Myers & David Meerman Scott

Book Tuned In

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Recommendation

The iPod has been a monster hit since the day Apple introduced it to the marketplace in 2001. By 2004, the iPod owned 70% of the market for digital music players. Previous personal music players were difficult to program and use. Apple CEO Steve Jobs and his development team identified that problem, and they set out to solve it by using careful research and focusing on buyers' wants and needs. Now Apple rules the market. How can your firm emulate Apple's example? Marketing professionals Craig Stull, Phil Myers and David Meerman Scott detail the process market leaders use to establish breakthrough products. Although much of the advice is common knowledge, if not common sense, the book's eclectic mix of corporate case studies, such as stories from Apple and TheaterChurch.com, make this guide an entertaining read. *BooksInShort* recommends this manual to industrial designers, marketing professionals and other innovators.

Take-Aways

- Many corporate decision makers use intuition, guesswork, and untested opinions to plan and develop new products. This "tuned out" approach is backward.
- Instead, adopt a "tuned in" approach.
- Discover your buyers' "unresolved problems" and "silent needs." Seek new problems that your product or service can solve.
- Interview potential buyers who have not yet purchased or evaluated your products. Ask open-ended questions to learn what they think.
- Your product has many niche markets and your buyers have numerous different "personas." Target each group accordingly.
- If you can identify a pressing, ubiquitous issue that people will pay to solve, you are on to a winner.
- Make sure every aspect of your offering invigorates the overall customer experience.
- Use a single formidable slogan to communicate the benefit or solution you offer.
- Only by listening to your potential buyers can you discover what they need.
- Use Internet technologies to promote your new products and services.

Summary

Sleep for Slumbering Commuters

Are you well-versed in your clients' needs and desires? Do you think you know what potential buyers want, maybe more than they do themselves? If so, when did you last speak to your customers? What did you learn about their unsolved problems? Probably not much or you would already be taking steps to fix them. When you revel in your own product knowledge and expertise, you essentially ignore the marketplace. This is the worst form of insular, "tuned out" thinking, yet it is quite common at many companies. Instead, try to "tune in" to your customers' needs. Go to the source. Find out what their problems are. Then, solve them.

“When it comes to creating and bringing new offerings to market, ‘tuned out’ organizations get it wrong. They ignore the signals that reveal which problems buyers want solved and which solutions they will happily pay for.”

Consider Japan’s beleaguered corporate employees, known as “salarymen.” Knocking off work at 5 p.m. is out of the question. These stressed-out individuals work until 10 p.m. After such long days, many workers go to karaoke bars, have a couple of beers and unwind. Finally, around midnight, they are ready to travel home. But, exhausted after a long day in the rat race, many fall asleep on their trains, often failing to wake up at their individual stops. When their trains finally arrive at their terminal points, the conductors shoo these poor hard-working men and women onto the platforms. The sleepy employees now find themselves in remote country towns many miles from their homes. The trains do not run again until morning. Taxis cost small fortunes. Then, fate smiles on the downtrodden workers: smart-looking hotels with vacancies await across the street from the station. The room rates are reasonable, and the hotels give each guest his or her own toilet kit, complete with razor and toothbrush. Justice exists.

“Anyone can create hits that resonate if they stop guessing what people need and start spending their time building real and deep connections to what their buyers value most.”

But justice alone does not rescue these overtired office workers from an uncomfortable night on the station’s wooden benches. Smart entrepreneurs are their heroes. These savvy innkeepers saw a niche market for inexpensive hotels at the end of railroad lines to accommodate slumbering commuters who routinely fail to alight from their trains at the correct stops. These innovators had a bright idea: Build hotels and the sleepy slaves to capitalism will come. And it worked. These entrepreneurs are perfectly tuned in to their market. You, too, can find a similar niche market. The “Tuned In Process” has six distinct steps:

“Step 1: Find Unresolved Problems”

To become a market leader, identify your customers’ unsolved problems and offer them a solution they are willing to buy. American electronics company Magnavox did just that. It conducted numerous interviews to find out how people relate to their TVs and learned that more than half of all respondents misplace their remote controls up to five times each week. Moreover, almost two-thirds of those surveyed said they spend five minutes per day looking for the zapper. To fix this problem, Magnavox developed the “Remote Locator.” Users simply hit the power button on the TV, and the Magnavox remote emits a loud beep for half a minute. Voilà! You can find it easily. Solving this annoying problem gives Magnavox an important leg up on its competition. The remote locator is a “resonator” – an ideal solution for a problem, so apt that it “sells itself.”

“The anatomy of a resonator: the perfect solution to a specific problem.”

Buyers have “stated needs” and “silent needs.” If you can uncover their silent needs, you will be one step closer to discovering unresolved problems that your product or service potentially can fix. The only way to learn about these needs is to interview buyers. These include your customers as well as “evaluators” (people who seek a product like yours) and “potential customers” (anyone who has a problem that your product can fix). Make contact with these possible buyers at trade shows and through your Web site, or buy lists of names from marketing experts in your industry.

“Listen, learn and see if you can identify problems whose solutions can be turned into product offerings.”

Face-to-face interviews are always the best way to uncover unresolved market problems. However, do not use salespeople for the interview process. Instead, ensure that your surveyors stress that they aren’t selling anything. They should explain that you want to learn what customers think about your “market category.” Spend 30 minutes speaking with them. Ask open-ended questions that do not prompt yes or no responses. Listen carefully to what buyers tell you. Be on the alert for possible resonators and answers to unresolved market problems. Attend potential customers’ trade shows and conventions to learn what they think. Read their trade publications.

“Step 2: Understand Buyer Personas”

For many years, laboratory supplies manufacturer Nalge Company had only one niche market for its plastic bottles: lab scientists. Since the scientists couldn’t care less about the color of their lab tools, the company produced only “translucent white” bottles. Then, some lab scientists began to take the Nalgene-brand bottles with them on camping trips. Suddenly, everyone traipsing through the great outdoors wanted to know where they could buy these durable, lightweight, leakproof water bottles. To meet the needs of this new “buyer persona,” Nalge began selling the bottles to campers and outdoor enthusiasts. The product was essentially the same, but it had a brand new market. The bottles started to show up on college campuses. Students liked having access to water in libraries and classrooms. Nalge began offering its bottles in a range of colors, and imprinted some of them with college logos. The next step was the environmental movement. Nalge began promoting its bottles with a “Refill Not Landfill” campaign logo. The formerly white lab bottles went green.

“The best way to collect unresolved market problems is to visit buyers face-to-face in a nonselling situation, in a place where talking about your market category makes sense, and by preference on the buyer’s home turf.”

This product evolution demonstrates the importance of “buyer personas.” Nalge bottles originally solved one problem for scientists – they held liquids – but then the company diversified into solving problems for other niche markets: providing drinkable water for campers, keeping students hydrated during class and reducing the number of throwaway plastic bottles in the environment. With the exception of new colors and the occasional addition of logos, Nalge’s water bottles did not change at all. The company identified different buyer personas for their water bottles and marketed the same products to each group.

“Read blogs to see if bloggers are discussing unresolved market problems.”

Nalge is perfectly tuned in to its different market segments. Can your products address numerous target markets? Learn everything you can about the personas of any possible buyers. In the process, you will be able to sell your existing products to entirely new markets.

“Step 3: Quantify the Impact”

People who plan to attend a rock concert or sporting event often buy extra tickets for friends who later decide not to go, leaving the ticket buyers with unneeded tickets that are worth good money. Concurrently, others try too late to buy tickets to the same events, and find that the seats are sold out. But they still want to attend. Two unresolved market problems: too many tickets or not enough tickets. Enter StubHub, an online marketplace where people can buy or sell tickets to events. The new company has created a “breakthrough experience for fans.” As a result, it is immensely profitable. Recognizing a good thing, eBay bought the firm in 2007 for \$310 million.

“Tuned in businesses perform better than companies driven by innovation, revenue growth or customer satisfaction.”

StubHub made millions in its market niche because it identified a pressing, ubiquitous issue that people were willing to pay money to solve. Does your service or product satisfy a similar need? Collect census data, and conduct surveys and telephone research. Look for problems that have “high impacts” on the lives of those they affect. Measure only the most relevant data; omit any extraneous information. Then, plan and design your new product or service accordingly. If a sizable group of people will pay you money to have an urgent problem resolved, you are on to a winner.

“Step 4: Create Breakthrough Experiences”

The next step is to develop an experience that truly resonates with buyers, as Pastor Mark Batterson did when he founded a new church in Washington, D.C. National Community Church is not your average church. It does not have a worship sanctuary or traditional services. Batterson wanted something different for his flock: 20-somethings who had abandoned their traditional churches because they did not find them relevant to their mind-sets and aspirations. He designed his church to offer young people a novel religious experience. He holds TheaterChurch.com services in movie theaters. Since the majority of his parishioners do not own cars, Batterson schedules his services in movie houses close to subway stops.

“Your business must be a continuous problem solver for your market.”

Batterson and his church staff supplement their live church services with colorful videos. TheaterChurch also uses technologies, such as podcasts and blogs, to broadcast its religious message. It pays off. Church attendance is now more than 1,000 weekly. Batterson has developed a religious “breakthrough experience” that resonates strongly with young people. A breakthrough experience has five aspects. Tailor each one to your market:

1. **“Discovery experience”** – Provide helpful facts to aid your buyers’ information search.
2. **“Buying experience”** – Make your product easy and fun to buy.
3. **“Packaging experience”** – How you package your product is often as critical as its features and benefits.
4. **“Using experience”** – Your product or service should be simple and intuitive to use.
5. **“Service experience”** – Tuned-in companies provide good postsales service. A great product with bad follow-up service amounts to an unhappy buying experience.

“Step 5: Articulate Powerful Ideas”

If your company does something extremely well, that is its “distinctive competence.” Now, you must communicate a formidable idea that prompts your buyers to see that competence as the answer to their problems. First, identify the exact root causes of your customers’ difficulties. Hone in on these problems and their various ramifications. Then, coin an “elevator speech” that sums up the dilemma in a few succinct sentences. Try your speech on a handful of potential buyers. If they don’t like it, develop another. Once you have created a powerful elevator speech, condense it in a single simple memorable phrase. For example, the Bounty Towel company invented the catchphrase, “The quicker picker-upper” and the iPod’s slogan is, “1,000 songs in your pocket.”

“Most organizations probably think up ideas in the shower, the conference room or the R&D lab.”

Many companies develop mission statements and advertising based on what they think potential buyers should care about – but not on what the buyers actually care about. This is exactly backward in terms of how you should handle things. Through this wrongheaded process, companies focus on their own needs, not those of their buyers. Instead, meet with buyers, speak with them, listen to them and learn from them. This process is the only way to truly discover what is on your potential buyers’ minds, and what their concerns and their problems may be. You can begin to plan your commercial message only when you have identified their needs.

“Step 6: Establish Authentic Connections”

Connect with potential buyers in the most meaningful way possible. This does not mean using standard advertising or public relations. Avoid the “one size fits all” approach to marketing. Instead, segment your various buyer personas and develop content that speaks directly to each group. Review your promotional materials. If they contain more “we,” “us” and “our” words than “you” and “your” words, you are communicating and connecting primarily to your firm, not to your buyers. You can’t sell your products that way.

“Your momentum is working against you. It is easier to stay tuned out. It’s so darn simple to waltz into internal meetings at your company and talk about your opinions.”

Buyers today turn to the Internet for information, news and purchasing advice. Therefore, firms need to shift from traditional advertising in newspapers and magazines, and on TV, and instead focus on developing online content that buyers will relate to and appreciate. This is the best way to connect with buyers today. Develop materials that are appealing from your buyers’ perspective. Show how your products or services solve their problems. Answer the important questions that are on their minds by availing yourself of the most popular online tools. YouTube, podcasts and blogs allow you to reach your target buyers directly. They create an opportunity for your product to “go viral,” meaning that other Internet users rapidly spread the word about your company.

“The tuned-in process...[is] not about being smarter, better funded or endowed with an abundance of unique assets...it’s about systematically following a proven path to success.”

To tune in to your marketplace and its potential buyers, get out in the field and talk to the people who buy the products and services that you want to sell. Find out what is on their minds. Learn what their unsolved problems are. Then design your products or services to solve these problems. You cannot achieve a market breakthrough any other way.

About the Authors

Craig Stull is the founder and CEO of a technology product management and marketing firm. **Phil Myers** is the firm's president. Author and lecturer **David Meerman Scott** conducts seminars for the firm.
