Customer insights may be divided into methods that emphasize understanding “the customer” and methods that emphasize understanding “the market.” This course (15.821) deals with the customer and emphasizes qualitative methods (interviews, focus groups, Voice of the Customer, composing questions for a survey). The methods covered in 15.821 are often used in the “front-end” of a customer insight project, whose second-stage is a quantitative survey. They are particularly suited to entrepreneurs, although used extensively by firms of all sizes. Sometimes the methods stand alone; other times they greatly enhance quantitative surveys and data mining.

The course is designed for the non-specialist, e.g., someone planning a career in product or project management, R&D, advertising, or entrepreneurship.

The heart of the course is the team project, which has two parts: (1) a qualitative Voice-of-the-Customer ‘front-end,’ which generates a structured inventory of issues relevant to the idea that your team is exploring, and (2) an articulation of a specific new concept or new solution, based on this front-end customer insights.

This is not a traditional customer insights class. Our philosophy is that numbers (and especially large samples) are over-rated in customer insight; a deep understanding from a small number of knowledgeable and intellectually engaged individuals may tell you more than questionnaire (or data analysis) collecting broad insights from a hundred or a thousand customers. We focus on methods that:

- are quick, relatively inexpensive
- obtain rich, high quality information from a small number of customers,
- add creativity, challenge, and excitement to the customer insight process.

This course has three complementary objectives, namely, to:

- provide a concise “user’s guide” to the most valuable and common qualitative customer insight methods
- teach key skills for “do-it-yourself” customer insights (and gain skills in managing and using customer insights)
- teach all basic steps for a Voice-of-the-Customer analysis (course project)
Text


This covers all the steps in the Voice of the Customer project. It is comprehensive and extremely applied with many helpful checklists.

Hardware/Software

You will need a recording device for your interviews. A smart phone is sufficient.

You will need access to Explain Everything (Online whiteboard: MIT has a site license). Download the mobile app for your iPad or Android tablet or visit explaineverything.com and register using your @mit.edu email address to activate your account. There are many video tutorials available.

Group Project (3-5 students per project)

This material is tough to learn from a textbook. Therefore, a major element of the course is a survey-based group project. The project consists of seven tasks, which are roughly coordinated with the seven weeks of the course:

1. Selecting a topic and formulating a customer insights plan;
2. Preparing for customer interviews;
3. Conducting and taping interviews;
4. Transcribing the interviews and identifying customer statements or “voices”
5. Interpreting or “scrubbing” the voices, and organizing into a hierarchy
6. Proposing a new concept or solution based on the voices
7. Writing the customer insights report

A typical problem involves understanding the customers’ perspective in a new market. You will have a lot of freedom in choosing the problem, as long as it covers the above steps.

Special Assignments

To make these methods come to life, we include an additional small assignment: ZMET Pictures (Due Tuesday, February 23 at 5 PM). The Zaltman Metaphor Elicitation Technique (ZMET) requires participants to find pictures that represent thoughts and feelings on a given topic. We would like to simulate the experience of a “Zmetting” so that you will have a sense of what to expect in your VoC interviews. To this end, we would like you to send us a single page word file consisting of 3 – 4 images reflecting your thoughts and feelings on MIT. Please place each picture on the page where you feel it is most appropriate, and size each image any way you wish. The pictures can come from any source, but they cannot refer to or contain images that explicitly mention MIT or any other school names. Please submit the pictures and descriptions in one word file.

Grading

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final project presentation</td>
<td>15%</td>
</tr>
<tr>
<td>Final report</td>
<td>35%</td>
</tr>
<tr>
<td>Class participation</td>
<td>25%</td>
</tr>
<tr>
<td>Boston Beer Case question</td>
<td>15%</td>
</tr>
<tr>
<td>Consumer Interview write-up</td>
<td>10%</td>
</tr>
</tbody>
</table>
**Listening to the Customer Tentative Schedule (as of December 1, 2020)**

Reading assignment indicated by □  (VIC = Voices Into Choices)

Written assignment due indicated by !

<table>
<thead>
<tr>
<th>Feb 16</th>
<th>Course overview</th>
<th>Feb 18</th>
<th>Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ Consumer Behavior Exercise</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ Interview write-up (individual assign.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Feb 23</th>
<th>Voice of the Customer</th>
<th>Feb 25</th>
<th>Boston Beer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gerry Katz, AMS</td>
<td></td>
<td>□ Boston Beer Company</td>
</tr>
<tr>
<td></td>
<td>□ Interview guide (team assignment)</td>
<td></td>
<td>□ Storytelling</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ Metaphorically Speaking</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ Case question (individual assign.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 2</th>
<th>Idea generation</th>
<th>March 4</th>
<th>Observational methods</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Guest Lecture</td>
<td></td>
<td>□ Spark Innovation through empathic design</td>
</tr>
<tr>
<td>Jim Ferry</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 9</th>
<th>No Class, Monday schedule</th>
<th>March 11</th>
<th>Ethnography</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Guest Lecture</td>
<td></td>
<td>□ VIC Step R16,18 and 19</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ VOC transcripts (1 per team) due by Friday March 12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 16</th>
<th>'Scrubbing' exercise</th>
<th>March 18</th>
<th>The Customer's Voice on Pricing (lecture)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ VIC, Steps T15 or R15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>□ VIC, Steps T15 or R15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 23</th>
<th>No Class, Break day</th>
<th>March 25</th>
<th>The next stage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Guest Lecture</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Jack Mandelbaum</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 30</th>
<th>Presentations</th>
<th>April 1</th>
<th>Presentations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>□ Final written Project Due for all teams on March 30.</td>
<td></td>
</tr>
</tbody>
</table>
Detailed Assignments

February 16
There is no assignment for the first class.

February 18
Conduct a one-on-one interview, as described in Consumer Interview Exercise (A-F). There are six different versions of this exercise (A,B,C,D,E,F), and everyone should select one.

All six versions are posted on Canvas, download the version that corresponds to your birthday month: Jan/Feb (A), March/April (B), May/June (C), July/Aug (D), Sept/Oct (E), Nov/Dec (F).

The exercise will give you a chance to practice interviewing before you do it for the project, and give you a feel for typical content that might be explored in an interview.

The class will be devoted entirely to the discussion of what you have learned in the interviews.

Written Assignment, ~ one page length (submit on Canvas by 1 PM Tuesday, February 18):

Identify the product or service, and your relationship to the person interviewed (e.g., student, spouse, roommate...).

Briefly summarize what you have learned from the interview.

What, if anything, was surprising or unexpected?

If you were to conduct another interview, what would you have done differently?

February 23
Guest Lecture: Gerry Katz, Executive Vice President, Applied Marketing Science, Inc.

Applied Marketing Science is a leading customer insights company, which has developed a very successful proprietary Voice of the Customer methodology. He will discuss this in class.

As preparation, read the HBS reprint “Understanding User Needs.”

Take a look at their website: http://www.ams-inc.com

Additional assignment:

Complete an Explain-Everything Whiteboard by 5 PM consisting of at least 2-3 images that in some way evoke your thoughts or feelings about MIT. Please place each picture on the whiteboard where you feel it is most appropriate, and size each image any way you wish. The pictures can come from any source (iPhone, web, magazine...), but they cannot refer to or contain images that explicitly mention MIT or any other school names.
February 25

Read Boston Beer Case; take a careful look at the ZMET transcripts at the end of the case. The case illustrates use of Zaltman’s metaphor elicitation method. We will discuss the method in class. The articles on Fast Company are a good introduction to the method:

For more technical information, check out Prof. Zaltman’s website, www.olsonzaltman.com.

Prepare for class discussion:

- What should Boston Beer do with the Lightship brand?
- How useful were the customer insights? Are you confident in their interpretations?
- Is “Lightship” a good name? How would you find out?

Case write-up question, due before class (submitted on Canvas by 1 PM Tuesday):

An interesting phenomenon in the branding of reduced calorie beverages is that soft drink names usually have the form “Diet _____,” for example, Diet Coke, Diet Pepsi, while beers have the form “_____ Lite,” for example Miller Lite, Bud Lite. In fact, one of first low calorie beers was explicitly marketed as “Diet ____” but the concept did not work.

In one page or less, discuss what you think explains this difference in branding. You can draw on your own intuitions and/or the customer insights presented in the Boston Beer case.

The interview guide for the VOC exercise is due in class (1 per team). In preparing your guide, you can take a look at a ‘professional quality’ interview guide in the course packet (submitted by three former students). Your guide doesn’t need to be as elaborate.

March 2

Guest Lecture: Jim Ferry, President, Boston Innovation Group.

Jim Ferry is one of the leading practitioners of exploratory customer insights in the Boston area and was also a professional focus group moderator. He spent more than 30 years at large firms and eventually ran his own business, the Boston Innovation Group, advising clients such as Absolut, Sony and Timberland about how to improve their businesses. We will do several creativity exercises in class.

The short Wall Street Journal video about Jim’s other passion (oysters) provides a nice introduction.


As preparation for the class, please think of a problem or opportunity, meeting the following conditions:

1. It should be real
2. You should be responsible for implementing the solution
3. It should require a creative approach, i.e., not a decision between two known alternatives
4. You should be comfortable talking about it in class.
March 4
Observational methods. Read the article “The Future of Marketing Is Looking at You.”

For more detail, read “Ethnography in the Field of Design,” by Christina Wasson.

A few companies that offer ethnographic customer insights:
http://www.ethno-insight.com/
http://www.ethnographic-research.com/?gclid=CPeasYzqhqsCFQETNAodCSG51w

March 9
No class. Monday classes meet on this day.

March 11
Guest Lecture: Emma Gilding

Ms. Gilding is a cultural anthropologist, with extensive experience in ethnographic methods. Previously, she was president of the consulting firm in:site, and a founding partner of luxury market consultancies L-Group and G23, focused on communicating to women. She was named as one of Time Magazine’s Top 100 Business Innovators.

Project assignment due by 5 PM Friday March 12: 1 transcribed interview per team.

March 16
We will spend the class translating customer voices into requirements. The basic method is given in Voices into Choices Step R16. Each team member should come to class with their voices on “Post-It” notes in Explain Everything.

March 18
The Customer’s Voice on Pricing. We will discuss what customers “really” want from pricing structures and arrangements.

March 25
Guest Lecture from Jack Mandelbaum
President and CEO | Management Insight

March 30 and April 1. Final presentations

Overview of the Voice of the Customer Project

The project will teach you how to conduct a Voice of the Customer, and how to incorporate the information that you collect into a professional survey.

There are three deliverables:

- Interview discussion guide (February 23)
- Interview transcripts (March 12)
- Final report (Friday, April 2)
Here are the steps in the project.

Step 1  **Pick team**

For the project you will need to create teams of 3-5 persons (teams of 4 are recommended). You can look over samples from previous projects on Canvas.

Step 2  **Pick topic and prepare interview guide**

Pick the project objective.

*** Express the objective using one or more of the five key verbs (forming the GUIDE acronym):

- **Generate** (...customer needs in connection with a product or service).
- **Understand** (...the customer’s point of view about an issue or problem).
- **Identify** (...areas where current product performance falls short).
- **Describe** (...the decision process of a certain type of customer).
- **Explore** (...the customer’s perceptions of a company, or product).

You don’t want an objective that is narrow or quantitative (e.g., forecasting market share for a new product, sizing a market, etc.).

After you have selected the topic, you should then recruit several customers (at least one per team member) and give them their “homework assignment.” This assignment is an adaptation of the key steps used in ZMET (see readings for February 25 class on Boston Beer). You will ask each customer to collect 6-12 images that are in some way related to the topic. The images can come from any source (preferably, they are photos, e.g., by iPhone, taken just for the exercise, but they can also be clips from magazine). The images should be brought to the interview. Give the customers at least 3-4 days to collect the pictures. Tell them not to do the collecting just before the interview.

While the customers are collecting their images, you should schedule a meeting to work out the interview guide. Follow the guidelines in *Voices Into Choices*, Step 4. The guide should be short, fitting on one page. It is due in class on February 23 – do not conduct your interview until we have checked your interview guide.

Step 3  **Conduct customer interviews**

The interview itself should have two parts. In the first part of the interview, ask the customer to describe how each particular image they brought to the interview is related to the topic. In the second part, continue the interview with questions from your previously prepared interview guide. Throughout the interview, do not be satisfied with easy answers, but probe for hidden meanings. Follow the interview guidelines in *Voices into Choices* (Steps 10 or 12), or in *Customer Visits* (Chapter 4).

You should record the interview (after asking permission to do so).

Step 4  **Transcribe customer interviews and identify voices**

Working from the recording, create a transcript of the interview, and make two copies. (You can use any automated or manual method to transcribe the interview.) Distribute the copies
among the team members. The goal is to have two team members separately read each transcript. For example, if your team has three members, and you interview four individuals, then the “reading assignments” should look like this:

<table>
<thead>
<tr>
<th>Customer 1</th>
<th>Team member 1</th>
<th>Team member 2</th>
<th>Team member 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer 2</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Customer 3</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Customer 4</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Each team member should sit down alone with their transcripts and identify a set of customer statements. Follow the guidelines for identification from *Voices into Choices* (Step R15 or T15).

A crucial part of this process is capturing the customer’s own voice, with a minimum of interpretation. You may want to begin by simply highlighting key statements from the interview transcripts. We call these statements *voices*. They could be needs, concerns, images, experiences, feelings, problems, solutions, or anything else that helps us understand the customer’s point of view.

Next, use Explain Everything to create “sticky notes,” that is, text boxes on a whiteboard. You can color them yellow or any color. Only edit the voice where necessary to improve understanding or eliminate irrelevant details. Number each voice and identify your own notes by writing (if you have a compatible stylus) or typing your initials in one corner. These voices on sticky notes will be used during the in-class exercise to help your group create a mental image of the entire customer’s voice. The voices collected from a single customer interview are likely to vary widely. In Step 4, the goal is simply to document the voices identified by the interview and not to analyze the relationships among them.

**Step 5A Interpretation or ‘scrubbing’ of the voices (class exercise)**

The scrubbing process is described in *Voices into Choices* (Step R16), and we will review it briefly in class. The output is a list of ~25 nonredundant and semantically ‘scrubbed’ customer needs or requirements. You may have to merge your individual whiteboards.

The goals of step 5A are to combine the voices identified by each of the team members on sticky notes into a set of voices agreed upon by the team, and to translate these voices into customer needs or requirements. The output of this process will be a set of ~25 key customer requirements.

**NOTE:** Translating voices into requirements is appropriate if the objective of your project is to understand customer needs or likes/dislikes in a given domain. Typically, this would then lead to the development of new concepts - for products, services, ad campaigns, and so on. If your project has a different objective, then it may be more appropriate to translate the voices into some other format (not ‘requirements’ per se).

**Time breakdown for the class exercise:**

(30 min) Each team member brings their set of voices from Step 4 to the exercise. One team member begins placing his or her voices on a whiteboard, and reads each voice aloud to the team as it is placed on the chart. If other team members have identified the same or a very
similar voice, they stack their notes on top of the original note, completely covering it. (As a general rule, similarity among voices is indicated by placing them closer together on the whiteboard.) After the first team member has finished reading his or her voices, the next team member reads any of his or her remaining voices. The process continues until all voices are placed on the chart.

(15 min) The next step is to select the most essential voices (not more than 25) which represent the customer’s perspectives, opinions, or feelings (see Step R15, p. 251 in Voices into Choices). If several voices reflect the same thoughts, pick the voices that best describe a need rather than a similar statement that is more narrowly solution-focused. Focus on the concrete, first-hand experiences of your customer rather than generalizations. As you select voices, move them to another area of the whiteboard. Once you have consolidated similar voices, if you are still with more than 25, agree on the most essential voices as a team. Delete the others from the whiteboard.

(45 min) The final step is to construct Requirement Statements. The goal of this step is to create a set of action-oriented statements identifying functions that are critical to the customer. First, transfer the self-stick note documenting each of the core 25 voices to the top section of the requirement worksheet. Next, identify 1-3 key ideas being conveyed by the voice. Finally, write an action-oriented statement that translates the voice into a requirement following the guidelines outlined below. Keep in mind that one voice might translate into two or more requirements, each of which may reflect a different key item.

Step R16 in Voices into Choices gives guidelines about translating customer voices into requirements. Here are some examples in the context of student evaluation of cafeteria service:

- Avoid statements in the negative form: use “open during peak student demand” rather than “doesn’t close early.”
- Use multi-valued attributes rather than two-valued (yes/no) attributes: use “minimize time spent getting and paying for food” rather than “no waiting in line”.
- Avoid abstract words. Be specific about the customer’s needs.
- Avoid statements of a specific solution, e.g., “they should have more cashiers at lunchtime.”
- Avoid premature details, e.g., “stays open until 6:00 PM”.
- Use the concrete terms of the customer’s own experience rather than intangible concepts: use “offers several brands of juices” rather than “offers a good selection.”

For example:

Voice:

- “I don’t have much time [so] I get really irritated standing in a long line.”

Key items:

- customer is time-constrained
- customers may become irritated if the process of getting food takes a long time.

Requirement:
• “Minimize time spent getting and paying for food”

To save time you can divide voices among the team members for an initial translation. Afterwards, the team checks each other’s work, discussing potential changes.

Step 5B  **Diagram the requirements**

Schedule a group meeting. Follow the instructions for making an “affinity diagram” as described in Step R17 of *Voices into Choices*.

Step 6  **Brainstorm for the best solution to the problem.**

You should attempt to identify a possible solution to the motivating problem for the project, e.g.,

• a new product concept, meeting a key customer need identified in the VOC
• a statement of the most significant deficiency or problem with a product or organization
• a definition of the actual and desired brand or company image

This solution should make sense given the evidence collected in the Voice of the Customer, but you don’t have to defend it with any quantitative evidence. Just use your group judgment (e.g., brainstorm and discuss). You can use Steps 18 and 19 in *Voices into Choices* as a guide for brainstorming ideas, and picking the best solution.

Step 7  **Prepare report and presentation**

**The Customer Insights Report**

The customer insights report should be about 10 pages long and cover the following:

1  Statement of objective
2  Description of methodology
3  Qualitative interpretation of the interviews
4  Affinity diagram
5  What has been learned – proposed solution & future customer insight research
6  Appendix - Pictures collected from the customers

You can make adjustments to this sequence of topics, but check with the instructor first.

The most important part of the report is Section 3: “qualitative interpretation.” You might want to use as a model the readings: “To save or to spend,” which is a professional summary of a daylong focus group. Note the use of direct quotes, headings, and paragraph-length summaries.