

Secret Specifications

We often say, “Customers speak a different language.” Customers speak about what they want or need, but companies, out of necessity, use the language of engineering specifications. When companies start to design a new product or work to improve an existing one, the company language is based on the hard numbers that make up the product’s specifications: physical dimensions, speed, power, capacity, etc. But the Voice of the Customer is more qualitative: smaller, lighter, roomy, easy to carry, faster, and so on.

Tools like Quality Function Deployment (QFD) help translate between these two languages, and let the company’s designers understand how the specifications they work with drive customer perceptions and meet customer wants and needs. When QFD is not used, it is critically important to be sure that you are starting with the customer’s language and not the company’s way of describing the product.

Too often, particularly with technology products, customers start speaking and using the language of the company to evaluate and choose a product. And while this may appear to make the company’s job easier, in reality it is a slippery slope that ultimately makes it more difficult to create the products that truly meet customer needs. Customers will evaluate a personal computer in terms of megabytes of RAM or processor speed, a vacuum cleaner on peak horsepower, a stereo on watts of power, etc. Consumer guides often facilitate this comparison by listing product specifications in a table that makes the comparison easy.

There are at least two dangers here.

First, companies can focus on “winning the comparison” on the published technical specifications without really meeting customer needs. But when they

“win” on technical specifications that don’t have an impact on customer wants and needs, it is a wasted effort. Second, when the customer starts focusing on the spec chart, the product turns into a commodity, and once the competition is equal on the technical specifications, price becomes the critical variable. The result is the type of price war seen in the personal computer industry; products have become undifferentiated commodities where price is the major (or only) differentiator. And in such a market, only the supplier with the lowest cost can make money.

However, some companies, such as Bose Corporation, have refused to play the specifications game. Most people have heard of the Bose® Wave® radio, an expensive alternative to other radios and CD players. The company claims that the ability to produce remarkably rich, lifelike sound from such a small enclosure is what separates the Bose® Wave® radio from other radios. But don’t go looking for specifications like power output in watts or frequency response – that information is not available.

The people at Bose understand that what is really important to customers is how their radio sounds. And so they refuse to release the technical specifications and that forces customers to listen with their own ears, rather than compare watts and decibels and dollars on a chart. As a result, they are able to sell their radio at three times the price of products with similar features. In addition, they have created a substantial barrier to entry for potential competitors.

Secret specifications may not work in every market, but teaching customers to speak your language and make decisions based on data charts rather than their own perceptions is rarely a sound long-term strategy.

— Bob Klein

Customer Requirements – Optional or Required?

My dictionary defines “requirement” as “something required, a necessity, something obligatory, a prerequisite.” Sounds pretty absolute. Either you have it or you don’t. Either you meet a requirement or you don’t. No gray areas here.

Most high-tech companies (and many other companies) start their product development process with a listing or documentation of “Customer Requirements.” These “requirements” may be produced by the marketing department or may come from the sales force’s insight. Sometimes they are based on the specifications sections of their competitors’ brochures or the development objectives of R&D. These “requirements” define both what the product will be and how customers will perceive it.

But customers don’t really have “requirements.” Customers have wants and needs that they try to meet by selecting the products and services that do the best job, overall, of meeting their needs at a price that represents value. Of course, some needs are more important than others, and sometimes a need is so critical that unless it is met, the product cannot even be considered. For example, a young family may go shopping for a car that can hold the whole family. In this case, “seating for six” may look a lot like a customer requirement. But this family’s real need is for “room to carry my whole family.”

“Seating for six” is just the design specification that delivers on the customer’s real need. Companies set these specifications of their products in order to meet customer wants and needs. The more critical a customer’s need, the more important it will be for the product specification to be met. But calling them “customer requirements” can make them rigid and non-negotiable, even when they are not. A customer may, in fact, be willing to trade less

performance on one aspect for a feature that better meets her needs in another area. “Customer Requirements,” however, rarely identify these options or provide the guidance needed by product developers to pick the optimal set of product characteristics.

A colleague challenged me on whether there were really customer requirements by describing her new home computer. She had purchased it with a flat-panel monitor and said if she were to purchase a computer in the future, she would consider such a monitor a requirement. “Why?” I asked. “Because it gives me so much more desk space,” she replied. She then thought for a moment. “I guess it is the desk space that is the real need, and the flat-panel is just one possible solution.” And then she continued, “What would be even better than a flat-panel would be. . . .” Once she stated the need, she realized that what she had thought was a requirement was really just a feature that did a very good job of meeting that need. But she also recognized that there could be other, potentially better ways of meeting her need.

Unfortunately, companies can become trapped by their own nomenclature. If it’s a “requirement,” it can’t be optional. It can’t be traded off. And this can put the group responsible for producing the “requirements document” in a tough position. They may wind up specifying a product that can’t be built for a reasonable cost. Or they may build in so many compromises that they end up meeting no one’s needs. What they really need to do is to start with the customer’s wants and needs and set the design specifications that will deliver on the most important of needs. A solid understanding of the Voice of the Customer will make it clear which needs are critical and which specifications are really “requirements.”

— *Bob Klein*

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