

## After VOC, What Next?

Over 100 years ago, Lord Kelvin said, “when you can measure what you are speaking about and express it in numbers, you know something about it.” Metrics give management a way to control how they develop and deploy their products and services, while providing focus and direction to employees. Once the appropriate metrics have been developed and implemented, companies can innovate around their customers’ most critical needs and develop new solutions, programs and products that can be proactively controlled.

Measurement is integral to business management – indeed, numbers are the language of business. Finance managers measure revenues and costs. Materials managers measure inventories. Sales managers measure performance versus quota. Yet when it comes to product design, many product managers rush headlong from collecting the Voice of the Customer to designing new products based on existing rules and specifications – in other words, they use old metrics. But are those metrics the right ones? If, as is the case with many companies, your VOC unearths important customer needs that you were not even aware of, you may be measuring the wrong things, and designing last year’s product!

The best metrics for new product development should:

- 1) be measurable, 2) be directly controllable by the company, 3) have a clear owner, 4) incent the organization in the desired direction (such that employees cannot “game” the metric to the detriment of the company), and 5) be tied directly to customer needs. By definition, the best metrics will meet all of the first four requirements and be tied to many of the most important customer needs. And if chosen carefully, they can predict how the market might receive the new product.

Despite the effort required, Quality Function Deployment (QFD) remains the best method for identifying the most important metrics for a new product. Using the House of Quality matrix, a cross-functional team identifies important links between customer wants and needs – generally expressed in “fuzzy” customer language like “a comfortable bed” – and measurable product specifications like thread count, mattress firmness, and the number of pillows. After completing the HOQ, the design team will have in its hands the most critical metrics, which must be controlled and optimized – profitably, of course – if customer satisfaction is to be achieved.

Yet for many product designers, QFD is often viewed as a bridge too far. Even without a complete QFD matrix, simply identifying a few internal metrics tied to the most important customer needs can deliver significant benefit. Knowing the three or four most important customer needs, ask yourself, “What are the half-dozen or so things I could measure to be sure I’m addressing those needs?”

If you do not figure out a way to measure how well you are doing, you are not getting the most out of your VOC effort. To maximize the value of your investment, spend the time to develop internal metrics, linked back to the Voice of the Customer, that will predict your ability to meet your customers’ needs. Another of Kelvin’s pearls of wisdom was “if you cannot measure it, you cannot improve it.” We’d add that if you cannot improve it, then why should they keep buying it?

— Greg Fitzgerald and John Mitchell

# One-on-One Interviews or Focus Groups?

When planning market research to support product development, the most important question after “Who should we talk to?” is “How should we talk to them?” Despite the growing popularity of on-site customer visits, including ethnographic observation, product developers often cannot afford the time and expense of conducting such intensive research with a meaningful sample of customers. This fact, combined with the inherent advantages of central-location interviewing – easier recruiting, unobtrusive recording, and comfortable observation facilities – leads many product managers to consider two methods: one-on-one interviews or the “old reliable” focus groups. Yet these methods are not equivalent; each has its own strengths and weaknesses.

The most effective new product development processes begin with collecting the Voice of the Customer – a complete and prioritized inventory of customer needs. Many are surprised to find that a typical product has one hundred or more unique, detailed needs. Collecting those needs requires lengthy, individual discussions in which the interviewer is free to “drill down” with incisive, probing questions and the respondent is free to answer honestly. Customers can embark on extensive but relevant tangents while interviewers follow along, ensuring that all the possible dimensions of customer needs are covered at least once during the course of the study. Good rapport with the respondent is critical, and trust must be established.

Professors Abbie Griffin and John Hauser examined the issue of one-on-one interviews vs. focus groups in their landmark 1993 paper, “The Voice of the Customer,” and concluded that one-on-one interviews are preferable for VOC research. Whereas focus groups barely scratch the surface, and rapport with every participant is difficult to achieve, one-on-ones provide a comfortable environment for a “deep dive” with each respondent. They are the best way to ensure that you have heard everything. What’s

more, one-on-one interviews are more economical. One eight-person focus-group will yield a maximum of two hours’ data. But those same eight people, interviewed at the same facility over the course of one day will yield about eight hours of data, for virtually no difference in recruitment cost or respondent incentives.

Yet there will come a time in product development when focus groups should be part of your arsenal. In our experience, small focus groups of about 3-5 participants can be particularly effective during new-product concept testing. Any concept test aims to validate or refine the design team’s work on a new product. Developers seek a consensus opinion: do potential customers like the product or not? To answer such a question, test participants must be able to examine a product from all sides, both literally and figuratively. Often the group format is an ideal setting for this type of activity because it allows participants to interact and discuss the strengths and weaknesses of a particular product. Because groups bring a large number of participants together for a short period of time, they maximize the total number of individuals who see the concept. Such a large sample also gives you an easy way to execute a quantitative survey of highly-qualified participants who have been exposed to the concept (usually conducted on an individual basis after the group ends).

Remember, how you talk to customers is nearly as important as who you talk to. When your aim is to understand what your customers want, before you have decided what to build, one-on-ones are the clear winner. But once the Voice of the Customer has been heard and a new product idea is on the table, focus groups are often your best bet.

— *John Mitchell and Donna Coburn*

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