

# A Different Approach for Developing New Products or Services

BY ROBERT BRASS



“When all else fails, ask your customer!” At first utterance, this advice seems to make sense. But it assumes two things:

- A group of potential customers can effectively describe their needs in terms of new products or services.
- These same customers can then rank those needs in terms of importance to offer guidance to development teams.

Both of these “beliefs” have a history of ineffectiveness. Of all new products, 80 to 90 percent fail, and there is no proof that traditional market research techniques would have altered that fact.

Does that mean that market research is useless? The answer is, “No, it doesn’t.” However, it points to some problems with traditional market research.

**INHERENT PROBLEMS WITH TRADITIONAL MARKET RESEARCH** The standard approach to market research is to ask customers in a focus group or one-on-one to describe what they would like to have in a new product or service. Typically, then, after multiple sessions using this approach, the information is sifted, condensed and clarified. To address priorities, a follow-up survey based on a distillation of the discussions is done to quantify the “wants” of the customer. The result is then treated as the basis for defining the features and functions for new products or services.

The problem with this approach is that it rejects the reality of our lives. If we are to identify the things that make us unhappy, we can usually be precise. On the other hand, if we are asked to formulate the products or the services that would relieve our problems, in most cases, we struggle. However, if you still are tempted to use this old approach, recall the old saying: a camel is a horse designed by a committee.

**A DIFFERENT APPROACH** Is there a methodology that would work? The answer is “Yes.” Experience demonstrates that the one common denominator for almost all successful products is that

they solve high-priority problems in a cost-effective and easy-to-understand manner! Given this clue, there is a process to follow that leverages this wisdom:

1. Find out what problems there are with an existing product or service that you are attempting to improve or replace.
2. Use an objective method to prioritize those problems.
3. Present the results to a very creative individual or to a creative group in a simple and unambiguous manner. Charge them with the goal of developing the actual products or services that would solve the high-priority problems.
4. Create prototypes and implement a preliminary but very different “concept test.” Don’t ask customers if they like the new product or service. Instead, ask a carefully selected group how well the proposed solution addresses those high priority problems that it was intended to solve.
5. If it passes the test of being an effective solution and it is cost effective, launch it as a new product or service.

**PAINSTORMING, NOT BRAINSTORMING** Instead of using brainstorming to get ideas for new products or services, use “painstorming” to identify problems. The key to success in this process is identification of the major problems. All problems are not created equal, so prioritizing is essential. Develop a survey, but don’t ask customers to rate the importance of each problem.

First, the human decision process is extremely complex, and the importance or priority of any element

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varies with circumstances. A totally satisfied customer who has no problems with a new car will have a very different set of priorities from one who needs to go to the dealer every week for repairs. Second, since virtually every purchase decision is emotional, we often consciously or unconsciously support our decisions with rationalizations that may have no real relationship to the actual reason for the decision.

**SO IF YOU CAN'T ASK ABOUT IMPORTANCE, THEN WHAT?** Suppose you were designing luggage that would be convenient for traveling. During various focus groups and one-on-one interviews, numerous items continually surface as problems. Among those might be weight, the ability of the luggage to fit under the airline seat, the need to totally unpack to get at all of the clothes, the wrinkling of clothing in the luggage, identification of the luggage on the luggage transport at an airport, and so forth.

To obtain a good survey sample, you would randomly choose several hundred travelers who matched the market you were interested in. The survey would ask these respondents to express their satisfaction with their current luggage with respect to each of the individual items identified as problems.

Implicit, but subtly buried within the results from all of the surveys, is the actual common complex decision process. What is needed is a method of extracting it. Fortunately, analysis techniques exist that do precisely that, including one based on Neural Networks. As a test of validity, if the results of the overall assessment of a person's current luggage can be predicted knowing only the survey respondents' opinions of their satisfaction with the problem areas, then you will have figured out the decision process. Our experience with Neural Network analysis has demonstrated that over 90 percent of the time it meets that test. Using this model and testing each problem independently allows a clear quantification of the importance of each problem area related to luggage. So, instead of asking for importance, analytical techniques derive the hierarchical irritation level of problems.

**DEVELOP CREATIVE SOLUTIONS** Once the problems have been defined and quantified, give the information to the most creative group you know. Let it come up with the solution. You want an unexpected solution. True out-of-the-box thinking is a scarce commodity, but is usually the

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roadmap to successful products or services. With each potential solution, however, one more task remains: define the savings that accrue. Some may be financial or even personal, but the value needs to be defined.

**THE WEAKNESS OF THE CLASSIC CONCEPT TEST** Now you are at the stage where several alternative products or services have been developed. It is time to subject the solutions to a reality test. The Concept Test is a favorite tool of market research. It presents one or more products or services to a group and attempts to obtain their likes, dislikes and general opinions. The skill of the moderator, the choice of the participants and the interpretation of the results of the group are all elements of subjectivity that can inject major biases into the conclusions. The problem with this process stems from the question being asked of the group, which is "What do you think of this concept?" What's missing is the phrase "Compared to what?"

This subtle but important point of view leads to a change in the normal process to create a methodology we call "The Concept Assessment." It leverages our innate and proven ability to identify problems, as opposed to our questionable capability for evaluating solutions. The methodology uses the objective list of prioritized problems that the creative individuals used to develop the products or services. This list then can be considered the answer to the question "Compared to what?"

**PRIORITIZE PROBLEMS** We do not ask the group what it likes. Instead, the group is asked to assess how well the various products or services solve the prioritized problems. Participants are chosen for their expertise in the field, not because they are a favorite or knowledgeable customer, and the moderator now has a much less influential role in biasing the conclusions. The group focuses on identifying weaknesses in the products or services with respect to the prioritized problems instead of selecting their favorite solution. MW

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## Traditional Method

### **Brainstorm**

Ask customers and potential customers to identify what they would "like" to have or think they need.

### **Quantify Importance**

Conduct a survey in which customers are asked to rate "importance" of items developed in the brainstorming session.

### **List Customers' Priorities**

Analyze the survey to formulate a list of product features. Sort in decreasing level of "importance"

### **Design Customers' Requests**

Create a product that provides the "important" elements that the customer believes they want or need.

### **Build Prototype**

Develop actual prototypes, or simulation of prototypes, to validate the results of the design process.

### **Test Prototype Acceptability**

Invite a small representative group of customers to give their assessment on how well they like the various prototypes

- ✓ Focus Groups
- ✓ Individual Interviews
- ✓ Historical Information

Conduct a Survey of Potential Customers

Analyze the Results of the Survey

Present the Results to the Design Team

Develop Prototypes

Conduct a Concept Test to Determine Customer Acceptance

## Problem/Solution Method

### **"Painstorm"**

Ask customers and potential customers to identify what they do not like or what bothers them about their present Products

### **Quantify Irritation Level**

Survey customers. Ask them to rate their dissatisfaction with the issues or problems that were identified in the Painstorming Session

### **Derive Customer Priorities**

Using state of the art techniques, such as Neural Network analysis, derive the "hidden persuaders" that *really* determine priorities.

### **Solve Customer Problems**

Assemble the most creative individuals to design the product *that solves or eliminates the high-priority problems.*

### **Build Prototypes**

Develop actual prototypes, or simulation of prototypes, to validate the results of the design process.

### **Test Solution Effectiveness**

Select Experts from your customers to assess how well the prototypes solve the high-priority issues.

- Marketing Research Specialists
- Focus Groups
- Business-to-Business Surveys

- Customer Satisfaction
- Employee Satisfaction
- Patient Satisfaction

- Management Consulting
- Relationship Programs
- Product Specification and Design

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