

2 – Understanding the market and customers.

Speck Product Academy 2024

Overview

- Market research
- Customer development
- Breakout rooms assignment

Market research



Market research - definition

→ Gathering, analyzing, interpreting information about a market, potential customers and competitors

→ Helps in:

- ◆ Identifying customer needs and preferences
- ◆ Assessing market demand and size
- ◆ Understanding competitors and market trends
- ◆ Minimizes risk and maximizes opportunities
- ◆ Achieving product-market fit

How to conduct market research?

- Using existing information
- Data collection - surveys, interviews, observations, focus groups, social media sentiment analysis, secondary sources (industry reports, whitepapers, databases, journals,...)
- Data analysis – manual/automated

Customer development

2

Customer development



Pivot!

Customer development vs. market research

CUSTOMER DEVELOPMENT

- User-specific needs and pain-points
- Early stages of a product
- Individual approach
- Iteration and feedback
- Output – validated concept

MARKET RESEARCH

- Data and insights about the overall market
- Applied throughout business lifecycle
- Comprehensive approach
- Helps form strategic decisions
- Output – broader market understanding

Customer development – pros and cons

PROS

- Shorter time-to-market
- Better quality of MVPs
- Less resources spent
- Strong argument for each feature
- Helps maintain focus

CONS

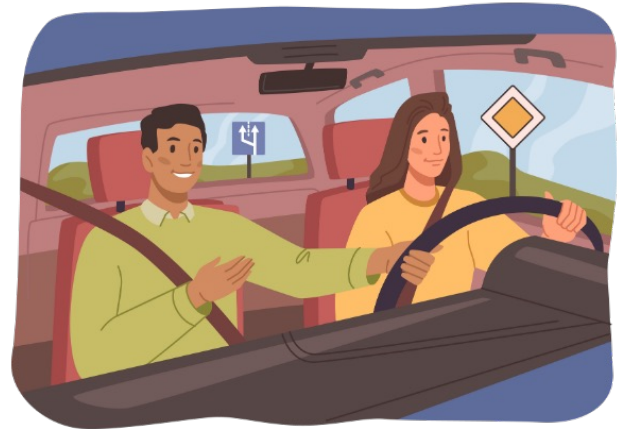
- Time-consuming
- Small-scale feedback
- Confirmation bias
- Subjective interpretation
- Learning curve

Customer development

Driving schools
and instructors



Students





autoskola.hr

Me: "So what are the biggest challenges in managing your driving school?"

Driving school owner: „Those motherf*ckers from other schools keep dumping the price. And f*cking XYZ is owing me a lot of money and..."

Me: "What feature did you find yourself using the most on Autoškola.hr so far?"

Driving school owner: „How old are you? You sound like you're 12."

Me: "How do you prepare for your driving theory exams?"

Driving school student: „Can I pay you 100 EUR so I can pass? I won't tell anyone."

Do customers really know what they need?

→ Customers will often...

- ◆ Tell you the answer they think will make you happy
- ◆ Portray themselves better and more productive than they really are
- ◆ Be overly optimistic about how much they can pay, or about their everyday routine
- ◆ Focus on features that seem cool but are not solving the pain-point
- ◆ Have an idea of how to solve the problem, but the solution is not optimal

How to conduct a good customer development interview?

- Figure out who you're talking to – executor, decision-maker,...
- In-person or with camera on – avoid phone calls
- Balance open-ended and close-ended questions
- Plan for approx. 15-20 minutes
- Don't avoid awkward silence and let people open up
- Record the interviews (with permission!)
- Try to provoke the customer and ask hard questions

Your questions matter!

→ Ask about their repeating tasks and routines

◆ How do you do X? Who is in charge of Y? How long does it take to do Z?

→ Avoid suggestive questions

◆ “Would you like the feature ABC to be implemented to help you with your time management?” -> “How could our product help you with your time management?”

→ What are the current challenges they’re facing? How are they solving it? What workarounds are they using at the moment and what are their pain points? Is there a feasible better way?

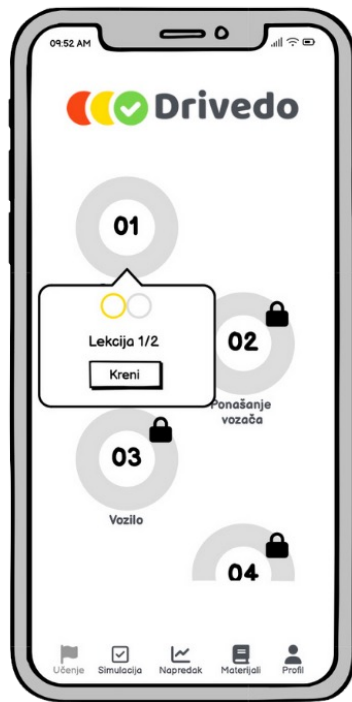
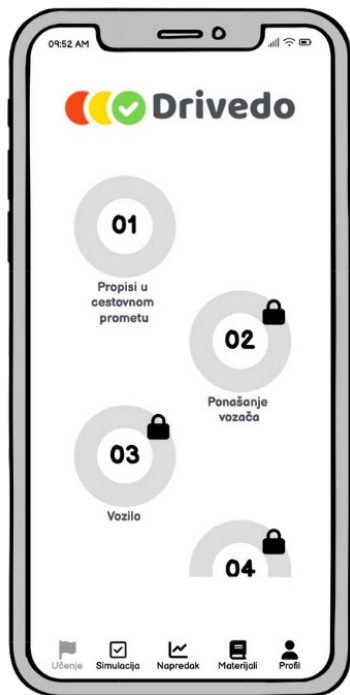
→ What alternatives did they try? Why did/didn’t they work?

→ Why didn’t you try to solve this issue before?

→ What resources do you need to solve Y?

What to do with all collected information?

- Look for repeating patterns (after 5-7 interviews)
- Find common statements/issues/questions
- Compare your solution to their workarounds
- Pick 1-2 features to sketch, test and develop
- Create a list of feature requests and let your customers vote



What about AI?



Can you give me 10 sample questions for a customer development interview I am conducting with a driving school owner on the topic of digitalization of his business?

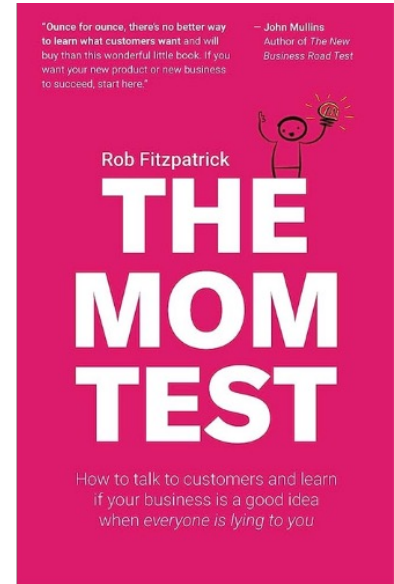
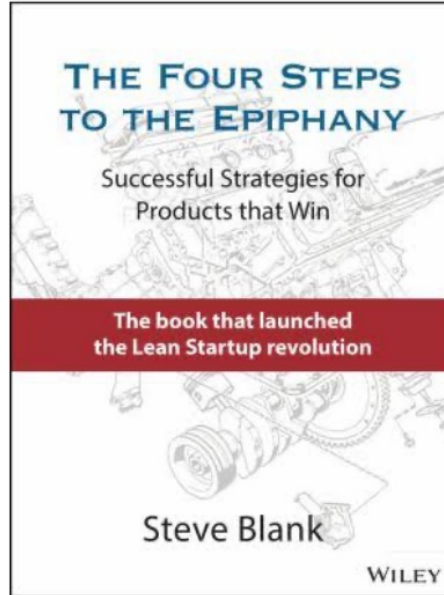
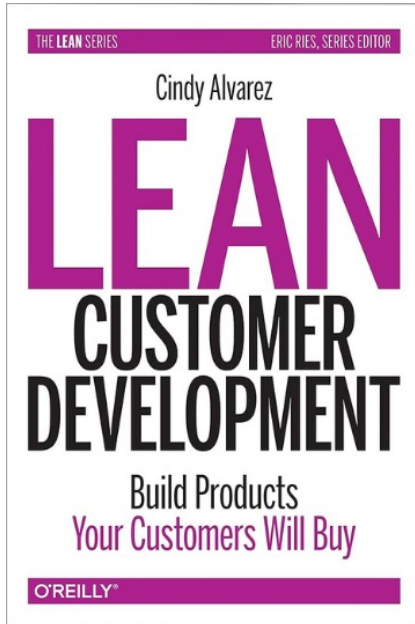


Certainly! Here are 10 sample questions for a customer development interview with a driving school owner regarding the digitalization of their business:



1. How has the digital landscape changed the way your driving school operates compared to a few years ago?
2. Can you describe any specific digital tools or platforms you currently use to manage your driving school, scheduling, or communication with students?
3. What challenges or pain points have you encountered in the process of adopting digital solutions for your driving school?
4. Have you observed any significant benefits or improvements in efficiency, customer

Resources



Breakout rooms time!

1. You will be split into breakout rooms
2. You will have some time to choose a **digital product** and a **specific pain-point/challenge** of that digital product you would like to investigate further, and develop **7 customer development questions** for that specific product
3. You will present your ideas to the rest of the group in 1-2 minutes

Example: You are a product manager working on Google Sheets. You are in charge of developing new AI-powered features and need to figure out which ones would be most beneficial to your users.

Thanks and see you next week!