

GIJS VAN WULFEN

CUSTOMERS ARE SCARY CLIFFS



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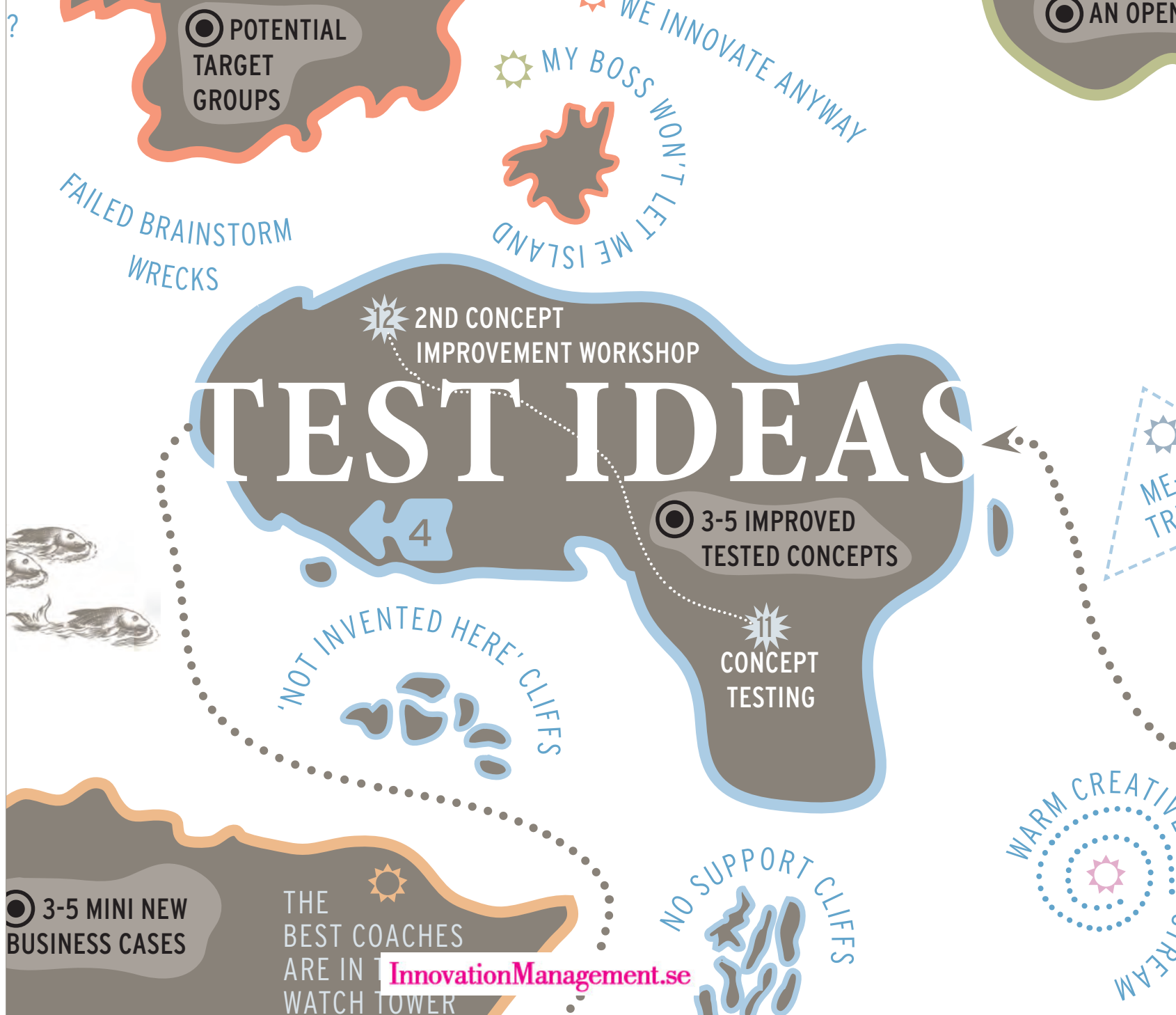
A VISUAL TOOLKIT TO START INNOVATION

BUSY BUSY BUSY
ESCAPE HARBOUR

OUR OWN BLIND SPOTS

VI.

Test Ideas



STEP 4: TEST IDEAS

How attractive are the new concepts and how many truly stand out? Let's reflect on this together with customers and improve the concepts based on their feedback. Test Ideas takes three weeks and is the fourth step of the ideation phase.

FORTH Activity 11: Concept Testing

How attractive are the new product concepts? You have created them yourself which naturally makes you extremely enthusiastic about them. However, it's smart to get the customer's opinion as well. This way you'll receive useful feedback about the clarity of the new concepts, which can be helpful in improving them. The attractiveness is directly tested on the target group. Qualitative concept research can be performed quickly on a small scale and simultaneously in different countries or continents. The indicative character of the research is not an issue as concepts will be tested on a larger scale further down in the regular product development process. Right now, the main reason for the concept research is to gain insight into why customers are or are not attracted to the new product concept.

For concept testing in the B2B target groups, individual in-depth interviews are preferred. There is greater confidentiality

and more open feedback. The new concepts are presented one by one to individual respondents during the interview. This can be done at the customer's work place or in a research room. Focus groups of six to eight people are an excellent form of testing new consumer products, services and business models. A good independent market researcher will not allow individual opinions to be outweighed by the few extroverts, who can always be found in a group. If possible, core team members are present at the research venue. This has the advantage that it will help members find new inspiration and make immediate improvements. Online concept testing is an excellent alternative for 'live' concept testing for concepts intended to be introduced internationally or globally.

During the qualitative concept research, negative aspects are also pointed out. This might be hard to take, but that is, after all, what the research is meant to uncover.

FORTH Activity 12:

Second Concept Improvement Workshop

The first responses of potential customers on the concepts offer wonderful input for the team. Therefore, a concept improvement workshop is organized directly following the concept testing. The results of the concept research are presented during this second concept improvement workshop. In a brainstorming session all team members work together on finding ways to adjust the negative aspects. At the end of this improvement workshop it is decided which three to five concepts will be developed into mini new business cases in the next step. Also, the chosen concepts are matched together with core team members, working in pairs, who will be responsible for its development.

At the end of the fourth step, the ideation team has tested twelve new concepts of which three to five are chosen to be developed into mini new business cases.



GO TO THE FORTH
WEBSITE AND
DOWNLOAD THE FOUR
PRACTICAL CHECKLISTS
OF THE STEP TEST
IDEAS

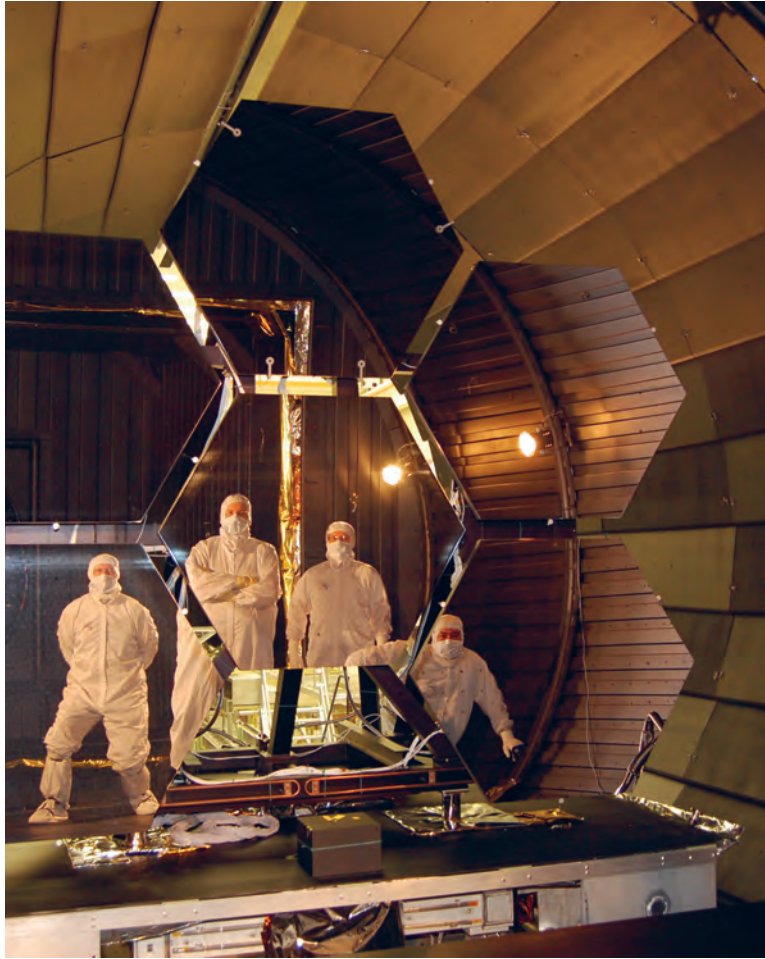
(www.forth-innovation.com/forth-steps/test-ideas/)

FACTSHEET STEP 4

Duration	3 weeks
Activities	11. Concept Testing 12. Second Concept Improvement Workshop
Deliverables	Three to five improved tested concepts
Outcome	Three to five improved tested concepts that will be developed into mini new business cases.
Crucial moments	1. The opinion of the customer is the moment of truth. 2. Which three to five concepts are chosen to be worked out as mini new business cases in the final step? 3. Which core team duo will work out which mini new business case?
Risks	1. Do we get enough customers with the right profile to participate in the concept test? 2. Does everyone show up at the concept test? 3. Customers in the test don't appreciate any of the concepts. How do we continue?
Next step	Homecoming: Three to five concepts are developed into mini new business cases and adopted by the organization for development.



TIPS FOR NEW CONCEPT TESTING



1. The qualitative element

The purpose of concept research is to test if the newly developed product concepts are attractive to the target group. Are you on the right track? In addition to the testing aspect, the final stages of this research also contain quite a bit of exploratory elements. It's much more than a simple "yah" or "nay". Above all, it's about understanding the current behavior and preferences of the target group that could explain the group members' reaction to new concepts. Why do they have the opinions that they have? Furthermore, you also want to find concrete points of reference to improve the developed concepts.

2. Method and criteria of product concepts

- Small scale and indicative.
- Preferably carry out the research with: prototypes, three-dimensional designs or detailed sketches of products; or practical descriptions of services.
- Preferably conduct the research with people in actual user situations:
 Discuss product concepts for new beers in a bar.
 Discuss new catering concepts in a company restaurant.
 Discuss new household appliances in a kitchen.
 This is a bit more difficult for services. You can use research rooms for this.

3. Questionnaire

Draft a questionnaire together with experienced in-depth interviewers from the agency. You can use the following types of questions (make them specific for your sector and target group):

- Exploratory:
 - What is the current purchasing and usage behavior? (Why?)
 - What are the major purchasing motivations? (Why?)
 - What are you currently using? (Why?)
 - What do you like about the current products on the market? (Why?)
 - What don't you like? (Why?)
- Testing:
 - Do you recognize the customer friction? (Why?)
 - Is the concept clear? (Why?)
 - Is it relevant to you? (Why?)
 - Is it attractive? (Why?)
 - Does it distinguish itself? (Why?)
 - Does it fit the brand? (Why?)
 - Do you consider it credible? (Why?)
 - Is it something for you? (Why?)
 - Would you buy it? (Why?)
 - How much do you think it will cost? (Why?)
 - Would you have anything about it changed? (Why?)

4. Target group

Choose a conversation partner from the target group described in your innovation assignment.

Tip: stick to this!

5. Participants involved in the ideation team

- Invite all core team members (and the extended team members) to be present.
- Mindset: ask the team members to observe and listen closely to the responses given in the interviews. This is how they will be inspired for possible improvements.
- Ensure that core team members are present in all countries for the qualitative research.

6. Choosing the agency

- There are many good qualitative interviewers and market research agencies. Look for people with a lot of experience conducting in-depth interviews, preferably with experience in the relevant product group or sector.
- There are international networks of qualitative research agencies. Seek out the networks that truly share the same vision, use the same methods and have branches in all the countries. When you need to test for B2B concepts, seek out the agencies that are specialized in this.

Tip: Record the interviews. The client feedback can then be referred back to later in FORTH or in the product development process. For instance, to show management or the product development team how positive or critical the target audience was regarding a specific new product concept.

Steve Jobs,
businessman:

*You can't just
what they want
give that to them.
get it built,
something*

*ask customers
and then try to
By the time you
they'll want
new.*

TESTING A NEW CONCEPT

Please circle to which extent the concepts meet the following five criteria.

1. Recognition

Do you recognize the customer situation and friction, mentioned in the beginning?

1. No, not at all
- 2.
- 3.
- 4.
5. Yes, 100 percent

2. Clear

Is the concept clear to you?

1. No, not at all
- 2.
- 3.
- 4.
5. Yes, 100 percent

3. Attractive

Is the concept attractive to you?

1. No, not at all
- 2.
- 3.
- 4.
5. Yes, 100 percent

IN 5 QUESTIONS

4. Fits the brand

Does the concept fit the brand mentioned?

1. No, not at all
- 2.
- 3.
- 4.
5. Yes, 100 percent

5. Buy

Are you interested in buying the concept?

1. No, not at all
- 2.
- 3.
- 4.
5. Yes, 100 percent

Grade this concept on a scale from 1-10
(1 = very poor & 10 = excellent)

Positive aspects:

Negative aspects:

Suggestions for improvement:

What a Brilliant Idea!

What a brilliant idea! That's what a lot of people think after a new idea pops into their minds. Or it's something someone said at the end of a wonderful two-day ideation workshop where a team of colleagues has just brainstormed a lot of new concepts. Of course, at that very moment it looks and feels like utter brilliance. Just like adoring parents swooning over their child. But, in this instance is it really justified?

Well actually, most new ideas don't lead to new successful products. There is considerable evidence that shows of the thousands of ideas out there, only one of them is converted into to a successful product. It takes 3,000 raw ideas to get to 1 successful product.¹ Many ideas cannot be transformed into products due to technical or economic reasons or because customers are not interested.

So brilliant new ideas require three checks:

1. Customer: will it be liked?
2. Business model: will it be profitable?
3. Technology: will it be feasible?

A lot of ideas are generated from an ideation workshop, idea contest or R&D and marketing getting together. Therefore, it's wise to first do a quick-and-dirty

check on all three aspects. In my innovation practice, I notice most companies check the feasibility. Some of them also check the viability of the business model. But hardly anyone checks if the customers will like the idea at the front end of the innovation process. Why do organizations forget to connect with customers at the front end of innovation?

- Arrogance: we know what's best for them;
- Ignorance: we didn't give it any thought;
- Habit: this is not something we've ever done;
- Laziness: this is a lot of hassle;
- Fear of rejection: they will criticize us;
- Fear of openness: they will steal the idea from us;

Having been involved in a lot of early concept testing, one thing strikes me most. In almost every innovation project, the ranking of top ideas made by the innovation team was completely different from the ranking made by their customer focus groups.

You are absolutely right to fear that your customers will criticize your ideas. That is exactly what they do. And that is the one reason testing your 'brilliant' ideas out on customers has such a great added value. In an era where the speed to market is increasingly more important, you shouldn't waste valuable time and resources on hopeless concepts. Quit as early as possible and focus your attention on developing products or services with a promising concept and good market perspective. This will boost your innovation productivity and reduce the time to market.

Connect customers early in your product development process and check if customers will like the product a.s.a.p.

1. Stevens, G.A. and J. Burley, "3000 Raw Ideas = 1 Commercial Success!", May/June 1997, Research Technology Management, Vol 40, #3, pp. 16-27.



A PERFECT NEW CONCEPT

In my practice as an innovation specialist, I developed a practical checklist to verify new concepts. It lists ten criteria which a new concept must meet if it is ever to become successful. Five of these criteria are from the perspective of the customer. The other five are from the perspective of the organization. It's easy to implement. Use it in practice for your own innovation.

Customer's perspective:

1. Is it relevant for the customer?
2. Is the solution superior on a relevant aspect?
3. Is its uniqueness easy to explain to the customer?
4. Is it easy for the customer to try?
5. Can the customer change to our concept without any risk?

Organization's perspective:

6. Does it have the required potential in turnover and profits?
7. Can it be done without directly competing with our other products or services?
8. Does it fit our brand positioning?
9. Can we make it (with the help of partners)?
10. Can it be done without huge investments?

If the answer is 'yes' to all ten questions, your concept is a no-brainer; just do it! If not, take time to pause and rethink your strategy.

1. CHANGE VOICE TAPE @ SUNSET

NIGHT PASS:

PILOT:

1. ROUTE UMBILICAL THROUGH UMB
GUIDE
2. POSITION FEET IN FOOT RESTRAINTS
(PRIOR TO SUNSET)
SUNSET @ 55:00 ET OR 43:30:
3. INSTALL ADAPTER WORK STATION
CAMERA (CONNECT PWR CABLE)

CMD PILOT:

1. EVA CAMERA C/B - CLOSED
2. EVA CAMERA PWR SWITCH - ON

PILOT:

1. START CAMERA (VERIFY CAMERA)
 2. REST
 3. PULL UMBILICAL TAUT & INSERT
CLIP ON HAND BAR
 4. UNSTOW AND POSITION MIRROR
 5. UNSTOW PEN LIGHTS, ACTUATE
LIGHTS TO HAND BARS WITH VE
 6. EVALUATE FOOT RESTRAINTS
 7. REST
 8. PERFORM WORK STATION TASKS
ADAPTER
- A. PERFORM THE FOLLOWING T
FOOT RESTRAINTS:
1. OPEN POUCH AND REMOVE
WRENCH
 2. PERFORM TORQUEING O
TION ON FIXED BOLT

ILICAL

AINTS

00 G.E.T.

N

SETTING)

T IN

& ATTACH
LCRO

52:00

ASKS IN

VE

PERA-
AT TOP

ELSS
H1

7. CUT 2 STRANDS OF RIGHT SIDE
OF ELECTRICAL CABLE & FLUID
QD CABLE

8. STOW CUTTERS IN POUCH
9. REMOVE PIP-PINS FROM HAND
HOLDS AND STOW

10. UNSTOW WRENCH FROM VELCRO &
REMOVE SATURN BOLT. STOW
WRENCH ON VELCRO

11. ATTACH WAIST TETHERS TO
FIXED RINGS ON WORK STATION;
REMOVE FEET FROM FOOT RE-
STRAINTS

12. REMOVE WRENCH FROM VELCRO &
REPLACE SATURN BOLT. (ALLOW
ONE MINUTE TO START BOLT)
STOW WRENCH ON VELCRO/IN
POUCH

13. EVALUATE HOOK & RING CON-
NECTIONS

14. REST (2 MIN)

15. PULL NYLON VELCRO STRIPS &
RESTOW (LEFT SIDE)

16. PULL STEEL VELCRO STRIPS &
RESTOW (RIGHT SIDE)

17. DISCONNECT & CONNECT CENTER
CONNECTOR

18. DISCONNECT & CONNECT L/H (RH)
CONNECTOR

19. REPOSITION FEET IN FOOT
RESTRAINTS

20. REST (2 MIN)

21. CONNECT WAIST TETHER TO ~~HAND~~
HOLDS & SECURE HAND HOLDS

Woody Allen,
film director:

*If you're not
and again, it's a
doing anything*

*failing every now
sign you're not
very innovative.*

MUSEUM OF INNOVATION FAILURES

Producing failures is an essential part of innovation. It is the way we learn. Here are 10 famous innovation failures meant to intrigue you.

1. FORD EDEL (1957)

The Edsel was cursed by a number of factors. The Edsel, also known as the 'Titanic of Automobiles', had a name that just didn't resonate with the general public, a bizarre pricing strategy, and was launched during a national recession. Only 64,000 models were sold in the U.S.A in the first year.

2. SONY BETAMAX (1979)

The 1979 Betamax was a real breakthrough for its time and for the video recording business. Despite having higher quality (and a cooler name), Betamax was defeated by VHS when over forty companies decided to use the VCR-compatible format instead.

3. COLGATE KITCHEN ENTREES (1982)

Colgate (yes, the toothpaste brand) thought it wise to launch a line of frozen dinners. Consumers could eat a Colgate meal and then brush their teeth with Colgate toothpaste. The product was a complete bust, and pulled from the shelves shortly after.

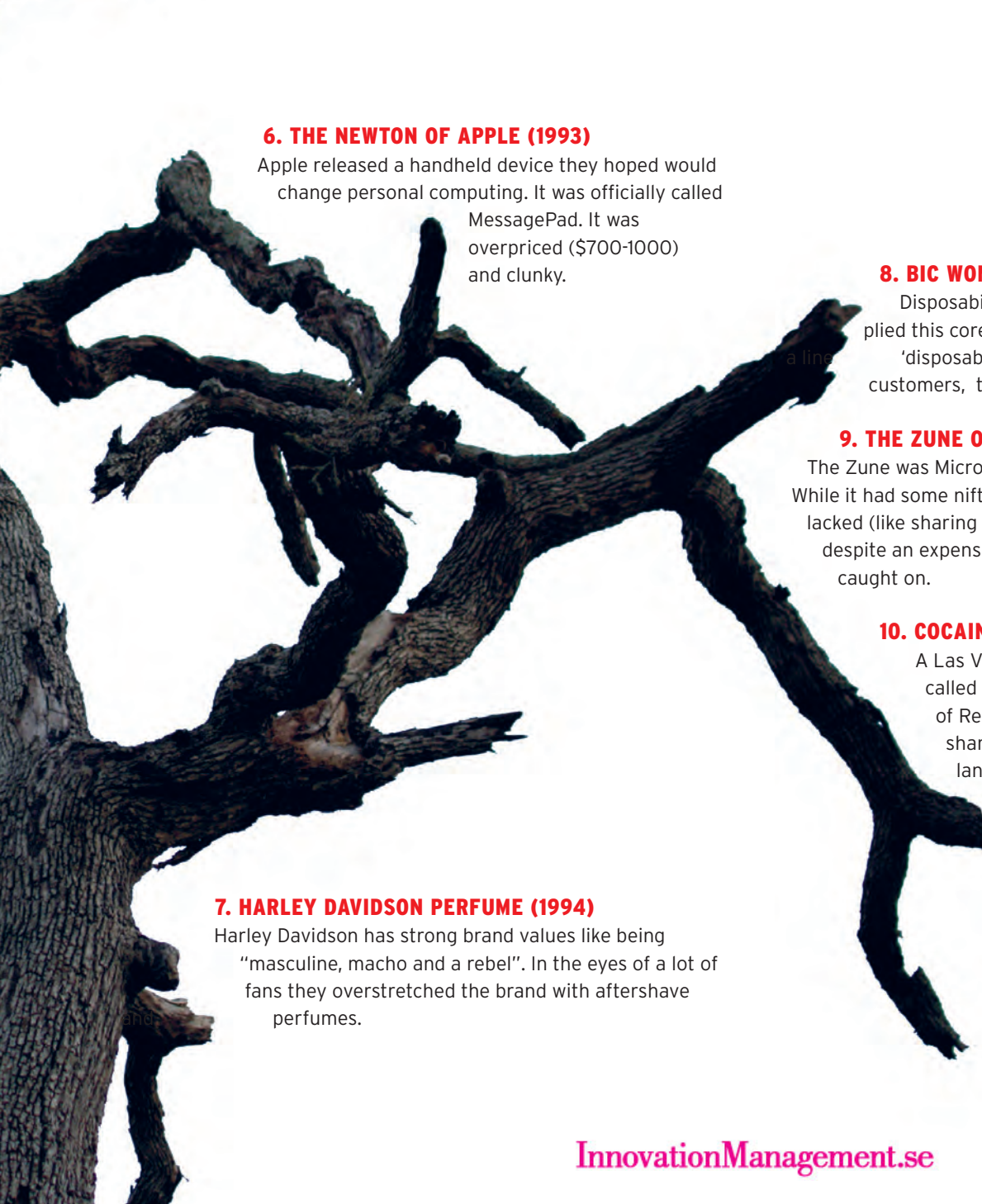
4. NEW COKE (1985)

New Coke was the reformulation of Coca-Cola. There was nothing wrong with old Coke. The public's reaction to the change was negative.

The subsequent reintroduction of Coke's original formula, re-branded as "Coca-Cola Classic", was a great success.

5. PREMIER SMOKELESS CIGARETTES (1988)

By 1988, second-hand smoke was recognized as a serious health risk by a majority of the public. RJ Reynolds, the producer of Camel cigarettes, introduced Premier, a smokeless cigarette. Users complained that smoking a Premier cigarette produced an awful taste and smell.



6. THE NEWTON OF APPLE (1993)

Apple released a handheld device they hoped would change personal computing. It was officially called MessagePad. It was overpriced (\$700-1000) and clunky.

8. BIC WOMEN'S UNDERWEAR (1998)

Disposability is the core of the BIC brand. BIC also applied this core concept to women's underwear, introducing 'disposable pantyhose'. After failing to attract customers, the line itself was disposed.

9. THE ZUNE OF MICROSOFT (2006)

The Zune was Microsoft's "me too" answer to the iPod. While it had some nifty product features that the iPod lacked (like sharing music from player to player), the Zune, despite an expensive marketing effort by Microsoft, never really caught on.

10. COCAINE® ENERGY DRINKS (2006)

A Las Vegas company launched an energy drink called Cocaine. It contained three times the caffeine of Red Bull and it made no apologies for its shameless brand strategy. Its marketing language was rife with drug references.

Not long after its launch, the FDA pulled the drink from store shelves.

7. HARLEY DAVIDSON PERFUME (1994)

Harley Davidson has strong brand values like being "masculine, macho and a rebel". In the eyes of a lot of fans they overstretched the brand with aftershave perfumes.

Sources: 1. Wikipedia.org.

2. www.growthink.com, '10 Famous Product Failures And the Advertisements That Did Not Sell Them', Andrew Bordeaux, December 17, 2007.

3. www.saleshq.monster.com, the 20 worst product failures, Zac Frank and Tania Khadder.

4. www.dailyfinance.com/photos/top-25-biggest-product-flops-of-all-time.

THE ORIGIN OF

Twitter is an online service for social networking and microblogging that enables its users to send and read text-based messages of up to 140 characters, known as ‘tweets’. Unregistered users can read tweets, while registered users can post tweets through the website interface, SMS, or a range of apps for mobile devices. Since its launch, Twitter has become one of the ten most visited websites on the Internet, and has been described as “the SMS of the Internet.”

Twitter was created in San Francisco in March 2006 by Jack Dorsey of the podcasting company called Odeo. The company was facing enormous competition from Apple and other industry heavyweights and was compelled to reinvent itself. Odeo started with a series of daylong brainstorming sessions before breaking off into teams to discuss their best ideas. Dorsey was central to the Twitter team. It is widely acknowledged that it was Dorsey’s idea that originally sparked Twitter. Years before Dorsey joined Odeo, he had made drawings of something resembling Twitter. Dorsey’s idea was to make the service so simple that you don’t even think about what you’re doing, you just type something and send it: “I want to have a dispatch service that connects us on our phones using text.” Dorsey’s first use case was San Francisco-related: telling people that the club where he was ‘is happening’. In February 2006, Noah Glass, Jack Dorsey, and Florian Weber presented Dorsey’s idea to the rest of the company: a system where you could send a text to one number and it would be broadcast to all of your friends via a platform called Twttr; which later became Twitter.

By March 2006, Odeo had a Twitter prototype up and running. In August of that year, earthquake tremors were felt in San Francisco and the news spread quickly via Twitter. For users and company-watchers alike this was an early ‘Aha!’ moment. Then, the following month in September 2006, Odeo’s CEO Evan Williams wrote a letter to Odeo’s investors telling them that the company was going nowhere. He proposed to buy back the investors’ shares so they wouldn’t take a loss. Williams stated the following about Twitter:

“By the way, Twitter (<http://twitter.com>), which you may have read about, is one of the pieces of value that I see in Odeo, but it’s much too early to tell what’s there. Almost two months after launch, Twitter has less than 5,000 registered users. I will continue to invest in Twitter, but it’s hard to say it justifies the venture investment Odeo certainly holds – especially since that investment was for a different market altogether.”

TWITTER

Source: Wikipedia. The Real History of *Twitter*, Nicholas Carlson, www.businessinsider.com, April 13, 2011. How *Twitter* was Born, January 30, 2009, www.140characters.com.

Williams eventually bought the company – and Twitter. It is estimated that the original Odeo investors sold for approximately \$5 million. Multiple investors, who had combined to put \$5 million into Odeo, say that William's buyout made them whole. Five years later in 2011, the assets of Twitter were estimated at least 1000 x more: \$5 billion.

The twitter project team went on to win the South by Southwest Web Award of 2007 in the category 'blog'. In their famous acceptance speech they said playfully: "We'd like to thank you in 140 characters or less. And we just did!"

Since its launch in 2006, Twitter rapidly gained worldwide popularity, with over 500 million registered users as of 2012, generating over 340 million tweets daily and handling over 1.6 billion search queries per day.

follow us on
twitter

