

Harnessing Consumer Inspiration in New Product & Service Development

Non-traditional techniques for working with consumers at the “fuzzy front end”

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The conventional wisdom that “consumers can’t innovate” is being turned on its head. Having traditionally engaged consumers primarily to validate new product concepts some companies are now soliciting consumer insights and ideas to jump-start the “fuzzy front end” of the innovation process. From ethnography and idea competitions to co-development and blog mining, companies are experimenting with new techniques – or approaching their current methods in fresh ways.

This brief paper describes novel ways that imaginative companies are gaining competitive advantage by breaking the rules of engagement with consumers.

Some imaginative companies are now tapping into consumers’ minds and passions to co-create products, solutions, communications and “experiences” that are truly resonant. These companies are finding new ways to engage creative consumers in collaborative conversations at the “fuzzy front end” of the innovation process. Traditional consumer research has long focused on revealing “unmet needs” as input to a company’s technologists, designers and marketers whose role is to then interpret the findings and conceive new products.

While conventional consumer research provides an essential foundation, it no longer creates a competitive edge, as some companies are now thinking very differently about when and how they engage consumers. Now, in addition to taking the temperature of a representative sample of consumers and combing the data for “insights”, some companies are experimenting with non-traditional, sometimes radical and untried approaches that seek upfront inspiration – and actual ideas – from creative consumers who have a passion to innovate.

“Smart companies are harnessing the creativity of their customers.”

Co-creating products & services with consumers

The conventional wisdom that “consumers can’t innovate” is being turned on its head. Internet technologies have allowed consumers to express their opinions and creativity on an unprecedented scale. This has produced radically new ways for companies to co-develop products, solutions and growth strategies with consumers. For example:

The Rise of the Creative Consumer
– The Economist

- Electronic Arts, a maker of computer games, ships programming tools to its consumers, posts their modifications online and builds their ideas into new games.
- BMW posted a toolkit on its website that lets customers develop ideas in telematics and in-car online services.
- In 2004, 120,000 people around the world signed up to join Boeing’s World Design Team, an internet-based forum that includes message boards and discussions with the Boeing design team on what members like or dislike about air travel today, as well as features they’d like to see in their dream airplane.
- Lego allows programmers from outside the company to access to the code that controls

its Mindstorm toy robot, leading to an increased range of activities the robot can perform, in ways the company never imagined.

- Coors Light and Mercedes Benz invited consumers to co-create advertising campaigns, with Mercedes encouraging proud owners to submit snapshots of themselves with their vehicle.

Consumer ideas, “unarticulated needs” & “ideation springboards”

Since engaging consumers can be expensive and unpredictable, companies are now looking for new ways to derive the most benefit out of these interactions.

Traditional data-driven consumer research is still the norm in the majority of companies. When qualitative focus groups, web-based surveys and other interpersonal methods are used it is typically to validate internally-generated concepts or thinking – not to *generate new ideas*.

Qualitative consumer research often focuses on what customers say, but does not explore the fertile ground of their *unarticulated* (latent) needs. The “Voice of the Consumer” has become a standard part of the toolkit of marketers and researchers across most industries, but working with the spoken word is relatively straightforward. Furthermore, since competitors are using the same kinds of established methods this provides little competitive advantage.

Experimenting with non-traditional techniques unfamiliar to competitors helps drive deeper insights and identify opportunities that have a greater degree of relevance and “emotional resonance” with consumers.

There are two reasons to solicit consumers’ actual ideas. First, these ideas provide valuable insight into unarticulated consumer issues, motivations and aspirations – the things they are trying to accomplish. Second, while many consumer ideas may be unfeasible, this “wishful thinking” can be used as “ideation springboards” for the design, marketing and R&D team. Highly impractical, imaginative thinking is often the

essential spark for breakthrough concepts. The trick is to seek out the “concept nuggets” hidden within consumers’ unrealistic ideas and to marry them with market, technical and other realities, in order to envision something that’s feasible.

There are several fresh approaches to consumer involvement that might spur a company’s innovation efforts to new heights.

Non-traditional approaches to conventional forums

An initial step for many companies is to think differently about ways to manage the qualitative consumer methods they already use, such as focus groups, interviews and panels. This shift in mindset starts by separating consumer interactions into two distinct stages – “Divergent” and “Convergent thinking”. These two stages have different purposes and outcomes, and call for different techniques.

The “divergent thinking” stage is exploratory and open-ended, and is used for gaining fresh consumer insights and generating ideas at the ambiguous “fuzzy front end”. In the later “convergent thinking” stage these concepts and ideas are validated and refined – this is standard procedure for many companies.

Some companies already take a “divergent thinking” approach to a limited extent by asking consumers relatively direct questions and then brainstorming. For example, such lines of inquiry might include: “What do you like/dislike most about shopping for personal electronics? What would make it better? What’s the worst thing about the way consumer electronics stores are laid out? How would you redesign them?”

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When “divergent” inquiry is used in focus groups it is often viewed merely as a brief warm-up exercise at the start of a session dedicated to concept validation. However, there is a significant opportunity to diverge much more effectively than this.

Taking a non-traditional approach to conventional forums calls for three shifts in mindset:

1. Separate the consumer involvement process into two distinct stages so as to give “divergent thinking” the prominence it deserves.
2. Recruit creative, articulate consumers who are passionate about the subject matter and can contribute energetically in a demanding front-end setting.
3. Use imaginative, powerful interaction techniques and exercises to stimulate consumers to think imaginatively.

A broad array of “divergent”, techniques exist along a spectrum – from simple, direct questioning and brainstorming through more subtle, experimental activities designed to understand the hearts and minds of consumers or to solicit their forward-looking ideas.

For most companies it may make sense to start by gently pushing the envelope into new territory rather than by employing radically different techniques. Experimenting with “divergent thinking” is spurred by a company’s desire for a deeper level of consumer understanding and inspiration, balanced with a recognition that such exploration may not at first succeed.

Some examples of more experimental “divergent” techniques in a facilitated, “all-things-possible” focus group setting are as follows:

- “Real-time visuals”: Consumers in the front room share their issues, concerns and product ideas with an artist who captures them in real time. The artist also works with the consumers to create mind maps, scenarios, collages and timelines.
- “Here’s what I *really* want:” Consumers talk face-to-face about their issues, frustrations and ideas with a software engineer, a retailer, or the head of product design.
- “Humor and empathy”: Consumers’ emotions are elicited by a stand-up comedian in a “Talk Show” format, using the power of humor, improv and personal storytelling to draw out experiences and feelings about clothes shopping, dieting, housecleaning or choosing a mobile phone service.
- “Devotees and detractors”: Consumers in two “debate teams” are moderated in a

discussion on the (de-)merits of competing brands, or the older versus the latest version of a product.

In a non-focus group setting facilitated “Design Workshops” can be set up at the company’s location. Consumers work alongside representatives from design, marketing, R&D or manufacturing to create ideas for clothing or food (experimenting with fabrics or ingredients), while an artist captures the outputs on the fly.

Ethnographic research

In recent years, the practice of ethnographic research has been gaining ground. By observing consumers’ behavior and through understanding their motivations, aspirations and unarticulated issues companies can create highly relevant products, solutions and “experiences.”

Microsoft, Motorola and Intel have trained anthropologists and social scientists on staff. At

Ethnographic approaches can achieve a deeper level of insight about customers' emerging and unmet needs than other techniques.

Motorola, ethnographers found that Chinese businessmen working in rural areas with no telephone service had developed an elaborate system of using pagers to send coded messages. This discovery led Motorola to develop a

two-way pager for the Chinese market.

Ethnographic observation and questioning takes place at the actual site of consumer behavior and decisions -- in a bar, in a retail store, in the food aisle, in somebody’s home. It provides a more holistic and nuanced view of what is actually going on in the consumer’s own cultural context.

Ethnographic methods are derived from the behavioral sciences. Specific approaches include: field observation, depth interviews, video ethnography, cultural inventories, video diaries, and visual stories. Often, several methodologies are combined. For example, some “self-reporting” ethnography methods can work well together with traditional focus groups – participants agree to do an assignment prior to attending the focus group, such as completing a self-observation workbook or taking photographs of objects that are important in their lives.

Other examples include a “friendship dyad”, in which a trained researcher asks two friends to talk to each other about a given topic and then observes with minimal intervention. Their personal relationship allows them to be more candid with each other than might be the case in a formal interview.

Idea competitions

Focused idea-generation competitions are a new phenomenon, enabled by the development of specialized software applications. Cash or other prizes generate interest and drive participation.

- Staples held an “Invention Quest” competition among consumers to come up with new product ideas and received 8,300 submissions. The winning idea is due to launch in 2005: a gadget called a “Wordlock”, a padlock that uses words instead of numbers.
- IKEA conducted an “ingenious people” contest which asked amateurs to submit designs for storing home media (hifi sets, TV, DVD etc.) in the living room. Out of 5,000 ideas submitted, fourteen winners will be invited to IKEA headquarters to attend a workshop and receive a cash prize.

Blog mining

Blogs are a manifestation of the human desire to be heard – a grass-roots, public forum for candid, no-holds-barred conversations. On sites like planetfeedback.com, epinions.com, and about.com, and on hundreds of thousands of blogs, community sites, forums and bulletin boards consumers relentlessly share their views, experiences, complaints and opinions about products, brands and companies.

Taking the time to watch or mine blogs for common themes and insights can provide a plentiful source of fresh, consumer-inspired ideas. Some companies (like Netflix) have struck up relationships with the most prolific, influential bloggers in their realm.

- At www.ipodlounge.com, avid iPod users talk about what they would like the next iPod to do and to look like.
- Philips Streamium Café is where owners of Philips' new WiFi TV sets and hifi systems tell Philips where they think Streamium is going, and what Streamium should be able to do.
- Engadget.com is a hotbed of opinions and ideas on a wide array of consumer technologies.

RSS (Really Simple Syndication) provides an easy way for companies to track what's being discussed on topics of interest.

First steps

Companies who are already working with consumers in non-traditional ways are reaping the benefits of embracing new consumer interaction practices and experimenting new ways of seeking consumer inspiration. With the availability of new and technologies and a little imagination they recognize that they cannot maintain competitive advantage by relying only on traditional methods.

“The networked market knows more than companies do about their own products. And whether the news is good or bad, they tell everyone.”

- The Cluetrain Manifesto
- Companies intrigued by this may want to start by conducting a small experiment – such as opening up a design meeting or a brainstorming session to consumers who may have an opinion, product suggestion, or new business idea.

About InnovationPoint

InnovationPoint is a non-traditional consulting firm that helps its Fortune 1000 clients take a strategic approach to innovation. InnovationPoint blends non-traditional and conventional methodologies to identify breakthrough opportunities, develop growth strategies and consumer-inspired new products, and helps clients develop repeatable methodologies, organizational structures and create cultures that drive innovation. InnovationPoint's clients include PepsiCo, Kimberly-Clark, Hewlett-Packard, Philips, Schwab, Visa, Disney and Levi Strauss.