

# What do they really want?

If only our customers could invent products and services, bemoan Mark Cowan and Nigel Clarke, who maintain that using customer insight is the key to unlocking growth.

What is it that makes a new product or service really successful? We're talking about success that exceeds profit expectations, enhances the brand value and is evangelised by consumers.

Take a moment and think of a product or service that you swear by – one that you cannot do without and would unhesitatingly recommend to others. Maybe your choice is one of the oft-quoted examples like the Apple Ipad.

Perhaps it was something more personal to you like a Starbucks latte, a BMW 3 series, a Pret a Manger no bread sandwich, or even an Innocent Smoothie. Whatever you thought of would be something that fits your needs perfectly and gives you that feeling of owning or using something that's just for you.

Without exception, the successful products and services that impact our daily lives do so largely because they address an unmet or latent need that we as consumers are often not able to articulate.

Identifying the unmet need and the context of the customer environment is the ideal starting point to develop new ideas.

**“Men stumble over the truth from time to time, but most pick themselves up and hurry off as if nothing happened.”**  
(Sir Winston Churchill)

The process for identifying consumer insight is not an exact or hidden science. The Fast Moving Consumer Goods world couldn't function without it and there are some big players in FMCG who really embrace the consumer led approach.

Look at Reckitt Benckiser or Proctor & Gamble and you will see that the key to their creative process is a consumer insight focus. Whilst there are some glimmers

of this same process in the financial world with the likes of First Direct, Beat that Quote and even Reuters, most are nowhere near the level of brands in FMCG.

The big question is, does this really matter within the financial services industry? In many cases, companies have been operating without such consumer input for decades, if not longer, and it has been the domain of actuaries or finance to generate new products, usually by tweaking around the edges of the core products.

The big concern in financial services is that it potentially wouldn't take much to stand out in such an undifferentiated market place. Ask a consumer whether it feels different to own a Standard Life policy compared with a Norwich Union one and the answer would probably be – no.

Ask someone who has been a customer of a financial company for more than ten years whether they feel much closer or better understood by that company than they were after they first joined. The answer again would be a resounding – no.

How long will it be before a new entrant comes in without the issues of legacy systems and finds ways around compliance issues or lobbies so effectively that the rules are altered? What will happen when this company actually delivers what customers want?

## Identifying the customer insight

Insights are moments when you have absolute clarity about a customer need or behaviour that is totally relevant to the context of the situation. Take for example, the idea that became Starbucks. The basic needs of coffee customers are refreshment and rejuvenation, nothing new there. However the Starbucks' founders identified the key insight – that consumers need a few moments of escape from a chaotic 21st century lifestyle.

Nearly every other coffee shop in the United States over the last 50 years overlooked that need, simply because it wasn't immediately obvious, and wasn't something consumers could articulate in research and focus groups.

Essentially, when you develop new products from an insight process, you are looking to establish a penetrating discovery about human behaviour that can be applied to unlock growth.

### Developing a new service

Therefore imagine the steps taken to invent and develop a new financial service for customers. When you think about the context of the customer, it's worth working directly with them to establish what actually denotes a great proposition.

It is important to remember that your customers don't just spend their lives being 'your customers'. They have thousands of interactions a week with other people, services and companies.

Each service moment is logged in the brain and subconsciously evaluated. Customers' unmet needs will be influenced by experiences they've had on these other occasions, whether that is signing for a delivery, having to go to the post office, ordering a takeaway, boarding a plane or dining in a favourite restaurant.

What this comes down to is the fact that talking to customers in the 'bubble' of their banking life may mean missing out on valuable benchmarking information available elsewhere. It is easy to forget that people are not solely interested in what can be added to the product they currently buy like an improved interest rate.

Learning how to 'see with new eyes' is key to developing customer insight. We all develop filters that allow us to cope better with the huge amount of information we are bombarded with every day. The problem with such filters is that they can be a barrier to creativity and idea generation.

The filters often come into effect when we are presented with information in our jobs. We block things out because they are the same 'truths' as last time, or we consider things to be interesting but irrelevant to our business. How many times have you heard an idea but dismissed it because it has already been tried but failed, or seen a lack of opportunity in a mature market?

Seeing with new eyes is about learning techniques that allow you to recognise your filters and get past them to achieve a deeper level of understanding of the customer. These include learning to:

- Listen and observe differently.
- Immerse yourself in the world of the customer, effectively following and living their life.
- Become more open minded - learn to discount the filters that would normally cause you to ignore what the customer is saying.
- Look out for paradoxes and contradictions in customer behaviour.
- Examine accepted 'truths' which your customers have been telling you for years.
- Listen out for and explore metaphors.

The basis of seeing with new eyes is to give you the rich stimulus that will enable you to develop customer insights and create new ideas. Try to imagine being with a customer throughout a calendar month from one payday to the next. The aim would be to see what happens over the course of that month, what they buy, pay for, and how do they feel through that time?

**“The real act of discovery lies not in finding new lands but in seeing with new eyes” (Marcel Proust)**

It is often very interesting to look at other 'worlds' aside from financial services. Have you ever tried to buy a knitting pattern and all the essentials to make it up? As most of us are non-knitters, this process will be akin to trying to buy some sort of financial service and can be hugely enlightening. You have to learn a new 'knitting' language, understand complex patterns and instructions.

Conversely it is worth going to a museum to see how they make things interesting and easy for people to understand and enjoy – think about how they make the complex fun.

Excursions and activities such as these allow you to gather a lot of raw stimulus to take into an invention session that could then lead to some new propositions.

### How do you know when you've got there?

The key to capturing the customer's imagination is when they realise that the proposition you're now offering is something they've always needed but have never been able to describe.

As marketers, we tend to shy away from working with the customer, believing that market research and

**“We don't see things the way they are, we see things the way we are” (Anais Nin)**

concept testing is the best way to understand their needs, and only once we've come up with the idea of course! This misses the point. The only way you are going to satisfy your target customers' needs is by placing them at the centre of the issue and developing the service with them. □

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