GLG

Beyond the Customer

Why the best feedback might come from outside your customer base

In God we trust,
all others must bring data.

— W. Edwards Deming
Author, *System of Profound Knowledge*

Data Drives Decisions

Today, nearly every organization claims to be data-driven.

However, many organizations mistakenly fall into the trap of searching for data to support hypotheses that they already believe to be true. In other words, they've already made their conclusions, now they just need the evidence to prove that their conclusion is correct. This is not how data driven organizations operate.

This is a classic example of *confirmation bias*, wherein the researcher inadvertently selects the data that supports their hypothesis and disregards the data that does not. Data gathered in this manner is dangerous, in that it falsely reassures product developers that their best guess is the path to accelerated growth, when it could be merely a waste of time, money, and effort.
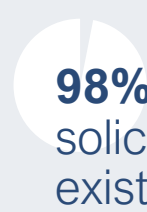
Bias Inherent in the Survey

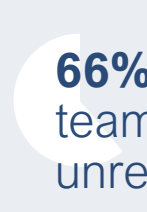**It is alarmingly easy for B2B researchers to unconsciously build such bias into their surveys.**

According to a recent GLG survey of 120 independent technology research professionals, 98% of respondents said they solicit input from existing customers, and 84% acknowledged that they collect feedback from their sales team.

A survey of just customers and your sales team produces unreliable data because it is too small and too select of a sample size. Researchers need to mitigate the bias inherent in their surveys. Foremost among these biases are:

98% researchers solicit input from existing customers

66% say sales team data is unreliable

Source: GLG, 2018

> **1. Survivorship Bias** – The data collected from customers only comes from success stories. By getting feedback from only your biggest and most loyal customers, you run the risk of repeatedly returning to the same well. Limited insight from the same favorable subjects hampers innovation.

> **2. Sample Bias** – The sample doesn't accurately reflect the population they're trying to learn about. This runs the risk of missing out on use cases for new or slightly adjacent customers.

> ## "If you exclude part of your audience, you'll find error after error and bias will grow exponentially. Focus on sample selection is very important."
>
> — Rita Bartczak
> GLG Council Member

As a result, this particular Voice of the Customer (VoC) approach does not reach its full potential. While it may take the temperature of your immediate ecosystem, it generates little faith in market research professionals. The results of the GLG survey reveal a trust gap, with 66% of respondents saying that it is difficult to get reliable data from their sales team.

To provide fully-rounded results, researchers would ideally expand their sample set. According to the survey, 53% of researchers want to hear the voice of prospects, and 41% want to talk with former customers, two crucial –and unbiased– cohorts. "There are traps along the way," says Rita Bartczak, a GLG Council Member and Founder of Chestnut Hill Advisors, a marketing strategy and research consultancy. "If you exclude part of your audience, you'll find error after error and bias will grow exponentially."

"Focus on sample selection is very important," continued Bartczak. "The biggest challenge I see in doing market research is that nothing ever happens with the findings. My job is to help something terrific happen. How? Involve the sales and product teams from the beginning, and then reach out not just to customers but prospects, lost customers, and competitors customers."

Next Gen VoC: Voice of the Competitor's Customers

The opinions of your competitors' customers can be as important (if not more important) when it comes to making decisions about the product roadmap. Happy customers will be biased in your favor. Does this provide insight on where the market is headed? **Does it help win new customers or enter new markets? It may. But probably does not.**

In short, sticking with your customers and sales team only reveals part of the picture.

Market leaders tend to fall into a sort of easy confidence. Consider how Apple beat Microsoft to the mobile market, or how the iPhone killed the market-leading Blackberry because its product developers assumed that the marketplace preferred a tactile keyboard.

53% of researchers want to hear the voice of prospects

41% want to talk with former customers

Source: GLG, 2018

New companies, start-ups, and organizations in closely competitive markets tend to be better at listening to the voice of their competitor's customers than market leaders, but it happens less frequently than it should.

Listening to the voice of your competitors' customers helps you understand a potential customer's key buying criteria that is not rooted in your own expectations. It reveals preferences, desires, wants and needs that you may not have considered. This segment can smash your preconceptions about the "job" the market wants done now.

Next Gen VoC: Voice of Competitor's Partners

Strategic partnerships are key to doing business in today's world. In the tech market, for example, companies form partnerships to boost their own solution that would be too difficult (or too expensive) to build themselves. The danger lies when companies lean too hard on their partners. Their success is inexorably linked to their partners' success. But for you, this is a vulnerability to consider.

Ask yourself:

- Why do these partnerships exist? What might your competitor lack?

- Do we share any of the same partnerships? Why?

- What role does this partner play in your competitor's success?

Taking the temperature of partners is often more valuable than that of the customers. Companies don't enter into partnerships lightly. Many consider and weigh potential partnerships against each other, deciding on only the best. What's more, these companies tend to play in the same space. Both these factors provide deep insight into the state of the landscape, interacting with the market more often than any typical customer.

In Search of Lost Time

Voice-of-the-customer research is not at the core of most professionals' day-to-day. They are product developers or marketing executives with competing demands on their resources. Fully 50% of those surveyed said they simply do not have enough time to collect customer input on a regular basis.

To save time, many organizations outsource their VoC activities. This comes with its own set of difficulties. Third-party market researchers are well-versed in the mechanics of doing research, but not necessarily in the subject matter at hand.

> More than half of respondents said they do not have enough time to collect customer input
>
> GLG 2018

As a result, organizations need to develop thought partnerships. A thought partner is a person or vendor who has expertise or information that can challenge the conventions or assumptions that produce bad data. They cater to an organization's specific needs, providing more insight into obtaining accurate data and how to interpret it.

Case Study: iPhone Model Adoption Survey

To demonstrate how GLG can conduct timely, efficient surveys, we conducted our own. Drawing on GLG's unique network of more than 650,000 council members, we conducted a survey to find out the difference between how general co`nsumers and IT professionals adopt new technologies. Here we asked the two groups if they planned to adopt the latest iPhone.

STEP 1: SURVEY DESIGN

Within two days, GLG designed, tested and received approval to launch survey.

STEP 2: TAP THE NETWORK

Over 1,100 respondents—both consumers and IT decision-makers—participated in survey within 24 hours of launch.

STEP 3: REPORTING AND ANALYTICS

Dynamic, intelligent outputs enabled GLG to analyze and deliver the results in a presentation-ready format.

TIMEFRAME:

72

hours from
concept
to final data

SURVEY POPULATION:

100   **1,000**

senior IT   consumers
decision-
makers

RESULTS OF SURVEY:

Price is paramount.

Nearly all respondents object to the hefty price of the newest devices.

Reluctance to upgrade.

Apple is losing momentum. The majority of those upgrading to a newer model are not taking the newest models.

Nothing new.

Older models contain many of the features that buyers find valuable. There is a less pressing need to upgrade than there was in years past.

The GLG Difference

GLG is a trusted partner to clients for a broad range of organizations. We deliver insights at scale by harnessing our world-class network of more than 650,000 leading professionals to expand your research framework. A team of 80+ survey specialists execute thousands of research projects each year, delivering to precise specifications and demanding deadlines, working in close partnership with clients to ensure timely delivery of insights.

Why you can rely on GLG

EXPERTISE

Expert support in drafting questionnaires, as well as the review and presentation of results.

SPEED

Surveys typically launch within two business days. Results are available within 4 to 14 days depending on scope.

REACH

Access more than just your current customers. GLG enables you to reach ex-customers, competitor's customers, competitor's partners, and more.

Preparing for your first expert interview?

Check out GLG's new guidebook:
The Expert Interview Blueprint