Seeing Your Customers in a
Whole New Light

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Businesses in today's changing and complex world are looking beyond numbers to gain a deeper understanding of their customers. The search for underlying meanings goes beyond spoken needs into the realm of the unarticulated. Helping them do this are a group of emerging techniques (including empathic design and contextual inquiry), all of which are rooted in anthropology. These ways of learning about the customer share two elements: a focus on the user in the user's environment; and involvement by a multifunctional team.

Out there and in here

Seeing with new eyes, seeing your customer, your customer's world, and the opportunities for new product development from a different vantage point: this is the gift of anthropology.

Anthropology results in two kinds of learning, both of them essential to innovation and new product development. The first, Out There, is the ability to see the world through another's eyes, to hear the rich stories and anecdotes that give meaning to experience. Interacting with real, living, breathing people, not abstract categories or pieces of data, you uncover subtle patterns that give you a deeper understanding of motivation and behavior. From this direct contact come insights that help you develop products and services responsive to real, if unarticulated, needs.

The second kind of learning in In Here. The real gift of anthropology is that by allowing us to glimpse reality from a

different vantage point, it takes us outside of our personal and organizational view. It sheds light on our own blinders and belief systems—our lens. Deeply ingrained and largely unconscious, this lens shapes our behavior and can blindside us to changes in the world. Staying in direct, face-to-face contact with customers, in their world, is the surest way to combat organizational myopia.

When do you do it?

Typically, anthropological research, because it is exploratory and holistic in nature, comes at what is called "the fuzzy front end" of new product development. It opens up new avenues of thinking and understanding and allows you to formulate questions that you don't even know how to ask yet. It is a vehicle for discovery, not for testing. It's also sometimes used to deepen the understanding of quantitative data: What's the story underneath those numbers? Many companies excel at the numbers, but after having spent large amounts of money on market research, they're still not sure they know what it means.

I have seen anthropological research turned to in desperation, as in the case of one division of a large company known affectionately as "the Graveyard of New Products." Their track record of failures had conspired to make them risk averse, to the point of not trusting their judgment. With that mindset, it was unlikely they could reverse their death spiral.

They did beat out that death spiral, however, and initiated a program of in-home customer visits on a regular basis to "get a foot in the world." This was especially important to R & D, which was under the gun and had never been directly involved in customer research (a common theme). This practice became a way of life until, gradually, there was a shift in two interrelated dynamics: their self-confidence and ability to generate creative ideas.

Sometimes it's a strategic quandary that makes people willing to try a new approach: We never get beyond immediate projects to the bigger picture. What are the bigger issues? We have no

• **Participant Observation:** The primary means of learning, this involves an interweaving of looking, listening, asking, and feeling in which you are directly involved.

• **Say/Do:** Much has been made recently about watching being a superior way of learning about customer needs because they can't tell us what they want and aren't always truthful. This is not a useful dichotomy. Obviously, we go to the field because being there, with all our senses, we learn things we can't learn any other way. But, we cannot know the meaning of what people do, in their terms, unless we ask them.

vision—we just react to numbers. How can we be more in touch with the customer? We say we want to be perceived as a value-driven company, not a commodity; to do that means we have to find out what the customer really wants.

Whatever it is that motivates a company to try an anthropological approach, it was Socrates, the ancient Greek philosopher, who actually told us a great deal about when it's appropriate to attempt.

Socrates wrote a code of instructions for those who approached the Delphic Oracle with questions about the future. (You may remember that the Oracle answered in riddles that required interpretation, like the Sphinx—and not unlike the customer). Socrates' advice was to make the distinction between matters subject to measurement and those that surpassed rational methods: only go to the Oracle when neither reason to technical knowledge are capable of uncovering your needed answer.

Regardless of why one chooses to use anthropological methods, they are not an either/or with more traditional market research tools. The full range of qualitative and quantitative techniques are all necessary and best utilized in an integrated approach, each one according to its particular strengths.

Putting principles to work

When using an anthropological approach, you employ three underlying principles:

1) Inductive: The business of anthropology is discovery. The output is new concepts, questions, theories, and hypotheses. These emerge from the research experience. We go out to see what is there as authentically as possible, not to validate or test what we think we know. This means that the research is open-ended, structured to allow for surprise. We are interested in our customers' thoughts and language, and that means being able to really listen and, as best we can, set our own assumptions aside.

Barrier: There is discomfort associated with stepping away

from rational, deductive, number-oriented approaches that give us the illusion of certainty into a world of uncertain outcome. When considering such a project, mangers will ask, "What are we going to get from this?" That's a tough one, because if we knew, we wouldn't need to go out there. For this reason, it's very necessary to have a champion/sponsor and to work with decision-makers from the beginning, so that they understand and can support what is often a counter-cultural endeavor.

2) Naturalistic: Anthropology is direct research—real people in real situations. It requires fieldwork—immersing yourself—wherever customers actually interact with your products.

Barrier: People are uncomfortable leaving their offices and labs to go onto "their turf." One hears, "It's a lot of time. What will we gain? Why is this different from having them come to us?" There is an entire body of data not available in artificial settings. We learn through all our senses and being there allows us to feel the trends in a way that disembodied research cannot. Additionally, we have more access to what people actually do, as well as what they say.

Barrier: The "subjectivity" of fieldwork makes people who are trained in "scientific" methods nervous. Won't they be biased? Won't they see and hear only what they want to? Actually, there is less danger of denial and distortion when faced with real words of real customers then when presented with "objective" studies, where one can always argue with how the numbers were arrived at. In anthropology, subjectivity is a plus—people connecting in real, not hygienic, laboratory ways. This has been likened to digging in the garden without your gloves on—actually feeling the dirt under your nails.

3) Emphasis on Context: For the anthropologist, nothing we say or do can be deciphered without understanding the context that gives it meaning. Think of an iceberg. The top one tenth, the tip of the iceberg, is all that shows: observable behavior and artifacts. Below the water, nine tenths of the iceberg are the

invisible drivers of behavior, values, beliefs, and assumptions. To understand the top tenth we must explore the underlying context.

For example, a group of companies that make tableware wanted to learn what tableware actually meant to people. To get at that, they focused not on the artifact (their products) but on the experience of eating at home—past and present. Their findings revealed all sorts of symbolic connections that would never have surfaced otherwise.

Anthropological how-to:

Step 1: Focus

A) Recruit a multifunctional core team   (5 to 15 people), consisting of those who must act on the data.

Barrier: "This takes time. Why can't we hire someone to do the research?" You can, but you give away the gold when you do. Intermediaries and messengers dilute the potential for insight that can only be derived through direct contact with customers.

B) Bringing this team together, usually for the first time, requires attention to teambuilding— in particular, the ability to value diversity in thinking styles. More important, teambuilding will be a by-product of immersion in the customer's world and the give-and-take necessary to interpret that world. Teams are "built" in the process of developing shared frameworks grounded in direct data. Teams are a powerful way to strengthen effective partnerships across functions that do not often see eye to eye.

C) Define the area of inquiry. What do you want to learn and why? What are the business drivers? This takes the form of an over-arching research question and topic areas, structured but flexible enough to allow for in-depth exploration. Developing this guide is a critical team activity. It is the first place where a typically narrow, product-centered focus starts to be expanded into the broader, contextual domain.

D) Once you know what you want to learn, you can decide who to talk to. The sample for anthropological research can

be relatively small, but it is purposeful. A sample of 20 to 30 interviews will yield a wealth of themes and insights.

Barrier: For those used to statistical approaches, small sample size can be problematic. "How can this have any credibility?" To answer this we have to keep two things in mind:

1) At the deepest level of the iceberg are human and cultural themes. These begin to emerge after very few interviews.

2) The purpose of anthropological research is discovery and exploration. With that as our goal, there is nothing wrong with a sample of one if that one person sheds light on a whole new way of seeing.

E) Before beginning fieldwork, it's always important for the team to articulate as much as they can about their "lens"—all those things they regard as truisms and givens about the product, brand, and customer. Developing a historical perspective, the team can be both enriched by the past and not trapped in it. Where we come from has dramatic impact on where we go. For this reason it's essential to combat what some call "Corporate Alzheimer's." This is especially true in today's world of downsizings and frequent job reassignments that tend to both disperse and devalue corporate memory and learning.

Step 2: Data Gathering

This step typically consists of in-depth (2- to 3-hour) interviews conducted by a pair of researchers from different functions. While upfront training is a must, the best learning comes from regarding the first round of interviews as a learning experience—debriefing those as quickly as possible, both to upgrade interview skills and to adjust the research topics. There are three key points about this step:

A) While we call these interviews, they are really guided conversations. The person you're speaking with is your research partner. Together you are creating useful information. You dance back and forth between what you want to learn and what he or she has the energy to talk about—finding those points of

connection. The effort is collaborative. You share control of your time together, though you are responsible for getting both of you to a set of outcomes.

B) The type of "data" you are trying to elicit is concrete: stories and anecdotes, not generalizations. Stories are the gold mine, not only because they convey deeply held values and beliefs, but because they create powerful and memorable images that are easily shared with others.

C) Analysis begins with the first interviews, noting surprises, key learnings, and personal insights. Anthropologist Mike Agar coined the term *rich points* to describe those moments (usually early in fieldwork) when we are puzzled or surprised that "their" view doesn't match "ours." Exploring this gap is the beginnings of a new way of seeing.

Step 3: Analysis

The process of analyzing qualitative data is both messy and misunderstood. I am reminded of a cartoon: a scientist standing before an impossibly long equation saying, "And then a miracle happens." There are two basic steps:

A) The detective work of tracking down themes and patterns. There are various high- and low-tech ways to do this sorting process. What's most important is for the team to tell stories and bring each person they spoke to into the room.

B) The creative leap, which means going beyond the data into the realm of unspoken needs and discovery. Team dialogue takes center stage. The data becomes a springboard and catalyst for sharing insights and observations from diverse perspectives. The voices of customers keep coming into the interchange to ground it and keep it honest, but the team is now accessing all of its own tacit knowledge and intuitive power to open the door to unexplored opportunities. The process is not neat; bringing order from chaos can be both overwhelming and exhilarating. The team is not problem solving; they are creating something new—a synthesis of ideas. With hard work and faith they will begin to

hone in on those key insights that have profound implications for innovation.

Step 4: Taking Action

There will always be a series of immediate next steps the team will take to test their hypotheses and begin to move toward concrete innovations. Longer term, the team (and the organization at large) will find that this data is a storehouse they will repeatedly tap into. As their insights deepen, they will go back to it with new questions and new eyes. Because it comes from the base of the iceberg, anthropological data has a long shelf life. It benefits from incubation—often an insight will merge weeks or months later as people shower or drive to work.

Catching the connection

Certainly, the ability to see the same landscape with new eyes, to get at the heard of the matter, is core. There are also two, less obvious connections essential to innovation:

1) Nurturing intuition: Intuition is grounded in sensory experience. We need to be "in touch" if we are to feel the trends. "Gut feel" grows from close and direct contact with real customers.

2) Conviction and alignment: This is the fire in the belly, shared by a team, without which new ideas do not move forward in organizations. Personal passion is at least as effective as data, in what is as much a political as a rational process.

Ultimately, the use of anthropological methods is not complex or mysterious. For the purpose of innovation and new product development, it is a way of bringing a diverse team together, their heads and hearts full of living, breathing customer images, voices, and stories to do what only they can do: make those creative leaps that result in breakthrough products and services.

Case Study: The Mother Role Void

Early last June, a team convened for the first time to begin an in-home, anthropological consumer research project. The team was both multifunctional and cross-company, representing eight makers of premium tableware products: Lenox, Libbey, Noritake, Oneida, Pfalzgraff, Reed and Barton, Rosentahl, and Royal Doulton.

Reasons for the projects:

The drivers for this extraordinary collaboration of competitors were strategic issues they all face. Their products are being challenged by three interrelated dynamics:

1) Changing lifestyles of consumers.

2) Changing brand landscape with the rise of "lifestyle retailers," such as Williams-Sonoma and Crate and Barrel.

3) Changing retail environment through which they sell their products.

Project objectives:

The goal was to focus on the "Fuzzy Front End" to cause people in the industry to think and see in new ways, and to discover the unarticulated needs of the potential tableware customer.

Project timeline:

The team met four times over three month, conducting their interviews in between working sessions. The results were presented by the team, at their industry's annual conference in September 1998.

Research guide and sample:

To learn about the meaning of tabletop products in peoples' lives, the team focused on the experience of eating at home—past, present, and future. They explored daily routines and special occasions. They talked with a diverse group of people in terms of family units, roles, ethnicity, age and income. The team was surprised by the consistency of findings and themes across very different people. The team went out in pairs, conducting 18 in-depth interviews in six cities. All interviews were tape-recorded and videotaped.

Findings and surprises:

As the team watched videos, read transcripts, shared stories and interpretations, the data coalesced around ten areas of key insights. One sure sign of having proceeded with an anthropological openness is when a compelling insight emerges that we did not know to ask about. An example of this, under the theme of learning, came to be called the "Mother Role Void." In a post-Emily Post world, as the traditional role of Mother is changing, how do people learn about things such as choosing tableware, table manners, setting the table, and recipes? The team found men and women, avidly "trolling for ideas" everywhere in a knowledge void filled by Martha Stewart and others. They began to theorize that their industry could fill this need by becoming an "arbiter of taste" and a provider of ideas.

Opportunities:

From their analysis of the data, the team identified both industry and company opportunities. Industry opportunities included:

1) Broadening the target consumer (including men).

2) Product innovation (sizes consumers want).

3) Marketing innovation (marketing ideas not just percentage off).

4) Industry collaboration (co-marketing premium brands).

For obvious competitive reasons, though they collaborated in the research, company opportunities would be discovered by applying the findings to each unique business and brand.

Learnings:

Many times throughout the project we wrestled with the uncertainty inherent in the fuzzy front end. Would we find anything? Would it come together? Would it be compelling? A testimonial to the power of the findings is how people responded to them: wanting to hear them again, acknowledging a depth that couldn't be absorbed in one sitting. According to a team member:

I have a whole new way of thinking about my business. I use the findings every day, in every decision I make, in how I see and interpret. This shift in perspective is a dramatic accomplishment.

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