

CUSTOMER VALIDATION INDUSTRY REPORT

Beta Testing Trends & Insights for 2019

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INTRODUCTION

*The demand for seamless, integrated, and more responsive technology continues to grow moving into 2019, and today's companies have turned to **Customer Validation** to keep up. They're looking to secure product success by testing and evaluating products with real customers out in the real world over a few weeks before release.*



From where it lives within an organization to the roles that manage it, Customer Validation is not standardized across companies. The ***survey from 2016*** revealed a fragmented industry - starting with what companies call this practice. The 150+ names for Customer Validation - like beta testing, user testing, and customer acceptance - are a prime example of how differently companies invest in and execute this vital research.

The 2018 Customer Validation Industry Survey showed how this fragmentation continues to impact the people managing customer tests. According to the data, ***three out of four respondents are not satisfied with the way their customer testing programs are performing.***

This report explores the myriad reasons behind their dissatisfaction. It focuses on the real-world perspectives of industry professionals, from where they're focusing their efforts to the ways that they demonstrate their program's organizational value.

We'll highlight the process and tool trends that have empowered Customer Validation industry leaders to increase the impact of their programs and, in turn, the success of their products. We'll also talk about how these trends affect time management and look at the resources test managers leverage to grow their skills and professional network.

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KEY INDUSTRY INSIGHTS

Here are the key findings from the 2018 Customer Validation Industry Survey.

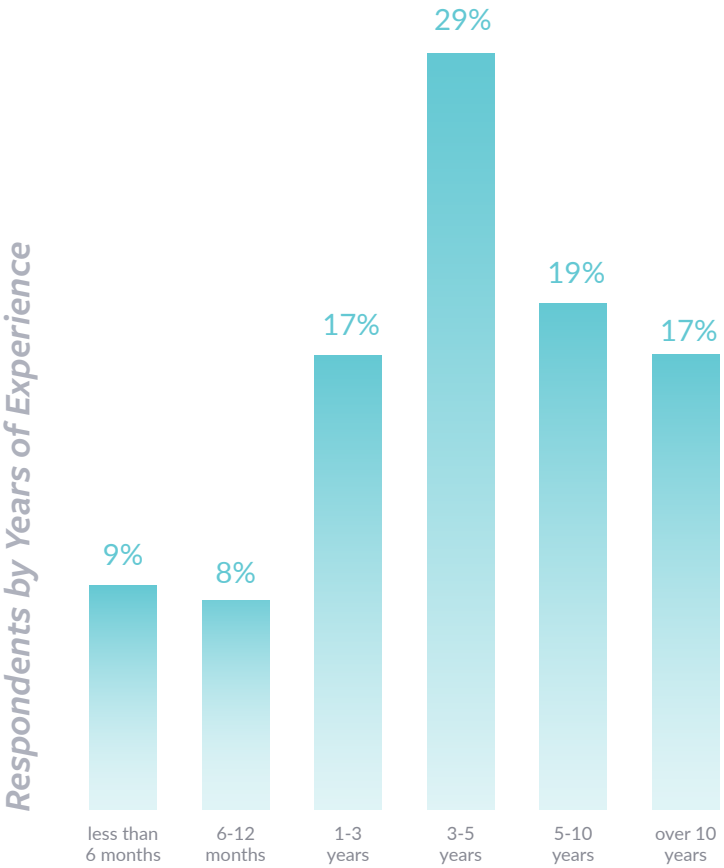
- **60% of respondents reported low effectiveness** (less than 3 on a 5-point scale) in their customer testing programs. This sentiment extended across multiple industry verticals.
- 30% of program managers find it **challenging to prove the value of their customer testing programs**.
- 1 in 3 respondents reported **not having enough time to demonstrate ROI**.
- **3 out of 5 programs use email to collect feedback**. Respondents who only use email to collect feedback reported having little to no time to demonstrate ROI.
- **The biggest challenges** during testing are maintaining adequate participation, collecting enough feedback, and prioritizing feedback.
- **7 out of 10 programs use spreadsheets to analyze data**. Respondents who only use spreadsheets to analyze data also reported having insufficient time to demonstrate ROI.
- **3 out of 5 programs use spreadsheets** to organize and manage their tester pools.
- **Only 1 in 5 programs have mature processes**. The majority of customer testing programs reported little standardization in their processes and test execution techniques. This aligns with reports of low participation, insufficient feedback submissions, and significant time investment with minimal returns.
- 1 in 3 respondents reported **not accessing best practices**.
- **Respondents who leverage mature processes and specialized tools reported fewer issues** with maintaining tester participation and collecting relevant feedback.
- Of the people involved in running, managing, and supporting customer tests, **only 1 in 8 manage tests as their primary job**.
- 17% of respondents have been running customer tests for more than 10 years, and 65% for more than 3 years. Despite this level of experience, **these respondents said they still don't consistently leverage best practices for testing because they don't know where to find them**.

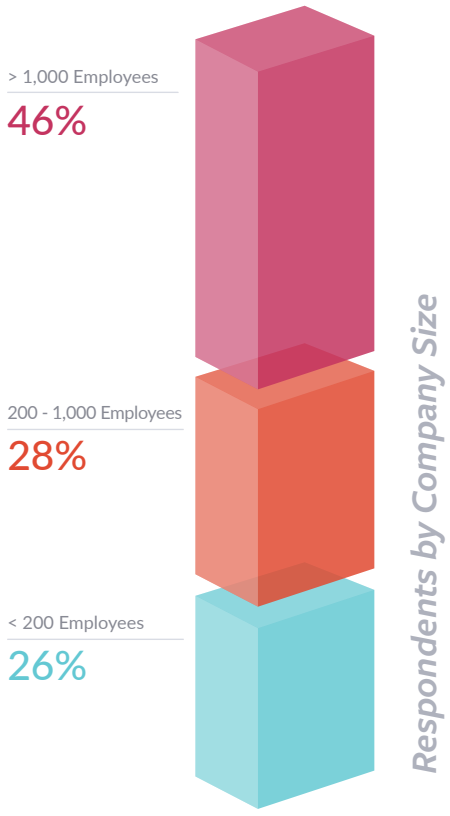
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SURVEY METHODOLOGY

Between October and November 2018, 453 qualified respondents from over 350 companies shared their experiences through this survey. These responses represent a wide range of industries, company sizes, job titles, levels of responsibility, and testing experiences. Together, their insights illustrate how companies structure their Customer Validation programs, where they're seeing success, and what they find most challenging.





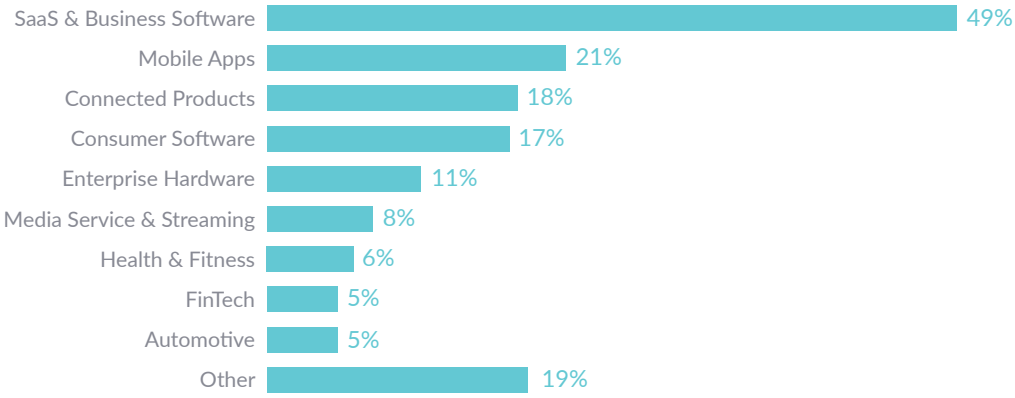


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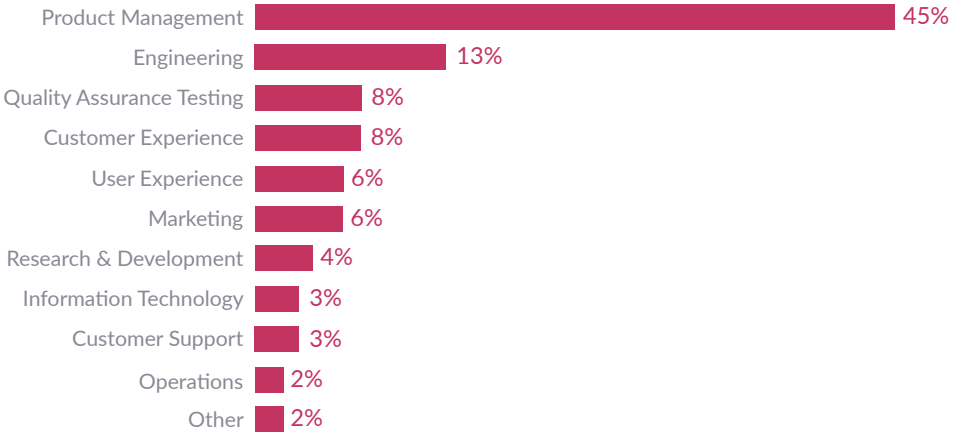
Respondents by Level of Customer Validation Involvement



Respondents by Industry



Respondents by Department



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CUSTOMER VALIDATION INDUSTRY TRENDS

The shared experiences of hundreds of industry professionals revealed three trending factors that stand out as we move into 2019. Let's take a closer look at each one.



A lack of standardized process is fueling a focus on best practices

Processes are the methods used by customer testing professionals to manage their tests. The 2018 survey revealed a strong correlation between process maturity and program effectiveness.



The use of multiple generic tools is causing operational friction

Most professionals are using a collection of individual point solutions to execute Customer Validation tests, which is creating time sinks and limiting program scalability.



Industry leaders are evolving their techniques for demonstrating ROI

Program managers who are satisfied with their program results are also those who invest more time into demonstrating their program's ROI. This includes actively working to increase program adoption throughout their organizations.

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Trend #1

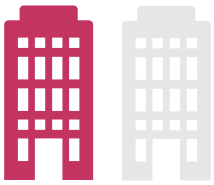
A Lack of Standardized Processes Is Fueling a Focus on Best Practices

When asked to write down the one thing that they would improve about their program, the majority of respondents identified a need for better processes. But processes aren't sexy. They're often viewed as a collection of paperwork and procedures that are tedious to follow and maintain.

So why are customer testing professionals seeking process-focused best practices to increase their program's value? While they may seem boring, the utility of mature processes is a key indicator of Customer Validation program success.

75% of respondents with *reactive processes* rated their program effectiveness as 3 or below

60% of respondents with *defined processes* rated their program effectiveness as 4 or 5



1 IN 2 companies has *reactive* customer testing processes



1 IN 5 companies has *proactive* customer testing processes

How Are Reactive Processes Impacting Test Management?

The survey links program dissatisfaction to common test management challenges, including **low tester participation, difficulty collecting sufficient feedback, and stakeholder misalignment**. According to the data, these are the exact challenges that result from poorly controlled processes.

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Of those leveraging reactive processes:



2 IN 3 professionals reported *difficulty* maintaining *tester participation*



1 IN 2 professionals reported *difficulty* collecting *useful feedback*



1 IN 3 professionals reported *difficulty* demonstrating *ROI*

> *Participation and feedback quality are directly related to testers' understanding of their responsibilities during the test. Building proactive processes to help testers understand what they are expected to contribute is key to maintaining engagement and drawing in high-quality feedback.*

Additional outcomes associated with uncontrolled processes:

- Uncertainty about stakeholder needs and objectives
- Inconclusive test results despite significant time and effort
- Test results arriving too late to implement product improvements before release
- Difficulty tracking improvements made to products based on customer testing results

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In Summary

- Process maturity is a key indicator of program success.
- Customer Validation programs with proactive processes rate themselves higher in effectiveness than those with reactive or unpredictable processes.
- Most test managers said that their programs would benefit from better processes.

Customer Validation industry leaders are:

- Implementing repeatable processes to increase test efficiency and reduce costs rather than looking for quick fixes
- Executing proactive processes to maintain high tester engagement and ensure a steady stream of useful feedback
- Streamlining test execution processes so they can shift their concentration to program value-driving activities like planning and reporting
- Measuring and tracking progress to create benchmarks for success
- Continuously improving program performance through controlled experimentation
- Anticipating testing challenges and putting proactive measures in place to counter or prevent them

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Trend #2

The Use of Multiple Generic Tools Is Causing Operational Friction

One thing that hasn't changed since the last industry survey is that the tools professionals are using to manage customer tests vary quite a bit. From the generic to the specialized, survey responses show that a colorful range of systems, tool combinations, and levels of functionality are in play across organizations.

Beyond the fact that email and spreadsheets are the most commonly used, the makeup of the technology stacks used by today's professionals is inconsistent. In this still fragmented industry, the only clear pattern is found in how many tools are being used during Customer Validation.



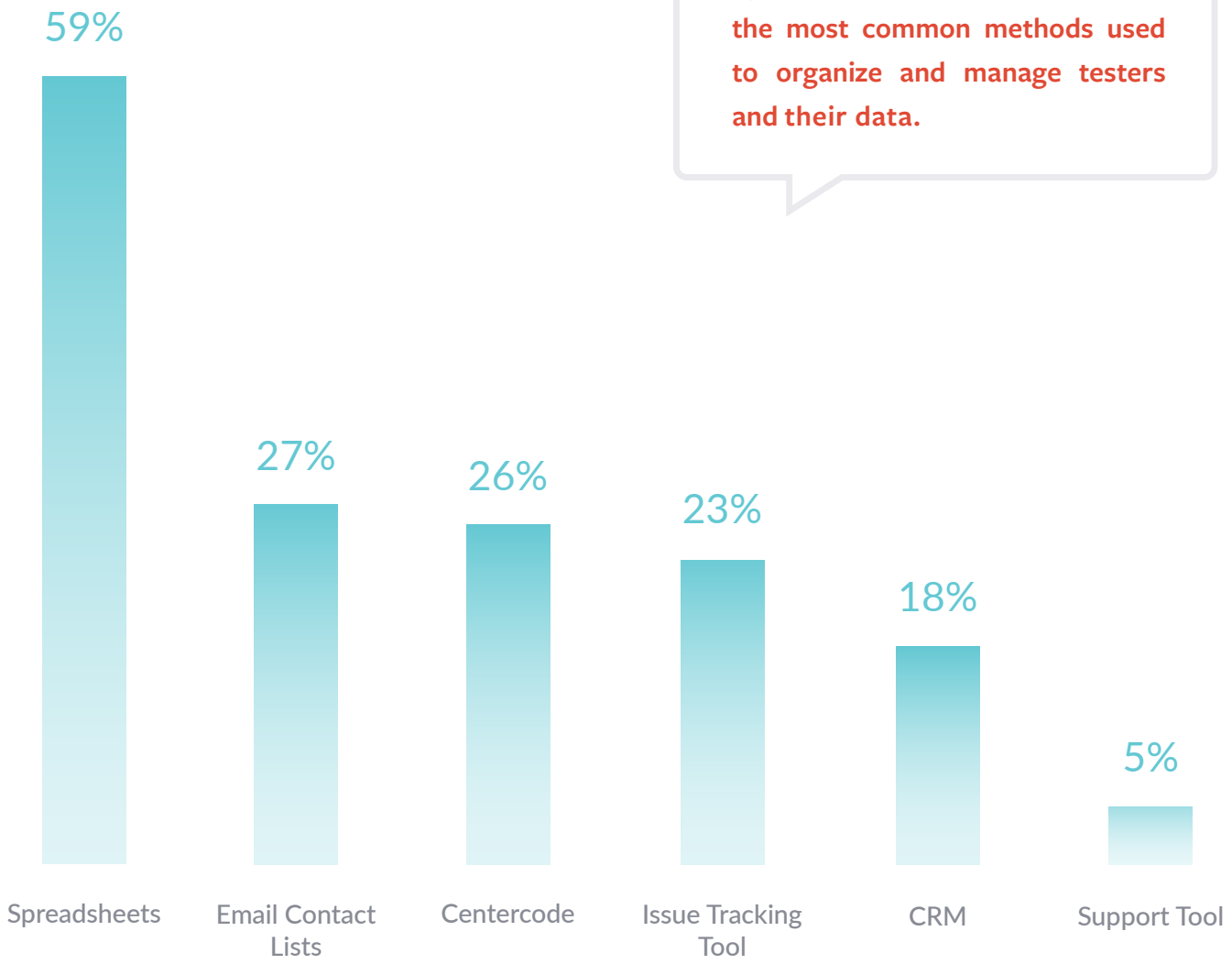
The level of automation provided by the tech stacks of today's professionals is directly impacting the complexity of their processes and the amount of manual effort required to execute projects effectively. In addition to increasing the risk of inconsistencies across systems, the continued use of multiple point solutions is shifting the bulk of time investment into test management. This draws focus away from value-driving activities, like planning, reporting, and process improvements (see ***How Are Industry Professionals Spending Their Time?***). Below we'll explore how this is manifested in key aspects of test and program management.

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How Are Tools Impacting the Way Teams Manage Their Tester Panels?

Because of the nature of these generic tools, Customer Validation teams are exerting significant manual effort to manage tester profile data, identify best-fit candidates for their projects, and recruit, onboard, and group them on tests. This makes it difficult to ensure clean data is shared across other parts of the testing process.

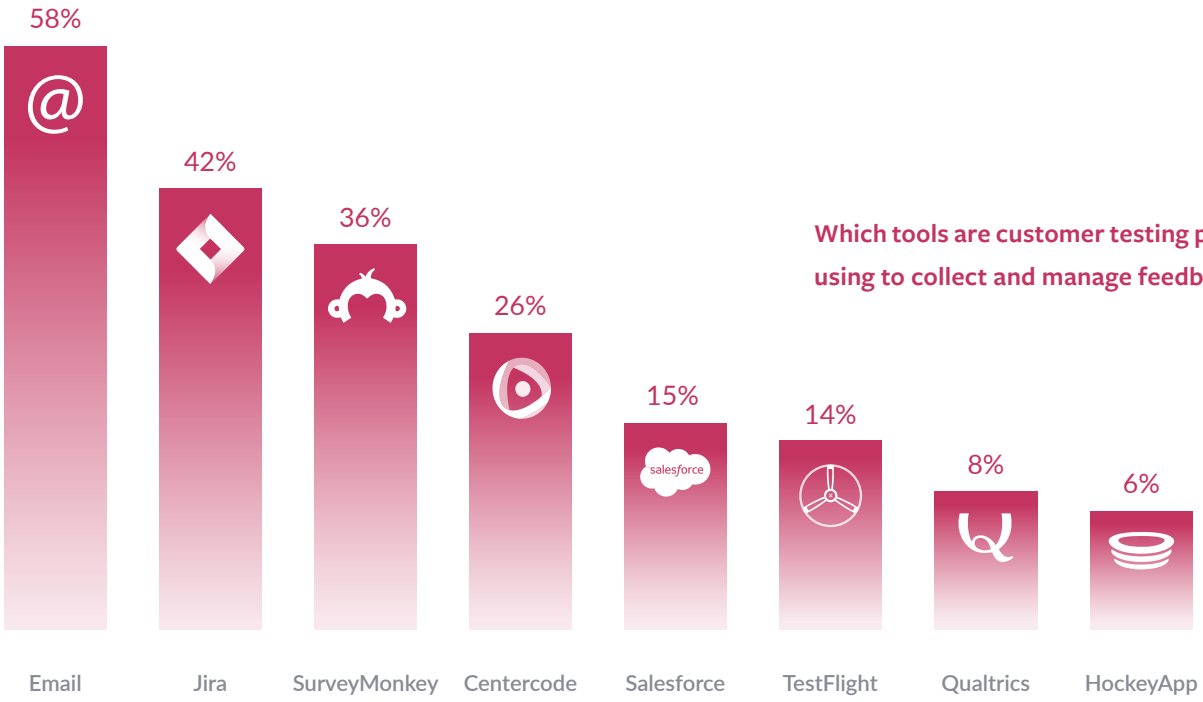
Spreadsheets and contact lists are the most common methods used to organize and manage testers and their data.



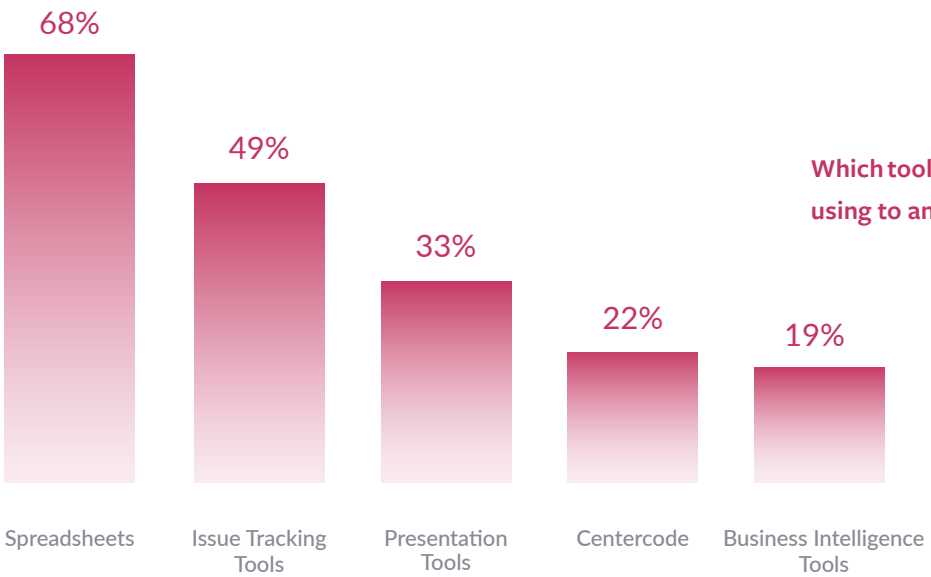
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How Are Tools Impacting Feedback Management and Analysis?

The majority of companies are using a combination of email, ticketing, and survey tools to manage and analyze tester feedback.



Which tools are customer testing professionals using to collect and manage feedback?



Which tools are customer testing professionals using to analyze feedback?

Using a mix of multiple tools - such as email for bug submissions, survey tools for quantitative feedback, ticketing tools or spreadsheets for prioritizing and analyzing feedback, and back to email for updates on each submission - is causing friction as test managers bounce between systems.

Juggling the many activities happening in each separate tool means spending time manually syncing data at every turn, surfacing valuable insights, and making sure that nothing falls through the cracks. The complexity involved with managing and analyzing feedback from decentralized systems is having a negative impact on productivity and customer testing results.

1 IN 5 testing professionals

has ***issues syncing feedback*** into ticketing systems

2 IN 5 testing professionals

have ***issues getting enough information*** about a bug or suggestion

1 IN 3 testing professionals

has ***issues prioritizing feedback***

In Summary

- The use of multiple point solutions is decentralizing test and tester data, which means that teams are spending more time on manual data entry and organization.
- Organizational adoption of effective Customer Validation programs is being driven by the use of integrations.

Customer Validation industry leaders are increasing efficiency by:

- Centralizing data to streamline their workflows and minimize redundancies so they can focus on value-driving activities
- Using system integrations to break down data silos within their programs
- Connecting with systems in other departments to extend the organizational reach of their Customer Validation results
- Proactively seeking out technologies that support process and program improvements

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Trend #3

Industry Leaders Are Evolving Their Techniques for Demonstrating ROI

If you don't know where you are, you can't get where you're going. Cost-justifying a customer testing program is key to continued success, but survey responses show that the majority of program managers struggle to prove the value delivered through their efforts.

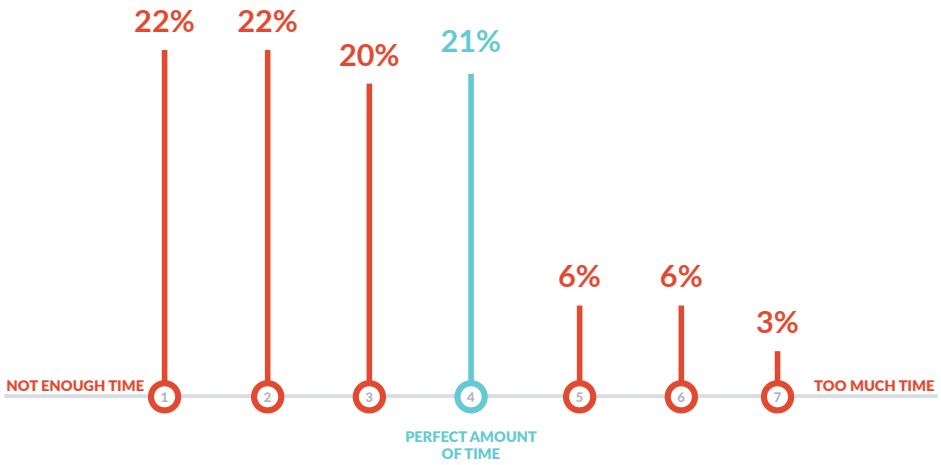
30% of testing professionals
find it ***challenging*** to prove ROI

Roadblocks on the Path to Demonstrating ROI

Setting Aside Time to Prove Value

A majority of program managers said that they simply don't have enough time to actively demonstrate ROI. In particular, those using email and spreadsheets as their main tools reported having very little to no time to prove ROI.

How much of your time is devoted to proving ROI?



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A Lack of Techniques and Guidance

A significant group of respondents reported that they don't know where to start when it comes to proving the value of their programs (see ***How Are Industry Professionals Learning Best Practices?***).

1 IN 3 testing professionals

doesn't access best practices - including on how to increase and report ROI

Other Factors That Impact ROI Demonstration

This trend is deeply correlated with the previous two trends in this report. Professionals who reported difficulty demonstrating ROI also reported having:

- Reactive processes,
- Limited tool functionality,
- Decentralized data, and
- Low test participation and/or less-than-optimal results.

To justify an investment in more resources and better tools, program managers need to first prove the value of their results to their stakeholders. But because programs with generic tools and reactive processes spend more time on test management tasks, it steals their focus away from demonstrating ROI.

Investing in Improvement

Professionals who are embracing techniques for spreading organizational adoption and securing investments in technology are seeing much higher returns from their testing efforts. By syncing their tools with systems in other departments, they're opening the door for stakeholders to leverage and interpret their results more easily. They are breaking down the information silos that slow program growth and limit their efforts.

In addition to taking advantage of technology and tools that free up bandwidth, industry leaders are devoting time saved to implementing continuous program improvements. Tracking their results creates opportunities for progress. It also documents their programs' contributions to the products they've tested.

As a result, these professionals can more easily showcase their efforts to company leadership. They enjoy broader program adoption and have more resources available to scale with the growing needs of their stakeholders.

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In Summary

- Lack of time and industry knowledge are the top challenges for professionals trying to prove the value of their programs.
- Challenges with processes and tools compound the difficulties of demonstrating ROI.
- Professionals that are taking steps to track the footprint of their results and actively share data across their organizations are seeing much higher returns from their testing efforts.

Customer Validation industry leaders are:

- Focused on learning new methods to prove their program's value
- Including stakeholders early-on and communicating with them often to keep test objectives aligned with their needs
- Attending industry events to meet and interact with peers and learn best practices
- Leveraging technology and tools that effectively support their efforts
- Setting benchmarks for program improvement
- Using reporting to break down silos and expand organizational adoption of their programs

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UNDERSTANDING CUSTOMER VALIDATION PROFESSIONALS

In addition to uncovering trends in test and program management, responses to the Industry Survey revealed more about the professionals managing Customer Validation tests. We'll take a closer look at the time investments test managers are making, as well as how they develop their industry knowledge and grasp on best practices.

How Are Industry Professionals Spending Their Time?

Because most test managers handle projects in addition to their primary responsibilities, it's no surprise that the majority reported not being able to devote the necessary amount of time to properly managing each phase of customer testing.

While professionals reported having enough or near-enough time for test management tasks, the vast majority reported needing more time to plan and much more time to demonstrate ROI.

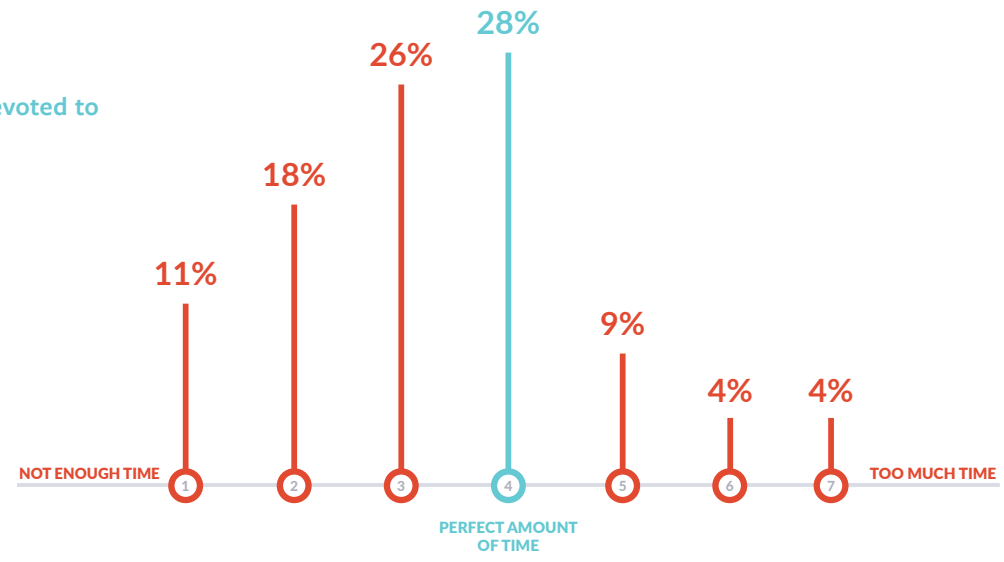
1 IN 2 testing professionals
said they ***need more time*** to scope their projects

2 IN 3 testing professionals
said they ***need more time*** to prove their program's ROI

The Planning Phase

During the Planning Phase, test managers meet with stakeholders to design the test. The goal of this phase is to develop a comprehensive plan and ensure alignment around that plan with a reasonable scope, schedule, and set of objectives.

How much of your time is devoted to scoping tests?



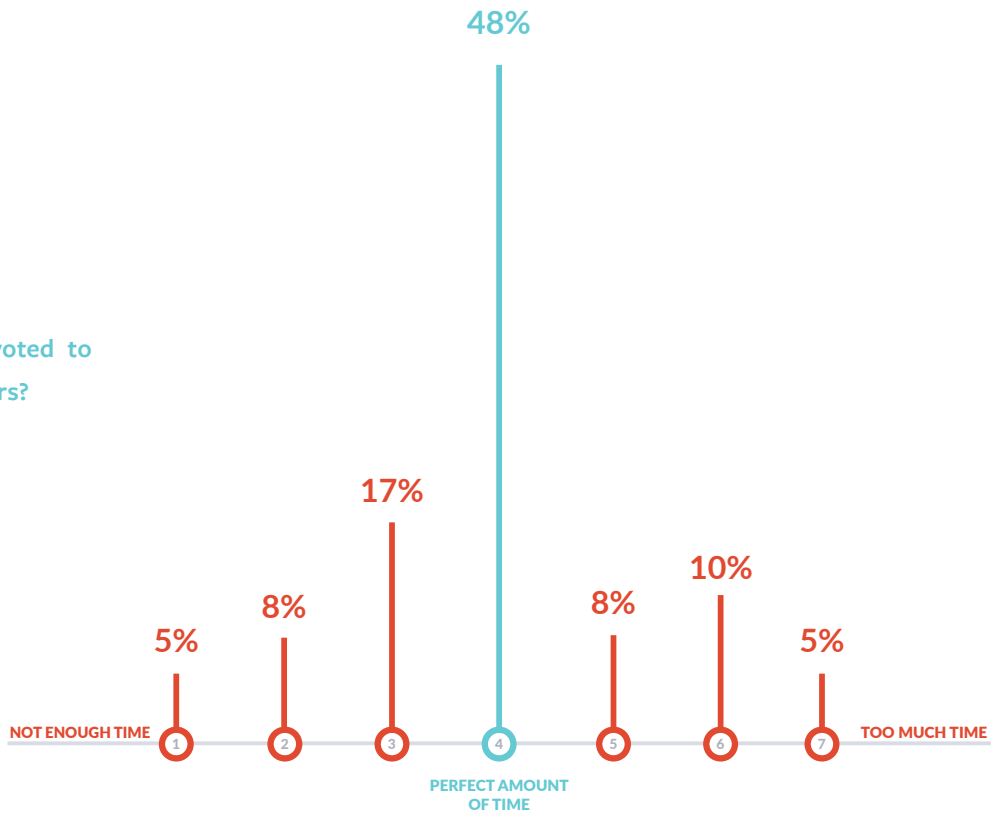
The Preparation Phase

The Preparation Phase encompasses tester recruitment, agreements, workspace setup, and product distribution. Here, the goal is to set the stage so that testers and internal teams can hit the ground running as soon as the Testing Phase begins.

How much of your time is devoted to recruiting testers?



How much of your time is devoted to distributing products to testers?

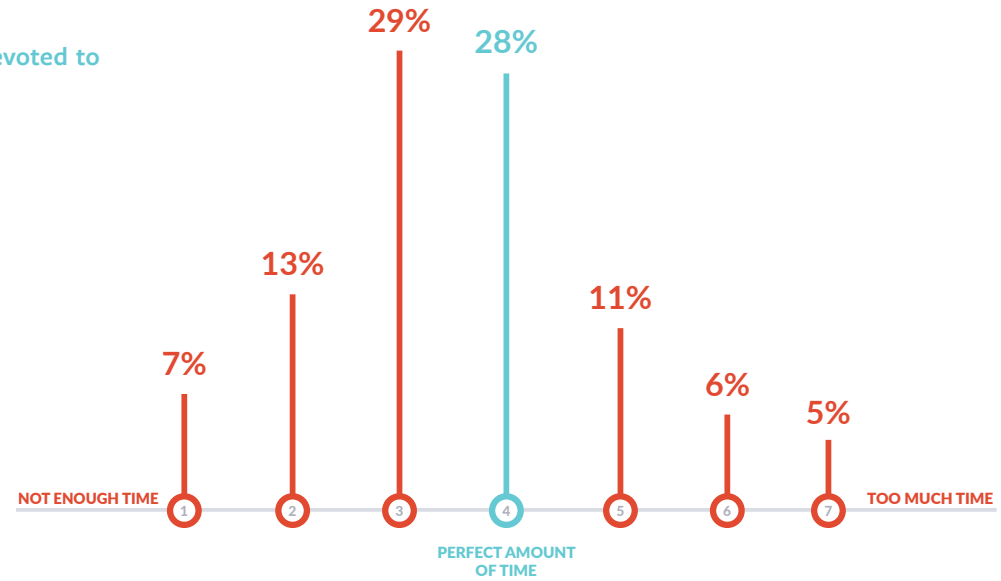


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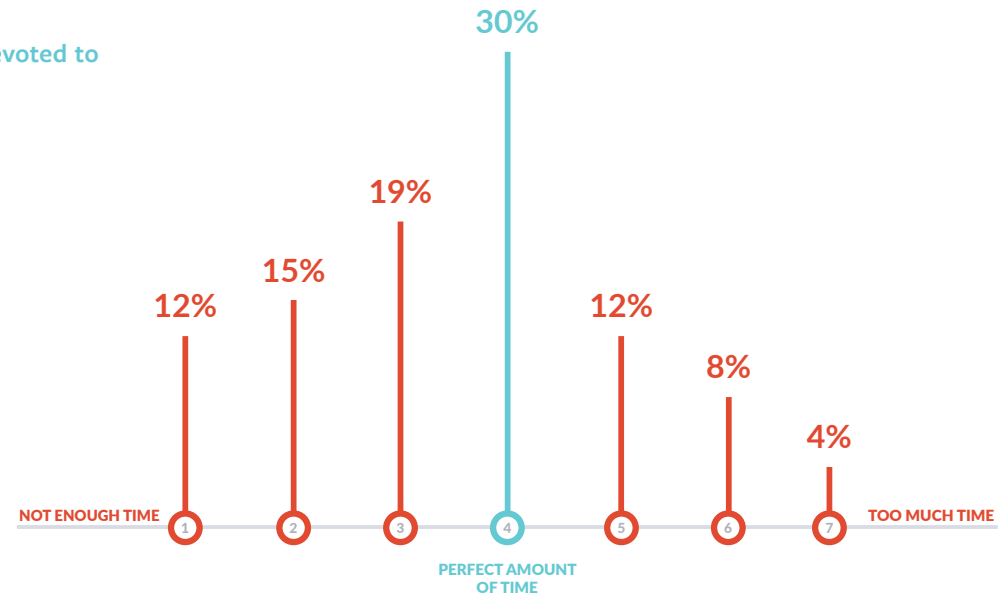
Testing Phase

The Testing Phase includes test initialization, onboarding, assigning tasks, feedback review and triage, troubleshooting, data organization, and results analysis.

How much of your time is devoted to reviewing tester feedback?

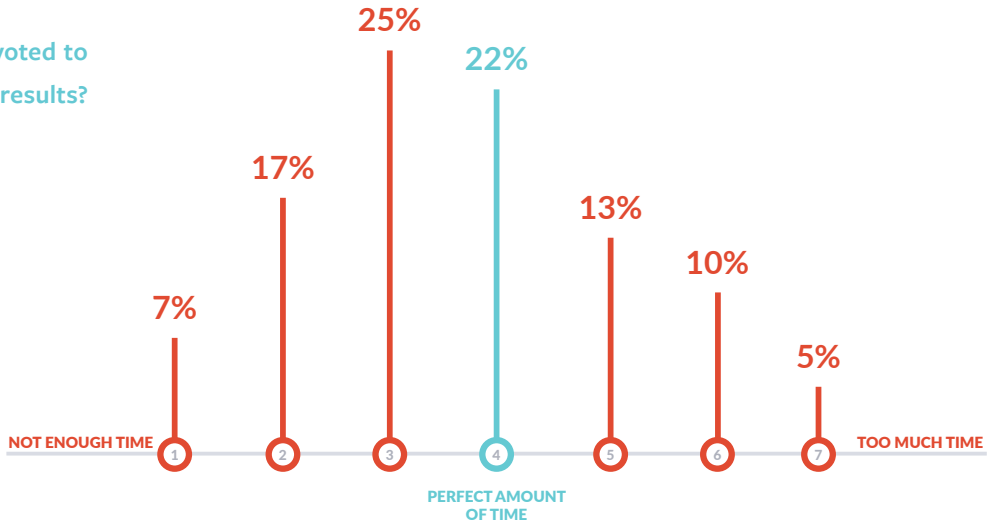


How much of your time is devoted to creating test surveys?



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How much of your time is devoted to organizing data and analyzing results?



How Are Industry Professionals Learning Best Practices?

Professional development is key to advancing professional skills in any industry. But unlike other career paths, reliable resources and methodologies for customer testing are notoriously hard to find. The historic lack of standardized practices and readily available resources has limited the options for test managers just starting out or interested in improving their professional skills.

The report also showed that the majority of respondents have limited exposure to the experiences and insights of other industry professionals. Rather than building and iterating on the experiences of others in their field, many professionals are reinventing the wheel every step of the way, relying primarily on internal knowledge. While not inherently ineffective, this makes it difficult to benchmark progress and achieve consistent results.



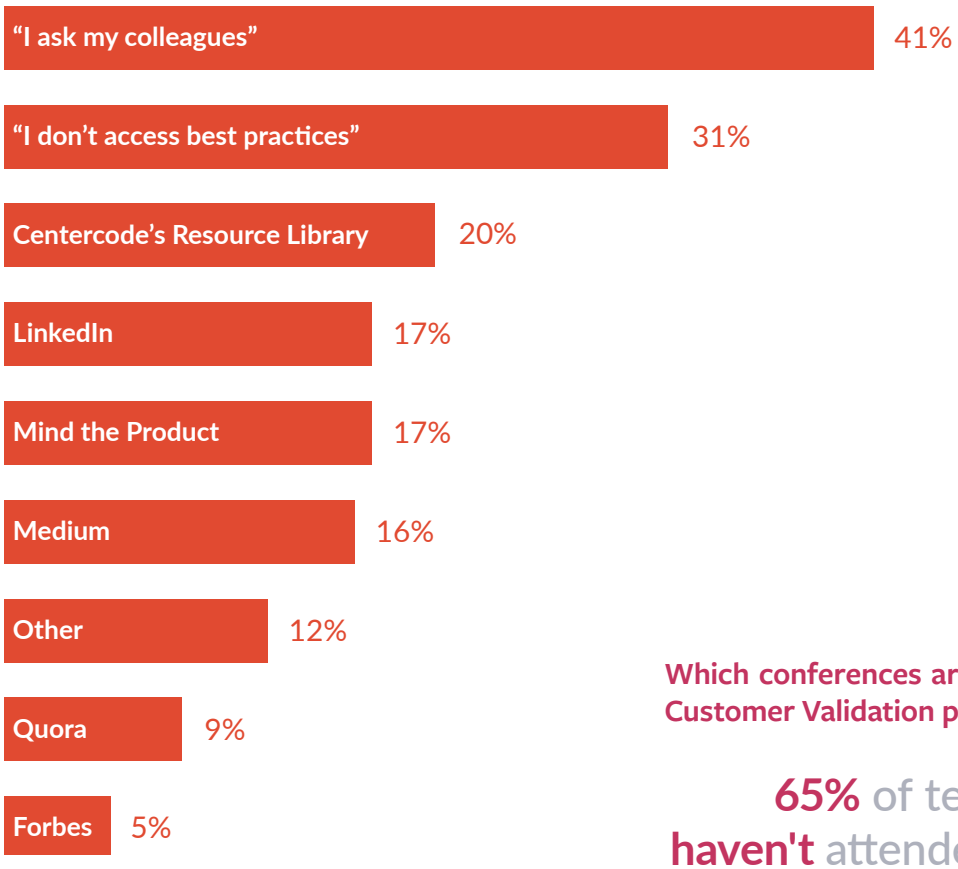
1 IN 3 professionals *doesn't* access *best practices*



2 IN 5 professionals *only* leverage *internal knowledge* about customer testing

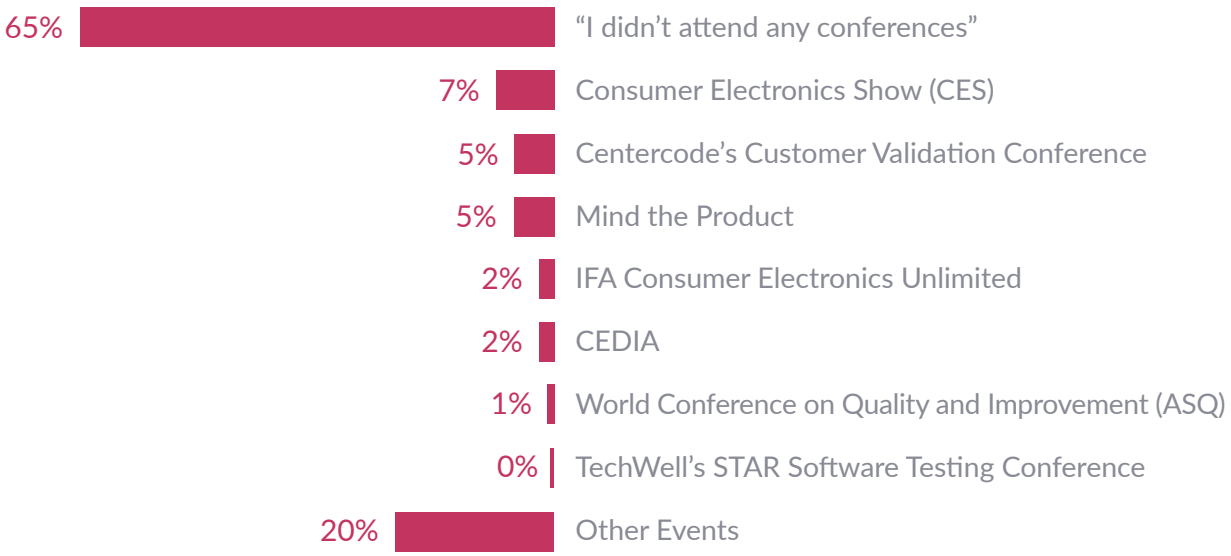
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How are Customer Validation professionals learning best practices and techniques?



Which conferences are respondents who manage Customer Validation projects attending?

65% of testing professionals **haven't** attended any conferences to interact with their peers



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Delta Testing Solutions

Leading product ops teams use Centercode to identify real-world issues to fix, areas to improve, and what their users love in order to build amazing products.



Centercode's delta testing platform is built on decades of experience user testing the world's most successful products. Our platform equips you with the automation, best practices, and processes you need to get actionable user insights for any use case.

PRODUCT LAUNCH

Engage your **Target Market** to successfully bring new products and services to market

USE CASES:

- Beta Tests
- User Acceptance Tests
- Field Tests

PRODUCT GROWTH

Recruit **Existing Customers** to continuously mature live products and services

USE CASES:

- Progressive Delivery
- Early Access
- Customer Advisory Boards

CUSTOMER ZERO

Gather **Employee** feedback to enhance your products while fostering a product culture

USE CASES:

- Alpha Tests
- Dogfooding
- Employee Tests

COMPETITIVE EDGE

Enlist **Competitors' Customers** to rapidly gain actionable intel about their products

USE CASES:

- Competitive Intelligence
- Market Testing
- Comparative Research

DELTA TESTING PLATFORM

Get a live demo of Centercode to experience the easy way to run your user tests, including:

- Auto-generated test designs
- Ted, your tester engagement bot
- Smart feedback prioritization
- Instant KPIs and dashboards

SCHEDULE A DEMO

WHY CENTERCODE?

Increase Revenue
½ ☆ INCREASE
in product ratings

Release Sooner
50% FASTER
test cycles

Gain Participation
75% INCREASE
in tester engagement

Save Time
40% + DECREASE
in time managing tests