Customer Validation Industry Report

Trends and Insights for 2020



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KEY INSIGHTS

Industry at Large

- More than three-quarters of today's companies are leveraging Customer Validation (CV) tests.
- Only 16% of CV professionals manage tests or run a program as their primary job.

Challenges Facing Professionals

- More than half of today's CV professionals have challenges maintaining tester participation and collecting useful feedback.
- One in three has issues recruiting the number of testers they need.
- One in four has issues recruiting testers who fit their target market.
- Two-thirds of professionals struggle to manage time around planning, recruitment, analysis, and other crucial activities within CV processes.
- Half of CV professionals report difficulty demonstrating the ROI of their CV projects and program.

Negotiating Multiple Tools

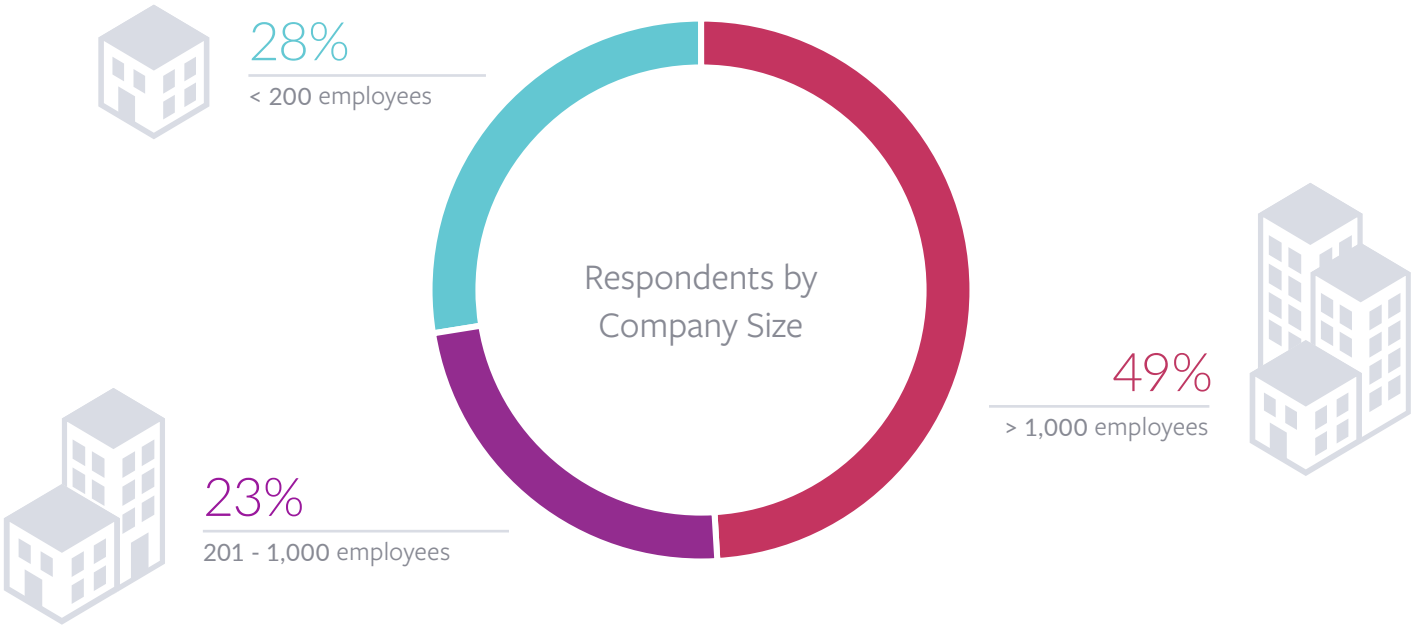
- Half of professionals and teams are using three or more tools to collect Customer Validation feedback.
- One in three experience serious challenges organizing data across multiple systems.
- Nearly half of professionals using four or more tools report spending too much time organizing feedback.

Defined vs. Reactive Processes

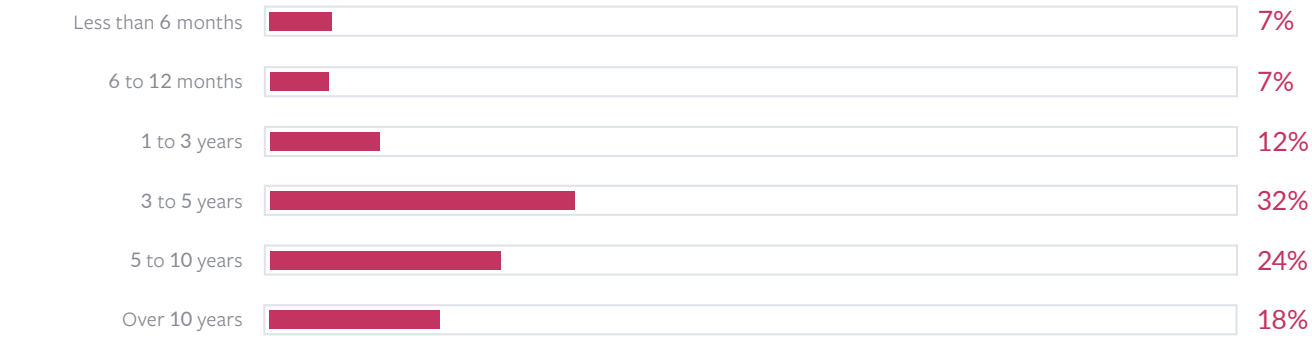
- Those with defined processes report higher program effectiveness.
- Professionals with reactive processes report not spending enough time on planning and recruitment.
- Those with reactive processes also report more difficulty with prioritizing feedback.
- Professionals who have defined CV processes are reporting a steady increase in program effectiveness.

SURVEY METHODOLOGY

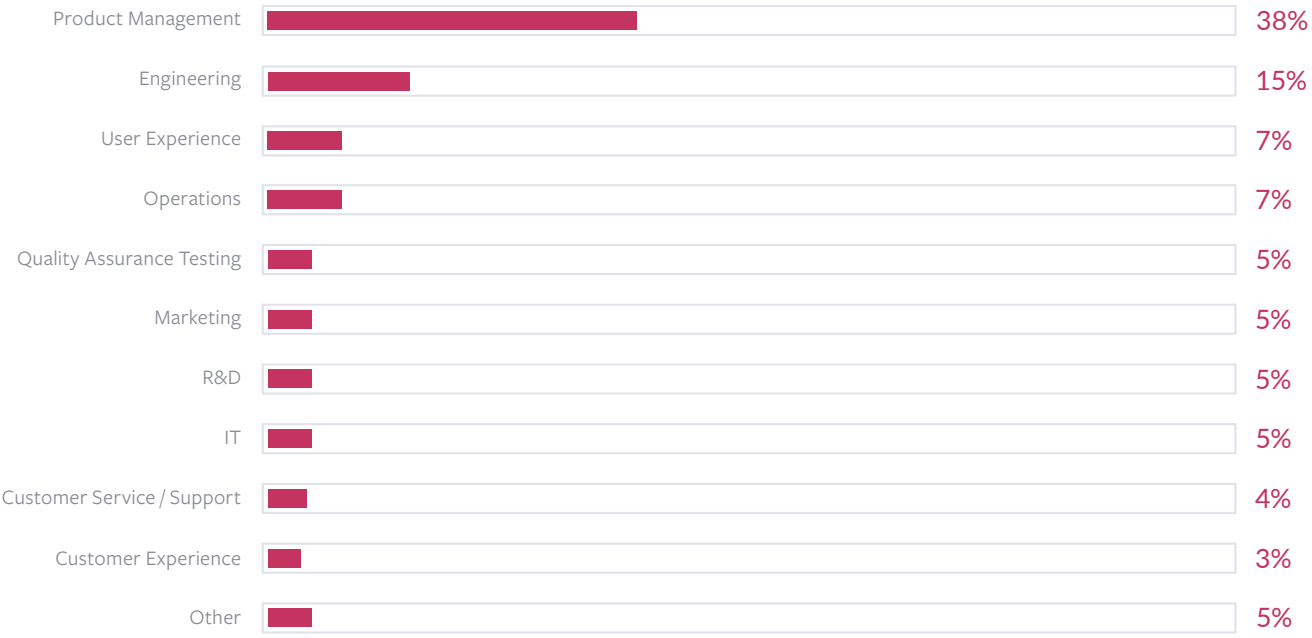
In November 2019, 241 respondents across various industry verticals completed the fourth annual Customer Validation survey. These responses represent a broad collection of company sizes, job titles, levels of responsibility, and experience managing customer tests. Together, their insights illustrate how companies structure their Customer Validation programs, how they're managing their time and resources, how they identify success, and what they find most challenging.



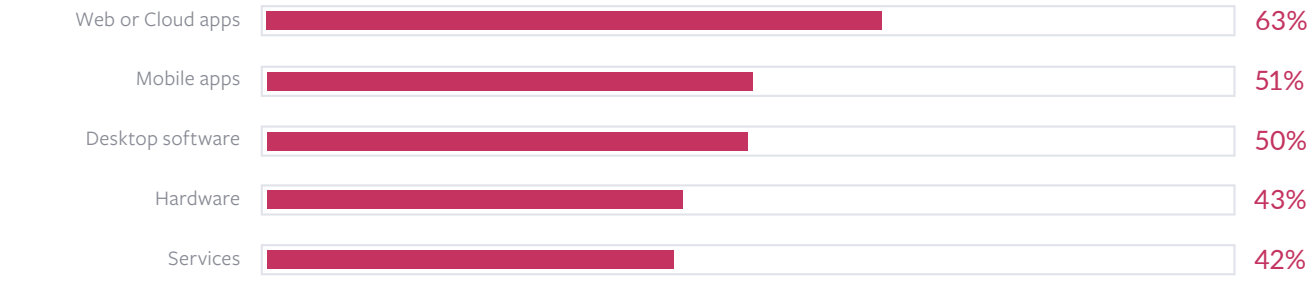
Respondents by Years of Experience



Respondents by Department



Respondents by Product Type



CUSTOMER VALIDATION INDUSTRY TRENDS

The shared experiences of hundreds of industry professionals revealed three trending factors that stand out as we move into 2020. Let's take a closer look at each one.



Trend #1

Professionals are struggling to find time to communicate with testers and maintain participation.



Trend #2

Negotiating multiple tools is creating time sinks during data collection and prioritization.



Trend #3

Professionals who are working to define their processes are driving steady improvements to their Customer Validation programs.

Trend #1

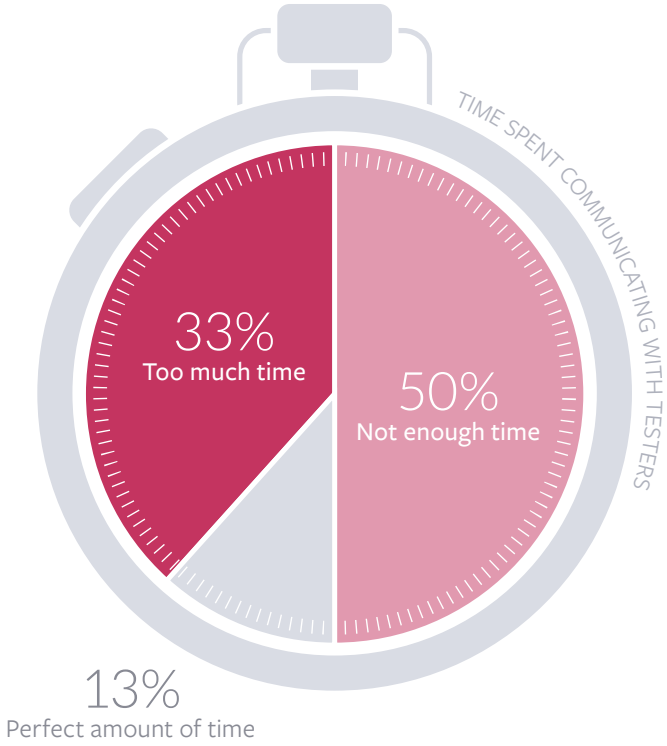
PROFESSIONALS ARE STRUGGLING TO FIND TIME TO COMMUNICATE WITH TESTERS AND MAINTAIN PARTICIPATION

While the departments where *Customer Validation* (CV) lives within a company vary greatly — along with the roles that manage it — CV programs across the board are consistently running into the same obstacles. What stands out most is the challenge of maintaining tester participation. The data reveals that over half of CV professionals are struggling to keep their testers engaged throughout their projects.

Over half of CV professionals report challenges maintaining tester participation

Why is this part of CV so challenging, and why is it so common across the industry? According to the data, the biggest obstacle is a shortage of time. Only 16% of those involved with CV manage these tests as their primary job. This means the majority of industry professionals are trying to improve their CV programs and juggle test management alongside their main responsibilities.

The shortage of time impacts tester participation and engagement in both direct and indirect ways. One of the direct influences is the lack of time dedicated to tester communication. Professionals who struggle to maintain engagement report not spending enough time communicating with their testers.





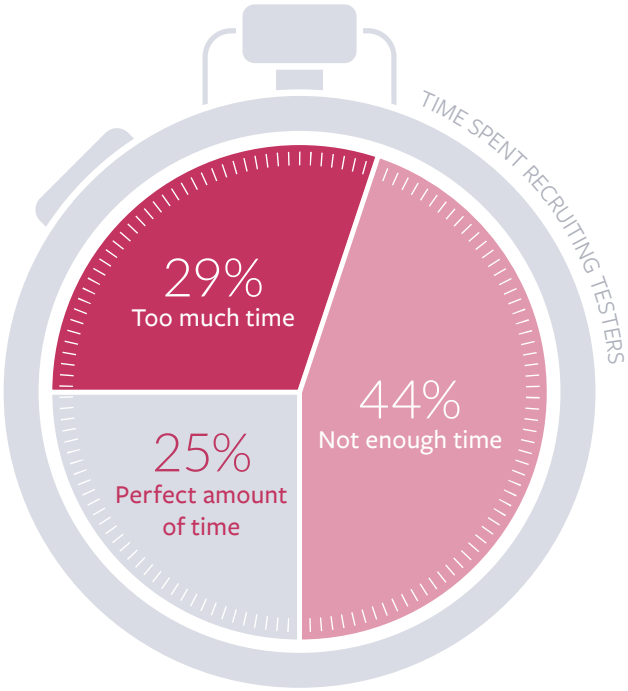
3 out of 5 professionals have issues getting enough testers to provide feedback

Stepping back further, the data also demonstrates a relationship between recruitment, tester communication, and maintaining participation. Recruitment plays a very influential role in both feedback quality and quantity. Without first *recruiting a group of targeted, enthusiastic testers*, it's very difficult — if not impossible — to generate a high volume of useful feedback. It takes more precious time and energy to keep testers motivated if they are coming into your project half-heartedly, and they still often deliver far less in return.

With this in mind, it makes sense that professionals who identified challenges surrounding recruitment would encounter friction with maintaining participation. One in three professionals with difficulty maintaining tester participation reported not spending enough time on recruitment. On the flip side, one in four said they were spending too much time recruiting testers, without netting the desired results.

In Their Own Words: One Thing That Would Improve My Customer Validation Program

"Improved tester engagement."
"Sparking more user interest in participation."
"Making it easier to find quality testers based on the criteria we are looking for."





2 out of 5 professionals **have issues recruiting the number of testers they want**



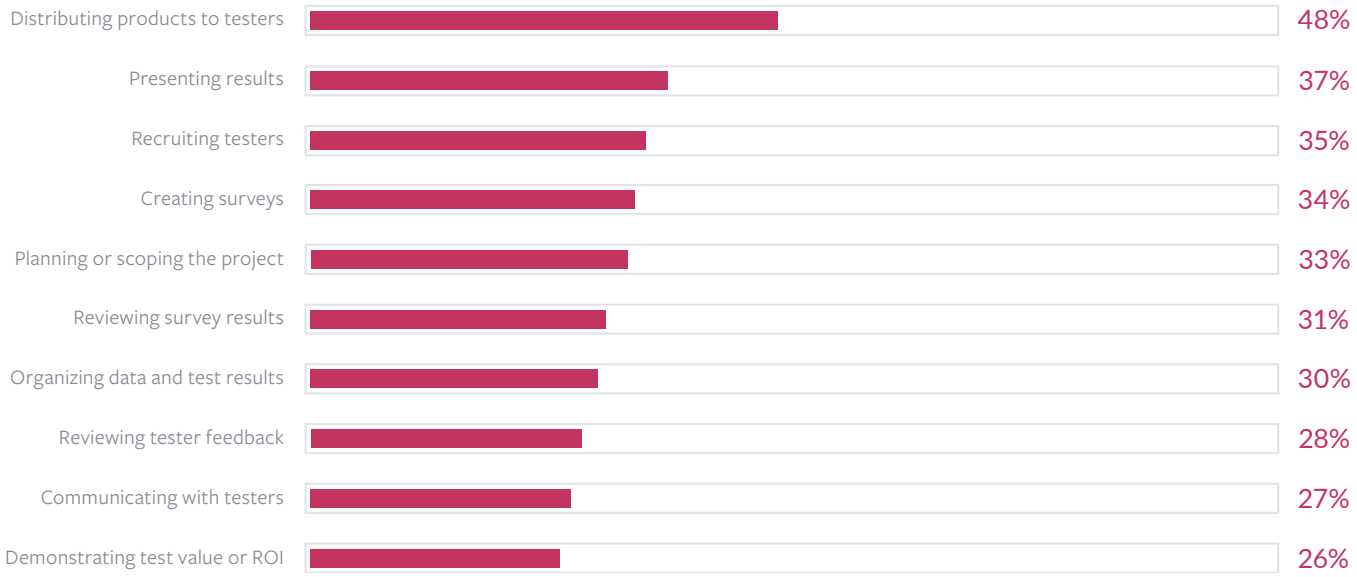
1 out of 4 professionals **has issues recruiting testers from their target market**

Expert Insights: How does communicating with testers affect test engagement?

Consistent communication is critical for maintaining participation during your project. Keeping your project top of mind each week and responding to feedback in a timely manner shows your testers that their contributions matter. At the same time, testers who don't show enthusiasm for helping you improve your product in the first place are less likely to stay engaged. Recruiting enthusiastic testers and communicating with them frequently goes a long way toward securing quality user insights.

Maintaining participation is not the only challenge that is consuming significant time. Professionals identified many aspects within their programs that are contributing to overall inefficiencies. Only a third of professionals say they are spending the right amount of time on crucial activities within CV processes.

Percentage of professionals **satisfied** with the time they spend on various project activities



Expert Insights: Why are so many CV programs afflicted by time constraints?

- *Many Disconnected Tools*
  The bulk of CV programs leverage multiple labor-intensive tools to juggle data. We'll explore this next.
- *Reactive Processes*
  Undefined processes are slowing CV teams down. We'll explore this later in this report.



The Big Picture

By and large, a shortage of time is influencing the effectiveness of Customer Validation programs and professionals' ability to deliver high-value results. While many professionals are identifying factors on the back end of their projects (tester participation and securing enough feedback) as their primary challenges, the time constraints on the front end of their CV projects (planning and recruitment) also contribute to obstacles later down the line.

Trend #2

NEGOTIATING MULTIPLE TOOLS IS CREATING TIME SINKS DURING DATA COLLECTION AND PRIORITIZATION

As we've just revealed, more than half of professionals are experiencing challenges related to time shortages throughout their Customer Validation processes. While these issues are occurring across multiple phases of their projects, professionals are feeling the most pain with challenges in the middle and later phases. In addition to the issues with tester communication and engagement we discussed earlier, professionals also identify difficulties collecting useful data as a setback to program effectiveness.



Half of professionals report
difficulty collecting useful data

The major contributing factor? Using multiple tools is an obstacle to efficiently managing incoming Customer Validation feedback. Let's take a look at the cascading effect that negotiating disparate tools is having on professionals' ability to organize data and prioritize results.

In Their Own Words: One Thing That Would Improve My Customer Validation Program

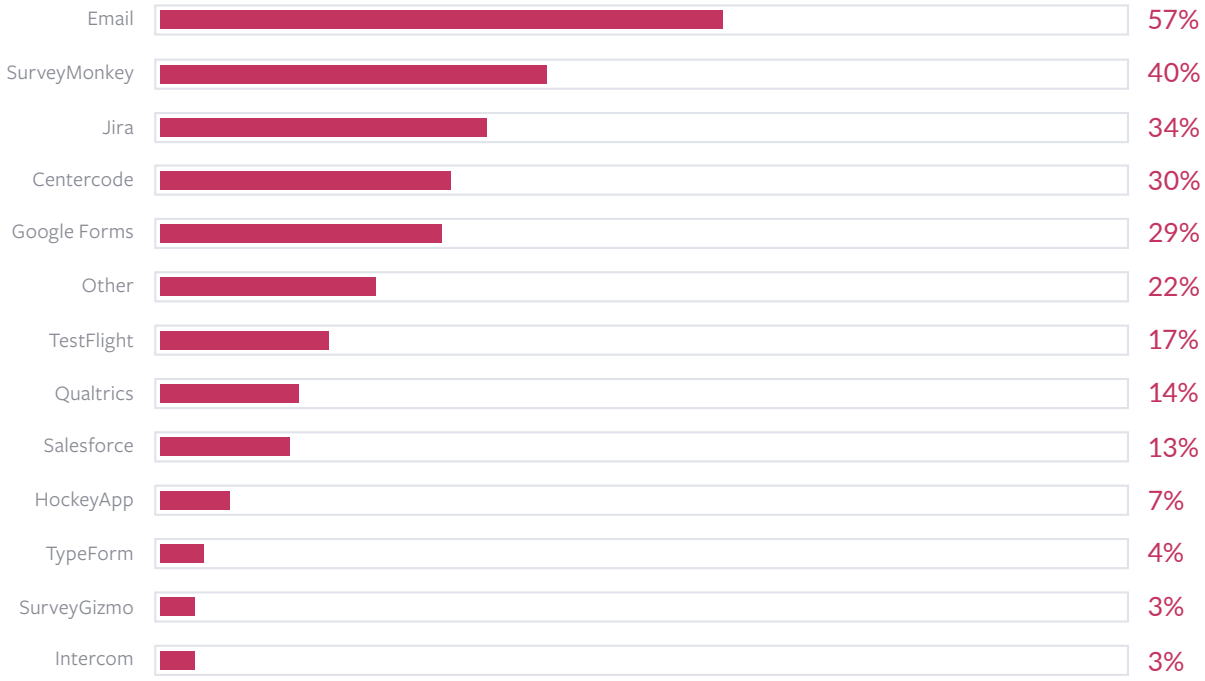
"Better feedback mechanisms."
"A managed solution for collecting and managing feedback outside of JIRA."
"A better, more automated way to collect feedback."



1 in 3 professionals has
challenges organizing data from multiple systems

The majority of professionals are using three or more tools to collect customer input and product analytics. Email is the most common tool used to collect CV data, with over half of professionals using it alongside other systems like spreadsheets, survey building, ticketing, and customer relationship management (CRM) platforms.


46%
3 or more tools
The majority of professionals are using 3 or more tools
24%
1 tool
29%
2 tools


Email 57%
SurveyMonkey 40%
Jira 34%
Centercode 30%
Google Forms 29%
Other 22%
TestFlight 17%
Qualtrics 14%
Salesforce 13%
HockeyApp 7%
TypeForm 4%
SurveyGizmo 3%
Intercom 3%

Expert Insights: Why are teams using so many tools to collect feedback?

- *Leveraging What's Available*

  With the majority of CV professionals running these tests as just a part of their job, they're most likely to piece together a solution using the tools that are already available to them.

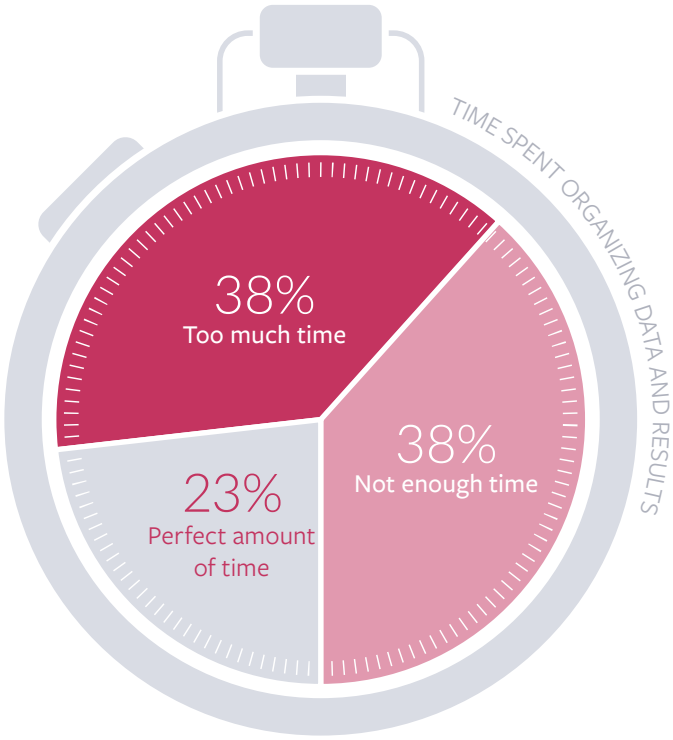
- *The Need for Different Data Types*

  The demand for more diverse tester and customer data is growing. Many teams use disparate tools with specific functionalities to collect and analyze each type.

- *Cross-Functionality*

  Most companies and large divisions rely on a limited number of core tools to maximize efficiencies. Customer Validation data often needs to be integrated into these cross-functional tools.

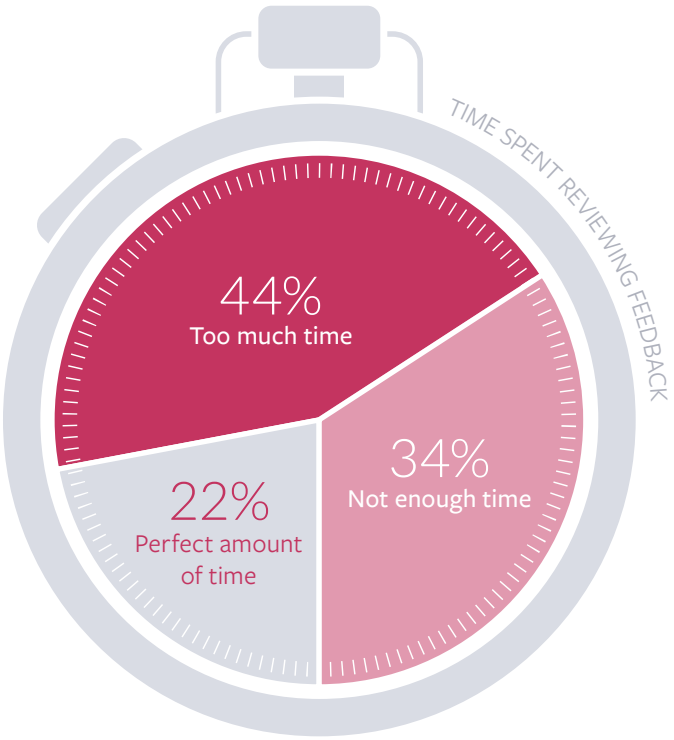
With data coming in from multiple channels, *professionals are experiencing friction* when it comes to consolidating and organizing their findings. The biggest factor is simply the time spent juggling different tools. Think about how long it takes to manually read, scrub, and copy/paste customer feedback into multiple systems that don't integrate with one another — and that's before any back-and-forth with testers to get additional information about their feedback when necessary.



More than 75% of professionals who use 3 or more tools for feedback collection report not spending the right amount of time organizing their data and prioritizing results.

A third of professionals say they aren't able to spend enough time organizing their results. Because of this, they run the risk of critical insights falling through the cracks as more and more feedback rolls in.

On the other hand, professionals using four or more tools report spending ***too much time*** reviewing feedback.



Using 4 or more tools results in a shift to spending too much time reviewing feedback.

With so much friction in collecting and organizing feedback, it's unsurprising that prioritizing tester feedback is an issue. When enough time isn't spent on data organization, it limits the scope and coverage of the analysis. Meanwhile, those who are spending too much time on organization have less time for analysis in general.





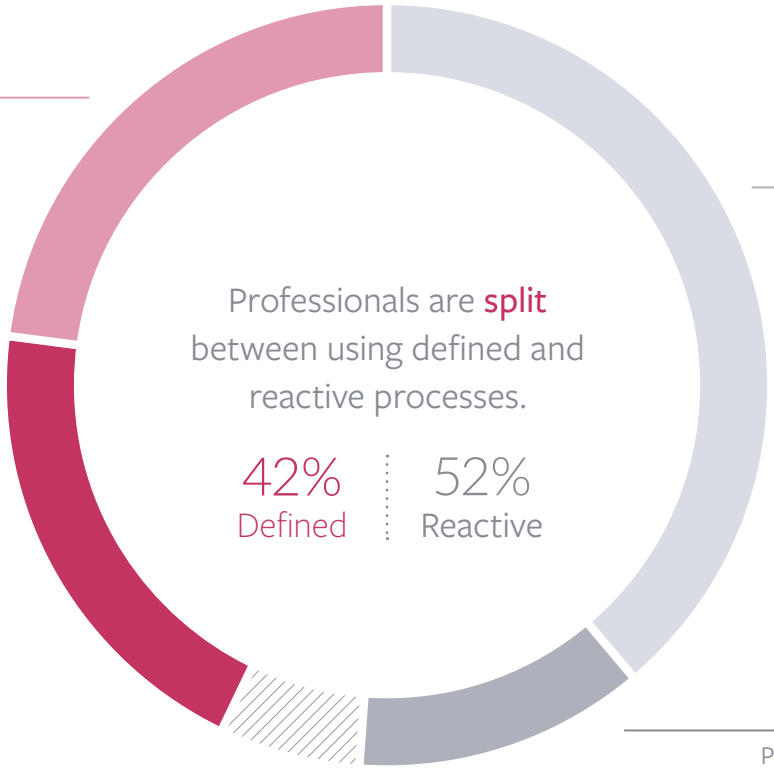
The Big Picture

CV professionals recognize the impact that negotiating multiple tools has on the time spent collecting, organizing, and prioritizing feedback. Juggling numerous systems is increasing the manual time and effort required for feedback management. This means professionals are either sinking too much time into it, or they don't feel that they are spending enough time on it to fully process and apply incoming data. Challenges with collecting and organizing feedback and product analytics using three or more tools is creating gaps in efficiency and effectiveness. This makes it difficult to surface insights and deliver recommendations later on in the process.

Trend #3

PROFESSIONALS WHO ARE WORKING TO DEFINE THEIR PROCESSES ARE DRIVING STEADY IMPROVEMENTS TO THEIR CUSTOMER VALIDATION PROGRAMS

Customer Validation has many moving parts, and the factors that influence the effectiveness of a project (or an entire program) vary greatly. But by and large, the data shows that the biggest contributor to consistent success is having defined processes. Let's take a look.

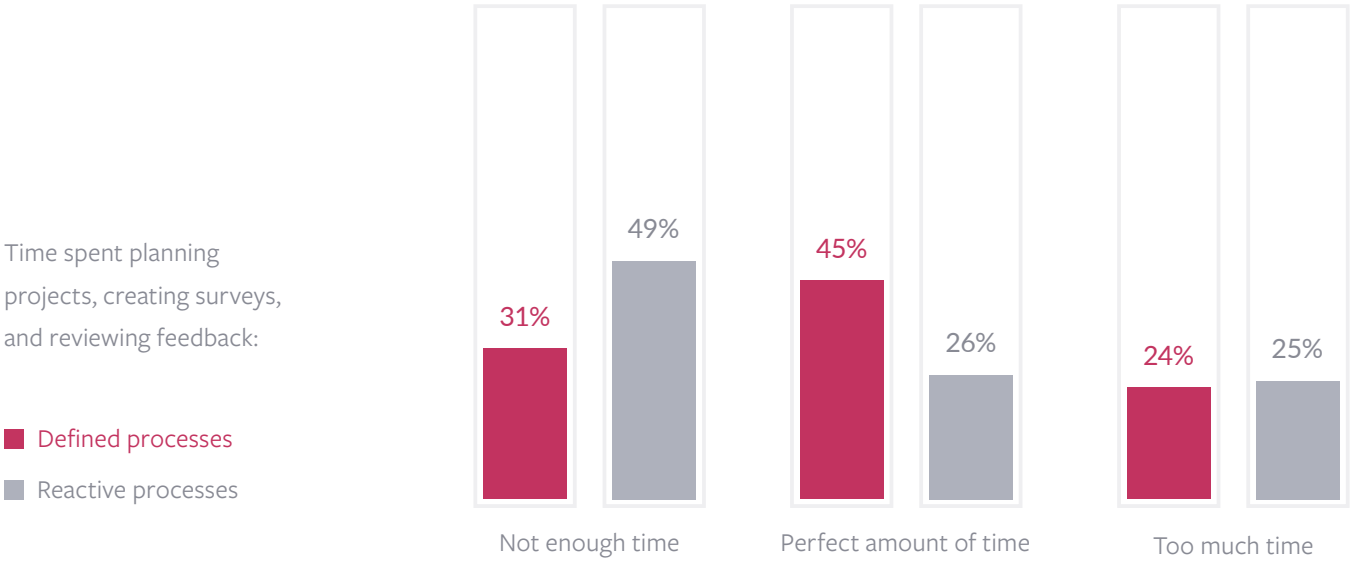


Within those two groups, professionals who are taking steps to define their test management processes report higher CV program effectiveness.

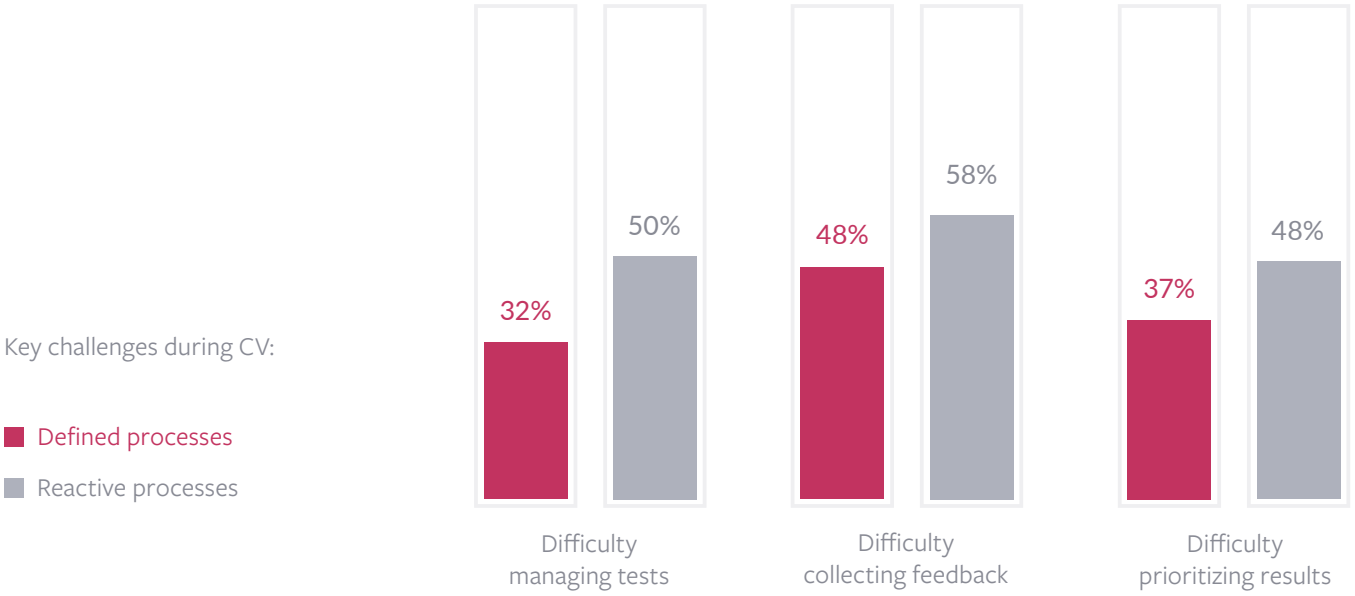
Of professionals who rated their program's effectiveness at 4 stars or more



A closer look at the data reveals that there are distinct levels of time spent on Customer Validation activities between professionals in these two groups. Respondents with reactive processes feel they aren't spending enough time planning projects, creating surveys, or reviewing feedback.



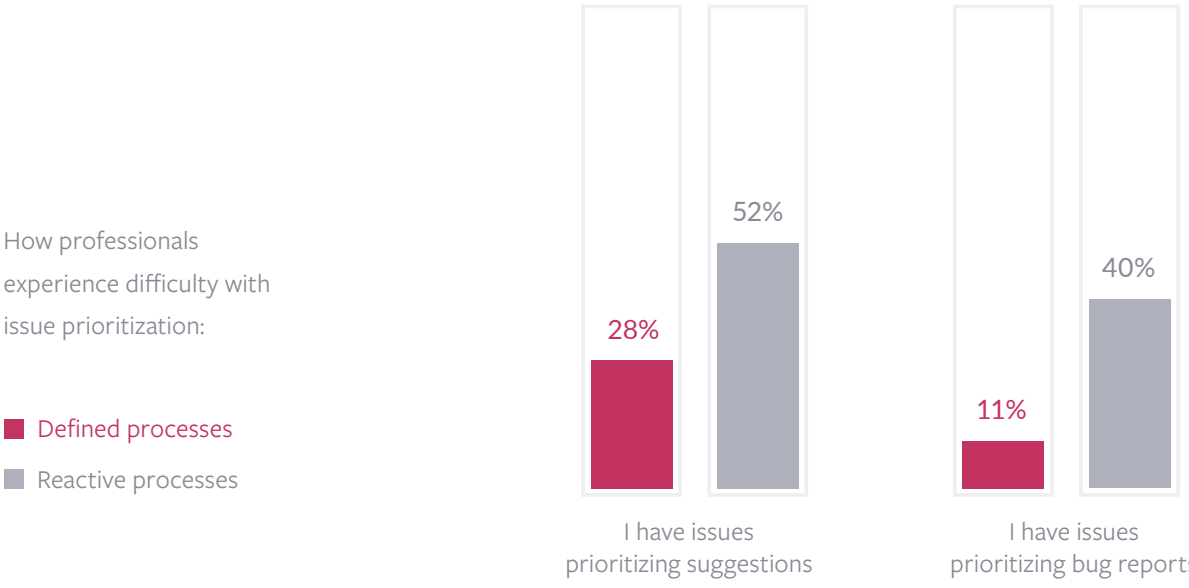
Meanwhile, a higher percentage of professionals with defined processes have an easier time managing, collecting, and analyzing feedback than their reactive counterparts.



Expert Insights: How are challenges in a single area of CV impacting project results?

In Customer Validation, challenges tend to compound on one another throughout the course of a project. For example, without recruiting a group of enthusiastic, target market testers, it's difficult to secure a high volume of quality feedback. This leads to time-consuming fixes like running additional surveys and following up with disengaged testers, which pulls time and focus away from prioritizing issues and sharing results.

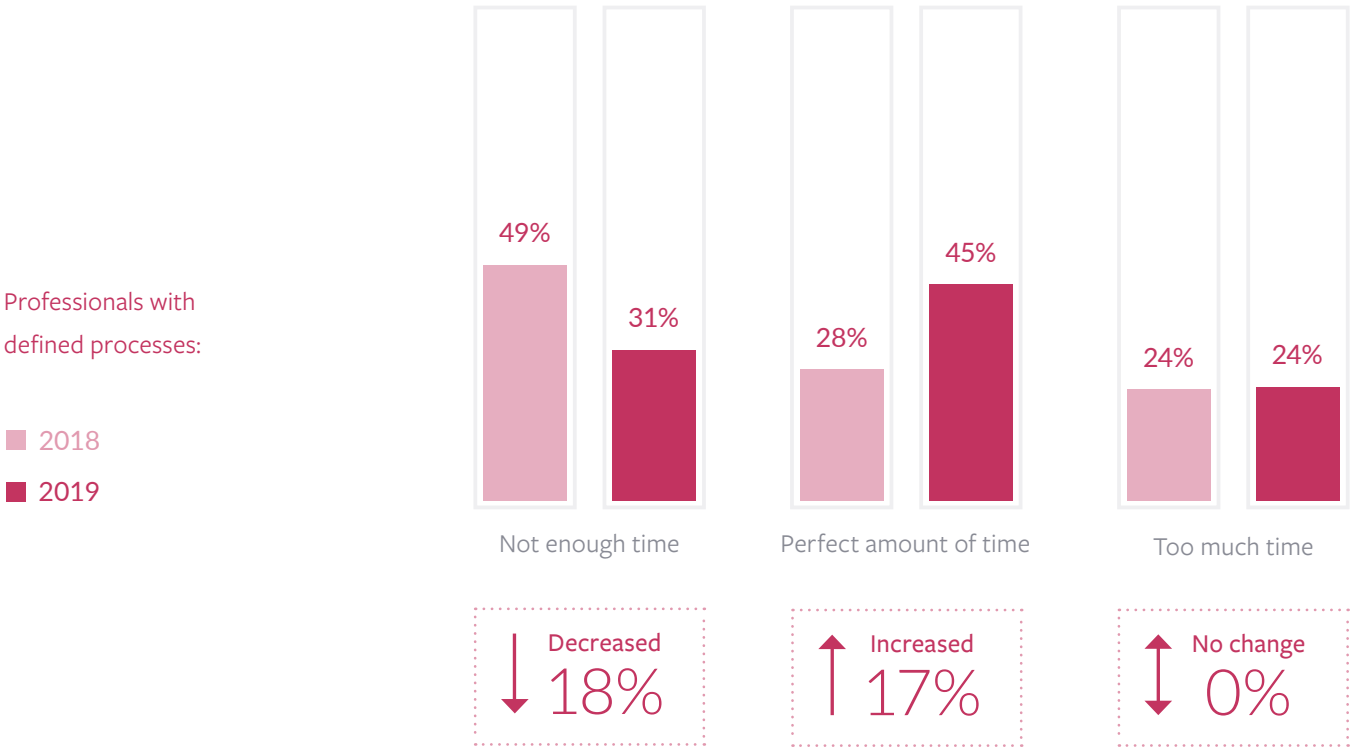
By developing structure, setting a framework, and identifying repeatable and reliable methods for success, professionals with defined processes have more success managing backend activities like prioritization and demonstrating ROI.

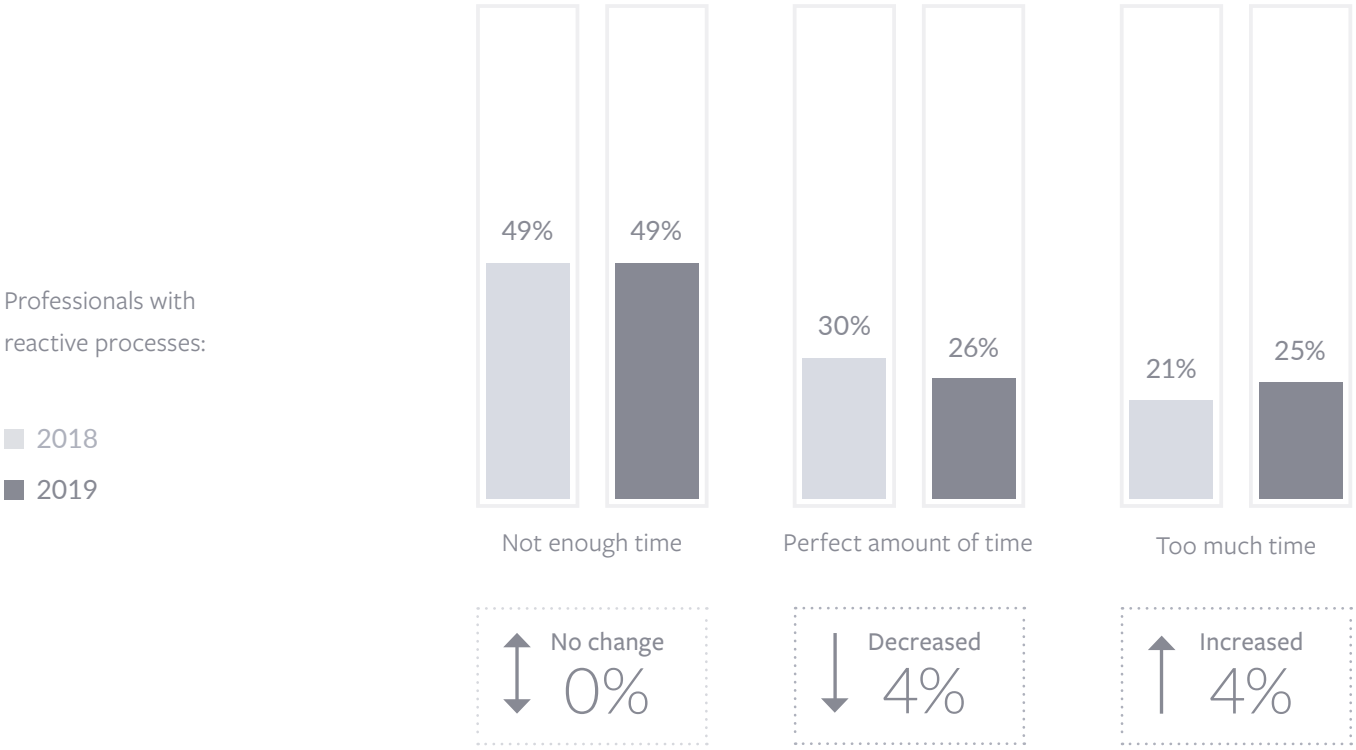


In Their Own Words: One Thing That Would Improve My Customer Validation Program

"More structure with best practices."
"Better test planning."
"Better feedback mechanisms."

As CV professionals define and optimize their processes, the data shows a slow but steady shift toward better time management and higher program effectiveness.





The Big Picture

CV professionals who are defining and improving their processes have a structure and a baseline for repeating successes and tweaking missteps. Establishing a framework is doing more than enhancing efficiency; it's mitigating time sinks that come with responding reactively to poor engagement and low feedback volume. Rather than reinventing the wheel with every new CV project, defined processes are enabling professionals to proactively anticipate challenges, as well as identify — and resolve — the factors that contribute to them.

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ABOUT CENTERCODE

The *Centercode Platform* closes the gap between your business and your target market. It uses machine learning to engage with testers, drive participation, and prioritize incoming feedback — giving you a plug-and-play approach for delivering transformative results.

SEE IT IN ACTION



Betabound Tester Network

Find enthusiastic, target market users by leveraging our 200,000+ tester network during your next CV project recruitment.

Customer Validation Framework

Deliver reliable Customer Validation results with a straightforward *plan for maintaining tester participation*.