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The Product Manager's Guide to Understanding Customers

Key Strategies for Every Phase of Development



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Introduction

We are a group of tech enthusiasts who are passionate about turning the things we think of as cutting-edge technology into everyday products — ones that work every time, without question. In a way, we're creating less "technology" as we empower product managers to make more seamless, delightful products with help from their customers.

This guidebook is a tool to help product managers like you build better products by understanding how to use customer feedback. Inside, you'll find an introduction to the disciplines and research techniques that lead to smarter decision-making (and more crowd-pleasing products) through customer data.

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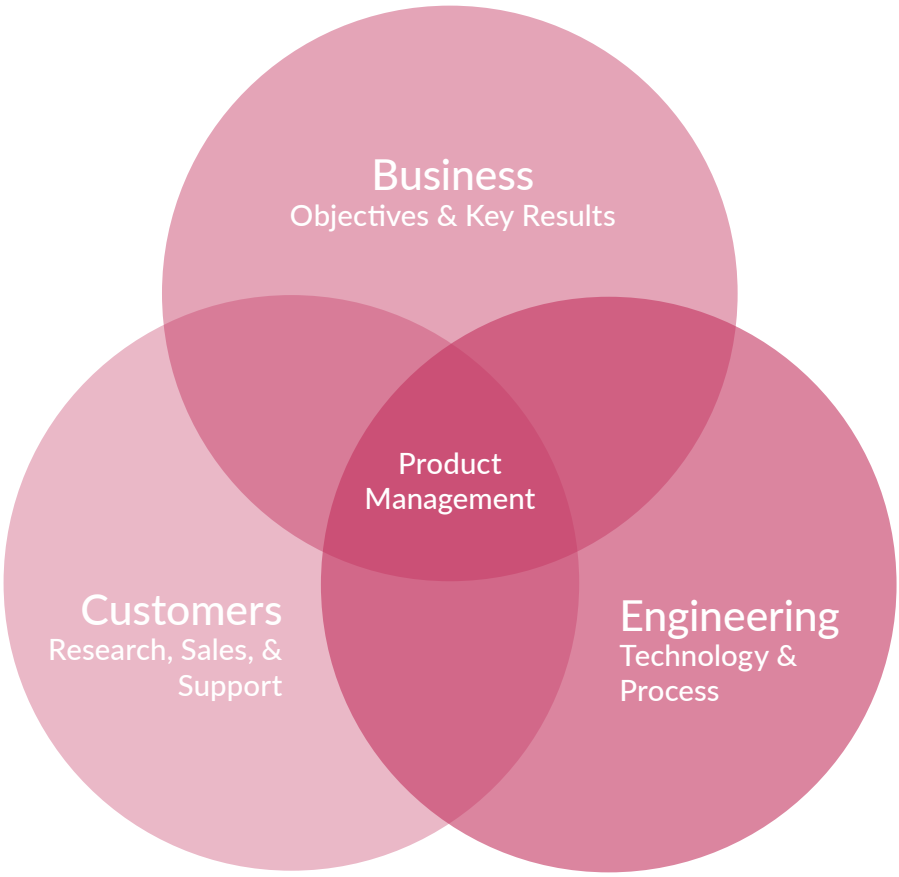
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SURVIVING AS A MODERN PRODUCT MANAGER

Product development is changing, and the role of the product manager is changing right along with it. Products are hitting the market faster. Software teams are using agile methods to become quicker, more responsive, and more flexible. More and more organizations are adopting continuous delivery methods to satisfy customer expectations for seamless product experiences. In the middle of all this, you as a product manager are expected to deliver for both your customers and your organization.

In this world of lean product development, agile practices, and customer centricity, the burden of balancing both market and business needs is heavier than ever. To survive and thrive, product managers everywhere are answering the call for evolution.

> FEEDBACK IS THE BREAKFAST OF CHAMPIONS.
>
> Ken Blanchard, author of *The One-Minute Manager*



More and more companies are finding out the hard way that when you release products or updates without getting feedback from customers, they become vulnerable to widespread negativity. This negativity takes many forms, and each of them is costly to the business in different ways:

- **Poor reviews and diminished sales.** Negative customer reviews and "anti-recommendations" will hurt your bottom line. When you release a product or update with major bugs, missing features, or poor usability, customers tend to fixate on those flaws and talk about them in public channels.

- **Increased support calls and costs.** When users run into problems, they hit your support lines. Without taking measures to anticipate those problems and provide ample self-serve documentation, the influx of support activity will increase your operational costs. Not only that, you'll see a dip in customer satisfaction.

- **Product returns and customer churn.** There are too many alternative solutions in a competitive marketplace to assume your customers will settle for a clunky or buggy product. Returns also impact brand reputation and influence future transactions and recommendations.

Like many organizations, savvy product managers like you are leaning into decision-making techniques that place the customer as close to the center as possible. They're honing their product strategy skills by picking up research techniques across disciplines. And they're relying more and more on customer feedback to drive confident decision-making.

But identifying the most appropriate feedback for a given situation is not always a clear choice, and applying it when it adds the most value is not as easy as it sounds.

DIGGING INTO CUSTOMER FEEDBACK

Customer feedback provides crucial data for informed decision-making — that's a given. But when you dig into customer feedback practices, you discover a world of nuanced disciplines and methodologies that contribute to product development in different ways.

Back in the day, there were fewer formalized types of customer feedback. Product managers would wait weeks or even months for feedback to trickle in once the product was on the market. But it's unrealistic to wait so long in today's complex, heavily software-focused landscape. Products need to achieve seamless interaction with other devices — even as technology as a whole continues to evolve. This makes collecting real-world feedback throughout development more vital than ever.

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The old-fashioned "one-and-done" round of collecting feedback is no longer carrying through the rest of the product's lifetime. Basing your product roadmap and other decisions on outdated feedback from the ideation phase or a previous iteration of the product hurts your efforts.

The fact of the matter is, you need specific customer feedback at specific points of the product life cycle to make well-informed decisions. Feedback is like a battery — it comes in many forms. All batteries are fuel cells, but each one has a specific purpose and application.

By understanding when to conduct market research, when to shoot out a quick survey, and when to get your product in front of your customers, it becomes much easier to guide your product to success. Leave the gut feelings to your CEO. Customer-driven data and insights remove the guesswork so you can move forward knowing you're making sound decisions.

> IF WE HAVE DATA, LET'S LOOK AT DATA. IF ALL WE HAVE ARE OPINIONS, LET'S GO WITH MINE.
>
> Jim Barksdale,
> former CEO of Netscape

NEW TO RESEARCH? THAT'S OK.

If you've been charged with collecting feedback, you may be fidgeting anxiously and asking yourself common questions like:

"How do I find the time to make a plan and collect feedback?"

"How do I pull in enough data to make good decisions quickly?"

"How do I get access to the tools and resources I need to get this feedback?"

"How can I provide valuable results without formal research training?"

Take a deep breath — many product managers are in the same boat. It's important to understand that market and user researchers are typically in dedicated roles and have been trained to produce very specific value through their results. With all of your other competing responsibilities, it would be impossible to execute these research disciplines in the same way those researchers can. In fact, you'll likely end up relying on researchers in dedicated roles to help get the feedback rolling in.

In short, it's okay if you don't know everything there is to know about research. The key for you is to familiarize yourself with each discipline by gaining a general understanding of the goals, methodologies, and impact of each one. This will empower you to seek out and apply customer insights in the most advantageous way possible.

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THE "WHAT" AND "WHEN" OF CUSTOMER FEEDBACK

The type of customer feedback you solicit, how you get it, and when you ask for it all influence the insights you pull in and how they'll ultimately serve you.

The objectives of each individual phase of the product life cycle require specific types of customer feedback to validate and drive decision-making. You'll use unique methods to collect feedback that contribute to each of your individual objectives. We've included examples in the chart below.

Objective	Timing	Research Type	Recommended Method
Identifying market needs	When you don't have a product or feature idea	Market Research	▷ Secondary research ▷ Ethnographic studies ▷ Surveys
Evaluating the usability of your product	When you have a prototype or mockup	User Experience Research	▷ Focus groups ▷ Interviews ▷ Usability studies
Validating product stability and customer satisfaction	When you have a working software build	Delta Testing	▷ Alpha tests ▷ Beta tests ▷ Delta tests
Identifying product usage and user behaviors	When your product or update is live	Customer Experience Research	▷ Analytics ▷ Support feedback ▷ Customer satisfaction ▷ Reviews
Enhancing your product roadmap	When you are looking for feedback to steer future releases	Delta Testing, Market Research	▷ Delta tests ▷ Insights panels ▷ Customer advisory boards

You have many practices for collecting customer feedback at your disposal, but we're going to narrow our focus to the four following disciplines:

- Market Research
- User Experience Research
- Customer Experience
- Delta Testing

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MARKET RESEARCH

Market Research is most often used to capture consumer insights and deliver data that steers product concepts and overall strategy. Market research data helps you shape your product by looking closely at market needs, and fine-tuning your idea into something that resonates with your audience.

Where does it live within an organization?

More often than not, Market Research lives within the marketing or product marketing departments (surprise!). As far as roles go, you tend to see researchers, analysts, and consumer insights professionals conducting this kind of research.

When is Market Research conducted during the product life cycle?

Market Research is most commonly associated with the early stages of the product life cycle as an aid in developing and testing product concepts. It's also used post-release to help assess product satisfaction and buyer behaviors.

Which methods do market researchers use to collect data?

- Surveys
- Interviews
- Focus groups
- Secondary research
- Ethnographic studies



The Big Takeaway

Market Research provides insights that aid in product ideation and market positioning. It also shows you how your product is performing as it matures.



More Learning Resources

Qualtrics has many resources and assets to help you beef up your market research abilities. As a tool used by 99 of the Top 100 Business Schools in the U.S., its best practices are standard across the industry. SurveyMonkey and Typeform are two other reliable sources for digging into market challenges and underserved needs.

▶ Get Started: *Your Guide to Market Research*

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USER EXPERIENCE RESEARCH

User Experience (UX) Research is primarily used to conduct studies on product concepts, as well as optimize product design and functionality based on user interactions. The process involves letting people interact with the product interface and share their attitudes and experiences. As a product manager, UX Research will help you improve usability and improve user stories.

Where does it live within an organization?

It's common for UX to be its own department within an organization. In other cases, it lives within engineering, design, or product teams. Roles connected to User Experience include UX/UI designers, UX researchers, and UI engineers.

When is User Experience Research conducted during the product life cycle?

UX Research is typically used during the concept and design phases to shape user interactions with your product. Methods like focus groups, usability studies, and contextual interviews provide deeper insight through direct interactions with users.

Which methods do user experience researchers use to collect data?

- Usability tests
- Prototype tests
- Ethnographies
- Card sorts
- Focus groups
- Contextual interviews



The Big Takeaway

Product managers benefit from UX Research by testing and collecting feedback about product design and the users' ability to interact with and use the product as intended.



More Learning Resources

UserZoom and UserTesting are a couple of the UX research companies that provide best practices for conducting these kind of research. Both offer practical advice for increasing the scale, quality, and speed of your product research and design.

▶ Get Started: *User Experience Research 101 Ebook*

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CUSTOMER EXPERIENCE

Customer Experience (CX) is a discipline that captures insights about your customers' purchasing, support, and overall brand experiences. CX Research looks at all of the touchpoints a consumer has with your product or brand and attempts to optimize that experience to build loyalty.

Where does it live within an organization?

Many companies have a dedicated CX research team. If your company does not, CX may live in the customer support or customer success departments.

When is Customer Experience conducted during the product life cycle?

From the product manager's perspective, CX Research generally begins once a product or brand is released to its target market. It has a broader focus than other disciplines and includes customer touchpoints such as advertising campaigns, sales interactions, and customer service, as well as overall brand consistency.

Which methods do Customer Experience researchers use?

- Product usage analytics
- Reviews
- Interviews
- Shop-alongs



The Big Takeaway

Product managers value Customer Experience Research because the journey your customers take to find, purchase, and possibly repurchase your product is critical to understanding their perceptions of and overall expectations for your product or brand.



More Learning Resources

With its broad reach, there are plenty of companies spreading educational resources on the growing field of CX Research. Qualtrics, UserTesting, and SurveyMonkey all offer great assets to help you better understand how and why to use CX practices.

▶ Get Started: *3 Best Practices for Running a Best-in-Class CX Program*

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DELTA TESTING

Delta testing provides insight into your customers' initial reactions to your product by letting them use it out in the real-world before it has been released. Delta testing data helps you deliver a better experience by highlighting how to further improve your product before it reaches the larger market.

Where does it live within an organization?

Many companies have a department dedicated to delta testing (often called beta, UAT, or user testing). In other cases, you'll see these programs under the umbrella of support or engineering. Because the benefits of delta align so closely with the goals of product management, you might even find yourself building and maintaining delta testing initiatives directly.

When is delta testing conducted during the product life cycle?

Delta tests are conducted as your product gets closer to launch and continue on an ongoing basis throughout each release cycle during the product's lifetime. After the initial product launch, they run parallel to agile development and continuous delivery cycles so you can validate new features and experiences with customers before each new release.

Which methods are used during delta testing?

- Beta testing
- Customer advisory boards
- Employee testing (a.k.a. dogfooding)
- Comparative research



The Big Takeaway

Product managers rely on delta testing because it provides early customer insights about their product at a time when they can still make improvements. Over the course of the product's lifetime, it also offers consistent direction for the product roadmap.



More Learning Resources

We don't mean to toot our own horn, but as the leader in delta testing, Centercode hosts the largest resource library for delta best practices available anywhere. You can take advantage of the tips, tricks, templates, and other free resources by visiting our library.

▷ Get Started: *Delta Testing Quickstart Guide*

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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