Customer Input

Developing capability in this area will help you to clearly understand your target customers and develop a vision of the customer problem your products and services will solve. Doing this early in your R&D/product development will give you greater confidence in the direction your R&D should take. To achieve this you need to understand how to obtain and use customer insights to best inform your R&D activities.

Obtaining customer input is central to new product development, and complements business data, as well as other considerations such as regulatory, competitor, environmental and market analysis which all contribute to effective, balanced decision making. Conducting customer research and analysis is a critical capability that requires the right mindsets and mastery of specific skills to be robust.

If your focus is too narrow, you may miss an opportunity to create new value in the market. You may need to explore the needs of different target audiences - including the people who will use your product; those involved in delivering your product to market; those actually buying your product; and the people who are impacted by it. The insights you generate on what's at the core of the problem you're solving, and the value your products and services provide, will assist you downstream with your sales and marketing effectiveness.

Do you know the biggest problems faced by your customers and the opportunities to add value to customers in the target market you intend to enter?

Beyond traditional surveys and market segmentation methods, a range of research approaches can be used to obtain useful customer input, which often dig deeper than traditional market research methods can. Often referred to as 'design research' or 'ethnographic research', these approaches can help to uncover a person's behaviours, their reasons for doing what they do, and the factors that influence decision making. As your product/service begins to take shape, you also need to use appropriate research approaches to evaluate how well your proposed products and services address the wider market needs.

Key activities can include:

- Learning how to identify your intended geographic market(s) and target groups of customers who you can solve a need for
- Learning about sample selection and empathy-based research and analysis methods that can help you unlock unique, untapped insights
- Identify and engage a relevant training provider or coach to help you:
 - ★ Understand the different types of research and how to select the right approaches for your specific business challenges
 - ★ Upskill team members on research planning and fieldwork to gather data, including interviewing, observation, and concept testing
 - ★ Upskill team members on analysis of research findings to generate insights; frame opportunities and evaluate ideas for solutions
 - ★ Establish repeatable research and analysis processes in your business

Potential risks of not understanding your customer needs include:

• Relying on second-hand insights and assumptions about customers from other parties such as distributors which can limit your innovation potential

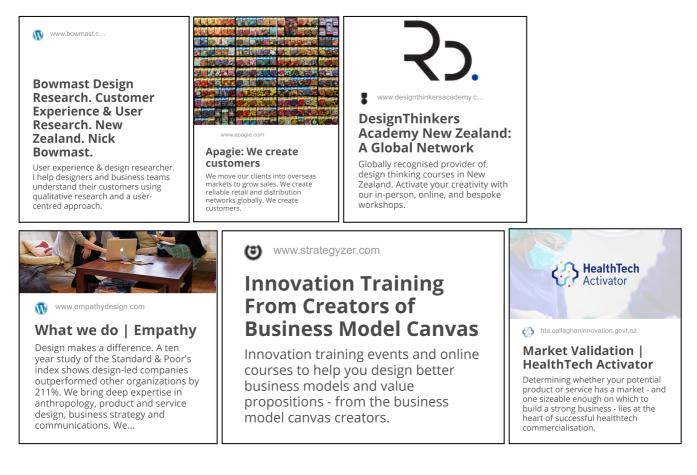
- Your product and service offering tries to be too many things to too many people and you lack the focus you need to attain market cut-through. As a result your product underperforms in a particular market
- Product development effort is wasted if the product does not adequately address customer needs
- You incur additional costs to retrospectively redesign, simplify or pivot your research/product to better meet market needs

Potential Capability Partners and Useful Resources

Below you'll find some potential capability development courses and providers plus some useful resources. If you know of suitable providers through your networks or have existing working relationships with providers, please feel free to recommend them as capability development partners and let us know <u>here</u> so that we can add them to this resource page to benefit others. We make every reasonable effort to keep this information current and accurate as a starting point for your capability development plan. However, it is provided for your convenience only and should be taken as neither an exhaustive list of providers nor as an endorsement of those organisations represented.

You also have an opportunity to speak directly with a Callaghan Innovation Business Innovation Advisor who can help put you on the capability development path that best suits you and your current R&D needs.

Capability Development

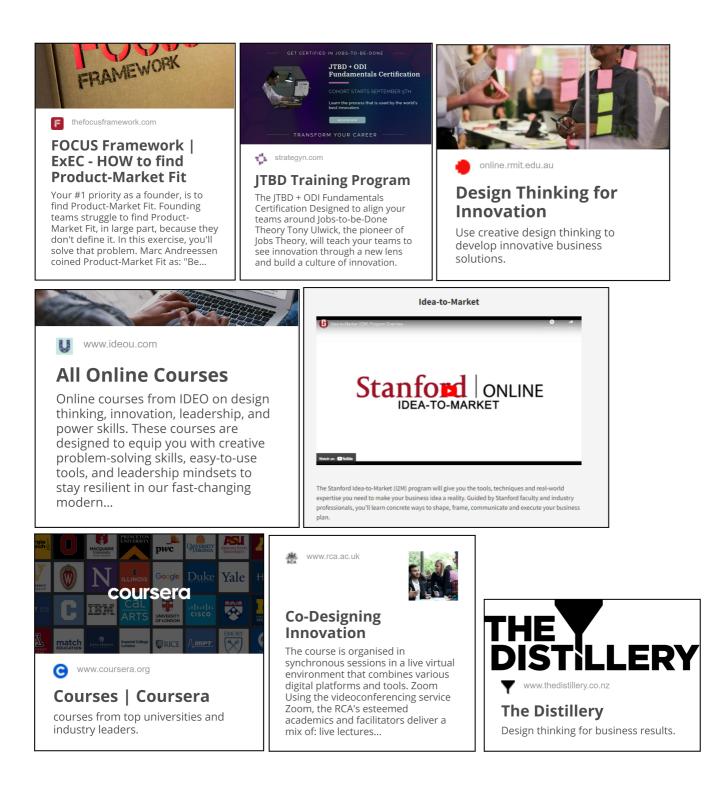


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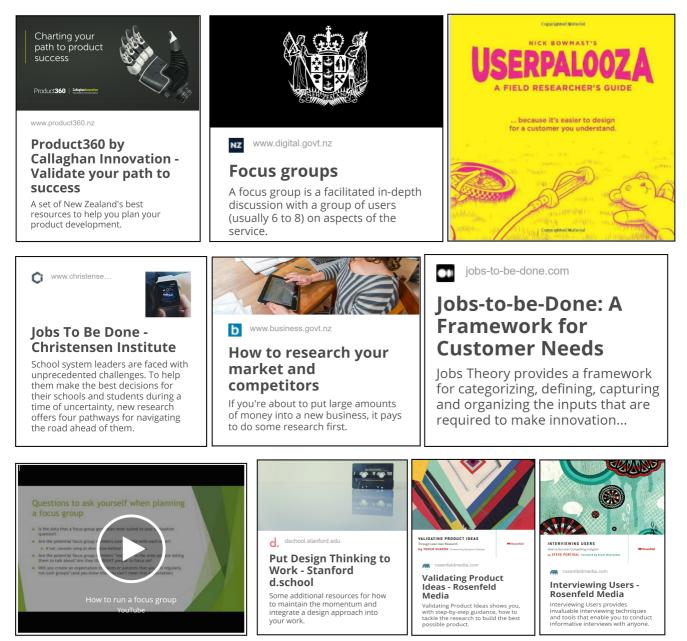
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Topic Resources



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