

THE CASE FOR OBSERVATIONAL RESEARCH

New Product Development (NPD) is about developing useful products that consumers want and that can be manufactured and sold at a price that makes a fair profit.

Credible contemporary notions of the NPD stress the importance of forming, early on:

1) deep understanding of the people who will use products, 2) how they will use them and 3) the context in which usage occurs. This is the true “Voice of the Customer”.

The existing tools of Marketing Research, such as focus groups, surveys and concept/usability testing, when used in isolation, don't always help us understand consumers, their needs and desires. We are faced with such issues as:

1. the limitations of recall
2. the fragile ‘belief-attitude-intention-behavior’ chain
3. people’s difficulty in articulating their needs and desires
4. External Validity (does what happens in a research setting apply to the real world?)

Failure to overcome these issues diminishes Marketing Research’s contribution to New Product Development. This comes at a time when Market Research is being called upon to take on an expanded leadership role in NPD. The first order of business is to improve the usefulness of our existing methods. One way that this is going to happen is greater emphasis on Observational methods. Observational methods go by many names, including ‘New Product Ethnography’, whose signature attributes include:

1. observation of people doing whatever it is they do on their own turf
2. qualitative in approach
3. inductive in nature (does not start with hypotheses)
4. ‘Participant-Observation’ (Interaction with Research Participants)
5. Depth Interviewing (Long-Open-ended Interviews)

Unlike traditional Anthropology, New Product Ethnography emphasizes actionable insights into consumer behavior and lifestyle activities, consumer preferences for product features, form factors, materials, color, patterns of use and purchase.

As it turns out, New Product Ethnography also helps us to improve the strength of our ‘legacy’ methods. For example, the actionable insights from field observation help us to construct the hypotheses and identify the right questions to ask on surveys, as well as whom to survey. It helps us to choose the most fruitful issues for focus groups (and who to include as well). It also helps us to select the most appropriate participants and the tasks they should perform in concept tests and usability tests.