

Science and Marketing Collide

San Antonio Businesses Gain New Insights into Customer Behavior

By: Perceptive Sciences Corporation

The diversified marketplace:

San Antonio is a dynamic, multi-cultural marketplace consisting of corporate titans and progressive entrepreneurs who daily share the same classic struggle—understanding the customer’s motivation.

Understanding buyer behavior and knowing how to act on it is essential for business success. R&D, along with marketing departments have to know what consumers want. Attaining this knowledge is an important and significant challenge in domestic markets, and is even more so when considering entrance into international markets.

In a diverse market like South Texas, cross-cultural product design means more than translation. Each culture has its own ideas, thoughts, and expectations they bring to each situation they may encounter, including a buying decision or using a product. This has practical implications for the product design. If the design of a product does not match the users’ understanding of the task in hand then the interaction between the two will not be as positive as it could be, thus impacting new product adoption, repeat purchase decisions and word of mouth messages.

Contributing factors to customer backlash:

There is a considerable data detailing the difficulties and failures experienced by users of culturally inappropriate systems. Only a fraction of cultural characteristics are visible. The remaining are below the surface and difficult to identify or characterize. Overt factors are those that are tangible and obvious like time factors, language, measures or formatting. However, the less obvious factors are those unspoken and often unconscious rules that are less well defined but perhaps most important in the long term success of a product.

Addressing these issues early in the design process can be daunting and having the wrong answer can cost a company millions in lost revenue. Recently, it was reported that Motorola, Inc.'s new Rokr phone, highly touted to feature iTunes capability, was returned as many as six times more than is normal for new handsets. It turns out consumers thought the new phone functioned more like an iPod, which can store 1000+ songs. The new Rokr phone stores only 100. The gap between the expectations of the consumer and the reality of the phone's features led to consumer backlash.

Attempts at avoiding customer DIssatisfaction:

To avoid these kinds of mistakes, many satisfaction firms have traditionally relied on focus groups as one way to elicit opinions from consumers. But over the years, the bias that is inherent in group research settings has shown much of the information to be untrustworthy. Research has proven people in groups are easily swayed by more vocal members and may simply concur with that they say or not speak at all. Findings such as this make it difficult to base a critical business decision on focus group data.

Another trend is ethnographic research which involves mainly unobtrusive observation. However, this type of research tells a business nothing about the consumer's internal buying process or whether this consumer is representative of the buyer it wants to influence. Without implementing stricter scientific controls, such as random sampling of study participants or more thorough study design elements, one cannot be sure why the purchase occurred.

Better methods for ensuring customer satisfaction:

To prevent these types of problems, many leading companies are turning to cognitive psychologists for help designing products and developing more effective marketing strategies. It's the science itself that makes a difference. Through the accuracy of rigorous scientific testing, trained cognitive psychologists can help a business predict with a high level of confidence if a product will be received positively by their consumers.

One popular use of cognitive psychology methodology is Competitive Benchmark User Testing. In this type of research, representative users from each target market segment perform a number of the same tasks on two or more competitive products. Analysis of the data gathered can tell a company what their strengths and weaknesses are, along with their competitor's strengths and weaknesses. Changes can easily be made and retested to see

direct improvement in consumer response. Or imagine being able to tell before a product hits the shelves exactly how consumers rank each product in the segment and what features they value most highly.

Another application of cognitive psychology, Behavioral Market Research, can do just that. Even when highly effective test methods are used, it is important to realize that the results of testing with one group of users cannot be generalized across market segments, user groups or cultures. Needs and expectations will necessarily change, and so the product design must reflect that understanding and connection with the different market segments.

Because of today's hyper-competitive marketplace, companies must react quickly and decisively to grab market share. Businesses embracing User Centered Design (UCD) give their consumers the power to provide necessary and valuable input at all stages of the development cycle. The strength of the science behind cognitive psychological research can give a business an incredible edge over their competitors.

Perceptive Sciences Corporation is a science based market research, user interface design, and user testing firm, employing experts in the fields of cognitive psychology, information sciences and human factors studies. Perceptive Sciences serves best-in-class technology based companies and market leaders in a wide range of industries in the U.S. and Europe.