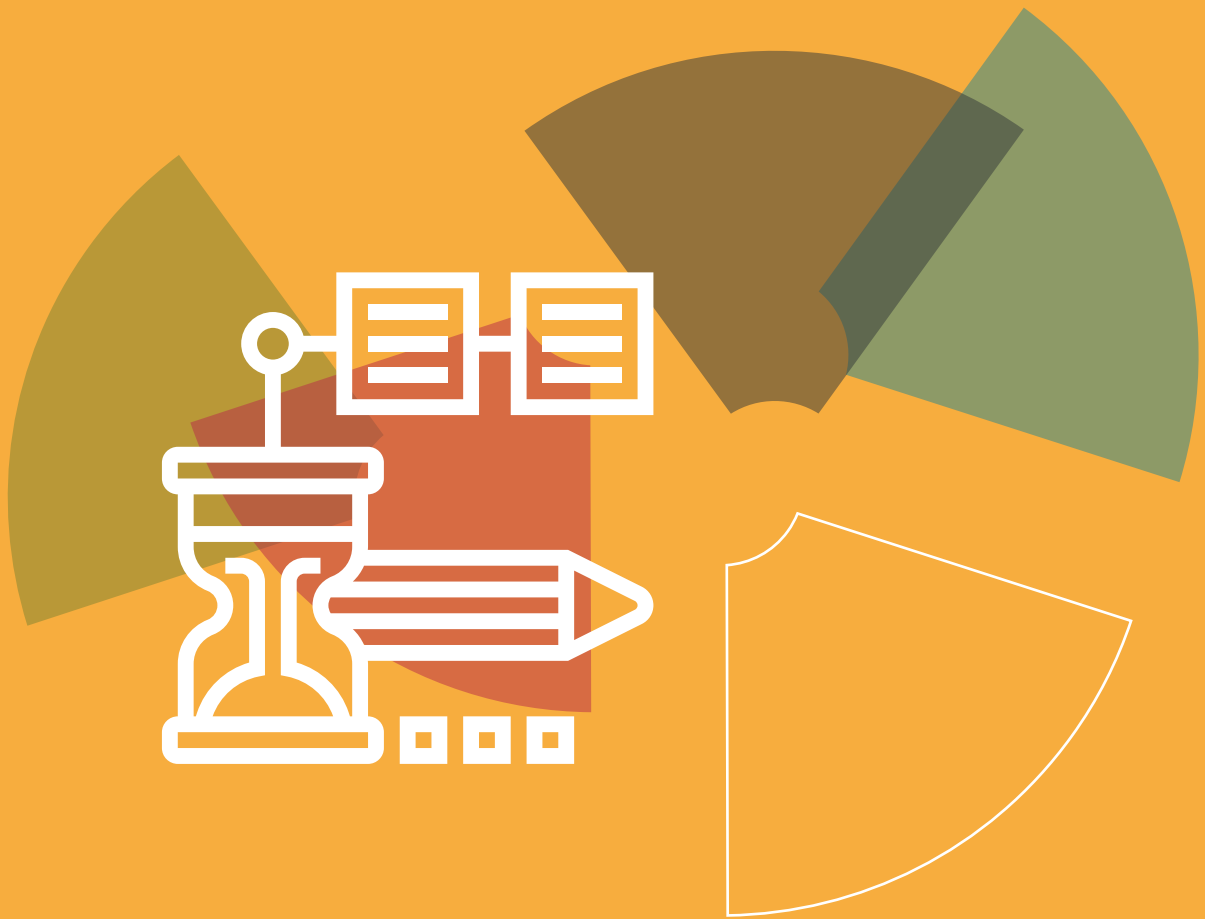




Getting Market Validation for your Plan



Getting market validation for your plan

Introduction

You're in the process of writing a product plan. It reads great and you're looking forward to presenting it at a peer review. But how confident are you that customers want and need your product? Without market research, you're simply guessing as we take product to market.

Market research offers a way of qualifying our ideas, pricing, strategy, features and so much more. It helps ensure we know what our customers want and why they want it, rather guessing at their needs. It gives MasterCard confidence in the product plan and avoids wasting time and effort building solutions our customers have no interest in.

Market research ensures we
don't act on gut feel alone.



Getting market validation for your plan

Getting market validation

There are four main models for validating your plan:

Qualitative research is about finding out not just what people think but why they think it. It's about getting people to talk about their opinions, so you can understand their motivations and feelings. We'd typically conduct this type of research in focus groups or face to face meetings

Quantitative research is about asking people for their opinions in a structured way so that you can produce hard facts and statistics to guide you. To get reliable statistical results, it's important to survey people in numbers and to make sure they are a representative sample of your target market.

Primary research is information that comes directly from potential customers. You can compile this information yourself or hire someone else to gather it for you via surveys, focus groups and other methods.

Secondary research is already compiled and organized for you. Examples of secondary information include reports and studies by government agencies, trade associations or other businesses within your industry.



We can conduct quantitative or qualitative primary or secondary research.

Under this framework there eight techniques we can use outlined in the next section

Getting market validation for your plan

Market validation techniques

EXPERIMENTAL

In experimental research, we observe the results of changing one or more marketing variables while keeping certain other variable constant.

are groupings of features. They describe the value that a customer can gain from using the features within a theme.

A theme describes the core value and each feature is a proof point of how that value is being delivered.

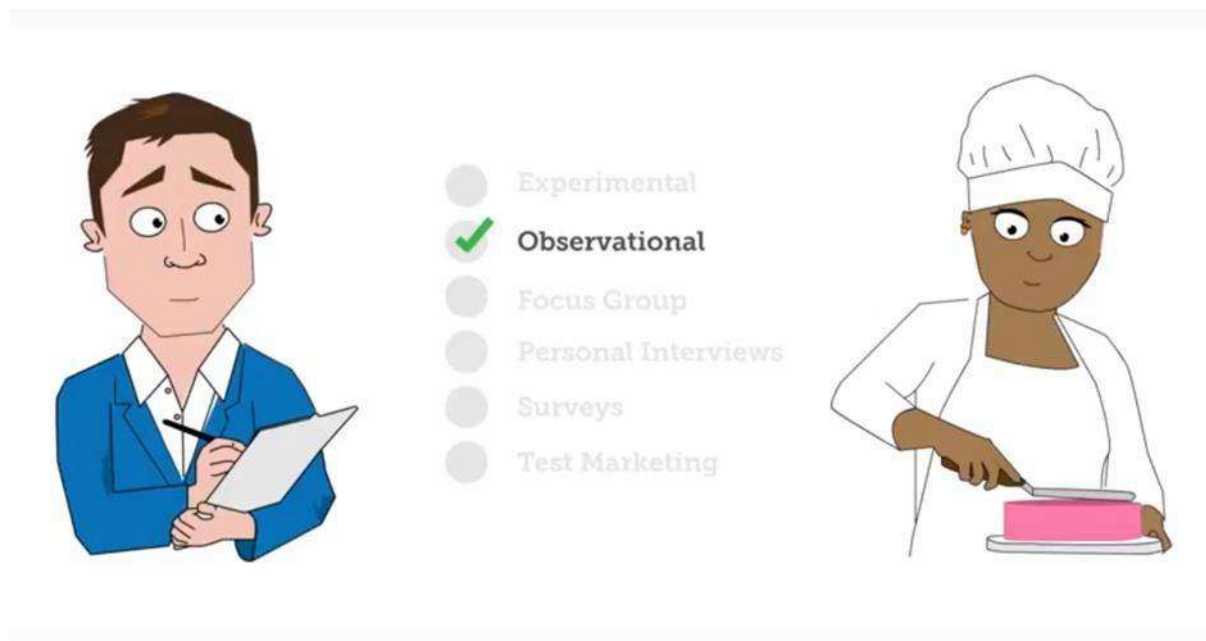


OBSERVATIONAL

In observational research actions of people are watched either by cameras or observers. It can include activities such as mystery shopping

However, it cannot measure attitudes or motivations

Getting market validation for your plan



FOCUS GROUP

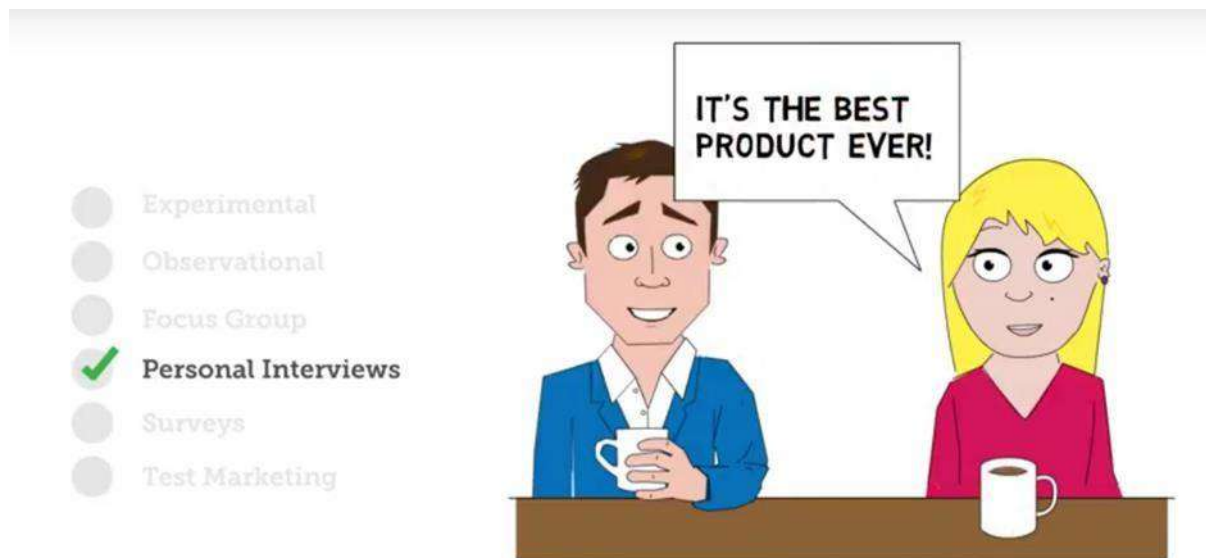
In focus group research, 6 to 12 people are brought together by researchers to discuss a specific situation or reactions to a product.



PERSONAL INTERVIEWS

Personal Interview research is a face-to-face meeting. People are more willing to respond in person, but can often tell you what they think you want to hear

Getting market validation for your plan



POSTAL SURVEYS, PHONE INTERVIEWS, INTERNET SURVEYS

Postal, phone and Internet surveys have the greatest potential for causing resentment on the part of those surveyed. And very low (less than 1%) response rates.

Additionally, respondents may not be representative of the market and can misdirect you.



Getting market validation for your plan

TEST MARKETING

And finally, there's test marketing. The product and its marketing plan are exposed to a carefully chosen sample of the population before its full-scale launch. It's conducted in real-life buying situations and can last from few weeks to several months. Due to its high cost, however, test marketing is more suitable for fast moving packaged goods.



Getting market validation for your plan

And the most common mistake...

With all research techniques we should remember that what customers do and say, and think is not always consistent. I may LIKE the yellow car. It might be my FAVOURITE colour, but I might BUY the blue car – it stays looking clean, it's easier to sell, it's less risky. So whatever techniques and methods you use, make sure you ask the same questions in different ways and look for different responses

