## **Identifying Customers' Hidden Needs**

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Keith Goffin's webinar, <u>Identifying Customers' Hidden Needs</u>, was presented March 14, 2012.

Many senior managers want their organizations to develop breakthrough products and ask their R&D departments to come up with the equivalent of the iPod or iPhone. Unfortunately, most organizations struggle to come up with novel product concepts, and of the thousands of new products developed worldwide each year, product failure is more common than success. A key cause of failure is that new products are too similar to what is already on the market. So differentiation is key!

Breakthrough products stand out but developing them requires a deep understanding of customers' needs. Traditional market research—such as interviews, surveys and conduct focus groups—relies on direct questions. But in response to direct questions, customers struggle to articulate their needs. And some customers might not even know their needs.

To get round this problem, leading companies use sophisticated methods from psychology and anthropology. Hidden needs analysis is the name given to a collection of tools and techniques which probe deeper than traditional market research. The main ones are repertory grid analysis, ethnographic market research, and lead user groups. Each of these techniques has major advantages compared to traditional market research tools and, when used in combination, they are very effective at uncovering customers' hidden needs

Marketing and R&D departments working on new product development need a deep understanding of customers. Without that understanding, they will never develop breakthrough products.

## **About the Author**

Keith Goffin is Professor of Innovation and New Product Development at Cranfield School of Management in the UK. Previously, he worked for 14 years for Hewlett-Packard Medical Products, in management and marketing roles. At Cranfield, he teaches on MBA and executive programs and acts as a consultant on innovation management to organizations such as Agilent Technologies, Bosch, Sony and Unilever. He is currently researching new methods of market research and has published Identifying Hidden Needs (Palgrave 2010), and the second edition of his best-selling book Innovation Management: Strategy and Implementation Using the Pentathlon Framework was also published in 2010.

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