

The Power of a Consumer-First Mindset

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Stuzo

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Why a Consumer-First Mindset?

“ If you want to have good ideas you must have many ideas. Most of them will be wrong and what you have to learn is which ones to throw away. ”

Nobel prize-winning chemist Linus Pauling nailed it in this statement. When you're working on new ideas, there will inevitably be waste. And as Thomas Edison once said,

“ I have not failed. I've just found ten thousand ways that do not work. ”

These statements hold true in just about everything we experience in life.

This, however, presents an enormous challenge for retail organizations that don't have the time, resources, or money to be wrong ten thousand times.

The question is therefore: How can you reduce the number of things that do not work, both in the development of the idea and in the ongoing optimization of the idea once the idea becomes reality? How can you be wrong less often, save time, save money, and be more profitable? These are the central themes behind why we recommend retail organizations embrace a consumer-first mindset.

What Do We Mean by Consumer-First Mindset?

In order for digital products, such as mobile commerce apps to succeed, they must **empathize** with (i.e. understand and share the feelings of) the consumer. The products must adapt to how people think and hearken to habit loops¹ that drive existing behaviors.

Product teams that deeply involve the consumer's existing behaviors, points of view, wants and needs through the **full product lifecycle** – from ideation through design, prototyping, development, release in market and ongoing iteration – have a consumer-first mindset.

Often digital product ideas start in a boardroom with executives who are tasked with specific business outcomes (for example, you may want to leverage digital payments, like a stored value card in a mobile wallet, to increase revenues from existing consumer-bases). Executives can fall into a trap of designing digital products that align with their business objectives, while foregoing the involvement of their consumers in the design process. This is the opposite of having a consumer-first mindset.

Based on our experience working with **three** top 10 fuel retailers in the US and in total, over 10% of Fortune 100 companies, including **two Global Fortune 20 companies**, organizations that embrace a consumer-first mindset are able to:

- Reduce the amount of scope in their projects by anywhere from 10-30%; at times even more
- Reduce the amount of time it takes to ship a digital product to market up to 30%
- Reduce the upfront capital expenditure costs – in some cases by millions of dollars
- Reduce ongoing operationalization costs by up to 20%

¹ I strongly encourage anyone interested in understanding how habit loops drive behavior with remarkable predictability to read The Power of Habit: [Why We Do What We Do in Life and Business](#) by Charles Duhigg.

Furthermore, digital products that have been developed using a consumer-first approach tend to perform better in market, meaning the products have:

- **Greater adoption** – outperforming competitors in consumer adoption by up to 50%
- **More engagement** – getting consumers to stay inside the product experience by up to twice as long
- **Greater longevity** – remaining in use by the consumer longer, thereby increasing lifetime value of the product and the relationship with the consumer
- **Increased revenue** – meeting the needs of the consumer in a manner that increases revenue for the retailer



The Digital Product Innovation Lifecycle

To prepare your team for a taking consumer-first approach, it's critical to first align everyone on your team to one core theme: **You will be attempting to change consumer behavior.** This is one of the most difficult things any retail organization can set out to do. In order to change behavior, you must first understand it, deeply and intimately.

Our approach to helping retailers understand consumer behavior is rooted in frameworks and best practices from **Design Thinking.**

In order to modify behavior, you must find new ways to provide value and utility to your consumers in a manner that works for each of them, personally. At the same time, you must align desired new behaviors with targeted business outcomes.

This involves a continuous and methodical approach to experimentation. In order to discover what ideas will provide the most value and utility to your consumers, you're going to need to put something in their hands to test out.

Our approach to prototyping and continuous and methodical experimentation is rooted in frameworks and best practices from **Lean.**

Finally, once a new digital product is out in market, your consumers will begin forming new habit loops. For long-term success, retailers must be able to understand these new behaviors and have a feedback mechanism through which consumer activity can be synthesized, turned into insights, and converted into product optimizations.

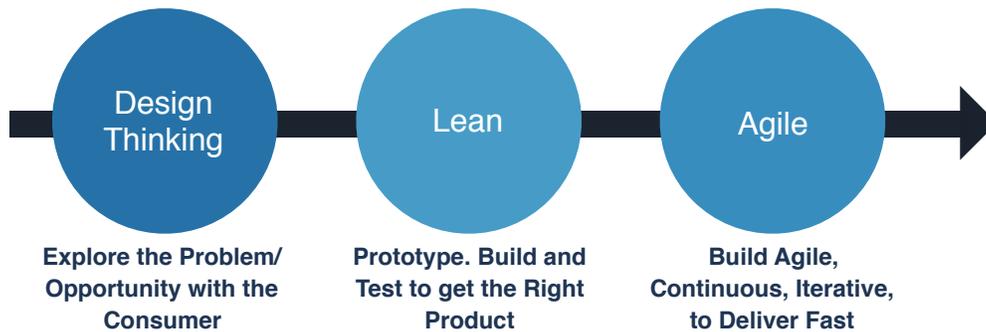
Our approach to continuous iteration is rooted in frameworks and best practices from **Agile.**

How to Get It Done

Analysts and suppliers from the retail industry have said similar things relating to consumer behavior before. These are not new concepts.

However, stellar books such as *The Art of Innovation* by Tom Kelley or *The Lean Startup* by Eric Ries notwithstanding, I've yet to come across a short and simple guide for how to actually do this digital product transformation work successfully. As my company employs frameworks and best practices from Design Thinking, Lean, and our Agile delivery process in the high-performing digital products we build for world-leading retailers every day, I've decided to lift the veil and show you how we do it.

Consumer-First Product Pipeline



Stuzo's systematic Consumer-First Product Pipeline



Our Consumer-First Digital Product Approach

We view our endeavors at Stuzo as half technology and half human psychology – the latter being what enables us to deliver upon a consumer-first approach. We employ Design Thinking, Lean, and Agile in our digital product delivery process.² I'll break down our approach step-by-step and provide specific examples.

² Entire books are written on Design Thinking, Lean, and Agile. As such, I'll only be able to scratch the surface here. I will however include a recommended reading section at the bottom for those who wish to explore further.

Design Thinking

Popularized by David M. Kelley, Tim Brown of IDEO, and Roger Martin of the Rotman School, Design Thinking³ is a systematic approach to designing products that change consumer behavior by immersing oneself in consumers' lives.

At Stuzo, Design Thinking is leveraged during the initial exploratory phase of a digital product lifecycle whereby our approach to immersing ourselves in the lives of consumers consistently yields positive results. To illustrate this approach, I'll take you through examples of how we've employed Ethnographic Research and how our research influenced product roadmaps.

First, Get Ready to Throw Out the Book

An early mistake retailers often make is assuming they've already come up with the best solutions to consumer challenges or opportunities. Assuming you know what the consumer wants or needs better than they do can be a misstep that often leads teams down the wrong path.

Instead, our approach starts by taking core product hypotheses and then seeking to invalidate them – effectively preparing ourselves to need to throw out the book on what we thought we knew and reorient ourselves to a new truth. We've found the best way to do this is through Ethnographic Research. I'll share two examples of our approach.

⁴ Here is a short [explainer video on Design Thinking](#) by Harvard Business Review.

Ethnographic Research

Example 1: In-Store Intercepts

Stuzo was engaged by a publicly traded \$1B+ brick and mortar retailer to employ our Design Thinking capabilities. We'll call the company 'Fun Store' to protect their confidentiality. To start, we obtained from Fun Store's executive team a list of product hypotheses (i.e. 'if we created this specific digital product, it would solve for these specific consumer issues').

Knowing the tremendous success Fun Store has experienced, the executive team assumed that their hypotheses were probably correct. However, given our unique approach, we carefully crafted a set of unbiased questions designed to either validate or invalidate those hypotheses when posed to consumers.

We then sent a team of eight product experts from our Philadelphia office to one of Fun Store's local locations, set up shop for several hours, intercepted consumers inside the store⁴, and asked for 10 minutes of their time to answer some questions and share their thoughts and personal experiences.

One of our trained staffers asked questions while another recorded a video of the interviews. Further, our staffers spent several hours observing the organic behavior of consumers in the store. We watched with intent for things that worked well for consumers, but even closer for things that either didn't work, made them impatient, frustrated them or even caused them to leave the store.

One primary goal of Ethnographic Research is to observe people's behavior on their terms, not ours. This is referenced and enumerated upon in this [Harvard Business Review article](#) titled Ethnographic Research: A Key to Strategy.

⁴ It's critically important that this happens in the environment where the consumer would be using or interacting with the digital product you have in mind for them. Pulling a consumer out of the environment (and into a dull focus group meeting room with a giant 1-way mirror, for example) destroys the contextual experience the consumer would otherwise have during your interactions with them.

Later that evening, after speaking with dozens of consumers, we regrouped to share some immediate learnings (doing this while the interviews are fresh in everyone's mind is a great practice).

One of Fun Store's key assumptions was that they could solve for a point of friction within the store by installing some physical hardware technologies – this was invalidated by their consumers. In fact, none of the consumers we spoke with told us they wanted physical hardware technologies in the store. The consumer didn't understand why they would need this new hardware when they already had a phone in their pocket that could do the same job.

These learnings, inclusive of the videos, were then compiled into a report and presented back to Fun Store's executive team. While Fun Store executives were taken aback by what they didn't know they didn't know, the important outcome was that our approach and this Ethnographic Research caused them to reorient their strategy toward the wants and needs of their consumers.

Example 2: Cross-Country Ethnographic Study

When Stuzo made a strategic commitment to the fuel and convenience retail industry, one of our early investments was in a cross-country ethnographic study. Our objective was to travel the country and talk to consumers in all geographies and from all walks of life to find out what they want and need from their fuel and convenience retailers. In addition, per best practices from ethnographic research, we planned to gain data via observing consumers interacting with the retailers organically, thereby providing an unbiased perspective on existing behavior.

Toward the end of 2017, we sent our researchers and filmmakers on a near six-week road trip where they visited the top 70 fuel retail and convenience brands in the US and captured over 240 hours of video footage interviewing consumers one-on-one. We then turned the footage of our consumer interviews into 3-5 minute video vignettes for each brand we visited/profiled.

And finally, we went through the remaining video to compile and tabulate aggregate data and generate further insights into the state of consumer behavior across the fuel retail and convenience industry.

Per our methodology, we kicked off our research road trip with a set of key assumptions and sought to prove our assumptions right or wrong. For illustrative purposes (and brevity), here are a couple of the assumptions we set out to test:

- Assumption #1: Consumers would like to be able to skip the line and check themselves out inside a convenience store using their smartphone
- Assumption #2: Signage on gas pumps is a good way to communicate with a consumer regarding new digital capabilities (such as pay-at-pump or pay-in-store with mobile)

Our research validated Assumption #1, but to our surprise, Assumption #2 was invalidated. Consumers told us time and time again that while at the gas pump, they are not paying any attention to signage on the pump. Instead, they're thinking about where they need to get their children to next, that big report that's due at work, the date they're going on later that evening, etc. Filling up the gas tank has become a motor memory function, a habit loop in itself – happening without conscious thought.

This revelation caused us to rethink our strategy around consumer engagement during time of filling at the gas pump – new habit loops would need to be formed.

Having explored challenges and opportunities alongside consumers (and having 240+ hours of evidence of such), our team became uniquely equipped to speak with retailers on behalf of the consumer, representing our validated evidences of the consumer's best interest.

This is, in part, the power of embracing a consumer-first mindset.

Consumer-Oriented Product Roadmaps

After challenges and opportunities have been explored with the consumer and product ideas have been validated, the next (non-trivial) step is to re-prioritize the product roadmap. There are several reasons why this step can be a big challenge for retailers. Let's explore a couple of those challenges.

Challenge 1: Cooks in the Kitchen

During a digital transformation initiative, there are many groups and stakeholders involved across the organization, representative of marketing, payments, operations, IT, and executive leadership. A number of potential issues could arise:

- What if the remit for the person in charge of marketing is not aligned with the remit for the person in charge of IT?
- What if executive leadership is about to make a final product decision, but the stakeholders representing operationalization of a digital product are not aligned with the decisions being made by the executive team?
- What if a product decision supports a marketing team's business objectives, however creates a security issue for the payments and IT teams?

We run into these types of challenges often as our work at Stuzo crosses departmental lines. From our experience, it can be counterproductive for executives in retail organizations to remove stakeholders during product roadmap decision-making.

Conversely, this can create a "too many cooks in the kitchen" problem.

Recently, when facing similar challenges within one of our Fortune 100 fuel retail clients, we recommended employing our **Feature Prioritization and Stakeholder Alignment Workshop**.



Here's how it works, in sequence:

1. We create a matrix of A) all the product feature prioritization decisions that need to be made and B) all the product stakeholders across all departments that should be involved in the decision-making process. The matrix is then completed by working with our clients to understand which stakeholders are required to participate in each product feature decision. This is what it looks like:

Product Features	Stakeholders				
	Person A, Marketing	Person B, IT	Person C, Operations	Person D, Payments	Person E, Executive
Feature A	×	×			×
Feature B		×	×	×	
Feature C		×	×		×
Feature D	×	×			×
Feature E	×				×
Feature F	×	×	×	×	×
Feature G	×	×	×	×	×

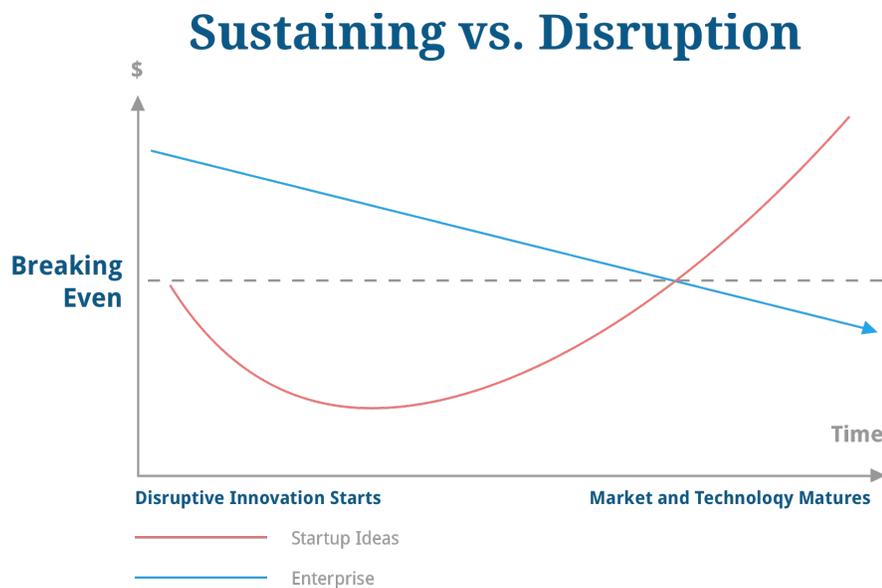
2. Based on the final matrix, we craft an agenda that brings in the appropriate stakeholders at the appropriate time(s) during the workshop (these workshops can be anywhere from one to a few days).
3. Preparation work is required for all workshop participants, whereby those participating gather data/information in support of their perspectives relating to product decisions. It is especially important for stakeholders to gather data which supports the best interests of the consumer.⁵
4. We then run our workshop and use each agenda track to get all stakeholders aligned on the product features and the prioritization thereof. I won't go into all the details on exactly how we do it, as that is our proprietary methodology.

⁵ Note: It is requested that the data be factual in basis with supporting research and/or validation, which enforces objectivity and discussions oriented around empirical and defensible truths rather than personal subjective opinions (which are often heavily influenced by emotions rather than objective fact).

The outcome of the workshop is a prioritized product roadmap to which all stakeholders have contributed and are therefore committed to. In short, this helps teams get un-stuck and solves for the “too many cooks in the kitchen” challenge.

Challenge 2: The J-Curve

In 2017, I attended a presentation in Philadelphia by world-famous author of *Crossing the Chasm*⁶, Geoffrey Moore, where he discussed Sustaining Innovation versus Disruptive Innovation. In this presentation, Moore introduced the concept of the J-Curve as illustrated below.



The concept of the J-Curve is that companies need to invest deeply in innovative new startup⁷/product ideas that border on radical in order to discover innovations that will transform their business, creating new market opportunities and business models and protecting the future of the company (i.e. future shareholder value).

The J-Curve takes time – often years – to reach its inflection point and blow past the “breaking even” line where it starts creating financial returns for the company (reportable as in the black on earnings reports, rather than in the red).

⁶ I highly recommend [Crossing the Chasm](#) for any teams that are bringing innovative new technologies or products to market.

⁷ Startup as in new idea within an existing enterprise, not necessarily new startup venture.

This often creates a conflict of interest. The CEO wants end of quarter performance to align with shareholder expectations, however the company needs to forego immediate earnings or financial performance on paper in order to invest in transforming the company, methodically over time⁸.

Let's take an example of the J-Curve conundrum as it existed for one of our retail clients. Our client had an executive leadership team that was focused on its financial performance. Meanwhile, at that same company, an innovation team was tasked with making large financial investments on transforming and modernizing the digital customer experience with mobile. How did they reconcile the two?

First, our client embraced our Design Thinking approach and Stuzo employed all of the methodologies we've discussed up to this point.

However questions remained. Our client asked, 'How do we know if we've made the right product decisions for the consumer? What if we make a mistake?'

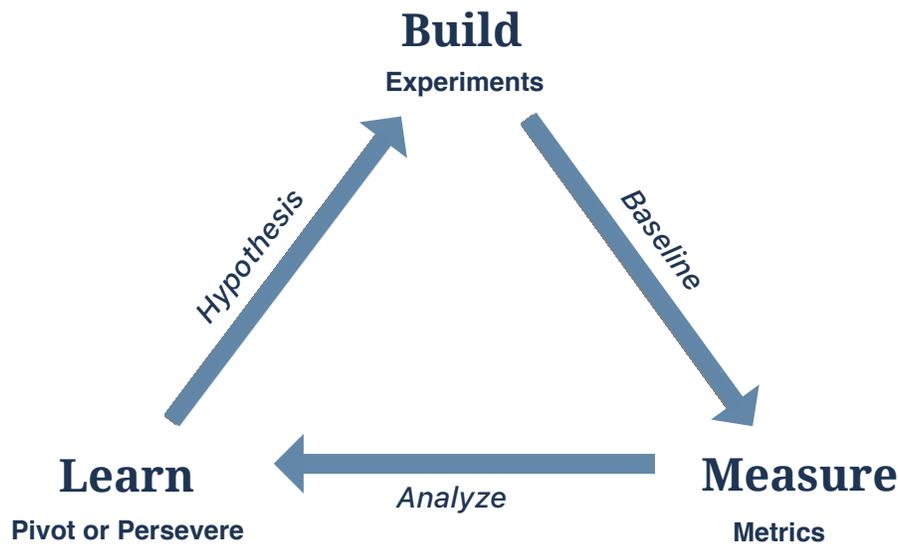
Our consumer-first approach persisted and the path forward was **Lean**.



⁸ An example of a company that does incredibly well at deprioritizing quarterly earnings in favor of making huge investments in the future, is Amazon.

Lean

Build, measure, learn. Rinse and repeat. That's the credo of Lean.⁹ The fact is, all product owners are going to make a wrong decision at some point. It's inevitable. However, by leveraging best practices from Lean, teams can organize around methodologies that enable them to test early and often with consumers, validate based on measurable indicators, learn fast, and remain nimble enough to course correct when something is off the mark. Remaining nimble also involves running Agile, which I'll get into later.



Build

One of the foundational components of Lean is rapid prototyping, which comes in at the Build step on top of the Lean pyramid as shown above. The purpose of rapid prototyping is to, as quickly as possible, convert your ideas into something a consumer can see, feel, and experiment with.

⁹ The concept of lean manufacturing goes back decades and was popularized by companies like Toyota. However recently, the concepts were adapted and made anew by Eric Ries, author of [The Lean Startup](#). I recommend this book for teams that are working on new and innovative product ideas.

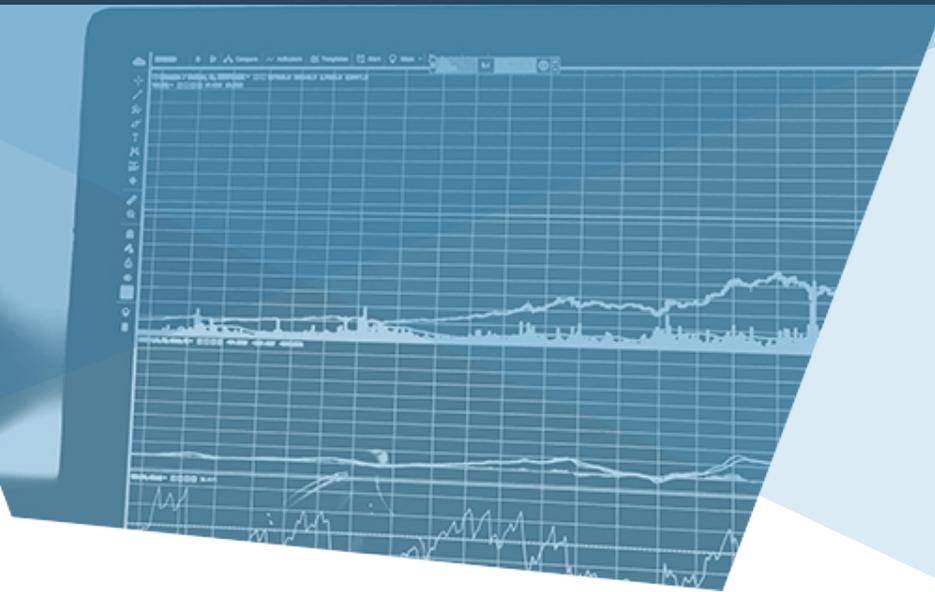
Going back to our code-named retail client, Fun Store: after our Ethnographic Research phase was completed, we got to work designing a clickable UI prototype. The purpose was to take all of the learnings we gathered from consumers and transform the wants and needs we heard directly from their mouths (and gathered through observation) into a mobile app.

Staying true to the nature of Lean, we moved fast to create a clickable mobile UI prototype for Fun Store which incorporated the features that consumers told us they wanted. Lean errs on the side of 'don't over-engineer it' or 'don't worry about making it pixel perfect' – as it is likely some of your hypotheses will get invalidated and you'll have to scratch some stuff and start over anyway.

We didn't worry about designing every screen for every flow and every use case within the app. Rather, Lean methodology guides product owners to focus in on the most critical features – the product decisions that could make, or break, the experience for the consumer.

This takes us to the next phase in Lean: having a process by which you can test your product ideas directly with consumers.





Measure

Did we get it right? This simple question is central to Lean. The assumption as you go into the testing phase should always be ‘no, we did not get it perfect, but we should have gotten much closer.’ Product owners need to be able to answer this question with a simple ‘yes’ or ‘no’ and the justification of ‘why’ or ‘why not’?

In Fun Store’s case, after creating the clickable mobile UI prototype, we loaded the prototype onto several mobile phones and headed back into Fun Stores to measure our progress. This time around, rather than exploring big picture ideas alongside the consumer (per Design Thinking), we were armed with concrete, validated product ideas in the form of a mobile application that simulated a real experience. In fact, in many cases, a consumer cannot even tell the difference between a well-executed clickable prototype and a real, functional mobile app.

The key to a successful Measure phase is having a shared understanding of and a plan for how the product will be measured. For example, in the case of Fun Store, we didn’t simply put phones in the hands of consumers and ask them ‘what do you think?’ Rather, we had a set of carefully and strategically-crafted questions that were designed to explore the product ideas without bias.

We learned a few things.

Learn

As expected, we got some things spot on, some things close to being right, and some things wrong. The key is that we knew what we were looking for and we knew how to agree upon validation, as these criteria were established before we went back to Fun Store to measure.

Once the findings were analyzed, we moved onto the 'Pivot or Persevere' phase and made decisions about which Fun Store app features to continue exploring and refining, and which Fun Store app features to drop.

In the Learn phase, product teams evaluate three things: (1) if they got it right, (2) if they are close to getting it right (and should persevere), or (3) if they got it wrong¹⁰ (i.e. they should pivot away from the idea, effectively throwing out the book and starting fresh with a newfound understanding of the truth).

Up to this point, the consumer has been involved in steering product decision making. As a product moves out of its ideation and prototyping phases and goes live in market, the consumer must remain involved.

¹⁰ There are varying degrees of wrong. One could be wrong but close to getting it right with modifications. Or one could be dead wrong and pursuing the path further would be an exercise in futility. Each team must determine their own methodology for making decisions on pivoting away from something they got wrong or attempting to correct and persevere.

Agile

As consumer wants and needs are perpetually evolving, a digital product is never done. It must remain in an ongoing state of iteration in order to remain relevant. Further, it must remain one step ahead of consumer wants and needs if it is to remain innovative. Our company has designed a software development lifecycle (SDLC) with Agile at the core, enabling us to iterate faster and deliver digital product enhancements more efficiently through the use of continuous integration and continuous deployment (CICD).

The purpose here is not to outline our exhaustive SDLC. Rather, it is to enumerate upon the ways by which we continue to involve the consumer in our Agile process. This section will cover targeted indicators (a.k.a. KPIs), analytics, and usability studies.

Targeted Indicators (KPIs)

Once your digital product is live in market, how do you know if it's doing what you need it to do? Is it on track? Off track? Have you reached any milestones? It will not be possible to answer any of these questions if explicit targeted indicators (a.k.a. KPIs) have not been designed and agreed upon by the product owner(s). Once the indicators are agreed upon, mechanisms/hooks need to be built into the product to accurately collect and measure the data required to generate the indicators.

There are many types of indicators¹¹, such as leading indicators, trend indicators, and pair indicators, among others. It's important to understand the distinction between a metric and an indicator. Metrics are typically units of data (a single data point) whereas indicators are various metrics combined together in particular ways to generate insights.

For illustration, let's look at an example indicator¹¹ and the associated metrics we use to track the success of the mobile apps we build.

- How well is our mobile app converting downloads to new users and subsequently, converting new users to adding a method of payment into the app's mobile wallet, and finally converting to revenue-generating users? **This is a trend indicator.**
 - Metrics used to report on the indicator:
 - # of app downloads over a period of time
 - ... and of those downloads:
 - # of first time app opens
 - # of app user account creations
 - # of registered users that add a payment method
 - # of registered users who made one transaction
 - # of registered users who made two or more transactions

¹¹I won't go into the details on all the different types of indicators here, however a great reference for this is Andy Grove's [High Output Management](#), which I highly recommend for all managers that run teams and all teams that are building and growing innovative companies. Also, refer to [Lean Analytics](#), a solid resource for product analytics.



As we measure this trend indicator over time, it is also helpful to overlay specific analytical functions to the data, such as a cohort analysis. Using the trend indicator we outlined above, we apply cohort analyses by further segmenting the indicator data into clusters based on things like time of day, season of year, geography, etc., and then compare one cohort against the performance of another. These analyses can teach us things like:

- Is there a certain time of year (such as an annual shopping season) where conversion rates are higher or lower?
- Is there a certain type of event (such as a bad snow storm in a certain geo area) where conversion rates are higher or lower?

When we look at these data, we may find that our performance in getting users to download the app, create an account, and add a payment method is great. However we may find that there is a big falloff between registered users adding a payment method and completing at least one transaction.

Then question would then be: Why is that happening? Why are we not satisfying the customer? More on how to answer these questions below when we discuss in-field usability studies.

Implicit VS Explicit Indicators

To further my point from earlier (teams must agree upon indicators in advance), let's see what happens when this work is not done properly; an **implicit indicator** is created:

- Are we converting net new mobile commerce app users fast?
 - Operations Lead: “We are converting at a 5% month-over-month growth rate; that seems good. People are actually using it!”
 - Marketing Lead: “We are converting at a 5% month-over-month growth rate; that is terrible! At this rate, it’s going to take us 96 months to get from 10,000 users to 1M users!”

For this reason, indicators (and/or the associated unit metrics) must be explicit, quantifiable and time-targeted, such as:

- Will our mobile commerce app user conversion rate get us to 1M users within 18 months?

The explicit nature of the indicator above enables it to be tracked accurately using a series of unit metrics that provide for an easy-to-visualize trend indicator.

We also recommend avoiding wasting time by looking at vanity metrics, which don’t necessarily directly correlate with the business outcomes a retailer is looking for (and which also do not correlate with consumer happiness).

For example, let’s say we looked at ‘app session time’ as a trend indicator and analyzed session time over a period of several months to find that session time increased from an average of five minutes to an average of seven minutes. Wow that’s great – a 40% increase!

The issue with looking at the indicator this way, is that it doesn’t tell you about business outcomes. What if users are spending 40% more time in your app because you added new product categories or more personalization options? Meanwhile, the average basket size upon checkout remains flat, or worse yet, cart abandonment rate has increased!



Analytics Dashboards with Data Visualization

Next: tracking **explicit indicators** closely. Up to this point, we've discussed methods which actively and directly involve the consumer in the design process. However, once a product is live, consumer behavior can, and should be, observed passively.

Massive amounts of data can be collected and organized in analytics tools that aggregate product usage metrics. A typical challenge for teams that run digital products is often: 'How do we get our stakeholders to pay attention to these important data sets?'

Further complicating this challenge, the vast majority of the US population are not highly analytical data-crunching mathematically-oriented number lovers. Based on the DISC[®] profile system¹², only 15% of the US population are "C" profiles (highly analytical, data-oriented). The remaining 85% of the US population have brains which are not naturally oriented toward data-driven analysis.

We've found success in getting product teams to pay close attention to consumer behavior data through visualization. The key is to focus analytics dashboards on the **explicit targeted indicators** that tell a story about how product usage aligns to business outcomes and move all of the unit metrics somewhere out of the way¹³, so as to focus the view on the most critical data and, at the same time, not overwhelm dashboard users with too much data at once.

¹² [DISC profile](#) - similar to Myers-Briggs Type Indicator[®].

¹³ Such as sub-pages within the dashboard, or collapsed views that have to be expanded manually to expose the unit metrics.

In-Field Usability Studies

Above, we've discussed approaches to passive analyses powered by explicit indicators and data visualization. But this quantitative data analysis approach alone does not provide a holistic view of consumer behavior. Passive observational data must be cross-tabulated with active research methods, such as in-field usability studies, which collect qualitative data.

To illustrate why, consider the following: Let's say you're a convenience store operator and have a mobile application which allows consumers to input their credit card (or activate Apple Pay or Google Pay) to order food ahead for in-store pickup. You've designed targeted indicators that track consumers through the process of downloading the app, registering for an account, setting up their payment method, configuring their food order, adding to basket, and checking out. You're tracking the full conversion funnel, end-to-end.

One of the indicators you track on your analytics dashboard is '% of order configuration abandonment' (i.e. the number of consumers who start a new food order and then do not complete it or add it to the basket for checkout). Let's say that over time, this trend indicator shows that order configuration abandonment rates are stable at around 75%. That is, three quarters of all consumers who start a new food order do not complete it.

Obviously there will be some churn during this process and you will never reach 0% abandonment. However, there is huge room for improvement. A decrease in abandonment is directly correlated with an increase in revenue from the existing consumer base. You want this. The question is, how do you get it?

To understand why consumers are abandoning an order, some retailers will use in-app surveys, SMS-based surveys, email surveys or simple feedback forms to ask consumers what they could do better or differently.

While these methods may at times produce insights, there are multiple issues with this approach:

1. Consumers are often not precise or clear when telling you about their experiences (in writing).
2. Surveys are a one-way street. Questions go out and responses come back. There is no interaction and you have no means by which to ask a quick follow-up question for clarification or to further explore an idea.
3. Surveys are impersonal. Consumers typically associate surveys as more of a benefit to the business, rather than something they will benefit from.

Staying on this abandonment theme, let's say you spend a few days in-field at one of your stores doing one-on-one intercepts, asking questions of consumers who are there to pick up orders up from mobile order-ahead. You might ask:

- Have you ever abandoned an order before completing and paying for it? Why? What happened?

From these simple questions and a brief conversation, you could learn a tremendous amount about your consumer, the pressures they face in their day-to-day lives and how to make your product better for them. People will talk to you and tell you about their issues. We know – we spent nearly six weeks traveling across the entire country speaking with consumers. They opened up to us in ways we never imagined.

What if by employing this type of qualitative in-field research, your consumers told you:

- 'I started this order in my office but then the phone rang and I got really busy and I didn't have time to finish setting up my sandwich order the way I like it. You know, it would be great if you could make it so that I can tap a button to reorder an item the same way I ordered it before.'

- 'Sure, I was able to put in my credit card without any trouble. However when I went to complete a transaction, for security, the app asked me to verify the CVC code on the back of my credit card. Well, I didn't remember what it was and thought that I wouldn't have to bring my credit card with me anymore because I could use your mobile app to pay. So, I just left and didn't buy what I came for.'

In the above two hypothetical interviews, you just learned a ton about your consumers; what drives their behaviors and decisions, what habit loops they've already formed, etc. Insights of this nature cannot be pulled from dashboards and most survey methods would be incapable of going this deep.



Summary

Having direct and intimate communications with your consumers throughout the **entire digital product lifecycle** is critical to building an empathic relationship between your product and its users. All the best well-intentioned product ideas in the world will be rendered completely useless unless they seamlessly fit into consumers' lives, anticipate their wants and needs, provide true value and utility and make the consumer's life better.

Our systematic and methodical approach, which we call our **Consumer-First Product Pipeline**, ensures that the digital products we build:

- Are aligned to the wants and needs of the consumer
- Align stakeholders that have various, and sometimes, competing personal remits and departmental business objectives
- Rely on hypotheses that are consumer-validated
- Track toward targeted business outcomes
- Provide for the business flexibility and technical agility required to adapt quickly to the evolving wants and needs of the consumer and/or macro market dynamics
- Do not waste any person's and/or retailer's precious time, money and resources building products that consumers will not use

I hope you've found value in reading this. Feedback is absolutely welcome and encouraged. Digital product design is an ever-evolving practice. If you have some new ideas to share, perhaps something that's worked well for you in aligning your digital product with your consumers, we'd love to hear your story.



About Stuzo

Stuzo is a leading provider of personalized and predictive commerce solutions for retailers, powered by products, services, and insights. Stuzo's services include digital product strategy, product design, and product engineering.

About Open CommerceSM

Stuzo's core product offering, Open Commerce, is an enterprise grade cloud-based platform to empower rapid delivery and real-time operationalization of Digital Services and Experiences.

- **Open Commerce Application Server** is a PCI DSS Level 1 Certified Compliant middleware that securely unifies and exposes best-in-class Digital Services (ie., digital coupon platforms, payment processors, mobile wallets, private label credit card providers, loyalty platform providers, private label debit card providers, identity and fraud management, site system and POS manufacturers, etc.) into one central point-of-interface via a public API to empower merchants and their vendors to rapidly and efficiently deliver connected commerce applications across digital channels (ie., mobile, web, kiosk, wearables, IoT, connected car, augmented reality, conversational UI, etc.).
- **Open Commerce Command Center** is a web-based portal that centralizes and operationalizes the key functions and data of Digital Services from multiple vendors into one interface with dashboards and workflows (ie. quality of service, automated monitoring and alerting, store setup and performance, loyalty and offer creation, fraud prevent rules, etc.) that empower merchants to in real-time monitor, manage, and optimize mission-critical programs powered by multiple third-party services.

About Stuzo's Insights Platforms

- **Market Insights**, the most comprehensive research on the digital capabilities of the top 100 US Fuel Retail and Convenience store brands (published at www.cstoredigitalranking.com).
- **Consumer Insights**, the most comprehensive ethnographic research on the habits of consumers, having been compiled via a cross-country road trip where Stuzo amassed 240+ hours of customer interviews and conversations at 70 top US fuel and convenience brands.
- **Future Vision Insights**, the most in-depth and realistic 3D fuel/energy and convenience site concepts, featuring depictions of how digital transformation and industry disruption will shape the future of the industry.

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