How to Get Useful Feedback about Your Product: Crash Course Business Entrepreneurship #7

Crash Course: Business - Entrepreneurship
https://youtube.com/watch?v=zzn3xDiw1iE
https://nerdfighteria.info/v/zzn3xDiw1iE

To figure out if an idea is as good as we think it is, we have to talk to our customers.

We've said it over and over again. We have to ask them what they like, dislike, want, or need, and we want honest feedback about our product or service.

But… how? Just walk up to them on the street? Or in the produce aisle?

Or in spin class? Start babbling about value propositions and minimum viable products? That's definitely how you make friends.

As entrepreneurs, we're creative problem solvers willing to take risks for our ideas -- and this is part of that risk-taking. We have to be the boldest versions of ourselves to send out surveys, conduct interviews, and give presentations to end up with the best business idea possible. I'm Anna Akana, and this is Crash Course Business: Entrepreneurship. [Theme Music Plays] These conversation strategies are useful for the whole entrepreneurship process -- from our initial idea to 2 years in.

Think about how many times we've already said go talk to people! But feedback in these early stages informs all kinds of crucial decisions, and some of the trickiest customer interactions are getting people interested in our product or service in the first place. So that's what we'll focus on here.

First, we want to pull out the ol' value proposition, and review how we expect to provide value to customers. This will help us come up with questions and explain our minimum viable product. The goal of this stage in the process is putting our MVP through validation, or initial tests before launching.

Next, we have to decide what exactly we want feedback on, because we don't want to waste everyone's precious time by asking unfocused questions. Is it a physical product that people need to get their hands on? Is it a website that people need to click through?

Is it software that we need to demo? And now...drumroll please...we have to actually get people to give us feedback! Woo!

This early stage is where we have to really embody that "hustle" we keep talking about. Steve Blank, famed entrepreneur and author of The Startup Owner's Manual, says, "Get out of the building." But that doesn't necessarily mean run up to the first person we see on the street and bombard them with questions… usually we like to use a more tailored approach! One easy place to start is with our networks.

Friends and family are a good place to make sure your questions make sense and will get you the type of feedback you're looking for. But we need to go beyond them, because we want unbiased opinions about our ideas. You probably know more people than you think, like work colleagues, friends of friends, or LinkedIn connections!

Talking to them will give you a chance to practice before talking to complete strangers. Now, there are a few tried-and-true ways to get helpful feedback: Surveys are flexible ways to get lots of responses on whatever key metrics we're interested in. Some people basically have degrees in designing effective and informative surveys -- so, uh, there's a lot more where this came from.

But there are 3 key sections we want to focus on: First, the target market. Open with a few demographic and behavioral questions to get a sense of who the person is and what their life is like. This helps contextualize their answers and informs our marketing decisions.

Second, demand. We've checked out the competition, but what do other people have to say? Do they already use a competing product?

Are we battling fierce brand loyalty? And third, willingness to pay. We think our idea is worth a million bucks, but how much do other people think it's worth?

After all, they're (hopefully) doing the buying. It's really easy to create and deploy surveys. If you're going digital, you can use templates from services like Survey Monkey, Type Form, and Survey Hero, or make one from scratch.

You can ask your network to take your survey by sending emails directly to your friends and colleagues. Branch out even more by asking them to pass your survey on to 5 people in their network -- but make it as easy as possible! In that initial message, include language that they can easily copy and paste like "Help my friend, a cool entrepreneur, kickstart their business by taking a 5-minute survey.

Please!" In the age of social media, consider posting a link to your survey on Twitter, Facebook, or even Instagram. You can tag people to try gaining some traction -- that personal touch can help persuade people to fill it out. And we do still live in a physical world, so you can conduct surveys IRL too!

Phones still make calls. Shocking, I know. So you can ask people questions while you take notes.

It's also not too cliche to pick a busy street corner and ask passersby a few questions, especially if they're within your target market. If you're nervous, try bringing some exuberant friends with you who can help break the ice. Entrepreneurs don't "entrepreneur" alone. "I'm on your team, be on my team!" You could even ask a non-competitive business owner with a similar target market if they would let you survey their customers either in store or by email.

You can sweeten the deal by offering to include a few questions that make sense for their business. If we want more depth than a survey can offer, focus groups and interviews are a good strategy. The key difference is that we can watch people use our product and ask follow-up questions to really understand their experience.

I wouldn't visit your website. Why? I don't like it.

Why?

CA: It's hard to look at. Why? The background. Why? I don't like the shade of green. Why? Because it reminds me of vomit, the walls of my high school cafeteria, and the ultimate futility of the human endeavor. Also the home screen loads really slowly and the background music is annoying.

Okay, now we're getting somewhere. Some schools of thought recommend asking "why?" five times when solving a problem, to get to the heart of an issue. Although, for the record, you should mix it up with actual full questions, not just "why?" like a 3 year-old. Sometimes you may want to approach someone specific that you only sort of know or you haven't met before. Now, we're not encouraging stalking -- use common sense, never make anyone feel unsafe, and be respectful of their time. Self-awareness is the most attractive quality, in my opinion! And in some cases it's not appropriate at all, like surprising an actor and throwing your screenplay at them, or going to an elementary school playground to ask kids to demo your game.

But say you're looking to sell a new alumni directory app to universities and scholarship programs. And maybe you're having trouble getting in contact with the alumni coordinator by phone or email. So you can try showing up to their office during business hours with a kind smile and a reasonable ask. Your basic goal is to get in the door, talk with an important potential user, describe your project snappily, and try to build a relationship. That way, maybe you can conduct a test, have a deeper conversation later, or even land them as a customer. Sometimes it doesn't work, but taking these kinds of risks can be part of the "hustle"!

Focus groups and interviews take more time and don't have the same reach as a survey. But the feedback can help you figure out what really needs to change, or what people truly like. Then, there's the classic sketch comedy bit from I Love Lucy to Saturday Night Live: the product demonstration. Today it's more common to demo software than vacuums, but the idea's the same. With this method, we test our MVP with people or businesses -- basically, anyone who has purchasing authority and could buy it. The goal is to understand where we could make big improvements to the user experience, before officially launching. Let's go to the Thought Bubble.

Suppose Congress has an idea for great new board game: Explorers of CATopia, where players build cat trees, trade resources, and race each other to make their own cat civilization. He thinks everyone will love it, but he decides to create a minimum viable product and test it to be sure. So Congress starts chatting with his friends and family about Explorers of CATopia.

After getting some mixed reviews, he decides to create a survey that will collect basic demographic information -- things like age, income level, and place of residence -- on everyone who's interested -- or not interested -- in his game. The founders of Cat-sassins Creed are conveniently friends of Congress, have a similar target audience, and agree to let him email their listserv with his survey.

Congress also conducts several focus groups with gamers across his network. He has them play test Explorers of CATopia while he watches for any problems. And afterwards, he asks them questions about the design, what other games it reminds them of, and any suggestions they have for improvements.

Best case scenario: after hearing about the game and demoing it, people start asking when Explorers of CATopia will come out. Congress actually pre-sales about 100 games, and can use the pre-sale money to help with manufacturing costs. Using contacts he made at local entrepreneurship events, Congress gets a few meetings with game designers who are interested in producing his game. He's validated his idea with strong customer feedback and pre-sale orders.

Worst case scenario: Congress learns a lot about Explorers of CATopia… but it's not at all ready to hit stores. He needs to do an overhaul of the gameplay first, so he's super glad he tested his MVP! Thanks Thought Bubble!

Notice for all of these strategies, we need large groups of people willing to listen to our ideas. If you're having trouble finding them, universities and colleges, entrepreneurial advocate groups, networking groups, and Startup Weekends can help! Connections at each of these places can fundamentally change your progress, support, and feedback. Once we have a pile of information about our MVP, our work is only half done.

Next, we have to sift through it all and sort the valuable feedback from people being grumps. Ideally, we want to use the power of math to help. Surveys especially give great data for statistical analysis, but we can use any method to get helpful quantitative and qualitative feedback. Quantitative feedback involves numbers -- things like rating our product or service on a 5-point scale (1 being the worst, 5 being the best), or asking how much someone would be willing to pay for it. Calculating the average response to these questions is often a good start. Qualitative feedback is basically everything else -- people's meandering thoughts about what they liked or didn't like. We can analyze the results by grouping answers into several categories like "fun," "complicated," or "ugly shade of green" and noticing how often those categories show up. We won't get into all the math here, but check out Crash Course Statistics (and Sociology!) for some specific techniques to analyze all your feedback.

In general, we want to collect information from a meaningful chunk of our customer base -- a statistically viable sample. We should try to have at least 100 responses, but more responses lead to more useful results. Ultimately, we want to use every drop of information we've collected to recognize all the opportunities to improve our MVP. But we have to take some feedback with a grain of salt. We're really looking for trends in the data. If a self-proclaimed technophobe says your paper-thin tablet is a huge monstrosity, you may need to ask yourself: is this one criticism from someone who will never be my customer? Or is this a frequent concern that's a trend across all the feedback?

After we've sifted through to find the golden nuggets of feedback, we need to actually modify our MVP to increase the value we're providing to our customers. We could make minor design tweaks, or completely scrap features to focus on one aspect that people love -- that's one of those pivots we talked about! We want to make sure our future customers get what they're paying for. The bottom line is: are people going to buy whatever you're selling? We hope the answer is yes, but validating our idea by testing and gathering feedback will help us make sure before we go all-in. I see you Cheetos lip balm -- still no?

Next time, we'll get into the key resources and activities that entrepreneurs juggle when starting up a business. Thanks for watching Crash Course Business, which is sponsored by Google. Thanks also to our animation team, Thought Cafe! If you want to help keep Crash Course free for everybody, forever, you can join our community on Patreon. And if you want to learn a lot more about survey design and analyzing all your feedback, check out Crash Course Statistics: