
Understanding Customer Needs

IPPD 2/15 Customer Needs

Point of lecture

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- Understand how to elicit and quantify customer needs
- Understand how to quantify Market Size
- Assignment
 - You will need to interview customers and collect needs into
 - Must have
 - Linear satisfier
 - Delighter
 - You will need to quantify market size
 - Need to know the motivation of customer

Terms

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- Customer requirements
 - Must have
 - Delighter
 - Linear satisfier
- Complementary product sales
- Market size
- Latent customer needs

Sweet water

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- What are the customer needs? What are the classifications?
 - What additional questions should Sandy ask?
 - How would you go about interviewing the customers?

Sweet water 2

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- What is the market size? What additional information should Sandy look for? What data should he have?
 - What are the possible vertical markets
 - Are there other horizontal markets that he could look into
- What about the price of the product? Is \$50 the right number?

Market size

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- Why do you need to know market size?
 - Pick the right market segment
 - Scope mfg equipment
 - Plan strategy
- Market size uncertainty -
 - How does this effect your planning?
 - Concept of Real Options

Where do you get Market size info

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- SIC codes
- Comparable products
- How big is the industry segments
- How many potential customers
- Growth of segments
- Complementary sales

What do you need to know?

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- What is your potential market?
- How often does the customer buy the product?
- How many competitors are in the market (i.e., what is your potential share)
- What is the disposable income of your segment
- What are the “needs” of the segment

Gathering customer data

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- Interviews
- Prototypes
- Discussions about needs (general -- not about the product)
- Formulated questionnaires

Remaining time

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- Who is the customer, who do you need to interview
- What is the market? What data do you need?

Thursday

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- Sub section from Potential Failure Mode and Effects Analysis (FMEA). Automotive Industry Action Group.
- Hauser, J. R., and Clausing, D. "The House of Quality,"
- Yu, et al. , "Product Architecture definition based upon customer demands"