

The Ultimate Guide to Customer Discovery

Everything you need to know to get valuable feedback on your product/service.



Introduction

What is Bridge for Billions (and what do we know about customer discovery)?

We're on a mission to democratize access to entrepreneurship support, and after 5 years of teaching Customer Discovery to more than 900 entrepreneurs in 60 countries as a part of the methodology of our online incubation program (as well as conducting our own over this same time period), we decided to pack all this experience into a one-stop-shop free e-book of our insights and advice.

What is customer discovery and why do you need it?

Acquiring customers is probably the most difficult challenge faced by startups, but it's also the end goal, the key to success. The earlier you understand in depth who your customers are and what they really need, the easier it will be to create a product they will love and buy. That's exactly what customer discovery is. To put it simply, it's figuring out who your customers are, what they really think and want, and how they feel and act.

Your product doesn't have to solve every problem under the sun for your customers to fall in love with it - the key here is to figure out what's most important to them and to solve that problem well.

For this, the best solution is to conduct in-depth, creative, and ongoing customer discovery. Your aim shouldn't only be to clarify what your customers consciously want, but also discover their latent needs. Without it, you risk missing on market opportunities, or even become one of the 46% of companies that fail because of a lack of market need. In this guide, we'll walk you through the different steps, from defining your customer discovery strategy to actually conducting interviews with your customers.

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What you'll learn:

1

How to define a bullet-proof strategy for your customer discovery.

2

Who to talk to (and how to find them).

3

The Do's and Don'ts of interviewing your customers (even if you don't have any yet).

Ready? Let's begin



Part 1

Define the strategy for your discovery

Customer discovery is all about finding out:

- **Who your customers are.** You want to ensure that the problem you've identified affects a large enough group of people. You also need to decide *who* out of those affected you will be targeting; is it everyone or just a segment?
- **What your target customers need**, both consciously and subconsciously, in order to design a solution which is tailored to those needs.

This is a 3-step process that you should be starting **before building any prototype or MVP** (don't worry, if you already have it's not too late!):

- Step 1: Identify your customers
- Step 2: Identify their needs
- Step 3: Identify your market type

Step 1: Identify your customers

Often times we hear entrepreneurs say "everyone!" is their potential customer... even if you have a product or service with a broad appeal, this is the wrong approach. If you target everyone, you target no one. So if you haven't already, take some time to do the difficult work of defining your target audience.

Be as granular as you can, and think of them as real people! Here are a list of questions you should try to answer:

- How old are they?
- What kind of socio-economics background do they come from?
- What type of stores they shop in?
- What kind of products do they use?
- What unites them? (demographics, state of mind, habits, language, etc.)



With this information, you will create what we call **“buyer personas”**. According to Hubspot, “buyer personas (sometimes referred to as marketing personas) are fictional, generalized representations of your ideal customers. Personas help us all -- in marketing, sales, product, and services -- internalize the ideal customer we're trying to attract, and relate to our customers as real humans. Having a deep understanding of your buyer persona(s) is critical to driving content creation, product development, sales follow up, and really anything that relates to customer acquisition and retention.

For more on how to create detailed buyer personas, [read the full article on Hubspot’s blog](#).

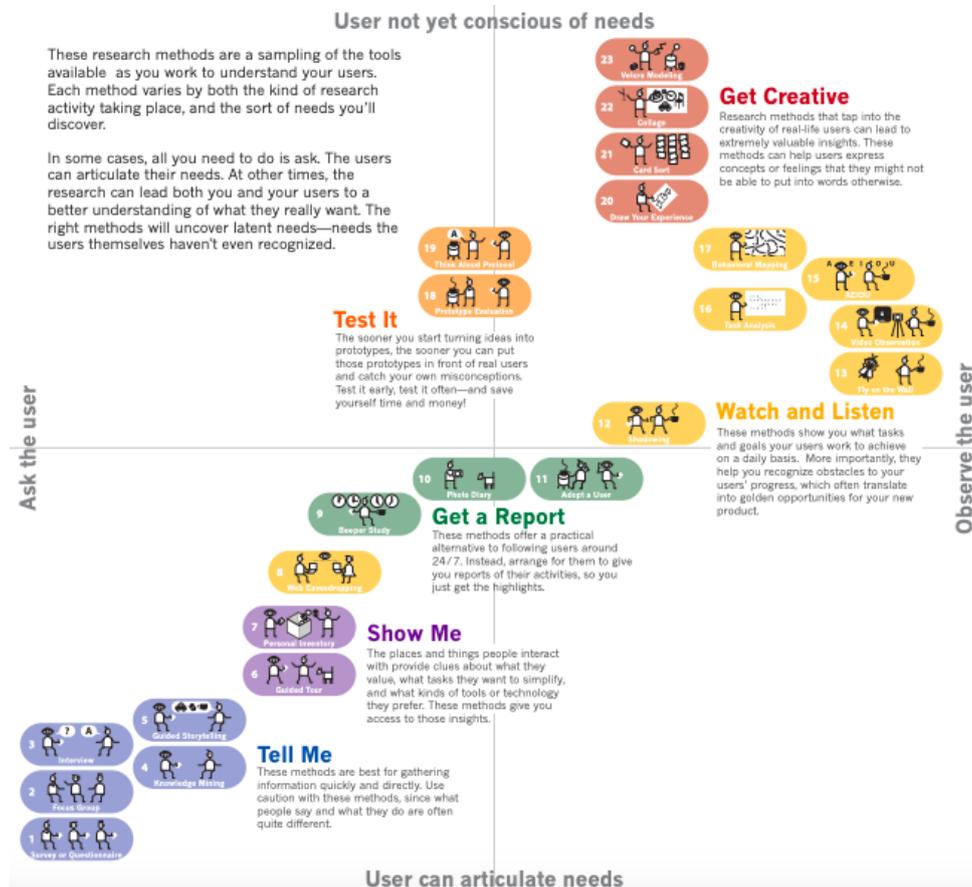
Step 2: Identify their needs

Once you've identified your target audience and defined your buyer personas, you can start thinking about their needs. These come directly from the pains your customers encounter in their life, and what you want is to find a solution to these pains.

If you've already done [our Why Tree activity](#), you have discovered the root causes and deeper problems behind the problem you think you should solve. If not, you can do it today... It will help you re-evaluate your solution to see if you should broaden the focus.

As for your customers' pains, you'll probably come up with the first ones pretty easily, but what you really want is to get down to the bottom of their needs. The [Research Toolbox by Daedalus](#) offers 23 research methods to discover what your users really want.

The Research Toolbox by Dedalus



Step 3: Identify your market type

When designing your customer discovery strategy, you need to know which “market type” your idea falls in. Broadly speaking, there are three market types, each of which calls for a slightly different approach to customer discovery:

Existing market

Your idea is cheaper/faster/better than existing offerings in the market

When creating a product within an existing market, beyond understanding your potential customers you need to know your competitors in deep detail. Conducting surveys and organizing focus groups is an easy way to gather feedback on both topics.

As well as testing your hypothesis, your customer discovery strategy should explore a few key questions about your competitors: what are their product’s precise features? What defines their business models and sales channels? How do customers use these competing products on a daily basis? Where do they encounter difficulties?

New market

Your idea can be classified as disruptive technology

If you’re bringing something totally new to the table, your solution is nameless, which means people have no knowledge of how your idea might work or even that there is a clear problem that you could solve. In this case, your discovery strategy will be heavily based on customers’ latent needs: the problems they face but have not yet realized.

Don’t count on traditional methods of marketing research such as focus groups and surveys to identify these, as customers often struggle to identify their deeper needs. Here, the key is creativity in your methodology and in-depth, patient observation in practice. Try using [qualitative methods from fields like psychology, sociology or even anthropology](#).

Resegmented market

Your idea fills a new niche in an existing market

In a resegmented market, you sell to a particular niche of an existing market based on your knowledge of their particular needs. For example, you could develop an offer for allergy compliant meals (niche) within the food delivery market (existing market).

Here, users will be more able to articulate their needs than in the case of a new market. That's why your customer discovery approach can be more direct: you can conduct surveys and focus groups. That being said, you are still introducing a solution based on unexplored territory so the influence of subconscious needs remains. A mix of getting the customer to show/tell you their needs and observing their latent desires for yourself is necessary.



Part 2

Who to talk to (and where to find them)?

So you know the problem you're trying to solve, and who you're solving it for. But who should you actually talk to? Well, there are (as usual) a few different approaches, depending on the stage of your project:

- 1 – People who have no idea who you are and are just “testers”.
- 2 – People who engaged with your product but didn't buy it.
- 3 – People who have already bought your product.



1. If you don't have any customers yet.



1, 2 and 3. If you're already making sales.

Note: You can still have a conceptual conversation with potential customers and dig into their pains and needs even if you don't have anything to show them.

#1 People who have no idea who you are and are just “testers”

If you don't have any customers yet, you can still get feedback on your product by talking to your buyer personas (the one you created your product for), like “high-school girls”, “sports obsessed young adults”, “stay at home parents”, “small business owners”, etc. The idea is to verify your hypothesis and ultimately make sure that your service really answers their needs.

Even if you already have customers, talking to people who have never heard about you is a great way to get feedback on your product to improve it, and maybe even test new market opportunities.

#2 People who engaged with your product but didn't buy it

These people are real gems when it comes to getting feedback on your product. They're the ones who are - hopefully - going to give you the answer every business owner is looking for: *“WHY am I not getting more customers?”*

But this is also the hardest group to engage with - you may have to get creative about how you reach out to them: Whatsapp if they left their phone number, send them a survey via email with a discount code, try Facebook remarketing campaigns...

#3 People who have already bought your product

If you already have actual customers, congratulations! Get in contact with them any way you can (surveys, personal emails, calls, chat messages... at Bridge we've even had private Whatsapp chats with our customers!) to find out what they liked and what they disliked, why they purchased, what attracted them to your product or service... then look for similarities between their answers to find common threads.

Not only will this make it easier to identify ideal customers in the future and help decide how to speak to them, but it will also help you find problems you might not be aware of OR give you ideas for what to improve, and help you validate (or disprove!) what you think you know about your customers.

Where to find them?

So you have a pretty good idea of who you should be selling your product to, but how are you supposed to find these kind of people to talk to them? Here are some ways to recruit people to help you out (that we've used more than once at Bridge for Billions!):



#1 In your network

Don't be afraid to tap into your network. People are more willing to help than you'd think!

- Put out a call on your social media profiles for people who identify as a certain group (i.e. sports aficionados, stay at home parents, etc.) offer to take them out for coffee (or a video chat!) and ask them a couple of questions.
- Ask your friends to share the post and help recruit too. You'll see how quickly you'll end up gathering a group of people that all could be potential customers.

Adolfo Berraquero, who ran the Marketing Department on his own at the beginning of Bridge for Billions and is THE growth hacker in the team, has a little tip for you about customer discovery:

"I always find it's most effective to directly message 50 or so people in your network with a specific ask... People tend to respond faster and with actual support when the request is sent directly to them rather than a general call for help."

#2 On Social Media

Another way to get the best out of social media is to find support groups around certain topics (i.e. digital nomads, parents of children with disabilities, business women) and join these groups and participate in them. Not only will you learn a lot about the real struggles that these people face, but you can also ask them to help you with customer discovery interviews.

Just remember that you have to give as well as take: be an active participant in addition to asking them for help! People are much more likely to help a friendly face than someone who's only around to ask for things.

#3 At Conferences and Events

Find out the kind of events your ideal customers like to go to and meet them there!



- If you're selling something to concert-goers, show up at the venue an hour early and ask the first arrivers some questions.
- You want to work with freelancers? A co-working space could be a good place to look.
- If your customers are all huge comic book fans, events like Comic Con or movie premiers are a must. You get the idea...

The point is, meeting with strangers face to face is scary, but it's also a very efficient way to get valuable feedback on your product.

#4 Get Creative!

There are a ton of other places you can look for your customers in addition to these three. All you have to do is put yourself in their shoes and think outside the box: if you were [insert your

customer here] what would you do? Where would you be? You just have to get out and to talk to them!

“Ok, but how do I get them to talk to me?”

Marketing agencies and big companies offer rewards like gift cards for people who come in and do market studies or user tests. As a young business it can be tougher to provide monetary and cash incentives to people.

But don't give up! You'd be surprised how many people would be happy to help you out if you just ask (nicely!) Be friendly and explain that you're starting a business and you really value hearing what people have to say about your idea so you'd like to get the information straight from the source.

“We actually went through this exact situation at Bridge for Billions: we reached out to 200 strangers and friends of our friends and ask for help to have a 15 minutes conversation about feedback and we got 30 responses. That might seem like a low conversion but these 30 users gave us invaluable feedback and tons of new perspective to improve the product!”

Allie Whitefleet, Product Manager at Bridge for Billions.

People like expressing their opinions. They love feeling like they're being heard. But it's also nice to throw in some baked goods into the equation. Take them out for coffee or give them a profile on your Netflix account... (just kidding! Maybe?). The few bucks you'll spend will be paid back in double when your product improves and sales increase.

If you really can't offer them any form of reward, remember to send them a nice thank you email once you're done. A short, “Thank you for your help, your input has been invaluable to my business” will do the trick.

Customer discovery is a bit like networking: the first couple of times are going to be really uncomfortable, but after a couple tries you'll be a pro at finding them and approaching them. It's all a matter of practice!

Part 3

The Dos and Don'ts of Conducting Customer Interviews

Now let's take a deep dive into how to conduct successful customer interviews. There are some common errors that all entrepreneurs make when starting out, and some best practices to guarantee that you will get valuable feedback on your product/service.

Here is a list of 4 Dos and 3 Don'ts to keep in mind when talking to your potential customers. They'll help you get better data and not be misled by what you find.



Remember: Even if you don't have customers yet, you can get feedback on your product by asking "testers" who have the same characteristics as the people you target.

DOs

#1 Set objectives for your customer interview

While an interview should feel like a casual conversation for your possible customer, it isn't just that - especially not for you. You will only get valuable feedback if you don't have it clear what you're trying to find out. Do you want to know why they didn't purchase your product? Do you want to know what they thought of your prototype? Do you want to understand if someone WOULD buy your product?

Whatever your objective is, keep it in mind when crafting questions. If you don't you'll have a wonderful conversation, but get very little useful information from it.

#2 Ask Them About How They're Doing Without You

It might seem stupid, but this question will help you better understand if they'll actually buy your product, and how to best answers their needs. What you really want here is to understand how they're currently answering the need your product or service solves.

While you're at it, take advantage of this to find out the problems they're encountering with that solution - most likely your competitors. Is it too slow? Too expensive? Doesn't really work all that well? From this line of questions, you can find out more information:

Are they actually looking for an alternate solution? If they haven't looked for a solution that might indicate that it's not really that big of a concern - or that you're entering a new market (see above) and they aren't able to envision a better solution!

#3 Ask Them About Past Behaviors

Stories are the best way to get insights about your customers. Always ask them what they've done in the past instead of what they may do: you can trust what people have done. If they've

spent the past year going to the gym twice a week, you shouldn't expect them to suddenly start going 7 days a week.

If they've made expensive impulse purchases in the past, they're likely to do it again. So always ask "Tell me about..." or "what happened the last time you..." - these set them up to tell you a story and you can always ask them to expand on things that interest you.

#4 Let There Be Silences

I'm the first to admit... if there's a pause or silence I feel uncomfortable and try to fill it. It's a natural human reaction - but it's time to fight it. Silence is not bad in these interviews, on the contrary! More likely than not the person you're interviewing will try to step in and fill these silences, which is what you want. That way they'll keep on talking and you'll keep on learning.



DON'Ts

#1 Don't Pitch Your Product

This is not the time to be pitching your product to your potential customers. You want objective answers and you won't get them by trying to sell your solution. This is especially relevant if you're talking to someone who doesn't know / hasn't used your product; you don't want to taint them with information about your solution, you want their honest, raw opinions about the options they currently have or know about.

But don't fall into the opposite excess and start talking about the inadequate solutions on the market now. You never want to lead them neither by speaking about your product nor by telling them things you think are wrong with your competitors or the current market.

"Would you be interested in buying dog shampoo?" is a pretty useless question. What you want is to know how they really behave. For this, you might want to ask: How do you currently wash your dog? How often? Tell me how you did it last time.

Only ask "Would you be interested in XXX" questions if they are very specific. Most of the time, questions about the past are better: How much did you spend on the dog shampoo last month? How long did it take you to wash your dog's hair? Do you enjoy giving them a bath? Why (not)?

#2 Don't Ask If They Would Do Something

Asking people what they would do is about as useful as asking your neighbor if it'll rain today. Neither one will give you a reliable answer. I'm sure you know this, but people lie... and it's not malicious in this case. They either really think they'd do what you ask them, or they don't want to hurt your feelings. How many times have we said that we'd go on that new diet - but first let me have that pastry?

“What people say they will do and what they actually do are usually two different things.”

What people say they will do and what they actually do two are usually two different things. That data won't help you. Actually, it will hurt you. It'll give you false hope, or worse, you'll be working off of bad information that falsely validates your hypothesis.

#3 Don't Ask Leading Questions

This is a common issue when trying to get answers. Most of the times we don't even realize we're doing it. We nudge people towards the answer we want without noticing it.

Here's a real life example: In a study, it was shown that people who were asked 'Do you get headaches frequently and, if so, how often?' reported an average of 2.2 headaches per week, while those who were asked 'Do you get headaches occasionally and, if so, how often?' reported only 0.7 per week. Scour your questions for small words like this that might nudge people toward one answer or another. Make sure your questions are as neutral as possible.

Now get out there!

Get going with your customer discovery today. But remember, this shouldn't be a one time only: customer discovery is something you should be doing as often as possible to constantly improve your product and make sure you're aligned with your market needs (which may change).

Want more?

We have plenty of resources like this, from segmenting your customer to defining your business model - all this with your own mentor.

To know more about The Leap, the 3-month online incubation program by Bridge for Billions, follow the guide:

[Take me there!](#)

We ♥ feedback! Please let us know what you thought about The Ultimate Guide to Customer Discovery and if you'd like more resources like this by writing directly at: communications@bridgeforbillions.org