Customer Interview Guide

ALLOY LABS
Banking, unbound.

Introduction

A great place to start learning about the jobs customers or members need to get done (and/or potential customers or members, but for sake of clarity we'll refer to them all as customers here), the pains they're trying to avoid and the gains they're seeking to achieve is talk with them.

This may not be the way you may be used to talking with customers, however.

Most typical conversations with customers fall into one of three categories:

- **Transactional/functional** - where the goal is to facilitate a specific function or transaction (closing a sale, opening an account, collecting financial data, making a transfer, updating information, etc.)
- **Social/relationship** - where the goal is to build, maintain, or strengthen a personal relationship (meals and entertainment outings, periodic check-ins, personal conversations, etc.)
- **Problem resolution** - where the goal is to correct a problem or issue for the customer (usually customer-initiated)

There is a right time and place for all of these, and you should have a systematic process for collecting and synthesizing information learned in the calls to not only improve the individual customer relationships, but also make incremental improvements to products, services, and processes.

A Different Approach

But none of these are typically very conducive to generating new insights to help you move beyond those incremental improvements. Instead, you need to have conversations where the goal is to gain new insights about the jobs they are trying to accomplish when using your product, the gains they're trying to achieve, and the pains they're trying to avoid.

Customer interviews should be considered an early step in the discovery process, not the end game. Even when conducted effectively, customers may not be able to fully articulate (or even understand) exactly what they're trying to achieve or why, so additional work will likely be needed to gain real insights. As the old saying goes, if Henry Ford had asked people what they wanted, they would have said a faster horse. We humans tend to decide with emotions and justify with facts, yet we irrationally continue to believe that we are more rational than we are.

Note also that this does not apply to prototype or product testing, where you want to get more specific feedback on how something works for them. That comes later.

Here's how to make the most of your customer interviews:

Preparing for the Interviews

Decide who you want to meet with and only schedules interviews with people who meet your criteria (you likely won't have this all boiled down perfectly before you start, so you may want to schedule additional interviews as you learn about differences between the needs of, say, CFOs versus Controllers versus bookkeepers, or find new opportunities in a different part of the process or customer journey, etc.):

What kind of customers are you trying to solve for?
(Low-to-moderate income individuals, high-net worth families, small business owners, middle-market commercial customers, real estate developers, etc. You can obviously get much more granular than that depending on where you are focused)

Where in the process are you focused?
(Account opening, day-to-day transactions, reporting, access and controls, servicing and problem resolution, interaction of your product with external services, etc.)

What is their role in the process?
(Are they the person that buys the product, manages on behalf of others, is a primary or secondary user, etc.)

Any other criteria?

It's usually better to start too narrow and expand your scope than to start too wide, because you'll be overwhelmed with a lot of conflicting data points that will be hard to synthesize

Prepare questions in advance to guide the conversation. Focus on open-ended questions and let the customers fill in the space with information you may not have thought about asking. Sometimes it's just about pulling on threads and seeing where it leads you.

That said, do try to quantify things so you can design Fast, Iterative, Responsive Experiments to test them

You may not need more specific questions if you are earlier in the process

- Tell me about the main job you are trying to accomplish when you interact with this product...
- Tell me about how often you interact with it, and if there are certain times you use it more than others...
- Tell me about how this fits in with other products and processes you use to get your job done...
- What's one wish you have about how this could work even better? Any others?

Do not ask their opinions about your existing product features or customer experience.

Focus on the job(s) the customer is trying to get done, the gains they're trying to achieve and pains they're trying to avoid, from their perspective.

Start with 5 interviews and note what patterns arise, if 3 people say the same thing, that's a thread worth pulling on.

Schedule 5 more to test those insights and see if the pattern continues or if a new one emerges.

How many interviews are enough?

There is no magic number. It depends on the kind of research you're doing, how well developed the markets and products are, and what kind of insights you're looking for. We agree with the insight from Jakob Nielsen that after the fifth user, you're usually wasting your time because you're hearing the same thing over and over again.

We don't mean talk to just five customers then launch, we mean start with five per round.

Refine your assumptions and questions in each round. The key is to make sure you're talking to the right people, so multiply this by the number of personas you have or discover along the way. You may want to add a few more in the initial round to get used to the process, especially if what you're researching is rather complex. Additional perspectives on sample sizes:

- One group concluded from an ethnographic study that they created 97% of their research codes within 12 interviews and 94% in the first 6.
- Fifteen is considered the smallest acceptable sample in a 1981 paper on sociological research by Daniel Bertaux
- An MIT research paper on Voice of the Customer recommends 10–30 interviews that produce 75–150 statements
- A 2010 survey of 560 qualitative research papers revealed an average of 31 sources, but a wide range from 1–95 interviews

You data geeks can start to get into confidence levels, Z-scores, and sampling errors as you start to get into more quantitative testing, but one thing is for sure: **zero interviews yields zero customer insights.**

Setting up the Interviews

- Customer interviews are best conducted in pairs, with one person fully engaged with the customer and a second person taking notes and observing body language and what's not being said.
- If you're talking to an existing customer, leverage someone who has an existing relationship with them (e.g., a relationship manager, branch manager, etc.) to make a warm introduction.
- However, that person probably should not participate in the conversation unless they are a part of your customer discovery process and will be participating in all customer interviews.
- The warm introduction should go something like this: "We are always looking for ways to improve our products and increase value for our customers. Would you be willing to spend a little time with my colleague so she can better understand the jobs you need to get done and anything we could improve?"
- Live face-to-face meetings are preferred so you can observe nonverbal cues, but you can also conduct interviews over video, if necessary, especially for social distancing.
- It helps to record customer interviews so you can capture everything and be able to refer to it later, but be sure to get the customer's permission first.
- Phone interviews are better than nothing but should be scheduled only if there are no other alternatives.
- Choose a comfortable location with a minimum of distractions and offer drinks (coffee, tea, water, soda) and maybe even some light snacks if meeting live.
- You may want to offer a small gift card as a token of appreciation and to recognize the value of their time.

Sometimes it's helpful to talk to non-customers, especially if you're trying to reach a new customer segment. You can use the social networks of your team to find people to talk to, or you can place ads on Facebook, Google, Craigslist, etc. The team from Google Ventures uses this method regularly, and they describe their process in the book Sprint: How to Solve Big Problems and Test New Ideas in Just Five Days

First, you'll write your generic ad. You want to be sure you don't reveal what you're testing or the kind of customer you're seeking. We offer a small stipend or token of appreciation—usually a $100 gift card—to pique the interest of potential customers. Post in the "et cetera jobs" with something like this:

$100 customer research interviews on August 2 (San Francisco)

I'm scheduling 60-minute research interviews in San Francisco on Thursday, August 2.

Selected participants who complete the interviews will receive $100 Amazon gift cards. Please complete this short questionnaire. Click here.

As you can see, this ad could be about anything—coffee, robots, coffee robots, whatever. A generic ad in a big city may attract hundreds of applicants, so with the right screener, you'll be able to find five people who fit your customer profile.

Write a screener survey

The screener survey is a simple questionnaire for interested people to fill out. You'll need to ask the right questions to find the right people. Start by writing down characteristics of the customers you want to test with, then translate those characteristics into something you can discover with your survey. Do the same thing for characteristics you want to exclude (for example, people with too much expertise in your industry).

Knapp, Jake; Zeratsky, John; Kowitz, Braden.Sprint:How to Solve Big Problems and Test New Ideas in Just Five Days. Simon & Schuster.

During the interview

- Explain that you are conducting customer research to better understand how your bank can better address their needs and challenges

- Use the questions you prepared in advance to guide the conversation, but do not focus on just completing the list, think of it as an engaged conversation with someone very interesting, because it is!

- Keep an agile mindset and be open to new or unexpected information

- Watch/listen for and capture notes on customer reactions to specific questions to indicate importance through voice inflections or nonverbal cues. Listen for what is not said directly and drill down on the most interesting/emotional responses to identify root causes.

- Also look for any kind of workarounds the customer might use - anytime they need to do something before, during, or after they use your product can yield important new insights (e.g., if they download the data into a spreadsheet, how do they sort and analyze the data? Do they combine it with other pieces of information?)

- Summarize and validate what you're hearing with language *like "If I understand you correctly...", "What I hear you saying is..."* etc., to make sure you're capturing the spirit and not just the words of what they're saying, and give them the chance to correct, clarify, or expand their answers.

- As you're wrapping up, ask *"What did I not ask you that I should have asked?"* Quite often you will hear great questions that you didn't think of (and that doesn't mean you did anything wrong or didn't plan enough!)

- Also ask *"Who else should I talk with about this to learn more?"* This could be additional people involved in the process/product in their company or household, or it could be other people like them from other companies or households.

- Thank them for their time and their candor.

- Compile and synthesize your notes after all the interviews to build a strong thesis for further testing (e.g., lightweight prototypes, etc.) to develop a functional specification before deciding how to best meet those requirements by building or buying a solution.

A few Don'ts:

- Don't sell anything, no matter how well your existing products meet their needs
- Don't get dragged too deeply into discussing service or product issues. Take note and have someone follow up with them separately.
- Similarly, don't explain how your product already does the job they say they need to get done or relieves the pain point they say they have. Again, take note and have someone follow up with them separately.

A Final Note

Don't take anything you hear personally, remember it is all valuable data.

About Alloy Labs

Alloy Labs is an ecosystem of community and mid-size banks working together to develop insights that drive partnerships, product development, and strategic investments to better serve evolving customer needs and win in a rapidly changing world.

- ***The Alloy Labs Alliance*** *is a consortium of banks from across the country with combined assets totaling nearly $500 billion, giving members the insights and resources of a top 10 bank*

- ***The Alloy Alchemist Fund*** *is a strategy-led venture capital fund where banks gain inside access to game-changing fintech companies who are reinventing, not just replumbing the industry*

- ***The Alloy Labs Institute*** *applies industry-leading best practices, tools, and frameworks to help leaders counter disruption risk and unlock new sources of growth through custom programs and advisory*

We aggregate insights from every node, and each hub is a force-multiplier, creating powerful network effects for the entire ecosystem.