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Qualitative Research for Aiding Innovation

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Taking an EXPANDED View of Customers' Needs: Qualitative Research for Aiding Innovation

Social value-focused interviews can uncover customers' real desires for new products and help yield critical insights for innovations.

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Marketing practitioners and theorists have recognized the limited ability of marketing research to generate innovative product concepts. A common complaint of managers is that marketing research does not allow them to decide whether a radical innovation will succeed in the marketplace or not. Consumers can discuss potential innovations in focus groups and respond to surveys, and the results will be repeatable. But managers still feel as though the results are insufficient to understand what consumers will do. In many cases, a product has failed even though extensive research showed customers had the need and favorable quantitative concept tests showed the product met the need. Other times, competitors have been able to innovate in so-called saturated markets where management believed that no need existed for a new product. Therefore, most managers end up believing that managerial intuition is better than customer research for the case of innovative concepts.

Most market researchers and strategic theorists would allow that the limit has to do with the capability of consumers to say what they really want or to predict how they will really behave. According to Gary Hamel and C.K. Prahalad, "[M]arket research carried out around a new product or service concept is notoriously inaccurate ... and is of little use in helping a company better target its development efforts around emerging markets." (See Additional Reading) With new ideas, technologies, and innovations of any kind—with anything unfamiliar to a particular market—research cannot determine how people will act. Leonard, Wyner, and others have led innovative thinking around research for unknown customer categories. They have shown us the importance of understanding customers' "unarticulated needs" through customer observation and by using more than one conventional technique to

investigate issues that customers will have a difficult time expressing.

In observing market research directed toward new-product generation in more than 100 high-performance companies over the past five years, we have learned that most companies receive weak results because they attempt to listen for one, single consistent voice from customers, one that clearly expresses a need for a particular product. The problem with this approach is that it completely misses a key resource that qualitative customer interviews can provide. Namely, research can identify those areas in customers' lives related to a product category where customers express conflict or ambivalence. Such ambivalence covers not only what they need from the product category, but also their goals and the meaning they receive from the category in the context of the rest of their lives. These ignored expressions present opportunities for producing market-creating innovations that most companies today overlook.

In this article, we first present an expanded view of customers' needs that will allow researchers to explore the conflicts among certain kinds of values since these conflicts lie behind the ambivalences and inconsistent expressions. We then present techniques, which we call "Articulative Interviewing Techniques," that can be used along with customer observation and other market research techniques to uncover value conflicts. Finally, we show how findings from articulative interviews can be used to design innovative product concepts. Managers do not need to rely on intuition alone; customers can in fact reveal quite a bit about the directions in which they are changing and, consequently, about new products they will bring into their lives.

EXECUTIVE SUMMARY

Market research is limited in generating innovative product concepts because of the consumers' inability to say what they really want or how they will really behave. Our work shows that research can generate successful product concepts by focusing on consumers' ambivalent and confused expressions. "Articulative Interviewing Techniques" reveal the conflicts among "orienting evaluations" that lie behind ambivalent and inconsistent expressions. Market researchers and managers can, in turn, use conflict analysis to produce successful, new product concepts.

SOCIALLY DRIVEN ORIENTING VALUES AND CONFLICTS AMONG ORIENTING VALUES

A different approach to primary customer research, particularly interviews with customers, can help managers design strategic, market-creating innovations with which customers have no experience. This approach enables researchers to gain insights about the conflict among what we call "orienting values" that emerge through social change.

Orienting values, a term based on the work of philosopher Charles Taylor, are a class of values that people hold. We draw the term "orienting value" from his term "strong evaluation." The term value here is not being used in an economic sense, but rather in the philosophical sense. An orienting value is one that orients our general sense of a worthwhile life, one that is socially estimable or not estimable. A person might value the pleasure of owning and wearing a certain skirt, but is unlikely to orient a life around that. Being a serious professional, however, might be one value that orients a person's life. Other values such as the pleasure of a hot red, satin skirt would be evaluated and acted on in relation to the orienting value. Unlike other values, orienting values are bipolar. The opposite of an orienting value is inestimable or unworthy and experienced as contemptible or disgusting. A professional person is disgusted by her lapses into unprofessional behavior. A person who seeks to be cutting edge rejects all that is not cutting edge. We will not discuss these philosophical views here in detail; our point is that market researchers can learn a lot from exploring orienting values and how they change for understanding consumer behavior.

The orienting values that customers hold change with history. Let us look at the changes in orienting values that affected how people esteemed cars in the last two decades. Few would doubt that the BMW was the upper-middle-class car of the 1980s, meaning not that BMWs brought in the most revenue but rather that BMWs represented the standard against which other cars were judged. The BMW was the high-performance, optimizing car. Desiring a BMW was worthwhile because it showed that a person cared about the orienting value of high performance. In the 1990s, however, sport-utility vehicles such as the Range Rover and Jeep Cherokee became the ideal cars. These cars

bring out the orienting evaluation of flexible optimization. They are still high-performance cars, as high performance still matters in many domains of our lives (such as work). But these cars also reflect today's more flexible lifestyles; they reveal multiple personal roles such as relaxed family member, adventurous hiker, and high-performance career person.

Customers will often hold conflicting orienting values. Such conflicts reveal how customers are changing and hence offer insights into innovative offer concepts. We can easily see how being responsible can come into conflict with being free. Desiring a Honda Accord is good because it allows a person to feel responsible, but a Ferrari is good because it lets the driver feel free. The Mazda Miata was one response to this conflict. It was responsible enough in price, quality, and gas consumption and yet allowed the freedom of taking off in a roadster. Successful breakthrough products resolve these conflicts.

ARTICULATIVE INTERVIEWING

The best method market researchers can employ to listen for and to identify key conflicts in orienting values is a practice of qualitative group interviewing called articulative interviewing. We call this interviewing articulative because it draws interviewees to articulate orienting values and their inherent conflicts, which might otherwise seem inexpressible.

Articulative interviewing, unlike standard consumer research, is structured so as to elicit narratives as opposed to the factual truth. Standard focus-group interviewers attempt to design interviews to generate "objective" results, which, for investigating consumers' relationship to products with which they have experience, are crucial. However, in articulative interviewing the point is to uncover what consumers find worthy and unworthy in their lives, and the best source of this material is the narrative matter that participants provide about how they live in particular roles and in certain domains of activity. Whether these narratives are accurate or populated with small infelicities, narratives reveal the values that participants esteem or dislike. As interviewees tell their narratives, they also get themselves and others in touch with the important roles that they play. So their conversations become increasingly molded by the values relevant to the product category.

EXHIBIT 1 Expanded view of customers' needs



EXHIBIT 2 Listening for value conflicts:
Articulative interviewing



Narratives enable articulative interviewers to raise questions about the parts of the story that were left out and tend to bring out expressions of conflict. The past-present-future structure of a narrative allows the researcher to identify which values are changing. By asking the participants about the context of a story, the interviewer brings the participants to describe how the different roles they hold are in conflict and produce seemingly insoluble dilemmas.

Most conflicts among orienting values can be identified by exercising four basic listening and analytical techniques for identifying orienting values and four other techniques for articulating conflicts among orienting values. As a practical matter, identification of orienting values takes place best in one-to-one interviews. In practice, it is best to begin such interviewing by finding an informant like the kind anthropologists use. An informant knows the product category well, has a wide range of friends in the segment to whom he or she gives advice, likes talking frankly about the product category, and is sensitive to the differences in understanding between him or herself and the researcher. Once one-to-one interviews have uncovered orienting values, group interviewing is best for getting at shared social conflicts in orienting values. Groups assembled by the informant work best. The informant serves as the investigator's connection to the group of customers being interviewed and draws together acquaintances who already share similar orienting values. With such a group, trust is quickly built, and, consequently, authentic life narratives are revealed. Ideally, the group should be small (three-five people); the interview should last one and a half to two hours; and the researcher should take steps to ensure that [the] group shares a trust-building level of similarity.

By understanding these techniques, strategists, managers, and market researchers can take lead roles to produce market-changing innovations in products and services. Ultimately, listening to value conflicts is a visionary skill that should be developed in the strategic and marketing areas of an organization.

FOUR TECHNIQUES FOR IDENTIFYING ORIENTING VALUES

Technique 1: Question the obvious and listen for difference. Standard market research is meant to be objective, investigators are supposed to keep any preconceived assumptions they may have regarding their interviewees from interfering with the interview process. However, researchers cannot identify their interviewees' orienting values in a value-free or value-neutral way. So they learn rather to identify which of their own values they will use to identify their interviewees' values. The interviewer's recognition of his or her own cultural or subculturally distinctive values makes the differing values of others intelligible in the first place. For instance, in interviewing parents from different cultures and economic classes, we have learned that all parents will claim something seemingly universal: "I want what is best for my children. And that is that they do well in life." What this means, however, varies greatly. By listening for difference from our own orienting values and thereby questioning the obvious, we were able to learn that, in middle-class Mexican culture, "doing well" means visibly achieving the next economic class status without regard to calling. In low-income Mexican culture, "doing well" means that the children will have their own home without regard to whether it came by good fortune or hard work.

We have been able to identify the significantly different shadings of "doing well" among different economic groups in Mexico by simply questioning the obvious American meaning of "doing well," that is, achieving one's dreams or being fully independent. An interviewer who assumed that individualism was part of human constitution would miss the point of what "doing well" meant to Mexicans. Another example from newly arrived Mexicans is their response when asked what they miss most about Mexico: "One feels free in Mexico." Taken as a straight response, a U.S. interviewer might understand freedom to mean spontaneous independence or the desire to do what one wishes. However, upon listening for difference, a listener would understand that dedication to family and friends, not independence, is precisely the Mexican way of experiencing freedom. They might say, "There is a lot of time left over in Mexico. There is no routine. One finishes work, and walks over to a friend's house in the evening."

By acknowledging peoples' tendency to listen according to their own dominant values (such as a love of individualism), researchers can learn to listen to people from other cultures and subcultures. To uncover a key orienting value (e.g., freedom means dedication to family), an articulative interviewer has to attend to his or her own weaker or marginal values such as family dependence. Listening with these orienting values in mind directs a line of questioning that elicits what is meant by "doing well in life" or by "being free." Thus, a listener can begin to explore how seemingly obvious statements can have meanings that are quite different from the ones the interviewer assumes. Whenever something sounds obvious and right, the

articulative interviewer has to question it and begin looking for the difference.

Technique 2: Study the present. Most conflicts among orienting values arise as social change occurs. Researchers have to determine the nature of the present changes, and the best way to do this is to conduct research on the currently popular exemplars or figures in the culture of interest. Some of this research can be conducted before conducting interviews as preparation. A market researcher could start by looking at the basic cultural domains—politics, education, economics, art, fashion, and entertainment—and ask about the nature of the figures in each. How are they similar? How have they changed from the figures of the previous decade? When interviewing women in their late twenties for new fashion concepts, we learned that the superwoman of the eighties, represented by such figures as Maddie on the TV show *Moonlighting* or a host of career executives, are no longer exemplars for these women. Suddenly, creative, entrepreneurial types became more interesting. But this entrepreneurial creativity is important only in contrast to high-performing intensity. Without the correct contrasting orienting values, the current ones and their stresses are not genuinely understood.

Answers to other questions can be used to build a context for these questions about popular cultural figures. What are the popular college majors or areas of study? What are the hit movies, plays, and TV shows? What ways of doing things do students, entertainment figures, and performances promote? The point is not to see these domains as separate, but to ask what threads unify them. A researcher will also want to distinguish the dominant cultural figures from the marginal subcultural ones. It is important to determine which currently marginal figures are possible indicators of the direction in which the culture is moving.

Technique 3: Know the past. Adequate identification of conflicts among orienting values requires knowledge of the cultural or subcultural background of the participants. In exploring new market possibilities with a producer of building materials in Mexico, we interviewed do-it-yourself, low-income homebuilders to help explore new-product offers that the company could make.

It was evident that these customers had highly inefficient habits for purchasing and using materials, but attempts to sell efficiency-improving products such as bulk-purchase discounts, materials sized according to the average job, and more convenient locations had failed.

In investigating and articulating the historical context, we discovered that do-it-yourself homebuilders gave an extremely high value to dignity and status within the local community. The historical context for this characteristic dated back to medieval Spain when fixed status was preserved by inalienable landholding. In Mexico, status is commonly maintained by participating and contributing to the local town's annual celebrations and festivities. Low-income do-it-yourselfers would typically spend two

month's income on a daughter's Quinceañera, essentially a coming-out party. We also learned that the historical creditors' shame practice of having someone remarkably dressed follow a defaulter around all day was still effective. Maintaining social position was everything, and that made sense of the expensive festivities. It followed that, for these do-it-yourself homebuilders, focusing resources on building one's own family home could count as antisocial behavior while at the same time having a home marked one's status. To see this bind and recognize its power, our researchers had to become familiar with the slow Spanish historical transformation from a status-oriented culture to a transactions-oriented culture.

Technique 4: Learn the descriptive vocabulary. Prior to jumping to any conclusions about a particular customer group, it is necessary to become familiar with the local modes of characterization. In particular, careful listening needs to identify a subculture's "descriptive distinctions," which are the terms that people use to talk about what is important.

In our investigation of new fashion concepts for women in their late twenties, we elicited the distinctions of "hip," "cool," "comfortable," "sexy," "funky," and "sleek." To do this, we could not simply ask consumers why they liked or disliked a fashion product whose nature we thought we understood. Similar verbal expressions across segments or generations are false friends. "Comfortable clothing" can, for instance, ambiguously mean clothes that allow consumers to move easily or clothes that allow consumers to feel comfortable about their bodies. At different times, people value different aspects of comfort. Knowing this, we began our interviews by inquiring about how these women dressed for different occasions. These conversations gave us the basic vocabulary of descriptive distinctions for successful and failed dressing attempts.

It is important to distinguish ordinary descriptive distinctions that highlight orienting values in particular. Since orienting values are bipolar—meaning the orienting value is admired and its opposite is loathed—an orienting value can be identified by asking for examples of a description's opposite. Again, when customers express contempt or disgust at examples of a description's opposite, the description contains an orienting value. So, to return to the fashion example, when we learned that "powerful" is an important term today, we asked for examples of weakness. Weakness was bad, but not disgusting. When we asked about the opposite of being independent or being true to oneself, we found that cases of giving in, selling out, caring only for money, or families were repulsive. Independence, then, was an orienting value.

FOUR TECHNIQUES FOR IDENTIFYING AND ARTICULATING VALUE CONFLICTS

Technique 1: Listen for resignations, confusions, awkwardness, and contradictions. Researchers often aim to elicit

clearly voiced expressions from customers when interviewing them with respect to new products. As Leonard points out, “customers’ ability to guide the development of new products and services is limited by their experience and their ability to imagine and describe possible innovations.” (See Additional Reading.) Clearly voiced assessments are obviously unavailable when attempting to move beyond consumers’ current experience.

An expanded view of customers’ needs leads researchers to pay attention to resignations, awkwardness, and confusions. Customers show these by declaring, “That is just the way life is” or “It is impossible for me to ever reach that goal in life” or simply by exhibiting an awkward moment and a difficulty in expressing themselves. For instance, while interviewing mid- and late-twenties women to generate magazine topics on career issues, we learned that women in their twenties do not have clearly voiced assessments about careers. When asked about their career choices, they quickly discredited money as a primary issue and instead stressed job and life fulfillment. However, at other moments, when perhaps more in touch with their roles as potentially successful women, they said they would never work for less than \$50,000 a year. A big house, a nice car, and the ability to travel were very important. These later comments, however, slipped out with embarrassment; they were noticeably in tension with the participants’ earlier comments. The embarrassment was mixed with such awkward and resigned comments as “It is just impossible to have it all” or “There just are no fulfilling jobs out there. That is the problem.” Yet, it would be a mistake to conclude simply that both job fulfillment and compensation are primary drivers of career choice. Rather, to resolve this conflict, these women were developing a new way of working. They were becoming job and career shifters. So, articles speaking directly about how to manage such shifts could effectively replace those about ideal careers or fast tracks to financial success.

Conflicts among orienting values also are often expressed in contradictions.

Customers’ awkward feelings conceal not only conflicts among orienting values, but also the emergence of new orienting values. In the Latino market, for example, Mexican immigrant women do not usually express their admiration of “independence.” Instead, they feel awkward when discussing how they have changed in the United States and insist they are still dedicated family caretakers. They insisted they had not changed; yet they admit that old friends see them as liberal when they go back to Mexico. Also, they view Mexican women who have recently immigrated as “very conservative.” When asked about their accomplishments in the United States, they would invariably say, “Just

a year ago I learned to drive on the freeway. Now I can go anywhere.” Other comments could then come in passing such as “The difference is that here, if you don’t want to put up with your husband, you don’t have to. You get a divorce. You don’t depend on a husband because you work. Men are a luxury here.” A bank that listened to the clearest claims spoken with the greatest confidence would promote joint accounts. Another bank that listened to the vexed statements would promote products for financial independence. Both, however, would heighten the conflict. Financial offers that resolved the conflict between dedication to family and independence would create new possibilities for living, new drivers, and new markets.

Conflicts among orienting values also are often expressed in contradictions that occur at various moments of discussion. To return to the fashion example, women contradicted themselves over how they feel about wearing suits. When “the suit” first appeared in the conversation, the participants described the suit as something they “had to wear” but would not wear otherwise. Instead, they would choose to be “hip” or “funky.” The suit—and in particular the eighties power suit—projected an image of a woman who is “power-driven,” “predictable,” and “uptight” (characteristics these women had identified as contemptible). Later in the conversation, when discussing how they wished to feel at work, these women described how suits enabled them to feel as if they were being taken seriously. As individuals in the group put it, “When I’m wearing a suit, others focused on me and not what I’m wearing,” or “I felt together once in a meeting with a suit on.” Although the respondents clearly contradicted themselves, the contradiction provided an important insight: being a coordinated, together person mattered as a value as much as being cutting edge or “hip.” Wanting to be hip and wanting to be taken seriously turned out to be the primary orienting values that come into conflict in this segment’s professional life.

Technique 2: Listen for invidious distinctions and self-righteous expressions. We use the term “invidious distinctions” to describe terms people use to distinguish others in a way that implies a slight. “Self-righteous expressions” are expressions customers use to designate customers’ descriptions that characterize the group in which they identify themselves by reference to the seeming inferiority of another group. Invidious distinctions and self-righteous expressions usually indicate conflicts among orienting values. A participant who uses an invidious distinction usually either feels drawn to the inferior value or is unable to maintain the superior one. This failure of confidence does not grow out of ethical incompetence so much as by the pull of the inferior value. In the U.S. Latino market, the women wanted to claim they were just like any other traditional, family-oriented woman in Mexico, and that they had not adopted the “loose” practices of American women. However, they later repeatedly stated that they were not like those “conservative, shy, newly arrived immigrant women who allow their husbands to dominate them.” These dis-

tinctions allowed us to see that being independent from one's husband was a new orienting value that conflicted with the traditional orienting value of being a family-oriented woman. The women were trying to live by both.

Another conflict among orienting values in the U.S. Latino community came out through invidious distinctions. Latinos who cared about festive magnanimity would say such things as "those Latinos that think they can just take care of themselves. That is not right. Sure they go to college and have their fancy cars, but I bought a home for my mom in Mexico." On the other side, those who cared for promoting the nuclear family would say, "My husband and I have had big disagreements. When he wants to send money to his brothers in Mexico, I say 'What about the girls? We have to leave something for the girls.'" The former righteously suggests that Latinos who go to college and have nice cars leave their mothers homeless. On the other side, those who take care of their Mexican relatives do not even take care of their daughters. Frequently, the same people were on both sides. A financial institution that could resolve this conflict with regular and automatic savings and money-transfer plans would appeal to and develop the financial capacities of such customers. This offering would be more effective than ethnic advertising about family values or treating immigrants as though they simply want U.S. independence.

Describing the life roles in which conflicts are experienced is critical when designing new offerings.

Technique 3: Identify the roles the consumer plays in relation to the product category. Qualitative customer interview research often treats group discussions of issues related to their personal lives as distractions not obviously related to the product category. An approach that investigates conflicts in orienting values, however, uncovers the particular social roles that customers play in their lives. Take, for instance, the conflict between being responsible and loving carefree excitement. This conflict is directed at such roles such as being a particularly responsible family man or woman and being an adventurous individual. How can being a free, adventurous individual not violate being responsible in the domain of family? One way, as we already suggested, is to purchase a sporty-looking car that does not guzzle a lot of gas or require costly insurance and is not outrageously priced.

Although conflicts among orienting values can sometimes be uncovered without noting the roles in which they occur, describing the life roles in which conflicts are experienced is critical when designing new offerings. In the fashion interviews, we learned women in their late twenties

were conflicted between the values of being taken seriously on the one hand and of "risk taking" and "working for themselves" (being hip) on the other. The disintegration of career life was so complete that their new productive role could be characterized as project work (moving serially from interesting project to interesting project) or portfolio work (having a portfolio of projects all at once).

If a designer only heard the conflict between the orienting values of seriousness and hipness, he or she might well focus on developing evening-like clothes that display distinctly feminine seriousness and hipness. But learning about the new nomadic work role, the designer would see the conflict as regarding the desire to dress with the casualness, autonomy, and independence of a female Steve Jobs without appearing girlish.

Finally, roles change. For instance, most consumer-goods companies in Mexico categorize their customers as middle-class "housewives" who buy such food as cold cuts for the family. In our interviews, we learned that, in describing their activities, women did not see themselves simply as housewives. Instead, they saw themselves as family improvers or class climbers who did everything from taking classes to improve themselves to having coffee in the evening with the "right" people. They were particularly interested in ways to reduce the time spent cooking, and they did not want to live as their mothers had. Feeding their children ham and hot dogs, rather than tacos, was part of the class-climbing activity that required less time in the kitchen and gave their children food that seemed more international. Most cold-cuts producers, however, believed that price, followed by freshness, was the main purchasing driver for hot dogs. Identifying the class-climbing activity allowed us to see the greater context in which serving hot dogs to the family made sense and led us to direct our line of exploration toward the conflicts among orienting values produced within the new class-climbing social role.

Technique 4: Eliciting defining narratives of life changes. Listening for conflicts among orienting values requires leading the discussion away from a product focus to a conversation about defining life changes in general. A narrative that reveals the values that have oriented customers' lives can be elicited by asking how a certain orienting value may have guided a person in the past and how it does so now. From here, the researcher can elicit the way in which values are changing.

In the fashion case, we learned at some point that "being taken seriously" oriented many of the activities and roles that customers described. When asked how this value appeared to these women as undergraduates, they reported that, back then, they thought their careers would mean everything to them. Being taken seriously meant being the kind of person who would do anything to get ahead in a career. But, as they began working, a new orienting value arose, living a balanced, "quality" life. Living in accord with this orienting value required having a family, engaging in healthy physical activity, taking vacations, and being a

serious person. Having elicited such an account, an investigator would need to listen for how much “being taken seriously” has really changed for participants and how they dealt with the stress of needing both to be “taken seriously” and to have balance. Again, the most useful questions would be crafted so as to extract supplemental narratives of change. Important questions would be “Where do you see your professional lives moving in the future? What do you wish you could keep from the old way of being serious? How does having a family fit in? How do you view yourself in comparison to your mother?”

Similarly, in the case of the middle-income Mexican women, we heard they cared enormously about education, even if they didn’t necessarily pursue the careers they had trained for. When we asked them whether their mothers had cared about education, they told stories of how their mothers had worked hard and how they had imitated that hard work. When we asked what their mothers thought of their daughters’ education as opposed to the hard work in the home, we found that these middle-class women were often on the defensive. They still cared about the hard work of their mothers and were not sure that they were living up to this orienting value with their “educated” lives. Ultimately, we saw that, although they wanted to simplify cooking so that they could pursue “educated” class-climbing activities, they could not turn their backs on the orienting value of hard work in the kitchen. Meals that at least looked and tasted as if they had worked all day to prepare them would appease the conflict.

GENERATING INNOVATIVE CONCEPTS: BRIDGE PRACTICES

Once conflicts in orienting values are uncovered, a researcher can begin to aid in innovation directly. This process works best with the help of an interdepartmental team that includes a senior manager responsible for strategy, a manager responsible for execution, and designers or product developers. Business modelers and marketers responsible for customer experiences also play key roles in such teams.

The research begins by finding those ad hoc, unsystematic practices that customers have adopted to cope with the conflict. Innovation comes from improving these practices to make them more effective and turning them into recurrent processes to produce a solid business offering.

For instance, in researching the conflicts of Mexican immigrants in the U.S. with household incomes between \$28,000 and \$50,000, we found a series that grew out of the basic conflict between the Mexican festive life and the independent, planned, vocational life of the United States. Typical conflicts among orienting values included festive freedom vs. planned disciplines, fate vs. vocation, seeking patronage vs. learning new skills, dedication to family vs. independence, and so forth.

Three bridging techniques could serve as the basis of the innovation. First, many Mexican immigrants bridged love

of family with love of independence by setting up two bank accounts, one they shared with their spouse and a second private one. In particular, this technique enabled secret gifts to relatives in Mexico. However, it left its practitioners feeling guilty. Second, Mexican immigrants loved career ladders. These bridged a number of conflicts, for instance, between festive freedom and planning a life, respecting fate and dedicating oneself to a vocation, getting ahead through a patron and learning new skills. The career ladders enabled Mexican immigrants to discipline themselves and plan for only the next step and then take time off to enjoy festive freedom upon achieving it. The ladder prevented them from having to acknowledge that they were dedicating their lives to a certain path, while it enabled them to treat the ladder as a gift of fate. They could also always treat the most recent teacher or boss as a patron who encouraged them to learn the skills for the next step. Third, we found these recent Mexican immigrants to rely heavily on word of mouth and to enjoy discussing in festive groups the relative merits of certain actions. Some people, who lacked the distinctions for speaking about the stock market, for example, had given all their money to a friend to invest in a particular company because they were told “it’s the right thing to do.”

We can see how the first bridge technique could be regularized into a family money-market checking account that was shared by the heads of the household. This account could also include “independent,” satellite checking/savings accounts for each joint-account holder and for other members of the family (both in Mexico and the United States). Such a system of accounts would help resolve the conflict between independence and festive family unity. The account also could be designed so those consumers could feel they were climbing a ladder. After holding the account for a certain amount of time, it would graduate to a next step, at which certain low-interest loans become available. The next step would offer another benefit, say, a set of investment tools such as blended mutual funds that promise a base return with market exposure with some upside potential, REITs, and so on. Finally, the last value conflict could be addressed with a new channel such as a Mexican-American advocacy organization or credit union with newsletter in which members could report on the right things to do with their money. Financial products such as the family accounts would be sold through this channel.

This innovation aims at developing the financial capacities of Mexican immigrants. Innovations deriving from resolving conflicts among orienting evaluations open new possibilities for customers to act on and consequently help them develop new habits that make them better customers. This penetrate-and-develop strategy that derives from these innovations differs markedly from the skim-and-wait Latino strategies of most financial institutions who seek to gain profitable market share of higher-end Latinos by exalting family values, offering literature in Spanish, and offering no-fee products.

RESEARCHER AS PARTNER TO INNOVATOR AND STRATEGIST

Customer-oriented innovators and designers have long been sensitive to the power of insights that come from talking to customers. Without their full awareness, many widely diverse kinds of entrepreneurs have engaged in the techniques described above to produce innovations. The founders of the company ROLM invented call forwarding and other innovative voice-distribution technologies by bridging the pre-high-tech conflict between managing the business from the office and going out to spend time with customers. Anita Roddick's Body Shop arose from bridging the '60s and '70s conflict between appearing attractive and feminine dignity. This article shows that entrepreneurial intuition can be usefully coupled with customer research. Listening to value conflicts and finding bridge practices leads to the consistent production of innovations. By identifying conflicts in orienting values, managers can note how customers change. Developing offerings that resolve these conflicts opens new possibilities for action for customers and thereby helps companies deploy strategically superior business models that focus on penetrating old markets and developing customers. Since this kind of research also leads to innovations that transform product categories, it enables senior managers to focus designers and product developers on innovations that will penetrate seemingly unprofitable or saturated markets.

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