SUBSCRIPTION ENTREPRENEUR

HOSTED BY ERIC TURNNESSEN, FOUNDER OF **membermouse**™

Everything You Need To Know About Customer Research with Jen Havice

"It's really about getting insights into what your customers struggle with the most, their desired outcomes. What's keeping them from purchasing or signing up? The thing is, if you at least do some customer research, you're upping the likelihood that you're going to be making better decisions."

INTRO:

You're listening to Jen Havice, my special guest on today's episode of The Subscription Entrepreneur Podcast.

I'm so excited to share our conversation with you because Jen is an author, messaging strategist, and marketing consultant who works specifically with mission-driven membership and subscription business owners.

She's an expert in conducting critical customer research and turning her findings into compelling messages that speak directly to the needs, wants, and desired outcomes of your market.

In our conversation today, we dive deep into the world of customer research and explore what it is, why it's so important, and how you can implement it in your business.

Jen is full of practical insights and openly shares her strategies, methods, and even the specific questions you can ask to get in perfect sync with your prospects.

So, if you've ever wondered how to create the sort of messaging that attracts, converts, and retains your best customers, this episode is for you.

As always, I'm your host Eric Turnnessen and this is Episode 164 of The Subscription Entrepreneur Podcast.

Eric: Hey, Jen. Welcome to the show.

Jen: Hey! Thanks so much for having me. I really appreciate it.

Eric: My pleasure. I am sitting here right now, looking at a picture of you with your horse. What's his name? This one's the brown one.

Jen: This is Ben, my dressage horse, big gelding.

Eric: And you have a couple of them?

Jen: I do. I also have a quarter horse that was trained to cut cows. So, we will play with cows once in a while, and she's sort of all-around horse.

Eric: Very nice.

Jen: And then I'll do dressage with Ben.

Eric: What is dressage?

Jen: Think of it like... I don't want to say ballet, but it's when they do figures in the ring.

Eric: Okay. Yeah.

Jen: It's not the jumping. They're doing different movements, things like flying changes. And what you're really trying to do is just get the horse moving correctly.

Eric: It's really interesting. It sounds like what we're going to talk about today and what we're going to talk about is the importance of customer research and effective messaging for membership and subscription businesses. But the reason I say that is I just got this image of in order for that horse, who's in a lot of ways a separate being from you, to get those types of delicate movements, you have to start with a deep understanding of them first. Right?

Jen: Absolutely. And it's one of those things where there needs to be a well thought out progression. So, there really aren't any shortcuts to training horses and moving them up the levels. Yeah. It's similar with any part of your business, marketing, whatever. When you get into those tactics and just throwing things up against the wall to see what will work, it's never terribly effective. And the same thing applies to animals in general training, but particularly with horses, just the fact that you're trying to sit on these things and get them to do what you want them to do.

Eric: Great. Well, before we get off and running here, can we take a step back and just have you tell us a little bit about your background and give our listeners the high-level view of who you are and what you do?

Jen: Yeah. I've been working in online marketing for, gosh, about a decade now, and specifically with copywriting. I started out with writing online content and then quickly moved into learning about conversion optimization and the nuts and bolts of the marketing end of things. And from there I really gravitated towards doing the customer research specifically because I just love figuring out what customers are thinking about, what their needs are, what their hesitations to

purchase are. It's kind of like putting together a puzzle, kind of going out and doing field work and figuring out where the stumbling blocks are, and why things aren't working.

And so, that I applied to the other thing that I really love, which is subscription businesses. I'm a big fan of the model and I belong to so many subscriptions, like most people. And so, it's just been this fun joining together of these different things that I really love doing, which is the customer research and the messaging and getting to the heart of what the customer journey is, then also applying that to recurring revenue businesses.

Eric: Perfect. And there's this great line buried in one of your blog posts. And I think it gives us a great entry point into what we'll talk about. And it is that customer research is still the kale that nobody really wants to put in their marketing or product development smoothie. And so just so we're all on the same page, side note though, I actually like kale.

Jen: I do too.

Eric: I put it in my smoothies, but I understand the sentiment. But just so we're all on the same page, how do you define customer research? And why is it so important for membership and subscription businesses?

Jen: Customer research from the perspective of what I do specifically around messaging and online marketing, it's really about getting insights into what your customers struggle with the most, their desired outcomes. What's keeping them from purchasing or signing up. And generally, I do that through qualitative means, which are things like surveys and interviews and qualitative research really helps you understand the why behind what's happening with your customers, or where the problems are if you're talking about a website. Whereas with quantitative research, those are things like Google analytics, looking at the different types of analytics that you have and the data to figure out what's happening, but the problem with that is it doesn't tell you why. So, I like to lean into the qualitative aspect as much as possible.

Eric: In your book, Finding the Right Message, you go into a lot of detail about the two primary modes of customer research, and one could be called active or direct customer research where you're surveying or interviewing your customers directly, as you just mentioned. And the second could be called passive indirect customer research, where you're looking for insight into your customers through review mining or on discussion forums. Can you share a bit more about these two different approaches? Is there a time and place where one method is preferable to the other?

Jen: Yes. When it comes to doing, as you say, active customer research, I think of that as directly talking to your customers. So, that's getting information straight from the source. When we do this, ideally you talk to customers who have been with you for six months or less. They tend to be the ones that can give you better insights into why they came in the first place. Sometimes if you interview customers that are been with you for four years, while there's nothing wrong with that, depending on what type of information you're trying to get and what

you're attempting to learn, they may not be as helpful about remembering the initial struggle or what were maybe some of the stumbling blocks to getting started with you. And so, as far as doing that type of research. Ideally, you're conducting interviews with customers.

You're surveying, if you've got an email list that's fairly substantial, you can email them and get answers directly from customers or prospects. And then as far as the quote unquote passive customer research, that's doing things we like to call message mining where you're going in to places like Reddit, or if you're a SaaS tech business and you've got reviews on Capterra, or a comparable solution, or you could go on G2 Crowd or any place where there are a nice big bank of reviews. And you can go through those, even if they're not for your own business, but they're comparable businesses. Go through and find out what are people struggling with? What do they love or hate about these types of solutions? And message mining on review sites, places like that, is a wonderful way to get snippets of copy that are really memorable. That's a great place for mining interesting bits of copy from customers that would be like your customers.

Ideally, you always want to talk to your own customers first. That really helps you pinpoint what's most important to them. And you can come up with a hierarchy of messages for your own site or email campaigns, whatever. But being able to go and look online and find some of these testimonials or reviews elsewhere sometimes is a nice stop gap if you just don't have enough of your own customer research. And again, like I said, it can give you really great bits of swipe worthy copy that you can include in your own copywriting. And I also see it as one more way to triangulate the research. It's just, if you're able to pull information from as many different places as possible, it's just a great way of helping you fully understand what maybe prospects who are using similar types of solutions are struggling with and how that compares to your own customers.

Eric: When is it time for a business to start thinking about customer research? Is it something where you have to get to a certain size before it makes sense?

Jen: No. And I think that's one of those things that people, they sort of dismiss like, "Oh. You know, we're just starting out. We don't have time for this."

Eric: I don't have time for kale.

Jen: Yeah. Exactly. I don't have time for kale. I don't have time to be talking to other people. And really, that's not the best way to look at it. Even if you're just starting out, you may not be wanting to put the resources into doing deep dive customer research that a business that's further along would be doing, but you still want to be talking to those people who are maybe your first customers, the people who are showing an interest in your offers, trying to get a few of them on the phone, if possible, and may not be realistic to be surveying a bunch of people, if you don't have a nice chunky email list. But it's something that you really should start thinking about making customer research and talking to your customers a regular thing that you do and part of your internal processes.

Eric: Yeah. I mean, in the beginning, it kind of sounds like it's just more like customer attentiveness, because you're simply, as you get customers in, you're talking to them, making sure they're happy, seeing if there's anything else that they need, things like this. It just seems like a general level of an extension of customer support. Because in the beginning, especially it's important to iterate your business based on the needs of the customers, so this dovetails into that effort.

Jen: Exactly. And I think one of the things that people conflate customer support with this idea of customer success. And customer support tends to be reactive whereas if you're doing some sort of... Even if you don't have a dedicated person to customer success, but you've got it on your radar screen that thinking about how your customers can be successful, that's part of what you do. That's your way of being proactive, and especially with subscription businesses where one of the biggest problems is retention and keeping people engaged and staying with you. And so, if you can be proactive about understanding where people are getting stuck, where they're having problems, when they're starting to disengage from buying from you, using your solution, that's going to help you think of ways where you can be proactively reaching out and helping them find value so that you're not losing them.

Eric: In terms of conducting their strategies for conducting the actual research having these conversations, I know in research, the questions you ask can end up actually distorting the results. Is there any way that you approach the strategy of asking questions? Do you have like a top three list that you ask everybody? How do you prepare for these interviews that you do?

Jen: You always want to have a goal for whatever research you're doing. Know what your goal is, whether that's... You're trying to figure out where people are finding value or where that aha moment is in during onboarding. Whatever that goal is, to understand that so that you can drive more signups. Whatever it is, that along with the objectives, which is whatever you need to learn from what you're doing. That helps to direct whatever questioning you're going to be doing. And in terms of asking the right questions, clearly you want to avoid bias so you want to be asking questions that aren't going to unnecessarily bias the responses, but it's easy to do when you get into a conversation with someone and really these interviews, you should have questions that you want to ask and you need to get answered, but you also need to think of it as a conversation that you're having with someone so that when you do ask a question and they are answering you, you can pick up on certain thread and help to push the person to dig a little bit deeper.

Eric: Do you have any kind of like utility belt tools that you often use? Like tell me more about that or something that you find to help people encourage them.

Jen: You definitely want to be asking follow up questions. So, if you're asking about what was going on in your business or your life when you decided to start using X, Y, and Z, or you signed up for a subscription, let the person start talking about the trigger events that were going on in their life at that time. Because that's really what you want to get at and asking those follow-up questions. You could say something like, "Oh. So, it sounds like you were having problems at

this point. Can you tell me more about that?" Kind of like what you had said. So, yeah. Being able to get in there and keep pulling at those threads that are most important so that you can really get to a deeper why behind what's driving people.

Eric: So, it sounds like a big component of the exercise is from the perspective of the person conducting the customer research and running the interviews is the ability to listen, which is actually somewhat of a skill in short supply in a lot of times. You of course have a lot of training that's not only from the customer research side of things, but because of your work with horses. Right? Horses are used therapeutically with people because of the deeper levels in which they communicate.

Jen: Yes. Horses are incredibly sensitive creatures and they pick up on all of our emotions and they pick up on emotions that we don't even realize are happening. You know, those things that are happening under the surface that you really don't realize are, or you're trying to push down, horses are very good at picking up on that. And so, part of listening to the horse is, in some ways, finding out more about yourself. And so, with doing this type of qualitative research and talking to your customers, it's really the same thing in the sense that you want to be listening and truly understanding what they're struggling with and what they need from you to help them achieve their goals essentially.

Eric: There's an interesting dovetail here that just came to mind because I was imagining, okay, I have a certain set of emotions that I may not be aware of when I go up to a horse. Now that horse will have a way of displaying or effectively communicating that they're sensing something. But me, as not having the experience of working with horses, I may not pick up on that. And I think in some ways, talking to anybody new is like that. I mean, we have a commonality in terms of societally how we communicate, but still people communicate in different ways. And so, I think part of the listening exercise is to not have an expectation that everybody means the same thing when they're saying on the surface the same thing.

Jen: Exactly. And that's why being able to do interviews where you can talk to someone. I mean, I think surveys are great. There's definitely a place for them, but when you can talk to someone and dig a little bit deeper to get an understanding, because let's say you're lucky enough to be able to get feedback from people who have decided to stop subscribing and you can maybe get one or two people on the phone to talk to them about it after the fact. You know, initially people may say, "Well, you know, it was the cost," but what really may be going on much deeper is they just didn't see the value in the subscription.

And getting even deeper, well, why were they not seeing the value? Was there something going on with how they're accessing the solution? Or are there problems on your end as the business with not being able to adequately help these people extract what they need from your subscription? And so, when you can talk to someone and keep digging deeper, you can find really amazing answers and pull out insights that you didn't realize before. It's like, wow. Okay. We really do have a problem with that. We need to figure out... We need to come up with

some plans to effectively counteract some of these things that are happening. So, yeah. It definitely is a matter of not necessarily just taking the surface answer.

Eric: Now earlier you mentioned the aha moment. Now, is this always the goal that you're shooting for in customer research? Discovering the aha moment for the customer?

Jen: That phrase really comes from... And I think of it from more of the SaaS world, but it's completely transferable no matter what type of subscription business you have. But it's thinking about that point when people have just signed up or you've gotten them into a free trial and they've got 14 days to try it out before they're going to move to paid. And it's really figuring out that moment of first value. So, what do people need to do with your solution or your product or whatever it is to get that initial win where they think, wow. I can't believe I lived without this before. Or this is so great. I can see using this consistently going forward. So, being able to figure out that trigger or that moment, something that they need to accomplish with the help of whatever you're selling is super valuable because you want to get people to that point as quickly as you can, or as quickly as it makes sense, because that's really where the light bulb goes off in people's heads.

Eric: Now the title of your book is Finding the Right Message. And so far, we've talked a lot about, I think, the process that leads up to the possibility of crafting the right message. So, once we've done some research and we've had some understanding of the things that we've talked about, what do we then do with that in order to change things about our site or our servers or product or whatever?

Jen: So, conducting the research, especially as far as my little world is concerned, not that you can't apply a lot of these things to product research, but specifically with messaging. And I've created a whole framework to think through it, but you want to be extracting information from that research to understand what the main struggle is for your customers. Where are their hesitations for purchase? What do they feel differentiates you from the pack? All those kinds of things.

And so, once you're able to lean that information, then you can use it if you've got existing copy, let's say on your website, or in your email campaigns to go back in and see where you're missing the mark in terms of, let's say your value proposition, which is really about helping people understand what's in it for them. Like let's say for a website or homepage, or people are landing. They want to know who you are, that they landed in the right place, that you solve a problem that they have, and that you're somehow different or going to be with the outcomes they want to achieve. And so, all those types of things are what you can be pulling out from the customer research. And you can be integrating that into whatever you're writing.

Eric: Right. Because you have all the pre-sales information, the messaging on the website prior to sale, and then that gets them to the goal of converting to a purchase of a free trial or a product. And then after that, we want them, as we talked about earlier, to get to that aha moment where they understand as quickly as possible, the value of what they purchased and

how they're doing it. All of which in order to communicate these things effectively, it's essential to understand how your specific customer is speaking, what problems they're saying they have. So, the problems will tell us, "Okay. What do we need to tell them, pitch to them as quickly as possible so they understand what we offer?" And then will also tell us what our solution needs to be in order to help them as quickly as possible when they do sign up.

Jen: Right. And also, you're mirroring back to them the language that they're using. Think back to we were talking about message mining and finding swipe worthy bits of copy. That might be bits of copy that you're finding in your customer's own words. And you're able to integrate that into whatever you're creating so that they feel understood. It's also about really understanding what people want to achieve, what desired outcomes they want from using your subscription, or your solution, whatever it is. And being able to mirror those back to people really helps them feel like they're being heard and also know that they're in the right place. "Wow. This thing can really solve my problems. And this business seems to be directly in line with what I'm struggling with."

Eric: That makes sense. And we talked about earlier, how you are passionate about subscription businesses and of course a MemberMouse. And I think a lot of people listening to this podcast, they may run subscription businesses. So, are there particular challenges unique to the subscription businesses that they face when attempting to communicate their value to prospects and customers?

Jen: Right. I would say that I don't know if it's necessarily fundamentally any different than other types of businesses, but I think where the big challenge is for subscription businesses is the fact that you've got people on an ongoing payment plan. They've opted in. They've decided that, okay, I'm going to be giving you that $29.99 a month or whatever it is. And the problem is, as you know, there are million subscriptions out there. There are a lot of other alternatives, and it's really easy for people to forget that they have an ongoing subscription when they're not using it. And then it's also easy for them to stop when they do realize that they're not getting value out of it. And so, I think the challenge for subscription businesses, being able to set their customers up for success from the beginning, so making sure that they're getting the best fit customers in for their subscriptions who are going to get the most value out of it, setting them up for success.

And then what ends up getting lost, a lot of times I find, is, "Okay. Great. We've got people in. They are the right fit. They're happy." And then they just sort of let them off into the wilderness and they're not continually communicating with them. And not only letting them know, "Hey. We're still here. Just want to make sure you know. We're around if you have any problems," but also proactively reaching out with different ways that they can find value from the subscription or different ways that they can continue to nurture their subscribers.

So, eventually there may be an upsell that they want to send them, or just a way to feel connected to the brand. I think of Peloton. Something like that, where they do a really great job of making you feel like you're part of this bigger ecosystem of classes and community. And this

is sort of almost part of your identity and that really hooks people in. And they're good about not spamming you with emails, but continuing the conversation like, "Hey. Here's classes that would be interesting for you, or here's a new challenge." That sort of thing.

Eric: Right. One thing, certainly in our business, and I think other businesses similar to ours, maybe content-based businesses. One thing that I think we have a challenge with that maybe others don't, say you're a business that sells chocolate bars. You don't have to do that much to help somebody understand what to do with that chocolate bar when they get it. But for us, as a software product, there is a lot to get to that aha moment for the customer and understand the value. There's a lot of holding and guidance that needs to happen before these types of businesses. Do you have any advice in terms of how to approach that and navigate them to getting value as quickly as possible?

Jen: That's where your email campaigns are going to be really important. And if you have in-app messaging depending on what sort of product you have, what type of subscription you have. But if an in-app is not part of how you communicate with your customers, then it's really about email. And that's where those onboarding type emails come into play, or those free trial to paid type emails come into play, where you're directly communicating with your subscribers and you're helping them understand how to engage with whatever they've subscribed to. How are they're going to get value out of it? And that's really a primary way of doing that. And then beyond that, it's just about nurturing those people and sending them specific emails depending on where they are in their journey.

Eric: I've seen different strategies used or experienced directly or read about, in terms of onboarding, and I've seen things like ES, email sequences, guiding people to videos, guiding people to set up guides, having setup wizards, which include like some sort of visual indicator of how much progress you've made, badge systems, et cetera, et cetera. You know you can get more and more fancy. Do you see that there's a difference in terms of effectiveness for these types of things?

Jen: It really depends on your customers and what they're trying to get out of whatever you're providing to them. I have found though that when you can, gamify things in a way that challenges people, peaks their interest, that's always a great way to not only bring in new subscribers, but also nurture old ones. In terms of getting people to quote unquote that first value or aha moment, it's really dependent on what the specific challenges are. For instance, I have a client that we came up with the retention plan for because people absolutely love the subscription and they absolutely love the video library and all that sort of components of it, but they were seeing a lot of churn in that 60 to 90-day period. And part of the problem was that people didn't really understand a clear path on how to use the videos.

And also like a lot of the videos were very long and people just did not have time to devote to sitting and watching one for 45 minutes. And so coming up with ideas of how can we create smaller snippet videos to go along with the older ones? How can we create some sort of path for people and illuminate that in the emails? But do it in a sort of a fun human type way, that

was something that we worked on and that really helped people more quickly engage with the library and start seeing value more quickly.

Eric: And of course, in order to do that, you needed to talk to the customers. Right? And discover that.

Jen: Exactly. And so, with that, we did a number of different things. They had a very robust email list and people were extremely happy to expound on what they loved, what they didn't love, what was working, what wasn't working, and so we got a lot of information from that, along with things like they have a closed Facebook group where they've got 40,000 members. It's crazy. But people are so engaged with it. So, being able to actually even go in there and communicate with people and the types of questions and comments people had was really helpful.

Eric: That's awesome. I find it's really helpful to hear about other company's experience and how you worked with them. Do you have any other stories or examples you could share? Past work? And how it's positively impacted the client's business?

Jen: One that's website specific, and I've got a case study on my site, but I worked with a colleague of mine and did similar type of thing, figured out where the stumbling blocks were, and the roadblocks were using the quantitative data, the Google analytics, he had gone through that. And then did things like surveys and message mining to figure out why people were having problems and what sort of messaging they needed to see to help them move along the path. And so, what we had found from that, it was actually another video library type of subscription for programmers. And what we found was that initially with the customer journey, the site had been pushing people from the home page to, I don't know if it was like directly to plans and pricing. I can't remember off the top of my head, but it was pushing them further into the funnel than what they were really ready for.

And when we had figured that out, instead we pushed them to more of an informational area where they could get more of a lowdown on what they would be getting from their subscription. And we also included a video. We had the founder put together a video because people just raved about him and how personable he was and him being a key reason why they were signing up. And so just by doing that in the hero section, and then we made some alterations too further down the page. But doing that along with pushing people to an interim page, what we found was that conversions and paid conversions actually went up further down the line, so it was really interesting. It was just a matter of, even though we were creating an extra step for people, in the end, it increased revenue because people were being directed to where they needed to go to get the right information first so that they could make a decision that this was actually a subscription that was going to be worthwhile for them

Eric: There's a similarity between those two stories that I caught on to, which is that ultimately the thing that you did, wasn't a big shift, but in order to get there, you needed to do the legwork. And I recognize this personally, because I know so many times I've just done the little

things I'm like, "Oh. I think this will work." So, I'll try 15 different things, little things, and quote unquote see what works, but really that never worked. But it seems like, at least for my personality, it seemed like the more natural approach to take to solve the problem of how do we get more people? How do we get retention increase? You know, let's try this. Let's try that.

Jen: And, you know, I do think no matter what you're doing, even if you are doing the customer research, you need to have that sense of experimentation and willingness to try different things mainly just to get more information. They may not work right off the bat, but you need to experiment. The thing is, is if you at least do some customer research, you're upping the likelihood that you're going to be making better decisions that are going to hopefully positively impact the bottom line versus just going on gut and making decisions that either don't help you or they negatively impact the bottom line, which is never really what you want.

Eric: I think all this has been super educational for me up until this point. And I just have one final question for you, which is, is there anything that we haven't covered that you think would be valuable for the people listening running subscription businesses to hear about the things that you have experience with?

Jen: I guess maybe this is just a piece of advice or maybe they could think of it as just something that they could do that's really easy. And that is if you are, and I'm assuming all of these people have their email set up, they're probably already doing some drip campaigns, that sort of thing. If you can send out a welcome email where in it you at the end ask people to tell you why they've subscribed or ask people one of these questions that are so helpful to understand, what have you been struggling with that brought you here? Whatever that is, one of those core questions, you'll be surprised. People will respond back and let you know what they're thinking. And I have gotten pushback on that before like, "Oh. I don't have time to be responding to these emails and reading these emails."

What I would say to that is you don't necessarily have to respond to all these emails, but you can't afford to not be reading what these people have to say. And if your business has grown that much where you've got employees, then maybe you need to have somebody that's part of their job where they go through and they read those responses and you keep those as a continuous feedback. But that's just a really easy way, even if you're just solo. You're just starting out. It's just a really easy way to start the process and start getting feedback.

Eric: I love that. That's a great piece of advice. I think if that was the only thing that we covered, that would still be valuable because there's so much impact that that can have. It's one of those things where you think about the quadrant of whether you're going to do something. You have on the top quadrant, it's a low impact, high effort, and then it's in the other quadrant it's high impact, low effort. Right? You obviously want to do the things that have high impact, low effort first. That's exactly what this thing is. It takes no time.

Jen: Right. And I am all for starting that way. There's no reason to be creating a ridiculous amount of work for yourself, but that's just a super easy way to get started.

Eric: Awesome. Well, thank you so much for sharing that. And also thank you so much for taking the time to come on the show. I really enjoyed talking with you about customer research and also about horses. So, before we sign off, just share with us a place, people can learn more about you and find your book.

Jen: I've got a site it's *make mention media dot com*. I'm sure you guys will have the links in the show notes, but you can find me there. You can find me on LinkedIn at Jen Havice. And yes, I do have that book, Finding the Right Message, and it's available on Amazon. Just search and you'll find it.

Eric: Perfect. Well again, Jen, thank you so much for coming on the show.

Jen: Thank you guys. I appreciate it.

OUTRO:

Thank you so much for listening to my entire conversation with Jen.

I sincerely hope you enjoyed it and are walking away with some ideas and insights you're excited to implement in your business.

Many thanks to Jen for coming on the show and sharing so openly from her experience.

To get links to all the resources we mentioned in this episode, you can head on over to SubscriptionEntrepreneur.com/164.

There you'll also find the complete show notes and a downloadable transcript of our conversation.

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