Insights from Lead-users in the Wood Window Sector

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Description: Examination of lead users in the wood window value chain to identify innovative product/service opportunities

Methods: Personal interviews

Data Source: 22 members of the Oregon wood window value chain

Key Findings:

- Lead-user research can help companies identify potential innovations.

- Green building presents opportunities for new product innovations.

- Most window manufacturers do not have a consistent method to collect information from customers and funnel it back through their organization.

Introduction

Lead-user research is a relatively new marketing research technique that has seen little use in the forest sector. Lead-user research is designed to capture not just the needs of the customer in their own voice but also to involve actual users of goods and/or services in their development. Lead-users are those individuals who are on the leading edge in adopting new products and services and who expect to realize the most benefit from these new products and services. This expectation is what drives lead-users to innovate.

Eric von Hippel defines lead-users as those individuals or firms within a user population who (1) are at the leading edge of important trends, i.e. are presently experiencing needs that will later be experienced by many users, in the marketplace of interest and (2) anticipate realizing relatively high benefits from obtaining a solution to their needs and as a consequence may innovate.

Accordingly, the study had the following objectives:

- Identify user-lead innovations/concepts within the wood-window value chain.

- Identify user needs not currently met with existing product/service offerings

Methods

Data for this study was collected through personal interviews of lead-users. Characteristics of lead-users employed in this study were: ex-tensive consumer knowledge and experience in the wood window market, creativity, an innovative personality, and a higher propensity for adopting new products. In total, 22 individuals were interviewed in the following categories: sales agents, installation experts, homebuilders, and architects. Interviews were recorded and transcribed for qualitative analysis and theme identification.

Results

Five primary themes influencing customer product choice were identified: form, function, serviceability, cost, and greenness/ environmental impact. Overall, "cost" was the most frequently identified choice factor.

> It's all about price and…you'd think people looking for an architect would care more about that [gestures to solid wood, true divided light, historic looking window] I go through this battle on almost every single job and I lose most of them because it all comes down to price in the end. But that's just the way it is…they would rather spend the money on a Wolf range even though they don't cook, then put it towards their windows. But that's just the way it and it's just ridiculous…they go for the status symbol. And it drives me crazy. **Architect.**

With respect to "form", aesthetics was the most commonly identified subtheme. For "function" the most commonly identified was durability/exposure.

> I like using wood windows because…their longevity…I've read the average life expectancy of a wood window is 70 years. And you can go down into the Willamette valley near Corvallis and see all these little farm houses with their original wood windows and they're still hanging together, you don't see that with these other things. **Architect**

Finally, the most frequently mentioned subtheme under "greenness/environmental impact was energy efficiency.

We asked interviewees whether window manufacturers asked for feedback regarding their products. On the whole, users indicated that most manufacturers do ask for feedback, however, they also indicated that there is a significant degree of variability in how this information is obtained. The most commonly mentioned method was calls from manufacturers sales representatives to ask about problems, how they liked the products, etc.

Particularly [Company A], [Company F] not so much. We have a rep call from both companies just about weekly. So if we have any issues they get taken care of promptly. And of course we can always call and get things taken care of. And the sales managers typically come around a few times a year to check on things, see how things are doing, present products or new processes. **Sales Agent**

On the other hand, there were cases were respondents felt manufacturers were not particularly open to feedback.

We have to kind of force it upon them, we'll have to give them a call and say hey this does not work we need you to do this better or we need you to provide us with a better ship date or the screens can't be smashed in, so we voice our opinion but never does a manufacturer come and say hey we were just wanting your feedback, let us know how we're doing. **Installation Expert**

Respondents provided a host of ideas for product/service innovations. Following are some examples:

Window structures
- Larger windows that also address wind strength
- Douglas-fir as a standard option
- Use of more traditional designs (simple, well-made)

Window features
- More/better hardware selection
- More cladding color options
- Roll up screens

Design for durability
- Better adhesive between cladding and wood
- Less expensive water drainage system
- Sliders that don't leak

Green products
- Adaptable grids allowing customers to change window look without replacing window
- Use of recycled or composite materials
- Energy efficient products
- Products that allow user to take advantage of natural light

Green building was a theme that emerged early in this study. Respondents expressed very different concepts of what it means to be green:

What we really promote is a home that is so called…sustainable. Something that's really going to last and its built well, I feel that that's…we're doing our part in the green... **Homebuilder**

One of the key things I think about green is no waste…So when I think about being green, when I think about us as a company being green, the first place I start to think of is waste and materials that we're creating and using and what's happening with them… **Sales Agent**

Respondents often mentioned forest certification, LEED certification, and the Living Building Challenge (http://ilbi.org/the-standard/lbc-v1.3.pdf). However, reflecting the immaturity of the market, the primary issue with green building appeared to be the cost:

A lot of people are interested in it but after they get pricing, most people don't do it yet, which is too bad, but I understand, everybody has a budget, in time as more and more people use it the price will come down. But right now when its just used here and here its still pretty spendy. More and more companies are starting to focus on it though, five years ago I don't think more really cared, but now they're finding out that the public does care. **Sales Agent**

Managerial Implications

Perhaps one of the biggest opportunities at present is in green products. As evident from the responses of users in this study, the trend to "go green" has gained a strong foothold in the building industry. With respect to green products, respondents had many ideas for products they felt met the green criteria and were highly marketable.

In terms of green processes, various respondents stated that they wanted companies to practice more environmentally friendly production, such as sustainable forestry, zero waste production, use of recycled content, locally manufactured products, etc. In terms of services respondents indicated that minimizing packaging and waste and allowing for the recycling of waste that is used was of interest. The diversity of green innovations asked for by respondents demonstrates the wide variety of opportunities available to marketers in this area.

Unfortunately our results also indicate that while most firms do ask their customers for feedback, most do not appear to have a consistent method to collect this information and share it with relevant members of their organization, such as the R&D and marketing departments. It may be that manufacturers do not recognize the need for incorporating user feedback in the initial design phase of a project. Previous research seems to indicate that this was the case but that the perspective is changing. Voice-of-the customer research, is a tool that manufacturers should adopt and learn to utilize effectively in new product development.