

Innovative Solutions for Designing for Emerging Markets

A Conversation with Apala Lahiri Chavan
Vice President – Asia
Human Factors International

Innovative Solutions for Designing for Emerging Markets

In this conversation, Apala Chavan talks about the unique approach of HFI to Contextual Innovation.

“There is a lot of opportunity that exists right now in emerging markets because of the nature of those countries. The population is very interested in adopting and using technology. The situation is right for innovation in these markets. I think this is the time to gear up our skills and our ability to do it right, because if we do it right, everybody is going to benefit hugely.”

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“This is the part that is missing—the deep research, the deep dive into the ecosystemic view, and then driving innovation in a systematic manner from this view.”

Apala Lahiri Chavan, VP Asia of Human Factors International, talks about experiences and methodologies of HFI’s Contextual Innovation process.

What's missing in people's understanding of how to innovate for emerging markets?

Most people imagine that any market is going to be very similar to their own market. Most organizations who want to innovate for emerging markets have at least got to the point where they understand there are different volumes of people that make up the various segments in emerging countries when compared to similar segments in the US or UK. Most organizations will do that much research—usually market research—to get the numbers in place.

But this is really just the tip of the iceberg. It's true that the volume of a population segment is important. If you have been successful promoting your product or service with this segment in one country, you may feel it would be a very worthwhile proposition to look at innovating for the same segment in another country. But that segment may be very different in composition, very different in terms of needs and aspirations. So, while the numbers from market research may indicate that the segment can afford to buy the product, the reality may be very different.

This leads up to the much more difficult question. “Who are these people in an emerging country?” Even if they constitute the middle class, even if the numbers seem quite in tune with what was expected—does this group really think and behave in the same way as the middle class that the innovating organization is used to? Maybe the middle class in an emerging country like India, China, or Brazil, or Russia, or more recently Vietnam, Indonesia, and South Africa—maybe this middle class is very different. They may have enough purchasing power, they may actually be larger in size than the middle class in America. But, their motivations, their drives, their blocks, their entire ecosystem may be so different that the innovation that one is thinking about can happen only if there is a really deep and grounded understanding of the ecosystem and what goes on in the minds and hearts of the individuals who make up these numbers which look very good.

So this is the part that is missing—the deep research, the deep dive into the ecosystemic view, and then driving innovation in a systematic manner from this view. This is missing in a big way, which is why so many companies have missed the boat in spite of spending millions of dollars on market research and getting their numbers looking really good.

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“Ecosystem research looks at what it is like to actually live in the location the organization is targeting.”

What is ecosystem research, and how is it different from regular market research?

The most important difference is that ecosystem research answers many of those questions which begin with "Why?", whereas market research answers "How many?" How many people? How much money? These are the kinds of questions market research is very good at answering. However, after you know there are three million people classified in the middle class, then comes the whys. Why is this segment still not using this particular kind of product? Why is this ecosystem not producing a product like the one we are thinking of innovating? All of these whys are answered with ecosystem research.

Ecosystem research looks at what it is like to actually live in the location the organization is targeting. It looks at the environment where these people exist, and the research is carried out in this environment. In other words, it's a first-hand feel of the people, their environment, what influences them, all the institutions that exist there, and the artifacts being used by the target population for whom the innovation is directed. A view of this kind where there is first-hand exploration and knowledge of the ecosystem, is very driven by methods that come from anthropology, methods that look to understand the deeper structures amongst people in a particular culture, the connections between different sub-segments of people, the connections between people and institutions, the connections between issues that are essentially social in nature, but have immense influence over the people.

We need to investigate issues like the way families are constructed, the way hierarchies exist in that ecosystem. Is it an essentially masculine or feminine ecosystem? Is money very important in material form in the ecosystem? What kind of reciprocity exists in the ecosystem? All of these questions are investigated, and, interestingly, since the methods are derived from anthropology—we have to consider the right way to understand people in a certain culture. There is no set formula that can be used. There isn't one set of questions that one can use no matter where one is doing the research. You can't have the same sort of questions and translate and use them in every environment. You can do that when all you need are some numbers.

But when you are trying to solicit very deep insights from the person sitting across the table, and talking about issues that may be very difficult for them to talk about, then you need a more customized approach. That's the magic of the method, the magic of the moment, where a highly skilled researcher sits there

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and uses a method that empathizes, most of all, with that ecosystem, and resonates with the participant. It's a combination of these kinds of things that makes this research very different from market research.

“This larger category of corporations—they are very unaware of what you can achieve with ecosystem research that is fueled and inspired by ethnographic methods.”



Don't most companies that you deal with already do some kind of ethnographic ecosystem research like this?

Interestingly, most companies don't. I can think of two categories of multinationals thinking of innovating for emerging markets. There are companies using incremental innovation or completely disruptive innovation. They do have teams that are experienced with ethnography, with user experience, with innovation. However, the problem and challenge they often face is that they know certain methods, but they don't quite know how they can transport their methods and research knowledge to a completely different environment. This is one category. This is the more enlightened category, where they understand the importance of this research, but logistically they don't have the resources available to actually execute the research, or even customize the research method. But, they do understand that the conversation is at a different level. In this case it's very easy for us to take a research project forward that leads to innovation.

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“We begin by examining what the client organization actually wants to achieve, by envisioning with the stakeholders using brainstorming techniques.”

The other category—the larger category of companies—really have done nothing other than market research. They may have done qualitative market research which is more than just about numbers. But the qualitative research they have commissioned and been exposed to is almost entirely about focus groups or doing surveys—sometimes even over the telephone with participants. That's the only kind of research this category has been exposed to outside of raw numbers market research. This larger category of corporations is very unaware of what you can achieve with ecosystem research that is fueled and inspired by ethnographic methods.

What's your approach to understanding the kinds of things you need to know for successful innovation?

The approach we use is definitely very effective—it's a systematic process of inquiry. It's not that we think of how we are going to do something innovative every time we come across a new situation. We have a very well-tested process. We begin by examining what the client organization actually wants to achieve by envisioning with the stakeholders using brainstorming techniques. What are they looking for? What have they already done in terms of innovation for the target market? What do they want to do?

This is a very interesting beginning to the process. We explore inward into the organization to understand their motivations, what has worked, what hasn't. As soon as we are done with the envisioning process, and have an idea of what the organization really wants to explore and achieve—then we look at the various possibilities within that particular product or service industry. For example, the client we are working with could be in banking, and they want to do something very new and exciting—come up with an innovative product or service for a particular country and a particular segment within that country.

However, even this is very broad. We could be looking at banking and how it impacts a certain segment of the population. But are we looking at retail banking, or the way various channels in banking work in the retail space, or newer ways a channel works with other channels? Is it about coming up with new channels? Is it about the way banking will influence certain aspects of people's lives? Maybe it's education, maybe health. There are so many different ways to look at a brief like “we want to innovate for banking products and services for the lower

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“What we have done is help the client understand for themselves what to focus on even before we do the primary research.”

end of the social economic pyramid within a particular country.” We need to decompose this into smaller, manageable units.

Once we understand the basic objective from the vision of the organization and the stakeholders, we then sit and look at the landscape of banking in this country, in this particular geography. We look at the landscape of the population segment. What strikes us as obvious areas of opportunity even before we embark on any primary field research? Just by looking at the documents the bank already has, by looking at the domain literature and other research which has been done, we try to narrow down and identify, within a larger space, areas that seem right for an entry with innovation.

Now we have already lessened the risks. Instead of going into a really wide landscape and then doing this research out in the field, we have already saved a lot of money, effort, and time because of our process of starting with corporate objectives and existing data. We are moving in a more focused way toward areas which will definitely yield results for the bank.

Once we've done the second step narrowed down the focus areas within the larger domain of banking, then we look for the specific focus domain. We may find, in the lower end of the socioeconomic pyramid, there is a certain segment of the population which is located near these factory townships, maybe a mining township or a large industrial township. There are a lot of lowly paid manual workers, and they seem to have an immense need for banking which is not being fulfilled by any bank right now. An informal banking sector is reaping the benefits and also exploiting this segment. So let's go in and explore this segment because it seems like the right moment for innovation.

Then, we come back to the client and say, "This is our business case for saying let's move ahead with primary ecosystem research looking at this particular focused segment within your larger definition of who you want to reach." At this point, after we've talked with the client, and have an agreement on our target, now we design our ecosystem research. So what we have done is help the client understand for themselves what to focus on even before we do the primary research. Once you are doing the primary research you're really going to burn a lot of money. So to come back after that and say now we realize we should have gone and seen that other segment, that's really a criminal waste. Now it's much clearer, even from their own perspective. They may not have thought of a

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particular segment or kind of interaction that we identify for them. Now that we are all on board, we can decide how we will do the ecosystem research.

Another strong point for us is we design a research method which will be very, very specific to that population. So it's very critical we are well informed about the general demographics, the general psychographics, that we can uncover. We design our research method after doing our preliminary, and secondary data collection using sources within the client organization, and talking to other researchers in that particular geography to get an idea about the target population.

The much easier, and the common approach that many organizations take who work in this space of innovation and design, is to use very standard research methods. This is primarily influenced by ethnographic techniques, but open-ended research is not enough by itself. An organization might take a set of open-ended questions into the field and have conversations, and this influences how the questions will be asked in the next interviews. This is a classic way that field research is often done.

What we've found is that this is much better than focus groups and taking a well-defined protocol and trying to execute that question protocol. In this type of research, open-ended questions are better, but this is still not enough. Why? Because when you do a standard open-ended protocol, what happens is by the middle of the study you've spent a lot of days, used up half of the number of participants, and only now get a handle on what kind of question would have been REALLY useful. You then include these questions for the next time 20 or 30 people left in the total participant pool. But the fact is that you've missed half the number, so there is that much less data. We find that it's critical to do some research, some homework first, and then we say, "Alright, let's go and talk to this population."

I'll give you an example of a project in Africa. We were going to embark on the ecosystem research. But before that, as we always do, we did our secondary research and realized two things about this particular segment.

1. There was a strong likelihood they would have the same inhibitions that we noticed in Asia where talking openly with a stranger would be a problem. Of course we are foreigners, not Africans. We have a local researcher, but the

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fact that we are going to be present will make it difficult for them to articulate what they really want to say.

2. Just looking at the demographics we see this is a culture where there has been a history of suspicion of anybody asking questions, so that kind of legacy is going to interfere with how the participants see what could be personal questions. Based on all the homework we’ve done we knew this was going to be a big challenge.

So to mitigate our risks we decided, in this particular case, to use a more game-like interaction. Rather than shooting off questions and trying to have a conversation, we would initiate a question not by asking a question, but by using something fun. Then as the participant opened up we could delve in to gain more detail and deeper insight.

In this example, there were six banks, all competitors. We wanted to know what the people really think deep down of the bank that we are coming from and what they think of the other five banks? We could have asked this straight out, but there would be suspicion. The participants would wonder why we’re asking this, and secondly, because we would have to ethically say that we are doing research for a particular bank, they might be biased in their responses.

So we took the nine universal archetypes that psychologist Karl Jung had created, which being universal, would work in all cultures—archetypes like mother, father, god, teacher, sister, hero, these kinds of archetypes. We put these nine archetypes in front of the participants on one side, and a list of the banks on the other. Then we said, "Just have some fun. Tell us which archetype do you think really represents each of these banks?" For each bank and each archetype, they got a piece of paper with the name of the bank / name of the archetype written on it, so it was very tactile. You could play with these pieces of paper, pick them up and decide which archetype really represents this bank vs. that bank.

And the results were, of course, very different than if you had asked them questions, taking lots of time trying to drag the response out. That approach is not pleasurable for the participant or the interviewer. But this was a little game, and the participants got very excited. They started putting the pieces of paper together. They started to articulate, on their own, that this bank is a teacher, this is a hero, etc. We didn’t have to say anything and they started talking. They said,

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“We now have an entire protocol for a segment of a culture where we think there will be an issue speaking freely. We have a variety of games to use.”



“This bank is like a teacher because when I opened my account there the person from the bank came out and taught me how to use the ATM. I would have been too scared to ask for help, but since they came out on their own and taught me, it is like a teacher. This other bank is like a hero, because it’s a really young bank, and it started many initiatives with the poorer sections of society that the other banks didn’t, so this bank is a big hero for me.” This kind of insight we wouldn’t get using the standard question and answer format.

So, the archetype game allowed you to draw them out and discuss things they might not otherwise talk about.

Right. We now have an entire protocol for a segment of a culture where we think there will be an issue speaking freely. We have a variety of games to use.

In our example, we wanted to know what banking channels people use right now –the bank branch, the contact center, online banking, mobile banking, all these channels–what did people really think of them? Which one did they really like? If we’re going to look at innovation, we need to know what is working and what is not working for them. So again, instead of asking them direct questions, we found that in this country people are “foodies.” They love their food, and the variety of kinds of food available, and they all celebrate their food. So, we asked

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each participant, "What are your favorite five foods that you absolutely love?" And, "What are five food items that you really detest?"

So now it was very easy. We gave the participants a list of all the bank channels and had them associate these channels with food that they liked or don't like. Now it's very quick. It seemed like almost everybody hated green beans in this particular population. And they would take green beans and put it alongside mobile phone banking. That gave us a clue right away that something was terribly wrong. If the bank wants to innovate around the mobile phone, we have a lot of work to do –we've got to find out what's going on that they intrinsically detest mobile phone banking.



So, that's the kind of thing we use in our ecosystem research and how we find out about the ecosystem. And I think that's unique in our approach, and I believe that this customization, though it takes much more effort for us, really yields incredible results and makes all the difference.

In the past, you did a white paper on innovative methods for data gathering and you talked about the Bollywood technique and the archetype technique. I was going to ask if you've developed any more since then to help people

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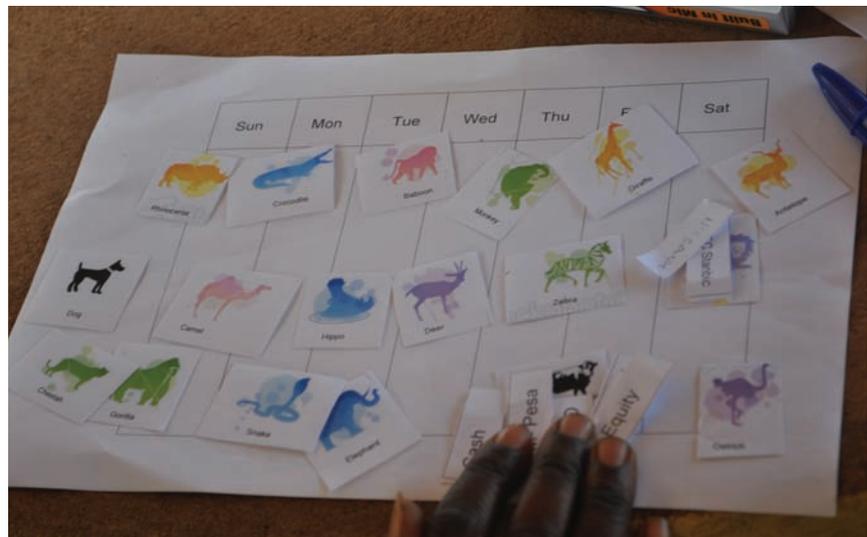
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reveal information about the ecosystems you are studying. The food technique is new—do you have any others?

We had another project in Kenya. We decided again to have people talk about their associations with different financial institutions whether formal or informal. There are many informal financial institutions that exist for the people in Kenya and that's what we were researching. We thought, "What is it that they really resonate with?" It's the animals. Kenya is all about the safaris and the animals. So, we made a picture board with images of many animals that are common in Kenya. Then we asked the people about all these different kinds of financial mechanisms they could use—a money lender, a group where they lend each other money, or the formal bank, and everything in between. We asked which of the animals they connected with these financial institutions.

Again, there was very quick decision making. The hyena is this particular institution, and the elephant is this institution. And, it was repeated. Each person would do particular associations really quickly. We could immediately see that there was a very deep seated pattern here. This is what we live for when we do the research.



This is what we need in order to dig in and ask for more. Why is it that everybody associates this institution with the hyena? There is something very interesting going on. On the surface the mobile channel is one of the most popular channels

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“We dig in like this, then we always connect it back to how it helps our study. Because sometimes you can get lost in the insights.”

in Africa, but everybody is associating this channel with the hyena which is not a positive association. So we see there is something deeper which is hidden from view. This is so critical for us to do any real innovation, So that's another method we used recently. And this year we've used a lot of these kinds of associations.

What do you do to probe deeper to find out why they have these drives, and why they have these blocks? Do you take some of the research techniques from HFI's PET design (persuasion engineering), or are there other ways that you go deeper to find out what's creating these issues?

We do indeed take some basic techniques from PET, but not the advanced ones because that's a different realm altogether. But, the fundamental techniques from PET to go deeper into why somebody says, “I feel this channel is untrustworthy.” The moment this emerges, we ask why. “Why do you feel this way?” Because the ice has been broken, they are now much more open to telling us about this deep distrust they have of the institution. Then we can use correctly framed questions to get more information about the feeling. And it's all about this feeling level on the inside. On the rational level, they are all choosing a channel, but on an emotional level, there's a disconnect.

That's where we use PET techniques and find out about the block. Why, in spite of using the channel, they have such a negative perspective. What this tells our client is, don't build anything just because of the assumption that because this channel is popular in the moment, there is a strong foundation on which you can build. This channel can be toppled very easily because there is no emotional connection with this population. They only use it because they have no alternative.

We dig in like this, then we always connect it back to how it helps our study. Because sometimes you can get lost in the insights. But it's very important for us to keep track of the insights being actionable for the purposes of moving ahead with the actual innovation part of the study.

So this is brilliant, actually, because it actually uncovers a lot of opportunities for companies that they would not otherwise see.

Exactly, exactly.

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So would you say the innovative solutions come from this kind of approach to the research? Or do the innovations come in other ways?

I'm sure there's some very brilliant and experienced innovators who have internalized a lot of these things, and they can almost feel it and intuit a solution because of the experience they have. But, other than that I think our research approach is the reason we come to the unique solutions that we do manage to arrive at. That is the critical aspect.

Do you find that it's easy to apply these techniques?

It's very easy. The reason I think it's easy and why it's a great advantage to use these methods is because the participants enjoy it as much as the interviewer. It's not a chore. The interviewer doesn't feel, "Oh my God, I have to keep asking the same questions." Neither does the participant feel, "This is unpleasant, I don't want to say what I really feel and so I'm going to lie a little bit because I cannot tell them the truth." There is all this conflict and dissonance in their heads. All of that makes for very bad data gathering.

The more you can make it resonate with their own ecosystem, but at the same time a really fun activity, both parties—interviewer and interviewee—forget this is actually a task. It just becomes a fun hour or two they spend with each other. I think that's one of the major advantages over just asking questions, other than the cultural issues surrounding this kind of questioning.

Do the people who do this kind of research need special training? I would imagine that most who get into this field don't know about the kind of techniques you promote.

Yes, they do need special training. What do they need? Well, you need to be a bit of a performer. When you're doing the interview, if you cannot get into the character of this interested explorer who is asking about animals sitting in the middle of this room, asking about food items, if you cannot get into the character of this researcher, it sounds very artificial, and that can become very difficult. So, I

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always make sure that the researchers who are doing the questioning and playing these games, go through being a participant while I act as the researcher.

Before we start with real research, I do pilot sessions with my own research team where I make them sit in as a participant. I go through the entire 1.5 hour session doing it like I really would. And I also use this to fine tune anything that isn't working. It's very critical. You can't give a printed document to a researcher and say, "Hey, this is what you need to do." Unless they've been doing these methods for a while, then it's fine. But, if they haven't, even though they may be very experienced in running other kinds of one-on-one interviews or focus group sessions, there will be problems.

I feel that many of my senior researchers are excellent when we do research more in the realm of task focused usability research. But, when it comes to this, because you need to have a little bit of drama and immersion, be in character—it takes a little time to get used to it. It's very difficult to do this training right.

Do you use these same kinds of techniques when you're doing the initial phase of research with the organization itself to find out what its goals are?

Sometimes. Not quite the fun activity kind of thing, but yes, we do brainstorming. In the brainstorming session I like the participants to do things with all their senses. It's not all about sitting and talking. They need to feel something, they need to put something somewhere, on a piece of paper, move things around, maybe hear some sound. So, I try to do that. But these are really variations of team brainstorming.

What is the next step in your innovation process?

The research part is the foundation because you can only do as good as the research data that you get. But having got the data, and having the insights, then comes the remaining phase of the development process—you come up with the concept.

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“Once the concepts are signed off by the client organization after the workshop, we go back to the field and do one round of validation. This is why it we call it user-centered innovation.”

The concept could be a service concept, a product concept, or a combination of these things. Generating the concept, in our process, involves several of our innovators working in parallel so that we come up with a huge number of concepts. If we just had two people working on going from insights to concepts, we would get a certain perspective, and a certain number of concepts. But, the concept of parallel design is something that we use in the ideation phase of the innovation process, where there may be five individuals working separately. They are not working as a team, they are working individually with the same brief, the same insights from the research, and now they are coming up with concepts.

Each one of them has a slightly different perspective. Therefore, when we combine everything the five have come up with, it's an incredible set of concepts. There are many overlaps, but there are unique aspects that each individual has provided. When we add it all up, we come up with maybe six super concepts. That helps the organization we're working for very much because we really look at all possibilities in terms of ideas we could have generated.

Once the concepts are in place, we work again in a group session with the client. We do a workshop where we walk them through the whole process of how we arrived at these concepts from the insights. We believe very strongly that we should not just throw the concepts over the wall and say you saw the insights, now here are the concepts.

We spend a good two or three days in an intense workshop where we make sure that the organization understands how the concepts are linked with the number of insights. This makes their capability to go forward much stronger than if we kept it our secret and didn't tell them how we got from insights to concepts. We believe in that transfer of knowledge so it will be a success even when we are out from the assignment. As a result of the knowledge transfer, there will now be a team (within the client organization) who deeply understands right from the beginning, how we arrived at that point.

Once the concepts are signed off by the client organization after the workshop, we go back to the field and do one round of validation. This is why it we call it user-centered innovation. It could be a very costly mistake for an organization if we were to say, "OK, our egos don't allow us to validate anything. We're going to give you these solutions and you run with them." We think it's very important to go back one last time.

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“I think the main challenge is lack of understanding of the market. The feeling that it’s enough to know how many people exist in a certain segment, and how much money they can afford to spend, and what products they own.”

This time, we do validation by presenting the concepts. Depending on whether they are product ideas or service ideas, sometimes we take mockups or physical products, sometimes we do storyboards, or a group exhibition. The walls around a big room are filled with posters which are storyboards of the concepts which have finally been selected. This time, the validation is done as a group exercise. We bring in participants, they look at the posters on the wall, then we ask them to do some voting. We ask them to vote for an overall concept, and to individually vote for specific features we have come up within the concepts.

From this we can determine which concepts are really working, really getting traction. Are there some features we need to add to an overall winning concept? It's the final validation that wraps up the project for us. Now we go back and do the final tweaking on whichever concept really resonates with all the participants. Once we've tweaked and added or subtracted anything that's needed, we make the final delivery to the client organization. We make sure that they understand why we needed to make certain choices.

And we encourage the client organization to participate in the validation process. So again, their capability is enhanced at every step. At this point, with the final concepts delivered, our work is done. But we do sometimes hand-hold for awhile. Some organizations ask us to work with them all the way through till the product goes to market. That's not something that happens all the time, but there have been long partnerships over the last five years with large organizations.

For one of them we did this entire project and validated the final idea. We then worked with them to detail out the product and then helped with the user interface design process. Then it was about usability work, where the product needed to have all aspects of a good usable design incorporated into it. And we did a lot of validation with the prototype.

That's not a usual occurrence, but we are very happy if we go into that sort of detailing for the organization. It works well because we are the ones who have come up with the concepts, and we have expertise making usable products. We can then go into the structural design of the product, the details of the design of the product, all the way to iterating with validation cycles with end users. That's something we can provide if necessary.

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“We like to help institutionalize how this will be done by a team in the organization because it’s best that the capability should be strengthened within the organization, particularly as they take the idea and move it forward.”

What are the primary challenges of moving new products into emerging markets? Is it just lack of understanding of the market? Or are there other challenges as well?

I think the main challenge is lack of understanding of the market. The feeling that it’s enough to know how many people exist in a certain segment, and how much money they can afford to spend, and what products they own. The feeling that this is enough information to really understand the ecosystem—that’s the biggest problem. Once the population and the ecosystem is understood well, I think 75% of the challenge of coming up with new ideas goes away—you are on the right track.

But as we move ahead with the process of innovation, we have to be very careful that the idea we finally decide on—that there is a clear plan of how it will be executed from the time the concept is developed to the time it actually goes out to market. This is because there are often other stakeholders in the organization who are taking on that last mile, who are not involved in the research part, and they are not able to understand some aspect of the concept that is going out. So something gets changed, and final product doesn’t quite live up to the basic chain of thoughts that went into that particular concept in the first place.

That last bit needs to be managed because we, as consultants, would normally withdraw once we’ve given the concept to move forward. After that, it is the client who takes on implementation and taking the product to market. This part ideally needs to be managed by a team that has been involved with the project right from the beginning from the client organization side.

Is that something you do? Or, in the process of research, do you train people within the organization to move forward?

Absolutely. We like to help institutionalize how this will be done by a team in the organization because it’s best that the capability should be strengthened within the organization, particularly as they take the idea and move it forward. We are very happy to train people as they work with us right from day one of the project so that when we withdraw, we may be available for some consulting, but the team is strong enough to carry it forward.

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Innovative Solutions for Designing for Emerging Markets – A Conversation with Apala Lahiri Chavan

“Organizations need an innovation consultancy that isn't just located in one part of the world so the consultant's world view is not only about that one geography.”

Can these techniques and this process be applied to bringing products to developed markets as well, or is it mainly just emerging markets that you deal with?

No, our process can absolutely be used in developed markets because it is really quite agnostic for what kind of market it is. It would work well in any kind of market because fundamentally, it's centered around understanding who we are innovating for.

So companies that are interested in innovating—what should they do?

They should contact us, of course. But, what an organization really needs is clarity on their side about why is it that they are thinking of innovating in a particular market.

It could be a new segment in their existing market, or it could be a completely new geography they have never gone to before. Whatever it is, they must have a very clear idea of why they are doing it. It shouldn't be that China is sort of the flavor of this year, so let's try something in China. They need to be very clear in the business case they have for doing something in a particular market. Once they have that, then they really need to work with experienced individuals and organizations that have executed innovation in a systematic way, and who also understand the nuances of different markets.

The thing I find very interesting about HFI, is because we are global—no matter which part of the world, whether developed or emerging—we have an understanding of all aspects of the segments around the world. From our experience, we can already advise an organization who wants to enter a particular country or market. 99% of the time, in the first conversation we can say, "Given what you have, your business case doesn't stand because of these reasons which we tell you from our experience, and our experience stands across the globe." So, that's a huge advantage for an organization to come to a company like HFI.

Organizations need an innovation consultancy that isn't just located in one part of the world so the consultant's world view is not only about that one geography. We offer a much richer superset of experience across all our consultants, and the locations where we work. That's very important for an organization. Once they

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“We wanted to help others understand the complexity of the problems. Not that you should be in despair because of the complexity—it's a wonderful challenge if you approach it the right way.”

have a business case, they need to come to people who provide that kind of rich experience. That gives them a very good chance of actually deciding whether their specific idea or general desire to get into a market is worth moving forward, or if they need to do some more homework or re-think some aspect of their initial idea. That's a very important first step for an organization wanting to innovate, no matter which market.

You can guide organizations through this process?

Totally. We often have conversations with organizations where in the first conversation we come up with a way forward—go back to the drawing board and taking these three factors into consideration and think through whether you are prepared to address these factors. It could be the fact that there will be no demand for that particular product because the environment is not conducive in the country where they want to go. It could be that there is competition coming up that we are aware of because we consult across so many geographies. But, the organization might not have that idea. It often happens with mobile devices, for example, when an organization will want to enter a certain market in Africa with mobile, we can say but did you know that it's already happening, even though in a slightly different manner, already three players in Africa? Are you sure you want to take this up?

We are very happy to have this kind of conversation with an organization.

I understand you've written a book called *Innovative Solutions: What designers need to know about emerging markets*. Can you tell us about this?

On one level, it is a wakeup call for all those well-meaning organizations and innovation UX professionals who want to do something in or for emerging markets. However, there are so many differences you need to take into account. This is what we wanted to bring out in the book. This isn't just theoretical understanding of the nuances of these markets—we have already made use of and applied this knowledge. I am very keen that people see the result of this application because then it could help make everyone aware of the need to do it the right way. And not to feel that, oh we can just take a solution and it will work out.

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“There is a lot of opportunity that exists right now in emerging markets because of the nature of those countries. The populations are very interested in adopting and using technology.”

We wanted to help others understand the complexity of the problems. Not that you should be in despair because of the complexity—it's a wonderful challenge if you approach it the right way. Part of the book takes a look at the wonderful solutions people have come up with.

Making you aware, waking you up to what needs to be done. And then to tell you, "See, this is how you can solve a lot of problems for people in these parts of the world, but at the same time you can benefit the organization you are working for, and advise your organization how and what is the right way to move ahead to design something innovative for these emerging markets." The book is intended to raise that awareness.

It's available on Amazon?

Yes, it's available on Amazon, and I believe local ebook sellers are offering the book in several counties.

This whole approach to Contextual Innovation is brilliant. Any closing remarks?

It's the age of looking at new ideas, certainly emerging markets. Because I'm more familiar with emerging markets, I can say for certain that they are in this interesting period of intense flux. So we are leapfrogging from very industrial-age practices and infrastructure into advanced digital space and infrastructure by missing many steps the developed countries had to take. For instance, we're going from having almost no landline phone infrastructure in many of these emerging countries to very advanced mobile usage.

There is a lot of opportunity that exists right now in emerging markets because of the nature of those countries. The populations are very interested in adopting and using technology. The situation is right for innovation in these markets. I think this is the time to gear up our skills and our ability to do it right, because if we do it right, everybody is going to benefit hugely.

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The lives of people in emerging markets can be significantly impacted for the better if the right innovation is done. An of course, the bottom line of the organizations who want to do the innovation can be impacted significantly as well, due to the large populations these markets have. So it's critical that we seize the time at this moment.

Find out more about HFI's approach to Contextual Innovation:
www.humanfactors.com/services/contextualinnovation.asp

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About Apala Chavan



Apala Lahiri Chavan, MS, CUA
VP Asian Operations
Human Factors International

Apala is a world-renowned expert on Contextual Innovation—the discipline of creating breakthrough product concepts and adapting existing products, services, and technologies to new markets. HP Labs, adidas, Nokia, Sony Ericsson, NCR, and Intel are just a few of the companies that have benefited from Apala’s innovative, pioneering techniques in this exciting and growing field. Apala and her CI team have helped designers, marketers, product managers and ethnographers apply her innovative techniques to develop exciting new concepts and products. She systematically guides the ideation process to uncover subtle patterns in ethnographic and market data to reveal the exciting breakthrough ideas that can drive your business and generate more revenue and profit.

Apala has developed a vast array of data-gathering techniques, including the Bollywood Method, Bizarre Bazaar, and the Funky Facilitator, which help understand the user experience in a variety of cultural and economic environments. She and her team pioneered the “Ecosystem Chart” which organizes vast amounts of ethnographic data into a coherent model. She is a creative and dynamic speaker who has received acclaim in USA, Canada, Europe, India, and China for her keynote talks on contextual innovation, internationalization, and designing for emerging markets.

Some of Apala’s Contextual Innovation projects include:

- › Cell phones for the Indian market.
- › Microcredit system, managing small loans to farmers and small businesses, with operators who could only read numbers, not text.
- › Researching media applications in rural markets.
- › Applying handwriting recognition in small businesses in India.
- › Unusual applications for ATM machines.
- › Identifying latent needs in emerging markets for U.S.-based home medical equipment used in the therapy process.

Apala has been with HFI since 1999 and is currently Vice President of Asia, managing offices in India, China, and Singapore, and a Contextual Innovation lab in

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Bangalore. An award-winning designer (International Audi Design Award), Apala has led teams spanning design, development, testing, and deployment of software products. In addition, she has been ACM SIGCHI's Vice Chair for local chapters and on the advisory board of *interactions* magazine.

On a more personal note, Apala is fascinated by cultural studies and theatre. She loves traveling and has been all over Europe, North America, and Asia. She is trained in classical Indian dance. Apala has also been a radio jockey and news reporter with one of India's top radio stations and often wonders about getting back to that in between contextual innovation projects! One of her current obsessions is forensic anthropology.

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