

Establishing Credibility *and* Differentiating Your Product *in a* Competitive Marketplace

To establish credibility, differentiate products, and ultimately increase sales of QuickBooks-integrated applications, developers should design products to meet customer needs; communicate in their marketing that they have met those needs; align with the QuickBooks brand; and seek third-party opinions to support and validate that they have met those needs. The purpose of this white paper is to offer developers of QuickBooks-integrated applications a customer-driven plan—based on Intuit’s research and industry knowledge—that will help them establish credibility and differentiate their products.

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The logo for Intuit Developer Network, featuring the word "Intuit" in a stylized font with a small icon to its left, and "Developer Network" in a bold, blue sans-serif font below it.

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INTRODUCTION

Intuit understands that in today's competitive marketplace, third-party application developers need several tools to help them increase product sales and operate a successful business. During multiple conversations between developers and Intuit, developers noted they were specifically looking for ways to differentiate their products and establish credibility in the marketplace.

After researching the customer needs of both small business owners and accounting professionals, Intuit discovered that the best means for developers to differentiate their products and establish credibility was to meet the needs of customers using QuickBooks-integrated applications. This paper describes Intuit's research into customer needs, and it makes recommendations that will help developers establish credibility and differentiate their products.

EXECUTIVE SUMMARY

To better understand the needs and requirements of customers who use QuickBooks-integrated applications, Intuit completed quantitative and qualitative research. Beginning with interviews in July 2002 and an in-depth survey in February 2003, Intuit conducted and compiled detailed customer research. Intuit leveraged its relationship with QuickBooks end users and QuickBooks ProAdvisorsSM as representative samples of the customer base for QuickBooks-integrated applications.

Intuit planned to use the research to evaluate a proposed certification program for third-party applications that integrate with QuickBooks. Intuit's investigation revealed that a certification program would not meet the needs of customers of QuickBooks-integrated applications. Intuit discovered that QuickBooks customers have a wide range of needs and requirements that are both subjective (based on opinion) and objective (based on impartial tests).

To meet those customer needs, Intuit is recommending a holistic approach that will address the entire set of customer needs and also satisfy the objectives and goals of developers. Intuit recommends that developers take four steps: design products that meet customers' needs; create marketing messages that communicate that they have met these needs; align their products and companies with the "Designed for QuickBooks" logo; and seek third-party opinions.

Intuit believes this multi-step recommendation will help developers achieve their objectives of establishing market credibility and differentiating their product—both of which may lead to increased product sales.

SURVEY DETAILS

To better understand customer needs and requirements, Intuit conducted a quantitative survey of QuickBooks-integrated application customers. Intuit wanted to hear from two groups: QuickBooks end users (small business owners who currently use QuickBooks) and QuickBooks ProAdvisors (accounting professionals who influence small business owners and recommend packaged applications).

Intuit filtered out respondents who did not make the final software purchasing decision, or did not heavily influence software purchases, to be sure the QuickBooks end-user audience would be involved in the purchasing decision of QuickBooks-integrated applications. And to maintain the survey's focus on packaged applications, Intuit questioned respondents about commercial applications, not custom software development.

Intuit asked questions in three different formats to gather detailed, accurate information. Multiple-choice questions allowed Intuit to gather customer demographics. Open-ended questions gave respondents a chance to indicate their specific customer needs. Forced ranking questions allowed Intuit to assemble a ranked list of 25 hypothetical customer needs by importance. During the survey's set of forced ranking questions, Intuit presented respondents with multiple pairs of customer needs. For each pair of needs, respondents were asked to choose which one they preferred and how strongly they preferred it.

The survey's multiple pairs of customer needs were chosen from a list of 25 hypothetical customer needs developed by Intuit. Intuit chose the 25 customer needs based on knowledge that Intuit gathered from developers since launching the IDN initiative and previous research of QuickBooks customers.

SURVEY RESULTS

Among the list of 25 customer needs, three customer needs stood out from the rest as very important to respondents.

The top three customer needs were:

- You can call or e-mail the integrated application vendor for technical support and can expect a timely resolution.
- Information, such as social security numbers, credit card numbers, etc. are secure and cannot be accessed by unauthorized individuals.
- The software functions and integrates with QuickBooks as advertised.

The least important customer needs were:

- The integrated application has a similar look to QuickBooks.
- The integrated application installs in about five minutes.

Some noticeable differences did arise among the rankings of both groups in the survey. QuickBooks end users, for example, placed much more importance on:

- The integrated application has published policies to not share any personal information with other companies without consent of the user.
- Data from the integrated application can be imported or exported to other applications besides QuickBooks, such as Excel or Access.
- It is as easy to fix data entry mistakes in the integrated application as in QuickBooks.
- The integrated application is consistent with accounting rules followed by QuickBooks.

QuickBooks ProAdvisors placed more importance on:

- The integrated application performs reliably across a broad range of hardware configurations.

- Each software engineer must first pass a series of tests on programming for QuickBooks before becoming eligible to create integrated applications.

Table 1 shows how both groups ranked the list of 25 hypothetical customer needs.

In another section of the survey, Intuit asked respondents to list additional customer needs that they believed were important. Intuit wanted to determine if QuickBooks customers had needs not listed in the group of 25 proposed needs.

Intuit received a wide range of additional customer needs from respondents. Most of the responses can be categorized in two themes: accuracy and consistency, and ease of use. Based on the responses, QuickBooks end users need products that are reliable, compatible with QuickBooks and their operating systems, and transfer data seamlessly.

Survey respondents said packaged applications should “not cause failures in QuickBooks” or “affect QuickBooks performance.” “The interaction between applications [should be] flawless, without ... any errors and confused information.” QuickBooks ProAdvisors suggested that applications should “perform in accordance with GAAP [Generally Accepted Accounting Principles].”

Respondents suggested that packaged applications should be tested for complete compatibility with QuickBooks and operating systems, and include controls to reverse transactions. “There should be no chance it would corrupt the QuickBooks database.”

Sharing data between the two products, said respondents, “should be smooth and error-free.”

When listing ease-of-use needs, respondents wanted applications to be “extremely user friendly,” “as easy to use as QuickBooks,” and “work for the average user.”

TABLE 1: RANKED LIST OF HYPOTHETICAL CUSTOMER NEEDS	QuickBooks End Users	QuickBooks ProAdvisors
You can call or email the integrated application vendor for technical support and can expect a timely resolution	1	2
Information, such as social security numbers, credit card numbers, etc. are secure and cannot be accessed by unauthorized individual	2	1
The software functions and integrates with QuickBooks as advertised	3	3
The integrated application has published policies to not share any personal information with other companies without consent of the user	4	11
When you enter data into the integrated application, it appears in the expected field(s) in QuickBooks	5	4
Data from the integrated application can be imported or exported to other applications besides QuickBooks, such as Excel or Access	6	19
An independent accounting professional such as a QuickBooks ProAdvisor was involved in evaluating and certifying the integrated application	7	5
It is as easy to fix data entry mistakes in the integrated application as in QuickBooks	8	16
The integrated application is consistent with accounting rules followed by QuickBooks	9	17
Data is exchanged instantly between the integrated application and QuickBooks	10	6
You have the ability to adapt the integrated application to meet the needs of your business, such as a custom form or report	11	8
The integrated application is tested for all the latest viruses	12	9
An audit trail is created to track which QuickBooks accounts were modified by the integrated application	13	7
Upgrades to QuickBooks and the integrated applications will be available at about the same time	14	12
Help menus are available within the integrated application	15	13
A printed manual is included with the integrated application	16	22
The manufacturer of the integrated application is an established company and financially sound	17	18
The integrated application is as intuitive and easy to use as QuickBooks	18	14
Upgrading the integrated application is as easy as upgrading QuickBooks	19	21
The integrated application responds to all user commands and interactions instantly	20	20
The integrated application performs reliably across a broad range of hardware configurations	21	10
Each integrated application has a money-back guarantee	22	23
Each software engineer must first pass a series of tests on programming for QuickBooks before becoming eligible to create integrated applications	23	15
The integrated application has a similar look to QuickBooks	24	24
The integrated application installs in about five minutes	25	25

Results based on respondents' ranking of 25 hypothetical customer needs included in an Intuit survey.

Respondents also voiced their needs regarding help menus and technical support. They wanted help tools, clear instructions, and unlimited, free technical support. A few suggested that one point of contact should support both the Intuit product and the integrated application.

INTUIT'S LIST OF 13 HIGH-PRIORITY CUSTOMER NEEDS

Intuit gained a much better understanding of customer needs from its research. To maximize the research and make the results more useful for developers, Intuit decided to define a list of high-priority customer needs.

Rather than selecting the top 5 or top 10 needs in the ranked list, Intuit chose its list of customer needs by comparing two sources of data. The first set of data used to determine the list of high-priority needs was the overall quantitative ranking of needs from survey respondents. The second data set was based on qualitative information taken from product reviews written by customers of QuickBooks-integrated applications. These customer-written reviews are published on the QuickBooks Solutions Marketplace, an online catalog containing more than 300 software applications that integrate with QuickBooks. Intuit compared both sets of data and looked for points of overlap to determine a set of high-priority customer needs.

Note that Intuit's list is only a starting point. Developers should consider Intuit's list of high-priority customer needs a launch pad for assembling their own unique list. Developers should use their knowledge and insights gleaned from customers who use their specialized applications to create their own definitive list of customer needs.

Intuit's list of high-priority customer needs include:

- Sensitive data is secure within the application
- Data is accurately updated between the two applications
- Technical support is readily available
- Application integration works as advertised
- Data is updated in real time
- Help menus are available in the application
- Application is tested for the latest viruses
- Printed manual is available
- Application is easy to use
- Application is easy and fast to set up and install
- Application can be customized
- Application was reviewed by a ProAdvisor
- Application's software vendor has published policies to not share personal information.

INTUIT'S RECOMMENDED APPROACH

Intuit's research revealed that customers of QuickBooks-integrated applications have a complex set of needs that includes both subjective and objective needs. To meet all customer needs, Intuit recommends a four-step approach. This recommendation meets customers' subjective and objective needs, and it helps developers achieve their objectives of establishing market credibility and differentiating their products. In turn, these successes may potentially result in increased product sales.

Intuit's recommendations are:

- Design products that meet customers' needs
- Develop marketing messages that demonstrate or confirm that the product meets customers' needs
- Differentiate products by aligning the product or company with the QuickBooks brand
- Seek third-party opinions and reviews from trusted sources to support and validate whether the product meets subjective needs.

Each step of this recommendation serves to build credibility or differentiate products.

Design products that meet customer needs. When designing products, developers should always consider the needs of their customers. Test cases are an excellent tool for testing applications and for confirming that the applications meet customers' objective needs. Intuit is sharing a set of 70-plus test cases with developers.

Intuit worked with a third party to develop these test cases, which were designed specifically for the customer needs listed in this paper. The test cases offer a general overview of industry standard tests that should be completed for QuickBooks-integrated applications. Developers can use these test cases to create a Quality Assurance (QA) process for their product, or to validate and enrich current QA processes. The test cases include tests in the following categories: install and uninstall, versioning, functionality, validate integration, security, encryption, administrator security, error handling, error loop recovery, compatibility, and documentation.

The test cases can be downloaded at:

http://developer.intuit.com/uploadedFiles/Support/Marketing/QB_Phase1_FINALtestcases.xls

Develop marketing messages that demonstrate or confirm that the product meets customers' needs. Developers should create marketing materials that reflect customer-focused design efforts. Marketing messages that focus on customer benefits will differenti-

ate a product from those that only highlight specific technical features. Most customers are more interested in the benefits they will receive from the application than the technical features.

When potential customers visit a web site or read a product brochure, they should be able to quickly identify how the product meets their needs and how they will benefit from using the product. For example, tell potential clients that the application protects customer privacy, the extent of technical support that is available, or that the product is tested for all the latest viruses.

Differentiate products by aligning the product or company with the QuickBooks brand. Intuit offers a downloadable “Designed for QuickBooks” logo to Premier members that helps products stand out and instantly communicates that the application integrates with QuickBooks. This logo should be included on product packaging, marketing materials, and web sites.

Premier members of the Intuit Developer Network can download the Designed for QuickBooks logo in the Sales and Marketing section of IDN at: <http://developer.intuit.com>.

Use third-party opinions and reviews from trusted sources to support and validate whether the product meets subjective needs. Develop a plan to get third-party opinions from product reviewers, accountants, and customers. These reviews can show potential customers that the products meet both objective and subjective customer needs, and they help to establish market credibility.

Reviews come in many forms. Publications, message boards, and online forums publish formal and informal product reviews. The more formal, professional reviews, which come from magazines and online sites, take time, effort, and diligence. Bob Wolff, President of Fresh Eyes Consulting and a speaker during the 2003 IDN Conference, has written a detailed white paper that explains the review process and offers helpful tips and guidelines for getting a positive product review.

A few of Wolff’s points include:

- Identify the magazines that customers read
- Research magazine editors, editorial calendars, and review process
- Create a review packet for reviewers
- Send reviewers a trial version for evaluation
- Call reviewers to begin establishing a relationship.

These five points merely scratch the surface of the review process. To get a first-hand understanding of how to work with reviewers, read the entire paper at: <http://developer.intuit.com/Support/Marketing/?id=187>

Developers should also leverage the IDN-Accountant Program for third-party opinions from accounting professionals. IDN has created this dedicated program to help developers tap into Intuit’s accounting community of nearly 20,000 ProAdvisors and thousands of additional accounting professionals. These accounting professionals are very interested in understanding third-party applications that meet the needs of their customers. Developers can communicate directly with the QuickBooks accounting community within this web portal and provide free or trial versions to accountants who request them for evaluation.

Visit the IDN-Accountant Program at: <http://developer.intuit.com/Marketing/Programs/?id=81>

Developers should also encourage customers to post product reviews on the QuickBooks Solutions Marketplace. Magazine reviews and accountant recommendations are excellent third-party opinions, but customer reviews carry significant weight with potential clients.

On the QuickBooks Solutions Marketplace, customers can give a product an overall one-star to five-star rating and individual ratings for Ease of Use, Features, Quality, Performance, Support, and Service and Value. These powerful, influential reviews communicate a customer’s first-hand experience with a product’s performance and effectiveness.

Visit the QuickBooks Solutions Marketplace at: <http://marketplace.intuit.com>

CONCLUSION

Intuit recognizes that developers need to establish credibility and differentiate their products. Intuit believes that the best means for developers to meet their objectives (and increase sales) is by taking a multi-step, customer-driven approach.

Developers should:

- Design products that meet customer needs
- Develop marketing messages that reflect that the product meets customer needs
- Differentiate products by aligning with the QuickBooks brand
- Use third-party opinions to ensure that the product is meeting customers’ subjective needs.

NOTE:

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