



Stanford eCorner

The Value of Effective Market Research

Katie Rodan, *Proactiv Solution*

April 19, 2006

Video URL: <http://ecorner.stanford.edu/videos/1452/The-Value-of-Effective-Market-Research>

Katie Rodan of Proactiv Solutions discusses a personal anecdote with a critical session of market research. The experience sent her team back to the drawing board to revamp a product for adult acne - after revealing that women surveyed didn't think they had acne and didn't care for the product's fragrance. Rodan also discusses her initial resistance to conduct the survey, and the tremendous benefits that it can yield for the entrepreneur.



Transcript

We had never really heard what market research is. We're thinking why do we have to do market research? We tested it on our patients. Well, as they sort of told us, your patients love you. They want to please you. They want to tell you everything is great. They're not going to tell you that they would never use this stuff. You need to find some outside sources to validate this whole concept. So we hired a friend who was a market researcher and we were going to do a professional focus group. So we get these 30 women, divided into groups of 10. The market researcher is there and my partner and I are in the other side of one of those one-way windows and we're looking out.

We're eating M&Ms nervously while she's asking them questions. Two really key things came out of that. One is which was amazing, we never really guessed, that all these women believed that they weren't really sure they didn't have acne. How can the couple of bumps that they get every month be acne when the teenager with the oily skin and all the breakouts that's acne? So they really couldn't comprehend that they had this problem so that was number one. The other and still part two of one is that a lot of women they didn't want to talk about having acne. Acne was an ugly problem and they didn't want to identify with it in a group of other people so that was sort of an embarrassment. So we had that situation which we knew was going to present a big challenge to us later on. The other thing that we saw, we didn't hear it but we saw, we passed our products around the room and they put it on their skin and they put it up to their nose and oh, they went like this. When the researcher asked them, would you be willing to put this product all over your face on a daily basis to treat this problem that you don't really even think you have? What do you think the answer was? It was no. So Cathy and I looked at each other and we went, it's back to the drawing board.

So here we are as many entrepreneurs face, we're like rats in a maze. We come up against a roadblock, okay, now what? Okay, we got to start over. We have to start over. We can't launch a product that's giving us this kind of a response. It was different from what our patients had been telling us. So we spent another year reformulating our products. Finally, we get to a place where yes, we think that they're good.