Buy a Feature

Prioritize Features

Which feature will entice customers to purchase your product? Which feature will cause customers to upgrade? Which feature will make customers so happy that they'll ignore or tolerate the features that they wish you would fix or remove?

Product planners endlessly debate these and other kinds of questions. Choosing the right set of features to add to a release often marks the difference between short-term failure or long-term success. Unfortunately, too many product planners make this choice without involving the people most affected by it—their customers. The *Buy a Feature* game improves the quality of this decision by asking your customers to help you make it.

The Game

Create a list of potential features and provide each with a price. Just like for a real product, the price can be based on development costs, customer value, or something else. Although the price can be the actual cost you intend to charge for the feature, this is usually not required. Customers buy features that they want in the next release of your product using play money you give them. Make certain that some features are priced high enough that no one customer can buy them. Encourage customers to pool their money to buy especially important and/or expensive features. This will help motivate negotiations between customers as to which features are most important.

This game works best with four to seven customers in a group, so that you can create more opportunities for customers to pool

their money through negotiating. Unlike the *Product Box* game, the *Buy a Feature* game is based on the list of features that are likely to be in your development road map.
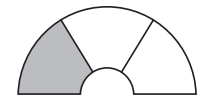
Why It Works

Product planners often fall into the trap of thinking that customers have clearly defined product priorities. Some do. Most don't. When presented with a set of options, many customers will simply say "I want them all" and put the responsibility for prioritizing their requests on your shoulders. Alternatively, product managers often gather feature priorities by working with customers one-on-one and, in the process, and perhaps without even realizing it, again take responsibility for prioritizing features. By engaging customers as a group and giving them a limited amount of resources, you give them the opportunity to prioritize their desires as a group. But that's not where the magic lies. The magic lies in structuring the conversations so that your customers are negotiating with *each other* for specific features. It is this negotiation that enhances your understanding of what your customers really want.
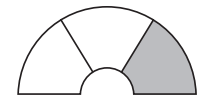
Preparing for the Game

In general, group customers by similar operating characteristics instead of traditional approaches to market segmentation. To illustrate the difference, let's assume you're selling a remarkable electronic toy vehicle that is powered by a fuel cell instead of a battery, giving it substantially more power
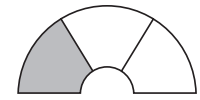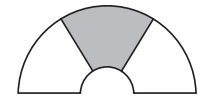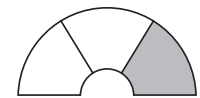
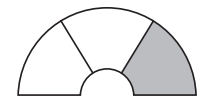*Open-Ended Exploration*

Time Frame of Action

Scalability

Customer Preparation

Market Preparation

Physical Preparation

for longer periods of time. Traditional market segmentation techniques will produce groups of customers who will reference each other when buying the product, but who may use it in different ways. Because you're interested in getting feedback on how people use your product, group people who use it similarly into the same group (people who use it in a park should be in one group, whereas people who use the product at the beach should be in a different group).

One of the more time-consuming tasks in preparing for this game is preparing and pricing the features that will be available for sale. Too few features won't provide for interesting discussions. Too many can confuse customers and take too long to play. A good list is between 14 and 30 features. Each feature should include a meaningful label, a short description, and an enumeration of benefits. Avoid including features that have been committed to a release—if you know you're going to do it, why include it? Keep in mind the shorter time-to-action expectations of customers when playing this game, favoring features that can be delivered in the next one to three product versions.

The next step is pricing your features. Pricing is always one of the most challenging tasks of any product manager, and even though *Buy a Feature* is a game, pricing features for the game can be just as challenging as pricing a real product! Fortunately, you should be able to leverage all the techniques normally associated with real product and feature pricing—projected costs, customer value propositions, and so forth.

Although using projected development costs as a starting baseline is helpful, you should price features in a way that is independent from cost if this gives you better insight into customer motivations. For example, you might have customer requests for features that you think may not be within your best strategic interest. Even if these features are easy or low cost, consider pricing them relatively high to help gauge customer desire. Alternatively, you may have expensive features that you think are quite important to your strategic future; therefore, price them lower. Finally, value-based pricing is always appropriate, and it works in *Buy a Feature,* too. Price features according to the relative and/or absolute value they provide to customers. Just keep in mind that to actually use value-based pricing you will have to complete additional market research to truly understand the value proposition of your solution, which is often a time-consuming project. It will help to remember that while you want good pricing, it is a *game*, and you don't need perfect pricing.

Feature interactions also influence pricing. Consider a feature that you project at 100dd ("development dollars") that could negatively impact your ability to secure a desired business partnership. In this case, you might price it at 300dd to justify the potential negative impact of the lost business relationship and see what happens.

Keep in mind that the foundation of this exercise is pricing features to maximize customer interaction and negotiation. Therefore, at least some features should be priced so high that no single customer can purchase the item. This will force negotiation among customers because they will have to pool their money to buy the feature.

After pricing features, you need to consider how much money you will distribute to customers. Here, again, the goal is to distribute a sum of money that helps maximize customer interaction during the game. The total amount of money for all people involved in the exercise should allow them to purchase between one-third and two-thirds of the available features. Less than one-third means that there is too little money and interaction will suffer because it is too hard to purchase features (you're overconstraining the participants). More than two-thirds means there is too much money, and interaction will suffer because it is too easy to buy features (you're underconstraining the participants). As mentioned earlier, if one customer can buy too many features, you're pricing your individual features too low.

To make planning this exercise easier, add up the total set of features and then build a simple spreadsheet so that you know how much money to give to each participant. Suppose, for example, that you create a set of 23 potential features for sale and that the total price for all of these features is 343dd. This produces a target range of 114dd to 228dd to give to each *group* of four to nine customers playing the game.

Table 2.2 can help you determine how to allocate money. The columns are the number of customers participating in the exercise. The rows represent the amount of money that you can give to each person. The cells highlighted in dark gray provide too little money to each customer, and the cells highlighted in light gray provide too much. The cells in plain white are just right.

Table 2.2 Allocating Money to Customers

Money per person	Number of people playing the game					
	4	5	6	7	8	9
15	60	75	90	105	120	135
20	80	100	120	140	160	180
25	100	125	150	175	200	225
30	120	150	180	210	240	270
35	140	175	210	245	280	315
40	160	200	240	280	320	360
45	180	225	270	315	360	405
50	200	250	300	350	400	450
55	220	275	330	385	440	495

After you've calculated how much money to give each person playing the game, you have to consider how many people may be representing a single customer, especially in business environments. For example, if you're selling or creating business-to-business products or services, it is quite common for your larger customers to send two, three, or even more people to events such as an Innovation Game. There are many ways you can handle this:

- You could require that a given customer send only one person. This is not recommended. If one of your larger customers wants to send more than one person, let them.
- You could allocate the money to the customers, letting them negotiate among themselves for their purchases. Be careful of this approach because it can negatively impact the interactions with other participants.

- You could place multiple people from a single customer into multiple groups. This is often the best solution because it allows each person to negotiate in a way that is focused on the person's own point of view and allows you to segment participants by role. For example, a software company was interested in understanding differences in feature preferences between business-oriented decision makers and technical users. In this case, each company sent two representatives—one representing business-oriented decision makers, the other technical users. Each was given the same amount of money but played the game with a group of their peers rather than with their co-worker.
- You could even vary the amount of money given to individual participants. Although I recommend that each participant be given the same amount of money, this is not an absolute rule, and you should trust your instincts relative to your customers. If you think that varying the amount of money given to participants will create a better experience, do it.

Don't forget to provide change for the facilitator. In the preceding example, suppose you elect to give 35dd to each of five people for a total of 175dd. Your facilitator should have at least 40dd in change to help the game run smoothly.

Some features may increase the retail or end price of your product. When this happens, include your realistic assessment of the increased price in your feature description.

Have some fun with preparing the money for the game. Create your own! Creating your own money is actually an advantage because you can create money with exactly the right denominations needed to play the game. Figure 2.12 shows two examples: the top from Aladdin Knowledge Systems, Inc., and the bottom from AirTransportIT. Don't become too attached to your money—customers often take it as a souvenir of the game.

Aladdin Knowledge Systems

AirlTransportIT
FIGURE 2.12 Sample Play Money

You can include antagonistic or nonsensical combinations of features to see how different segments will respond. For example, suppose you are using *Buy a Feature* with something as simple as a tape dispenser. You might have one feature that makes the dispenser bigger to hold larger rolls of tape

and another that makes it smaller to make it lighter and easier to use. Do either of these get purchased? If neither is purchased, the segments represented by your customers playing the game may not be interested in either feature. If they are both purchased, it is likely that different segments want the features for different reasons and you'll have to dig into who purchased the specific features to see what is motivating the purchases. If you can't discern what your customers want, you'll need to leverage these results into more research, armed with the knowledge that you know you need to explore these specific features in greater detail.

Avoid selling features that you're not going to put into the product even if customers buy them. That's intentionally misleading and will only frustrate customers.

Buy a Feature introduces an additional role to your team: *feature retailer*. The feature retailer is responsible for managing the selling of features to attendees. This person manages the purchase of features, keeping track of who purchased what feature. You will need one feature retailer and one observer per group of customers playing the game. For small numbers of customer groups—typically less than three—the facilitator can play the role of the feature retailer for one group of customers. For larger groups of customers, the facilitator needs to be available to work across the groups, answering the questions that will surface from the feature retailers as they are playing the game.

Materials

☐ List of possible, planned, or hypothetical features and descriptions of the same, with prices for each one.

☐ Play money. As described earlier, consider creating your own. Alternatively, you can use Monopoly money, which you can purchase online at stores such as www. areyougame.com, or purchase play money at stores that sell teaching supplies.

Playing the Game

When introducing this game, the facilitator should stress that it is a game and that there is no promise that the features purchased during the game will actually appear in a future product.

The feature retailers have special responsibilities to ensure that the game produces the most accurate representations of customer desires. They should not steer, guide, recommend, nor otherwise try to motivate customers to purchase certain features. They should not change the price of a feature. They should be able to fully explain each feature, so it is best if the feature retailer is a member of the product team. The feature retailer must keep in mind that the personal favorite feature of any given member of the team may not be purchased, and customers may not spend all their money.

Glenn Grossman of Ticketmaster prepared a simple tracking spreadsheet to keep track of which customer purchased what

feature (see Table 2.3). When the game was done, the spreadsheet automatically produced statistics as to which features were purchased, which customers participated in the purchase, and so forth. It also provides a convenient place for the feature retailer to record observations about the interactions among participants.

Create a tracking sheet and print it for use during the game. Because it is fairly common for participants to ask to return a feature when negotiations become complex, use a pencil when writing items in your tracking sheet. To help customers keep track of what the group has purchased, consider printing the tracking table as a large poster and having your helper write the results on the poster. When finished, transcribe your results back into the spreadsheet and use it to process game results.

Resist the temptation to give more money to customers who run out and ask for more, because it defeats the purpose of the exercise. When money is free, so are the features.

Processing the Results

Collect the list of features purchased by each group of customers as a single group, taking care to keep track of which customers were playing the game. Merge the purchased features into a single list and sort them based on how many groups of customers purchased the feature. The features purchased by more than one group of customers should receive the highest consideration for inclusion into your product. Correlate purchases with observations about the interactions with customers who purchased the features; they can provide insight into marketing messages for key segments.

Table 2.3   Tracking Sheet for Customer Purchase

	Customer	Feature 1	Feature 2	...	Feature n-1	Feature n
	Price	34	21	2	4	4
1	<customer name>					
2	<customer name>					
3	<customer name>					
4						
5						
6						
7						
8						
	Subtotal					

How I Can Use Buy a Feature