Teaching Note for Intuit Case E-381(A)

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Abstract

This is a teaching note for the free case "User-Generated Content Systems at Intuit(A)", E-381(A), from the Stanford Free Case collection available at ECCH. The original case is a product management case in which Intuit, maker of consumer and small business financial software, faces the decision to "go social or not" for user help in its tax preparation software. The original case discusses the pros and cons of such a disruptive innovation. This teaching note provides pertinent questions to ask your students as well as my summary answers to these questions. I could not find an original teaching note hence I wrote this one. This is my first such note so any suggestions for improvement are welcome. The note is licensed CC-BY-SA 3.0; feel free to use it in your own teaching. The note's home is my website. For attribution, please link to it.

1 Introduction

This case, in my interpretation, is about the failure of traditional market research methods when applied to disruptive innovation. Market research methods like focus groups, interviews and surveys, and usability labs only tell product managers about potential incremental improvements of a product. Market research is good for sustaining innovation. Market research doesn't tell a product manager whether a proposed disruptive innovation is just a crazy idea or the next big thing. For such an innovation, product managers need to turn to introspection, outsiders, or experiments. Also, dealing with disruptive innovation is particularly hard for organizations like Intuit that are intensely customer focused. As the case reports, Intuit spends significant amounts of time and resources on usability labs. Ironically, coping and introducing disruptive innovation is much easier for engineering-centric organizations, but that is another case.

2 Background

2.1 Who/what is Intuit?

- Maker of consumer and small-business financial software

2.2 What are their main products by 2007?

- Refocused on core business: Quickbooks and TurboTax, i.e. accounting and tax prep software respectively
- Fun video of what TurboTax is: http://www.youtube.com/watch?v=EBSnWlpTPSk

2.3 How does Inituit approach product management?

- Strong focus on user experience labs, user observation
- 10,000 hours of direct observation of users annually, 60 hours by CEO
- Example video of usability lab: http://www.youtube.com/watch?v=k6Ju86gn5F0

2.4   What are user contribution systems?

- System and/or mechanism to have users enhance the value of a product or service to other users
- Engages users and facilitates their contributions towards creating that value
- **Discuss Exhibit 1**

2.5   What are the benefits of user contribution systems?

- Company receives free but potentially valuable materials to work with
- Reduces costs (the more self-help, the less call center traffic)
- Web search may be able to answer issues faster than call center
- Fosters user innovation, helping make products more unique, better
- Surfaces user concerns and worries where company can see them, respond quickly
- Company gains some control over channeling and responding to user concerns

2.6   Why do people contribute?

- May receive financial (coupons, rebates) or psychological rewards (badges, gamification)
- Enjoy helping others, engaging in a community of equals
- Need to feel socially validated through expertise provided

2.7   What are the downsides from a company perspective?

- Negative opinion might be voiced visibly and forcefully

3   Problem Being Faced

3.1   What are Intuit's problems (in this Case)?

- Product problem with TurboTax: Users need tax domain help but can't get it
- Users need to be much more knowledgeable about taxes to benefit from (and keep buying) TurboTax
- Attempts to fix the problem in one place invariable created another problem in another place
- **Ask clarification question: "What is a 'deductible', a 'dependent'?"**

3.2   How did first attempts fail?

- TaxAlmanac tried trad. user engagement tools to make users contribute
  - TaxAlmanac wiki: Low adoption (no further reasons given)
  - TaxAlmanac discussion forum: Users enjoyed using thread discussions but Intuit failed to monetize it
- **Ask clarification question: "What does 'to monetize' mean?"**
- Zipingo was built into Quicken, purpose was to connect users with local businesses
  - Zipingo confused users because it appeared out of context
  - Development was difficult because release schedules of Quicken and Zipingo were misaligned

4 Proposed Solution

4.1 What is the proposed solution?

- Use user contribution systems to fix the long-tail of missing tax information
- Specifically, integrate Q&A into TurboTax to let users ask and answer questions
- Integration in actual use context is key; main use caes: ask, answer, rate answer

4.2 Challenges of designing a solution?

- How to channel or restrict content? Inclusionist vs. deletionist?

4.3 Challenges to CIA being faced?

- Counters management intuition
    - "Don't hold me accountable for things outside my control"
    - Questioned motivation: Why help someone you never met?
- Market research and user studies showed it won't work
    - Users always said "I want a tax expert"
    - Users did not use it in UX sessions/usability lab
    - Expert panel said it won't work, users will want a tax expert
- Active opposition to this disruptive innovation
    - CIA got ring-fenced, lowest volume SKU, creating worries it will never get critical mass
    - Attempts to kill it by never giving it a real chance (critical mass)

5 Main question: What should Intuit do?

- Go ahead or not with CIA?

6 Lessons (to be) Learned

- Market research is likely to fail in the face of a disruptive innovation
    - Users find it hard to imagine the new disruptive situation, hence fail to serve as oracles
    - Market research and user testing is great for existing products and sustaining/incremental innovation
- Highly user/customer-centric organizations are particularly prone to this problem
    - So, don't delegate disruptive innovation to users; that's the product manager's job
    - Intuit's solution: Focus on behaviors not market research (no better description in this case)

Note: Case E-381(B) provides some additional material