insightsNOW

Sensory Cues Approach Boosts New Product Survival Rate

Why Cues Matter

Sensory Cues Approach Boosts New Product Survival Rate

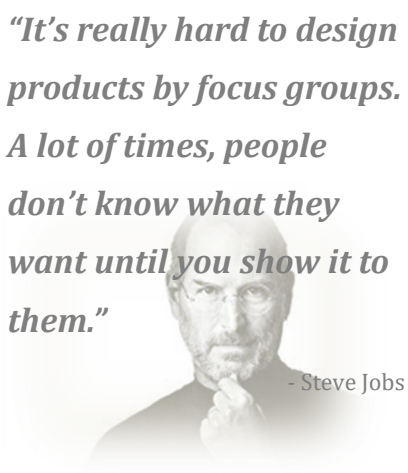
For many companies, new products are the organization's lifeblood. Nonetheless, despite some of the brightest product development minds, all too often seemingly promising innovations end up dead on arrival. So what happens between the concept and rollout stages that appears to doom these products from the beginning?

InsightsNow conducted its own exclusive research of product developers to try to find an answer.

New Products Getting Lost in Translation

Based on the results of the 2012 survey, the majority of product developers (52%) cited translating market opportunities into winning products as their biggest challenge. Coming in a close second was R&D and marketing not being in sync at 49%. These findings confirmed what InsightsNow had suspected for quite a while.

There are any number of reasons why promising opportunities get lost in translation. However, one of the more important ones is that companies apply the wrong tools to the problem. For example, focus groups are a powerful and time-tested research tool that when used correctly provide very good insights. Typically, moderators of these groups focus on what consumers want and why. This works just fine with products that consumers are familiar with but may not be as effective when working with new product concepts and ideas.



eBook: 4 Biggest Innovation Challenges, http://www.insightsnow.com/ebook-4-biggest-innovation-challenges-unveiled-download-form

©2015 InsightsNow, Inc.

Why Do Focus Groups Fail New Product Concepts?

Asking direct questions such as "what" and "why" only engages the conscious and rational part of the mind. This approach does not take into account that 95% of all consumer behavior is driven by the subconscious mind. Clearly, the mind is working below the surface level where sensory perceptions signal benefits on a subconscious level through automatic associations. Ultimately, these connections either motivate behaviors that attract a consumer to a product or signal concerns that lead to product avoidance.

One reason that focus groups remain popular is that the insights seem to make rational sense. Moreover, it creates a collaboration between marketers and R&D professionals but at what price?

The unintended consequence of this collaboration results in missed subtle associations that signal a consumers' anticipation or presence of meaningful, relevant benefits. This is the critical point where opportunities are lost in translation due to an overreliance on the "what" and "why" questions instead of going below the surface to connect with the implicit mind of the consumer. The result is that product developers are hard-pressed to design and develop product prototypes that exemplify the brand and deliver key benefits.

With tight time frames for new product introductions, product developers need clear insights for guides in the following areas:

- Types of translations (brand pillars to concept, concept to product, platforms to concepts) must be accurate in order for a new product to be successful.
- With regard to concept to product translation, it is one challenge to develop a great concept that motivates trial. It is another challenge to encourage repeat purchase behavior. To be successful in this latter area requires the product experience delivers against the promise of the concept. In other words, the concept must be translated into product qualities through design and development activities.
- R&D teams are often challenged to apply a new technology platform to generate benefits that consumers care about. To do this, they must identify the market fit and opportunity for a novel technology which is not always readily apparent.

©2015 InsightsNow, Inc.

Fluency in the Right Translation Language

Even before its 2012 innovation professionals survey, InsightsNow focused its research efforts on cracking the code for better translation.

The result was the development of its new research method: Product Spark™. The approach identifies qualities of a product, package or brand that cue the delivery of important benefits. These cues become design pillars for ensuring accurate translation on the path to a successful rollout.

Given the importance of cues, it is important to explain just what they are. Product cues are implicit connections to benefits that reside in the subconscious part of the mind. Consequently, consumers may not explicitly associate a cue to a complex benefit such as "fun" or "authentic." Research must be carefully designed to uncover implicit connections so that marketing and R&D can deliver more satisfying product experiences that meet consumers' expectations. To do this requires both finesse to capture subtle, subconscious associations and rigor to quantify the degree of association between cue and benefit.

Cues to Success

Product cues are implicit connections to benefits. Consumers may not explicitly associate a cue to a complex benefit, for example, "fun" or "authentic." Research must be designed to unearth implicit connections so that Marketing and R&D can truly deliver more meaningful product experiences. To do this requires ***finesse*** *(to capture subtle, subconscious associations) and* ***rigor*** *(to quantify the degree of association between cue and benefit).*

©2015 InsightsNow, Inc.

usually implicit

A **cue** is a product feature that signals a benefit.

A **cue** gains meaning given the context of a moment.

Cue associations make it possible for consumers to use their intuitions to quickly process the thousands of items on store shelves while completing a shopping trip. Shopper research has found that that the average time it takes for a shopper to identify and place an item in their shopping cart is 4.6 seconds! This fast thinking motivates a wide range of consumer behaviors via cue associations beyond shopping moments. This mode of thinking results in the formation of consumer expectations during consumption moments. Expectations can motivate consumer choice behavior in the context of moments with multiple choices and can impact the actual outcome of a consumer experience. Further, how a product experience aligns with expectations impacts repeat purchase and use behaviors.

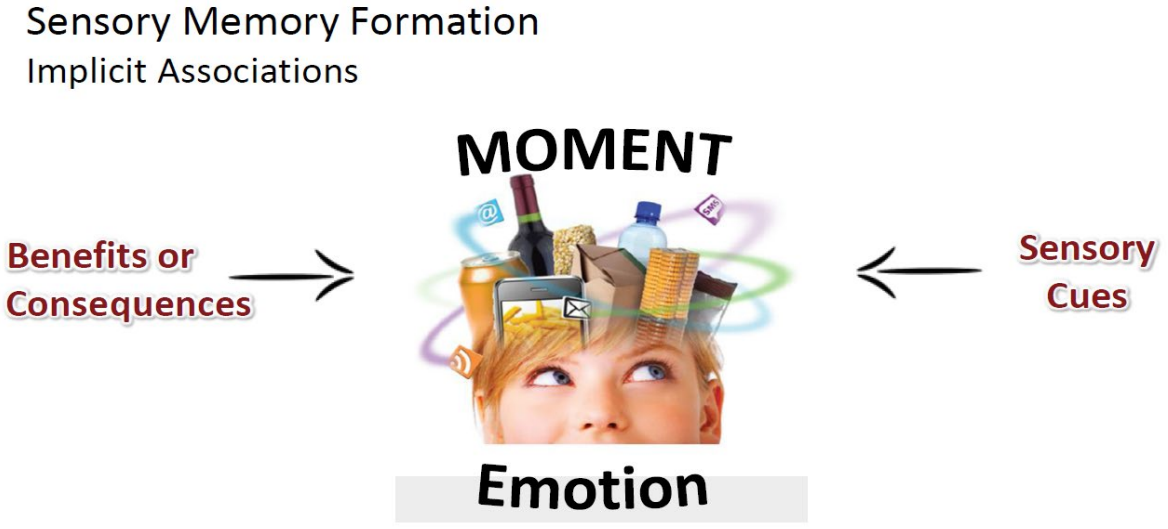
Fast thinking is based on using sensory memories of past experiences to rapidly arrive at product decisions. Sensory memories have four parts – the sensory cue, the cue association or signal (e.g. benefit achieved or consequence realized), the emotion, and the context of the moment when the memory was formed. These memories are formed from past experiences where an emotion was felt. Importantly, the stronger the emotion (positive or negative) the greater the chance that the experience formed a lasting sensory memory.

©2015 InsightsNow, Inc.

Cues Provide Foundation for Success

Product Spark makes it possible to uncover implicit sensory memories to identify the most important product and/or package cues that signal benefits. This gives R&D teams the necessary direction and a target to aim for with relation to specific product qualities associated with key benefits. At the same time, it also provides a means to measure how well these qualities deliver against the target (i.e., cue-based scales which can be used in subsequent product guidance research to optimize against key benefits beyond liking).

Ultimately, key cues become the necessary pillars for design and development. Measuring cues and what they signal in product guidance work enables product development to ensure new product and package formats successfully deliver meaningful, differentiated benefits. This provides a number of benefits including increasing clarity and efficacy, reducing associated opportunity costs and most importantly, increasing the chances for marketplace success.

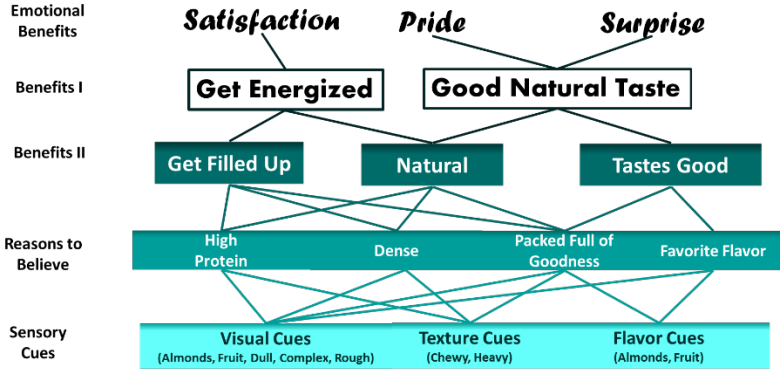


©2015 InsightsNow, Inc.

Going Beyond Benefit Ladders

Insights about cue associations are most powerful when applied to understand not just simple benefit associations, but how cues are associated to multiple interrelated benefits. Many marketers try to map the relationships among benefits in the form of a benefit ladder through qualitative research. These ladders map how fast-thinking consumers associate high level emotional benefits (e.g. pride, self-esteem) to lower level benefits (e.g. natural) and reasons-to-believe or RTBs (e.g. low sugar). Sensory cues research goes beyond benefit ladders to understand how sensory cues ladder up to RTBs and to the respective lower to higher level benefits.

Consider the following benefit ladder for an energy bar.



In this example, visual (e.g. pieces of fruit), texture (e.g. chewy) and flavor cues (e.g. almond) are shown to ladder up to different reasons to believe and associated higher level benefits. Cues research provides a way to gain insights into what sensory qualities signal specific RTBs. These insights provide marketers and product developers alike with a blueprint for how to translate the promise of a concept that is aligned with brand pillars. It also provides a new perspective to achieve product optimization.

©2015 InsightsNow, Inc.

(Continued)

Traditional product optimization uses the construct of Overall Liking as a measurement to maximize through the product development process.

Benefit ladders with cues research provide a way to start the product development process by focusing on key sensory qualities that impact a consumer's holistic impression of a product.

Product Spark provides insights into a different set of questions.

Instead of relying only on quantitative modeling that yields an optimal formulation that maximizes liking, it provides insights into what visual qualities (e.g. pieces of almonds) signal a key RTB such as high protein that is associated with the benefit "gives you energy" or what textural qualities (e.g. chewiness) signal benefits (e.g. energy denseness) associated with "gets you filled up."

It also provides insights into attributes that can yield tradeoffs (e.g. visual fruit cues that signal not energizing and respective fruit flavor that signal tastes good). By adding more fruit to an energy bar formula, the product liking will go up but the perception of energizing will go down. In this way, Product Spark is ideal to help guide the early stages of the product development process.

Photo: http://www.tasteofhome.com/recipes/course/desserts/bar-recipes/granola-bars

©2015 InsightsNow, Inc.

THREE STEPS for Leading Products in the Right Direction

Product Spark

1) Product Spark is a three-step process that begins with grounding research participants in relevant moments-of-use through immersive research activities. This is an important first step as it is within the context of the moment that needs and motivations surface. Just as motivation varies across moments, so does product consideration, choice and satisfaction. Product cues and their corresponding benefits live in these moments so it is absolutely critical to get the moment right.

2) The next step involves metaphor exercises (Spark the Senses™) and are designed to spark the unconscious mind. They delve into memories primed from past meaningful product experiences where the benefits were important. This generates hundreds of descriptive words about product attributes that may cue the unconscious mind to signal that a specific benefit exists. Each participant generates their own list of associated attributes for these specific benefits. Despite the fact this is a group exercise, the results are highly individualized. As alluded to earlier, the finesse of this approach captures subtleties that would be overlooked by traditional focus groups.

3) The third and final stage finds participants using InsightsNow's free-association profiling method as part of a cue profiling activity. Cue profiling identifies the most important cues for each benefit through the implicit assessment of protocepts, prototypes or actual products. Each participant uses their own words generated from step two and rates the items being assessed along with a set of common benefits.

©2015 InsightsNow, Inc.

The **Follow-up analysis** is completed in two parts:

- First, individual attributes are screened to those significantly correlated to benefits;
- Second, individual participant models relating screened attributes to benefits over the prototypes are combined into a common model via Procrustes Analysis.

This provides translation of the benefit to the product attributes and ultimately identifies the attributes which signal, or cue, each benefit.

The two part analysis quantitatively identifies groups of attributes that separate assessed prototypes in the same way as benefits.

This effectively translates benefits to product attributes.

©2015 InsightsNow, Inc.

Product Spark and Product Spark Pro Provide Options Based on Specific Needs

Since its introduction, Product Spark has proven to be a valuable resource for product developers looking to gain a better understanding of what today's consumer is looking for. At an appealing price point of about $25,000, Product Spark taps into the mindset of 15 survey participants who engage in one week of online activities to gain insights into what cues are signaling specific benefits in the context of current moments of use.

Product Spark Pro provides a more in-depth analysis to build benefit ladders with a list of associated cues for specific moments. At a cost of approximately $65,000, Product Spark Pro engages 24 participants within a central location environment. This provides an opportunity to yield insights that have more strategic relevance. The In-Person "Spark the Senses" session is followed up by free association where centrally-located testing of product prototypes can be controlled. This approach generates insights into cues outside the normal set of products typically encountered by target consumers in the context of a moment of use. The following table highlights some of the major strengths associated with Product Spark and Product Spark Pro.

	Product Spark	Product Spark Pro
Strengths	• Personalized activities provide deep knowledge from each participant • Online platform eliminates travel • Participants' experiences are in-context • More environmental cues uncovered	• Facilitated group learning of moment • More products, more products preparation control • Statistical modeling to prioritize the most important cues • Benefit to emotions laddering
Outcomes	• Moment deep dive • Cue nuance definitions • Metaphors • Product strength and weakness • Essential cues list • Cue tree	• Moment deep dive • Cue nuance definitions • Metaphors • Product strength and weakness • Essential cues list • Cue tree • Benefits ladder • Cue vs. benefits analysis • Cue vs. product bi-plots • Key cues vs. product scales • Product report cards

©2015 InsightsNow, Inc.

Product Spark Lights the Innovation Path from Concept to Completion

To deliver innovation that matters to consumers, new products must provide desired benefits. Product Spark makes this possible by encouraging collaboration between designers, developers and marketers that are using actionable insights to assure products will resonate with consumers.

With so much at stake, it makes sense for companies to explore all available resources to assure their people have access to the right tools during the various stages of product development. Many forward-thinking clients have found Product Spark is just what they were looking for while increasing the chances for long-term success.

For more information on InsightsNow's research methodology, translation or other product and industry applications, please contact: Shelly Lundahl, InsightsNow Marketing at shelly.lundahl@insightsnow.com.

About InsightsNow

Based in Corvallis, Oregon, InsightsNow was founded in 2003 by David Lundahl, Ph.D. and is a leading custom consumer research company. The company's award-winning research focuses on the drivers of consumer decision-making "moments" which are ultimately more predictive of consumer behavior compared to typical need states work. InsightsNow is a trusted partner to its clients who rely on the company's ability to identify core motivations, emotional cues and triggers that elicit consumer engagement and shopper response to make products more relevant and marketing programs more effective. The company's ever-growing roster of clients includes industry leaders such as PepsiCo, Frito-Lay, Catalina, Bush Brothers, Nestlé, Taco Bell, AOL, among others. For more information, please visit www.insightsnow.com.