ADAPTING PRODUCT TESTING IN CHALLENGING TIMES

Be Contactless, Leverage Technology, Get Social

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IPSOS VIEWS

GAME CHANGERS

Ipsos

A product is at the core of any marketing mix model and the physical manifestation of a brand promise. Awareness and marketing effectiveness will generate trial, but the product performance or experience is critical for repeat purchasing. Superior products that delight consumers are necessary for businesses to be successful, particularly in an increasing competitive environment where new needs are emerging.
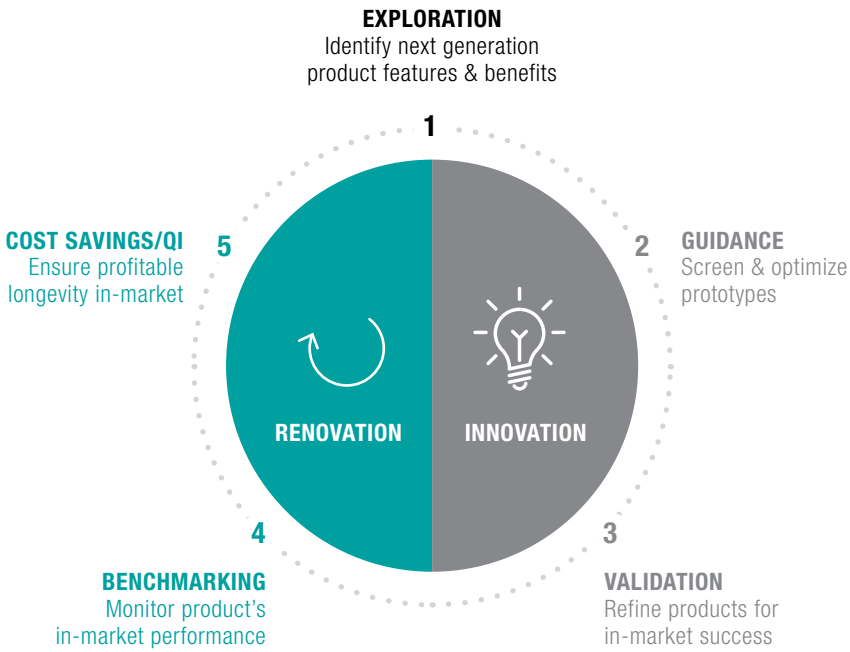
In the current environment products that promote health & wellness will be more relevant, hygiene will be an important theme, and in recessionary times consumers will seek value or private label products on the one hand and "everyday luxury" products on the other, changing the competitive landscape. Companies will need to look for cost savings and supply chains may be impacted driving the need for alternative ingredients.

The product lifecycle covers multiple stages, all of which must be supported to identify new opportunities, adjust to ever-changing market dynamics, and to extend the life of the product (see Figure 1).

Many things affect market dynamics, but few could cause such immediate changes as we have seen during the COVID-19 pandemic. A crisis changes decision-making dramatically and can impact consumption behavior across generations. This is especially true for products that are used frequently. When familiar activities are performed under normal circumstances, established routines simplify decision-making and behavior becomes subconscious and automatic. COVID-19 and the corresponding economic crisis is disrupting these mental shortcuts. An investigation of the Ipsos innovation testing database shows that consumers are more open to new products during a crisis because their regular habits have been interrupted (Figure 2).
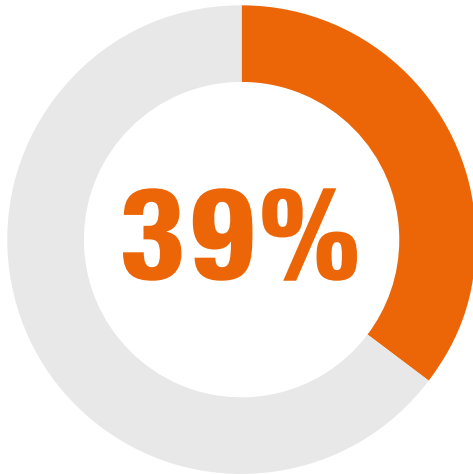
An analysis across industries concluded that proactive marketing and product launches during a crisis result in better business performance, supporting Ipsos's innovation database findings.[1]

Figure 1 Ipsos Product Lifecycle

EXPLORATION
Identify next generation
product features & benefits
1

COST SAVINGS/QI 5
Ensure profitable
longevity in-market

GUIDANCE 2
Screen & optimize
prototypes

RENOVATION   INNOVATION

BENCHMARKING 4
Monitor product's
in-market performance

VALIDATION 3
Refine products for
in-market success

Source: Ipsos

Figure 2: Percentage of product concepts with a high level of trial potential

39%

Financial Crisis
(2008-2009)

34%
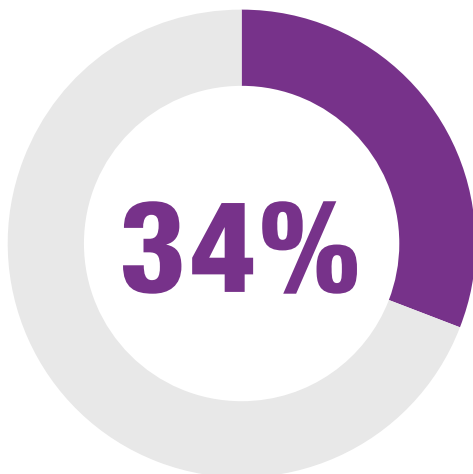
Recent years
(2016-2019)

Source: Innovating in Challenges Times March 2020. While we realize that the current COVID-19 crisis is quite different, there is still a severe financial impact in addition to the health crisis, so we believe the results provide valuable learning.

AN ADJUSTED FUTURE

COVID-19 is impacting consumers, businesses, and governments in unprecedented ways. With surging unemployment rates in major markets and reduced consumer purchasing power a global economic crisis is developing. In times of such uncertainty, smart actions can help companies be poised for growth when recovery begins. Now is the time to plant the seeds for future product success, especially when products are called upon to meet new needs and nurture strong brand connections. Continued product development and evaluation are necessary to ensure high levels of product satisfaction and repeat purchasing. However, the product testing methodologies used must flex to adjust to new world realities.

"Now is the time to plant the seeds for future product success, especially when products are called upon to meet new needs and nurture strong brand connections."

Moving forward, to help businesses grow, product testing will need to:

1. Be Contactless   **2. Leverage Technology**   **3. Get Social**

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1. BE CONTACTLESS

Safety of both participants and research staff must always be a top priority, even while COVID-19 is receding. Product testing methods need to become "contactless" without sacrificing data quality and depth of understanding. In all cases local government regulations must be followed.

Product packing and shipping:

Product handling and shipment must apply additional hygienic measures beyond previously held industry standards. With the uncertainty introduced by COVID-19, gaining consumers' trust when we ask them to test products is critical. To ensure confidence in the safety of products, information should be shared to show how the test products have been packaged prior to the contactless delivery.

For the packaging we recommend that the products are packed in a "clean room" designated for that purpose, with packing surfaces covered with fresh paper between each product packing. The packers must follow strict hygienic rules including washing hands frequently, using hand sanitizer and wearing face masks. In addition to the product, the package should include a clear product usage instructions, with a letter containing the details of the hygiene protocols applied for complete transparency in the process. The product dispatching should be completely contactless, independent of whether an interviewer or courier service delivers the product, or the consumer picks up the product from a central location.

For studies where the design includes multiple products to be tested, all products can be placed at the same time and labeled according to usage to reduce the number of consumer interactions.

Data Collection:

Online interviewing for product recall needs to be employed as much as possible to eliminate contact. For countries where pure online product testing is not feasible, mixed-
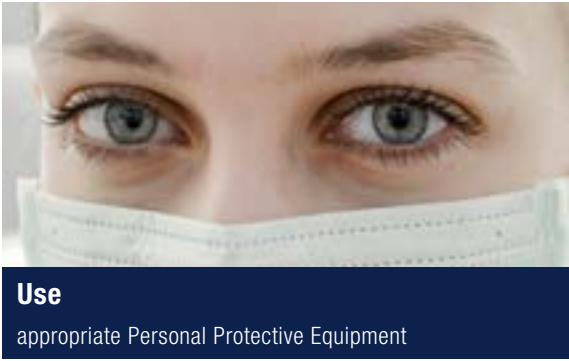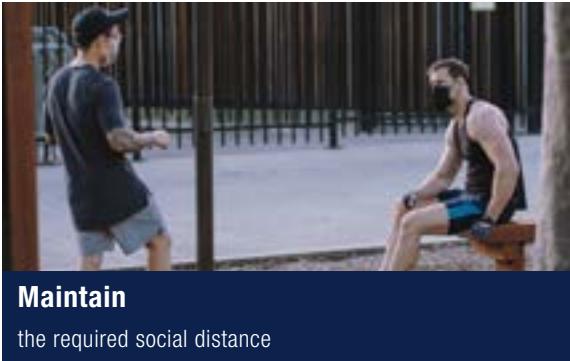
mode methods offer an alternative. These consider different options of product placement, data collection, and technology and have already proven to be useful in several markets:

- In China, products were picked up with contactless methods at a central location and then tested at home. An app was used to provide instructions on how and when to use the products, with consumers providing their feedback via an online link to a survey.
- In Indonesia, interviewers who would normally work face-to-face are now interviewing consumers via phone at home with products being shipped using courier services. Interviewers completed the surveys on tablets using proprietary software that automatically uploaded the data to a central server where it was checked for quality and tabulated.

Is Central Location Testing still possible? As the COVID-19 curve is flattening in some markets and lockdowns are loosened, Central Location Testing (CLT) is becoming an acceptable methodology again. However, there will be adjustments to CLT research as needed by region and market. To reduce levels of contact, respondents can be pre-recruited online or by phone instead of using face to face intercept from mall/hall traffic. Group interviewing should be avoided if possible or it is highly recommended to test in smaller groups with greater physical space between participants, such as a minimum space of 1,80m (six feet). In addition, it may make sense to prioritize stand-alone facilities rather than large centers for shopping. If the status of COVID-19 varies within a country, field markets should be switched to less affected cities.

Any research that is conducted in a facility must apply strict hygienic protocols in line with government policies and industry guidelines (Figure 3).

Figure 3 Safe CLT measures need to be considered

Minimise
in-person interactions through online or mixed mode

Maintain
the required social distance

Use
appropriate Personal Protective Equipment

Do not share
materials or devices

Source: Ipsos' own visualization

2. LEVERAGE TECHNOLOGY

Virtual Instant Product Labs – while face-to-face methods are impacted by social distancing, virtual platforms provide a controlled setting to guide product development with confidence and are working well in pilot tests. The appropriate sample of around 50-60 consumers is screened and identified to participate in a virtual lab on a specific day and time. Within the session, a moderator leads the tests by instructing participants how to unpack and use the product that has been shipped to them previously and participants rate the products via a live survey on the platform. Data is captured and tabulated immediately, viewable by technical product developers as well as marketers in a "virtual back room" in real time.

Following the quantitative session participants are selected based on their responses to join a video focus group moderated live by qualitative consultants that delve into the "why" behind the data. Video assessment of consumer behavior and product experiences help businesses stay connected to their consumers to understand first-hand what is happening and the environment it is happening in.

Virtual labs provide rich insights facilitating virtual collaboration of all key stakeholders who view the test from the quantitative and qualitative sessions without the need to travel.

"In a time of social distancing, technological advancements allow new possibilities for testing products virtually."

Online communities - Today, consumer opinions of products are created in a more connected way than ever before. COVID-19 has only amplified this. One way to build virtual connections to drive co-creation and collaborative product evaluation is via communities.

Communities are based on the principle of collective intelligence, whereby more knowledgeable and engaged consumers interact via active conversations. To receive in-depth insights, heavy users of a category are often invited to the community. Besides providing feedback on the product to be tested they are prompted to do other activities such sharing videos of daily experiences, taking pictures of products in their pantry, or researching the category on the internet, to contextualize their responses. One of the primary benefits of a community are the variety of options by which to engage participants and elicit feedback.

GET SOCIAL

People's purchases may be impacted by changing shopping habits, especially eCommerce purchasing. At the same time, with people staying at home more often, perhaps trying new products and purchasing from different retailers. The question that arises is how can we leverage this social phenomenon and associated data to understand product performance, all without placing products?
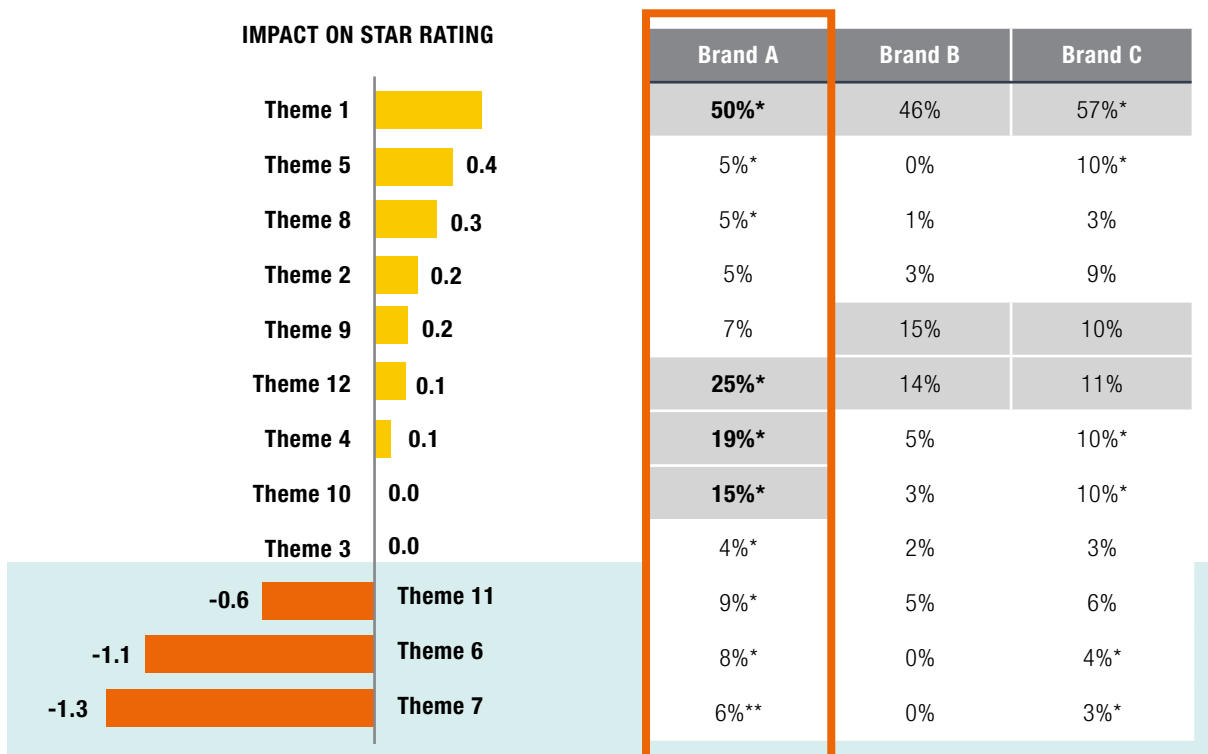
Utilizing social rating and review data for in-market products, analyzed through a product testing lens is one solution. Businesses still need to understand how the product is performing vs. competition and whether performance issues need to be addressed immediately. In the absence of product placement there are two data collection options for ratings and reviews:

- Online rating & reviews from eCommerce sites can be mined to fuel analysis.
- Alternatively, panelists are screened for product usage and asked to provide a rating and review as they might do online for the products they already have in their home.

In both cases machine learning-based algorithms are applied to the open-ended data to compare products through the association of words as they naturally appear in reviews, including sentiment analysis of positive and negative comments. Human intelligence, in addition to the machine learning, is applied to detect the context and nuances from the key product associations or themes. In the end, a synthesis of findings including product strengths and weaknesses, comparison to competition, driver analyses (Figure 4), and identification of possible next steps for product improvement are provided - all without product placement in a cost-efficient manner.

"Currently consumers are more open to innovation since their usual behavior has been interrupted and new needs are emerging."

Figure 4 Drivers of Product Performance

IMPACT ON STAR RATING

Impact	Theme	Brand A	Brand B	Brand C
	Theme 1	50%*	46%	57%*
0.4	Theme 5	5%*	0%	10%*
0.3	Theme 8	5%*	1%	3%
0.2	Theme 2	5%	3%	9%
0.2	Theme 9	7%	15%	10%
0.1	Theme 12	25%*	14%	11%
0.1	Theme 4	19%*	5%	10%*
0.0	Theme 10	15%*	3%	10%*
0.0	Theme 3	4%*	2%	3%
-0.6	Theme 11	9%*	5%	6%
-1.1	Theme 6	8%*	0%	4%*
-1.3	Theme 7	6%**	0%	3%*

Source: Ipsos analysis

FINDING FUTURE PRODUCT SUCCESS

Currently consumers are more open to innovation since their usual behavior has been interrupted and new needs are emerging.

Continued product testing is needed to screen and optimize new products and line extensions, ensure that the product delivers on the brand promise, to understand product strengths and weaknesses vs. the competition, and to establish profitable longevity in-market through cost saving initiatives or quality improvements.

In times of uncertainty smart actions help companies grow.

KEY TAKE-AWAYS

1 Product testing will become "contactless" using online and mixed mode methods with additional hygiene measures to alleviate consumer health concerns. This will happen without sacrificing data quality and depth of understanding.

2 Technology can transform the way we interact with respondents by combining empathy, rigorous analytics, and consumer storytelling, bringing key stakeholders together in new ways.

3 Social data leveraging product rating & reviews can help to understand product performance vs. the competition without product placement in an insightful and cost-efficient way.

REFERENCES

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