The marketer's guide to product innovation

Tactics for agile research and competitive change — from ideas to launch

ModernRetail | Dig Insights Upsiide

Innovation is essential for brands to grow and respond to changing market demands, but it requires a strong sense of what consumers want.

Technology and an evolving understanding of how consumers make decisions are leading to massive changes in how brands conduct research. These new tools are faster, more cost-effective and allow organizations to evaluate innovations vs. in-market options. This competitive view ensures that launched innovations can compete in-market and drive incremental volume.

Without this understanding, brands risk investing in innovations that underperform. A recent McKinsey report found that 84% of executives agree that innovation is essential to growth strategy, but only 6% are satisfied with innovation performance at the end of the day.

"Historically, because research was expensive, companies would put a ton of work into ensuring they were testing and researching the most polished version of an idea before they put it into the market," said Michael Edwards, co-founder and Chief Growth Officer at market research company Dig Insights.

"Now that the process is more agile, companies can use research to iteratively develop ideas as opposed to simply evaluating completed ideas. This makes research more compelling than the old model of using research primarily to make 'go/no-go' decisions."

Dig Insights, which built the innovation insights platform Upsiide, defines agile market research as testing ideas early and iteratively optimizing ideas before launch. This process prioritizes winning ideas earlier by optimizing the strongest approaches via consumer feedback. With a more agile approach and by leaning on technology, brands are integrating consumer input throughout the innovation process — allowing them to move faster and increase their success rate.

In this Tactics + Insights guide, Modern Retail and Dig Insights, maker of Upsiide, explore how brands are pairing new methodologies and agile research technology to develop winning products and services. With human-first approaches to drive survey engagement and new approaches to concept testing and evaluation, teams are gleaning much faster and more actionable insights from innovation testing processes.

Teams responsible for innovation are surfacing better feedback with more engaging interfaces

With agile market research, companies are working to overcome internal indecision and develop validated insights to pursue and refine innovations that show the most potential in the market.

Dig Insights' Edwards recommends testing a range of ideas as early as possible before prioritizing the most popular ones and improving leading ideas with further consumer feedback.

The testing of these ideas has also evolved. For example, product innovation teams and researchers are using mobile-first, gamified interfaces to boost engagement and obtain the consumer data needed for behavioral modeling — rather than relying on overly rational, traditional surveys. These interfaces encourage more intuitive responses from participants that more closely resemble consumers' gut reactions in retail environments.

Upsiide, for instance, offers a swiping interface that prompts users to swipe right on ideas they like and swipe left on ideas they dislike. This kind of fast-response approach also allows researchers to test multiple ideas efficiently. To help identify ideas that have the potential to drive loyalty in-market, Upsiide also asks respondents to choose between ideas that they like. These liking and tradeoff data points are the key share modeling and forecasting inputs.

These developments are also improving the quality of response data. The same technology allows researchers to implement numerous data-quality checks in real-time while the study is in the field, helping eliminate responses from bots or disengaged users, removing suboptimal feedback and replacing it with high-quality respondents.

Tactics and insights

- Gamification strategies, such as swiping interfaces, encourage fast responses and higher levels of engagement from survey participants.
- Trade-off identifies ideas with the potential to drive loyalty in-market.
- Implementing real-time data quality checks allows teams to replace bots or low-quality responses with highly engaged participants.

The way that survey approaches impact consumer feedback and innovation research

To maintain a high standard of engagement and quality responses, Edwards recommended asking respondents for detailed feedback on a limited number of ideas. This ensures researchers receive highly valuable responses without the survey being overly taxing on respondents.

Although capturing data that reflects consumers' nuanced reactions is challenging, researchers are implementing strategies representative of daily digital communications to elicit feedback. For instance, Upsiide allows consumers to answer questions from a set of emojis, which equips researchers to capture quantitative data from respondents about how an idea makes them feel. Then, open-ended questions can be asked so respondents can provide detailed feedback on specific ideas.

"Typically, we ask the swiping like-or-dislike question to assess lots of ideas," Edwards said. "Then, we ask respondents for detailed feedback on a single idea. So I might give detailed feedback on Idea A, someone else will give detailed feedback on Idea B, someone else on Idea C, etc. Across the total sample of respondents, we get detailed feedback on all the ideas, but each individual respondent only gives feedback on one, which keeps them fresh."

Modeling and visualizing this data and consumer feedback allows for better analysis of a potential innovation's performance, market share and incrementality. This data modeling reveals strategic opportunities that help teams and their leaders to make decisions.

Metrics are crucial to conversations around data. Dig Insights created a proprietary metric called the Idea Score for its Upsiide platform. It is derived from evaluating a respondent's level of interest — measured when they swipe right or left on a product to say they like it or not — and their level of commitment, which is assessed by a 'trade-off' between two liked ideas. The following case studies examine the value of this metric in helping teams determine which ideas are ultimately worth pursuing.

Tactics and insights

- Using emojis within surveys allows researchers to capture respondents' genuine and instinctive emotional reactions.
- Creating mobile-native experiences and straightforward, familiar interfaces for respondents helps researchers get better answers from participants.
- Asking individual respondents for detailed feedback on a limited number of ideas allows researchers to get feedback on all ideas across a sample without fatiguing participants.

To bring clarity to product testing, successful innovators are streamlining tests

One of the most significant barriers to agile testing is the need to develop visuals. If, for example, a CPG company is innovating claims or new flavors, creating packaging visuals before testing drives significant time and cost inefficiencies. However, brands are discovering that effective testing doesn't require visuals to drive well-informed decision-making.

For instance, Dig Insights used the product range of Hain Celestial, a food company specializing in natural foods, including Terra Chips and Sensible Portions snacks, to demonstrate how it's possible to test early-stage ideas without visuals and get the same answers that would be achieved with them.

The Dig Insights team used Upsiide to run the research. Two matched cells of consumers were recruited. One cell saw a range of snack flavors supported with packaging visuals, and the second cell saw the same flavors supported with simple text descriptions. The Dig Insights team measured the Idea Score for each snack flavor based on these two scenarios to understand the potential of each flavor.

Comparing the two cells, there was a correlation of 0.8 between the results of those who assessed visuals and those who assessed text. (A correlation above 0.6 is considered very strong.) This demonstrates that testing an idea as text generates actionable results without investing resources in package design during the testing phase, allowing teams to move through the innovation process more efficiently.

An additional benefit of this approach is that the results are clearer and easier to interpret. If an idea is represented with a visual in testing, it might perform well or poorly because of the underlying idea or the quality of the visual. Focusing testing on text without any supporting visuals creates a clear direction for the innovation team.

Tactics and insights

- Simple text-based ideas allow teams to test ideas before investing in costly design iterations and makes the innovation process more efficient.
- Testing ideas without supporting visuals makes it easy to ascertain the performance of the idea without the potentially biasing effect of the visual.

Agile research is leveraging competitive context to set priorities

In another example of agile innovation at work, Everipe is a company that makes pre-portioned, plant-based smoothie kits. One of the company's potential innovations was Smoothie Mates, a booster that consumers can add to improve their smoothie's nutritional value.

Upsiide was enlisted to help Everipe benchmark its Kits and Mates products against real-world competitors using its Idea Score to predict in-market performance and identify top-performing ideas.

"This is how products are bought in the real world — they're traded off against each other while shopping," said Edwards. "When it comes to research, it's great to see that a high percentage of survey respondents like an idea or visual or claim. But without trade-offs, we haven't identified ideas that can drive choice in-market. Historically, researchers would end up in an endless debate because the data doesn't provide much clarity."

As an example of how the Idea Score helps short-circuit such a debate, in Everipe's in-market product testing, the Smoothie Kit was the product with the highest Idea Score.

"We were constantly working with the manufacturer and iterating on the product, and we were struggling to bridge that gap between the product, the wider vision and the anecdotal feedback we'd get from people that sampled the product," said Kerry Roberts, co-founder of Everipe Superfood Smoothies.

In contrast, the Smoothie Mates idea ranked significantly lower on the Idea Score scale because of a low level of Commitment. Consumers who liked Smoothie Kits were more likely to choose it over another product they also liked. In-market, this would translate into higher consumer loyalty, which is a crucial driver of in-market performance.

Testing multiple ideas also enables researchers to include in-market products (their own or competitive products, without affecting study costs). Benchmarking against in-market products ensures that the winning ideas have the potential to succeed in the market.

Upsiide's Market Simulator dashboard helped Everipe assess the market potential of the innovation. Smoothie Mates was projected to have a 4.8% share of choice. In a market where Mates was not launched, Kits was projected to have a 14% share — but this dipped to a 13.3% share for Kits if Mates was launched.

However, the market share doesn't tell the whole story, cautions Edwards: "As a smaller company, Everipe realized that Smoothie Kits was a bigger opportunity. It was better to double-down on that than to divide energies across two sub-brands when Mates did not offer that much incremental benefit."

Tactics and insights

- Actionable metrics such as Idea Score helps drive strategic decision-making quickly because it reflects how people shop today by comparing between different options.
- In-market benchmarks help illustrate which opportunities have incremental benefits so teams do not unnecessarily divide energy between multiple brands or ideas.

Curious learners plus sophisticated tech make for strong agile innovation partners

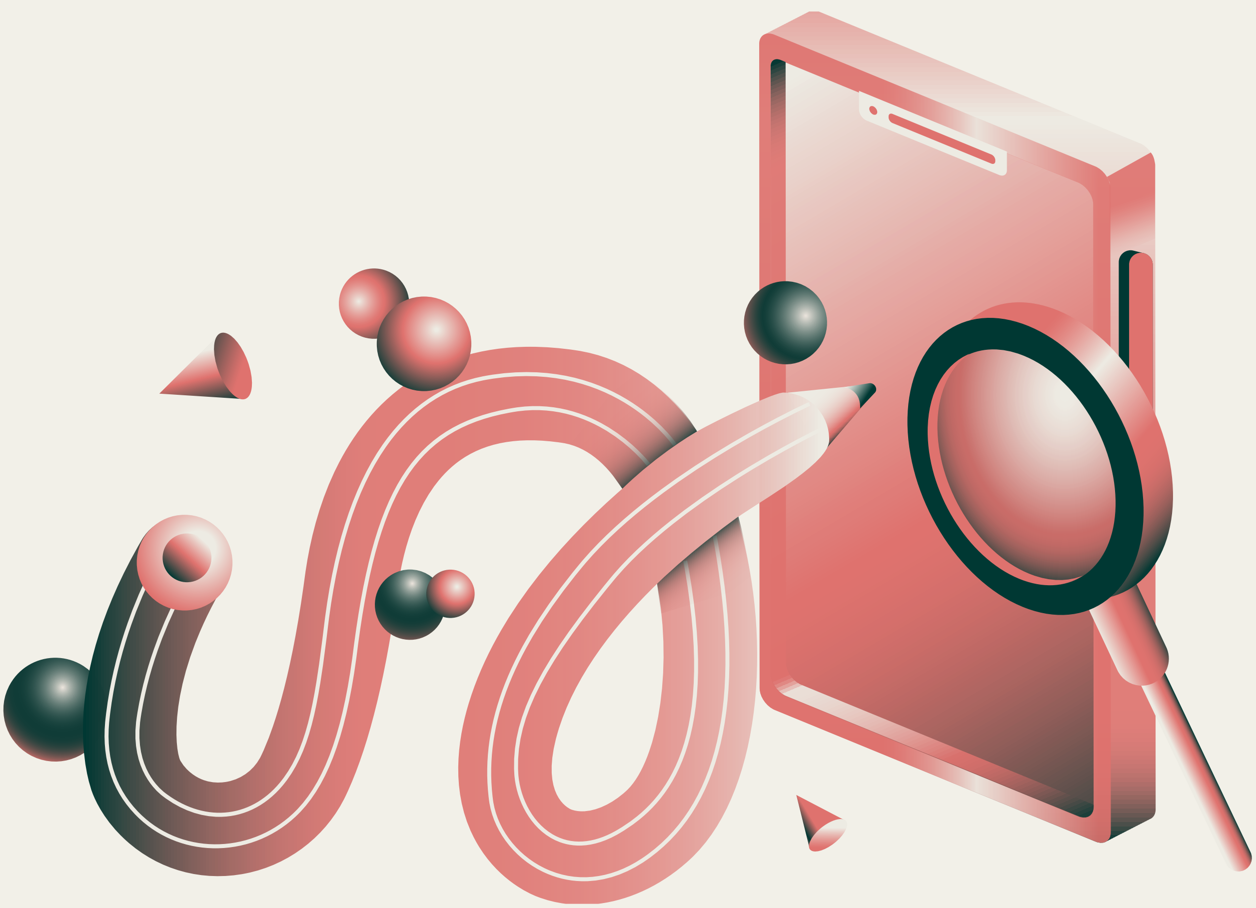
Technology has streamlined the innovation process, allowing more organizations to invest in market research — and commit to innovation testing more often.

With more options for market research available to companies, Patrick Lambert, vice president of customer experience at Dig Insights, recommended teams seek partners that are well-versed in the fundamentals of research technology rather than specialists in a brand's specific industry.

"What makes a good researcher is a team of people that are curious and love to learn," Lambert said. "While it's a definitive positive that a researcher knows your category, that knowledge is something the brand is the expert in."

Teams should also determine if they want the process to be fully automated or more customized to their needs, including working with partners who offer insights into interpreting results and giving recommendations. These services make the research process more collaborative and ultimately allow brands to work more independently for future iterations of innovation research.

Making innovation testing part of a company's regular cadence and implementing best practices for consumer surveys and feedback gives teams more powerful insights. They'll know which innovations have the most potential to maintain and grow market share.



About Upsiide

Tech-enabled insights consultancy Dig Insights created Upsiide, an innovation insights platform that allows marketers to test ideas, concepts and communications in a fast, cost-effective and clever way. Because of the unique approach to screening ideas, Upsiide is able to predict the in-market potential of whatever it is marketers are testing. Powerful reporting and interactive dashboards mean marketers will be able to make strategic decisions – both big and small – in a flash.

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