

New Product Development and Evaluation

To survive, organizations must execute in the present and adapt to the future. This is especially true in the development and nurturing of new products. The simple truth, however, is that most new products fail despite all the sweat equity, the millions of data points examined, and all the querying of consumer targets.

If we are to change this, we must become better quantitative observers and weavers of what attitudinal and behavioral information predicts. We must listen to both societal trends and the public as contributors to new product ideas, services, and features.

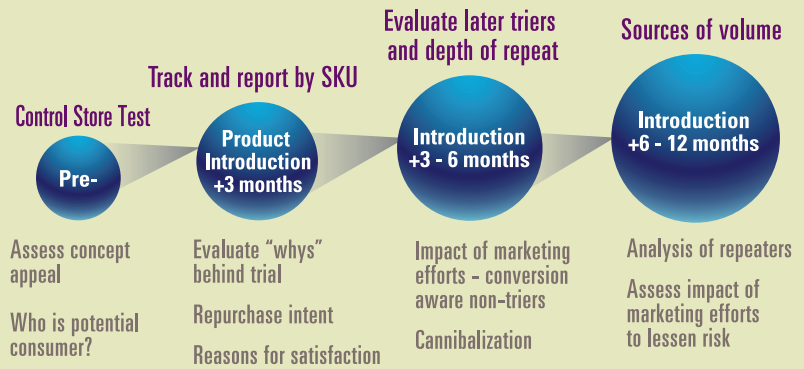
Comprehensive New Product Program

Knowledge Networks (KN) tunes into consumers through our new product program. We use the best methods and resources to quantify the beliefs and behaviors that drive consumer choice.

The notion of 'new listening' starts with analyzing information comprehensively, gaining actionable marketing information in the business context, including drivers of behavior across product introductions. KN works to alter the following reality:

- Most new products fail in introduction
- Even if new products pass into research and launch, most don't last past a year
- The cost of new product failure is billions of dollars
- New products fail due to:
 - **Lack of actionable retail and consumer information** that quantifies consumer in-store behavior
 - **Effective target audience assessment**
 - **Timely information** enabling companies to refine strategies and tactics before retailer delisting

Behavioral and Attitudinal Measures and Approaches Across the Brand Development Process



The big idea KN brings is the integration of behavioral and attitudinal views throughout the new product assessment process, the details of which are depicted in the chart above. This comprehensive program can refer to an all-channel view or to specific channels for execution and analysis.

A further component of KN's new product program is a comprehensive understanding of the reasons for brand trial and repeat purchase so that KPIs (Key Performance Indicators) are in place.

Early Stage Ideas





With the cost of new product introductions so high, it has never been more important to understand if your idea has legs at retail and in the hearts and minds of consumers. KN can help you quantify your concept traction, as well as conduct confidential, in-store tests with the leading online grocer, Peapod. KN's new product testing with Peapod enables you to have a view of volume, in-market trial and repeat behavior, along with opt-in-based surveys to obtain the "why" behind consumer acceptance or rejection

New Product Development and Evaluation

Continued from other side

of your new product – all with very limited product quantities.

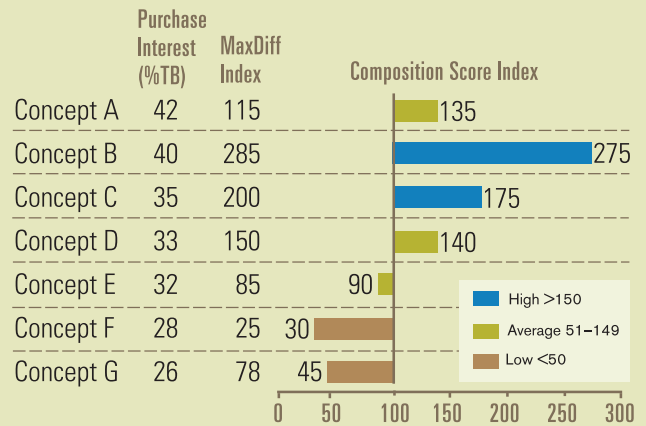
KN also excels at identifying new market opportunities through the use of brand landscape, perceptual mapping, and Discrete Choice modeling for new product introductions. Discrete Choice models directly measure consumer preferences by assessing the trade-offs consumers make between different product attributes or benefits made in the context of a purchase decision, as measured by a “utility score”. The Discrete Choice task involves having consumers evaluate several scenarios where they are asked to pick the brand, including new products that they would be most likely to purchase, from a choice set of products that vary according to brand name, price, feature, service, and the like.

DISCRETE CHOICE				
	PRODUCT A	PRODUCT B	PRODUCT C	PRODUCT D
BRAND				
USABILITY	Simple for everyone	Easy for adults	Simple for any one	Takes time to learn
PRODUCT FEATURE	Has less [feature] than is typical	Has less [feature] than is typical	Has more [feature] than other brands	Has moderate amount of [feature]
PACKAGE DESIGN	Very attractive	Extremely attractive	Not very attractive	Very attractive
PRICE	\$x.xx	\$y.yy	\$z.zz	\$x.xx
Which of these products are you most likely to purchase?	✘	✘	✘	✘

Late Stage Concepts

Once a product or service concept is determined to be worth pursuing, it is critical to measure the size of the market that will be served and to do this in a way that looks beyond Purchase Intent (PI) by quantifying the strongest of the concepts. At this stage, Knowledge Networks responds with the highest quality online consumer panel in the world—KnowledgePanel®.

Identification of Optimal Concepts (Category Users)



We do this through the use of a respondent engaging forced choice exercise known as Maximum Difference scaling, in addition to obtaining purchase intent and concept diagnostics. We then develop a Composite Score to capture the effects of each measure.

The chart above illustrates that by looking to the MaxDiff and Composite Score, instead of just the PI, which alone would have told the manufacturer that the first two concepts were equally credible in the market, we discover that only Concept 2 had vitality.

The Behavioral Assessment

Knowledge Networks’ support for development and evaluation of new products extends into the launch. By mining our database of consumer purchases, it is possible to determine early on whether forecasted Trial and Repeat estimates are being achieved. Moreover, tracking among survey panel members who are Triers, Non-Triers and Trier/Rejectors can reveal which elements of the marketing mix are working, and whether course correction is necessary. Finally, store level testing across virtually any class of retail trade is possible for packaging, shelving, and promotional alternatives.

In-Market Testing

Store level testing across virtually any class of retail trade is possible for new product introductions, as well as packaging, shelving and promotional alternatives.

The KN/PDI - IRI alliance brings you best-in-class controlled store tests that reveal a 360-degree view of consumer takeaway of, and attitudes toward, your new product and response to the supporting marketing program. We can conduct store-level testing across virtually any class of trade to evaluate new product introductions or force distribution.

Knowledge Networks Rigor and Expertise

In keeping with this marketplace dynamism, Knowledge Networks uniquely meets both the behavioral and attitudinal information needs of companies across a broad array of vertical industries, supporting information requirements at virtually every step of the new product development cycle.



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