

1 World Research

Marketing Solutions

Issue 1: trends, new product development & concept testing

Welcome to the first issue of *Marketing Solutions*, 1WR.net's notes on international marketing research findings and solutions. The information contained in *Marketing Solutions* comes directly from our own market research and each issue will focus on a particular area of marketing research.

This first issue concentrates on 1WR.net's specialisation in trends, presenting key findings from Trendsetters, creative solutions to formulate NPD proposals, and innovative techniques used for concept testing including a 'watchdog' system to assess the potential of new concepts at a low cost.

1WR.net was established in 2000 in the UK by senior researchers and offers a suite of MR services that are offered locally, regionally and globally through partnerships based upon 1WR.net's methodologies, techniques and standards.

Some trends for 2003+

Trends presented in this paper are based on interviews conducted in London and Paris during 2002 from 24 carefully selected respondents (see sample and methodology box – page3). These first interviews helped refine TrendSetters® for the first global survey commencing in September 2003. TrendSetters is also available on an ad-hoc basis.

>Looking for 'stability' and traditional values: Stability in relationships, valuing adult to adult relationships with parents and siblings, finding space within a busy lifestyle, seeking 'home touches' were all noticed among opinion leaders 'setters of trends' and 'trend setting' consumers. This is a neo-traditional direction, as respondents were also willing to accept new and different experiences. They would evaluate in a 'traditionalist' modality but with benefit of open mind, not bigoted

and not dogmatic. Looking for 'community' values in a big city context was observed as a desire to combine opportunities afforded by big city with 'caring' found in small town/village life.

>**Global identity:** Increasing identification as European or World Citizen was noticed. Celebration of similarities and differences leads to the acceptance of changes within Europe.

>**Searching for the unknown:** Interest in self development both intellectually and spiritually was observed, through personal or vicarious experiences of life changing events such as deaths and chronic illnesses. Selected for their ability to set or seek trends our respondents are welcoming new ideas, new opportunities and experiences. However, they are somewhat restrained in actively seeking these out due to 'time' pressures, allowing little 'intellectual' space to be creative in leisure terms. They expressed interest in and attraction to next generation of 'alternative' health approaches beyond homeopathy, osteopathy, acupuncture, feng shui; sensitive to good vibrations and positive energies that conform to their personal spiritual development.

>**Solving the time conundrum:** Trends concerned moving to living near to work, within walking or cycling distance, to create space for life outside work as well as coping with 'traffic' and its implications. Being independent is important rather than relying on public transport, so finding alternatives such as mopeds is attractive. They are also seeking 'ultimate services' in business travelling (24hours/7 days without quibble), and friendly, welcoming and personalised services in their own neighbourhood retailers.

>**The Anti-Trend:** Those in high fashion careers seek, in their private lives, the very antithesis to fashion – intimacy; discreet locations that socially friendly and offer welcoming, individual service; places that are 'Bijou' and not high profile, where they will not encounter the smart set, and which

are quiet not wild. Recommendations were perceived as more powerful than advertising demonstrating the potential power of 'viral' marketing. Mass appeal is often considered superficial. They were not 'elitist' but individual, and were not attempting to belong to a group/set which leads to 'next generation' trends. Trend setters were in search of experiences which are adventurous, different, and not "in" which has a marked impact for the potential of goods & services. The new trend is there before the fashion leaders identify it.

>**Street influences:** Creative artisans (moved out from mainstream environment) chose locations where they can 'observe' and be 'part of' street life, especially for clothing and architecture. An interest in looking for new ways of capturing living now for the future, seeking locations where there is a 'bohemian' and cosmopolitan 'urban' environment, hence become part of the 'street' seeking recognition for their work rather than fame and fortune.

>**Positive opting out:** TrendSetters are following 'creative' careers inspired by the 'intuitive self' rather than 'academic' careers directed by educational establishment. They are looking for self realisation and realisation of self, passion led not 'achievement' led success, right not left brain dominated opportunities which can be realised in youth not mid-life. Some chose low paid, high reward careers in pivotal societal development, placing self beneath others, passion for the rights of all to succeed, valuing world citizenship higher than personal gain. Finally, 'trend setters' took a moral distance on corporate values affecting their buying behaviour, identifying companies exploiting third world economies, avoiding brands with 'poor moral/ethical', using individual spending power as a tool to influence.

For further information on TrendSetters:
www.1wr.net/consumer/trendsetters.html

TrendSetters' 2002 sample and methodology

The above findings are based on in-depth interviews from two types of trend setting respondents:

- Opinion Leaders in fashion, architecture, music, graphic design, technology, media, sports, culture (the arts), and social
 - Consumers that so far are categorised as 'Stylish Set', 'Avant Garde' and 'Urbanite'.
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- **Opinion leaders**
Founder of cultural centre for artists; a television facilities community work for neighborhoods; the founder of a development education NGO; the founder of an on-line radio DJ station; the founder of an NGO targeted to under-privileged families.
 - **Stylish Set**
Technical first assistant for French haute couture designer; the founder of a private 'elite' social club; a jeweler designer; an assistant fashion editor for an English fashion magazine; a supplier manager in a woman's lingerie dept; an architect designer; a brand DNA strategic developer for marketing brand company; a music producer; engineer/writes music/DJ; fashion designer, shop owner in Portobello Market.
 - **Urbanites**
Street fashion clothes designer; an actor/photographer/gaffer/DJ; a designer of urban clothing; a fashion editor for a new teenage fashion magazine; a stylist/couturier for fashion accessories.
 - **Avant-garde**
Restaurant owner; a choreographer; a manager of a holistic health centre; a teacher/poet/community worker; a lawyer for an international law firm; an NGO worked involved in global good governance; a sound re-recording engineer for films.

The interviews were conducted in a friendly, trustful and pleasant way to make respondents at ease, comfortable, free to express themselves as they like. Interview lasted around hour. Respondents were offered personal access to cultural events rather than money.

The stages of the interview covered:

- Influences on their life (friends, social life, family, and money); success and its importance; other influences may they be political, social, and more generally, personal aspirations.
- Favourite places for professional and personal occasions
- Activities they chose to do.
- Understanding their agenda regarding professional aspects, personal projects, holidays, and related.
- Product categories: beverages, food, personal care (hair, face, body), home appliances, transport, traveling, entertainment, news

Implications for new product development

The previous article indicates some changes which somehow undermines the power of the brand. This article is about the essence of innovation which is new product development (NPD), as a means to renew or extend confidence with consumers and hence branding. Some examples are developed to better explain how the creative process takes place. Acknowledging consumer demands well in advance offers many opportunities.

>Analysis and NPD formulation:

Researchers involved in TrendSetters from MR and other fields such as sociology, journalism, advocacy; as a variety of researchers enhances creativity, were used to formulate a number of NPD proposals, as an example to validate the process. The translated in-depth interviews were stored in a textual analysis program available on the internet, facilitating idea generation and proposal formulation.

>**Soft drinks case study:** As an outcome of TrendSetters, a number of directions were considered. Caring found in small town/village led to local co-operations. Increasing identification as World Citizens led to more new origins as global awareness brings an opportunity to offer more original local drinks. Personal spiritual development was also integrated. Alternative health approaches lead to natural ingredients not too refined so they keep their natural benefits. Brands with 'poor moral/ethical' codes led to fair trade co-operations. The NPD proposals are just some illustrations of possible outcomes. These are examples as NPD proposals would require client support and remain confidential. 1WR.net researchers assumed that marketing and quality leadership can provide new opportunities and sustainable business relationships,

manufacturers or distributors having the resources to manage complex production and delivery information systems.

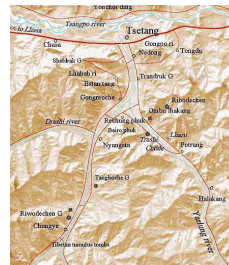
>**Real apple juice:** produced locally, based on various varieties of apples, indicating their origins, various handling dates, trade approach, local dimension.



>**Guarana soft drink:** generally stimulant free, however a positioning opportunity could indicate Guarana stimulating properties, extending exoticism, from Brazil, but also its state famous for its Guarana: Maués.



>**Mineral water sets:** Village feelings in a big town offering a collection of local mineral waters from spiritual localities with a story. For instance Yarlung is a valley known as the birthplace of the Tibetan civilisation and of the oldest Tibetan kingdoms.



>**Before 'before's' and after 'after's' soja milk base:** Extracted from the verbatim from a respondent: *Anything you would like to change in your life now? "I drink too much and smoke too much and I don't do enough exercise. It is a bad way of doing things, so like Friday, Saturday night I will be drunk guaranteed"*



>**Sources of innovation:** Proposals were realised in two complementary ways:

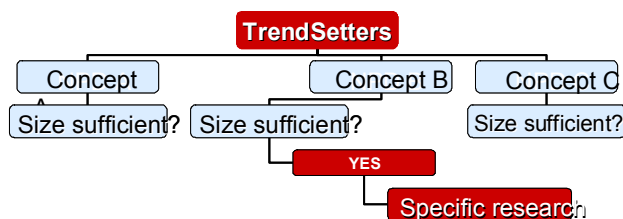
- Keyword searches for instance on “soft drinks” comprises over a hundred terms. The database outputs associated verbatim which is viewed by the researchers that together through Net Meetings determine NPD paths. (see box opposite that illustrates outputs)
- Analogy related to aspirations and ways of living, or respondents’ profiling such indicated in general trends such as world citizen identification.

About health issues: So, you wake up, you drink your orange juice, you drink your water, you have your vitamin tablet. You work, you go to lunch. You have your sushi, _sushi, then you make sure it's good. You have your Chinese tea or whatever you have. You go for dinner. You make sure it's grilled, not fried. White meat, not red meat. Brown rice, not white rice. There's some good to that. The evening you have 3 vodka shots, start smoking.and its another day.

Concept potential

This article explains different means to assess concept potential from a watchdog system to specific 1WR methodologies for screening and final validation.

>**Watchdog system:** Most corporations handle a number of MR projects. These can be used to ‘piggy back’ two or three questions to assess initial interest in a new concept at a fraction of the cost of specific projects. Internally, a classification of consumers/users either based on socio-demographics such as gender, age and income levels but eventually related to social activities or segments. If projects handled in key markets are planned, a few extra questions can be integrated. When a sufficient proportion of consumers/users are noticed, specific research should be allocated as illustrated.



A watchdog system should enable in time to retest, eventually to notice more

adopters, and maintain a list of potential new concepts. Concepts addressing new consumer segments would require specific sampling and evaluations altogether.

>**Screening:** Once a concept is noticed sufficiently adopted, it needs to be refined, presenting various alternatives to seek the most appealing. ConSort uses computer assisted interviews with respondents recruited and physically validated.

ConSort description

Conditions: in hall, computer assisted or face to face based on cards/photos. The test is sequential so each respondent reviews many concepts.

Methodological steps:

1. Relevance
2. Status
3. Empathy
4. Differentiation
5. Emotive appeal (overall opinion)
6. Rational appeal/purchase propensity

vary depending on the number of tested concepts. The overall sample size should be sufficient to allow comparative

assessment of likely successes and failures. Design renderings can be integrated, as screening is an intermediary phase only.

>**Potential:** Current purchase habits and an assessment of how a concept may fit into a consumer's repertoire are important, in order to estimate the potential size of the marketing opportunity. Hence, for the 'winners' of the screening phase, this second stage overlays purchase propensity and other data onto the original assessment. It also collects further details to guide positioning, by making comparisons with likely competitors. It is based around monadic testing of a small number of concepts. Again, the sample size for ConScope may vary according to the number of concepts being tested, as a minimum, there should be a matched

sample of 100 interviews per concept.

ConScope Description

Conditions: in hall, computer assisted or face to face based on cards, photos, design prototypes. The test is monadic so respondents review one concept at a time, except at the end, where a 'tie break' is conducted.

Methodological steps:

1. Brand repertoire
2. Emotive appeal (overall opinion)
3. Differentiation
4. Status
5. Empathy
6. Rational appeal (purchase propensity)
7. Relevance
8. Fit into current repertoire
9. Value for money
10. Brand imagery
11. 'Tie break' with other concepts

For further information on ConSort and ConScope:

www.1wr.net/consumer/rapitests.html

Some Key terms

>**Differentiation:** does the idea offer anything truly different? If a concept lacks a USP or anything which marks it out from what is already on offer, it runs the risk of ending up as a "me-too" product – and hence, probably price-driven and lacking the status to challenge the market leaders.

>**Relevance:** does the concept fill a need for potential consumers? Whilst the benefits sought by consumers on choosing a product may vary – economy, convenience, availability, loyalty and so on – they are usually seeking something that offers a real or perceived benefit.

>**Status:** does the concept give the impression of being better than alternatives that are currently available? Without the equity values of quality or esteem, as with the lack of a USP, the concept risks being price-led and easily overshadowed by leaders.

Empathy: as a measure of how well the concept can be the basis of an ongoing relationship with the consumer, it should have a sense of being "for people like me"

>**Appeal:** the concept should engender some sort of immediate appeal. Analysis of this in the context of the other criteria will indicate whether it is likely to become a product with high trial and low repeat, or whether the concept will be able to sustain its appeal over the longer term.

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