



New Product Development

Get the actionable insights needed
to fuel new product success



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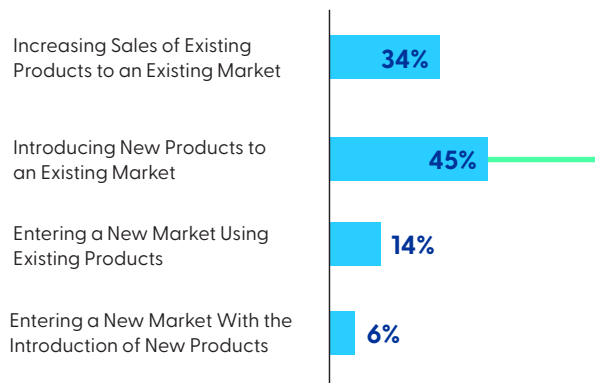


Fuel success with an agile approach to New Product Development (NPD) research

In a rapidly changing world, new products are the lifeblood of most businesses and brands. Being on top of emerging consumer wants and needs or responding to competitive introductions is critical to maintaining relevance. CMOs are actively planning to bring new products to market in a variety of ways in 2021.

How CMOs plan to fuel growth through New Product Development in 2021

Primary Strategy to Fuel Growth Into 2021



Primary Way Your Organization Plans to Approach New Product Development to Fuel Growth Into 2021



Source: 2020 Gartner CMO Spend Survey

Yet, investing the resources needed to bring new products to market is significant, and the risks are high. A well-formulated plan to gather data and insights that will inform key development decisions and help you understand your new product's potential can help mitigate those risks and position your new product for success. This eBook offers guidance on insight-gathering methods and approaches to consider.

Key Questions

The big picture: we offer three guiding principle questions to help shape your approach to the tools and methods best suited to your product development initiative.

- What are your objectives?
- What data do you need to answer your objectives?
- What decisions will you make with that data?

Having this framework in mind will guide you on your journey and aid in choosing the right solutions to address your business needs.





Where is your NPD focus?

Having clarity on the goal of your new product effort will enable you to determine what types of research will best suit your needs.

Many of the new products that typically show up on store shelves are extensions – more flavors, more benefits, new claims. These are largely focused on short-term revenue maximization.

Longer-term new product efforts could also be of a more strategic orientation, designed for staying power over a longer time horizon, or developing new business opportunities entirely.

Knowing which type of NPD effort you are engaging in helps frame choices for gathering data.





Focus on the key areas of potential development

Brands use new product development to maximize opportunity and optimize current product portfolios

We've all seen new product development in action. Companies leverage brand equity and the success of their existing brand to introduce the new product and increase market acceptance using new formats options, packaging and more. To maximize its potential, consider at least one of the following:

Critical points to consider

The critical starting point of NPD is an understanding of what are the unmet and most compelling consumer needs in your category or segment.

Portfolio management is key:

Understand the benefits and strengths of your current portfolio; are existing products likely to decline in performance as you introduce new ones?

Take the long view, develop for where you want to be:

Development takes time; which areas of the portfolio are you replacing?

Categorize developments:

Not every idea is a blue-chip prospect. Categorize to their strengths and fit/impact with the portfolio, e.g. short-term gains, medium or long-term goals.

Take multiple views:

Does one view determine overall potential? Does the prospect work against different audiences or different areas?

Consider the competitive context:

Whatever you can do, your competitors can do. Moving quickly is often key to your success and outmaneuvering the competition.





Addressing the need

The robust variety of choices to address your new product insight-gathering needs means that different methodologies come into play as your development cycle rolls forward.

Depth and breadth of learning matters.

Whatever your NPD focus, there could be more than one relevant solution; each will provide answers on different aspects of your initiative. Having more and richer data enables evidence-based decision-making.

Speed matters.

Even with multiple solutions fielded, robust studies can be completed in under 72 hours, often less. In fact, we have had cases such as 60+ claims being tested in two markets, with results delivered in under 24 hours.

You don't have to choose.

Agile, fast, efficient solutions are embraced by the largest and most successful brands because they have come to learn that speed to market can make or break a new product. Modern automated methodologies make it possible to get high-quality data without sacrificing time.

Below is an example of a playbook for NPD with a CPG/FMCG focus.

Area	Solution	Short-term			Long-term		
		Flavors	Claims	Pack formats	Benefits	New ideas & categories	New positioning
NPD	Idea Screening					●	●
	Concept Testing	●			●	●	●
	Pack Testing			●		●	●
	Claims Testing		●		●		●
	TURF*	●		●			
	Flavor Testing	●					●
Time elapsed		< 72 hrs	< 48 hrs	< 48 hrs	< 48 hrs	< 72 hrs	< 5 days

*TURF: Total Unreplicated Reach and Frequency – a statistical technique used to determine the optimal range of products in the portfolio to maximize reach.



NPD overview

This overview of test types summarizes the different options available to your new product initiative at different points in the development cycle.

The most important component in designing a research path is to understand where you are in the new product development cycle.

Generally, at the early stages of development, you're looking for solutions to cut down the number of options in order to allow focus and prioritization.

If you are closer to a go/no-go market decision, you've probably already decided on key components and your main task is now to assess your potential.

Importantly, NPD is not always a linear process, and neither is the research path. Stages can be re-worked and re-validated in order to test new copy and creative, for example.

Finally, all this needs to be considered together with the needs and plans of the business – what is the critical information you need to validate your plans, and what are your nice-to-haves?



Core NPD Stages and Methodologies

Needs

What are the unmet needs in the category?

Ideas

Which ideas to prioritize for further development?

Claims

Which claim will make my product/service stronger?

Concept

Which product/service idea or elements will be most successful?

Pack

How can your packaging be refined?

Choice

What combination of items should you have for your product/service?

Price

At what price will your product/service be most successful?

Shelf

Will your product stand out on shelf?

eCommerce

How will your product perform online?

Sales

How much will your product sell?



NPD overview options explained

Needs

Focus the key areas of potential development

What are the unmet needs in the category?

Understanding what are the unmet and most compelling consumer needs is a critical part of NPD.

If you are able to address these needs, you can create new market potential and strengthen the brand.

Ideas

Prioritize the ideas with the strongest potential

Which ideas to prioritize for further development?

This solution allows you to prioritize key innovation ideas for further development.

By focussing on ideas that are likely to succeed, you avoid wasting time and budget.

Claims

Allows you to quickly determine the best claim that will add increased value & relevance to your product/service

Which claim will make my product/service stronger?

Claims are an integral part of a product/service DNA, allowing you to boost value in consumers' eyes.

In order to strengthen your product/service, claims testing will enable you to identify which are the strongest.

Is it different? Is it believable? Does it fit your brand?



Concept

Enables you to easily select product/service idea or elements that will be most successful with your target audience

Which product/service idea or elements will be most successful?

Our solution offers a fast and flexible expert approach that helps you identify the best product or service concepts for maximum impact in-market.

Powered by Toluna Start automation, you get best-practice research quality coupled with instant access to your target audience and real-time reporting, all at the speed your business demands.

Pack

Allows you to quickly understand the aspects of your packaging that are clear to consumers and those that require more work

How can your packaging be refined?

Our automated solution allows consumers to interact with the packaging as if out in the 'real-world' with a series of timing exposures to dig into what consumers see and understand.

This is supported by KPIs and heatmaps to identify the strengths & weaknesses of the packaging.

Choice

Allows you to quickly determine the best claim that will add increased value & relevance to your product/service

What combination of items should you have for your product/service?

At some stage during the NPD cycle, you are likely to need to ask consumers about their ideal preferences for your products or services.

Choice optimization uses a trade-off survey technique. By asking consumers to review different scenarios of product/service features, prices, and benefits, we can deduce their optimal preference combination.



Price

Intelligent pricing strategies optimize sales and turnover, as well as realize growth potential

At what price will your product/service be most successful?

Price Optimization, part of our end-to-end NPD research suite, leverages the best of pricing methodologies and technology to support your pricing strategy.

From brand new product/service pricing to price repositioning, it allows you to use the most relevant price assessment to identify the optimal price or a range of acceptable prices.

Shelf

Test your product in a real-world setting to determine the level of shelf stand out and any barriers to purchase

Will your product stand out on the shelf?

The shelf is ultimately where your product's potential is either won or lost. If it's not easy to identify or it's too similar to other competitors, the opportunities to be added to a basket or cart are diminished.

Understand how your product compares to the category and realize its true potential.

eCommerce

Understand the components of online shopping and the impact at check-out

How will your product perform online?

Understand how you can maximize your potential by mimicking the real-world retail sites.

The eCommerce channel has grown and developed over the years. It's not enough just to be available online, you need to understand what consumers are searching for; what brands they are reviewing, and how that relates to the taxonomy of the site.



Sales

Understand the impact that awareness, advertising, and distribution will have on the volume potential of a new product

How much will your product sell?

In a lot of NPD cycles, success is derived from how much you can sell or how much revenue you have generated.

Pre-launch volume forecasting can help you evaluate your potential.

How many consumers will buy?

Will these consumers generate enough volume to be sustainable?

Summary & Key Considerations

When choosing, designing, and deploying your NPD cycles, keep in mind the strategic underpinning of the process and how you answered these ongoing questions:

- **Need state:** What are the key business needs?
- **Development stage:** Where are you within the cycle & what do you need to move to the next stage?
- **Features & Benefits:** What aspects of the product/service do you need to evaluate?
- **Metrics:** How do you define success?
- **Information & Insight:** Do you have all the data you need to mitigate the risks of a launch?

No matter where you are in your NPD cycle, remember the three core questions:

- **Objectives:** What are the objectives of the study?
- **Data:** What data do you need to answer the objectives?
- **Decisions:** What decisions will you make with the data?

Keeping these touchstones in mind throughout the NPD cycle will enable productive and actionable use of all the data and insights that a robust research plan can provide.



Start Knowing

Toluna delivers real-time consumer insights at the speed of the on-demand economy. By combining global-scale and local expertise with innovative technology and award-winning research design, we help clients explore tomorrow, now. Toluna is the parent company of Harris Interactive Europe and KuRun Data. Together, we push market research toward a better tomorrow.

Learn more at tolunacorporate.com

“Toluna is everything we are looking for in an age of agile market research: a very efficient team, able to put together a proposal in a matter of hours; a flexible tool with standard methodologies as well as purely ad hoc offers; a large panel, to guarantee a shortened fieldwork time; quality data and clean reporting that provides clear and simple answers. As our marketing partners are becoming more and more demanding, Toluna has proven to be a go-to supplier and partner”.



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