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Consumer Insights. Delivered.



Why is Consumer Product Research Important?

The foundation of your products' success

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ABSTRACT

The primary role of product research is to understand what it is that consumers really want, what drives their liking and disliking of products, and to use this information to guide product developers and marketers to create products that satisfy their consumers. In other words, to uncover important and unsatisfied consumer needs (sensory, emotional, and functional), to identify opportunities for product innovation, to guide marketers to make compelling concepts and claims, and to direct product development to create products that deliver on those claims. With increased competition and lower barriers to market entry brought about by the internet, and many more ways to communicate and obtain product feedback from consumers, product researchers' ability to synthesize information, to create compelling narratives that support decision making, and to guide product creation may become more relevant than ever. Organizations like Curion have the knowledge and experience to bring all the components of consumer product research together and to deliver actionable plans that achieve results.

INTRODUCTION

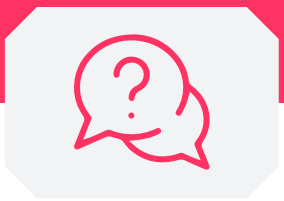
The marketplace, whether it's online shopping or in the store, is an extremely crowded and competitive place with a lot of very good products out there that have been carefully designed to have strong consumer appeal. A critical question for companies is how to create new products that stand out from the crowd and are strongly appealing to consumers? Simply put, consumers buy products that fulfill their most important needs (sensory, functional, and emotional) better than other options available to them, e.g., which snack will best satisfy my hunger on the run without making me feel guilty, or which vacuum will clean up my floors without breaking my back or budget.

Companies are only successful if they make products that people want to buy. According to the Harvard Business Review and MIT Sloan, 10 out of 12 of the most common reasons that new innovations don't succeed are related to companies' inability to understand their consumers or to develop products that deliver on their most important needs – better than the competition. Therefore, it's imperative to understand what is most appealing to consumers, what needs are most important to them, what frustrates them with current products, and what important features of existing products do not satisfy them.

Consumer research decreases the risk of failure on new innovations and ensures that companies develop products that have the best chance of meeting, or exceeding, consumers' expectations. If a product satisfies people's most important needs and avoids what they dislike, then they are more likely to buy it, and manufacturers are more likely to sell more of it.

INNOVATION SUCCESS AND FAILURE

According to the Harvard Business Review and MIT Sloan and others, new product innovations fail primarily because of one or more of the following:



Companies' failure to understand consumer needs and wants



Companies don't focus enough on understanding how customers evaluate products and make purchase decisions



The product falls short of claims (doesn't deliver)



Poor positioning



The product is revolutionary, but there's no market for it



Fixing a non-existent problem



Targeting the wrong market



Fails to deliver sufficient value



Lack of a competitive advantage / sufficient differentiation



The product defines a new category and requires substantial consumer education



Weak product launch



Inconsistent quality

The goal of product research is to avoid these pitfalls through 1/ developing a deep understanding of what drives consumers liking of products, 2/guiding the development of products that provide better solutions to consumers needs and wants, and 3/ ensuring that these advantages are clearly communicated.

FIGURE 1: The role of product research in the innovation (stage gate) process



WHEN TO USE PRODUCT RESEARCH

Product research provides a holistic framework that can be used throughout the entire innovation (stage gate) process to better understand and to ensure that the business is focused on consumers and their most important unmet needs. This includes marketing, product development, and beyond.

The numerous advantages of product research include:

1. Increasing business efficiency and effectiveness by providing a focus for the entire organization on what is most important, i.e., their consumers. This is consumer-centered innovation.
2. Establishing superior business goals based on what is most important to consumers.
3. Developing better products that solve real and important problems for your consumers.
4. Decreasing the risk of failure by ensuring that promotion, packaging, and products are appealing and differentiated.
5. Making it easier to identify key business opportunities and to provide support for them.
6. Allowing businesses to connect with their customers on a deeper level, create promotional information that resonates and to know where to advertise and who to advertise to.
7. Superior targeting and segmentation of consumers based on their most important and unsatisfied needs; this allows you to identify underserved, but profitable, consumer segments to develop superior product solutions for them. Sometimes a one size fits all approach doesn't completely satisfy anyone.
8. Dissatisfied, or new consumers, can be brought back into the fold by providing better solutions for them.
9. Knowing how to outcompete competitors by satisfying important needs, and avoiding frustrations, better than your competition. It allows you to better understand both yours and competitors' strengths and gaps.

A HOLISTIC MODEL – RESEARCH AT THE TWO PHASES OF CONSUMER ENGAGEMENT





As mentioned, at the core of innovation is a clear understanding of consumers' most important and frustrated needs – this can be achieved through foundational research, such as Jobs to Be Done and Outcome Driven Innovation, as well as through sensory research. Armed with this understanding, companies can develop an offering that exceeds consumers' expectations.

Jobs to be Done and Outcome Driven Innovation

Jobs To Be Done theory states that people buy products, or services, to get a job done, because they want to accomplish something, e.g., satisfy their hunger, wash their clothes, or protect themselves from the sun. They buy a specific brand because it fulfills their most important needs better than other available products do. Outcome Driven Innovation provides the tools for identifying key opportunities and using this to develop better strategy and product innovations. Outcome Driven Innovation works "because it ties customer-defined metrics (desired outcomes) to the customer's job-to-be-done, making innovation measurable. By knowing how customers measure value, companies are able to align the actions of sales, marketing, development, and R&D with these metrics to systematically and predictably create customer value" (Ulwick). An excellent example of a company who grew exponentially with a Jobs to Be Done strategy is Paypal: not only did they supply a means to get the "job" of online payments done, but they also met consumers' desires to make payments quickly (One Touch checkout tool) and to feel secure and protected when making the payments (Gavin).

Sensory Research

By understanding what drives people's liking, sensory research helps companies develop products that people will want to buy again and again. At Curion, we have considered every single step of people's interactions with and enjoyment of a product: its taste, touch, appearance, sound, and smell; how well it works, how easy it is to use, how it makes them feel, and more. For example, if a manufacturer is developing a new snack, we help them understand who their target consumers are and what is most important to them from the moment they realize they are hungry and are thinking of what to have: the sound the bag makes when they open it, the aroma of fresh chips, the creaminess of the potato flavor, and how to responsibly dispose of the trash. Because we do this research and understand what is most important to people, and what is most frustrating to them, we help companies create products that are more successful in appealing to their consumers.

The Two Phases of Consumer Engagement

The first phase of consumer engagement with a brand is about developing a promise – that the brand understands their target consumers' needs and frustrations and has developed a product that will satisfy them better than any other available products. This is about attracting consumers' attention and interest through promotion and product claims that focus on how a product provides a solution to their needs that is superior to competitors. Packaging form, functionality and aesthetic should reinforce this promise. This sets up an expectation of how a product will perform and is what leads consumers to seek out, pick up, and try your product.

The second phase is about developing a product that delivers on this promise and meets or exceeds consumer expectations. If the product delivers on the promises established by the promotion and packaging, the consumer will reach for it next time they are in need. However, if the product doesn't satisfy their expectations, consumers are likely to reach for another product next time around. Worse, a poor product that fails to deliver on consumers' expectations risks undermining the credibility of a brand.

While initial purchase is about an expectation that a product will satisfy an important need, repeat purchase is about the product's ability to deliver on that promise. , consumer research is most powerful when applied to each stage of product development and each step of the consumer's product journey.





THE EVOLUTION OF PRODUCT RESEARCH

The Internet

In the last several decades the advent of the internet, coupled with audiovisual technologies, has led to a revolution in consumer and product research. Once they found that digital responses were just as, or even more accurate and reliable, than pencil and paper and phones, companies could reach out directly to the consumer and gather complex, direct feedback on their products. Technology uncovered larger audiences than ever and new ways of segmenting and analyzing audiences. Audiovisual technologies have enabled access to consumers' homes, lives and lifestyles in a way that is both less expensive and less invasive than was previously possible.

Along with this new ease in conducting research, competition has increased. As shelves grew increasingly crowded (both virtual and bricks and mortar), companies needed to find new ways to differentiate their products and catch the consumer's eye. They began putting more energy into product research, gathering feedback on every aspect of the consumer product journey, and the user experience.

Social Media and Mobile

The next giant leap forward in product research occurred as mobile and social media technology emerged worldwide. Online and mobile surveys could be sent to a targeted group of recipients at a very low cost.

Some product research techniques don't involve asking a question at all. New approaches like social listening have started to become increasingly familiar. The internet is full of places where consumers freely share their thoughts on products, services, and industries. Social listening tools can track those conversations, then analyze them to better understand an audience along with their attitudes, opinions, and frustrations.









LOOKING TO THE FUTURE

Over time the human component of market research has evolved. Technological advancements like artificial intelligence, machine learning, natural language processing, and advanced tools that measure context and consumer sentiment are changing the process of collecting and analyzing consumer product research data. However, what these technologies currently cannot do is organize and synthesize the information, relate it to business objectives, and tell a compelling story to drive action. This is becoming the primary role of the consumer researcher.

Companies can learn, to some degree, what consumers find frustrating and delighting from the internet, and these are a useful part of the picture but only one piece of a much bigger puzzle. They need guidance on how to turn this into strategy and how to change the product to make the desired improvements, that is, to translate the words and emotions into actionable direction for product improvement. Further, while AI can suggest direction, it cannot taste, touch, smell, see, feel, or experience a product and provide guidance for concrete action. This is what product research does. Beyond that, Curion is able to let companies know when they have delivered on those important requirements that will delight consumers.





