

CONCEPT TESTING

Identifying winning initiatives early in development with accuracy and accountability – on a limited budget

At a time when clients can afford to develop fewer new products, typical concept screening approaches are falling short – identifying the “top third” of winners rather than the single best. With smaller innovation budgets, clients need to ensure they are putting their resources behind “the best horse.”

CHALLENGE

Recently, a CPG client came to Knowledge Networks needing to establish the next product innovation platform for the company. With 30 concepts to explore post-ideation, and a limited research budget, the client asked KN to find a highly accurate yet also economical solution to identifying the winning concept.

Solution

The Knowledge Networks approach to concept testing is most appropriate when you

- need very accurate, reliable data,
- are working very early in your developmental pipeline,
- have a large number of items to test,
- have a limited budget, and/or
- need more discrimination than other tools can provide.

Knowledge Networks starts with a standard, sequential monadic approach, using familiar measures such as purchase intent and other key diagnostics. (See *Table 1*.)

If the recommendations were based solely on top-box purchase intent for the client’s concepts, at least three would be deemed “winners” – and different concepts would rise to the top if “fit with brand” or “uniqueness” were included in the criteria.

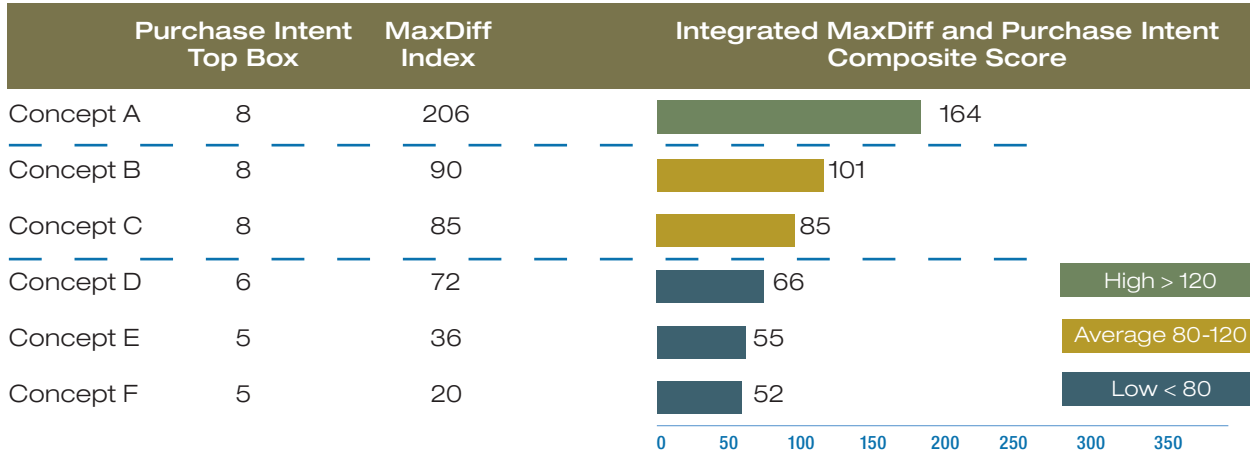
To prioritize the choices even further while staying within the client’s budget, Knowledge Networks applied a disciplined, proprietary approach – modeling purchase intent and other ratings scales in combination with a forced-choice Maximum Difference Scaling exercise (see *Chart 1*). MaxDiff provides very powerful discrimination, allowing us to truly separate winners from losers.

Table 1. Results from Initial Monadic Research

	Purchase Intent %TB	Purchase Intent %T2B	Value %T2B	Brand Fit %T2B	Believability %T2B	Uniqueness %T2B
Concept A	8	39	24	37	50	9
Concept B	8	27	51	45	64	29
Concept C	8	28	23	51	49	35
Concept D	6	27	10	33	43	47
Concept E	5	29	31	38	59	44
Concept F	5	29	15	48	53	6



Chart 1. Proprietary Composite Approach — Integrated PI and MaxDiff



For this client, we also incorporated other appropriate diagnostics and target group analysis to understand what is driving or limiting consumers' interest.

Our concept tests also leverage KnowledgePanel®, the only online panel based on a representative sample of the full U. S. population. KnowledgePanel has been shown to be less likely to produce outliers in concept tests and other studies. A leading CPG manufacturer asked several of its

suppliers, including KN, to illustrate the quality of their panels by testing six concepts in each of two different waves. The KnowledgePanel results (see Table 2) were extraordinarily consistent.

OUTCOME

Our client has developed and launched many successful products by leveraging KN's unique screening approach.



To learn how Knowledge Networks can bring greater discrimination to your next concept test, contact:

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Table 2. KnowledgePanel® Test/Retest Results

	Average Wave 1	Average Wave 2
Purchase Intent - Top 2 Box	45.7	46.3
Definitely would buy	14.3	12.9
Probably would buy	31.4	33.4
Liking	4.0	3.8
Value	3.3	3.3
Uniqueness	3.1	3.1
Transaction Size	1.1	1.0
Frequency	11.2	10.4