Top 10 Research Pitfalls for CPG Innovation

Research Pitfalls Impacting CPG Innovation

Research has been at the heart of CPG new product development and go-to-market efforts for decades. In fact, CPG was once (always?) considered the gold standard training ground for insights, with many research best practices having started there, moving the entire industry forward. But consumers today are different from they were, armed with much more knowledge and bombarded with constant added information. The consumer market continues to morph at warp speeds, forever changing the way we do research. The fact that consumers do not always make rational decisions, also further challenges research approaches.

This ongoing transformation is causing CPG businesses to operate differently, making it increasingly difficult to only rely on traditional methods and processes. Competitive pressure from non-traditional companies, big data and the influence of social media requires us to elevate our thinking on ways of working and overall product development, innovation, and other research protocols.

When it comes to using research to identify innovation opportunities and optimize new products, there are some common pitfalls we observe that prevent research from having its full impact or prevent the business from maximizing its potential.

Pitfall #1: Align on a definition of success before testing

Having grown reliant on “standard practices,” with the current business environment there are sometimes no well-established metrics of success that apply. It is important to determine how you will win in the market (better performance? new benefit? greater value?) and then determine the metrics that are required to succeed.

Pitfall #2: Normative data is not normal

Norms can be extremely helpful when you are trying to decide if a new concept is a "winner" or not. They can also kill a great idea. With consumer needs shifting faster than ever, comparing results to past concepts may leave you in the dust. This means that new methods, or old methods applied in new ways, are needed to ensure we are prioritizing new concepts appropriately for the market.

Pitfall #3: Global is not a country

But "global" is a thing. Having a global perspective is important for setting strategy and identifying opportunities. But implementation must be smartly done at a local level, carefully selecting the lead markets and actioning strategies that work for specific countries.

Pitfall #4: Millennials are not kids

Not only that, but younger millennials are at completely different life stages from older millennials. While attitudes and needs may be similar in many categories for this generation, there are huge differences in some areas too. Look beyond generation to identify the opportunities in the data.

Pitfall #5: Brand loyalty must be re-earned every day

Brand metrics are meaningful and useful for decision making. But social (and other) media has accelerated shifts in brand perceptions and has made loyalty more fragile. Adding metrics around brand alignment and permission can provide a lot of depth to understanding the landscape and identifying future opportunities or directions for the brand.

Pitfall #6: The devil is in the details

So often, we see clients abandon ideas prematurely. Stoplight charts are great for developing a quick understanding, especially when comparing ideas, concepts, or other key metrics. But stopping at the stoplight is not enough — this is the time to roll up your sleeves and get your hands dirty. Look at the details, identify the weak areas and then figure out how to overcome them or how to re-focus, or when to de-prioritize. You may find your brand's next big innovation was prematurely heading for the shredder / sitting on the cutting room floor.

Pitfall #7: Renovation is not innovation

Be realistic about your innovation classification and risk tolerance- it will help identify the right set of testing requirements. True product innovation and business breakthroughs are difficult and require a multi-dimensional set of research approaches to identify the path for success. Often, we incorrectly label category reframes or brand refreshes as "innovation" – it is important to know the difference. Carefully selecting the right research methodologies and experimental designs based on the type of innovation will avoid overspending on unnecessary research.

Pitfall #8: Plan your work or plan to fail

It is shocking how often research gets "approved" or kicked off much too late in the game. In every case, someone thought of doing it sooner, even requested a proposal or started the project only for it to get de-prioritized. But then, suddenly, it is an emergency. Shortchanging the analytic process also shortchanges the insights. If you just need a "number," then this situation is fine — but it is rare that a "number" will support actionable innovation insights or lead to in-market success.

Pitfall #9: Do not jump the gun

I know it is over-used, but nothing is truer in research than garbage in=garbage out. What we ask and how we ask is EVERYTHING. Applying the right methods to answer the right questions is the key. Expecting reliable volume estimates at an early concept stage, getting consumer reaction to a poorly developed concept, or asking a scale question when you needed a choice model will all only result in one thing — bad insights.

Pitfall #10: Know "when" to know the "why"

Sometimes you need to know WHY – for example, do not underestimate the value of understanding the "why" behind usage occasions and day parts, as it is not always what you would assume. But sometimes knowing "why" is a nice-to-know rather than being truly actionable. In those cases, skip it.