NATURE VS. NURTURE

Can You Change Your Innovation's Destiny?

The Impact of Marketing on an Innovation's Personality

Ipsos

Ipsos InnoQuest
The Innovation and Forecasting Specialists

THE GREAT INNOVATION DEBATE

"Nature vs. Nurture" is a debate typically held among psychologists, where one side argues that genetic predisposition (nature) plays a greater role in human personality development and the other side argues that the environment (nurture) has more influence.

For example, people who believe that nature is more important would argue that a great violinist has a natural talent while those who believe nurture is more important would argue that the violinist had a great teacher and was raised in an environment that stressed "practice makes perfect."

The nature vs. nurture debate also comes into play in innovation. Specifically, can skillful marketing be leveraged to nurture an innovation to success, or will the core idea behind the innovation – in essence, the nature of the innovation –determine its destiny? In other words, does nature or nurture drive an innovation's destiny?

EVERY INNOVATION HAS ITS OWN PERSONALITY

Examples of innovation personalities are:

Winner (likely a big hit)

Breakthrough (can create a new category but not necessarily a winner yet)

Me-Too (which is a close-in line extension)

Niche (appeals only to a certain segment)

DOES YOUR INNOVATION HAVE THE RIGHT PERSONALITY?

What we have found is that some personalities have a better chance of success than others.

Through a unique algorithm using key performance indicators, we have identified 12 personalities that an innovation might possess. We then grouped them in terms of market potential or strategy.

Figure 1.
IPSOS INNOVATION PERSONALITY

PROMISING	INSPIRING	DEPENDS ON STRATEGY	HANDLE WITH CARE
Winner	Breakthrough	Me-Too	Unconvincing
Good Start	Atypical	Niche	Restart
Underpriced		Value	Overpriced
		Premium	

We categorize the first group of personalities as "Promising."

Promising personalities include Winners, Good Starts, and Underpriced. Winners score well on all metrics. Good Starts do not perform as well but have no weaknesses. Underpriced are perceived as not expensive and can command a higher price.

We categorize the next group of personalities as "Inspiring."

Inspiring personalities include Breakthroughs, which might be highly appealing but are not yet believable enough to succeed in the market.

Then there is a group of personalities whose success depends on the marketer's strategy – hence the name "Depends on Strategy."

This group includes Me-Too, Niche, Value and Premium personalities. A marketer might want a Premium personality on the high end of the market (Lindt is an example in the chocolate category) or a marketer might want to go after a Niche personality (Kinder Surprise, the chocolate candy with the toy inside, is example of an innovation in the chocolate category targeting households with young children).

Finally, there is a group of personalities with a much lower chance of success that we call "Handle with Care".

For example, an Unconvincing personality is unique, but does not really fulfill a need; moreover consumers are not sure these innovations will deliver on their promise.

As you can see, innovations don't always have the personalities we want. The question is: Will nature prevail and it will be difficult to change our innovation's personality? Or, do marketers have the power to nurture an innovation into a higher potential opportunity that aligns with his or her strategy?

OUR INVESTIGATION:
IS PERSONALITY CHANGE POSSIBLE?

To determine if personality change is possible, we tracked innovation personalities from idea testing to concept testing.

We identified the personalities at the idea stage, decided which ones we wanted to change, and then looked to see if these personalities changed at the concept stage.

By idea we mean a single statement that defines the innovation. For example: A dishwasher detergent that cleans your dishes and dishwasher at the same time.

The concept is the next stage in the innovation process. Our clients typically test single statement ideas first and then develop them into concepts. The concept is a more complete description with marketing elements such as branding, price, and reasons to believe.

We think of the idea as Nature and the Concept as Nurture. What we are comparing is the single statement idea that marketing has not touched yet to the concept which has been enhanced by marketing.

When testing ideas which are unpriced, we have 8 **idea** personalities.

8 IDEA PERSONALITIES:
Winner, Good Start, Breakthrough, Atypical, Me-Too, Niche, Unconvincing and Restart

When testing **concepts** which are priced, we have the 8 idea personalities plus an additional 4 personalities that take into account Expensiveness, which measures how expensive consumers perceive the innovation to be versus competition.

12 CONCEPT PERSONALITIES:
Winner, Good Start, Breakthrough, Atypical, Me-Too, Niche, Unconvincing and Restart plus Underpriced, Value, Premium, and Overpriced

CASE STUDIES

In our investigation of personality change, we looked at the transition of personalities from ideas to concept for two large global clients.

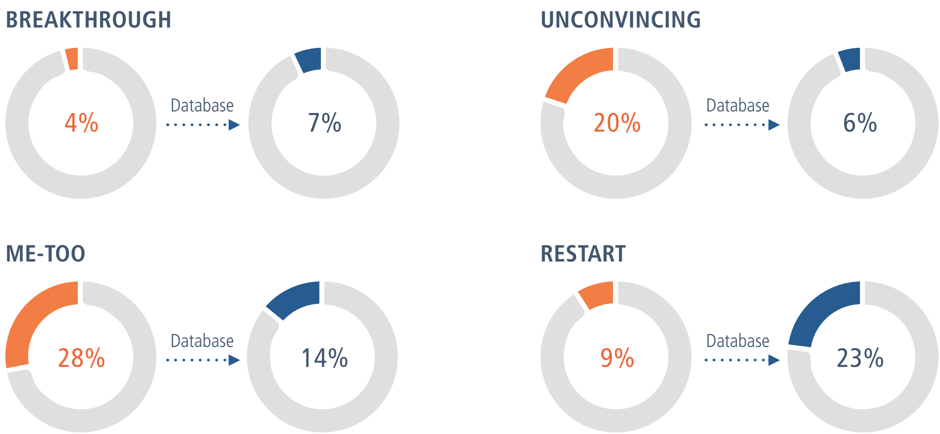
CLIENT #1: FAST FOOD RESTAURANT CHAIN

The first client is a fast food restaurant chain. Their business objective was to generate a mix of close-in, niche and farther out ideas for future development.

Through quantitative idea screening we tested 54 sandwich ideas (different names, toppings and preparations) and profiled their personalities. We then identified the personalities the client wanted to change into higher potential personalities, which were Breakthrough, Unconvincing, Me-Too and Restarts.

Figure 2 shows what proportion each personality made up among all 54 ideas tested. Breakthroughs made up 4% of the ideas tested, Me-Toos 28%, Unconvincing 20%, and Restarts 9%. We compared the composition of personalities tested by the fast food company to the composition of personalities in our database. What stood out was the large number of Me-Too and Unconvincing personalities. The client wanted to turn some of these personalities into Winners or Good Starts, while turning the Restarts into something better. (We should point out that some clients screen out Restart ideas before testing concepts, but this client did not.)

Figure 2.
IDEA STAGE PERSONALITIES FOR FAST FOOD IDEAS



So did client #1 nurture its ideas into better opportunities?

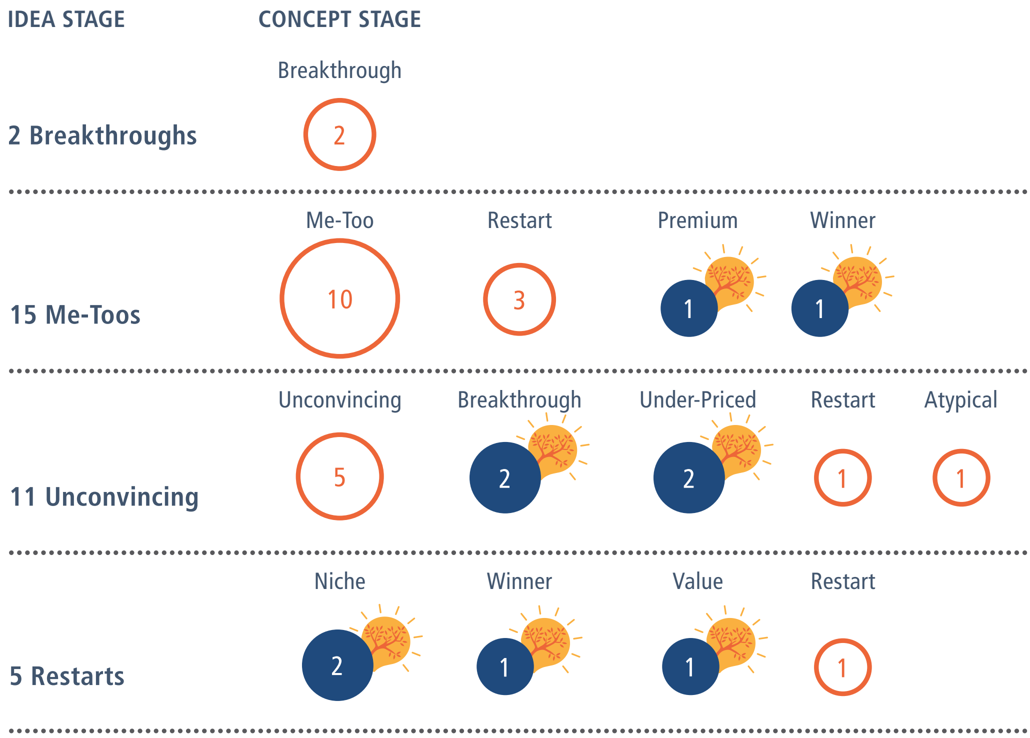
The results are shown in Figure 3. When we tested client #1's ideas there were two Breakthroughs. These ideas were strong but they were weak on Believability. The goal was to turn them into Winners or Good Starts, which perform well on Believability. After Marketing developed these Breakthrough ideas into concepts they still had two Breakthroughs on their hands, meaning they still had a Believability challenge. Sometimes Believability challenges can be addressed through marketing but sometimes consumers need to use the innovation to be convinced it performs.

Now, let's turn to the Me-Too ideas. Only two of the 15 Me-Too ideas turned into higher potential concepts (as indicated by the yellow circles with the trees inside), which were Premium and Winner. Four of the 11 Unconvincing ideas turned into higher potential concepts (Breakthrough or Underpriced). Also, four of the five Restarts transitioned into something better (Niche, Winner and Value.)

So, to summarize, client #1 was not able to nurture Breakthrough ideas into higher potential personalities such as Winner or Good Starts. There was limited success in nurturing Me-Too ideas. There was some success in nurturing Unconvincing and Restart ideas.

Figure 3.

DID NATURE OR NURTURE PREVAIL FOR FAST FOOD PERSONALITIES?



CLIENT #2: CONFECTIONERY COMPANY

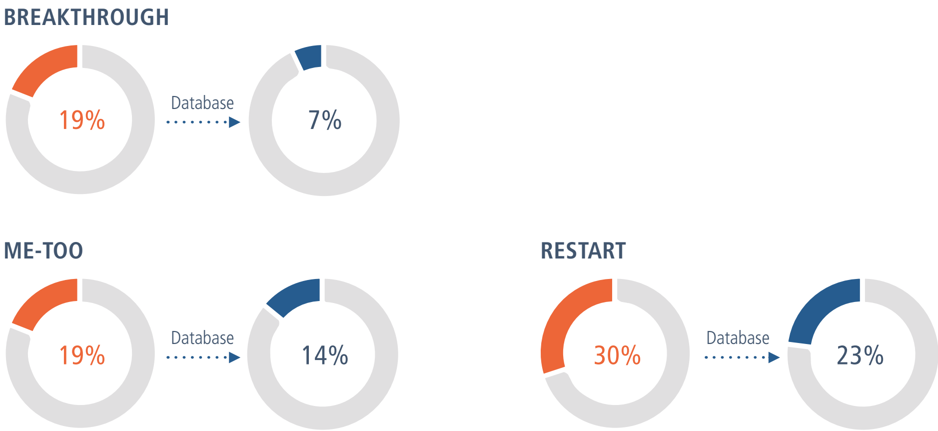
The second client was a confectionery company. Their business objective was to generate strong products with broad appeal including some breakthroughs.

With idea screening we tested 27 chocolate ideas which had different positioning, packaging, indulgence and sensory attributes, shapes and forms.

From the 27 ideas, here is a breakdown on three of the personalities the client wanted to change: 19% were Breakthrough, 19% were Me-Too, and 30% were Restart. When we compared these three personalities to our database, all these personalities were over-represented. (See Figure 4.) Similar to client #1, client #2 wanted to turn some of these personalities into Winners or Good Starts, while turning the Restarts into higher potential personalities.

Figure 4.

IDEA STAGE PERSONALITIES FOR CONFECTIONERY COMPANY?



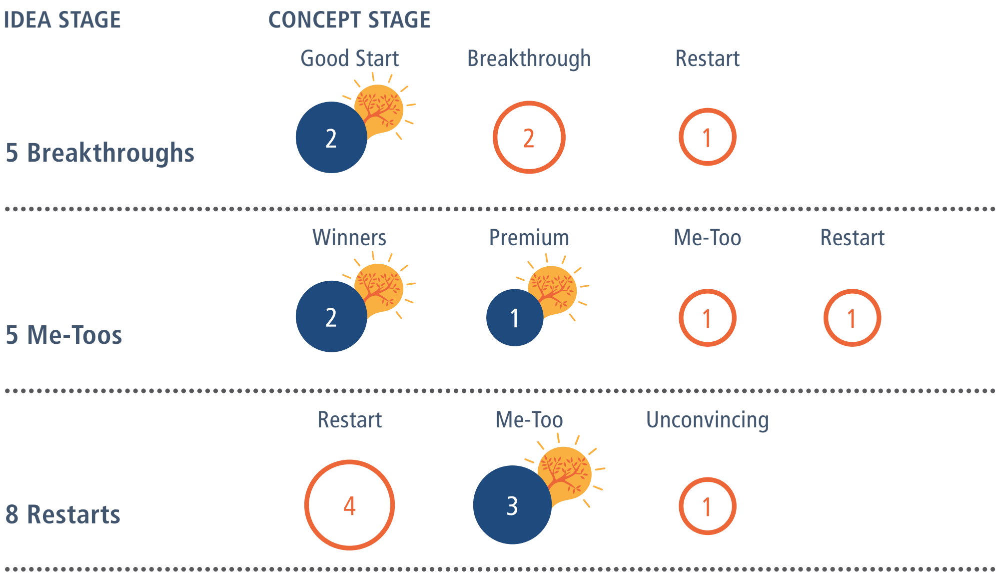
So did client #2 nurture its ideas into better opportunities?

The results are shown in Figure 5. When we tested client #2's ideas there were five Breakthroughs. Two of the Breakthroughs were nurtured into Good Starts. The remaining three Breakthroughs were not successfully nurtured into higher potential concepts. Three of the five Me-Too ideas were nurtured into Winner or Premium. The remaining two Me-Too ideas were not successfully nurtured into higher potential concepts. Finally, three of the eight Restart ideas were nurtured into somewhat better concepts but the remaining five were not.

To summarize, client #2 had some success in nurturing Breakthrough ideas, somewhat better success in nurturing Me-Too ideas, but had limited success in nurturing Restart ideas.

Figure 5.

DID NATURE OR NURTURE PREVAIL FOR THE CONFECTIONARY COMPANY?



IMPLICATIONS

The two case studies reveal several interesting realities.

First, marketers may start with a different mix of personalities and these personalities may not align with their strategy, as was with the case with the two clients we just saw. Second, marketers differ in their commitment and ability to nurture certain types of innovation personalities. Third, generally speaking, marketers have more success nurturing some personalities than others.

In practical terms, Breakthrough ideas can be nurtured into Good Starts or Winners when messaging addresses Believability concerns. Me-Too ideas also can be nurtured into Good Starts or Winners by focusing on differentiating selling points. And Unconvincing ideas can be nurtured into Breakthroughs by making a strong case to consumers why they need this innovation.

Moving forward, we recommend that marketers incorporate the following steps into their innovation processes:

Target the innovation personalities that fit your strategy

Profile the personalities of your innovation ideas

Determine the likelihood of nurturing your ideas into more desirable personalities

Finally, let's go back and address the nature vs. nurture debate, specifically: does nature or nurture drive an innovation's destiny?

Based on our case studies and experience with innovation personalities, both nature and nurture are important in driving your innovation's destiny.

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We help clients to kick-start their innovation processes with overnight and mobile solutions, uncover deep consumer insights with our online communities, and quantify business potential right from the start. Our fast and simple solutions, validated forecasting models and real-time simulators are built on our consistent philosophy of what drives innovation success – so clients can make better decisions earlier.

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