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IPSOS VIEWS

Is your innovation research on its best behavior?

Predicting success through survey-based behavioral measures

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Are surveys the bad boys of research?

Surveys have been strongly criticized of late. If research methods were children, the survey would be in the 'time out' corner. The general belief is that asking survey questions is useless as people are not conscious of their motivations/needs. Much of this criticism centers around the ability of consumers to tell *how* they make decisions, or what is important to them (e.g., explaining what factors led to a purchase behavior). This is a valid criticism as most people are unable to explain how they make decisions and may not be conscious of what is important to them.

People, however, can tell us whether they like a product, or a service or how they feel about it. For example, if you were to ask your partner or your child whether they like a new ice cream product they would easily explain their spontaneous reaction and preference.

However, they may struggle to understand how they formed that judgment. A survey can be, and should always be, thoughtfully designed to ask the questions that people can answer accurately and easily. This way, the survey will lead to concrete and genuine insights and consumers' revelations.

Because of the belief that people don't have access to their motivations, many have rejected surveys and moved towards using non-survey approaches to capture behavior. By capturing behavior (and not asking directly about the motivations), we circumvent the need for respondents to report on their thinking. The rejection of surveys stems from an assumption that surveys cannot capture behavior which we believe is incorrect. We will show that surveys can be designed to measure behavior and specifically, behaviors that predict an innovation's potential.

Capturing good behavior in context

We define behavior as any observable physical activity. This definition includes choice behavior (e.g., a woman choosing a new ice cream product over the one she is currently eating) as well as verbal behavior (e.g., a man telling us that a new product idea we exposed him to is “rubbish”).

Surveys have always been used to capture current and past behavior, such as measuring the products you are using today, and the products you have used before. Assuming the behavior in question did not happen too long ago, responses to such questions are reasonably accurate. Another way researchers have measured behavior in surveys is by capturing respondents’ choices (e.g., conjoint/discrete choice).

And so, a choice is an observable physical activity that does not require people to report on how they arrived at their decision/choice.

In this paper, we focus on designing surveys to capture behavior relevant to innovation adoption. We provide more details of the methodology later but for now, emphasize that the context in which a behavior is made also needs to be considered. Behavior is strongly influenced by context (e.g., anchoring, relativity of judgments). For a behavioral measure to be predictive of an innovation’s success, the context in which the behavior is made should be as close as possible to the actual purchase situation.

Using good behavior to evaluate innovation ideas

Let's consider two areas of innovation research: 1) evaluating the *relative* appeal of claims/varieties/names/visuals and 2) estimating the *volumetric potential* of new product innovations. The first research area helps our clients decide which innovation elements are better than others, without taking into consideration absolute potential. The second research area tells us not just which innovations are better or worse, but also the revenue of each innovation tested (e.g., a new product will achieve 50 MM in revenue). Understanding the volumetric potential of innovations is critical for assessing the financial impact and making informed "GO" or "NO GO" decisions for launching or re-positioning a new product or service.

Chocolate or vanilla ice cream? Evaluating the relative appeal of claims, benefits and logos

Innovation elements like claims, varieties, names and visuals can be tested in a behavioral manner by pitting them against one another. At Ipsos, we show survey respondents two innovation elements at a time on a computer/mobile screen and ask respondents to indicate which of the two they prefer (see *Figure 1)*. We call our approach DUEL as it is akin to combat between two people. In the case of DUEL, it is two innovation ideas "fighting" for a consumer's preference!

Figure 1

Example of testing T-Shirt ideas by having consumers tap on the preferred T-shirt (with speed of response measured)

Respondents tap on the preferred innovation element and the speed of response is captured. Two observable behavioral measures are obtained in our DUEL approach: The first is choice and the second is response time. Choice is a direct behavioral measure of preference and response time measures the "conviction" of the preference. An innovation element selected quickly indicates stronger preference than an innovation element selected slowly. Using the example in Figure 1: if you were asked to decide between the black or white T-shirt, and you selected the black shirt very quickly, the speed of your choice suggests that your preference for the black shirt over the white shirt is a strong one.

Direct behavioral measures such as the choice measure used in DUEL are better at screening innovation

elements than survey ratings as they provide better discrimination. We should note that response time is reliable only when people can make choices quickly. This requires that people are already familiar with stimuli, or that new stimuli can be quickly recognized and understood. Short claims, varieties, names and visuals can be quickly recognized and understood, and hence it is these stimuli that we test using DUEL.

How big is the new product idea? Estimating the volumetric potential of new product innovations

The second area of innovation research we mentioned is to estimate the volumetric potential of new products. With this business objective, it does not make sense to test innovations against each other or in isolation. Instead, we recommend using an approach that evaluates an innovation against consumers' existing solution(s). To make this more concrete, let's use an ice cream example. If a consumer is deciding whether to purchase a new ice cream product, the consumer is likely to decide based on how the new ice cream product compares to the ice cream product(s) they consume today. If the new ice cream is better than the existing ice cream product(s), then the consumer is more likely to purchase the new ice cream.

But there is a research challenge here. The ice cream that consumers currently consume is likely to differ from one consumer to the next. That is, people differ in the ice cream products they are eating today. To allow for this, we tell each survey respondent to choose between the new product and the "product they used most often" (see *Figure 2)*. Survey respondents can therefore think of whatever they are using today. By doing this, we ensure that each survey respondent's reference point is what the new product would compete against.

Figure 2

Example of Testing Innovation against consumer defined reference point (with speed of response measured)

The key point here is when it comes to adopting new products, there is always a reference point and we need to make sure consumers are thinking of their own unique reference point. Allowing the consumer to define the innovation's competition allows us to do just that and consequently, allows us to capture behavior in a context closer to the purchasing situation. We have more than 800 validations with a +/- 9% accuracy when forecasting new products using this approach where new products are evaluated against consumer-defined competition/reference points.

In general, we recommend testing innovations using choice and response time as behavioral measures. When testing the volumetric potential of innovations, however, the consumer does not just "evaluate the innovation in isolation". Instead, the consumer must decide whether to choose the innovation or to choose an existing solution. This is a subtle but important point. When the goal is to evaluate an innovation potential (and not simply to evaluate the relative preference of innovation elements), the behavior metric should be asked in a context as close as possible to the one where the purchase decision will be made.

Designed carefully, surveys remain a practical solution that allows us to evaluate innovation ideas in a scalable manner, globally.

Research behaving badly

While we cannot replicate all purchasing situations, we can replicate the *psychological context* in which a new product will be evaluated. This is done by having respondents choose between the new product and their existing solution: stay with my existing solution or go with the new. While seemingly obvious and intuitive, many approaches utilizing behavior to evaluate innovation do not adhere to this principle. Auctions and Prediction Markets are two such examples:

Auctions: Although auctions are behavioral, they do not capture the right behavior or context because the behavior does not resemble what consumers do in the marketplace. When was the last time a consumer bid in an auction to buy chocolate, shampoo, vitamins, or paper towels?

Prediction Markets: We can place innovations in a prediction market and have consumers bet money to reflect which innovations are worth more. However, this approach is flawed for the same reason as auctions – the behavior being measured does not resemble how consumers shop in the real world. When do consumers make wagers on which of several new innovations are likely to win in the market?

The usage of a behavioral measure in itself without considering the context in which the innovation adoption behavior is made will lead to inaccurate results.

Be on your best behavior and predict your innovation success more accurately

We have shown how surveys can be smartly designed to include behavioral measures that predict innovation success accurately. To recap, these behavioral measures include:

- Asking behavioral choice and doing so in a psychological context that approximates what we are trying to predict by asking people to make a choice between the new product and their existing solution.

- Using speed of response as an indirect measure of conviction.

Far from what some people think, surveys are not the badly-behaved child. Designed carefully, surveys remain a practical solution that allows us to evaluate innovation ideas in a scalable manner, globally. With the incorporation of “good” behavioral measures and by ensuring these behaviors are captured in a context as close as possible to the purchasing situation, we feel confident that we can better predict a new product success and the expected business outcome.

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