Market Research for New Product Development: The Importance of Integration Between Hybrid Research Phases

By Stacy Graiko

In product development, early-stage research with groups and individuals can do a good job of exploring unmet consumer needs and can help to prioritize features and identify new opportunities. When integrated effectively, exploratory and confirmatory research can work together to create a successful product launch.

Observational research – such as ethnography – can provide context, revealing how consumers will use a product in their home or office environment. Comprehensive learning during the exploratory phase leads to more informed subsequent efforts regarding feasibility, costing and product positioning.

For example, a major department store was planning to change the design concept of its women’s clothing collection. Using qualitative research, the focus groups revealed that the target audience wasn’t in favor of some of the changes to the items in the line. Once this flag was raised, the retailer wisely opted to evaluate key items in the planned collection with a wider audience via a national online study.

Photos of the items were shown within the context of four other clothing lines and a choice-based tradeoff design was used to evaluate likelihood to purchase. In addition, the consumer subconscious reaction was gauged using an online Automatic Brand Association (ABA) study. Comparing this data with data about the target’s desired feeling when wearing the clothing resulted in sales predictions for the line.

Actual sales data in a test market two months later revealed that the hybrid study predicted sales of key items with .92 correlation. This enabled the retailer to plan future inventory accordingly, ensuring a higher sales rate than would have been possible without this research. Without a strong exploratory phase, the retailer may not have been compelled to evaluate the line’s items specifically, and inventory decisions might have been made solely at a gut level. The inclusion of quantitative research allowed inventory to be adjusted precisely, and the integration between the qual and quant drove the right hypotheses and second-phase research design.

In another example, qualitative research was used first to explore need states around coffee brewers for the small office; focus groups were followed by in-situ observation. A product spec was developed and conjoint analysis was used to prioritize the feature set and understand willingness to pay price premiums. Resulting data identified the optimal price point consumers
were willing to pay, and when matched with subsequent sales data, a six-fold increase in sales beyond initial predictions was found. Again, both exploratory and confirmatory research worked together to understand the consumer mindset and the integration was critical in ensuring research success.

In both examples the integration between qualitative research and subsequent research ensured success. Integrating the early-stage qualitative research and follow-up research can be a critical component of a successful product launch. The capital investment required to launch a new product or re-design an existing product is significant, and market research can prevent gaffes that cost substantial dollars. Likewise, strong hybrid market research can identify opportunities that may not have been considered otherwise.

So what ensures that integration in a product development initiative?

• Establish a communications path to all members of the NPD team, including those who will be involved in later-stage research. This may be accomplished through a blog, email stream, or check-in conference calls throughout the initiative timeframe.
• Invite as many people from the team as possible to view focus groups and in-depth interviews, listen to telephone interviews, and come along on ethnographies. Give each person a role that gets them actively involved.
• Build in multiple touchpoints with consumers to ensure the NPD’s team involvement in helping to build knowledge. Ex: after recruiting, conduct a brief TDI, meet them in groups, and do a follow-up phone de-briefing a week later.
• Ensure the qual de-brief engages interest. Show video, use photos and verbatims to illustrate your key insights. Point out information gaps that can be addressed by subsequent work.
• Produce a briefing document that allows for team members to take the research further. It should be hypothesis-ladened, not filled with conclusions.
• Ask to be a reviewer for subsequent quantitative study designs and take your role as seriously as if you were the primary researcher.

Hybrid research studies may challenge former ways of thinking – shedding or validating pre-conceived ideas for product development. Imagine qualitative research as the first step onto the wooden plank of a suspension bridge. It demands courage, boldness and provocative thinking that will set the stage for a successful product launch, but the entire journey needs to be coordinated and well-thought out to be successful.

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