WACS Insights & Strategy

HANDBOOK OF EMOTION-BASED MARKET RESEARCH

- For Branding and New Products/Innovation-

April 2017

WACS Insights & Strategy

WHY Add Emotion Into Your New Products/Innovation Efforts?

Why Design for Product-Emotions?

- Most human interaction with the material world involves emotions including user-product interaction, and products are nowadays being designed to attempt to address users' emotional experience.

- It is no longer sufficient for a product to only function properly, be usable and efficient or solely have aesthetic appeal, but it must also engender positive emotional experiences and responses.

- Indeed the area of product related emotions is becoming accepted as an important component of successful product design. The primary reason behind this is that the design to evoke the desired product use emotions provides the designer with a means for gaining a leading edge over competitors. Brands and products can no longer compete on the bases of product function attributes and qualities, the visceral has now come to represent important brand benefits.

- Products are designed for the end users, so ensuring that the product interaction experience be as pleasant as possible becomes of critical importance for the success of the same product. The experience is most often undergone and articulated in emotional terms.

Why Design for Product-Emotions? (cont.)

- The fact that products can evoke pleasure and elicit emotions is not in question; there are products that we prefer to buy, own or use more than others, so it is a given that some products create greater, more compelling emotion than others..

  ❑ All of us experience different kinds of emotions when using different products. Some products even manage to elicit emotions inside us prior to their purchase, such as the desire for a pair of shoes we see in a shop window or else the envy we feel for our neighbor's brand new sports car. Other products actually manage to convey a 'personality' and can result in consumers building ties and connections to these product personalities, in turn influencing their product purchase and ownership decisions.

  ❑ All this can be manifest by the emotional bonds that consumers develop with some products that are judged to be important and are often among their favorite.

  ❑ This therefore suggests that if product designers succeed in designing products capable of maximizing pleasurable emotional bonding with their users, the lifespan of the same product might endure as consumers choose to hang on to their products for a longer time.

WHY Add Emotion Into Your New Products/Innovation Efforts?

Why Design for Product-Emotions? (cont.)

❑ Also, such highly emotionalized products become more appealing to customers thus providing that much desired competitive edge over other products on the market. The feelings elicited by a product during its pre- and post- purchasing phases can hence prove to be a determining factor for the success of the same product, thus graduating the design of product emotions as a highly potential and competitive differentiator in product design.

• All products elicit emotions upon user interaction, so product interaction is indeed an emotional experience, and products are nowadays being designed (and marketed) to attempt to address and influence users' emotional experience. This, however, necessitates adequate product design methods and tools that support such emotional activity.

• While evaluating user response and satisfaction in terms of emotion can be difficult or at least extremely subjective, to actually design for satisfaction and emotion is considered (by some) even more unattainable.

WHY Add Emotion Into Your New Products/Innovation Efforts?
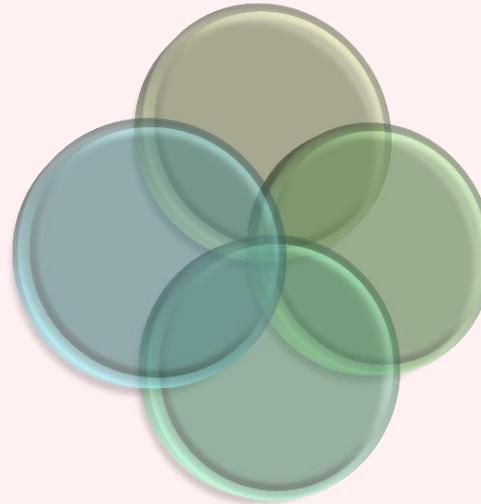
Why Design for Product-Emotions? (cont.)

- The major intricacies encountered in emotion driven design are attributed to the fact that product-emotions are idiosyncratic. This is because different people relate to different products in their own personal way, depending upon the product's characteristics and their own [2]. This hence implies that designing a product to suit many individuals is indeed a challenging task [8] since different individuals can have different responses to the same product.

- An additional difficulty experienced in emotion-driven design is related to the fact that notwithstanding major work contributions in recent years, the domain of emotion-driven design is still in its infancy and large areas are still to be fully mastered. Indeed a lack of design knowledge is clearly evident, as is a complete understanding of the product emotion elicitation process. This therefore exposes a relevant research gap since there is still need to investigate the mechanisms involved during user-product interaction that successively give rise to the elicitation of product emotions.

PLUTCHIK THEORY:
**44 Validated Emotions
Which Explain How
People FEEL When They
Purchase, Use Brands**

**Custom
Emotion
Studies**

**Emotional
Brand
Loyalty**

EMOTION-BASED
**Segmentation,
Brand Equity,
Brand Positioning,
Key Driver Analysis,
Quadrant Analysis,
Tracking,
Concept Research**

EMOTIONAL RESEARCH USING PLUTCHIK THEORY

Plutchik Theory: In 1980, he suggested eight primary bipolar emotions: joy versus sadness; anger versus fear; trust versus disgust; and surprise versus anticipation.

Why Measure Emotion? The Role and Importance of Emotion in Positioning

- Two kinds of attribute positionings: tangible vs. visceral

  1. Traditionally, marketing has positioned brands and services based primarily upon communication of rational, tangible, efficacy related end-benefits. These are what the brand is supposed to 'do' for the user

  2. Many product and brand choice decisions are made based on emotion, feelings or moods.

  3. Lately, we have been talking about emotional 'moments' within use situations, many of which can be mood-driven

- Emotions can BE benefits

- Emotions can HELP COMMUNICATE benefits

- Emotions can directly influence attitudes

- Brands attain emotional positionings and become associated with the relevant emotion.

- A Brand Objective: To associate a brand with the relevant emotion so that the brand name consistently presented in conjunction with evocation of an emotion eventually comes to evoke the emotion itself:
  (CLASSIC EXAMPLES):

  - ✓ Prudential ⟶ OWN A PIECE OF THE ROCK

  - ✓ Heinz Ketchup ⟶ ANTICIPATION

  - ✓ Wisk ⟶ RING AROUND THE COLLAR

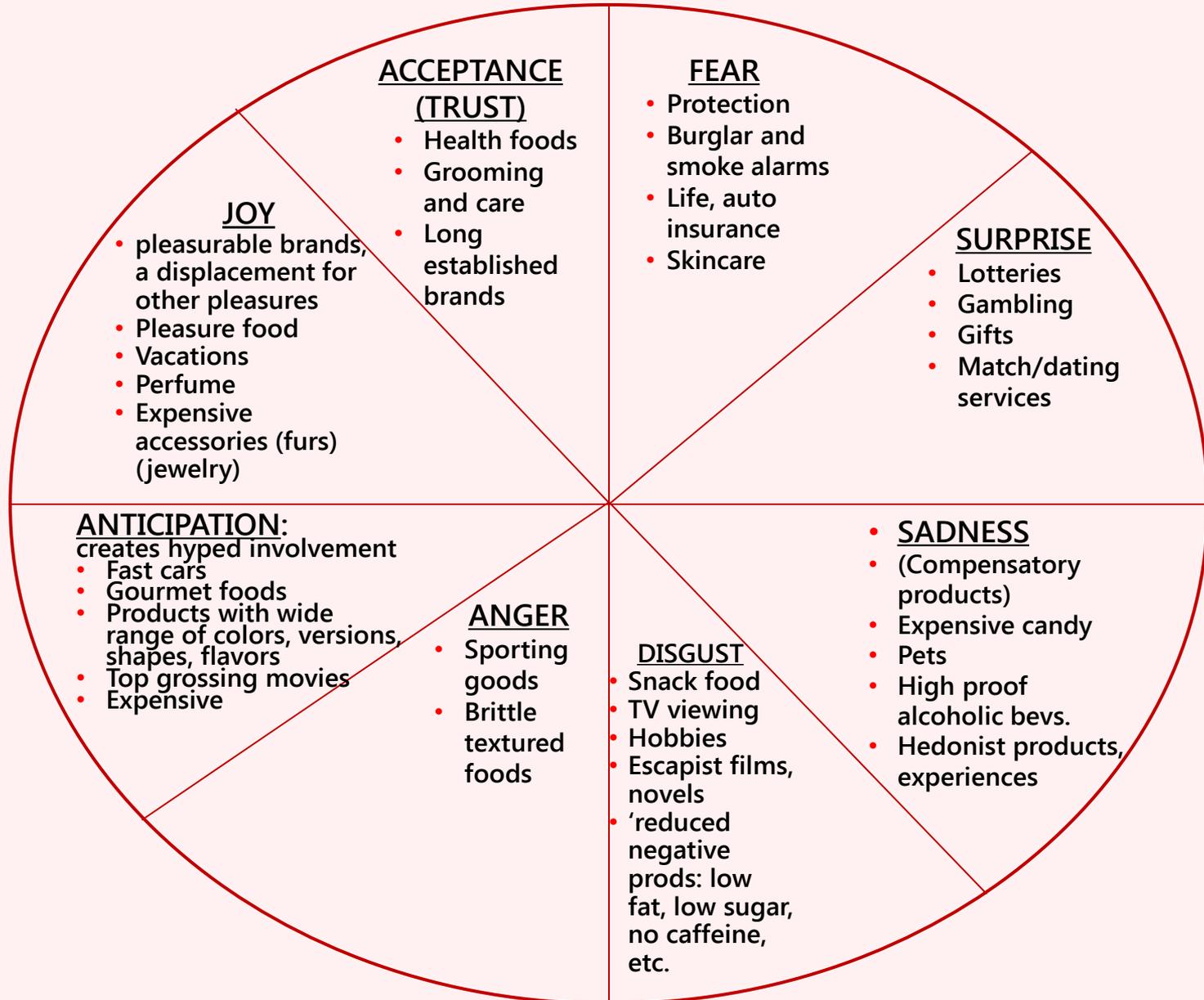 - ✓ Charmin ⟶ PLEASE DON'T SQUEEZE

- (CURRENT EXAMPLES):

  - ✓ Skittles ⟶ TASTE THE RAINBOW

  - ✓ Nike ⟶ JUST DO IT

  - ✓ Apple ⟶ THINK DIFFERENT

  - ✓ Allstate ⟶ YOU'RE IN GOOD HANDS

  - ✓ KFC ⟶ TODAY TASTES SO GOOD

  - ✓ HBO ⟶ IT'S NOT TV, IT'S HBO

EMOTION RESEARCH USING PLUTCHIK THEORY (Cont.)

- Product consumption can be explained in terms of emotional benefit delivery:
    - ✓ Condoms ⟶ Create Safety ⟶ Reduces Fear
    - ✓ Drinking champagne when celebrating ⟶ Enhanced happiness/joy
    - ✓ Watching TV ⟶ Reduced boredom
    - ✓ Eating candy ⟶ When depressed
    - ✓ Drinking beer with the guys ⟶ Symbolized affiliation

- **Emotion used to express a non-emotional message becomes a powerful way to communicate a brand benefit**
    - Emotions may enhance effective communications when benefit is to be communicated
    - Emotions essential when the end-benefit is itself emotional

- **There is need to insure that strategically desirable emotions are communicated to optimize the power of communications**

PLUTCHIK'S EIGHT PRIMARY EMOTIONS

ACCEPTANCE (TRUST)
- Health foods
- Grooming and care
- Long established brands

FEAR
- Protection
- Burglar and smoke alarms
- Life, auto insurance
- Skincare

JOY
- pleasurable brands, a displacement for other pleasures
- Pleasure food
- Vacations
- Perfume
- Expensive accessories (furs) (jewelry)

SURPRISE
- Lotteries
- Gambling
- Gifts
- Match/dating services

ANTICIPATION: creates hyped involvement
- Fast cars
- Gourmet foods
- Products with wide range of colors, versions, shapes, flavors
- Top grossing movies
- Expensive

ANGER
- Sporting goods
- Brittle textured foods

DISGUST
- Snack food
- TV viewing
- Hobbies
- Escapist films, novels
- 'reduced negative prods: low fat, low sugar, no caffeine, etc.

SADNESS
- (Compensatory products)
- Expensive candy
- Pets
- High proof alcoholic bevs.
- Hedonist products, experiences

Example: Emotions As They Relate to Toys/Games

- Emotions represent the basis of Toys/Games marketplace

- Emotional Segmentation of Toys/Games market

    1. Board games (checkers/Monopoly): ⟶ Acceptance and Social Affiliation
    2. Solitaire: ⟶ Relief from boredom (Low level of Disgust)
    3. War Games: ⟶ Fear (To Create Sense of Control)
    4. Chess/Pacman: ⟶ Anticipation
    5. Slot Machines/Roulette: ⟶ Surprise
    6. Pinball/Bowling: ⟶ Joy

Markets and brands can be classified in this way

It would be interesting to determine J & J Skincare Brands 'load' in relation to emotions and *vis a vis* competitive brands

EMOTION CAN BE USED TO EVALUATE ALL MARKETING MIX COMPONENTS

- Evaluate print, broadcast, outdoor advertising

- Evaluate existing, new products, brands, concepts

- Evaluate name, package, logo

- Evaluate spokespersons

- Use in strategic development, i.e., as input into strategic positioning

EMOTIONAL BRAND LOYALTY

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THE CHALLENGE

- With corporations spending billions trying to figure out how best to make their customers loyal, a real understanding of why customers stick with a brand or service has been, until now, elusive

- So, it has not been surprising to learn that _customer and brand loyalty_ ranked first among management concerns of CEO's in a former Conference Board survey

- It has recently been demonstrated (Frederick F. Reichheld, _'The Loyalty Effect: The Hidden Force Behind Growth, Profits and Lasting Value'_) that conversion of just 5% more of the customer franchise would lead to profit increases ranging between 25%-100%

THE CHALLENGE (cont.)

- Further, since it has been known for quite some time that the cost of acquiring new customers can be as much as 6-8 times the cost of servicing existing ones, the reality is that companies attempting all sorts of new business efforts to lure new customers will almost always be lagging behind those organizations who have mastered the art of keeping established users happy.

- So, the question becomes: how can marketers determine which customers will be loyal to their brand and which ones won't?

THE POWER OF LOYALTY

- Loyal customers represent a brand's or service's greatest chances for acquiring revenue. They can be counted on as a solid base of continued and even expanded usage

- These are the users who would be most likely to try new offerings, extensions and even an extra-categorical new product (Weight Watchers' Frozen Meals; Tropicana and Dole Frozen Juice Bars; Sprint and T-Mobile Camera Cell phones)

- Strongest word-of-mouth is most likely to emanate from these users

- The more loyal and committed your customers are to your brand, the less vulnerable the brand is to competitive tactics and the more forgiving they are in the face of public relations disasters (e.g., Tylenol, MacDonald's, Audi, Dunkin' Donuts, Coke in the wake of 'New Coke', etc.)

- As loyalty increases, marketing investments become more efficient and payout becomes dynamic

- Most loyal customers provide 'lifetime value' to your business

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SATISFACTION IS NOT ENOUGH

- Satisfaction alone doesn't explain why customers become and remain loyal:
  - ✓ Customers who are satisfied today may develop a different array of needs and wants in the future
  - ✓ Satisfaction tracking study results, when modeled, don't predict future behavior as well as would be liked
  - ✓ Satisfaction measures reflect past experience, and is not an effective predictor or profitability. Loyalty, on the other hand, tends to come closer than all other measures

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HOW LOYALTY BECOMES SELF-PERPETUATING

- Once a company recognizes that its brand enjoys strong loyalty, it can start implementing dynamic growth:
  - ✓ Starbucks started issuing prepaid cards that customers can use instead of cash. In the first month of the program in selected markets, they sold 2.3 million cards worth $32 million. Since that time, they've sold an additional 11.3 million cards equating to another $160 million. The card has been acknowledged to be one of the most successful launches of its kind, now accounting for one of every 10 transactions at all stores, with one-third of all cardholders reloading
    - ❑ In the process, Starbucks has transformed a basic convenience card into a 'smart' device that identifies its most loyal customers, which insures they'll be coming back for more
    - ❑ Future plans:
      - o Taking the concept a step further, Starbucks partnered with Bank One and Visa USA to launch the first ever dual purpose credit card ('Duetto') for a retailer (card to be used at retailer; card to be used as a standard credit card—but, instead of earning airline miles or cash rebates, users will accrue coffee credits at Starbucks). (Note: card was discontinued in 2010.)
      - o Card stored ordering information to speed up the purchase process
  - ✓ Role model for this: Harrah's uses similar cards in slot machines to tailor comps like hotel rooms and meals to individual 'high roller' loyal patrons. Over 70% of gaming at Harrah's is linked to loyalty cards

HOW LOYALTY BECOMES SELF-PERPETUATING (cont.)

ID Loyal Customers

Continuing Loyalty Programs

... Drive Continued Loyalty Thru Innovation:

- PrePaid Cards
- Starbucks Card Duetto™ VISA
- Coffee credits
- Storing ordering information to speed up purchase process
- ????

HOW LOYALTY BECOMES SELF-PERPETUATING (cont.)

- **Other success stories abound:**
  - ✓ **Southwest Airlines, the fourth largest domestic airline, was ranked #1 airline in Brand Keys' 2003 Customer Loyalty Awards and number two overall on Fortune's list of Top 10 Most Admired Companies in America. Why?**
    - ➢ **Their strategy is to keep things simple for the customer. It only flies point-to-point. It only flies Boeing 737's. Its fares are never higher than $299. There are never penalties for last-minute changes**
    - ➢ **Has a Rapid Rewards program tied only to air travel. Passengers simply fly eight trips and get one free ticket. Its requirements are the lowest in the industry and are based on trips, not miles. One can fly a fraction of the 25,000 miles required by other carriers and still receive a free ticket. No matter how great the flying distance, what cities customers fly between or how much is spent, Southwest Airlines thanks its customers each time they decide to fly with them**
    - ➢ **Their loyalty perspective and tactics obviously work: their revenue passenger miles were up 5% over '02 and their revenue passengers increased 4% in a still turbulent economic climate for the airline industry**

HOW LOYALTY BECOMES SELF-PERPETUATING (cont.)

■ Even more success stories can be cited.

■ Common denominator: each of these brands benefits from strong loyalty program or 'device':

- ✓ Orbitz
- ✓ Southwest Airlines
- ✓ Wachovia
- ✓ Amazon
- ✓ Intel
- ✓ eBay
- ✓ EMC
- ✓ Apple
- ✓ WalMart
- ✓ Wi-Fi
- ✓ Subway
- ✓ HBO
- ✓ ESPN
- ✓ Krispy Kreme

THE QUESTION WE RAISED EARLIER

- Earlier, we asked: 'how can marketers determine which customers will be loyal to their brand and which ones won't?'

- We didn't provide the answer that first time

- Now, over the next several pages, we're ready with our answer

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EMOTIONAL BRAND ATTACHMENT AND LOYALTY

We can all draw from our own experiences. Here's a recent one of mine:

- I've chosen to service the family auto, whenever necessary, at the dealership's service headquarters several miles from my home, even though there is one other service headquarters literally seven short blocks from where I live. My favorite place doesn't offer rewards or points for frequent visits, and, quite frankly, I'm not at all quite that sure that their service staff is truly more competent than the one closer to where I live. But....

  - ✓ For one thing, the service reps and mechanics at my favorite place all take time to greet me and make me feel as if I'm part of a 'family'. They're friendly, they know me by my first name and they always offer me coffee, some little snack or a beverage whenever I come in. They know how to minimize the stress and anxiety from the car-service syndrome that millions of car owners experience periodically.

  - ✓ After they've gotten my car, and I've left, they call me throughout the day to notify me as to how the servicing is going, whether they've found any new 'surprises', and they always provide an 'ETA' letting me know when my car will be back to me

  - ✓ They always assure that they'll work with me on any items that I'm liable for, and they seem to go out of their way to minimize any 'sticker shock' when I get to pay the bill.

It's not just that I know I'll get great servicing and a pleasant, supportive experience whenever I show up there. I <u>TRUST</u> them with my car and have faith that they have my safety and well-being in mind. I'm beyond being satisfied with their servicing. I couldn't conceive of going elsewhere to service my car. I'm <u>ATTACHED</u> to them.

EMOTIONAL ATTACHMENT AS IT RELATES TO LOYALTY

- For over 40 years, the academic world has provided a foundation for measuring emotional attachment via Attachment Theory and the Bonding Process.

- A methodological protocol was established to attempt to understand emotionally attached (secure) and emotionally detached (insecure) relationships.

- Grounded in these academic findings, the concept of emotional Brand Loyalty, which spawned the *WEALR8VA*$^©$ algorithm, has become the only patented research approach that captures the most influential emotional correlates that explain and predict a definitive quantitative measure of loyalty.
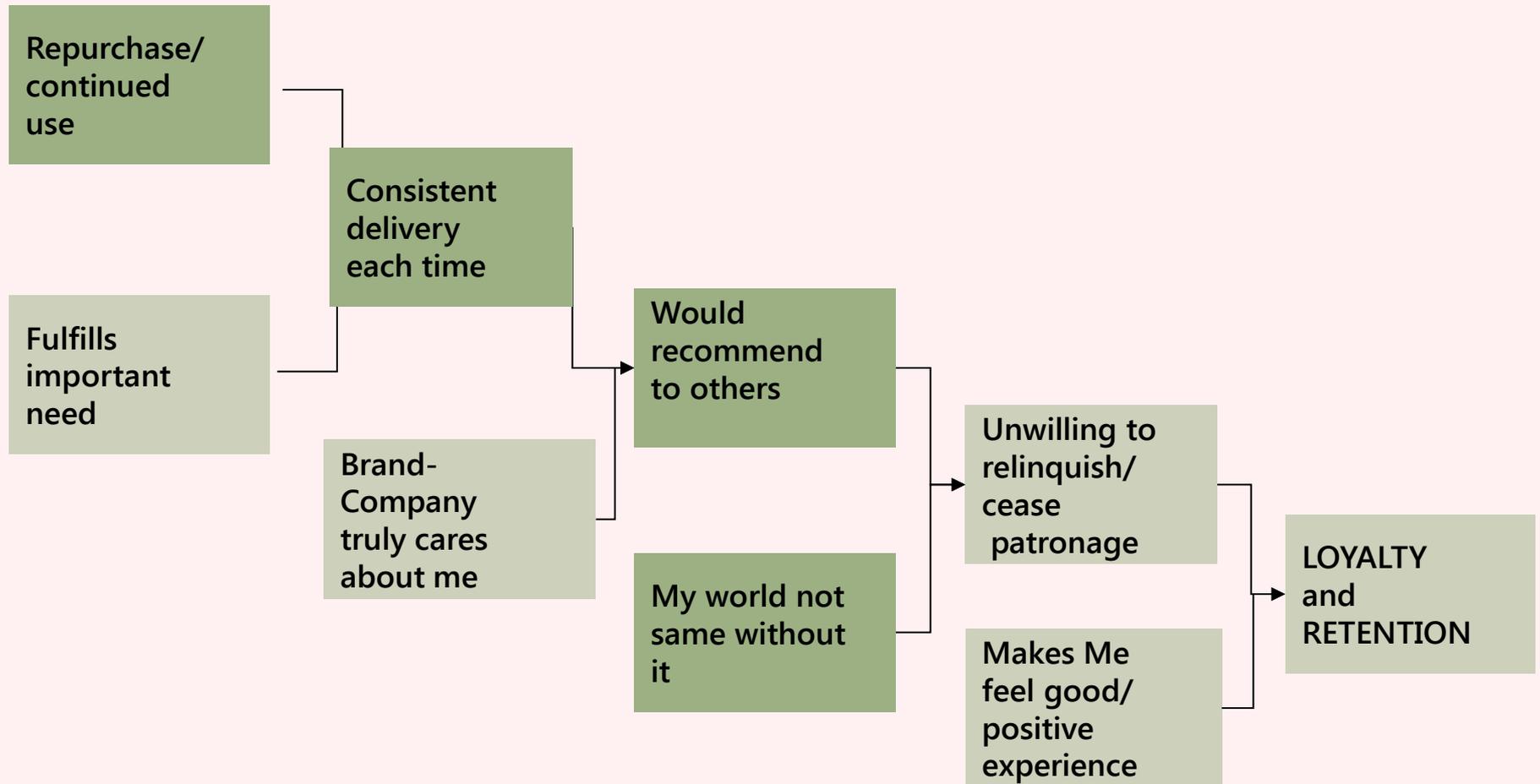
EMOTIONAL ATTACHMENT AS IT RELATES TO LOYALTY (cont.)

- At its core, the *WEALR8VA*[©] algorithm measures <u>passion</u>—the passion for a consumer to hold on to brands, products, services, promotions, events, sponsorships, media, television programs and series---even advertising messages and spokespersons.

- It was created by synthesis of a multiplicity of academic findings regarding life-long relationship attachments to core business issues.

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EMOTIONAL ATTACHMENT AS IT RELATES TO LOYALTY (cont.)

- The *WEALR8VA*© algorithm measure has successfully been applied across virtually all product/service categories, new product/promotion concepts, media, advertising messages...even political candidates.

- the *WEALR8VA*© algorithm identifies the most loyal patrons of YOUR BRAND, then affords the opportunity to apply them analytically in a multitude of ways to your survey data.

ANSWER: THE 8-VARIABLE WACSSCI EMOTIONAL ATTACHMENT LOYALTY-RETENTION ALGORITHM (*WEALR8VA*©)

Repurchase/continued use

Fulfills important need

Consistent delivery each time

Brand-Company truly cares about me

Would recommend to others

My world not same without it

Unwilling to relinquish/cease patronage

Makes Me feel good/positive experience

LOYALTY and RETENTION

HOW *WEALR8VA*© WORKS

Based on how your survey respondents respond to these 8 questions, they are classified into 5 segments, ranging in intensity about YOUR brand from:

'Extremely Passionate' →'Coldly Impassionate'

– The larger your sample size, the greater the number of segments we can generate AND the more stable each segment is to read; smaller sample sizes usually generate at least 3 segments. Larger sample sizes allow us to identify 7 segments. For a major global insurance company, we have identified 7 stable and replicable loyalty segments which cut across 18 countries world-wide.

– The key segment to identify, of course, is the one that is 'Extremely Passionate' about YOUR BRAND

– Of course, it behooves you to identify your competitors' 'Coldly Impassionate' customers: they could become YOUR next new customers.

– Obviously, we can reveal the input questions and their 'order of influence' to only our contracted customers

IMAGINE THE POSSIBILITIES

Imagine the number of functions and applications you can now undertake using *WEALR8VA*©

- Enhancing tracking, segmentation, ad effectiveness and product/ concept test studies

- New product planning and development

- More informed messaging and targeting for advertising and marketing efforts

- 'Tagging' and assessing current customer and sales prospect D-bases as well as survey d-bases

- Creating more effective loyalty and rewards programs for customers

- Enhancing the applications of competitive intelligence

- Making more informed decisions about pricing, packaging, logos and naming

- For stronger planning (e.g., respondent screening and recruitment) of upcoming market research projects

- Optimizing your custom proprietary research panel research

- Strengthening all focus group and one-on-one projects, notably screening, and also at the analytic level

TAKING IT ONE STEP FURTHER: *WEALR8VA©* APPLICATIONS LOYALTY-BASED SEGMENTATION MODELS

- Using output from *WEALR8VA©* and your survey, by applying loyalty-based segmentation to your survey data, you are able to hone in on different underlying segments with different loyalty 'drivers'

- One segment's loyalty can be based upon perceptions of value, while a second one's loyalty may be based upon perceptions of uniqueness and being 'pre-emptive', as in being first-in. A third segment may have its loyalty based purely upon sensory response to the brand while a fourth segment could have it's loyalty dependent upon price and value perceptions

- Finally, loyalty based segments can be profiled to determine all significant elements resulting in inter-differentiation in order to maximize targeting and their identification

- At this point, the segments can then be managed in order determine how best to allocate resources. Resource allocation is a principal benefit of loyalty-based segmentation: *it will determine whom to focus most and least on, as well has how much attention each segment deserves*

WEALR8VA© APPLICATIONS (cont.): RESOURCE ALLOCATION

TAKING IT ONE STEP FURTHER:

- For existing customer D-base, we use a 'Value Index' to append to each loyal customer

- This informs where resources can be put to best use in order to further enhance loyalty of YOUR brand's most loyal customers—and to reallocate resources AWAY from less loyal customers who would yield smaller ROI

- By knowing WHO the loyal customer is, WHAT they want from YOUR brand, and HOW MUCH they are worth to YOUR brand, strategy development can be optimized:

  - ✓ How to gain greater wallet share and maintain strong relationships

  - ✓ How to move profitable customers further up the 'loyalty ladder'

  - ✓ How to profile loyal customers to target and attract competitors' customers

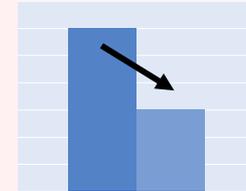# Increasing Profitability and Driving Growth Using *WEALR8VA*©

Among Most Loyal Customers

| Maximize under-standing of most important customers'/ prospects' daily life goals and activities | Develop global innovation platforms that are more tightly and accurately targeted | Develop product ideas with high fit to most loyal customers' needs, wants, attitudes and behavior |

Reduce flop risk of new and extended products	Reduce Risk
Leverage new product ideas across markets and segments	Reduce Cost
Increase retention and cross selling	Increase Share of Customer
Once success is in sight, then begin drive for acquisition of like-minded new customers	Increase Market Share

Increased Profitability and Growth

WEALR8VA© Presents Unique Research Opportunities for New Product Development and Category Pre-emption

Innovation Platforms

Product Categories (Color = Attractiveness)

Product – Innovation Platform Fit

Opportunities for Innovation?

Greater Research Opportunities Resulting in Development of Focused Innovation/Growth Fueled by *WEALR8VA*©

Authenticity / Real Foods

Take the time to have breakfast at home

Make "real" breakfast on weekends, alone, when waking up late

Prepare school lunch in the morning so that it stays fresh

Taste and buy food at farmers' market

Buy European imported foods at specialty store to eat with husband in the evening

Prepare and freeze week's meal after shopping at the open market

Eat snack from organic store

Have a fruit snack

Stay home and prepare healthy dinner with roommates once a month

Grill fresh, lean and healthy meat for dinner

Eat home-cooked dinner at sister's house

Prepare dinner at home instead of going out as usual

Actions for Frozen Foods Brand

New Product Innovation
- Offer chilled or frozen "Organic Garden" soup meals
- "Fresh from the Farm" egg and sausage breakfast pocket

Distribution
- Install high-quality "Fresh Chilled Meals" vending machines in schools and offices, carrying Brand A products
- Sell Brand A fresh products in "Farmers' Market" section of grocery stores

Packaging
- Print ideas of fresh ingredients (e.g., basil, thyme, rosemary) to add/complement a new Brand A meal on package

Brand-building
- Endorsement by the Harvard School of Public Health that promotes a nutritional seal of approval for the product

CUSTOM EMOTION STUDIES

CUSTOM EMOTION STUDIES: Getting Started With Diary Methodology

- In order to develop appropriate, highly targeted approaches to positioning its brand or service on the bases of emotional need states, the marketer will first need to build a base of strategic knowledge regarding the emotional dynamics and structure of the marketplace under consideration.

- Several concurrent research directions can be undertaken, integrating results of prior research studies into an 'emotional market understanding' that grows fuller over time. This comes from basic primary studies, both qualitative and quantitative: segmentation, attitude studies, usage and buying habits, etc.

- Among the more appropriate research approaches to consider would be:

  ❖ Diary methodology: to determine actual usage and purchase behavior in terms of underlying motivations, among core and prospective users of J&J Brands:
    ✓ Diary of usage events
       o Time of day
       o Day of week
       o Products/brands used
    ✓ 'Triggers' for behavior (usage, purchase)
       o Situational
       o Physiological
       o Emotional
       o 'Moments'
    ✓ Behavioral responses to 'Triggers'
       o What bought, used
       o Amounts used
       o By type

CUSTOM EMOTION STUDIES: Getting Started With Diary Methodology (Cont.)

- The Diary Method provides a truly fundamental basis for defining the roles that the Brand performs, which can provide strong insight and direction for positioning strategies.

- For example, a particular product category can be segmented and the size of opportunity which each emotions delivers can be measured

- Baseline shares can be established against each emotional 'motive', and tracked over time

WACS Insights & Strategy:

versatile

experienced

creative approaches

pragmatic

more than researchers:

we're strategic oriented

Founded in 1986

Staff Size: 23

Great Neck, N.Y. Offices

EXPERTISE IN ALL TYPES OF CUSTOM MARKET RESEARCH METHODOLOGY AND TOOLKITS

SPECIALIZE IN CUSTOM ANALYTICS, DERIVING CREATIVE, YET PRAGMATIC MARKETING SOLUTIONS WHICH ARE BOTTOM-LINE ORIENTED

UTILIZES FOUR DATA COLLECTION TOOLS TO DERIVE INSIGHTS:
• Quantitative Tools
• Qualitative Tools
• Social Media Tools
• Market Simulation of Existing Data

WACS Insights & Strategy: MISSION STATEMENT

Our Mantra:

All projects, conceived, designed, implemented, analyzed and reported to uncover CONSUMER INSIGHTS, which inform:

- Increased sales and market share
- Maximized brand loyalty, customer satisfaction and retention
- Expanded core customer base with minimal, if any, current customer alienation
- Optimized brand equity

Opportunities for new products and innovation

WACS Insights & Strategy TEAM

Total involvement of both principals along pathway towards project completion

Major points of contact on all projects are Art Savitt, WACS CEO Jim Frisch, PhD, WACS President

Jim Frisch has over 30 years of professional market research experience. Jim has served in a number of executive and managerial level positions:

- WACS I & S (President: June 2002)
- Wolf*Altschul*Callahan-SVP/Director of Research
- Citibank (Research Director)
- Final Analysis-VP
- Young and Rubicam-Associate Research Director
- Heller Research-Associate Research Director
- Sherman Group-Project Manager
- Education: LIU (AB), University of California, Berkeley (PhD in Psychology)
- www.linkedin.com/pub/jim-frisch/5/152/27b

Art Savitt has held the following executive level positions:

- WACS I & S (CEO: June 2002)
- Audits & Surveys Worldwide-SVP Client Services
- Wolf*Altschul*Callahan-EVP/Director of Client Services
- Simmons MRB-SVP Client Services
- Beaumont Organization-EVP MRD/Client Services
- Ted Bates/Worldwide-SVP, MRD
- D'Arcy DeGarmo Advertising-VP, MRD
- Grey Advertising-MRD
- Education: Washington U., St. Louis (AB in Psychology, 1968), Doctoral Program at Columbia University (Social Psychology)
- www.linkedin.com/in/azsavittceowacsurveystratcons

WACS Insights & Strategy: CLIENT ROSTER

ABC-TV
AIG
AILES COMMUNICATION
AL-ANON
AMTRAK
ANHEUSER BUSCH
ARBY'S
AT&T
AUSTIN NICHOLS
AVAYA
AVIS
AVON
BALLY
BATES USA
BAYER
BBDO
BECTON DICKINSON
BERKELEY COLLEGE (NJ)
BEST BUY
BEST FOODS/CPC
BLUE CROSS &
BLUE SHIELD (NY)
BROWN & WILLIAMSON
BURGER KING
CABLEVISION
CAMPBELL'S
CHASE BANK
CHRYSLER
CHURCH'S CHICKEN
CIBA VISION
CITIBANK
CLARINS USA
CNBC
COMPAQ

COORS BEER
CORNING
COVER GIRL
DANBURY MINT
DDB NEEDHAM
DICK'S SPORTING GOODS
DISNEY DEVELOPMENT CORP
DMB&B
DUNKIN' DOUGHNUTS
EASTMAN KODAK
ESPN/ESPN2
FERRERO USA
FORD MOTOR COMPANY
FOREX MARKET
GATORADE
GLAXCO
GLOBAL HUE
GM
GUESS?
HAAGEN DAZS
HACHETTE FILIPACCHI MEDIA
HARDEES
HASBRO
IBM CREDIT CORP
IFF
INTERNATIONAL HOUSE OF PANCAKES
IOMEGA
JMI
J. WALTER THOMPSON
KELLOGG'S
LORILLARD
LUCENT TECHNOLOGIES
MANHATTAN MARKETING ENSEMBLE
M&M MARS

MACY'S
MARRIOTT
MASTERCARD INTERNATIONAL
MCKINSEY AND COMPANY
MERRILL LYNCH
MICRON
MIDDLETON TOBACCO
MOBIL CHEMICAL
MONEY GRAM
NATIONAL BASKETBALL ASSOCIATION
NATHAN'S FAMOUS
NATIONAL GEOGRAPHIC
NATIONAL GRID
NATURE CONSERVANCY
NBC-TV
NEIMAN MARCUS
NEW YORK COUNTY LAWYERS' ASSOCIATION
NEW YORK LIFE
NIKE
NIKON
OGILVY & MATHER WORLDWIDE
ORACLE
ORTHODOX UNION
PEPPERIDGE FARM
PILLSBURY
PINOTTI USA
PITNEY BOWES
PLANTERS/LIFESAVERS
PBS
RADIO DISNEY
REVLON
REXALL
REYNOLDS METALS
RICOH

R J REYNOLDS
RYDER TRUCK RENTAL
SAMSUNG
SC JOHNSON
SHELL ENERGY
SHOWTIME
SHRM (SOCIETY FOR HUMAN RESOURCES)
SONY
STROH'S BREWING
SUBARU
SUBWAY
TETLEY
TIMEX
TIME WARNER
TOMMY HILFIGER
TOPPS
TROPICANA
T ROWE PRICE
TURNER NETWORKS
21 BRANDS
U.S. ARMY
UMDNJ (UNIVERSITY OF MEDICINE AND DENTISTRY, NEW JERSEY)
UNITED STATES POST OFFICE
USA NETWORKS/SCI-FI CHANNEL
VERIZON
WASHINGTON UNIVERSITY (ST. LOUIS)
WEIGHT WATCHERS INT'L
WEISS AND HILLER LEGAL
WORLDCOM (MCI)
WWE
YOUNG & RUBICAM
ZD NET

Strong project conception and design

Dedicated project implementation

Our Equity:
We are known for excellence in:

Quality control due diligence: costs, data collection accuracy, on-time delivery

Known for excellent analytics and reporting:

Strategic Road Mapping and Re-branding/New Products Opportunity Identification

WACS Insights & Strategy
GENERAL DATA COLLECTION PROFILE

Consumer and B-2-B studies

Totally global: International studies. Full capability to conduct full-scale, custom studies in ALL countries, with special expertise in Asia. S.A., Africa, Pacific Islands, Europe

All data collection methodologies: Online, Phone, Mobile, Phone to web, IVR (1-800 #), In-person, CAPI, Mail, Diary, Social Media, Online Qualitative, Ethnographics, Mystery and Paired Shopping

Custom proprietary panel development for consumer and B-2-B research

Specialists in ethnic studies, niche, hard-to-locate, low incidence respondents

WACS Insights & Strategy

Strong case history expertise for conducting MR with various niche groups of customers:

- Early Adopters Innovators
- Youth Market
- LGBT Market
- Ethnic groups
- Hard to find, low incidence consumers
- Low incidence country of origin groups (e.g., Vietnamese, Nigerians)

WACS Insights & Strategy: VERSATILE METHODOLOGISTS

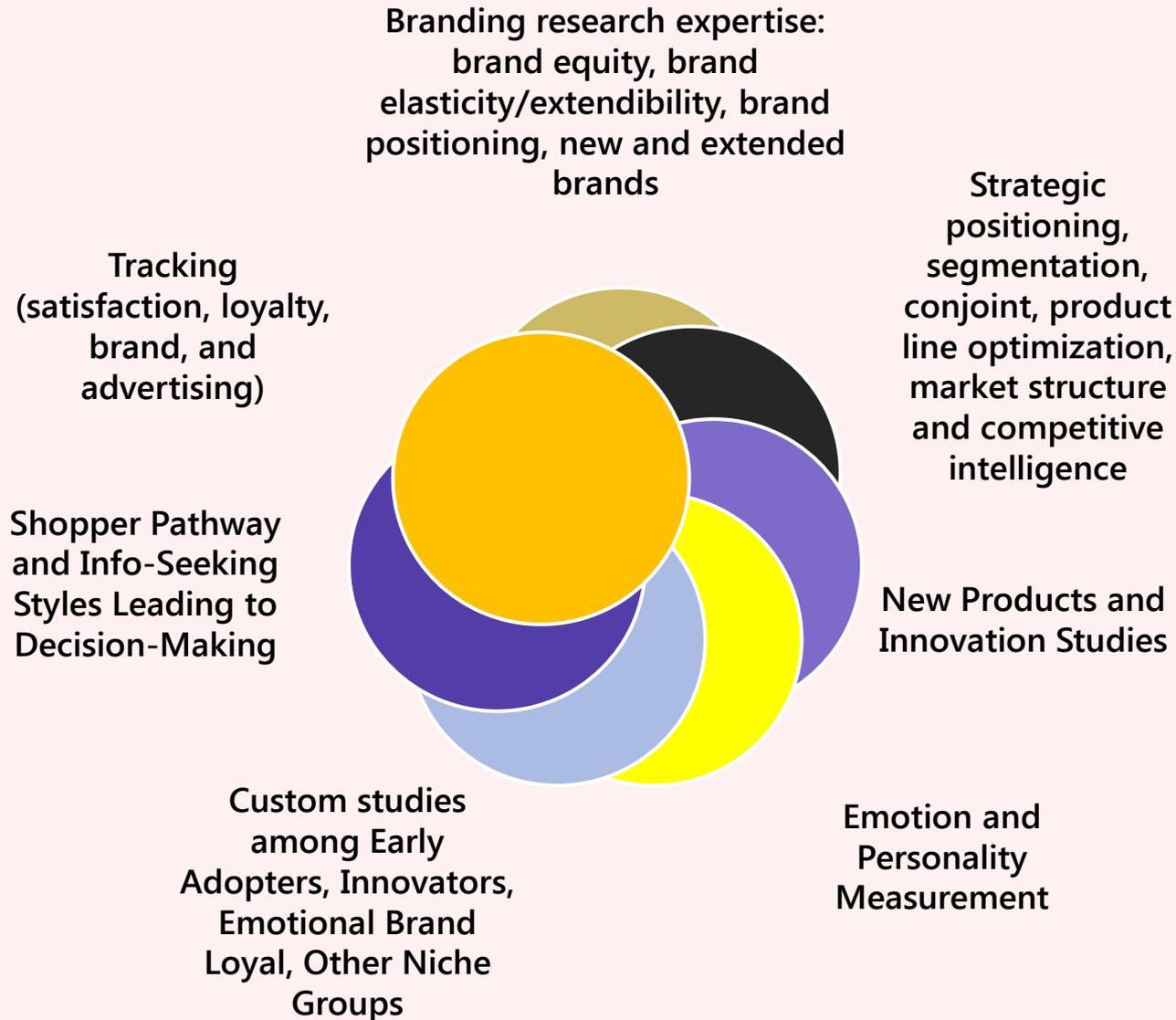**WACS Insights & Strategy** has strong case history expertise using FOUR methodological tools:

1. <u>Complex quantitative research</u>: tracking, segmentation, conjoint, product - concept testing, product line optimization, pricing studies, emotional measurement, ad testing, package, name, and logo testing, brand equity, brand loyalty, customer satisfaction

2. <u>Qualitative studies</u>: focus groups, individual depth interviews, ethnographics, candid ethnographics, video ethnographics, online qualitative, online usability lab, semiotics, synectics, content analysis

3. <u>Social media methods</u>: sentiment analysis, social gaming, crowd sourcing, online community research,

4. Market Simulation: re-visiting and reanalyzing previous studies, data; D-base tagging and modeling to optimize data bases for future efficiencies
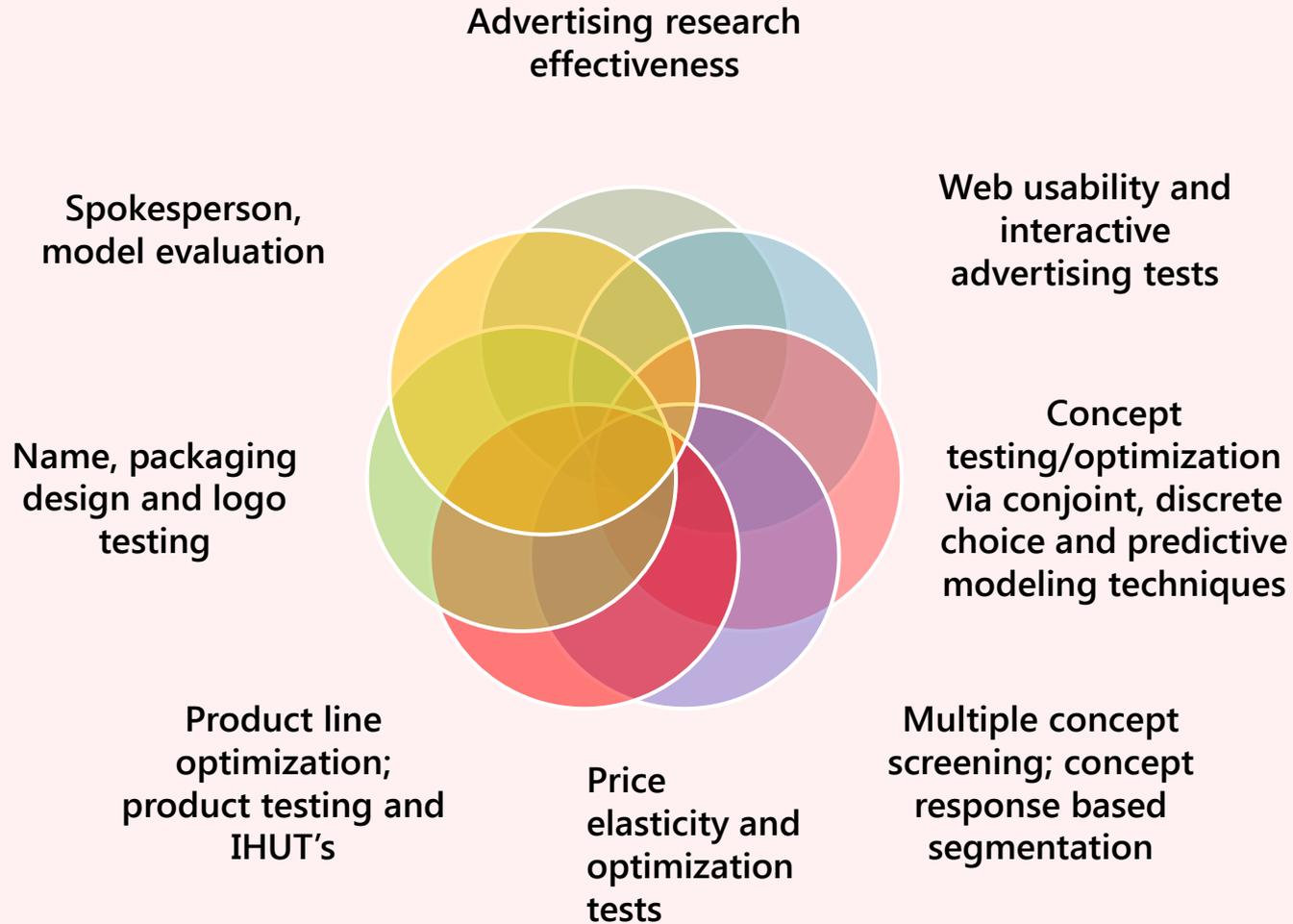
WACS Insights & Strategy HAS PERSPECTIVES ON BRANDING AND INCORPORATES THEM INTO OUR CLIENTS' RESEARCH PROGRAMS
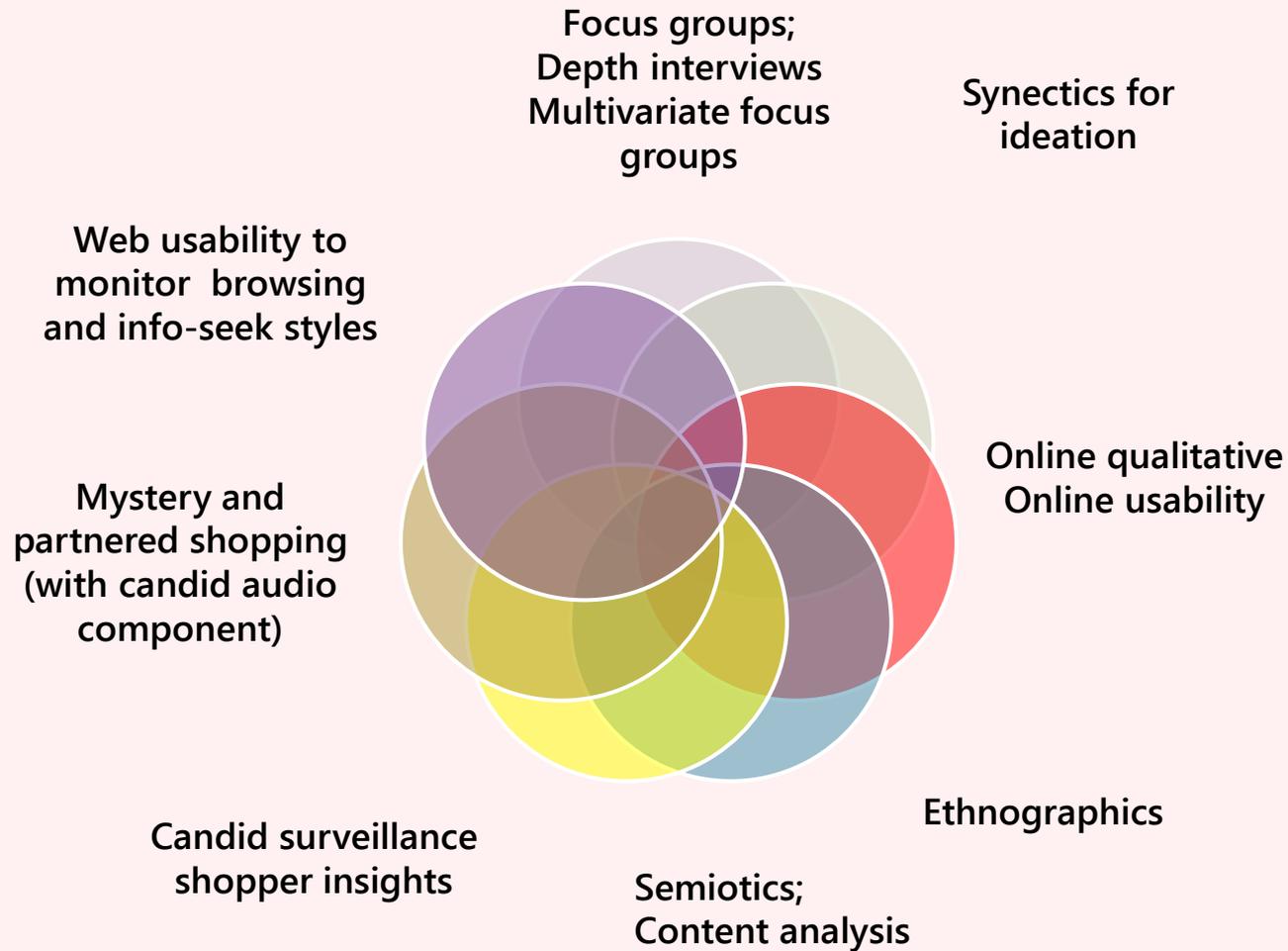
- These perspectives shape our study design, project implementation and plan of analysis

- Our Branding Research studies can be implemented via quantitative, qualitative and social media tools.

- Every research study has BRANDING in mind as an ultimate purpose.

- Different types of branding studies we have conducted:

  - ✓ **Brand Essence**: attributes that distinguish brand from its competitors

  - ✓ **Brand Elasticity**: how far the brand can be stretched without diluting its essence

  - ✓ **Brand Equity**: assets of the parent brand that are transferable to other products, services or corporate entities

  - ✓ **Brand Equity Metrics**: evaluating/tracking impact of brand building on brand's equity

  - ✓ **Brand Integration**: translating essence to execution. How the essence of the brand can be integrated into every point of contact with people inside and outside the organization

  - ✓ **Brand Extension**: products or services that can be marketed under the brand umbrella that will benefit from association and reinforce or strengthen the brand essence

  - ✓ **Brand Leverage**: a brand's strengths that increase sales, profitability, market share

  - ✓ **Brand Equity Management**: priority strategies to leverage the brand's equity and profitability without diluting its essence

  - ✓ **Brand Alignment**: whether the intrinsic brand strengths and assets are aligned with image

WACS Insights & Strategy QUANTITATIVE EXPERTISE

Branding research expertise: brand equity, brand elasticity/extendibility, brand positioning, new and extended brands

Strategic positioning, segmentation, conjoint, product line optimization, market structure and competitive intelligence

Tracking (satisfaction, loyalty, brand, and advertising)

Shopper Pathway and Info-Seeking Styles Leading to Decision-Making

New Products and Innovation Studies

Custom studies among Early Adopters, Innovators, Emotional Brand Loyal, Other Niche Groups

Emotion and Personality Measurement

Advertising research effectiveness

Spokesperson, model evaluation

Web usability and interactive advertising tests

Name, packaging design and logo testing

Concept testing/optimization via conjoint, discrete choice and predictive modeling techniques

Product line optimization; product testing and IHUT's

Price elasticity and optimization tests

Multiple concept screening; concept response based segmentation

WACS Insights & Strategy QUALITATIVE EXPERTISE

Focus groups;
Depth interviews
Multivariate focus
groups

Synectics for
ideation

Web usability to
monitor browsing
and info-seek styles

Online qualitative
Online usability

Mystery and
partnered shopping
(with candid audio
component)

Ethnographics

Candid surveillance
shopper insights

Semiotics;
Content analysis

WACS Insights and Strategy COMPLIANCE WITH SAFE HARBOR MEASURES

No respondent's personal information will be divulged to any parties beyond the market research organization, WACS, and any outside third parties handling the research project for WACS

WACS Insights & Strategy

Gaining Organizational Buy-In

- ✓ Include the needs of management *and* marketing
- ✓ Include segmentation as an integral part of broader Go-to-Market strategy
- ✓ Fully align on objectives and scope *before* data collection
- ✓ Gain stakeholder buy-in before final roll out

Superior Research Design, Analysis and Execution

- ✓ Use data from multiple sources
- ✓ Choose actionable *and* predictive variables
- ✓ Include customers and prospects
- ✓ Evaluate multiple analytic techniques
- ✓ Ensure that output maps to internally recognized groups

Successful Implementation

- ✓ Get comfortable with multiple segmentations
- ✓ Use targeting models to score databases
- ✓ Use pilots to rapidly demonstrate success
- ✓ Measure and monitor success

Noteworthy Branding Research Projects

WACS Insights & Strategy has had extensive market research case history experience in branding, having conducted scores of attitude and opinion surveys, image surveys, brand 'delivery' studies, segmentation studies, all helping our clients to maximize their strategic efforts in targeting, positioning, satisfaction-loyalty-retention and new products and services innovation.

Our most notable clients in this space have been:

- AIG
- AT&T
- Arby's
- Avis
- Avaya
- Berkeley College
- Best Buy
- Burger King
- Chase Bank
- Chrysler
- Citibank
- Church's Chicken
- Clarins USA
- Coors
- Corning
- Dick's Sporting Goods
- Dunkin' Doughnuts
- Ferrero

- Ford Motor Company
- Forex
- International House of Pancakes
- Jaguar
- Kellogg's
- Macy's
- McKinsey and Company
- Merrill Lynch
- Miami Subs
- Micron Technology
- Middleton Tobacco
- MoneyGram
- MTV/Nickelodeon
- National Basketball Association (stores)
- Nathan's
- Neiman Marcus
- Nike
- Nikon

- NY Life
- Pepperidge Farm
- Pillsbury
- Revlon
- Rexall Drugstores
- Ricoh
- RJR
- Samsung
- Shell Energy
- SHRM (Society for Human Resources Management)
- SONY
- Stroh's Brewing
- Subway
- Tetley
- Tommy Hilfiger
- Topps Candy
- T Rowe Price
- UMDNJ (University of Medicine and Dentistry, New Jersey)
- USA Networks/Sci-Fi Channel
- Verizon

EXAMPLES OF WACS BRANDING RESEARCH PROJECTS

- Even though all of these projects had quantitative main phases, the vast majority also had some form of preliminary QUALITATIVE or SOCIAL MEDIA phase:

  - ✓ Brand perceptions, imagery among college bound high school juniors, seniors, prospective grad students (Berkeley College, UNJMD)

  - ✓ Brand Equity Research among Home Entertainment Shoppers (SONY, Best Buy)

  - ✓ Mom as Gatekeeper re Nutrition Brand Perceptions (Topps)

  - ✓ Brand Positioning among Investor Decision-makers (Chase, T.Rowe Price)

  - ✓ Strategic Call Plan Branding Among Cell Phone/Calling Plan Decision Makers (Verizon)

  - ✓ Cost of Entry Branding Among Communications Infrastructure Software Decision Makers (Avaya)

  - ✓ How Emotion Affects Physical Document Services Product Decision Process (Ricoh)

  - ✓ Life Insurance Family Purchase Decision Dynamics (NY Life, includes intensive analysis of relative impact of various print advertising vs. collateral sales materials reflecting various branding strategies)

  - ✓ Membership Decision Processes: Brand Equity of Weightwatcher's vs. Jenny Craig vs. Nutrisystem (for Weight Watchers)

  - ✓ Emotional Branding Strategies Studies (for Ciba Vision, Nike, SONY, Dick's Sporting Goods, Coors, Pillsbury, Subaru,)

RECENT BRAND ATTITUDINAL SEGMENTATION EXPERIENCES

- All of these quantitative projects had a preliminary qualitative or social media phase:

  - ✓ Shopper Outlet Based Preference Segmentation (Kellogg's, Best Buy)
  - ✓ Kids' Candy Brand Attitude and Shopping Patterns (Topps)
  - ✓ Global Customer Brand Attitude Segmentation (Avaya)
  - ✓ Paper Document Handling (Ricoh)
  - ✓ Sandwich Style/Menu Items Preference Segmentation (Arby's)
  - ✓ Hedonic Based Segmentation (Burger King, Pillsbury, RJR, Coors, Kellogg's)
  - ✓ Beer Usage Situations/Emotional Based Segmentation (Coors))
  - ✓ NFL Monday Night Football Viewer Segmentation (ESPN)
  - ✓ A Granular Brand Segmentation of Longevity Seekers in the Semi-Conductor Marketplace (Micron)
  - ✓ Membership Segmentation Modeling (SHRM, Weight Watchers)
  - ✓ TV Viewer Brand Segmentation (USA Networks, Sci-Fi Channel, HBO, Showtime, Turner Sports, WWE, Monday Night Football, ESPN,
  - ✓ Concept Response Based Segmentation Modeling (T.Rowe Price, Tetley, Coors, Avis, Verizon, Pillsbury, Keyspan Energy, Kellogg's)
  - ✓ Fashion Apparel Shopper Brand Attitude Segmentation (Hachette Filipacchi/Elle)
  - ✓ HBA Shopper Segmentation (Hachette Filipacchi/Elle)
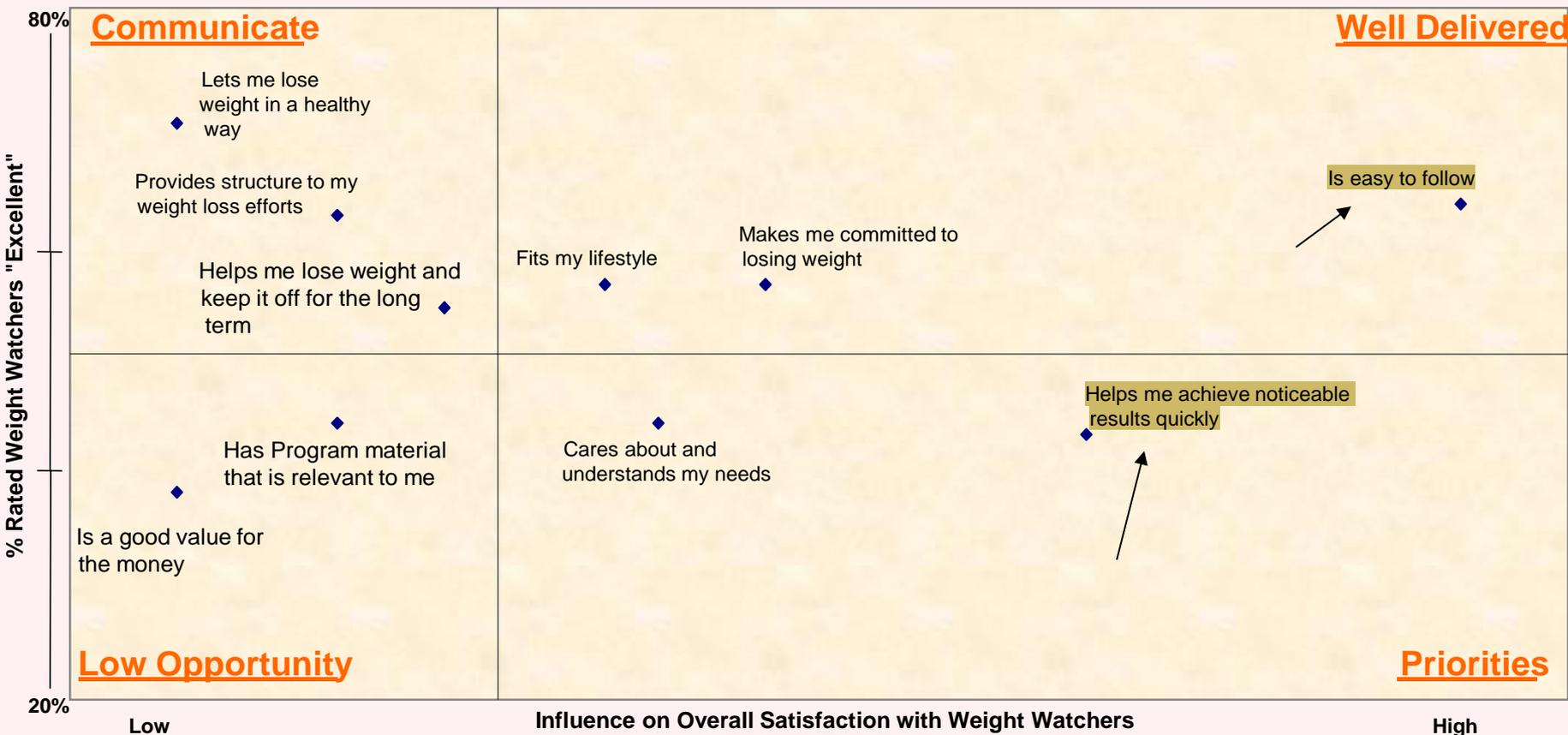 - ✓ Life Insurance Effective Salespersons Brand Segmentation (NY Life, AIG)

  .....and more.......

EXAMPLE 1: BRAND PERCEPTIONS DEPICTED BY QUADRANT ANALYSIS

✓ On the following slide is an example of a multivariate analytic tool which we use (and which we can use on behalf of WUSTL), Quadrant Analysis, to extract greater utility from data to assess how a brand is positioned and perceived in a given marketplace in terms of its ability to fulfill customer demand.

  ▪ In the example shown on the following slide, we can identify the critically most important variables which Weight Watchers is seen as adequately delivering to its customers (known as *cost of entry*—which are precisely those qualities that MUST be delivered to customers in order for the brand to merely retain its share of users

  ▪ Also, we can identify those dimensions which are important, yet not well fulfilled. These represent re-branding or new product opportunities for a brand which will serve to improve the brand's position once it is improved in the specified area

  ▪ As you will see, an 'easy to follow weight loss program' is one area in which Weight Watcher's fulfills its 'cost of entry' requirement. It must continue to deliver on this or risk losing its franchise. Another dimension, 'helps achieve results quickly', is also critically important yet not adequately fulfilled, thus representing an area in which the company must improve. Once it achieves this improvement, Weightwatchers' position will improve in its marketplace

  ▪ The three (3) dimensions seen in the top right hand corner represent Weight Watcher's 'equity' (i.e., the brand's strengths, what it 'stands for') among its current members. It must continue to preserve and maintain these perceptions or risk losing members.

Weight Watchers should continue to advertise and deliver that the program Is <u>easy to follow</u> in order to reinforce satisfaction and minimize member attrition. Also, satisfaction would be increased if current members believed more so that the program <u>helped achieve noticeable</u>
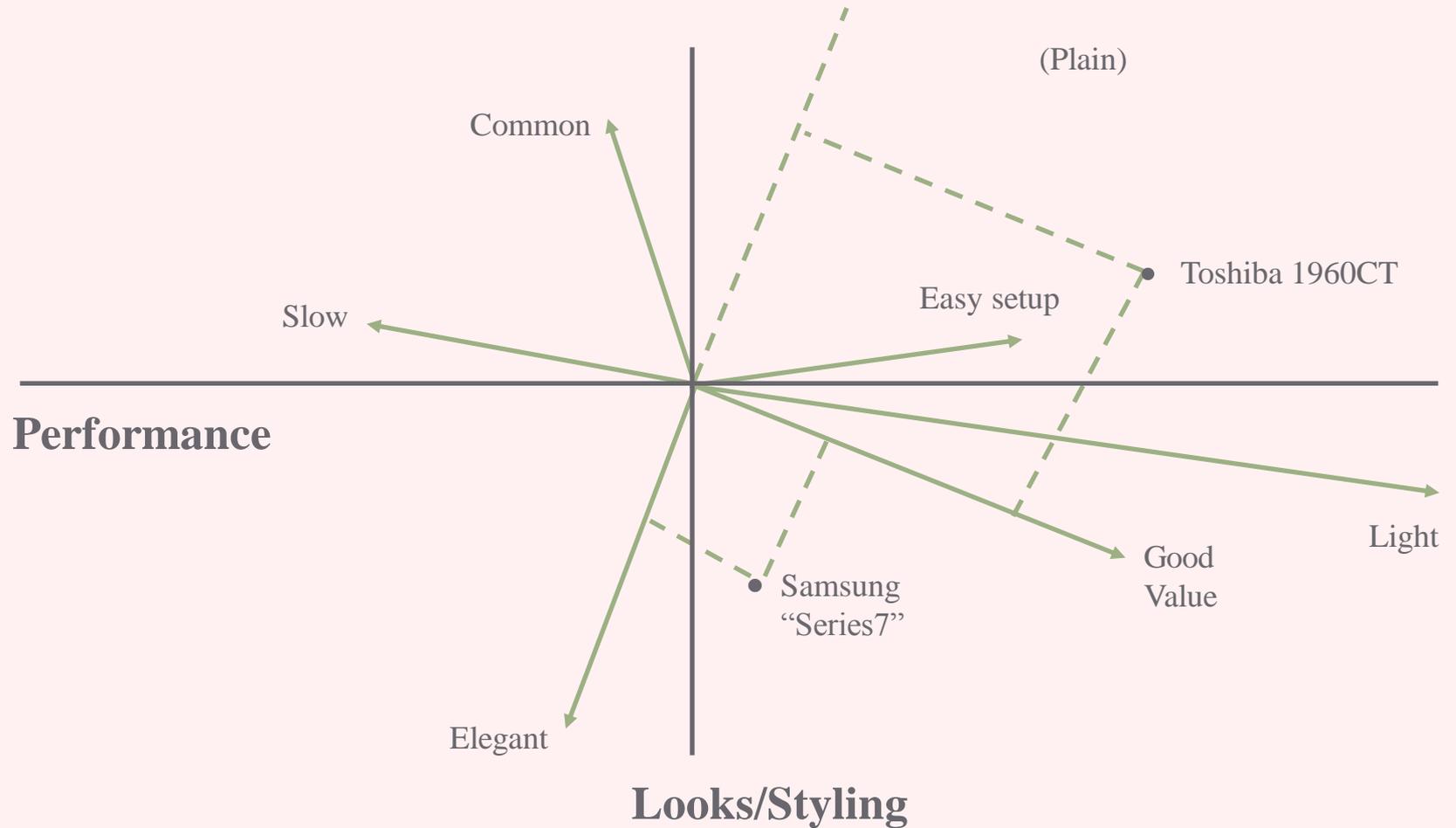
Among Current Members

Communicate   **Well Delivered**

Lets me lose weight in a healthy way

Provides structure to my weight loss efforts

Is easy to follow

Makes me committed to losing weight

Fits my lifestyle

Helps me lose weight and keep it off for the long term

Helps me achieve noticeable results quickly

Has Program material that is relevant to me

Cares about and understands my needs

Is a good value for the money

Low Opportunity   **Priorities**

80%

20%

Low

High

% Rated Weight Watchers "Excellent"

Influence on Overall Satisfaction with Weight Watchers

EXAMPLE 2: BRAND PERCEPTIONS DEPICTED BY PERCEPTUAL MAP

✓ **On the following slide is an example of another multivariate statistical tool which we use, Perceptual Mapping, (and which WACS can employ on behalf of WUSTL) to graphically depict how brands are perceived and positioned by consumers in terms of product features and requirements which drive the marketplace**

  ▪ In this example, we can identify the predominant consumer mind-set positioning for each of two brands...Toshiba vs. Samsung

    ❖ Toshiba 1960CT is seen as easy to set up, it's light and basically 'plain'
    ❖ In contrast, Samsung Series 7 is positioned more along a 'looks and styling' continuum, it enjoys more of an elegant positioning, virtually the opposite of Toshiba 1960CT, for which it could be inferred that it is the opposite of elegant
    ❖ Thus, based on this map, we can easily ascertain each brand's most salient brand equity 'strengths'. Samsung's 'equity' is in its appearance and styling; Toshiba's is in its lightness, ease and 'basic'-ness
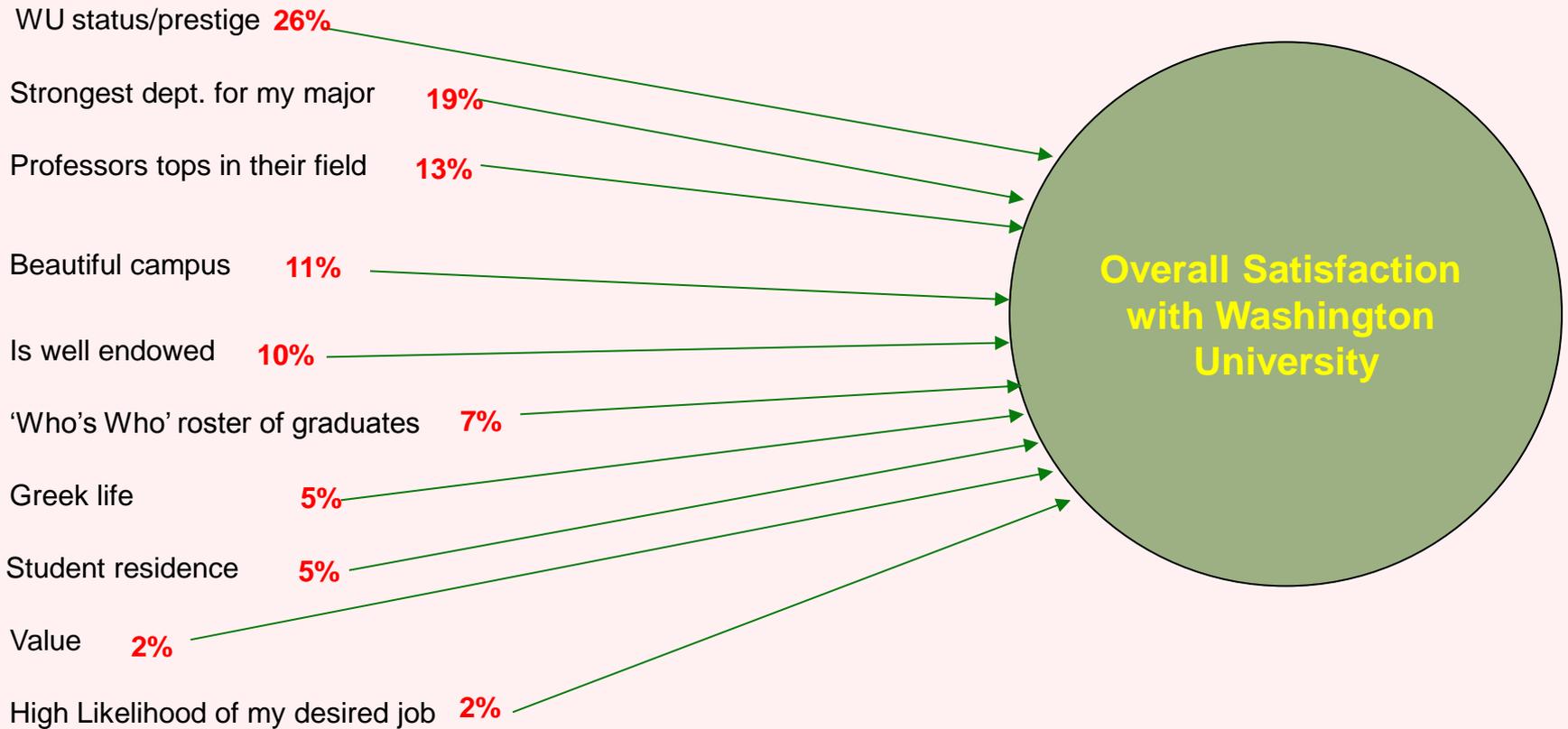
Example Plot of Attributes of Laptops on a 2D Perceptual Map
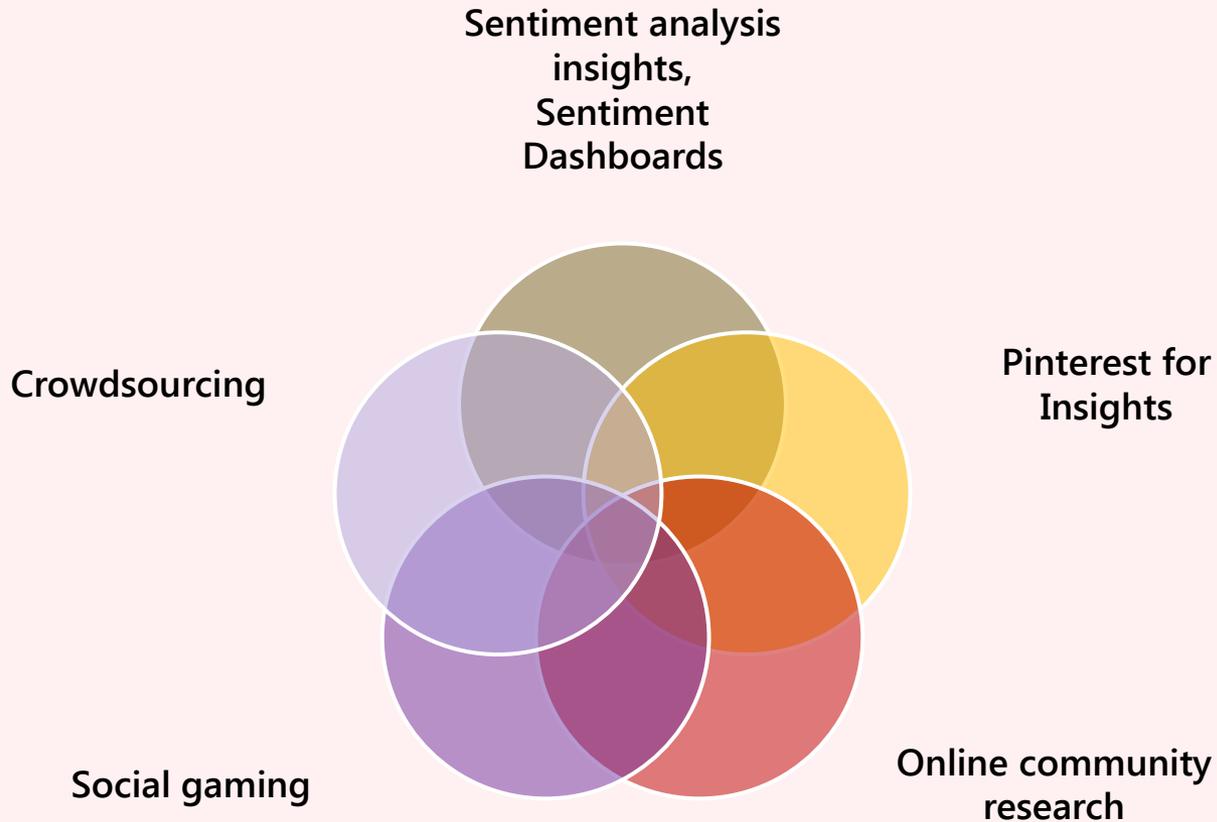
WACS Insights & Strategy

EXAMPLE 4: KEY DRIVER (LEVERAGE) ANALYSIS

✓ On the following slide is one more (hypothetical) example of another multivariate tool which we frequently use, Key Driver Analysis, (and which we can employ on behalf of WUSTL) to identify the key rational and visceral brand attributes, features, dimensions which are most potent for driving acceptance , 'wanting to apply' or satisfaction with WUSTL:

- In this hypothetical example, we can identify the most salient and important attributes that drive students' satisfaction (or interest) relative to WUSTL:

  - ❖ WUSTL status and prestige are quite potent in this hypothetical example, followed by the strength of student's major subject department
  - ❖ Continuing to emphasize these two dimensions about WUSTL, to reinforce them to students, to inform students that WUSTL continues to be at the forefront of all major universities and that each department is constantly striving to be the strongest it can be, in communications and to actualize these in reality, will serve to enhance overall satisfaction with WUSTL, thus strengthening its brand position with this audience
  - ❖ These two *hypothetical* elements, status/prestige and departmental strength, could also be considered as intangible aspects of WUSTL's brand equity and, (if they are valid and real) would be welcome components for inclusion in the new brand strategy for the WUSTL 'brand'.

Current Undergraduate Students'
(Hypothetical) Key Drivers of Satisfaction with WUSTL

WU status/prestige **26%**

Strongest dept. for my major **19%**

Professors tops in their field **13%**

Beautiful campus **11%**

Is well endowed **10%**

'Who's Who' roster of graduates **7%**

Greek life **5%**

Student residence **5%**

Value **2%**

High Likelihood of my desired job **2%**

Overall Satisfaction with Washington University

WACS Insights & Strategy

Sentiment analysis insights, Sentiment Dashboards

Crowdsourcing

Pinterest for Insights

Social gaming

Online community research

ADDITIONAL TOOLS AND CAPABILITIES

- Youth Panel (Ages 13-21)
- Early Adopters Panel
- Consumer Decision Pathways
- Insights Analysis
- Proprietary Scraping Software for Locating and Recruiting Target Respondents
- Multivariate procedures applied to qualitative studies

TOOLS AND METHODS

Data Collection Tool	
Qualitative	■ Online Qualitative ■ Ethnographics ■ Synectics for ideation ■ Semiotics
Social Media	■ Crowdsourcing ■ Online Community Research ■ Social Gaming ■ Sentiment Analysis ■ Pinterest
Emotion Research	■ Plutchik ■ Emotional Brand Loyalty ■ Custom Emotion Studies

Ethnographics

Ethnographics attempts to understand behavior and culture by finding target customers wherever they are, while they're doing whatever it is they do.

It means entering someone's 'world' for a while, be it for a couple of hours or a couple of days, or for some ambitious clients, a couple of months.

A major difference between ethnography and other types of research lies in the depth and intimacy of data collection.

1. **We get up close and personal to our research participants.**

2. **We spend time with people in the natural context of their daily lives.**

3. **We watch the world with a wide-angle lens. We watch, we listen, and we learn, and we do all of this in the context of where the action normally occurs: in their home, at their work, at the local gym, wherever the behavioral meets the product categorical.**

Some of the venues in which WACS Insights & Strategy has spent time with respondents:

- Bowling with elderly respondents to get their reactions to a new pain killer remedy

- Health clubs' locker rooms to view men's shaving and cologne usage habits

- In living rooms, observing how men and their spouses view 'Monday Night Football' with each other and how kids view 'Inside Stuff'

- In offices across the U.S. observing how workers utilize fax, shredding, copier, and scanning machines—as well as various office and business software products

- At bars or at social events with beer and whiskey drinkers to obtain attitudes towards alcoholic beverages and observe their bar ordering and drinking behaviors

- In retail outlets and showrooms observing prospects for new television purchases

- In bathrooms watching homemakers scrub their floors, tubs and tiles

- Retail venues for observing pure shopping behaviors, body language, for ethnographer to act as shopper while engaging other shoppers

- At kids' parties, observing how they eat ice cream and candy

- At fast food restaurants, observing how they place orders, how they 'doctor' their burgers

We adopt a phenomenological approach:

- We don't go into the field with too many preconceived notions or with a script. We take on the role of 'non-participant/observer', as if we've 'just arrived on Earth'.

  - We let the people we talk to lead the way
  - They tell us what is important with their words and their actions
  - Because of this, results become more vivid and real. Our findings are oils compared to the watercolors provided by focus groups, richer and deeper than those produced by more traditional methods. Our insights become not only actionable, but hard-hitting and memorable

Why conduct ethnographic research?

1. Crack the code, and you can develop insights leading to new brands, products, and services that more effectively serve your unique 'tribe' of customers

2. Consumer groups, have their own language, rituals, symbols, and values.

Current Ethnographic Approaches

- Primarily observational based
- Supplemented by:
    - △ direct questioning,
    - △ in-person group or in-depth, one-on-one interviewing
    - △ applications of diary maintenance
    - △ respondent given tasks, the interpretation of which reveal further insights
- We often employ candid surveillance approach, sometimes supplemented by interaction with respondent

Some of the primary data collection methods that are used include:

- Observation
- Candid observation
- Narrative Inquiry
- In-depth Interviewing
- Elicitation
- Audiovisual recording
- 'Befriending'
- Tasking and assignment fulfillment
- Usability, including web, product
- Purchase and brand pathway decision-making tracking (tracking web navigation)

WACS Insights & Strategy

WACS Insights & Strategy **has been employing some of the following innovations:**

★ Supplying vid-cams to respondents (as incentives). They videotape their assignments (e.g., their online shopping and browsing behavior) then send them to us

★ 'Candid Camera' surveillance video-taping in retail shopping venues using professional video/audio equipment ('spy ware')

★ Videotaping and observation of subjects behind one-way mirrors

★ ' 'Man on the Street' interview

Examples of 'Natural Habitat' Observationals:

o Viewing/participating with target respondents in their most enjoyable activities and engaging them in discussions/hands-on behavior re product in question (key: determine favorite pastimes of target market):

- Poker nights
- Bowling parties
- Bingo nights
- Backgammon tournaments
- Scrabble tournaments
- Chess tournaments

- Super Bowl/MNF viewer parties

Ethnographics: New Ideas

Some issues and topics that J & J could consider for Ethnographics Research:

- As a sales 'report card' tool: to uncover salesperson's effects on prospects and customers. Videotaping respondents' applications, reps demos at the counter, also their interaction with salespersons; Video, audio-taping sales interaction at the kiosk

- An ethnographics Mystery Shop: To understand the retail shopper experience: to determine in-store weaknesses and areas for improvement

- New products: To determine <u>how</u> respondents will use a new or extended product. To actually observe how the product is used. To determine product functionality and dysfunctionality

- To disarm respondents and enable them to talk freely about 'the world of skin care': brands used, what their friends say, how they are influenced by peers, role models, latest 'buzz' they have heard, why some brands are considered better than others, user imagery that could not be attempted via traditional surveys, focus groups, etc.

- To identify qualitative differences between loyal vs. less or non-loyal users; or heavier vs. lighter users. Key 'driver' differentiating significant vs. non-volume customers could lie in actual behavior: applications or miscomprehension of instructions

Some issues and topics that J & J could consider for Ethnographics Research (Cont.):

- 'Video contests': Enlisting women to videotape their friends and family applying makeup, moisturizers, lipstick, etc. Best tape wins prizes. This can be a crowdsourced assignment.

- Videotaped interviews of males to obtain reactions to their spouses' cosmetics and fragrance usage dynamics and other issues. (Crowdsourced assignment).

- Analysis of 'body language', micro-expressions as a tool for determining a customer's salability, brand choice. To uncover salesperson's and brand's unspoken weaknesses

SYNECTICS

SYNECTICS: Approach To SYNECTICS Ideational Problem Solving For Use in New Product and Brand Extension Development

Some Background:

- Synectics (Gordon, 1961) provides an approach to creative thinking that depends on looking at what appears on the surface as unrelated phenomena and drawing relevant connections.

- Its main tools are analogies or metaphors. The approach, often used in group work, can help consumers and internal personnel develop creative responses to problem solving, to retain new information, to assist in generating writing, and to explore usage and behavioral problems.

- The technique helps users (a) break existing mind sets and (b) internalize abstract concepts. Synectics works well among respondents of all ages as well as those who withdraw from traditional methods (Couch, 1993). It is definitely a tool of choice to go beyond the limitations of traditional focus groups and individual depth interviews.

SYNECTICS
Purposes

1. **Insight-led Innovation** ◄ ·· **WACS I & S**
   - ✓ **Developing successful new products**   Expertise
   - ✓ **Brand rejuvenation and marketing innovation**

2. **Organizational Transformation**

   - ✓ **Strategic renewal**

   - ✓ **Process improvements and cost reduction**

   - ✓ **Enterprise innovation**

3. **Building Innovation Capability**

   - ✓ **Raising creativity and problem-solving skills to a new level**

SYNECTICS
Basic Guidelines

The Synectics approach is conducted with 'brainstorming'-type teams (not consumers), and uses several methods to overcome the limitations of brainstorming, including:

- Problem owner: Only one person in the group owns the problem; others are there to help only.

- Spring-boarding: Using 'I wish...' and other wording to trigger thoughts in other people.

- Headlining: Giving ideas up-front with no prior explanation.

- Excursions: Doing side-exercises to stimulate new creative thinking when ideas run out (e.g. using metaphors).

- Itemized response: Plusses-and-minuses approach to solution evaluation.

- It also slows down the creative process, dallying in the 'wild idea' stage before getting down to more feasible solutions.

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SYNECTICS
Basic Guidelines (cont.)

Scope and Parameters:

- Works well with up to 8 respondents/participants (marketing, R&D, creative)

- Key screening criterion: WACS has obtained most synergistic results from having widest array possible of users of different <u>brands</u> within a given category

- Sessions can last as long as 5-6 hours

- Results can be audio and video taped

- Need to have company personnel on board with this

SYNECTICS
Case Histories

PREVIOUSLY:

- New sandwich products for well known fast food restaurant chain
- New fruit flavored kids' pops: flavor and form variations
- New seminars and services for leading human resources management organization
- Optimized websites for various divisions of leading banking institution
- New software updates and add-ons for leading infrastructural communications software company
- Refinements in service approach and online monitoring for subscribing members of leading weight loss organization
- New bottled water product options for a beer manufacturer
- New men's' skin care products for a company specializing in shaving systems
- From your refrigerator to the freezer: not all fruit juice brands can go there
- New flavored tobacco products

IN PLANNING STAGES NOW:

- Ideas for increasing viewership of cable network's array of programs
- Optimizing wireless and new app options for automotive interior design
- Designing the 'perfect' fast-food restaurant dining experience

SEMIOTICS

SEMIOTICS
SOME BACKGROUND

Semiotics is a discipline of assigning additional meaning or subtext to signs beyond the meaning of the sign itself.

- Semiotics can be traced to the Swiss linguist Ferdinand de Saussure as well as the American philosopher Charles Sanders Peirce. Semiotics began to become a major approach to cultural studies in the late 1960s, partly as a result of the work of Roland Barthes.

- For instance, a picture of a Porsche 911 connotes more than a jazzy-looking car. The Porsche 911 also has semiotic meanings of affluence and "living the good life." The basic unit of currency in semiotics is the "sign."

- This is an analytic approach we use to:

  ✓ Evaluate consumers' response to advertising

  ✓ At the pre-phase level to collect input into guide, survey questionnaire so that we understand what brands are attempting to say about themselves

SEMIOTICS
SOME BACKGROUND (Cont.)

Using semiotics to decode advertising, as well as in the creation of advertising, is very interesting.

- For the advertiser, semiotics works by helping them add in subtle cues that attract the target audience towards the brand, product or the service.

- For the audience, awareness about semiotics and its use in advertising is helpful for them to decode the hidden meanings behind an ad which would be hidden persuaders for them to purchase the product and therefore be less amenable to the idea of purchasing the product.

- A symbol stands for something, and is meaningful by association.

- Using expression, background, clothes, etc. all come under the use of semiotics to convey a particular In advertising, semiotics attaches positive feelings, moods and emotions when associated with visual imagery and the logo of the brand. This comes with the pictures used, the colors, the setting, the context and in case of logos, even the fonts used, serif non serif, curved, straight, etc all serve to impact the image of the brand that the consumer carries with them.

- The use of semiotics, along with other things, in an ad, can help grab the attention of the intended target market, women, men, kids, teens, exactly, if done right.
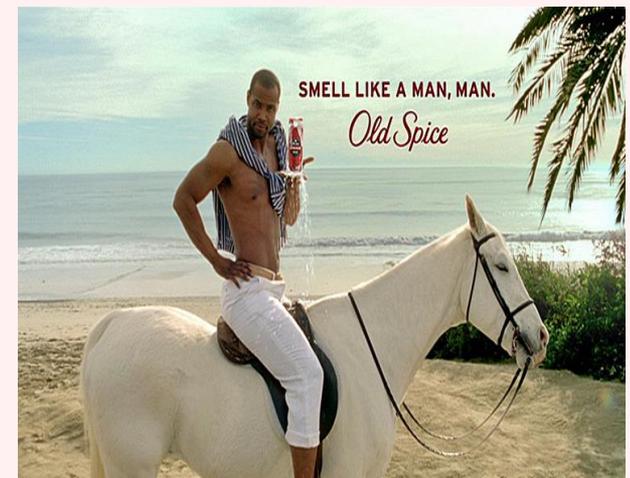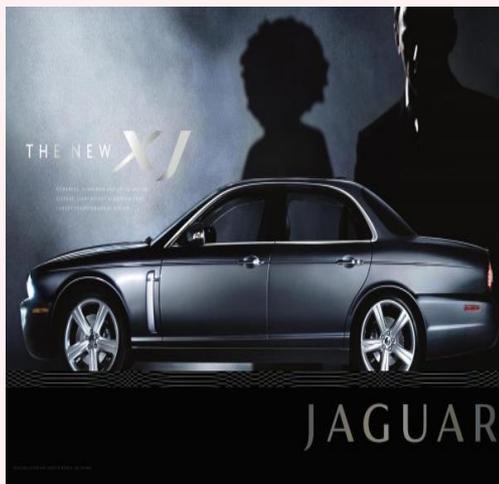
SEMIOTICS
SOME BACKGROUND (Cont.)

Take for instance automobile ads, the primary theme across most advertising is the concept of the great outdoors, driving along open roads and the sense of space and escape.

- There is also almost always the visual imagery of ruggedness and machismo in most automobile ads.
- Alcohol ads always have the visuals of a party scene happening and show the person drinking the brand being hawked as being the life of the party.

- Some other perfume, male product ads like shaving foam (Old Spice being the most iconic in the category) have outdoorsy, adventure sport kind of visuals.
- The greater the existence of these elements, the stronger the ad vehicle, based on research we've conducted.

CONTACT US

WACS Insights & Strategy appreciates your interest in our services.

Should you have any questions or require further information, please contact us.

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