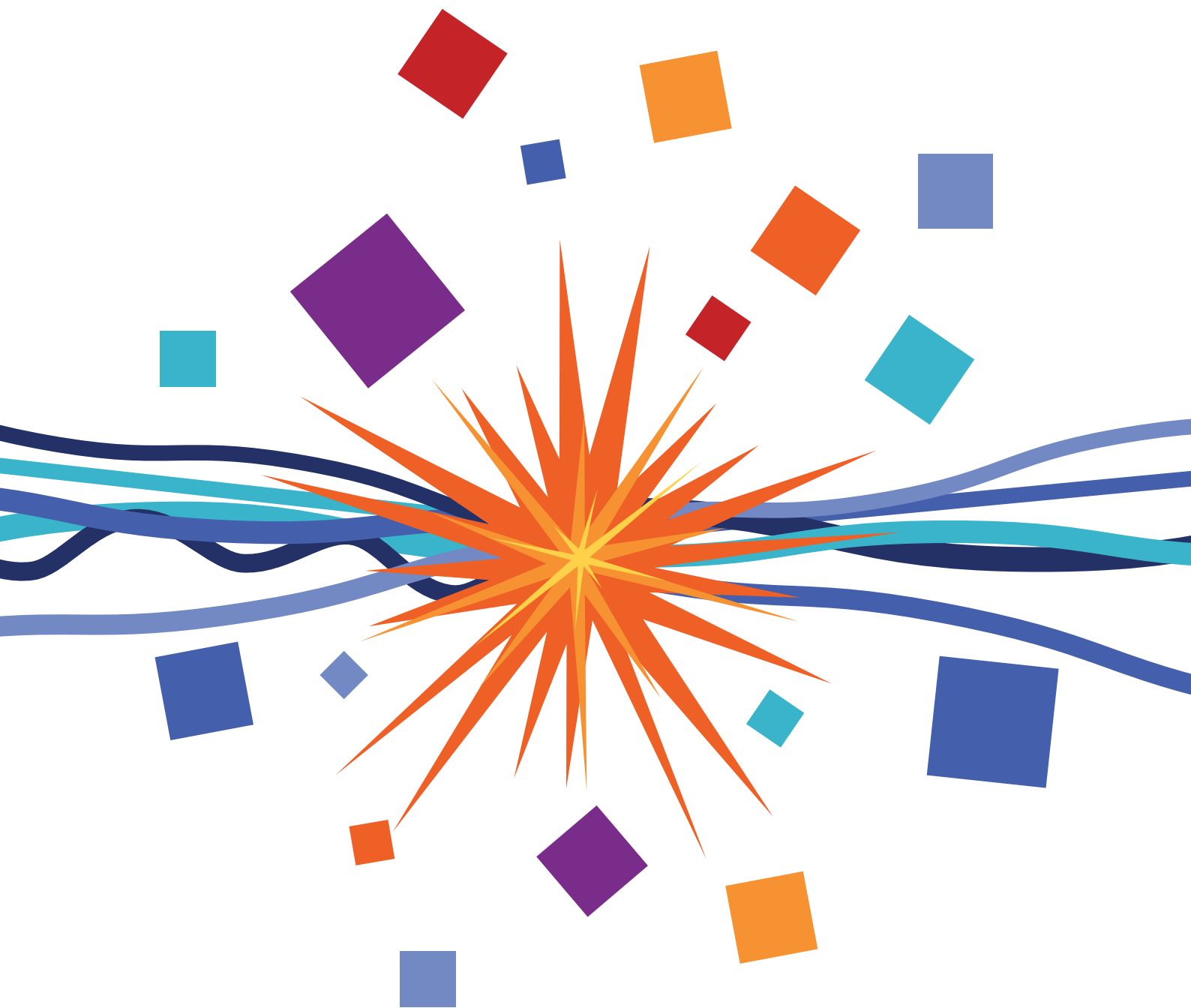


# Context: the key to innovation



The background of the slide is white and decorated with several squares of different colors and sizes, including red, orange, blue, purple, and teal. These squares are scattered across the page, some appearing as solid colors and others as outlines, creating a dynamic and modern aesthetic.

What's the key to  
successful innovation?  
**Think context.**

# Introduction



**David Lansanah**

Global Head of Innovation, TNS

## **Change is the only constant**

Consumer experiences have changed beyond recognition in the last decade. Rapidly evolving technology and shifting economic, environmental, and financial trends are constantly reshaping markets. People now have more choice than ever, and sharing that choice – and reactions to it – online is getting easier, and faster.

People around the world come together and share their lives and points of view online. The world is becoming more cosmopolitan. Social barriers are breaking down, and cultures intermingled. These evolutions have a major impact on people's choices, expectations and real-world needs.

The pressure to respond to this dynamic is growing, yet launching new products is getting riskier. Yes, innovation is still the lifeblood of businesses, but investment costs are high, and the pressure to bring new products (or renovations of existing ones) to market quickly is increasing. Quality is often sacrificed for speed, yet over-caution can lead to missed opportunities.

Traditional approaches to innovation no longer cut it. New products and services must hit the ground running, every time. Failure is not an option.

## **Context is king**

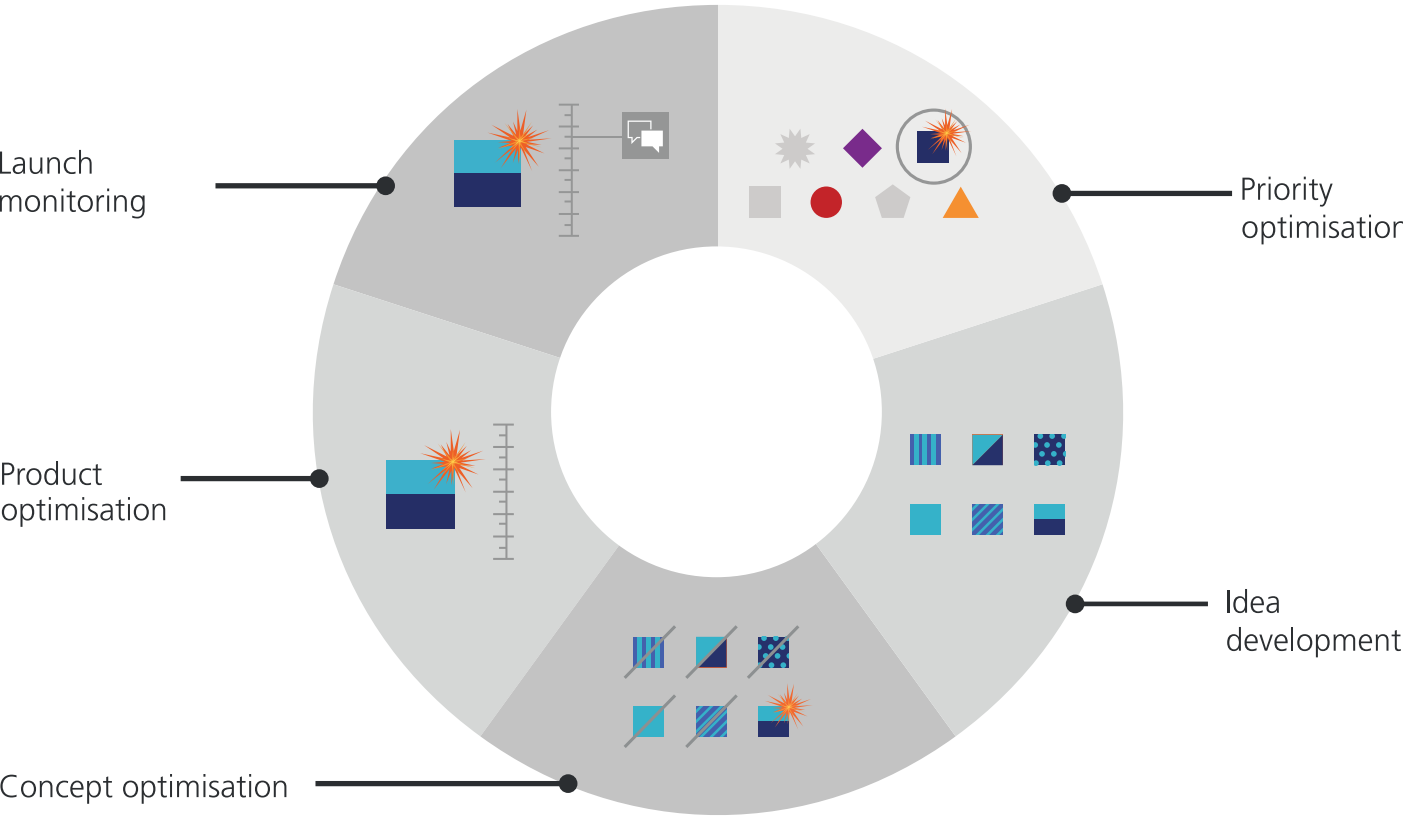
Understanding the context in which people procure and use products and services is crucial to their design, brand positioning and success. People buy and use products in different environments. Their expectations and experience of products are occasion-specific and subjective. These in-the-moment states of mind must be factored into product innovation and marketing. Yet most innovation ideas are identified, designed and tested in 'theoretical' ways that do not always reflect real-world consumer contexts.

We focus on consumer context. This is the ace up our sleeve. This emphasis and the invaluable insights it delivers will help you find exciting new business opportunities. It will also empower you to make and market successful innovations that capitalise on them.

Please read on to find out more.

**David Lansanah**

Driving successful innnovation



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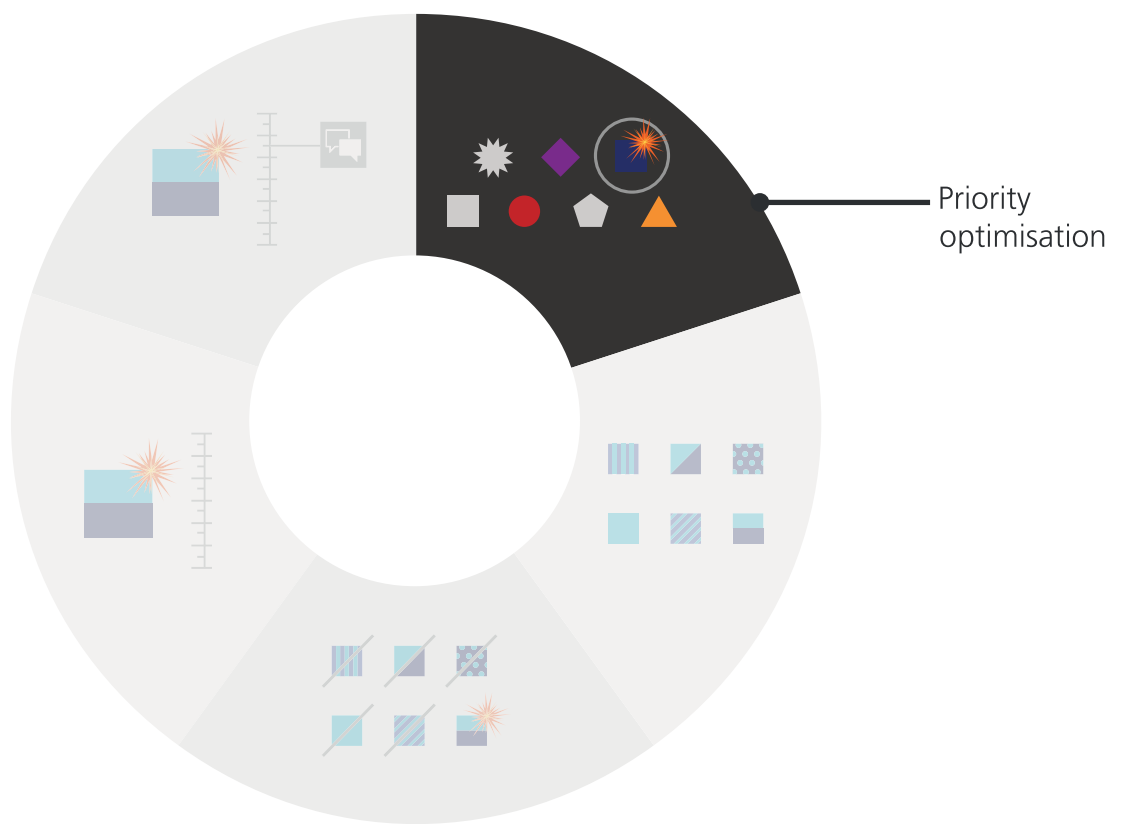
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# How do you find the right new opportunities?

## Think friction.

The first step in the search for new ideas can be the hardest, and inevitably costly if you get it wrong. Getting the right idea, early on, provides the foundation for success. Identifying unmet or under-met consumer needs is the Holy Grail when searching for new ideas. Good ideas are concepts that work for real people in the real world. Bad ideas are... well, they're bad ideas. And they can be very costly for businesses.

Contextual insight helps us identify these customer pain points. We call these pain points 'frictions'.

While consumers can articulate some frictions, others are subconscious and can have a profound influence on actions and attitudes. To identify submerged frictions, we get as close to the moment of consumer truth as possible. We do this with a combination of ethnography, behavioural intelligence, social media insights, contextual surveys and other approaches.

We get under the skin of consumers in the here and now of product acquisition and use.

### Friction in action

Apple Pay is a way around the frictions people sometimes experience when buying small items. It enables you to use a wide array of credit cards, store cards and rewards cards via iPhone, Apple Watch or iPad. That means cards can be left at home and there is no need to carry cash. The solution is highly secure because card details aren't shared during the transaction with anyone; in fact, they aren't even stored on the Apple mobile device.

Apple Pay is a smart reaction to a contextual consumer reality.

Understanding friction sparks successful innovation. The key to understanding friction is consumer context.

Let's look at ways in which we've put this insight into action...

## Case study 1: **The hair and now**

Customers vent their frustrations about products and services online as they happen, so social conversations, reviews and online feedback provide valuable ways to identify frictions. Mobile technology allows customers to communicate these frictions, while they are still frustrated. It is this immediate, unedited contextual customer feedback that we keep our eyes on, analyse, and then use to good effect.

To explore this opportunity, we carefully analysed 35,000 online reviews relating to hair colour. We focused on 1,000 relevant conversations. From these, we identified three potential opportunities relating to mess, chemicals and fading issues. These opportunity platforms were therefore grounded in real consumer frictions.

These insights alone could lead to a range of innovation opportunities – from new product formulations that don't stain, to new packaging or product applications that don't drip or spread - innovations that resolve frictions and meet real consumer needs.

"When loose hair comes out and lands on the bathroom sink and that loose hair gets wet, the dye runs and stains the counter. I've scrubbed with paper towel and soapy water and it got the harsh orange out. But if you look closely you can still see orange squiggly lines where the strand of hair once was."



**Cheryl N.**





## Case study 2: **Contextual insight for growth**

A leading global cereal manufacturer wanted to grow the relatively small and struggling breakfast cereal category in an Asian market. Our client was looking for innovation and new brand positioning to address Asian consumer needs more successfully.

Our approach combined breakfast diaries, in-home observations at breakfast time and interviews with mothers. This provided a deep understanding of the multiple contexts affecting breakfast choice and consumption: family lifestyles, habits, social and psychological contexts as well as physical environments. We also conducted a market audit to assess competitive context and communication strategies.

Our approach revealed that the format of the category (sweet, fun flavours and colours, cold consumption) signalled 'snack' rather than a nutritious breakfast, and undermined its potential as a serious breakfast option. The recommendation was therefore to introduce formats that people would see as natural, healthy and matching breakfast norms in this market: whole grain, chunky, hot and/or savoury.



## Case study 3: Distilling insight

A brand leader in the US imported beer market was not matching the growth enjoyed by competitors in this fast-growing sector. It therefore needed to enter this dynamic market with a product that would deliver significant revenue growth.

We identified a major gap in the market for a beer that was light and highly drinkable, yet which delivered cachet and quality. How? By understanding unmet consumer needs and frictions in context.

We designed our survey to take people close to the moment of consumption and put them in a beer-drinking mind-set. The survey explored the options available to each person in that context, and how well the chosen product met their needs and expectations. We provided insights into attitudes, needs and expectations in the context of normal use. The survey identified new product opportunities by understanding the gap between what beer drinkers tend to drink and what they really (ideally) want. This revealed an under-met need and a new opportunity for a lighter beer, targeted at specific consumption moments, when a less heavy alternative was desired.

We supported our client's marketing team throughout the development of a new beer product based on this contextual insight. Our support ran from initial concept development through to pricing, on- and off-premises channel strategy, and spending mix.

**The launch was a runaway success. First-year sales far exceeded expectations and overshot the client sales plan by more than 50%.**

The new product turned out to be highly incremental and significantly improved total company sales and profit performance.





# How do you develop a product or idea that people will like?

## Think crowd.

The first step in the search for new ideas can be the hardest, and inevitably costly if you get it wrong. Getting the right idea, early on, provides the foundation for success. Identifying unmet or under-met consumer needs is the Holy Grail when searching for new ideas. Good ideas are concepts that work for real people in the real world. Bad ideas are... well, they're bad ideas. And they can be very costly for businesses.

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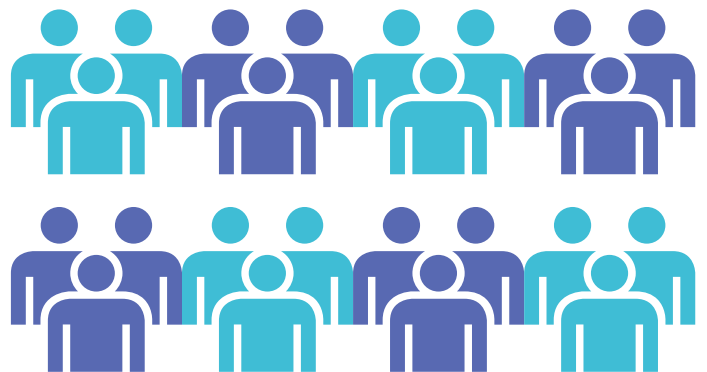
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Apple Pay is a smart reaction to a contextual consumer reality.

Understanding friction sparks successful innovation. The key to understanding friction is consumer context.

Let's look at ways in which we've put this insight into action...



## Case study 4: **Two's company**

The ready-mixed spices sector was experiencing a downturn due to changes in cooking and eating habits propagated online. Innovation was required in order to turn the situation around, quickly. New creative solutions gleaned from real-world consumer contexts were required – fast. Our solution was crowdsourcing.

Crowdsourcing can streamline the early phases of innovation into a consistent process, and inject creativity. We collaborated with our client on a pilot crowdsourcing project to explore the challenge and devise solutions. In this instance, the process involved two distinct stages.

**Stage 1** – Screener: We identified and recruited a creative crowd from our panel that was already involved in cooking and interested in submitting ideas relevant to the brief.

**Stage 2** – Crowd: The innovative crowd was briefed on the task at hand – expectations, the rules of the game, etc. The consumer context was clearly outlined. We then asked the crowd to generate new ideas by way of an online competition. The crowd then discussed the improvability of ideas. Now, the crowd was required to prioritise the ideas according to quality using a proprietary pairwise voting algorithm, and then to evaluate the top ideas.

Our creative crowd submitted 108 fully worked-up ideas. It then selected five ideas for the prediction phase via voting and discussions. Our client selected two of these outstanding ideas for further refinement. The whole process only took a matter of days.





Concept optimisation

# How do you differentiate your new proposition?

## **Think creative.**

Brands must talk their customers' language. They must wow prospects, fulfil consumer expectations, and convince them they will benefit – quickly. They must make immediate retail 'eye contact'. But how?

The answer is creativity.

Dynamic workshops and online crowdsourcing harness collective creativity to respond to, and anticipate, consumer needs. These approaches prove successful no matter what sector.

Let's see this creativity in action...





## Case study 5: **Super smart cookies**

A leading brand in the cookie and on-the-go snack foods sector wanted to grow its \$700m business in the US. The company sought to do this by creating indulgent cookies that would celebrate those 'little wins' or 'special moments' for consumers throughout their day.

To provide our client with a fresh perspective on their innovation challenges, we introduced them to SuperGroup. By bringing client teams together with creative consumers and category experts, this co-creation process generates powerful ideas and exciting concepts that are grounded in real consumer insights and category context.

We used a range of creativity-enhancing techniques during a high-intensity two-day workshop. This resulted in 162 ideas and 33 concept blueprints – 16 of which were developed into test-ready concepts.

**No less than 68% of our SuperGroup concepts met or exceeded our client's target norms – versus 45% of concepts developed otherwise by our client, or by the competition.**

Our client used our output to drive innovation opportunities and fill their product pipeline. Our partnership continued throughout the product development stages and in-home product testing. A delicious new cookie was successfully launched on to the US market.

Two years after launch, this cookie continues to delight consumers and to generate growth for our client who has since introduced new flavour extensions.





## Case study 6: **Cool ideas**

A leading global frozen food brand challenged us to help them create a new frozen potato product and packaging that would stand out in the densely populated supermarket category.

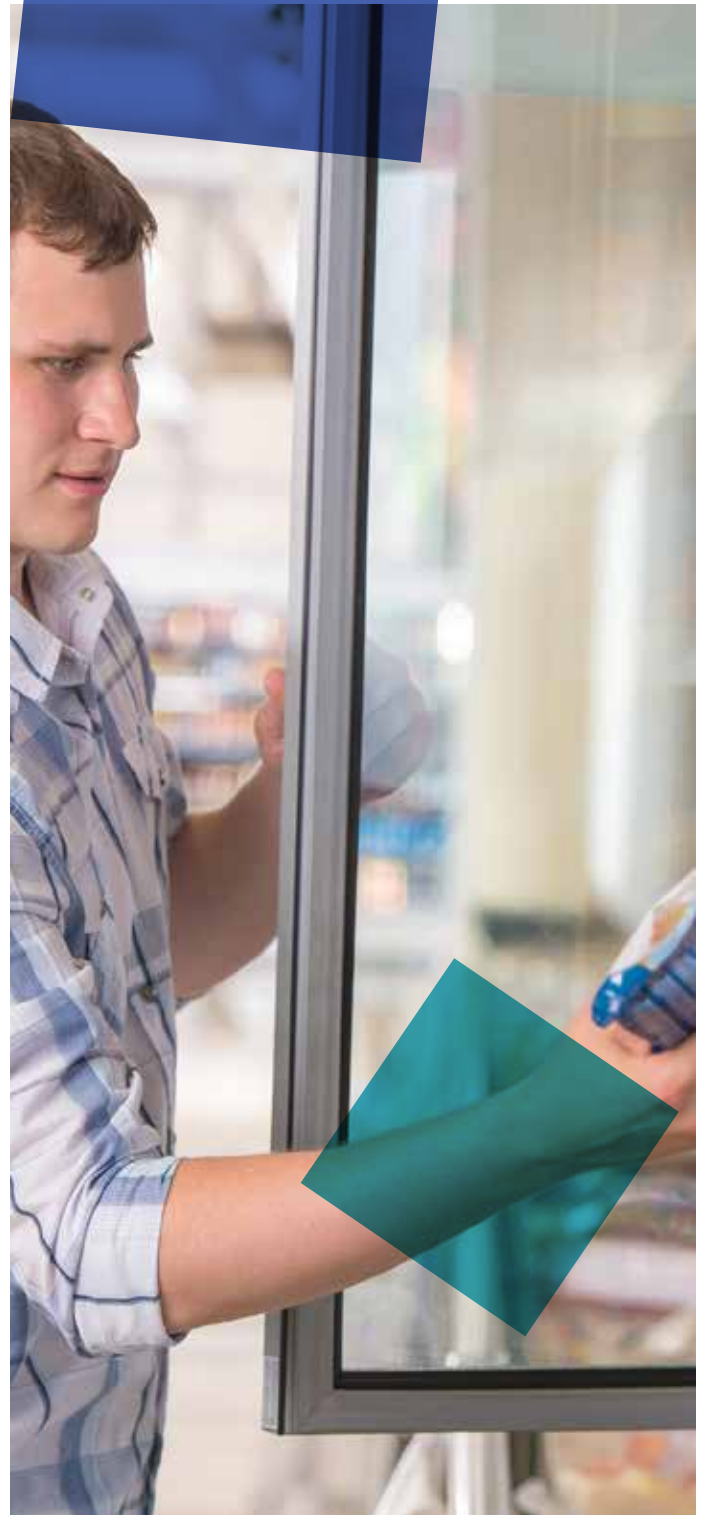
Our client was interested in new formats and shapes, new flavours and textures, exciting new ways to cook and serve and new packaging ideas. This innovation would appeal to people who often do not have the time or desire to cook from scratch. The concept would be a side dish or a treat, or enjoyed as a hot snack alone or with others. It could not contain meat or fish. All the ingredients had to be potato-based.

Consumer context was crucial to meeting this challenge. We therefore found out who would be likely to buy the product, what they preferred to eat, where they lived and how it would be prepared, eaten, and shared.

We invited creatives to submit worked up concepts to meet this brief by way of a competition and 98 people from 36 counties took part. We were inundated with first-class ideas. The shortlisted ideas were for products and packaging that seemed entirely at home in the context in which they would be found: in supermarket freezers, in people's kitchens – and on their dining tables. In the end, first prize went to a graphic designer from the Philippines for a concept that our client loved.

The product is currently in development, so watch this space!

This undertaking exemplified our contextual approach to innovation – and proved the value of such an approach. We let the market design the product, and it worked.



Product  
optimisation



# How do you optimise a product or service without compromising speed to market?

## ThinkTank.

To be successful, companies must select the right new concepts and optimise their products (pack, price, features, etc.) to keep pace with dynamic and competitive environments. They must do this without compromising speed to market.

Launching a poor product is the quickest way to kill a brand. Brands therefore invest significant amounts on R&D, market research and product modelling when they commit to a concept or product.

Testing products in real-world consumer contexts before committing to full-scale production is an essential risk management strategy. Feedback that allows you to refine products (and brand placement, etc.) before the product is fully launched in the wider market is just as vital. Rapid in-market testing and improvement – sequential recycling and sophisticated modelling – is the way we do this.

ThinkTank, our bespoke approach to online communities, can be used to do this. It enables you to interact in real-time with creative, influential, future-orientated category users and get their views on your ideas, concepts or products. Rigorous and iterative product development and refinement can therefore happen quickly.

This process is a valuable combination of alpha and beta testing. It provides you with a means to benefit from fresh, diverse thinking – and a contextual approach to product co-creation, evolution, and design. From this, you can then make rapid changes to ensure your product meets consumer needs and requirements before going to market.

We also use rigorous choice modelling techniques to ascertain product features that people value, and to find out how much they are prepared to pay for those products. These insights enable you to fine-tune products and services (and prices) quickly and proactively before launch.

Contextual market testing at this stage enables you to optimise products to achieve success in the wider, post-launch market.

Here are some examples of our contextual insight in action...

## Case study 7: **Forward looking feedback**

A global tobacco manufacturer needed rapid consumer feedback on new product ideas to help them identify and invest in the most exciting, relevant opportunities in order to expand its market share.

To meet the challenge, we ran a ThinkTank study over three months, enabling our client to interact directly with a group of 30 smokers selected for their creativity. Each week a new product prototype was delivered to participants who tested it in the context of their own lives (at places and in occasions where they regularly smoked) before sharing their impressions via our online community platform. We also used a range of stimulus response exercises and personification games to simulate their senses, and gain a detailed understanding of the psychological and social contexts underpinning their smoking rituals and behaviours, as well as their product experience.

At the end of the study, we delivered 12 task reports to our client – one for each product test conducted. By tapping into the creativity of our product development panel, we were able to deliver precise insights on each prototype. These insights included:

- Product experience
- Moments and moods
- Product evaluation
- Flavour description
- Brand imagery

We did more than capture the real-life experience of our client's brand; we provided wonderfully imaginative vignettes that sparked new ideas and stimulated the innovation process for our client.



## Case study 8: Value in context

We are always challenging existing methods. What might work better? How would it work? Who would benefit? This drive to innovate means we constantly challenge and enhance our ValueManager choice modelling approach.

Consumers tend to overstate their responses to new products and services. We wanted to see how getting closer to the real decision-making context would minimise this error, and help to identify the optimum product and price combination.

We surveyed 2,400 German beer customers as part of an internal R&D process. Our intention was to test improvements against actual market conditions. To do this we examined the tacit – even subconscious – effects of context on consumer choice. We therefore explored the context and the factors influencing their decisions. Which brands did people normally buy? Where did they usually buy it? How much did they usually spend? What influenced their choice of beer? How quickly did they make their choice? How much did price influence their purchase? Did they buy in bulk? How much did they like a different brand? etc.

Once we had answers, we displayed beer brands tailored to individual preferences in a simulated retail context. We then presented test subjects with a range of scenarios based on their choices. We did this to understand the choices they would make in different contexts.

The whole survey lasted no more than nine minutes (and now we can do it even faster via mobile). This remarkable efficiency is a product of the survey's contextual format and focus.

By tailoring the interview and choice-set to each unique consumer, we created a very accurate picture of behaviour that improved market share predictions by around 20%.





## Case study 9: **Sweet success**

A leading UK manufacturer sought to compete in a popular confectionery category. This category already had a dominant brand, yet there had been limited recent innovation.

There was obvious potential here for a new brand willing to shake things up.

Initial new product ideas weren't unique enough to generate sufficient interest. We set about finding out why. Our contextual research revealed where and when the market was failing to meet consumer expectations – and how. Our client developed a unique range of flavours to target specific usage occasions, combined with a more edgy positioning, based on the insights we delivered. The new confectionery exceeded all expectations. And how!

We then appraised alternative branding options. The winning concept delivered the level of trial potential required to meet

growth targets and was fast-tracked to product development. This iterative process took a number of months. (Because of our recent investment in automated concept testing, however, we can now provide results in just 24 hours and could complete this whole process in less than a month.)

Further research showed that the product met the high consumer expectations set up by the winning branding concept. The overall mix provided sufficient growth potential to justify launch. Launch planning was optimised by individual, contextual consumer analyses. Because of this, the launch was a huge success.

**The innovation went on to take a 15% share of the category within two years of launch.**



Launch  
monitoring



# How do you discover if your new product is performing, and use that insight to drive success?

## Think social.

While some things are out of your control, most can be leveraged by your brand. Take social media. Along with reviews, word of mouth, and even celebrity input, social media can now make or break a product or idea – fast. The way customers interact and react via social media offers brands significant challenges. We can turn those challenges into opportunities. We'll help you go viral, not catch a cold.

Even when brands research their prospect thoroughly, there is still risk in marketing new products. You need to know how well your new or renovated product performed yesterday. Today is too late. Tomorrow is, well, tomorrow. By then you may have lost significant investment on a product that is underperforming.

People tend to be as unguarded in conversation as they are on social media. This provides objective feedback on new launches. It gives you the chance to modify products or change your messaging quickly in order to drive launch success.

Insights derived from social media and mobile interviewing can record contextual consumer reactions immediately after launch. We can use social insights to monitor and predict your brand equity 2–4 weeks before tracking results are available. And mobile interviewing can help get you close to real-world consumer contexts.

The benefits are manifest and proven.



## Case study 10: **Waking up to social**

In today's fragmented, online marketplace, failure rates continue to plague the industry. Social media can make or break innovations. Word can go viral. On the go. In the now. This presents brands with a challenge.

That's why we use social media as part of the solution.

Imagine: Mr Jones tries a new, recently launched coffee brand. The coffee turns out to be much less to his liking than his usual brand; however, Mr Jones is so incensed that he tweets his reaction. And Mr Jones has thousands of followers. That's a big problem for the coffee brand. Clearly, the earlier after launch a brand can understand how a product is perceived by customers and prospects, the better. That's why we work with you to leverage social media insights in order to supplement mobile and other contextual survey data.

We recently analysed over 3,800 chats about a high-profile coffee launch from Twitter, Facebook, Google+, Instagram, Pinterest, YouTube, blogs, review sites and forums. We used this analysis to provide a contextual market perspective and a concise interpretation of success drivers (and potential barriers to success).

This process told us quickly that product availability was good and that the campaign worked well. It also told us that consumers misunderstood the product benefits. They did not see it as distinctive, exciting or relevant enough to try. This insight allows us to provide guidance, in time for you to take relevant action to steer launch success.



**Coffee drinker** @Coffeedrinker 1hr  
Does this coffee already contain milk (powder)?  
And what does the long term roasting process  
have to do with all this?



## Case study 11: **In-the-moment, on the move**

You have to throw your prized new product in at the retail deep end. You will probably have to put it up against well-established products. How do you make sure that the launch (and long term, the product) is a success? What you need is timely, cost-effective insights into positioning and messaging.

We record consumer experiences of, and reactions to recently launched products with well-crafted mobile phone surveys. This provides contextual steer that makes actual launch success more likely.

We used this approach to evaluate a new coffee brand on launch. We spoke to a range of consumers as they tasted the new coffee for the first time – or just afterwards. We thereby identified significant concerns about value for money. This research meant we could advise our client to position the new coffee as a premium brand and provide advice on targeting.

Monitoring and responding to early consumer reactions post-launch via social media posts or mobile interviews enables us to give fast, precise contextual steer on how to improve the success of the launch. This enables you to clarify the product benefits to build relevance and thereby better engage the target audience.



# Conclusion

And so . . .

In the always-on, on-the-go 21st century, change is indeed the only constant for brands. Digital has indeed created new challenges – and almost limitless possibilities. We know that products and services must fit real-world consumer contexts. If they don't, the innovation will probably fail because it's a theory, not a reality.

We can empower you to fine-tune real-world product launch strategies optimised for today's always-on, disrupted world. We put grass roots creativity, crowdsourcing, social networks, mobile, and traditional methods to work. Our contextual approach is a tried-and-tested one. A realistic one. We can enable you to think like your prospects. To enter your customers' worlds. To look at the real-world contexts in which consumers see, buy, and use your products. The benefits are huge.



## Get in touch

We would love to talk to you about what our contextual approach to marketing, innovation and product performance can do for you. So please get in touch via:

### David Lansanah

Global Head of Innovation, TNS

[David.Lansanah@tnsglobal.com](mailto:David.Lansanah@tnsglobal.com)

+44 20 3130 7366



For more information visit  
[tnsglobal.com/IPD](http://tnsglobal.com/IPD)

## About TNS

TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and customer strategies, based on long-established expertise and market-leading solutions. With a presence in over 80 countries, TNS has more conversations with the world's consumers than anyone else and understands individual human behaviours and attitudes across every cultural, economic and political region of the world.

TNS is part of Kantar, the data investment management division of WPP and one of the world's largest insight, information and consultancy groups.