NEW PRODUCT DEVELOPMENT: STRATEGY & IMPLEMENTATION MECHANISM BASED ON PRIMARY & SECONDARY DATA RESEARCH

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Abstract
This report contains the strategy and implementation mechanism to develop new product / methodology for ‘Copy Testing’. This report gives the overview about business and research objectives, research methodologies, summary of finding and recommendations based on the research findings. For any Company either operating in manufacturing or services sector, bringing innovation in existing products and services and developing new product and services is essential for sustainable growth.

We segregated this NPD initiative report in different phases:

- First Phase – Business Potential and Expected Revenue growth in Oasis Revenue. Very encouraging picture has emerged. It is estimated that with proper model and branded solution of copy testing and its active marketing, Oasis can increase it revenue from copy testing from existing PKR 1.2 million annually to about PKR 6 million in a year time and increasing to PKR 15 million in 2 years time.

- Second Phase – Devising an appropriate Copy Testing Model and Pre-Testing it in order to validate the results coming from this study. On the basis of literature review and past experience of working on copy testing researches on ad-hoc basis (without having any model) we proposed and devise a copy testing model accounting for both Persuasion school of thought and Recall school of thought however it would be more skewed towards persuasion school of thought. We worked out Smart Performance Index (SPI), which is the average of 3 key elements (namely Memorability, Likeability and Persuasion) of copy evaluation. The proposed model captures program embedded clutter recall and the three arrived measure of ad testing of a new ad are/will be compared with the Norms (derived from copy test researches done so far).

Keywords: New Product development (NPD), Pre-testing, Primary & Secondary Research, and Copy Testing
1. Introduction

1.1. Oasis Marketing Research Company

Oasis is the Premier Marketing Research Company of Pakistan. Late Mr. Moazzam Ali Qadri, a very well known and trusted figure in the corporate sector for his innovative research approach, established oasis in 1996. It has witnessed phenomenal growth in last 15 years and soon has become the 2nd largest MR company of Pakistan.

Oasis is recognized in the field of tracking & consumer researches. Currently it has 3 full service offices in Karachi, Lahore and Islamabad & 9 field offices spread over Pakistan.

1.2. Why New Product Development (NPD)?

NPD is Company’s Lifeblood

For any Company, which is operating either in manufacturing or services sector, bringing innovation in existing products and services and developing new product and services is lifeblood. The core objectives of NPD in market research are:

- To achieve sustainable growth and profits as they suffers without aggressive product development.
- To meet any gaps in the market.
- To provide quick and quality solutions to the market.
- To bring standardization in tools and techniques and norms building for later benchmark setting and comparisons.
- To inculcate the efficiencies of scale in systems and passing the benefit to customers in terms of providing cost effective branded solutions.

Global MR Turnover -2010*
Global MR Turnover has grown to $31.2 billion in 2010 – representing an overall growth of 5.2% and 2.8% inflation adjusted. A significant improvement can be seen over 2009 but in line with expectations of economic recovery.

The Asia Pacific research sector reported a substantial growth of 5.6% gross and 3.5% inflation adjusted with turnover growing to $5082 million in 2010. Only 4 out of 25 countries in the region recorded declines in 2010.

MR Turnover in Pakistan has grown to $14 million and it posted an absolute growth of 26.1% and net growth of 12.9% in 2010 over 2009.

The possible areas of NPD/Branded Solutions

In order to decide the suitable area of NPD and branded solutions Oasis to offer, we need to see existing MR spend by research type – at both global and local level.

Being the fact the Market/Retail measurement and Media measurement segments of MR in Pakistan are currently in monopolistic stage where 1-2 players are enjoying highest share of this segment. Moreover these segments require higher investment and technological advancement hence apparently barrier to entry for new players seems quite high. Hence Oasis should choose the following three-segments/Research type.

New Product Prioritization Analysis (NPPA)

For NPPA we consider the following variables of interest to form a bubble chart:

- Share of MR spend for the particular research type that has potential to offer branded solutions in Pakistan this will be used to determine the size of the bubble.

- Oasis competitiveness for each research type (to be used as x-axis values) is derived by:

\[ X = \text{Available space} \times \text{Oasis current share in Oasis Revenue as doing own (FSA)} \]

Oasis current share in Oasis Revenue as providing FW support to Intl soln (LSA) where Available Space = (1 - Oasis total share in this particular research type). Attraction of the each research type is determine by using the data of current clients acquiring branded solution in this research type and market acceptable for any branded solution. And this data has been converted to a 5 pt scale where 1=Low and 5=High)
*Due to confidentiality of Oasis revenue and financial numbers the actual calculations of Oasis competitiveness is not being shared deliberately however it is very much available for Oasis internal management*

**Source:** $Z=$ ESOMAR Annual Report 2011, $X=$ Oasis 2010 financial data, $Y=Objective assessment of Oasis senior management using market intelligence

**NPD Prioritization Matrix**

After putting the three variable of interest in a bubble chart the Prioritization matrix is formed. Although the Size of Brand Health Tracking is much larger than any other research type however since Oasis is actively involved in providing FW support to International solutions and its has substantial share in Oasis total revenue hence introducing own branded solution will ultimately bring a competition for international solutions and would ultimately hit the Oasis revenue if International research agencies decides to change FW agency. Hence the Oasis competitiveness is lower as Risks are higher than exploring opportunities

Although in absence of this report (that I took-up as Term Project), Oasis senior management at the beginning of 2010 has made their minds to prepare branded solutions and aggressively enter into the market with own branded solution in the areas of:

- Brand Health Tracking
- Ad/Copy testing
- Stakeholder Measurement (CRM,CSM) and
- Omnibus Researches

However at completion of this objective assessment, Oasis senior management has decided to focus and prioritize to only 2 areas for product development and active marketing.

- Ad/Copy Testing and
- Omnibus

So Oasis asked to prepare the feasibility of these 2 branded solutions and devise the model for the same and run a test study to validate the results. Also prepare the sales pitch for the same. We are covering Oasis ad testing product as TOR of this project.
2. Literature Review

For the course of completion of this project we have accessed to various secondary sources, ESOMAR (European Society of Market Research) annual reports and have visited few websites for reading material on new product development. More specifically we have reviewed the copy testing branded solutions local and international market research companies providing to their clients.

During the course of completion this research following literatures and sources were reviewed.

1. ESOMAR GMR (Global Market Research) Annual Report 2010-2011
3. www.gelbconsulting.com
4. MillwardBrown_LINK.PDF

3. Research Methodology

Besides the literature and secondary resources/data review, we have conducted a concrete and comprehensive primary (survey research) for pre-testing the first Oasis NPD copy testing model on a representative sample of 2 key markets (Karachi and Lahore). The proposed NPD model “Smart Copy Testing” was tested on a robust sample of 350+ respondents from these cities.

3.1. TG and Research Methodology

Since the smart pre-testing survey was set to evaluate a telecom ad, hence target audience were pre-decided to include the category (Mobile phone connection) users.

WHAT?

• Face to Face Interview at a central location

• A 45 min. interview on a semi structured questionnaire* (Including a 20min program viewing)

WITH WHOM?

• Both Males and Females (Quota Applied) mobile connect users
• Having age 15 –50 years

• Belong to SECs A to E (Quota applied ~ SEC AB, CDE)

• Both Zong users and OMOs (Quota Applied)

WHEN?
• February 2011

WHERE?
• Karachi and

• Lahore

3.2. Sample Achieved
The target sample was to achieve a sample of 350 interviews and it was fully achieved (359 Vs. Target =350)

3.3. Sampling and FW Methodology
Since the interviews were conducted at central location due to the fact that respondents need to view a program embedded clutter ad hence the control mechanism calls inviting respondents to a place where such arrangement (TV Set etc.) remain available.

Respondents were recruited from approximately 22 randomly selected areas and they were incentivized through a token gift for their participation along-with pick and drop facility from /to their homes/work-place.

4. Findings & Data Analysis
4.1 Memorability & Its Diagnostics

Memorability score – Mean

Zong has relatively better memorability rating than current TSN. Moreover tested TVC has scored fairly well for top 3 recalls
Frame Composition

To better understand what is driving memorability the ad has been broken down into 6 sets of frames.

Message Comprehension

Zong is offering an economical set is the key message recalled by the respondents. The other benefits did not register very highly with the respondents.

Slogan Recall

Although punch-line registration at story playback was very insignificant, however at slogan recall stage, majority of the viewers (62%) recalled the slogan (residual memory) – It was higher amongst males. Never the less the catch phrase of the ad also has considerable recall and hence impedes immediate recall of the slogan / punch line.

Memorability – Exploration

In general the messages of the ad were clearly recalled like the price of the phone and the features. The underlying reasons were the simple wordings of the ad and delivery of the dialogues

“inkaykahnaykaandazbuhatachalaga”

The ambiance and jingle as well as the slogan seem to contribute to the recall. However the slogan though highly recalled for some does not generate clarity

“Iss say samajnahiata k kiakahrahayhayn.

“alag say sahi hay mobile k saathttu koi baat he nahi hay baabu ban gayamatlab?”

However this feeling was not universal, others felt that it was catchy and would attract audience who would like to know what made someone a babo
Memorability – Summation

Memorability contributes positively to the SPI score of the Ad. The messages are received clearly and coherently by the ad in a way that the story line gels in with the key messages in such a way that the consumer cannot help but remember. The jingle is a positive contributor to memorability and adds on to the entertainment value of the ad.

The dramatic situation one sees in flashback leads to an increased interest, the solution of buying an economical but expensive looking mobile also raises interest and further is also reinforcing brand name (zong). However the details given at the end of the ad fail to engage consumer hypothetically because of:

- They are processing the entertainment part of the ad
- They already have the info they need

4.2. Likeability & Its Diagnostics

Overall Likeability – Mean

On overall basis test copy likeability is at par with that of standard TSN. Likeability of Zong TVC is comparatively higher in Lahore than Karachi – perhaps the commercial theme was better cultural fit amongst Lahori audience.

Voluntary Likes

Mujji’s (main lead) knock out return home interests audience the most. None of the offer elements appear in spontaneous likes.

Key Elements Likings – Mean Ratings

Target audience likes all of the elements. However as compared to Karachi, key elements were liked significantly higher in Lahore.

Scale: 1=Strongly Disliked...... to..... 6= strongly Liked
Voluntary Dislikes

Interestingly overwhelmingly majority of the survey partakers did not vocalize any specific weak spots of the tested copy the ad keeps them engaged at the superficial entertainment level, like watching a slapstick comedy movie.

4.3. Persuasion and Its Diagnostics

Persuasion –Mean Scores

On SPI measure persuasion level of the tested TVC is lower than current TSN when ploughed the same pattern is seen in all sub segments

Scale: 1=Very less likely to try/increase use ....to ...... 6=Very much likely to try/increase use

Drivers of Persuasion

In order to understand and diagnose what driving the persuasion, respondent’s agreements are sought out on various Ad mapping attributes (on a 6 point rating scale). And these ad-mapping attributes are further clubbed to the ad characteristics they are relating.
Accumulated mean ratings (of each characteristic) are calculated to assess which of the ad mapping measures performed well and which did not perform well. The scale of the negative attributes indicated below with “(r)” has been reversed at the analysis stage while calculating means.

(r)* = The scale of the attributes mentioned with (r) was reversed at the analysis stage while calculating the mean.

Ad Mapping Measures–Mean Ratings

Zong TVC has scored reasonably well on Information clarity during ad mapping which signifies that audience are grasping copy theme , however it fails to generate empathy and sores low on innovation / uniqueness

Scale: 1=Strongly disagree to 6= strongly agree
Persuasion Summation

The ad generates a high memorability but fails to generate persuasion because of two main shortfalls

- **Empathy** -
  - the ad is not seen as realistic enough as well as is not addressing people like them, this is particularly true for youngsters

iskohar koi lay sakta hay hata k bachayapna pocket money lay karkhareedsaktayhain

ve mobile simple hay or merajo hay woaisanahi (youngster)

iski warranty nahi hogi or kucharsaybaadkhatamhojaeyga
  - Tagline “Babu ban gaya” is commonly used when referring to someone’s success especially true for lower SECs (qual exploration)
  - The mothers 40 plus females however find the ad relevant

Aisaybachayhotayhain family meinjuparhaveekhtamkarnaykaibaad jobnahinkartay

- **Innovation**
  - The ad has no new news – the economical mobile is not a news in itself and the offer registers only with 25% or less number of the respondents exposed to the ad – mobile itself is not an indicator of success.

mobileagayatu ye khasiattunahi

jokahani thee who mobile per suit nahikrti thee
  - Exploration also generates issues of corporate image Zong being a new company is not seen as capable of delivering as well as Ufone or Warid

mobileiki quality per thorashakhota hay

Smart Performance Index

Zong TVC has attained better SPI rating than TSN never the less the ad may not perform well because of its below norm persuasion
5. Conclusion, Summary and Recommendations

- Smart performance index (SPI) showed that the tested TVC has better SPI ratings than the current Tentative SmartTM Norms (TSN). However the ad scored lower on persuasion.

- The positive SPI is driven by memorability and Likeness of the ad.

- Essentially this implies that the ad will be recalled and will be talked about but may not result in actual purchase of the product as it is not relevant enough.

- The ad has a high entertainment value and the dramatic element of the ad is more recalled but the offer itself which comes in at the end the consumer looses interest and the memory of the offer itself is not that good.

- Although, on overall basis, Zong’s ”Mujji Babo Ban Gaya” TVC is appreciated by respondents but Lahori audiences are relating daily rural life setting & urban aspiration concept more than Karachi respondents.

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The proposed Smart Copy Testing model is validated through a primary research conducted on a sample of 350+ respondents in Karachi and Lahore. This research was conducted to evaluate the ad performance of a Zong Ad ”Mujji Babo Ban Gaya” at Oasis own cost. As per findings of this research, “Mujji Babo Ban Gaya” has performed well in gaining higher Memorability, Likeability but failed to gain the desired Persuasion. The reason of scoring lower Persuasion were “Lack of Relevance” as the handset offered in this ad was of PKR 1500 only people think this is not relevant to them.

Besides the survey findings, which are primarily used for the robustness of the model and relating the thorough diagnostics to extract what worked well and what not, worked well in this ad. This primary survey report is now used as a marketing tool to express the potential output, deliverables and robustness of the model. This is convincing very much to our existing and potential clients and the revenue started growing from copy testing model. Recently Oasis has won an annual contract (from a leading MNC) of evaluating their copies using this Smart Ad testing model.
References

ESOMAR GMR (Global Market Research) Annual Report 2010-2011


Advertising Testing Techniques - Document Transcript Advertising Testing Techniques
www.gelbconsulting.com MillwardBrown_LINK.PDF