How do I: Conduct a Concept Test?

Got a great idea but not sure if it will work in market? A useful tool to use is the Concept Test. This guide outlines the key elements of Concept Testing, its role in the new product development process and how it can add value to your business.

Concept Testing is a qualitative research technique used to test ideas with the consumer at an early stage. It can even be used to help generate ideas in some instances. Usually taking the form of focus group research, the Concept Test is structured to gauge consumer reaction to product ideas as opposed to the finished product itself. Its main role is to provide consumer input before major investment is expended at the next stages of product development (e.g. packaging development or internal capacity). While Concept Testing involves cost, it is often money well spent. Particularly in sectors which are very new to either the consumer or the business, it can provide a very valuable "reality check" which might avoid making expensive mistakes in the rest of the product development process.

BENEFITS

Conducting a Concept Test can provide a number of business benefits, including:

- A quick and convenient method of gauging consumer reaction and opinion.
- A flexible approach which can be tailored to your exact requirements.
- Valuable consumer input at an early stage of new product development.
- Information and in-sight which will inform future direction and potentially avoid expensive mistakes.

GETTING STARTED

What and Who? Firstly decide what concepts should be tested. Both when generating ideas and deciding which have potential to be Concept Tested, canvass the key people in the business. Include the development team, sales, marketing and any other people who could add valuable opinion or information. Remember that within your business there is a lot of knowledge – people who are closer, more interested in your product sector than most, people who will have had relevant prior experience and people who will have already received a lot of unsolicited consumer feedback e.g. "You work for a soup company – well I think....", etc. Once you have a shortlist of product ideas, you need to identify a list of the areas in which you need information or clarification. This may include:

- Testing the product claims: are they believable or relevant to the target audience?
- Exploring product usage: who, when and how often might it be used?
- Strengths and weaknesses of the product: what could be improved, what is not really necessary?
- Product benefit: is it motivating and relevant to the target audience. Can it be easily communicated and understood?

Next, determine who will be in your research sample. This will be driven by the objectives of the research. It may be that you need to talk directly to the potential purchaser or consumer of the product. Where there is a need to generate ideas in the research, you may want to recruit potential purchasers who will also be able to be quite creative in the research situation e.g. trendsetters or people in particular occupations.

If you decide to use a specialist researcher to do the Concept Testing (see below) then these questions will ultimately form the basis for the research brief. However, it is critical to ask them at the outset, as the answers will often provide as much valuable information as more detailed research.
RESEARCH METHODOLOGY

Concept Testing is principally qualitative research. However, the methodology will depend on the research objectives. The most popular method is focus groups. This is when groups of target consumers are brought together and a structured discussion takes place. Groups tend to be between six to eight people, selected based on pre-agreed selection criteria. The group discussion will last about two hours (three for extended groups). The group will meet in either a viewing studio (which allows you to watch the group discussion anonymously) or in the home of the recruiter. It is important that the group takes place in a relaxed environment in which the sample audience is comfortable to give their views and opinions. Where the subject is particularly sensitive or complex, it may be better to use mini-groups (about four people), pairs or single interviews. On average, six to eight groups should be used. If you are using a research agency, the researcher will be able to advise on the specific structure and rationale for their recommendation.

The discussion or interview will be guided by the research moderator to include all the key areas you want to explore. With Concept Testing the discussion guide may be less structured than other types of research in order to allow creative thinking and open expression to take place. This will benefit from an experienced moderator and, ideally, Concept Testing should be done with the help of a research agency.

RESEARCH STIMULUS

The research stimulus is the material you use to stimulate consumer reaction or discussion. As Concept Testing will take place at an early stage of new product development, there will not normally be a finished product to introduce into the groups. Instead you can explore consumer reaction and opinion by using more conceptual stimulus. For example, an A4 board with a written summary of what the product is all about – what it would look like, its key features and benefits. An example concept board might read, “A natural fruit yogurt containing live bacteria to help inner well-being”. This could be introduced into the discussion along with visual stimulus e.g. a pack design or mood board. Packaging design would involve investment which may not be justifiable at this stage. A mood board would include visuals which help explain the product and the consumer target. For example, the healthy yogurt may have visuals depicting nature, health and aspirational consumers. Stimulus will be very important in the research and even the smallest of detail will illicit reaction. It is important to take care when developing stimulus, again, this is an area in which an experienced researcher can advise.

USING A RESEARCH AGENCY

When Concept Testing with the consumer it is, generally, advisable to use a research agency. Concepts can fruitfully be screened internally and the product potential may be such that consumer Concept Testing is not felt necessary. However, where consumers are required, then engaging the services of an agency will be a sound investment. The research agency will bring a number of benefits to this process, including:

- Greater objectivity to a project with no knowledge or interest in company politics.
- Specialist skills to extract the information you need and allow a sufficiently free-flowing discussion to help develop ideas.
- Ability to help develop the most effective stimulus.
- Experience and skill to interpret research findings.

Concept Testing can be as much about creative idea generation and strategy development as research itself. Because the nature of this type of research involves embryonic ideas, the research agency should provide both an understanding of what can be achieved in each group discussion and then manage the discussions to achieve valuable findings. The research agency will develop a research proposal in response to your brief. This should include timings, methodology, sample and costs and will be the formal basis upon which you appoint the agency. From this, a discussion guide and sample profile will be developed by the agency for your approval. Stimulus should be developed with the help of the agency.

The guide How do I: Select a Market Research Agency? will help you further in this area.
RESEARCH FINDINGS

While the findings of a Concept Test will often be unpredictable, they provide a valuable link with the consumer. The key is that they provide direction and in-sight to the new product development and marketing processes going forward. In general, results may fall into one or more of the following areas:

**Green:** complete “thumbs up” from the consumer. In this instance, the research should provide some understanding on how to market the product. Consumer feedback on how they view the product, how they might buy or consume it, will help inform decisions including advertising, pricing, packaging and distribution.

**Amber:** where the product is accepted but with modifications required. In this case, development work will be needed to address consumer reservations. Or it may be that the product was liked, but further benefits could be developed to increase or broaden appeal before launching into market.

**Red:** where the product is rejected by consumers. In this case, the research should have provided sufficient learning about the concept to revise the brief for future new product development.

HOW DO I? SUMMARY

1. Agree the research concepts, key areas for exploration and the target audience.
2. Develop the research brief.
3. Review research proposals and appoint the successful agency.
4. Develop research stimulus and agree the discussion guide.
5. Review findings and agree future action.

OTHER SOURCES OF INFORMATION:

Visit [www.scotlandfoodanddrink.org](http://www.scotlandfoodanddrink.org) - The information service tailored to the food and drink industry.
Contact the Scotland Food & Drink Helpline on **0845 601 3752**.