PEPSICO
Sensory and Consumer Product Insights

Are Advertising Over-quotas Required for Comprehensive Product Understanding?

#58 **Amanda Grzeda, Alexa Williams** | PepsiCo, Inc, USA

INTRODUCTION

Oftentimes, very specific demographics are selected to ensure advertising is relevant and effective with a brand's bulls-eye consumer target. During new product development, the wish to gather the opinion of these very specific advertising targets is lifted and shifted to product research by our marketing and R&D counterparts, even though these consumers may only make up a small percentage of the total expected buyer population. To create data for these segments of interest (kids, millennials, parents, Hispanics, to name a few), we must boost our recruit or add an over-quota, requiring additional investment beyond the necessity of studying the broadest population of potential buyers, a standard recruit. This research seeks to evaluate if this increased investment in an over-quota of a segment of interest provides more comprehensive innovation product understanding.

METHODS

Data & Key Measures

- **43 snacks** studies over **5 years** with both standard recruit and segment of interest over-quota
- Overall Liking, Purchase Intent & Diagnostics such as Just Rights were considered

Approach

- Each segment was evaluated individually to generate a business relevant recommendation and refinement direction
- Holistic product guidance and recommendations from each were compared and contrasted
- Examined results qualitatively to assess when (and if) the added investment of the over-quota resulted in a different or clearer business decision.

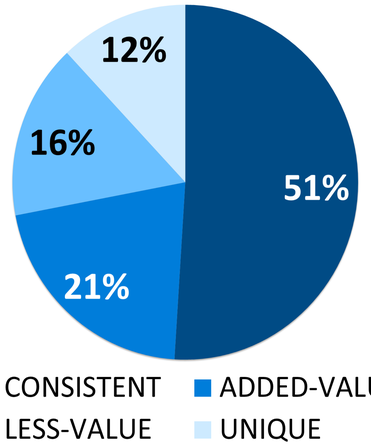
RESULTS

- **Four scenarios:**
  1. **CONSISTENT** (51%) Product Guidance was consistent between the two recruits
  2. **ADDED-VALUE** (21%) Segment of interest served as "tie breaker" among samples similarly liked by the standard recruit
  3. **LESS-VALUE** (16%) Segment of interest liked samples similarly, while the standard recruit demonstrated a clear preference between them
  4. **UNIQUE** (12%) Segment of interest provided a unique viewpoint which differed from the standard recruit, adding complexity to refinement recommendations

Studies in the **UNIQUE** category revealed a skew towards product upgrades and optimization of fruit flavors:

- Young males may be more willing to accept new and improved versions of their products.
- Kids prefer more subdued fruit flavors, while adults give guidance towards strong flavor.

Segment of Interest Product Guidance



CONCLUSIONS & RECOMMENDATIONS

- Standard recruiting approaches result in similar or even more refined product guidance than recruiting segments of interest 2/3 of the time.
  - Benefits of a standardized recruiting protocol (age, gender, region + potential users) are many, including establishing databases for longitudinal study.
- For innovation development, if a segment of interest is most compelling to influence a cross-functional team within an organization, proceeding is likely low risk if the resources are available – product guidance should be consistent with a standard recruit most of the time.
  - However, this additional investment may be more worthwhile applied to increase the size of the standard recruit rather than investing in segments of interest. LESS-VALUE scenarios above may simply be examples of lack of refinement direction due to a fewer number of segment of interest consumers evaluating the products.
- **Always consider the business question at hand when deciding whether to recommend investment in a segment of interest.**
  - For core product upgrades, segments of interest may offer business-critical points of view.
  - For innovation, product refinement and scale-up recommendations should be made based on the full pool of potential buyers, and not just a small subset. If segments of interest provide unique points of view for innovation refinement, consider the size of the segment in the market relative to the full potential buyer pool before over-customizing a product experience for a specific user group.