

# The power of agile decision making & CPG

eBook

toluna 



# Contents

- ▶ Empowering success with on-demand consumer insights.....02
- ▶ Our ever-changing customers.....03
- ▶ Shifts within the cpg industry..... 04
- ▶ Getting ahead of the game.....05
- ▶ Agile insights: the time, the quality and the cost.....06
- ▶ About Toluna..... 08



## Introduction

# Empowering success with on-demand consumer insights

To achieve and then maintain success, CPG companies have always had to be highly adaptive. Look at the evolution of laundry detergent over the years. From the advent of the first household detergent in the 1930s, we've seen many changes through the decades; brands that wash but don't fade colors, powders, liquids, eco-friendly, scented, unscented and pods- a design that was attempted several times since the 1960s but did not reach popularity until 2012.

The tool of innovation is not a scattershot method of lucking into success, however. Instead, it's used to anticipate and adapt to your customers' needs, demands and expectations, and the only way to do that is to know what those are.

There once was a time when the largest company was sure to win, but today if they're not careful, being a large CPG company - even one that can invest hundreds of millions

each year in researching consumers-can hinder what's even more important: agility.

CPG companies need to look at their consumer insights and ask if they are getting the fastest, deepest, most agile, responsive, valuable info for the money.

And can their research results and methods compete with the quick, fast-fail approach of nimbler, smaller startups?





# Our ever-changing customers

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Subscription services for CPG goods are strengthening

Looking around you, it's easy to see how customers are changing and how the CPG industry is responding. Two years ago, grocery delivery was not high in demand, mostly the domain of Amazon Prime Pantry and small specialized services like Peapod. Today, it's not unusual to walk into any large grocery store in a small urban area and see grocery delivery options. And even more often, in stores like Walmart and Target, you now see options for quick pick-up of groceries.

Even more intriguing is the popularity of meal- delivery kit companies like Blue Apron, which help in meal planning while also shipping all the ingredients consumers need to prep the planned meal.

We can see in all these trends that customers want what they want, delivered how they want, in the time that they want. And now, as we know from the increased availability of Amazon subscription services for goods such as pet food and cleaning products,

subscription services for CPG goods are strengthening— something we see reflected in our 2018 Digital Disruptor Report, which showed 75 percent of respondents at least somewhat agreeing that we are in a subscription economy. And these are just the changes that customers and CPG distribution methods are going through.

Marketing, too, is changing, with consumers being bombarded with messaging that is uniquely formulated to get their attention.





# Shifts within the CPG industry

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Large CPG companies no longer have the underlying assurance that expensive shelfspace will guarantee their product success

Customers change, and as a result, so do CPG companies. Organizations trying to adapt to customer, distribution and marketing shifts have answered the call in several ways. First, by changing their time to market. In a BCG survey, it was found that time-to-market has been intentionally reduced among leading consumer goods companies. Overall, they've shown a 30 percent increase in speed for new product development.

The next noticeable change is the speed of decision-making. Large CPG companies no longer have the underlying assurance that expensive shelf space will guarantee their product success regardless of how much time it takes to bring a product to market.

Instead, CPG companies of all sizes are being pitted against each other across the more egalitarian virtual shelf space—one of the most important shelves we have. So important, in fact, that in our 2018 Digital Disruptor Report,

over 66 percent of respondents reported that they would be at least very concerned if retailers like Amazon were no longer available. And that means speed in decision-making has a huge bearing on who puts their brand stamp on a product category.

And finally, the product life cycle is ever compressed. It's been found that in a range of industries, 50 percent of annual revenues come from products launched just within the last three years.





# Getting ahead of the game

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Today's companies take as many shots as they can to land a successful product - and they do land successful products, about 5 percent of the time

Keeping up with changes is great, but at some point, for a CPG company to take or maintain the lead in the market, they have to get ahead of the game by leading the charge with new products that meet emerging consumer demands and needs, rather than just answering well-established concerns. That's where agile consumer insights come in. With agile consumer insights and the expertise to properly analyze them, CPG companies will not only better understand new market conditions, but they can also embark on a competitive path to gain market share.

How? First, agile consumer insights can support fast-fail decision-making. Today's companies take as many shots as they can to land a successful product—and they do land successful products, about 5 percent of the time. On the other side of that coin is the 95 percent failure rate of new products, a statistic that may make a company think that spending more money on prelaunch research sounds like a waste of time and resources.

But in truth, prelaunch research can give you a significant edge, providing numerous tools to increase your odds of product success.

With innovative on-demand consumer insight tools such as concept testing, package testing, shelf testing and heatmapping, all of which are available at every stage of the product development cycle, launch can be informed with realtime consumer feedback guiding companies toward better odds of success.

Second, agile insights lead CPG companies to scale more efficiently, as they better assess the individual needs and wants of each market segment, rather than trying to use a fixed approach to satisfy them all.





# Agile insights: The time, the quality and the cost

When it comes to gaining insights, CPG companies often think that they are trapped within the borders of the iron triangle – that they can't get high-quality, fast and affordable results but can choose only two of the three. New agile research options allow CPG companies to break through the constraints of the iron triangle and prioritize fast, high-quality, affordable consumer insights.



## Fast

With today's insights options, marketing and product design teams can make informed decisions in record time so products can hit the pavement ahead of the competition. Further, they can do so with the added value of a range of data sources, including various quantitative data, robust qualitative data from community discussions, and unique customer profile data, all in about 10 minutes.



## Quality

Gaining access into the minds of consumers is not just about getting data. It's about integrating technology with a robust community of respondents and deep industry expertise so that you achieve a full 360-degree perspective and the power to take positive action.





# Affordable

Organizations aren't just under pressure to speed up time-to-market, they're also under pressure to reduce costs. And that pressure often trickles right down to insight initiatives, which get cut as if they're not worth the cost. And frankly, if the returns don't outweigh the expenses, maybe they aren't.

There are a lot of DIY options that allow companies to bring insights projects inhouse. But if the team handling the project doesn't have the right training, knowledge or experience to manage the tools they have and parse the data, how can they expect to successfully optimize the use of what they gather? Instead, companies need to find disruptive, automated research options that give the same fast, affordable access to high-quality, niche respondents and the available expertise to analyze the insights collected so they can confidently move forward.

But when you can get high-quality, bespoke consumer insights that not only save you money in the long run but also help you capitalize better on trends and make smarter decisions in terms of product design and marketing, suddenly the cost of those insights becomes more than just a valid expense—it becomes a must.

At the end of the day, while the rearview mirror look at customer expectations is important, it doesn't compare with the insight you could have into upcoming trends, especially now - with Amazon owning

Whole Foods and opening Amazon Go stores, who knows what kind of new demands consumers will have for CPG companies and what e-commerce options they'll expect you to meet in the next two, three or five years.

For a CPG company to stand out in this environment, they need a more informed, nimble, engaging approach. They need to have their finger on the pulse, keep the budget in check and get opportunity-expanding consumer insights now.





# About Toluna

Toluna delivers real-time consumer insights at the speed of the on-demand economy.

Today's world is smaller and bigger at once, with consumers everywhere all at the same time. Their decisions are shaped by countless sources of input, and their sentiments are always in motion.

Toluna captures the moment and anticipates what's next. With a combination of innovative technology, human expertise and award-winning research design, we work to make the unknown known - and to **explore tomorrow, now.**



Learn more about  
real-time consumer insights at:  
**[tolunacorporate.com](https://tolunacorporate.com)**

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