

concept testing

research
strategy
communications

Challenges

For this client, a lack of differentiated offerings was beginning to have crippling effects on overall profitability. They believed a refined product concept would generate new revenue sources, thereby counteracting the effects of eroding profit margins, stagnant business growth, and a declining market position.



Challenges

- Lack of differentiated offerings
- Eroding profit margins
- Stagnant growth
- Declining market position

Solution

Our first step was to segment our client’s current and potential customers in order to define the sample for concept testing and formulate projection models. We then conducted primary research among key decision-makers to measure the concept’s overall feasibility in terms of acceptance and value, and to evaluate influencing purchase factors as well as associations and attributes. Nodal mapping was derived from the data to graphically depict the relative value of associations and linked attributes which represent the rational and emotional reasons most influencing purchase behavior. We also determined purchase intent, timing and price thresholds/bands. Finally, we assessed aided and unaided competitive brand preference and associations influencing preferences.

Utilizing these research outcomes, we were able to correlate concept value with fulfillment of critical customer needs, plot ideal entry points and vectors using top feasibility dimensions, and identify market opportunities within the competitive landscape. An analysis of the total available market (TAM) and serviceable addressable market (SAM) sizing in terms of number of potential customers by segmentation group facilitated revenue potential forecasting in terms of purchase intent, timing and price points.

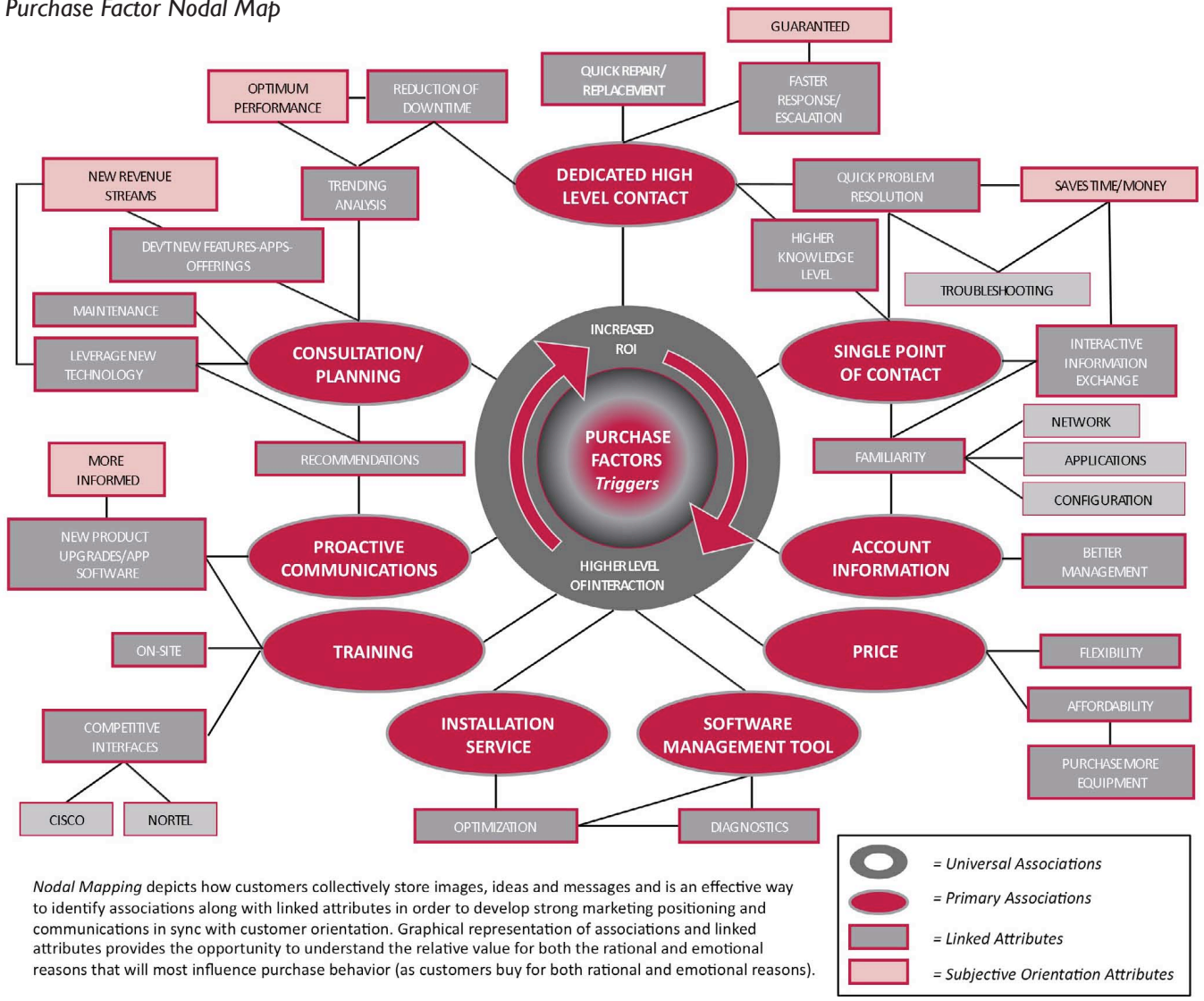
To support the concept, our team developed a new positioning/messaging framework in sync with customer orientation and purchase behavior of the segmentation groups for heightened impact and influence. A thought leadership program was also introduced to consistently demonstrate and promote the new concept.

Key Steps

- Segmented current and potential customers
- Plotted ideal points and vectors using top feasibility dimensions
- Evaluated sizing of the total available market (TAM) and serviceable addressable market (SAM)
- Forecasted revenue potential against the TAM/SAM
- Created positioning/messaging to best influence purchase behavior
- Developed thought leadership program



Purchase Factor Nodal Map



Nodal Mapping depicts how customers collectively store images, ideas and messages and is an effective way to identify associations along with linked attributes in order to develop strong marketing positioning and communications in sync with customer orientation. Graphical representation of associations and linked attributes provides the opportunity to understand the relative value for both the rational and emotional reasons that will most influence purchase behavior (as customers buy for both rational and emotional reasons).

“With S&A’s help, we were able to differentiate our offerings and secure demand from multiple untapped customer segments.”

Results

- ▶ Immediate uptake across multiple customer groups
- ▶ Increased market share by 50% to capture #1 position
- ▶ Generated new revenue while doubling profit margins
- ▶ Established thought leadership



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Shenkan & Associates, a full-service marketing firm, helps companies succeed with critical research measurements, innovative strategy and targeted communications tactics essential to securing a sustainable competitive advantage in today's rapidly evolving marketplace. We combine our extensive service capabilities with expertise in diverse industries, markets, channels and functional practices to provide the intelligence and tools clients need to identify and enact on new opportunities.

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