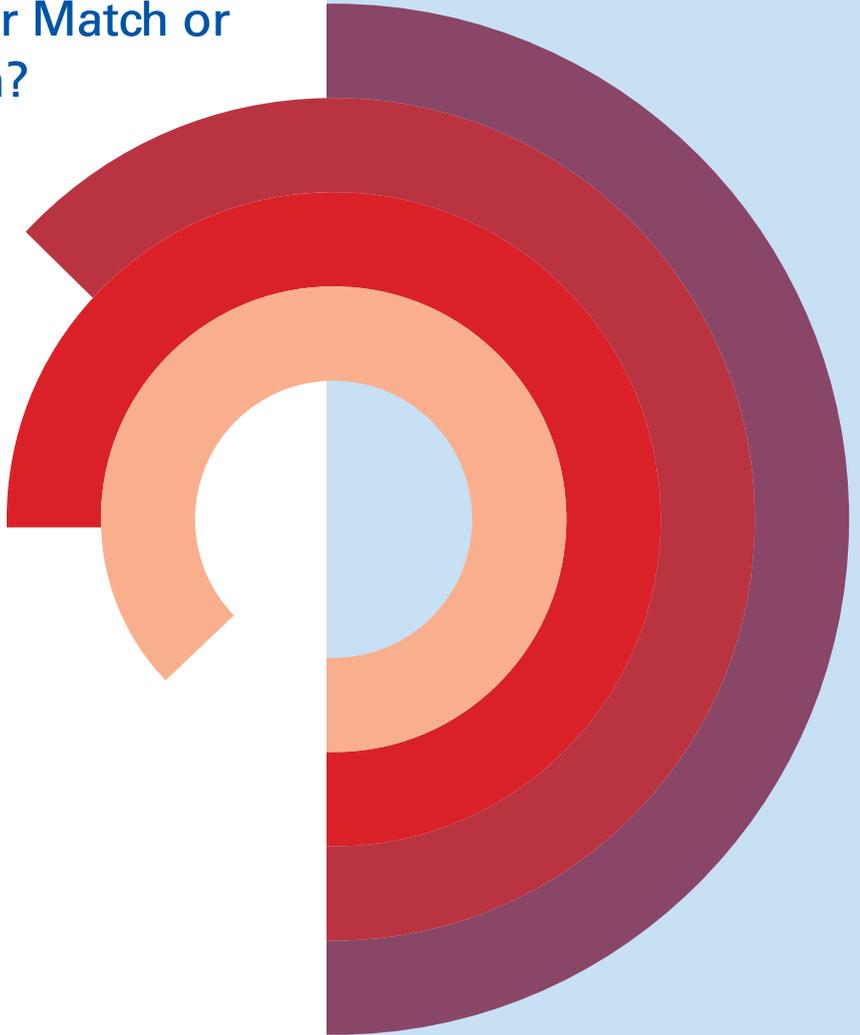


MOA Topic of the Year

2020

Brilliant New Products:
Consumer Match or
Mismatch?



MOA Topic of the Year 2020

Brilliant New Products: Consumer Match or Mismatch?

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Introductie

Voor u ligt de 3e editie van het MOA *Topic of the Year Boek*. Dit boek is verbonden aan de jaarlijks tijdens de MOAwards ceremonie uit te reiken wetenschapsprijs: “Insights Scientist.” Voor deze wetenschapsprijs wordt door de jury (bestaande uit wetenschappers en praktijkmensen) ieder jaar een ander “*Topic of the Year*” gekozen. Het te kiezen topic moet actueel zijn, dat wil zeggen dat het een marketing issue moet zijn waar veel bedrijven zich op het moment mee bezighouden. Er moeten verder voldoende wetenschappers in Nederland actief zijn op dit onderwerp, zodat er voldoende wetenschappelijke experts (en publicaties) voorhanden zijn om in aanmerking te komen voor de MOAward “Insights Scientist” op dit specifieke topic. Gerelateerd aan deze wetenschapsprijs organiseert de MOA ook jaarlijks een symposium over het gekozen topic, waar normaal gesproken de drie, door de jury genomineerde, wetenschappers, alsmede drie personen uit de marketingpraktijk een presentatie over het Topic of the Year geven. De drie genomineerden en de drie presentatoren uit de praktijk schrijven dan gebaseerd op hun presentatie een bijdrage voor het MOA *Topic of the Year Boek*, waarbij ze zelf mogen kiezen of ze dit in het Nederlands of in het Engels doen. Als gevolg van de COVID-19-pandemie is in 2020 echter alles anders, zo ook de invulling van het symposium en het boek. Het geplande symposium in april moest worden gecancelled en is uiteindelijk in september als een online symposium georganiseerd, waarbij alleen de drie genomineerde wetenschappers een presentatie hebben gegeven. Vandaar dat in deze editie van het MOA *Topic of the Year Boek* éénmalig alleen hoofdstukken zijn opgenomen van de drie genomineerde wetenschappers.

In 2020 is *Brilliant New Products: Consumer Match or Mismatch?* gekozen als *Topic of the Year*. Organisaties moeten innoveren om winstgevend te blijven. Een aanzienlijk deel van de winst van bedrijven komt namelijk van producten die in de laatste 5 jaar op de markt gebracht zijn. Innovaties trekken nieuwe klanten aan en ook investeerders reageren positief op aankondigingen van nieuwe producten. Kortom, innoveren is belangrijk of zoals wijlen Steve Jobs ooit zei: “Innovation distinguishes between a leader and a follower.” Diverse bedrijven benadrukken dan ook graag dat ze innovatief zijn. Zo heeft Philips in 2013 er bewust voor gekozen haar slogan te veranderen in “Innovation and You,” waarmee het bedrijf het belang van innovatie voor Philips wil benadrukken. Topman Frans van Houten benadrukte destijds dat innovatie in het DNA van Philips zit en dat het bedrijf daarom jaarlijks 1,8 miljard euro in onderzoek en ontwikkeling steekt. Ook Nissan benadrukt haar innovatieve karakter door middel van de slogan “Innovation that Excites.” Volgens topmanager Cherfan staan de woorden *Innovation* en *Excitement* centraal in wat er gedaan wordt bij Nissan, namelijk het leveren van innovatieve producten en opwinding voor iedereen.

Het belang van innovatie voor bedrijven leidt tot vele nieuwe producten en diensten op de markt, sommige zeer succesvol, andere juist niet. Zo is Picnic, opgericht in 2015, in de gebieden waar het actief is, volgens een artikel in *Business Insider Nederland*, in korte tijd uitgegroeid tot een toonaangevende online supermarkt met een marktaandeel van meer dan 50%. Deels kan dit succes worden verklaard uit het feit dat Picnic een relatief laag minimumbedrag (25,- euro) hanteert voor het thuisbezorgen en bovendien geen servicekosten rekent. Daarnaast bezorgen ze in tegenstelling tot Albert Heijn ook op zondag. Een ander succesverhaal is de lancering van Pokémon Go enkele jaren geleden. Binnen twee weken na de lancering had de app wereldwijd al meer dan 15 miljoen gebruikers. De factoren die hebben geleid tot het succes van Pokémon Go zijn onder andere het gebruik van de juiste technologieën (smartphone, GPS en foto's), het benaderen van de juiste doelgroep (jongeren tot ca. 30 jaar), verslavende spelelementen en een krachtig sociaal element.

In tegenstelling tot deze succesverhalen zijn er ook nog steeds veel nieuwe producten of diensten die floppen, omdat de retailer ze niet in het assortiment opneemt en/of omdat de consument ze niet meteen omarmt. Zo was de consumentenmarkt totaal nog niet klaar voor een futuristisch product zoals Google Glass en lukte het de Nintendo Wii U niet om het succes van zijn voorganger, de Nintendo Wii, te evenaren door het gebrek aan concrete en nuttige productvoordelen in combinatie met een te hoge prijs.

Het mislukken van een nieuw product kost bedrijven over het algemeen veel geld. Inzichten in de redenen waarom nieuwe producten of diensten succesvol worden dan wel floppen zijn dan ook uitermate belangrijk. In dit MOA *Topic of the Year* Boek geven de publicaties van de drie genomineerden voor de MOA-award "Insights Scientist of the Year 2020" – Stefan Stremersch (winnaar), Lenka van Riemsdijk en Jan Andre Millemann – recente wetenschappelijke inzichten in het topic weer.

Gebaseerd op diverse wetenschappelijke papers van Stefan Stremersch, gaan Stefan en zijn co-auteurs onder andere in op de rol van de menigte ('crowdsourcing of innovation') voor het creëren van de juiste inzichten in wat voor type producten de consument nodig heeft en het meest waarschijnlijk wil omarmen, of de markt voor nieuwe producten voldoende omvang heeft en op welke manier de markt benaderd kan worden. Daarnaast geeft het artikel in vogelvucht een overzicht van twintig jaar aan wetenschappelijke publicaties van Stefan's hand op het gebied van de marketing van innovaties en een aantal belangrijke inzichten die Stefan heeft verkregen door zijn vele discussies over innovaties met managers in het bedrijfsleven. Deze inzichten kunnen innovatiemanagers helpen bij het succesvol introduceren van innovaties.

Jan Andre Millemann vergelijkt in zijn artikel het lanceren van een nieuw product met gokken; beide brengen risico's met zich mee. Hij maakt vervolgens in zijn artikel onderscheid tussen de mate waarin het nieuwe product nieuwe kenmerken heeft, de zogenaamde functionele innovativiteit, en de mate waarin de consument fysieke dan wel mentale moeite moet doen om het nieuwe product te gebruiken, ook wel gedragsinnovativiteit genoemd. Jan stelt dat deze twee vormen van innovativiteit een verschillend effect hebben op de adoptie van nieuwe producten, hetgeen hij, onder andere, test in een functional magnetic resonance imaging (fMRI) experiment.

Lenka van Riemsdijk beschrijft in haar artikel hoe marketeers de consumentenacceptatie van diervriendelijke nieuwe producten kunnen bevorderen. Ze gaat in op de trade-off tussen het persoonlijke belang (namelijk een lagere prijs) en het sociale belang (duurzaamheid) bij de keuze tussen diervriendelijk (vrije uitloop) en niet-diervriendelijk vlees. Door middel van een drietal experimenten komt ze tot de conclusie dat een gecombineerde marketingstrategie, waarbij zowel de persoonlijke als de maatschappelijke belangen benadrukt worden, zelfs consumenten die zich normaal gesproken niet druk maken om duurzaamheid over de streep kunnen trekken om duurzamere producten te gaan kopen.

Het MOA *Topic of the Year 2020* Boek sluit af met een hoofdstuk, waarin zowel een aantal praktische aanbevelingen worden gegeven om nieuwe producten succesvol te lanceren, alsmede suggesties voor toekomstig onderzoek.

**Customer-centric
innovation:
Matching what comes
out of the lab with the
heart of the customer**



STEFAN STREMERSCH

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Stefan holds the Desiderius Erasmus Distinguished Chair of Economics and a Chair of Business Economics, at Erasmus University Rotterdam, The Netherlands. He is also a Visiting Professor of Marketing at IESE Business School, Barcelona, Spain, a school that has been ranked #1 in the global FT executive education ranking for the last four years. Previously, he held positions at University of Southern California, UCLA, Emory University and Duke University (USA).

His academic research focuses on the development, launch and diffusion of new products and services and has been published in top journals such as *Journal of Marketing*, *Journal of Marketing Research*, *Marketing Science* and the *International Journal of Research in Marketing*. Stefan has received many grants and awards, such as prestigious EMAC Distinguished Marketing Scholar Award and Harold H. Maynard Award for most significant contribution to marketing thought. In 2015, he received the Honorary International Francqui Chair at the University of Ghent, recognizing the groundbreaking work he has done on customer-centered innovation.

To further bridge science and practice, he founded the Marketing, Technology and Innovation Institute (MTI²) which is specialized in advisory and training services on marketing strategy and innovation. With MTI², he consults on innovation and marketing at C-suite level, advises innovation managers and innovation project teams, and offers executive education in marketing and innovation at many multinational firms (Alcatel-Lucent, Aliaxis, Baloise, Merck, Baxter, Heraeus, KLM, Michelin, Novartis, Rabobank, SABIC, SKF, Siemens, ...) for senior management. In these collaborations, he acts as the lead architect of the programs and safeguards the governance of the program in the company. He has developed award-winning innovation processes that have generated substantial business value and patent flow. For example, in 2015, the German Industry Association gave its innovation award to *Merck Innospire*, one of the innovation and talent-development processes designed by Stefan in 2009, together with Merck.

1.

Customer-centric innovation: Matching what comes out of the lab with the heart of the customer

STEFAN STREMERSCHE, NUNO CAMACHO, ELIO KEKO AND ISABEL VERNIERS

Abstract

Most product launches fail. A key culprit is the lack of touchpoints with the customer during the product development journey. In this article, we argue that early market validation of innovation is the key to avoid costly launch failures. During idea maturation, innovation teams need to validate and test assumptions in three critical elements of their business cases: market size, solution relevance, and market access. We extract stylized insights from academic research that help innovators rigorously test and quantify assumptions. We also zoom in on Stefan's recent work on crowdsourcing innovation and highlight how firms can use moderator feedback to help innovation teams better test these customer and market assumptions. Lastly, we discuss a selection of cases from Stefan's work with companies that illustrate the impact of early market validation.

This chapter was inspired by Stefan Stremersch's work in innovation and marketing, both in academia and with leading companies across the globe.

This chapter was written by Nuno Camacho, associate professor of marketing at Erasmus School of Economics, Erasmus University Rotterdam.

This chapter benefitted from the insightful suggestions and critical eyes of Elio Keko, Senior Consultant at MTI² and Isabel Verniers, Senior Principal at MTI² (www.mti2.eu).

Introduction

Most product launches fail. A key culprit is the lack of touchpoints with the customer during the product development journey. Firms spend resources in long and costly technology development spells and conduct market validation too late. The risk of such an approach is that firms may develop innovations that do not fit the needs of their target customers, or that have no market at all. We argue that early market validation of innovation is *the key* to avoid costly launch failures because (1) it helps teams quickly discover if they are on the right path, how to improve, or whether they need to pivot, and (2) it increases their engagement in idea maturation, improving the quality of their ideas.

In the next sections, we first extract stylized insights from academic research. Next, we zoom in on Stefan's recent work on crowdsourcing innovation to help innovation teams test their customer and market assumptions and make the product or service they develop match customer needs and wants. Last, we discuss a selection of examples from Stefan's work with companies that illustrate the impact of early market validation.

Synthesizing four decades of innovation insights in 600 words

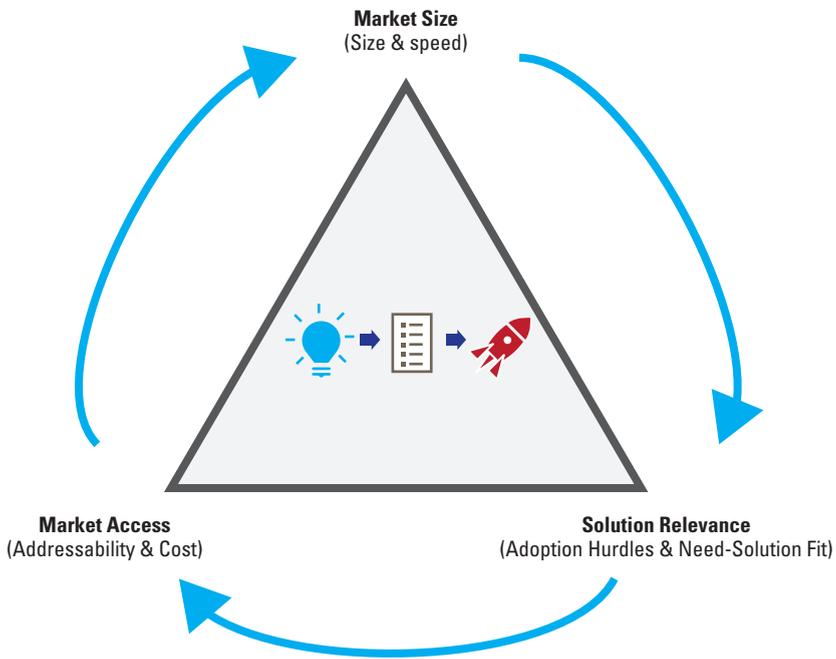
We start by highlighting selected insights from past research, to extract tips on how innovation teams can rigorously validate and test their customer and market assumptions. During idea maturation, innovation teams need to validate and test three critical assumptions in their business cases:

1. *Market size*: how large is the market and how quickly will the innovation diffuse?;
2. *Solution relevance*: can we avoid adoption hurdles and prove the need-solution fit?; and
3. *Market access*: can we address this market at a reasonable entry cost?

Innovation teams need to iteratively test these three critical assumptions as they mature their initial concept into a commercially successful innovation. We summarize this approach in Figure 1. Next, we discuss academic research that may help innovators improve their efforts to validate market size, solution relevance, and market access assumptions. In this brief synthesis, we focus on how innovation teams can move beyond casual testing of market assumptions into a more rigorous quantification and testing of their market hypotheses¹.

1. For a comprehensive review of the marketing and innovation literature, we refer the reader to Hauser, Tellis and Griffin (2006).

Figure 1 –Market Validation of Innovation Ideas: A Continuous and Iterative Approach



Validating Market Size

For decades, the Bass (1969) model was the standard “forecasting technology” used by marketers to obtain early market forecasts of an innovation’s market size, i.e., market potential and diffusion speed. Since then, scholars have offered several insights to improve market size validation:

- *Marketing mix*: Horsky and Simon (1983), as well as follow-up research based on it, incorporate marketing mix variables in the Bass model, which helps more accurately assess market potential.
- *Consumer heterogeneity*: Van den Bulte and Stremersch (2004) improve forecasting of an innovation’s diffusion by including consumer heterogeneity in income and culture in the model and showing that S-shaped diffusion curves are not solely driven by social contagion.
- *Cross-country differences*: Tellis, Stremersch and Yin (2003) propose a new approach to forecast the time-to-takeoff across different countries, helping firms decide how to waterfall an innovation from one country to another (see also Van Everdingen, Fok and Stremersch 2009).
- *New models*: More recent improvements in diffusion models include semi-parametric models (Stremersch and Lemmens 2009; Lemmens, Croux and Stremersch 2012), or machine learning methods (Gelper and Stremersch 2014) that significantly improve forecasting accuracy. These improvements are especially useful early in a product’s lifecycle (i.e., before takeoff).

Validating Solution Relevance

Innovations may fail if customers cannot clearly see their competitive advantage over prior solutions (Rogers 1995). Academic research sheds light on several aspects to help firms understand and demonstrate value:

- *Quantify relative advantage:* Firms can use sales response models to estimate consumers' response to different product features (Venkataraman and Stremersch 2007) and select which features they should emphasize in sales calls (Kappe and Stremersch 2016).
- *Understand behavioral biases that hinder adoption:* Camacho, Donkers and Stremersch (2011) show that negative patient feedback about a new drug is more vivid and salient than positive patient feedback in the physician's mind, and thus is overly influential in adoption decisions. The authors suggest ways to debias such biases.
- *Secure multiple stakeholder buy-in:* Camacho, De Jong and Stremersch (2014) show that even when a doctor prescribes a new drug, if patients do not understand or believe in the drug's benefits they tend to deviate from the doctor's advice. Hence it is important to consider the needs and convince multiple stakeholders.

Validating Market Access

When designing their go-to-market strategies, innovation teams need to validate if they have access to their target markets at a reasonable cost. Academic research highlights several directions, including:

- *Exploit heterogeneity in willingness-to-pay:* Verniers, Stremersch and Croux (2011) show that to speed-up adoption of new drugs, pharmaceutical firms can leverage cross-country differences in regulators' willingness to pay to optimize their launch strategy.
- *Don't underestimate the importance of distribution:* Ataman, Mela and Van Heerde (2008), for example, find that for new brands, having access to the right channel is the most influential marketing mix component.
- *No need to do it alone:* It is often more efficient and necessary to work with partners. Wuyts, Dutta and Stremersch (2004) show that firms need intense partnerships for radical innovations. Ghosh, Dutta and Stremersch (2006) show that high technological unpredictability and low customer knowledge require strong partnerships with vendors who help customize solutions for customers.

A magnifying glass view on moderator feedback to innovation teams³

Rigorous market validation often starts by raising a teams' awareness of the critical role of testing market size, solution relevance, and market access. Feedback by internal and external stakeholders plays an important role here. In this section, we thereby zoom in Stefan's recent work on how firms can use moderator feedback to push innovation teams towards more rigorous validation of their assumptions. Camacho, Nam, Kannan and Stremersch (*Journal of Marketing* 2019) organized an innovation tournament at the Erasmus School of Economics (ESE) to study feedback. They invited students to generate innovation ideas that would improve the school by 2030. A team of specially trained moderators randomly assigned ideators to receive either "positive feedback" or "constructive criticism" to better validate their innovation's market size, solution relevance and market access. They found that challenging market assumptions, especially early in the process, increases ideator engagement and idea quality.

Constructive Criticism on Market Size

Moderators need to ask teams to gather precise evidence that demonstrates the economic rationale of pursuing a specific target customer. For instance, ESE Innovation Tournament's moderators typically asked ideators to gather data on the market potential and – when possible - expected speed of adoption of their proposed solutions. In several instances they pushed ideators to cross-check their chosen target market with alternatives. Such quantification exercises help teams clearly motivate their targeting choices. Additionally, moderators at our tournament pushed ideators to clarify whether their innovation would help ESE explore emerging opportunities or fend off threats, thereby helping them connect their ideas with the external environment.

Constructive Criticism on Solution Relevance

Moderators at the ESE Innovation Tournament required ideators to consider adoption hurdles and demonstrate how they created value, focusing on two types of questions. First, moderators pushed teams to "get out of the building" and ask customers if they would like a specific solution and find it superior to existing ones. The best ideators were able to gather valuable customer testimonials for their pitches. Second, they tied project maturation to clear market validation milestones. In other words, the resources invested in the project would grow only when the team successfully validated its benefits for customers. For example, an idea called "Take it ESE" proposed that ESE should offer "research internships" where companies would pay a small fee to work with a team of

3. In this section we zoom into the 2019 *Journal of Marketing* paper "Tournaments to Crowdsource Innovation: The Role of Moderator Feedback and Participation Intensity," which examines the role of moderator feedback on *innovation tournaments*, a specific type of crowdsourcing initiative where "after a prescribed time period following the idea call, firms select at least one winning idea from those submitted" (Camacho, Nam, Kannan and Stremersch 2019; p. 138).

honors students and a research faculty member on one of the firm's challenges. In his pitch, the ideator behind "Take it ESE" proposed that upon launch his first step would be to quantify the benefits for students (through an online student survey among ESE's bachelor students). Conditional upon the results of that survey, the project would move into the next stage where it would then conduct a survey among companies to demonstrate their willingness-to-pay for such internships.

Constructive Criticism on Market Access

Ideators in the ESE Innovation Tournament were also pushed to clarify how they would leverage ESE's strengths and brand to access their target customers at a reasonable cost. For example, one ideator proposed that ESE should offer a summer program – the "ESE Summer Academy" - to lure future bachelor and master students into the school. While the ideator originally proposed that promotion of the program should be done by the schools' marketing office, early interviews highlighted that collaborating with student unions would be very effective. These associations often had higher manpower and direct access to students. Thus, at ESE, asking ideators, early on, for evidence clarifying their channels and key partnerships certainly helped increase the quality and realism of innovators' ideas.

In Table 2, below, we synthesize several examples of practical questions that may help innovation teams validate their ideas *market size*, *solution relevance*, and *market access*. Importantly, besides providing innovation teams with constructive criticism, firms also need to "walk the talk" and facilitate teams' fact-checking efforts. Firms need to give innovation teams the resources and authority they need to gather evidence for their business cases.

Table 1 – Selection of Questions that Innovation Teams can use to Validate their Business Case Assumptions

VALIDATING MARKET SIZE (Size & Speed)	VALIDATING SOLUTION RELEVANCE (Adoption Hurdles & Need-Solution Fit)	VALIDATING MARKET ACCESS (Addressability & Cost)
<ul style="list-style-type: none"> • What is the market potential for my innovation in my chosen target market? • How fast or slow will the innovation diffuse? When can we expect a takeoff in sales? • Is the customer willing to pay for your solution? How much? How did you check? • What will our margin be? • Have you cross-checked other market segments? Why did you choose this one? 	<ul style="list-style-type: none"> • Did you interview or talk with customers to validate their interest in your solution? • Can you have a customer testimonial or, even better, a letter of intent to purchase? • Did you discuss your unique selling proposition with customers? Is it correctly verbalized? • Are you certain that it is feature X that leads to customer benefit Y? How? Can you quantify that benefit? In which scale? • How do increments in that benefit influence the customer’s willingness-to-pay? Why? • How do you differentiate from competition? Did you validate that? 	<p>Which channels will you use? Why?</p> <p>How much margin will other players in the value chain take? Can we do it cheaper?</p> <p>Do we already have commercial people that can reach this customer group?</p> <p>Do we have brand equity with these customers? Do we have a good relationship with these customers?</p> <p>Alternatively, can we put the right partnerships in place? Can you show interest from potential partners?</p>

Insights from practice: Stefan's quest for the 'True North' of innovation

We end the chapter with a series of cases from Stefan's work with companies that showcase the importance of early stage market validation of innovations. Throughout his career, Stefan has emphasized that symbiosis between academic research and practice is necessary to discover insights that are truly relevant for managers (Roberts, Kayande, and Stremersch 2014; Stremersch and Winer 2019; Stremersch, Winer and Camacho 2020). Hence, symbiosis with practice has always been an important component in Stefan's quest for the "True North" of innovation.

It all started in late 2006. Alcatel-Lucent's Bell Labs in Belgium had organized an innovation tournament among employees called "*Stretch Your Mind Contest*". To stimulate engagement and idea quality, Bell Labs offered a juicy reward: A brand new Opel Astra. The winner posed happily when receiving the keys to his new car. Nearly two years later (1) his idea never materialized because of low customer stickiness, and (2) he had sold the car because he always biked to work. It was at that point that Bell Labs decided to hire Stefan to co-design a better process to promote innovation and entrepreneurship internally. This collaboration led to the birth of the pioneering innovation bootcamp in Europe: Alcatel-Lucent's Entrepreneurial Boot Camps, with the motto: "*innovation is the responsibility of every employee in the company*". Stefan subsequently founded MTI² (www.mti2.eu), a boutique consulting firm, to also bring more and better customer focus into innovation processes at several companies around the world.

At Alcatel-Lucent's Entrepreneurial Boot Camps, Stefan discovered that innovation teams suffer from "Google Aversion", i.e., a tendency to trust their "gut" rather than using search engines to validate their ideas. As the number of collaborations with other multinational companies rose, MTI² discovered that "Google Aversion" is a universal phenomenon. It is a normal human reaction, as innovators often desire to be pioneers ("we are the first to..."). We now discuss three selected cases from MTI²'s collaborations with industry which illustrate the impact of pushing innovation teams to avoid "Google Aversion" and rigorously conduct market validation to achieve success.

Market Size Validation at Michelin: From Skateboards to Wheelbarrows

In 2014, Stefan helped Michelin design and deploy *InnovationWorks*, a crowd-sourced end-to-end innovation process that involved more than 20,000 employees in North America, China and Europe⁴. One of the philosophies implemented in *InnovationWorks* was to "push ideas to their limits" and "test them on the market to ensure they are viable"⁵. Jay Long, a HR manager at Michelin North America who participated in one of the editions of *InnovationWorks*, described this emphasis on market validation stating: "ideas are constantly evalua-

4. <https://www.michelin-careers.com/ca/fre/Mieux-nous-connaître/Infos-cles#c-l-innovation>

5. <https://www.michelin.com/en/innovation/open-innovation/incubator-program-office/>

ted, critiqued, and judged against the spectrum of the real-world market”. Jay had an interesting idea: Why shouldn’t Michelin manufacture skateboarding wheels? He knew from his weekend skateboard rides with his sons that skateboard wheels were very expensive and frequently worn. He was convinced it was a great market. However, market validation proved the market to be far less attractive than Jay had guessed. In-depth market quantification analyses suggested the market would be too small for a company like Michelin. Even though the whole skateboarding market had, at the time, around 11 million participants, sales of wheels represented a small fraction of the industry’s global market value of \$5.5 billion. Moreover, informal interviews highlighted that Michelin’s brand would not carry sufficient weight among skateboarders. The insight helped Jay pivot to more interesting niches, such as wheelbarrows, lawnmower, excavators, or golf carts.

Validating Solution Relevance at Baloise Insurance: Optimizing a Health Platform

Another benefit of market validation is to help innovation teams craft better solutions. In 2019, in an innovation process co-designed with Baloise Insurance called “Reflex Machine”, MTI² helped innovation teams at Baloise discover and mature innovative products and services. In close collaboration with Dynata, a global online market research firm, Baloise and MTI²’s ran several market studies to optimize the most promising innovation ideas coming out of the process. One of the ideas coming out of this process is B-Tonic⁶, a health platform that aims to improve people’s physical and mental fitness in Belgium. The market and customer data gathered helped Baloise emphasize nutrition and mental well-being tips, two features that appealed to B-Tonic’s target customers: consumers seeking a healthier lifestyle and sports enthusiasts. Importantly, the analyses also helped the B-Tonic team decide what not to do. For instance, they de-emphasized an original idea – to organize international sporting trips - which may appeal to more sophisticated athletes but not to the mass of B-Tonic’s target customers.

Market Access at MAHLE: Selecting the Right Partners

In 2017, MAHLE GmbH (turnover of EUR 12.8 billion, 78,000 employees) reached out to MTI² for help setting up its European incubator. One of the teams that joined MAHLE’s incubator – Com4Kids – wanted to end children’s discomfort when seating in their baby seats with high temperatures outside. Through customer interviews they confirmed that even in cars with air conditioning, when the sun shines strongly, “the little ones quickly become sweaty”. They then proposed a solution: an intelligently air-conditioned child’s car seat (see Figure 2). Yet, there was one caveat: MAHLE is a very well-known brand among automotive companies but had low brand equity among end consumers. Rather than doing it alone, they decided to partner with a leading manufacturer of children’s car seats. MAHLE brought its recognized expertise in thermal management. In the

6. <https://www.b-tonic.be/home>

words of Dr. Mario Wallisch, one of the team's leaders, "the MAHLE name means that people are willing to put their trust in us; manufacturers of children's car seats know they're not talking to amateurs with a crazy idea"⁷. In turn, the manufacturer brought in valuable competences in design and ergonomics, but especially the brand equity and channels in place to commercialize the new baby seat. The product was launched in specialist retailers in the summer 2020⁸.

Figure 2 – Com4Kids team working on their assumptions in the MAHLE's incubator boot-camp (left), and inspecting a prototype shortly thereafter (right)



Afterthought

We conclude this chapter with four stylized regularities about the role of customer and market insights in innovation which we would like to highlight from Stefan's research and consulting work:

1. Firms should **gather customer and market insights early**. By "early" we mean since idea generation. Moderators in the firm should not hesitate to challenge innovation teams and push them for answers to critical customer and market validation questions. Challenging fact-based feedback stimulates engagement and the quality of innovation ideas, increasing their odds of succeeding in the market.
2. Firms should **invest more in agile gathering of customer and market insights**. This means that firms should facilitate innovation teams' access to the resources they need to gather the evidence they need to validate their business cases. Moreover, fast build-measure-learn iterations (akin to lean startup; Ries 2011) with constant market validation are preferable to long and costly technology validation spells followed by long and costly market validation steps.

7. <https://www.mpulse.mahle.com/en/inside/com4kids.jsp>

8. https://annualreport.mahle.com/2019/assets/pdf/MAHLE_AR2019_E.pdf

3. Firms should also **integrate better their customer and market validation with their technology validation**, which means that market validation may feed into technology development and vice-versa. Strong technology validation with weak customer and market insights risks Segway-type of flops⁹. Strong customer and market validation with weak technology validation is “science fiction” rather than innovation.
4. It is crucial to **continuously provide constructive criticism** to innovation teams at different stages of developing an innovation. Feedback from diverse moderators (e.g., some more focused on challenging market size assumptions, others in generating alternative solutions, etc) is particularly rich as “different eyes” may improve different dimensions of teams’ business cases. Firms should thus proactively offer feedback to teams. Only then market validation can help innovation teams move their innovation forward.

9. <https://mashable.com/article/segway-pt-retires/>

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Winning the Gamble of Successfully Launching Brilliant New Products



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Jan Andre is als universitair docent Marketing en Innovatie verbonden aan de Technische Universiteit Eindhoven, waar hij onder andere het vak “Selling New Products” doceert. Tevens is hij in de afgelopen jaren visiting scholar geweest bij diverse buitenlandse universiteiten, waaronder de University of Arizona en de St. Petersburg University. Jan is in 2019 summa cum laude gepromoveerd aan de Saarland University (Saarbrücken, Germany). In zijn proefschrift gaat hij in op de vraag waarom nieuwe producten en diensten falen, zelfs als ze superieure technologie bieden en het leven van consumenten kunnen verbeteren. Jan Andre heeft hiervoor verschillende onderzoeksmethoden gebruikt, waaronder functional magnetic resonance imaging (fMRI). Om de integratie tussen wetenschap en praktijk te bevorderen, heeft hij recent het bedrijf “Verokauf”, dat zich richt op de online verkopen van bestaande en nieuwe verzorgingsproducten, opgericht.

2.

Winning the Gamble of Successfully Launching Brilliant New Products

DR. JAN A. MILLEMANN

Abstract

What are the winning criteria for new product success? The existing literature suggests that, in general, an incremental level of product innovativeness is indicative of successful market launches. Acknowledging past research, we view product innovativeness as being more complex than the dichotomous differentiation between incremental and disruptive innovativeness. We postulate that a more nuanced perspective is necessary and introduces functional and behavioral innovativeness. We assume that each dimension exerts a distinct influence on adoption and test our assumption in a functional magnetic resonance imaging (fMRI) experiment. Results reveal that the perception of each dimension is mirrored in distinct neuronal reactions. In an online survey and, later, in a Facebook A/B campaign experiment, we uniformly found that behavioral innovativeness, but not functional innovativeness, disfavors consumer adoption behavior. Building on these insights, we tested the effectiveness of three marketing visualization approaches and show that contrast-focused approaches increase the chances of winning the gamble of launching brilliant new products successfully.

Introduction

“Betting on the success of innovative technologies in the marketplace can carry all the uncertainty and risk that betting on the next card in the deck does at a black-jack table in Las Vegas.” (Henry Petroski)



Prominent examples of product failures are Google Glass, BlackBerry Storm, Apple Newton, Microsoft Kinect, and most recently Juicero. In fact, the odds of successfully launching brilliant new products range between 10 and 60% (Gourville, 2006). Undeniably, this phenomenon has caught the attention of scholars for decades. Academia has predominantly viewed the increased level of product innovativeness (e.g., from incremental to radical, from continuous to discontinuous) as similar to having a bad hand of cards, as consumers are less likely to adopt highly innovative products. However, practice also provides examples of products as innovative as the products listed above (e.g., Apple's first iPhone, Microsoft Surface, Fitbit Versa 2) that have won the gamble and proven to be a success. While we acknowledge past research, we believe that product innovativeness is a complex construct that unites several facets of innovativeness and thus questions the widely held dichotomous differentiation (e.g., incremental vs. disruptive). Instead, we believe that a more nuanced perspective is necessary to explore why some innovations win while others lose the new-product-launch gamble. Within this context and in keeping with the gambling metaphor, we introduce behavioral innovativeness (the degree to which a consumer perceives physical and mental effort necessary to use the innovation) and functional innovativeness (the degree of novelty of the innovation characteristics as perceived by the consumer).

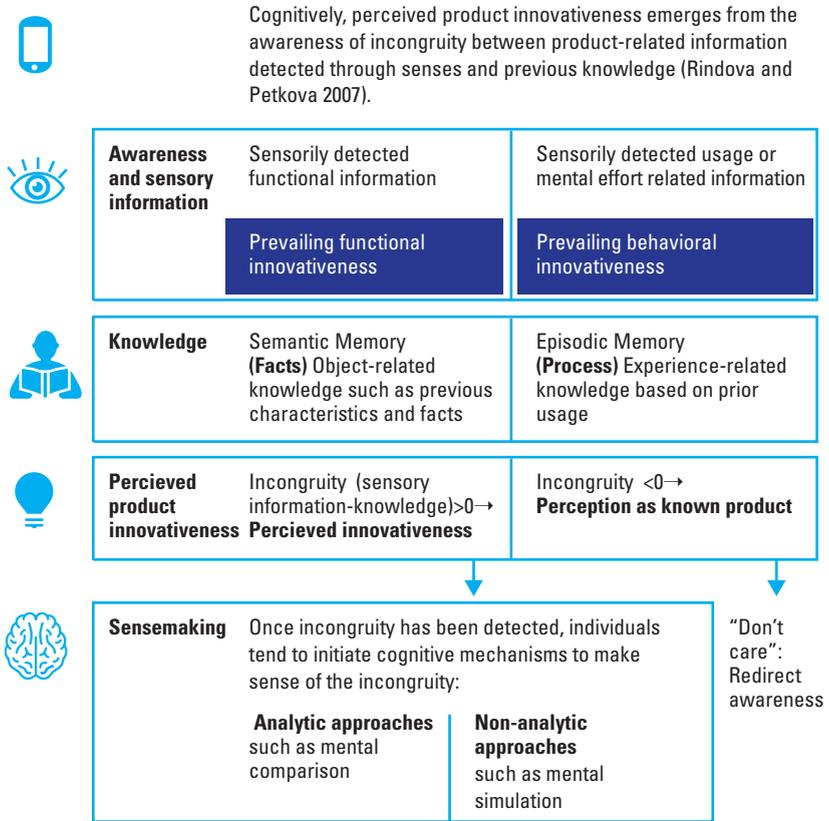
The Joker – Being Aware of Innovation Perception

The perception of innovation – the very first moment at which a consumer becomes aware of a new product – is a crucial point on the path toward later adoption behavior. Contrary to new product assessment, when consumers deliberately evaluate and contextualize several impressions from both innovativeness dimensions, perception of innovation happens suddenly. Due to the complexity of new products and humans' limited intake capacity, only a few pieces of information are captured within a very brief snapshot of the new product (Olshavsky and Spreng 1996). Coping with this constraint, individuals initiate evaluation strategies (e.g., cognitive mechanism) and infer about the “bigger picture.” Hence, the first impression and whether it is functionally or behaviorally innovative might trigger distinct cognitive mechanisms that serve as the cornerstone for information search (e.g. Heidenreich and Kraemer 2015), processing (e.g. Rindova and Petkova 2007), and outcomes (e.g. Claudy, Garcia, and O’Driscoll 2015) within the innovation-decision process.

Thereby, we must strive to understand perceived product innovativeness as an awareness of incongruity between sensory-detected, product-related information and previous knowledge (Rindova and Petkova 2007). Incongruity refers to the difference between sensory information and semantic or episodic memories. Thereby, a greater level of product innovativeness corresponds to a higher level of incongruity. Simply detecting this incongruity, however, leaves individuals with the impression that a new product is different, weird, or incomprehensible (Rindova and Petkova 2007). Only when individuals decide to make sense of the detected incongruity by initiating cognitive mechanisms to assess its level will the new product’s perceived innovativeness become apparent.

Cognitive mechanisms refer to routines to process perceived information efficiently. In the past, research has differentiated between two types of cognitive strategies: analytical and non-analytical approaches. Analytical strategies rely on comparative mechanisms to calculate (numerical) disparity between object characteristics and factual knowledge stored in semantic memories. They incorporate heuristic strategies – rational, analytical comparisons – to determine the level of incongruity between perceived information and semantic memories. In contrast, non-analytical strategies are based on the contrasting qualitative differences between two entities, such as mental images from expected and previous experiences. Central to non-analytical routines is the notion that consumers begin to mentally project the prospective behavioral sequences through which someone uses a product in specific scenarios (Dahl and Hoeffler 2004). Those hypothetical mental pictures assist consumers in anticipating product usage on multiple occasions when physical product trials are not available. Furthermore, mental pictures also enable consumers to imagine future benefits, such as efficiency, which are not instantly apparent, as they only unfold over time and through usage (Heidenreich and Kraemer 2016). Once prospective usage has been simulated, individuals contrast their fictitious experience with experiences from familiar practices to determine the fit between both.

Figure 1: The Process from Awareness to Sense-making



Identify Winning and Losing Cards on Your Hand

We postulate that the perception of behavioral innovativeness (as a winning card) induces the necessity to invest learning effort (cognitive and behavioral) and change one's current consumption routines before realizing an innovation's benefits. Hence, we postulate that behavioral innovativeness, representing a detrimental card dealt, exerts a negative effect on new product evaluation (Dahl and Hoeffler 2004; Hoeffler 2003). This argument is supported by two research streams. First, drawing on the literature related to learning-cost inference, Mukherjee and Hoyer (2001) found that the evaluation of novel features is negatively affected by the perception of high learning investment prior to adoption. Meyer, Shenghui, and Han (2008) even found that consumers who had once euphorically adopted an innovation later eventually neglected using its novel features due

to high learning cost estimation. Second, contemporary beliefs in innovation resistance literature (e.g., Talke and Heidenreich 2014) include that consumers have an intrinsic desire to maintain psychological equilibrium. Any stimuli perceived as a change to the equilibrium (e.g., by adopting a new usage pattern) are considered a potential threat. Hence, any stimuli that represent either the necessity of investing learning efforts or signal a deviation from the current consumption patterns provoke adverse reactions and thus deter an individual from further exploring the innovation.

The perception of functional innovativeness, in contrast, offers primarily technological superiority, thereby signaling added value and benefit for the individual (Mukherjee and Hoyer 2001). As a consequence, much like having an ace up your sleeve, consumers tend to make causal inferences resulting in an overall positive evaluation of the product (Olshavsky and Spreng 1996). As found by Carpenter, Glazer, and Nakamoto (1994), the positive inferencing mechanism even holds for irrelevant or ambiguous novel attributes. Furthermore, Szymanski et al. (2007) showed in their meta-analysis of 32 studies that technological superiority (e.g., newness to the market) positively correlates with sales.

We first tested our assumption (that behavioral innovativeness inhibits and functional innovativeness favors adoption) in an online survey. We asked 59 panelists to view and rate eleven computer mouse devices. They had to rate the products' behavioral and functional innovativeness as well as their intention to adopt the product. The results confirmed our assumption, as an increasing level of behavioral innovativeness was associated with lower adoption intention. Contrary to our expectation, greater functional innovativeness was not associated with higher adoption.

We replicated our study in a field setting and conducted A/B testing campaigns on Facebook using the same products from the survey study. Again, the descriptive results revealed a similar pattern. The product with a higher degree of behavioral innovativeness yielded a 40% lower click-through-rates (number of link clicks on the advertisement per 1000 advertisement views) compared to the product with a lower degree of behavioral innovativeness. Conversely, the data from the campaign for the functional innovative product showed a 38% higher CTR for the product with a higher level of functional innovativeness.

Looking Behind the Obvious Using Functional Magnetic Resonance Imaging (fMRI)

Unlike conventional outcomes such as attitudes, intentions, and behaviors, which are deliberately expressed within a continuum (e.g., low to high), innovation perception is a nebulous, hard-to-define construct that relies on subliminal cognitive mechanisms (Talke and Heidenreich 2014). Yet, recent methodological

advancements in neuroimaging techniques, such as functional magnetic resonance imaging (fMRI), have been repeatedly shown to be valuable complements to conventional methods to investigate latent constructs. Fundamental to the fMRI methodology are detectable changes in neurophysiological processes in response to perceiving a stimulus. More specifically, neurological mechanisms that are activated by perceiving external stimuli through our senses, require relatively more oxygen in corresponding brain areas than deactivated brain areas (Reimann, Schilke, Weber, Neuhaus and Zaichkowsky 2011).

To investigate the underlying cognitive mechanisms behind the perception of new products, we conducted a functional magnetic resonance imaging study involving 44 individuals.

The neuronal findings from the fMRI study confirm the multifaceted nature of product innovativeness. Consumers engage in diverging cognitive mechanisms and neuronal activation patterns when perceiving products that require physical and mental effort for usage (behavioral innovativeness) and products with novel characteristics (functional innovativeness). Behavioral innovativeness predominantly triggered a neuronal pattern involving regions of the frontal and parietal lobe as well as the insula cortex, all of which contribute to the cognitive mechanisms for recalling and imagining actions, self-related thinking, and subjective feeling. Functional innovativeness, in contrast, triggered a neuronal pattern involving regions of the frontal, parietal, and temporal lobe, all of which contribute to cognitive mechanisms for semantic memory retrieval, visual perception, and arithmetic comparison.

Be Aware of Your Negative Card

Literature suggests that the activation of the anterior insula is central to interoception. Interoception is an essential process for maintaining homeostasis, an inherent physiological mechanism of our visceral system to prevent change and restore the status quo (e.g. Craig 2002). Much like being dealt a disadvantageous card when gambling, marketers can be aware that externally induced changes, such as the learning of a new routine (learning effort) or the adaptation of a new routing (necessary change) are perceived as a threat to homeostasis, which mirrors in the activation of the anterior insula and the subjective feeling of pain. The anticipation of pain then serves as a proxy to motivate the corresponding withdrawal behavior and ultimately to deter changes to homeostasis, thus maintaining the status quo, rather than accepting the new product.

To test this assumption, we calculate the partial correlation between activation of the anterior insula and innovation and the participants' adoption behavior while controlling for the participants' age, gender, and income and found a significant negative correlation. This association between anterior insula activity and

innovation adoption behavior is robust and persistent, as a negative correlation also occurs when leaving out the control variables. Moving forward, we checked to see if this finding also holds for the same ROI extracted during the functional innovativeness condition. The analysis revealed an insignificant correlation effect when controlled for age, gender, and income.

Increasing the Odds

Visualization approaches (e.g., cognitive generation, interpretation, and manipulation of hypothetical episodic representations (Zhao, Hoeffler, and Dahl, 2009)) have proven to affect individuals' perception of innovation. In general, innovation adoption literature provides three distinct forms of visualization to steer perception. 1) Memory-focused visualizations lead individuals to re-experience previous scenarios using the new product. This form of visualization represents the cognitive default mode for individuals perceiving new products (Zhao, Hoeffler, and Dahl, 2009). 2) Imagination-focused visualization prompts individuals to "create new, never done before experiences" with the focal product. 3) Contrast-focused visualization activates a problem-solving mechanism motivating for behavioral change by drawing associations between future and current mental representations (e.g. Oettingen & Reininger, 2016). We tested the effectiveness of each visualization approach using a between-subjects design for online experiments by manipulating participants' focus of visualization. Specifically, each participant was introduced to an innovative laptop which was controllable via gestures. Subsequently, they read one of three visualization scenarios before being asked to state their willingness to adopt the laptop. The results show significant differences in the effect of the visualization approach on innovation adoption. Specifically, participants in the contrast-focused condition reported significantly higher adoption compared to the participants under the imagination-focused and memory-focused condition. However, the results did not reveal a significant difference in adoption between the imagination- and memory-focused condition.

A Manager's Gambling Strategy

The findings of this study enable marketers to anticipate consumers' new product perception. From a marketer's standpoint, understanding how consumers perceive product innovations is particularly essential for launching those products, as it provides insights into the underlying precursory cognitive mechanisms of both later adoption and rejection behavior. In a first step, in the case of a successful product launch, marketers might assess whether consumers perceive the new product predominantly as being functionally or behaviourally innovative. Depending on the initial perception, consumers initiate cognitive mechanisms to process product-related information. One finding suggests that the

initial perception of behaviourally innovative characteristics is evaluated negatively, as they are causative for anticipated pain, a bodily response to prevent the cognitive and behavioral efforts of using the new product in the future. In light of our findings, marketers have two strategies for preventing the negative influence on sales. One strategy might be to ensure that predominantly functional characteristics are being perceived as functional innovativeness that unfolds in a generally positive evaluation of the new product. Another strategy relates to framing the new product using visualization approaches. Here our study offers a few reasons to reconsider the current new product marketing approaches. For years, marketers have communicated visualization messages to make their customers experience their latest products. Samsung, for instance, promoted its products, urging customers to “imagine the possibilities.” Similarly, Apple previously delivered the tagline “Imagine” and “Change is in the Air” to motivate their customers to visualize new experiences using their product. Our study indicates that promoting behaviourally innovative products with such slogans does not necessarily trigger increased adoption. In fact, compared to our baseline condition, slogans prompting consumers to subliminally “imagine” their future might not increase adoption behavior. In that light, marketing expenditures in imagination-focused communication campaigns appear questionable. Instead, building on our findings, marketers might consider highlighting differences between past experiences with currently owned products and future experiences with the new product under focus. Relative to our baseline, such a contrast-focused visualization approach has shown to increase the adoption of new products and thus to be a winning card in the gamble of launching brilliant new products.

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Note

This contribution is largely based on my dissertation: Millemann, Jan A. (2018), “Indifference, resistance, and rejection in consumer adoption processes—An empirical analysis of determinants, consequences, and neural correlates,” Doctoral dissertation, Saarbrücken, Saarland University, <https://doi.org/10.22028/D291-27954> supervised by Prof. Dr. Sven Heidenreich and supported by Assoc. Prof. Martin Reimann (University of Arizona) and Dr. Christoph Krick (Saarland University Hospital).

**Making animal
welfare matter**



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Lenka van Riemsdijk is marketing lecturer at the HU University of Applied Sciences Utrecht. In 2019, she obtained her PhD from Wageningen University, studying how marketing strategies can increase consumer acceptance of animal-friendly products. In her current research, she looks at how existing brands can effectively market their sustainable products to different consumer segments. She is also actively involved in international collaborations and research projects, such as a large-scale European research project COBEREN, which analysed consumer behaviour in 30 European countries, and the current set-up of a European Consumer Behaviour Excellence Centre.

3.

Making animal welfare matter¹

LENKA VAN RIEMSDIJK

Abstract

Introducing sustainable products presents companies with a challenge because they tend to be more expensive than regular products. Since the higher price typically isn't fully compensated by higher quality, consumers have to trade off self-interest (lower price) for societal interest (sustainability). This trade-off presents consumers with a social dilemma, which calls for specific marketing strategies that reinforce sustainability with personally relevant benefits. Using the example of free-range meat, we show how marketers can emphasize personally relevant benefits, for example through messages evoking positive feelings. When supported with guarantees of animal welfare claims (such as certified labels), these strategies increase consumer acceptance of animal-friendly products, even for consumers who don't care about animal welfare.

Introduction

Sustainability is a highly debated issue in society. Consumers are more critical about the products they buy than ever, companies introduce sustainable products in a rapid pace and governments push sustainable development through stricter laws and regulations. Despite this common effort, sustainable products don't sell as good as expected². And those brands that do sell well offer much more than "just" sustainability benefits – Ben&Jerry with its socially responsible but above all delicious ice cream, Burt's Bees' sustainably packed but above all high-quality cosmetics or Tesla with its environmentally-friendly but above all

1. This chapter is based on (1) the article "Positioning strategies for animal-friendly products: A social dilemma approach", co-authored with Paul T. M. Ingenbleek, Gerrita van der Veen and Hans C. M. van Trijp, published in 2020 in the Journal of Consumer Affairs, and (2) the author's dissertation "Making animal welfare matter: Positioning animal welfare as personally relevant", published in 2019 by Wageningen University.
2. For example, the total market share for certified sustainable food was only 11% in 2018 (Logatcheva et al., 2018) while more than 60% of Dutch consumers find sustainability important when buying food (B-open; GfK, 2019).

technologically marvelous cars. When voting with their money, consumers clearly aren't that much concerned about sustainability. At the same time, consumers don't refrain from punishing companies using unsustainable or unethical business practices and products (Palihawadana et al., 2016). So, it seems that companies want (and must!) offer sustainable products but they can hardly expect consumers to buy them unless the higher price is compensated by excellent quality or design. Yet we are all well aware that sustainability comes with a price. Whether it's protecting rainforest, paying fair wages or giving animals a better life – it all costs money. As long as there won't be other solutions, such as government subsidies for sustainable products or taxes imposed on unsustainable products, sustainable products will cost more. Therefore, it is crucial to find solutions that help consumers appreciate the higher price of sustainable products.

This chapter presents one of such solutions, based on marketing communication strategies that can make sustainable products more appealing to the buyers. Using the example of free-range meat, we show that marketing animal-friendly products requires a specific approach which emphasizes the “what's in it for me?” of higher animal welfare. This will not only help companies to successfully introduce new products, but it will also help customers to make choices that are more in line with their ethical values, and ultimately benefit the animals and society at large.

Do consumers really care about animal welfare?

Almost all consumers care about animal welfare. 95% of Dutch consumers are concerned about animal welfare and 85% is even willing to pay more for animal-friendly products (European Commission, 2016). Consumer acceptance of animal-friendly products, however, is not in proportion to these numbers – for example, less than 20% of sold beef and poultry meat is with enhanced animal welfare (Logatcheva et al., 2018). Also, consumers seem to react quite unpredictably to new animal friendly product concepts, even if these are innovative in terms of better animal welfare³. If consumers have positive attitudes towards animal welfare, but are still reluctant to (fully) switch to animal-friendly products, it is important to understand why. Both science and business generally agree on the following two reasons:

Trade-off

Even though consumers care about animal welfare, they care more about other benefits such as taste, availability and value for money (de Jonge & van Trijp, 2013). Compared to the regular meat, free-range⁴ meat is not only more expensive, but it is also sold with fewer variations and its availability is often limited to larger supermarkets.

3. Just recently, Hamletz, a certified two-star (free-range) pork, has been discontinued from large supermarkets because of weak sales (van Dooren, 2019), while Kipster, a certified three-star (organic) poultry enjoys boosting sales (van Eeten, 2020). Both brands' marketing strongly focuses on animal welfare and its integration with other sustainability benefits.

Credibility

Consumers question the claims about animal welfare (Nuttavuthisit & Thøgersen, 2017). Since they cannot evaluate animal welfare themselves (because it's not something they can see, taste or feel), they are often skeptical about the claims and don't trust them.

The trade-off and credibility pose unique challenges to marketing free-range meat. For consumers, it means that choosing between an animal-friendly and a regular product is fundamentally different than choosing between two regular products. For marketers, it means that marketing animal welfare requires a different approach than marketing regular products.

Marketing social dilemma

Animal-friendly product choice requires the consumer to trade off self-interest for societal interest. From a theoretical perspective, we call this situation a social dilemma (Messick & Brewer, 1983). In a social dilemma, consumers must give up some personally relevant benefits, such as low price, convenience or quality, for societally relevant benefits such as animal welfare or environmental benefits (Messick & Brewer, 1983). In meat choice, this is the case because consumers must pay a higher price and choose from a limited assortment with higher animal welfare standards if they want to support animal welfare with their choice.

In such a situation, it is natural for most consumers to choose the cheaper regular meat. This is because we are naturally programmed to prioritize self-interest (Griskevicius et al., 2012). Not only is animal welfare something that we do for the others (i.e., animals), but it will show its benefits in the future (i.e., buying free-range meat will not save any animal from suffering now, but it will lead to better living conditions for future animals) and, since the impact of an individual is arguably too small to improve animal welfare, it requires the participation of others. From a psychological perspective, we can say that choosing animal welfare above our own welfare contradicts our instincts.

If consumers experience a social dilemma, in which they prioritize their self-interest, companies could design strategies that reduce the social dilemma. Such strategies could strengthen, or reinforce, the benefits contributing to the collective welfare with benefits contributing to the personal welfare of the buyer, such as taste, good feeling or curiosity (Sheth et al., 1991). We expect that such strategies will be more effective than strategies that merely emphasize the animal welfare and other sustainability benefits.

4. while this chapter uses free-range meat as an example, the proposed solutions are also applicable to other welfare categories, such as barn or organic, as well as to other product categories, such as eggs and dairy.

The effectiveness of strategies emphasizing the “what’s in it for me” will most likely differ for consumers with different attitudes towards sustainability. We expect consumers who claim to be willing to give up some personal welfare for animal/collective welfare, but do not consistently buy sustainable products, to be the most sensitive to such strategies. Seeing that these “green supporters” account for about 48% of the Dutch population (B-open; GfK, 2019), they present an attractive target market for companies introducing animal-friendly products. The other three segments – “green catalysts” (17%), “green indifferenters” (22%) and “rejecters” (14%) (B-open; GfK, 2019) arguably experience no/reduced social dilemma and are therefore less sensitive to the strategies - the first because these consumers are already regular users of sustainable products and sustainability is part of their self-identity (in this sense, sustainability is already reinforced with personally relevant benefits); the other two segments because they don’t care about sustainability (and usually attribute the responsibility for animal welfare/sustainability to others, such as producers or the government).

From idea to evidence

To support the theory with evidence, we conducted three experiments that measured if strategies emphasizing personally relevant benefits increase consumer acceptance of new animal-friendly products (Hypothesis 1) and if the strategies are most effective for “green supporters” (Hypothesis 2). Across two online and one real-life experiment, with representative Dutch shoppers and university students, measuring hypothetical (stated intention to buy) and real (willingness to pay followed with actual purchase) product choice, we tested several strategies, the role of certified label, and difference between consumers (see Table 1 for an overview and chapter 4, 5 and 6 in van Riemsdijk-Kopičárová, 2019 for further details).

Table 1: Overview of the research studies.

Research studies	Method		Sample	Dependent variable	Hypothesis tested
	Design	Conditions			
Online experiment 1	Between-subjects experiment	taste ^a (functional PS), good feeling (emotional PS), social acceptance (social PS), curiosity (epistemic PS), control (no PS)	Shoppers N=575	Buying intention	1,2
Online experiment 2	Between-subjects experiment	positioning ^b (yes PS / no CL), certified (no PS / yes CL), certified positioning (yes PS / yes CL), control (no PS / no CL)	Shoppers N=300	Buying intention	1
Real-life experiment	Within-subjects experimental auctions	positioning ^b (yes PS / no CL), certified (no PS / yes CL), certified positioning (yes PS / yes CL), control (no PS / no CL)	Students N=101	Willingness to pay	1,2

PS = positioning strategy; CL = certified label; ^a all conditions in this study also included certified label;

^b epistemic positioning strategy has been selected

In the first study, we tested several strategies reinforcing animal welfare with different types of personally relevant benefits, namely taste, good feeling, social acceptance and curiosity, which were based on the value theory of Sheth et al. (1991). In the second study, we studied the role of certified label. In the third study, we conducted a real-life experiment at point of purchase. The product used was a 2-star free-range chicken meat, because it was a new product concept at that time. Strategies were operationalized by a short claim on the package (for example “Chicken with a better life, it’s in the taste!”, or “Chicken with a better life, it makes me feel good!”).

Key findings & recommendations

The experimental results, which are summarized in Table 2, provide three key findings which have implications for business and policy makers.

Table 2: Overview of the main results.

Research studies	Relationship	Parameter
Online experiment 1	H1 Functional PS → functional VP	0.22 ^a
	H1 Emotional PS → emotional VP	0.40 ^{a**}
	H1 Social PS → social VP	0.10 ^a
	H1 Epistemic PS → epistemic VP	0.29 ^{a**}
	H1 Functional VP → buying intention	0.58 ^{b****}
	H1 Emotional VP → buying intention	1.14 ^{b****}
	H1 Social VP → buying intention	0.06 ^b
	H1 Epistemic VP → buying intention	0.26 ^{b*}
H2 Motivational orientation ^f * total VP → buying intention	-0.61 ^{b****}	
Online experiment 2	H1 Positioning strategy → individualistic VP ^a	0.08 ^a
	Certified label → ethical VP ^b	0.15 ^a
	H1 Positioning strategy * certified label → individualistic VP	0.57 ^{a***}
	H1 Positioning strategy * certified label → ethical VP	0.60 ^{a****}
	H1 Positioning strategy * certified label → individualistic VP → buying intention	0.10 ^{c**}
H1 Positioning strategy * certified label → ethical VP → buying intention	-0.02 ^c	
Real-life experiment	H1 Positioning strategy → WTP	0.57 ^{d****}
	Certified label → WTP	0.33 ^{d****}
	H1 Positioning strategy * certified label → WTP	0.00 ^d
H2 Ambivalence ⁱ * total VP → WTP	-0.19 ^{a**}	

PS = positioning strategy; VP = value perceptions; WTP = willingness to pay

*p < .10, **p < .05, ***p < .01, ****p < .001

^a F-statistics calculated with MANOVA; ^b Wald statistics calculated with logistic regression; ^c b calculated with Sobel test; ^d F-statistics calculated with repeated-measures ANOVA; ^e b calculated with simple linear regression

^f measures the extent to which one prioritizes personally relevant benefits over sustainability benefits;

^g includes diverse personally relevant benefits; ^h includes diverse sustainability benefits; ⁱ measures the extent to which one has positive as well as negative feelings towards eating meat

Emphasize the “what’s in it for me”

In line with the expectations, our findings show that marketing strategies can increase consumer acceptance of animal-friendly products if they position animal welfare as personally relevant. Specifically, we saw that consumers are more likely to choose free-range meat over regular meat when the claims invoke a good feeling or provoke curiosity (compared to the “animal welfare strategy” which merely emphasized animal welfare). Even though not all tested strategies were significantly better than “animal welfare strategy” in our studies, the overall findings support the theory that product choice is largely driven by perceived personally relevant benefits (i.e., perceived tastiness, good feeling about the product or how interesting the product is). This confirms that as long as marketers can make the product appealing to self-interest, it will perform much better than if the product appeals to ethics.

Emphasizing the “what’s in it for me” seems to be an effective way to increase consumer acceptance of animal-friendly products. Kipster’s success recipe may thus be in naming their products “Delicious (taste) Dutch (social belonging) meatballs”, combined with the catch phrase “very special (quality), very responsible (sustainability), very tasty (taste).” Other good examples of linking animal welfare to personally relevant benefits are traceable meat products (curiosity), or products using idyllic rural images (good feeling).

Provide guarantees

Trustworthiness of the animal welfare claims is a precondition to the effectiveness of the marketing strategies. Our experiments show that the safe way is using a third-party guarantee, such as certified label. Only when consumers could be sure that the claims were true⁶, we saw increase in consumer acceptance of free-range meat when positioned as personally relevant. This means that relying on the reputation of the seller may work, but it’s tricky – we have seen it when Albert Heijn introduced its “chicken of tomorrow”. While the product claimed to be more animal-friendly (and in fact, it was – compared to the meat they sold before), this claim has neither been supported by any certified label, nor endorsed by an authority. It didn’t take long for animal protection organization Wakker Dier to attack Albert Heijn for misleading claims, damaging its reputation as a sustainable retailer. Kipster has taken a safer route, seeking collaboration with ‘Wakker Dier’, which advocates Kipster having “the most animal-, environmental- and human-friendly farm for laying hen in the world”.

5. Specifically, strategy emphasizing tastiness, which may have needed stronger stimulus (e.g., a picture or colored foil that would make the meat look tastier) or an opportunity to taste the product; and social acceptance strategy, which may have needed repeated exposure to change the social norm.
6. In the online experiments, certified label was necessary. In the real-life experiment, certified label was not necessary (but still beneficial), presumably because the personal contact and involvement of real money served as a guarantee that the product claims were true.

Reconsider your target customer

Contrary to our expectations, the “green supporters” were less sensitive to the positioning strategies than other consumers, which has several implications for businesses and policy makers.

First and foremost, consumers who don’t care about animal welfare (“green indifferents”) are willing to switch to more animal-friendly meat if it appeals to their egoistic motives (despite the price). We saw that even though these consumers claim that they wouldn’t buy a product *because* of its higher animal welfare, they do buy product *with* higher animal welfare, if they see how animal welfare contributes to their own welfare (e.g., by being tastier or by invoking a good feeling). This means that this target group is presumably less price sensitive than generally believed and that positioning strategies offer a powerful tool for the companies to attract this target group.

Second, consumers who have conflicting feelings about eating meat (“green supporters”) are difficult to steer with the marketing strategies, because their attitudes towards the product are not a good predictor of their purchase (see also Sparks et al., 2001). Conflicting feelings may actually be strengthened by awareness campaigns encouraging consumers to eat less meat, such as the recent “There’s more than meat” campaign launched by The Netherlands Nutrition Centre. While certainly useful in helping consumers to adopt healthier diets, they may also discourage consumers from switching from regular to more animal-friendly meat. Taking this side effect into account, it may help to fine-tune the future campaigns to encourage consumers that, if they choose to eat meat, buying more animal-friendly meat is a better choice.

Finally, we saw that “green catalysts” were willing to switch to free-range meat if positioned as personally relevant. This may be undesirable as this group is targeted with the most sustainable/animal friendly product (typically three-star/organic). Before introducing new products, marketers should test the effects on the sales of existing assortment to prevent cannibalization on higher-end products.

Conclusion

While introducing new products always is a challenge, it is even more so in the case of sustainable products that present consumers with a social dilemma. This chapter calls for novel marketing strategies that help reduce the social dilemma by reinforcing sustainability with personally relevant benefits. It shows that strategies emphasizing the “what’s in it for me” supported with guarantees of claims about sustainability are a promising way to marketing sustainable products and that such strategies may even drive consumers who don’t care about sustainability towards more sustainable choices.

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Tot slot

Tot slot

De artikelen in dit boek geven diverse inzichten in de manier waarop je de kans op het succes van nieuwe producten kunt vergroten. Er zijn echter ook weer nieuwe ontwikkelingen, zoals de beschikbaarheid van nieuwe technologieën die kunnen helpen bij het lanceren van nieuwe producten en de lancering van steeds meer duurzame producten, die ook weer vragen om nieuwe inzichten. De verschillende praktische aanbevelingen die de auteurs hebben gegeven in hun artikelen worden hieronder nog een keer puntsgewijs samengevat. Daarnaast hebben de auteurs ook diverse aanbevelingen gedaan voor toekomst (wetenschappelijk) onderzoek, welke hieronder ook zullen worden toegelicht.

Praktische aanbevelingen

Samengevat geven de drie papers op twee gebieden van de marketing van innovaties concrete, praktische aanbevelingen. Hieronder zullen deze aanbevelingen worden samengevat.

De rol van consumenten- en marktinzichten bij het ontwikkelen en lanceren van nieuwe producten

Stefan Stremersch en **co-auteurs** geven een viertal zeer concrete aanbevelingen ten aanzien van de rol van consumenten- en marktinzichten.

- #1** Bedrijven moeten al in een zeer vroeg stadium van productontwikkeling inzichten in de consument en in de markt zien te verkrijgen en als feedback teruggeven aan het proces. Dit is al belangrijk vanaf de ideeën-generatie fase.
- #2** Investeer meer in het ‘agile’ verzamelen van consumenten- en marktinzichten. Dat wil zeggen dat men het beste snelle ontwikkel-meet-leer iteraties kan invoeren in het productontwikkelingsproces.
- #3** Zorg voor een betere integratie van de consumenten- en marktvalidering met de technologische validering. Het ene kan niet zonder het andere.
- #4** Het is belangrijk om voortdurend constructieve kritieken aan innovatieteams te geven, in verschillende fases van het innovatie-ontwikkelingsproces.

Het positioneren en communiceren van nieuwe producten

Jan Andre Millemann heeft twee concrete aanbevelingen, gebaseerd op onderzoek naar de acceptatie van een high-tech product:

- #5 Benadruk de nieuwe functionele eigenschappen in een nieuw product ten opzichte van bestaande alternatieven, aangezien functionele innovativiteit leidt tot een positievere evaluatie van het nieuwe product en een grotere intentie om het product te adopteren.
- #6 Zorg ervoor dat consumenten zich de verschillen tussen eerdere ervaringen met bestaande producten en te verwachten toekomstige ervaringen met nieuwe producten proberen voor te stellen. Zo'n zogenaamde contrast-gerichte visualiseringsbenadering blijkt te leiden tot een grotere kans op adoptie van het nieuwe product.

Voor het vergroten van de kans op acceptatie van diervriendelijke producten, geeft **Lenka van Riemsdijk** de volgende suggesties:

- #7 Benadruk “what’s in it” voor de consument zelf. Een nieuw product alleen positioneren als diervriendelijk is niet genoeg. Geef duidelijk aan wat de consument ermee wint als hij/zij zo’n duurzaam product gaat gebruiken, zoals bijvoorbeeld sociale verbondenheid, hoge kwaliteit, goede smaak, etc.
- #8 Zorg ervoor dat de claim “diervriendelijk product” geloofwaardig overkomt en dus vertrouwd wordt. Dit kan bijvoorbeeld worden gerealiseerd door certificering van dit soort producten en / of door samenwerking met organisaties gericht op dierenwelzijn. Zo heeft Kipster nadrukkelijk de samenwerking gezocht met “Wakker Dier.”

Toekomstig onderzoek

Het belang van consumenteninzichten vroeg in het productontwikkelingsproces

Stefan Stremersch en zijn co-auteurs pleiten in hun artikel voor een vroege validering van het nieuwe product in de markt, om zodoende het falen van nieuwe producten, dat veelal zeer kostbaar is, te voorkomen. Ze kijken daarbij naar drie kritische factoren: de marktomvang, welk consumentenprobleem lost het nieuwe product op en hoe kun je de markt het beste bewerken. Uit dit artikel vloeien een aantal interessante vragen voort voor vervolgonderzoek:

- Hoe kunnen kwalitatieve en kwantitatieve methoden het best geïntegreerd worden in het proces van vroege marktvalidering van het nieuwe product? En welke ‘analytics’ zijn nodig? Het gaat er hierbij om op welk moment van het productontwikkelingsproces welke methode de beste inzichten geeft en hoe de inzichten uit zowel kwalitatieve als kwantitatieve methoden samen tot een goed oordeel kunnen leiden.

- In het artikel gaan Stremersch e.a. in op de rol van ‘moderator feedback’ aan innovatieteams. Vervolgonderzoek zou kunnen aantonen hoe bedrijven deze ‘moderator feedback’ het beste vorm kan worden gegeven. Interessante vragen zijn bijvoorbeeld:
 - Hoe belangrijk is diversiteit van de ‘moderators’?
 - Hoe belangrijk zijn verschillende vormen van ‘moderator feedback’ (bijv. analytisch versus intuïtief; uitdagend versus meer algemene begeleiding).
- Meer algemeen gesteld is ook de vraag welke ‘success metrics’ en ‘key performance indicators’ het beste de potentie van een innovatie kunnen meten over de verschillende fases van de levenscyclus van de innovatie.

Toenemende aandacht voor duurzaamheid en gezondheid

In de maatschappij en het bedrijfsleven is er groeiende aandacht voor, onder andere, duurzaamheid en gezondheid. Zo zijn en worden er allerlei nieuwe, duurzame producten, zoals elektrische auto’s, gereviseerde goederen en vleesvervangers op de markt gebracht. Ofschoon consumenten een positieve houding tonen tegenover dit soort purpose-driven nieuwe goederen, is het percentage consumenten dat dergelijke goederen ook daadwerkelijk koopt nog laag. Een vergelijkbare situatie zien we bij de mobiele gezondheidsapps. Aan de ene kant is er een groeiende vraag naar dit soort apps, maar tegelijkertijd hebben veel mHealth app ontwikkelaars moeite om winst te maken, als gevolg van een relatief laag volume downloads. Er is meer onderzoek nodig om deze paradoxen op te lossen. **Lenka van Riemsdijk** oppert een aantal interessante onderzoeksvragen op dit gebied:

- Wat is de rol van andere stakeholders dan consumenten in het faciliteren van de adoptie van nieuwe, duurzame producten? Hoe en wanneer kunnen NGOs en media het beste worden betrokken bij dit proces?
- Hoe zal de markt voor diervriendelijk vlees worden beïnvloed als gevolg van de introductie van sterk op vlees lijkende vleesvervangers (Vegetarische Slager), in een lab gekweekt vlees of andere alternatieve bronnen voor proteïne, zoals insecten. Is het benadrukken van dierenwelzijn wel een levensvatbare strategie voor deze nieuwe producten?
- Hoe kan er een voorkeursverandering bij consumenten teweeggebracht worden? Helpt het als je nieuwe producten positioneert met een focus op persoonlijk, relevante voordelen en leidt dit ook tot het gebruik van nieuwe, duurzame producten in andere productcategorieën? Met andere woorden, vindt er een spillover effect plaats?

De opkomst en mogelijkheden van nieuwe technologieën

Jan Andre Millemann is een van de eersten, zo niet de eerste wetenschapper, die het gebruik van fMRI data koppelt aan het verklaren van de intentie van consumenten om een nieuw product te gaan gebruiken. Fysiologisch ‘response tracking’ methodes (EEG, fMRI, TMS, etc.) geven onderzoekers de mogelijkheid om onze huidige inzichten in hoe consumenten nieuwe producten en diensten evalueren en gebruiken te complementeren en uit te breiden. Conventionele onderzoeksmethoden, zoals surveys, focus groepen en interviews leunen op weloverwogen antwoorden van consumenten, die gevoelig zijn voor contextuele en psychologische invloeden (bijv. de sociale wenselijkheid van de antwoorden). Methodes zoals fMRI zijn gebaseerd op fysiologische reacties die meer spontaan en minder weloverwogen plaatsvinden. Jan stelt twee specifieke mogelijkheden voor toekomstig onderzoek voor:

- Eén mogelijkheid is om eerdere innovatiestudies te repliceren. De resultaten kunnen enerzijds bevestiging vinden van eerdere uitkomsten, maar ze kunnen de eerdere uitkomsten ook complementeren met nieuwe inzichten.
- Een andere mogelijkheid die fMRI onderzoeken bieden is licht te laten schijnen op de ‘black box’ van de consumenten. In geval van fMRI technologie kunnen onderzoekers meer inzicht krijgen in de processen achter de consumentenbeslissingen ten aanzien van nieuwe producten. Zo kan men meer inzicht krijgen in welke mechanismes (bijv. trade-offs, emoties, etc.) leiden van perceptie tot gedrag. fMRI technologie kan wetenschappers en managers helpen om de lancering van nieuwe producten te verbeteren. De nieuwe inzichten kunnen helpen bij het gericht benaderen van de juiste doelgroepen.

Overige nieuwe ontwikkelingen en potentiële onderzoeksvelden

Naast de introductie van fMRI als nieuwe techniek om data te verzamelen over adoptie-intenties van consumenten, wordt ook Artificial Intelligence (AI) steeds meer toegepast bij het ontwikkelen van nieuwe producten. Zo wordt AI, onder andere, al gebruikt voor het ontdekken en ontwikkelen van geneesmiddelen, maar ook door ondernemingen die verpakte consumptiegoederen verkopen. AI kunnen deze ondernemingen helpen te beslissen welke nieuwe productconcepten het best aansluiten bij de beoogde doelgroepen en derhalve interessant zijn om verder te ontwikkelen. Onderzoek naar de rol en de effectiviteit van AI bij het ontwikkelen en lanceren van nieuwe producten staat nog in de kinderschoenen. Tot slot zijn er ook steeds meer bedrijven die augmented reality (AR) en virtual reality (VR) gebruiken tijdens het ontwikkelen van en bij de lancering van nieuwe producten. Zo heeft Toyota gebruik gemaakt van AR tijdens de lancering van het nieuwe C-HR hybride model, terwijl Jaguar de I-pace geheel virtueel gelanceerd heeft door de auto gedurende een persconferentie 25 minuten lang in VR te tonen. Alhoewel er al enkele onderzoeken zijn die aantonen dat een VR-campagne voor een nieuw product tot betere consumentenrespons leidt dan bijvoorbeeld een 2D advertentie, is er nog meer toekomstig onderzoek nodig om aan te tonen onder welke condities en met welke boodschap VR inderdaad kan helpen om een product zo goed mogelijk te lanceren.

Redacteur



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