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(71) Applicant *(for all designated States except US)*: **REAL WORLD MARKETING PTY LTD** [AU/AU]; 80 Waterloo Road, North Ryde, NSW 2113 (AU).

(72) Inventors; and

(75) Inventors/Applicants *(for US only)*: **JACKSON, Roger** [GB/AU]; 80 Waterloo Road, North Ryde, NSW 2113 (AU). **FORD, Simon** [GB/AU]; 80 Waterloo Road, North Ryde, NSW 2113 (AU).

(74) Agent: **WATERMARK PATENT & TRADE MARK ATTORNEYS**; 302 Burwood Road, Hawthorn, VIC 3122 (AU).

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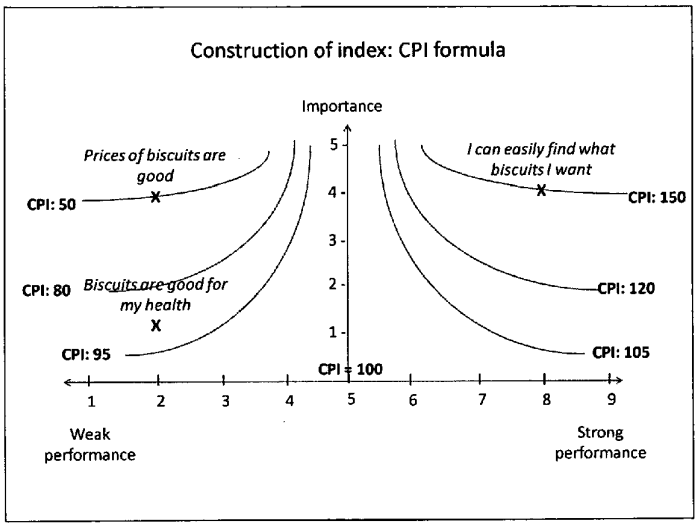
(54) **Title:** METHOD OF PERFORMING MARKET RESEARCH

Figure 3.



(57) **Abstract:** The invention provides a methodology for collecting and analysing market data which facilitates the analysis of performance of a whole category of products (goods or services) against the collective requirements of the relevant target market.

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METHOD OF PERFORMING MARKET RESEARCH

FIELD OF THE INVENTION

The invention relates to the field of commercial market research, where data is obtained by interrogation of consumers of products and the data is analysed to provide insights into the selection by consumers of competing products. In particular, the invention relates to a method by which objective analysis can be made of the performance of a category of goods in meeting different consumer needs or wants. Objective comparison can also be made between the performance of different goods categories in relation to consumer needs or wants.

BACKGROUND OF THE INVENTION

In the discussion which follows, reference is made to 'categories' of goods and services. This refers to all of the offered products within a given market which are of a similar type or meet a similar need of the consumer. For example, a broad category in commercial food products might be 'snack foods'. This category might be divided into individual categories, such as 'potato chips'. Each category is made up of all of the individual brand offering or SKU (stock-keeping unit).

Categories may be arbitrarily chosen or composed, depending on the objective of the market researcher's study or analysis.

Increasingly, brand marketers seek growth by pursuing a category growth agenda, as distinct from increasing the market share of their particular brand within the category. Alongside this, long term brand success is thought to come from consistent re-alignment with evolving consumer and shopper needs. By understanding these evolving needs states within the category, and adjacent categories, the brand can lead the category into new growth territory.

This is often the case with brand leaders in their category or category niche, that recognise aggressive sales targets can best be met by extending their brands into extended or new category areas. Examples of this would be extending a "sports" drink brand into a wider "refreshment" category, or an "air freshener" brand into "household care", through new product offerings or positioning.

The understanding of consumer/consumption needs is clearly critical in defining the needs and opportunities for brand and category growth. However, shopper needs are just as important, and tend to have more than just tactical relevance.

First, shoppers will have needs that are relevant to purchase at point of sale that sit outside, or have different weights to, consumer needs. These might include the shopper's shopping budget constraints or family health needs.

Second, a great brand will not only "reactively" meet consumer and shopper needs well at fixture, but will also "proactively" highlight latent needs to drive purchase. For example, a pepper sauce condiment next to the fresh steaks may remind some shoppers, may encourage trial amongst others. In this sense, understanding the shopper is as critical to category and brand growth as understanding the consumer.

Thirdly, the category and shopper agenda is also that of the retailer. An insight approach based on this will encourage greater collaboration and increase the likelihood of the adoption of the marketer's strategies by the retailer.

However, what is presently lacking in the field is a tool for analysis of categories which would allow the marketer of brands within the category to assess the category as a whole and to identify where the opportunities lay for driving category growth within the constraints of marketing a single brand in that category.

Accordingly it is an object of the present invention to provide such a tool for use by marketers and market researchers which assists in the analysis of category performance and which assists in identifying opportunities for brand marketers to drive category growth through their individual brand.

SUMMARY OF THE INVENTION

According to a first aspect of the invention, there is provided a method of collecting and analysing market research data, said method including the steps of:

defining one or more categories of products (goods or services), wherein the individual products which make up each of said categories share substantially similar characteristics;

defining a set of consumer wants and/or needs which the consumer may identify as being met to a greater or lesser extent by the products comprising said categories;

identifying and interrogating a sample population of persons who are shoppers for products within said categories;

obtaining from said persons a quantitative rating of the performance of said products comprising said categories in meeting said wants and/or needs;

obtaining from said persons a quantitative rating of the relative importance of said defined wants and/or needs to their decision to purchase individual products comprising said category; and

using the combined quantitative ratings provided above to calculate an importance-weighted index of the performance of each category in meeting each said consumer want and/or need.

Preferably, the above methodology is repeated for all known categories of products in a given market. This allows for objective comparison of performance between different categories.

One particular advantage of the inventive method is that questions are asked in relation to a category as a whole, as opposed to individual products comprising the category. This allows category performance to be measured directly, rather than derived from assumptions made about responses to questions about individual brands or offerings.

A key advantage of the inventive method is the incorporation of a rating of the relative importance of individual consumer wants/needs in driving purchase decisions. This provides the invaluable insight of which product attributes are more likely to lead to an improvement in relative brand offering or category performance, thereby warranting prioritised investment.

The above method allows the assessment of the relative perceived performance of a given category as a whole when compared with different categories of products which also purports to meet the same or similar wants or needs. This may additionally provide a basis for answering an enquiry as to which aspects of an individual brand within that category might be improved or promoted to meet any perceived lack of performance in the category as a whole.

Understanding consumer and shopper needs within the category is therefore important, but it is not enough to understand existing category needs alone – sometimes the insight lies in competing categories and needs that sit outside of the current category definition.

A category-based analysis agenda is also more relevant to the retailer than simply a brand-based analysis agenda in isolation. By pursuing a category strategy and positioning their brands as the drivers of this, manufacturers find a common agenda with the retailer, increasing the likelihood of them adopting, accepting and supporting their brand strategies leading to better results with lower investment.

By analysing their category in context of the total store (i.e. all categories), the manufacturer is able to drive the retailer agenda, recognising the role that their category plays in driving strategic retailer objectives.

Preferably, a numerical value is derived from the consumer response data which allows for a direct quantitative comparison between brand and category performance. Most preferably, said numerical value is defined as follows:

said rating of the performance of said products is provided as a numerical value (A);

said rating of the importance of said defined wants and/or needs is provided as a numerical value (B); and

wherein said index is calculated as follows:

Index = 100 + ((The mean of A for all respondents for a particular consumer need/want) – (The mean of A for all respondents for all consumer needs/wants))

x ((Mean of B for all respondents for a particular consumer need/want)/ (Mean of B for all respondents for all consumer needs/wants))^2

Preferably, an arbitrary weighting factor (W) can be applied to the data to ensure the range of index outcomes for a given study are stretched as much as possible within a range of 0 - 200, around a mean of 100.

In general in business, what gets measured gets addressed. Conversely, qualitative understanding alone often fails to impact sufficiently on strategic scorecards. The existence of benchmarking and tracking key performance

indicators becomes a tool to drive management focus on key success factors and ensure ongoing application.

The invention seeks to provide this. Currently, measures of category success are limited. Most are qualitative in methodology and those that are quantitative are restricted to a limited number of categories and/ or a limited number of measures of category success because the costs preclude a more in depth/ broad category analysis.

The invention seeks to provide a shopper measure of all categories on all the critical success factors, for each retailer. As an objective 3rd party benchmark, it is a cost effective option for companies to understand the shopper needs within each of their categories on the measures that define the success of those categories.

Preferably, said persons are also asked to provide a quantitative indication of their purchase rate of said products in said category, and this response may also be used in the calculation of the index.

Preferably, other questions are asked of said consumers which allow identification of other aspects of their behaviour as shoppers/consumers, including questions related to their preferred shopping venue; their income; their price sensitivity; their geographic location; other behavioural factors which affect their shopping behaviour.

Advantageously, a number of individually defined consumer needs and/or wants are defined as macro-attributes, and the data obtained from consumers in relation to each of said consumer needs and/or wants are collectively analysed to determine the relative performance of said macro-attribute.

Preferably, each said macro-attribute is defined so as to be aligned with one of three 'category drivers', said category drivers being defined as:

Category Role;

Shopper Need Alignment; and

Application Effectiveness;

wherein Category Role relates to the primary consumer desire which leads to the existence of the category of products; Shopper Need Alignment is the level of success achieved by the products in the category in meeting the Category

Role; and Application Effectiveness relates to success in delivering Category Role and Shopper Need Alignment at fixture in the retail store environment.

The method of any preceding claim, further wherein each step of the method is repeated at regular time intervals, in order to provide an indication of the trend of relative category performance over time.

Now will be described, by way of a specific, non-limiting example, a preferred embodiment of the invention.

DETAILED DESCRIPTION OF A PREFERRED EMBODIMENT

The invention provides a methodology for collecting and analysing market data which facilitates the analysis of performance of a category of products (goods or services) against the collective requirements of the relevant target market.

The basis of the methodology is:

recruitment of members of the marketplace;

interrogation of said members with regard to attributes or 'images' with regard to the category, as well as other profiling data;

analysis of the data collected by interrogation;

formulation of conclusions regarding perception of market categories from said analysis, which can be expressed as the Category Performance Index ('CPI').

In general terms, the methodology proceeds as follows:

A sample (preferably at least 100) of recent shoppers of goods from each category to be studied, and from each specific store or retail channel, are recruited; with weighting to mimic e.g. national proportions. They should preferably have shopped the category in the last few days in that store to ensure recency. They are invited to take part in a web interview, incentivised accordingly.

(Each category is preferably measured every 6-12 months, on a continuous rolling basis, to build a tracking programme over time.)

Questions relating to category image, and impressions of the category's performance in meeting the consumer's needs, as well as to shopper behaviour, are asked. It will be appreciated by those skilled in the art that prior art methodologies that seek to measure category metrics tend to focus on consumer

behaviour rather than image perceptions. The only quantitative image or perception measures that currently exist tend to be specifically brand focussed, and have not been directed toward category performance.

The structure of the questions reflects the inventive advance represented by the methodology:

- The consumers are asked about their behaviour and perceptions of the store they shopped in and the category from which they purchased goods; and
- The consumers are asked to rate both the performance and the importance of factors that are identified by the skilled person to contribute to the success of the category.

The model is preferably built from about 60 - 70 image statements that together represent the critical success factors for any category. Thos skilled in the art will readily be able to formulate a suitable list of image statements. The image statement will typically be a rhetorical proposition, to which the consumer will be able to express a degree of agreement or disagreement, based on their experience of shopping for goods in that category.

Each image statement contributes to a defined set of macro-attributes (e.g. shopping traffic; price; innovation etc). Each macro-attribute contributes to one of three defined drivers of the Category: Category Role, Shopper Need Alignment and Application Effectiveness. Finally, these three drivers form the basis for assessing overall Category performance.

These are all assessed in a single source shopper survey by category. They can be compared at individual image level as well as amalgamated to compare at category level. At each level, comparisons can be made against every category in every retailer in every country, given standardised methodologies across different national or regional markets.

An index is generated, via calculations exemplified below, that represents the effectiveness of the category in delivering on Shopper needs and expressed as the Category Performance Index™ (CPI)

The CPI measures category performance, with an inherent weighting toward those attributes that are accorded greater importance by consumers. This means marketing decisions based on the CPI tends to be a more accurate

reflection of where to profitably apply marketing resources versus the prior art approach.

The performance and importance factors that contribute to the CPI are made with reference to their difference from their regional averages (e.g. performance for an image statement versus performance of all image statements across all categories in that region). This difference, as opposed to an absolute score, overcomes any research effects or bias by country or region as the technique removes the bias from the equation, thereby enabling meaningful CPI reporting and benchmark comparison across countries or region.

The CPI can therefore accurately reflect how well the category delivers on the attributes that matter most to shoppers. This will be directly comparable to every category on every measure, in each retailer, in each region covered.

As time series data is collected, the CPI may be weighted with financial sales data from the category. By re-working the weighting on the CPI to better reflect the correlation with financial metrics, a CPI can be built that is closely correlated with financial reality in the given market. The CPI can then be used to form a lead measure of category success, correlating to future financial performance in the category

Shopper perceptions will therefore be correlated, through the CPI, with sales, margin and other metrics. This allows validation of opportunities centred on shopper needs with specific financial implications in specific time frames.

The operation of the methodology may best be understood with reference to an example, as follows.

EXAMPLE 1 – PERFORMANCE OF THE 'BISCUIT' CATEGORY

The following example considers just one category of consumer goods: "Biscuits", which are baked sweet goods sold primarily via supermarkets.

A number of purchasers/consumers of biscuits, typically at least 200, are recruited via methods well-known in the art. The recruited consumers are asked to respond to a number of category image statements with respect to the Biscuits category. The statements are:

- Image 1: "I can easily find the biscuits I want"
- Image 2: "Prices of biscuits are good"
- Image 3 : "Biscuits are good for my health"

The respondents were asked to rate the performance of the Biscuits category as a whole in meeting each image statement on a scale of 1-9, where a higher number rating reflects a stronger performance. Similarly, each respondent is asked to rate the relative importance of each image statement to them in determining purchase intent of products making up the Biscuits category on a scale of 1-5, where a higher number rating reflects greater importance.

An average rating is obtained, which is reflected in table 1 below.

Table 1.

Image Statement	Performance (1 - 9)	Importance (1 - 5)
"I can easily find the biscuits I want"	8	4
"Prices of biscuits are good"	2	4
"Biscuits are good for my health"	2	1

In some cases, the response to the image statement may not be directly elicited, but may be derived from a correlation with overall satisfaction ratings. Nevertheless, the principles of building the index would be the same.

The example results above show the need to measure performance: the biscuit category clearly has a fixture that shoppers find easy to navigate (performance rating 8 out of 9), but prices and health associations perform poorly (performance rating 2 out of 9 for both). If this was all that was measured, the biscuit company seeking both to lure more customers to biscuits as a category, as well as looking to improve its market share, may well be inclined to invest equally in both improving prices and in improving the health image of its biscuits.

However, the example also demonstrates the need to measure the importance of given attributes as well. Prices are deemed more important to positive consumer response (with an index of 4) than health (index of 1), which suggests investment should be weighted towards improving price, as opposed to health image.

This is depicted in figure 1, where performance (x axis) and importance (y axis) is plotted for each image:

The CPI is a function of these two key variables (category performance and image importance) and represents, in one number, where investment prioritisation should lie. The variables are put through the following formula, to give the CPI for each image:

CPI = 100 + ((Difference between the Actual Performance Score for the image statement and the Average Performance score for the entire study on the category)

x (Ratio of the Importance score for the image statement to the Average of the Importance scores for the entire study on the category)^2)

x W

Where W = 6.

These are summarised for each image in table 2 below:

Table 2.

Image statement	Performance (1 - 9)	Importance (1 - 5)	CPI
"I can easily find what biscuits I want"	8	4	150
"Prices of biscuits are good"	2	4	50
"Biscuits are good for my health"	2	1	90

A score below 100 reflects a below average performance, a score above 100 reflects an above average performance. These are then weighted on

importance: the higher the importance attributed to the statement, the more extreme the over- or under- performance.

For example, in this case, as the Biscuit category performs equally poorly in the "Price" and "Health" image statements (both rating of 2 out of 9), we would expect them to be below a score of 100. "Price" however is more important to the consumer, (rating of 4 out of 5) and so the category's poor performance in this area tends to push the CPI further below 100. For this reason, "Price" has a CPI of 50, whereas "Health" has a CPI of 90, reflecting greater urgency for investment in this area than in biscuit health image. This is summarised in figure 2.

In sum, the CPI reflects the performance of the Biscuit category for each image statement, weighted on the importance of that image. Every plot on the chart in figure 2 represents a CPI: the shape of which is reflected in the chart in figure 3. Each curved line represents a unique CPI. Only three above-average performance lines are drawn (CPI = 150, 120, 105) and only three below-average performance lines are drawn (CPI = 50, 80, 95). In reality, there are many lines that reflect the full spectrum from 0 to 200.

Note also the shape of the curves in figure 3: there is an inherent bias in the formula that gives greater weight to the relative importance of a given image, as opposed to the relative performance of the category with respect to that image.

This is based on the assumption that if any given image is particularly important, even a slight under-performance of the category will be critical, so the CPI will be below 100, and typically quite low (e.g. 20). Conversely, if an image is badly underperforming, but is not as important to the consumer, the CPI will also be below 100, but not by as much (e.g. 90).

Categories are then compared with a number of benchmarks to identify areas of strength and weakness as well as important, yet unmet, consumer needs

The benchmarks include, but are not limited to, the overall performance of competing categories (e.g. biscuits may compete with chocolate); the relevant macro-categories (e.g. biscuits' macro-category would be all the 'snacking' categories); or all categories for which data is available.

The analysis enables lowest level comparison with benchmarks (i.e. each image statement) as well as an amalgamated measure for broader comparisons

(e.g. comparing one category versus another, or a macro-category in retailer A versus that macro-category in retailer B), as illustrated in figure 4.

One of the key advantages of the CPI methodology is that it allows the comparison of category performance across a number of different categories, sub-categories, macro-categories or other components of the market. For example, the respondents may be interrogated on a number of personal or characteristics, in order to create a number of sub-profiles, against which the performance of the category can be measured.

For example, the respondents can be interrogated on their price sensitivity, allowing subdivision (provided there are sufficient numbers of respondents) of the respondents into two or more sub-groups. The ratings of the Biscuit category performance amongst members of each sub-group can then be compared.

As an illustration of this, figure 5 shows the relative performance of the Biscuit category against other competing categories in the 'perception of premium' image. In the column to the left, it is apparent that the category is underperforming most significantly amongst consumers termed 'Life's too short' and 'Time poor routine'. This may identify an opportunity to better market biscuits to consumers who are busy, rushed, time poor. This leads to a better allocation of resources to that opportunity than investment in across-the-board advertising.

Shoppers may also be asked about the brands they shop in the particular category. This enables the examination of any link between category strength/ weakness and brand strength/ weakness – the contribution of each brand to category success is quantified. This enables an analysis of which brand should lead the category for each category strategy.

Prior art methodologies have only enabled single category analysis and not sought, or been able, to benchmark in this way across perception based metrics.

A preferred embodiment of the invention involves CPI studies being carried out across all categories and sub-categories in the retail channel, illustrated in part by the hierarchy shown in figure 6. This would provide a unique perspective for retailer strategy.

Shoppers are preferably recruited on-line. On-line recruiting enables a greater depth of questioning about each category (e.g. it is practical to pose a 25

minute on-line questionnaire, versus a likely 5 to 10 minute maximum interview in-store). It also removes practical difficulties associated with particular retailers or channels (e.g. in-store methodologies require the permission of each retailer).

It will be apparent to those of skill in the art that the above example is merely one way in which the invention might be applied to the field of marketing and market research. Other embodiments may readily be understood which, while different in detail, remain within the spirit and scope of the invention.

CLAIMS:

1. A method of collecting and analysing market research data, said method including the steps of:

defining one or more categories of products, wherein the individual products which make up each of said categories share substantially similar characteristics;

defining a set of consumer wants and/or needs which the consumer may identify as being met to a greater or lesser extent by the products comprising said categories;

identifying and interrogating a sample population of persons who are consumers of products within said categories;

obtaining from said persons a quantitative rating of the performance of said products comprising said categories in meeting said wants and/or needs;

obtaining from said persons a quantitative rating of the importance of said defined wants and/or needs to their decision to purchase individual products comprising said category; and

using the combined quantitative ratings provided above to calculate an importance-weighted index of the performance of each category in meeting each said consumer want and/or need.

2. A method of assessing the relative performance of a category of products in a market place in meeting consumer needs and/or wants, said method including the steps of:

defining one or more categories of products, wherein the individual products which make up each of said categories share substantially similar characteristics;

defining a set of consumer wants and/or needs which the consumer may identify as being met to a greater or lesser extent by the products comprising said categories;

identifying and interrogating a sample population of persons who are consumers of products within said categories;

obtaining from said persons a quantitative rating of the performance of said products comprising said categories in meeting said wants and/or needs;

obtaining from said persons a quantitative rating of the importance of said defined wants and/or needs to their decision to purchase individual products comprising said category; and

using the combined quantitative ratings provided above to calculate an importance-weighted index of the performance of each category in meeting each said consumer want and/or need.

3. The method of claim 1 or claim 2 wherein:

said rating of the performance of said products is provided as a numerical value (A);

said rating of the importance of said defined wants and/or needs is provided as a numerical value (B); and

wherein said index is calculated as follows:

Index = 100 + ((The mean of A for all respondents for a particular consumer need/want) – (The mean of A for all respondents for all consumer needs/wants))

x ((Mean of B for all respondents for a particular consumer need/want)/(Mean of B for all respondents for all consumer needs/wants))^2.

4. The method of claim 3, wherein an arbitrary weighting factor (W) is applied to the data to ensure the range of index outcomes for a given study are differentiated as far as possible within a range of 0 - 200, around a mean of 100.

5. The method of any preceding claim said persons are also asked to provide a quantitative indication of their purchase rate of said products in said category, and this response is also used in the calculation of the index.

6. The method of any preceding claim, wherein a number of individually defined consumer needs and/or wants are defined as macro-attributes, and the data obtained from consumers in relation to each of said consumer needs and/or wants are collectively analysed to determine the relative performance of said macro-attribute.

7. The method of claim 6, wherein each said macro-attribute is defined so as to be aligned with one of three 'category drivers', said category drivers being defined as:

Category Role;

Shopper Need Alignment; and

Application Effectiveness;

wherein Category Role relates to the primary consumer desire which leads to the existence of the category of products; Shopper Need Alignment is the level of success achieved by the products in the category in meeting the Category Role; and Application Effectiveness relates to the success of delivering Category Role and Shopper Need Alignment at fixture in the retail store environment.

8. The method of any preceding claim, wherein other questions are asked of said consumers which allow identification of other aspects of their behaviour as shoppers/consumers, including questions related to their preferred shopping

venue; their income; their price sensitivity; their geographic location; other behavioural factors which affect their shopping behaviour.

9. The method of any preceding claim, further wherein each step of the method is repeated at regular time intervals, in order to obtain an indication of the trend of relative category performance over time.

10. A method of collecting and analysing market research data substantially as herein described with respect to the example.

11. A method of assessing the relative performance of a category of products in a market place in meeting consumer needs and/or wants substantially as herein described with respect to the example.

12. A software product operatively adapted to implement a method according to any preceding claim.

13. Use of a method according to any one of claims 1 to 11 to assess the performance of a category of products in meeting consumer needs and/or wants.

Figure 1.

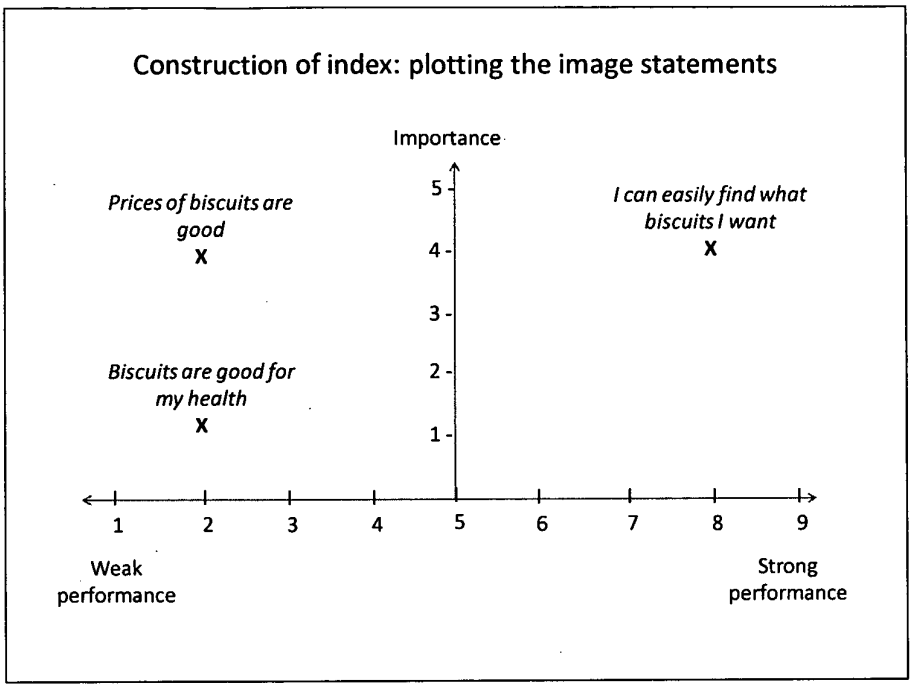

Figure 2.

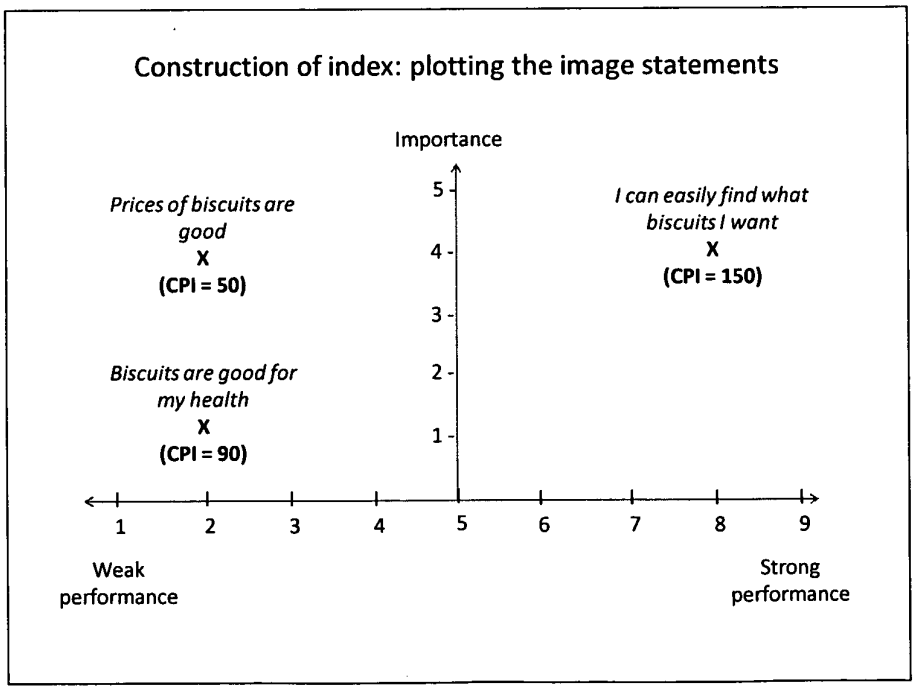

Figure 3.

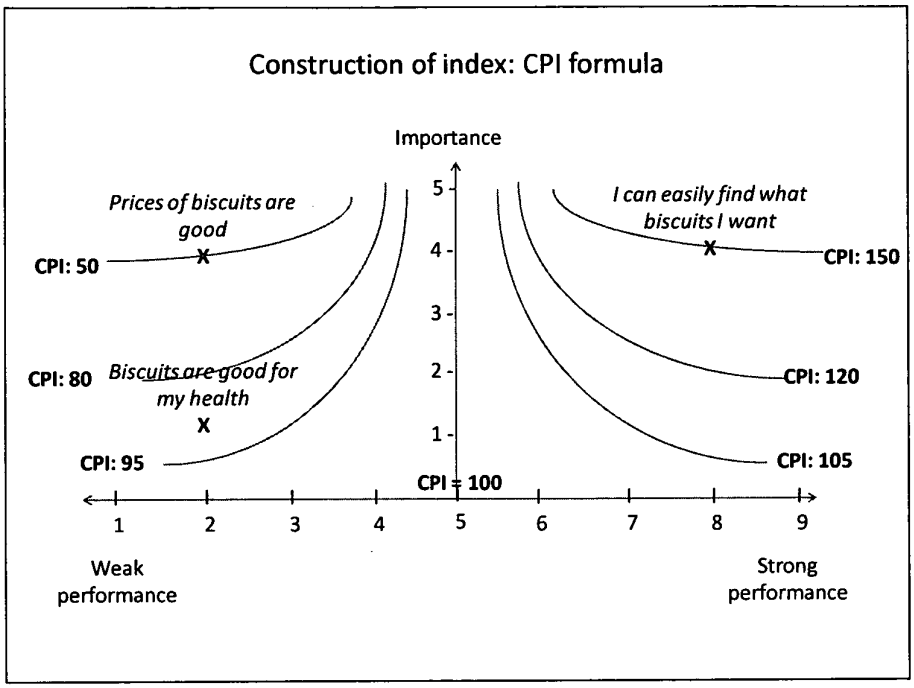

Figure 4.

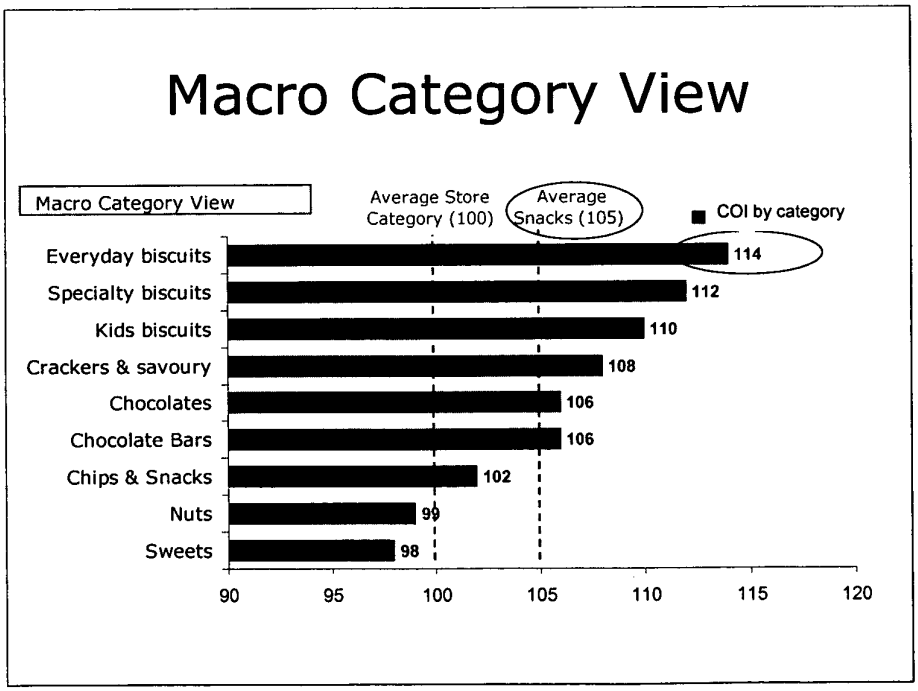

Figure 5.

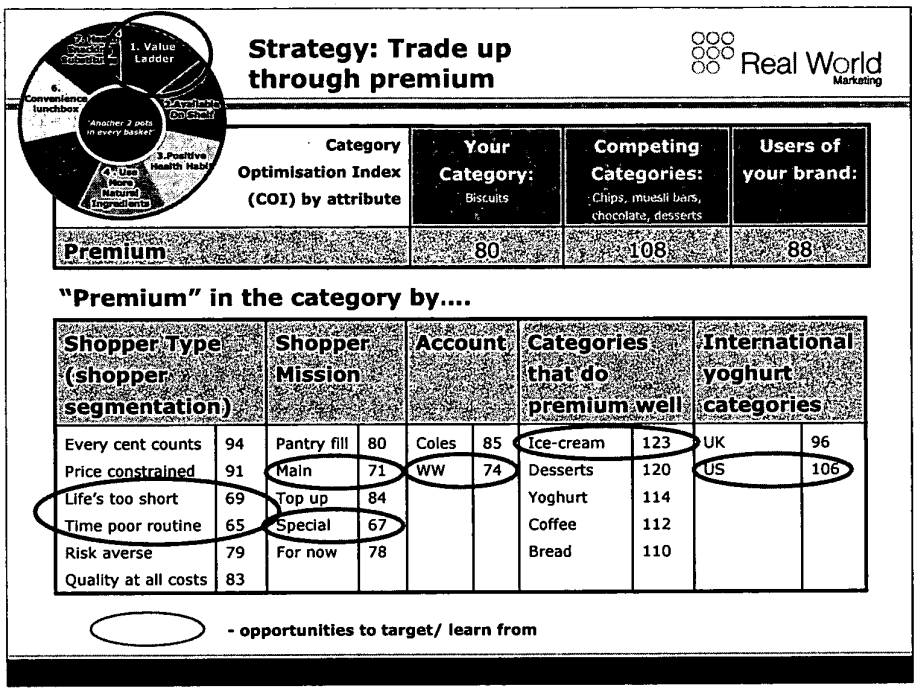
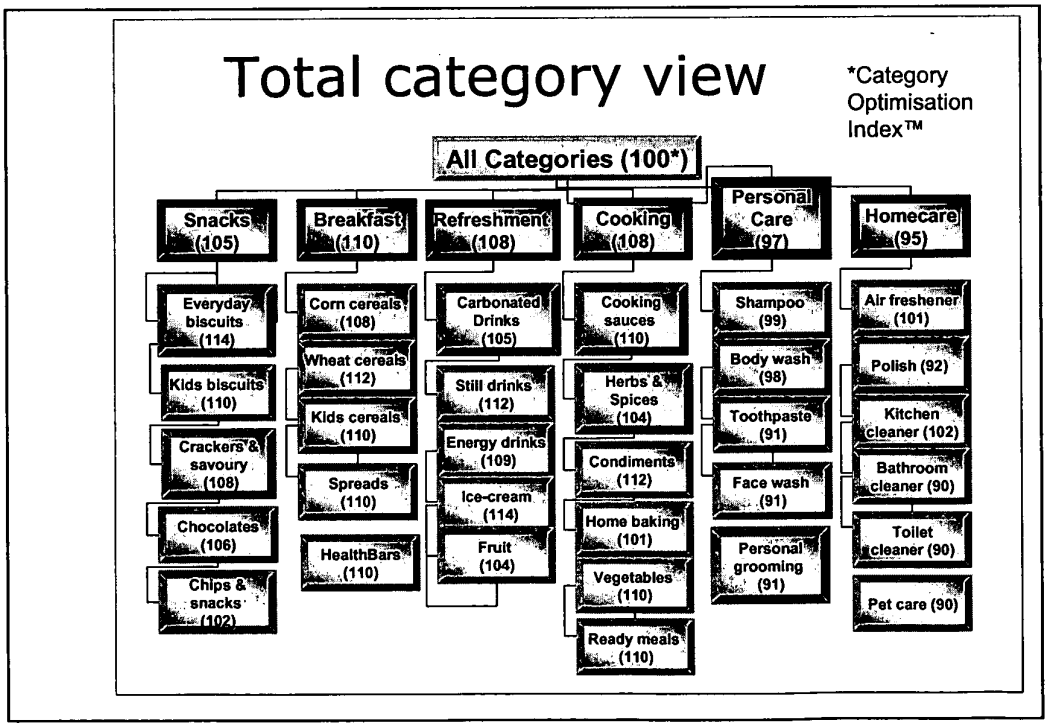
Figure 6.