



SUPPLIERS on Demand

Supplier Spotlight:
2008

JANUARY

Lowering the Cost of Product Launch

McCormick & Company, a world leader in the development and manufacture of herbs and spices, has been conducting detailed consumer research since 2000 – despite the fact that the company has virtually no frontline competitors in the flavoring market.

Home furnishings executives who were gathered for AHFA's 2007 Marketing Meeting in Baltimore, Md., heard how McCormick conducts research to identify "mega drivers" in the global consumer market. The company's in-house "food strategist" then interprets how these mega drivers will impact popular flavors and consumer purchasing patterns. The resulting annual "Flavor Forecast" impacts all product development.

In the home furnishings industry, on the other hand, virtually no consumer research precedes new product development, observes Al Wight president/CEO of **Strategic Decisions**, an AHFA Supplier Division member. The result is that around 40 percent of new products introduced at market are never produced. Another 40 percent or so make it to production but perform so poorly at retail that they are dropped within 12 months, he says.

While home furnishings companies are fond of looking at broad-based consumer research conducted outside our industry, very little product-specific research guides product introductions. Strategic Decisions hopes to change that with its new SDInsights consumer testing process.

"The current product development process is too expensive, time consuming, unpredictable and inflexible," says Wight. "It is based on an old product sourcing and furniture market model." Changing distribution channels, global logistics and new consumer expectations all demand a new product development model that targets the end consumer, he says.

His company's SDInsights process takes product sketches and concepts and tests them with specific target consumers using the Internet. This allows more focused prototypes to be shown at market, making more efficient use of resources. In addition, the prototypes carry more credibility with retailers, because their acceptance with consumers has already been tested and measured.



For example, Strategic Decisions worked with Pulaski on the development and launch of a Build-A-Bear brand of youth furniture. After initial custom telephone research with target consumers, Strategic Decisions involved



with target consumers, Strategic Decisions involved youngsters and their parents in preliminary assessment of the features and benefits of prospective furnishings.

Research also was conducted online with a large national sample of mothers with young children who owned Build-A-Bear products or had been to Build-A-Bear stores. "This online research examined product and concept testing of sketches, designs, features, benefits and finishes to assess what the actual product line should include and how the products could best be marketed," says Wight. "The final products were designed with the right features, benefits, product breadth and retail presentation to assure maximum

acceptance and success."

According to Page Wilson, Pulaski's vice president of sales, the first collection was so popular that Pulaski had to delay cuttings of the second group while it caught up on production of the first.

The SDInsights online research also has been used to develop a branded retail display system for Harden Furniture, a new mattress product for King Koil tied to the Laura Ashley brand and new product launches for CR Home.

In addition to lowering the costs of product launch and ensuring more effective marketing materials, the online research results in more excited and motivated retail salespeople, because they know they have a product consumers want, Wight says. www.sdiresearch.com

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