SAM Sensory and Marketing International

Sensory TURF Role in Managing Product Line Optimization

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Maximization of 1st purchase and repurchase of a product range (TURF = Total Unduplicated Reach and Frequency)

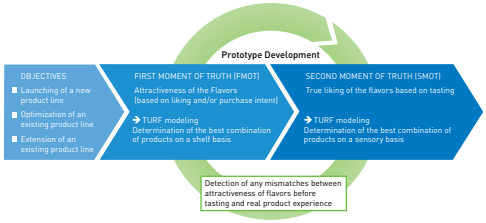
SOLUTION

> How do different products of a range perform in terms of 1st purchase and repurchase?

> What would be the best combination of products for a new product line?

> Which product should be removed or added in order to improve an existing product line?

> What would be the best combination of products maximizing range performance while minimizing cannibalization effects?



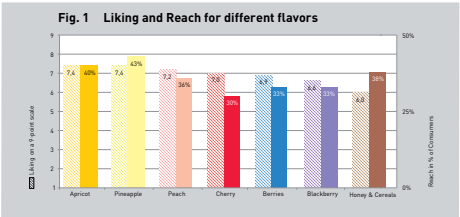
RESULTS

First Step: FMOT (First Moment of Truth)

1. Identifying Product(s) Targeting the Highest Share of the Target Group
Determination and confirmation of the core products of a range based on **liking** and **reach** (reach=share of consumers within the target group loving the product concept).

Range of yogurts example: Honey & Cereals is far less liked than Cherry but regarding the reach in the target-group it is more attractive than Cherry.

Fig. 1 Liking and Reach for different flavors



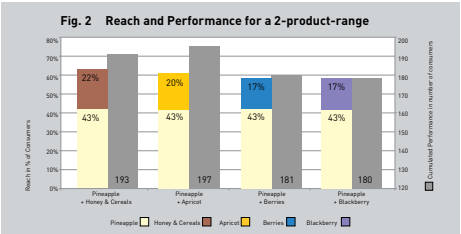
2. Finding the Best Combination(s)
TURF modeling is a step by step process building the range, one product after the other.

At each step, the reach of the range is maximized (number of consumers loving at least 1 product) while number of consumers loving several products can be minimized.

If pineapple is chosen as a core product of the range, the second step would be focused on a combination including this flavor.

If Pineapple + Honey&Cereals is the most interesting combination, it would be the basis for the next steps.

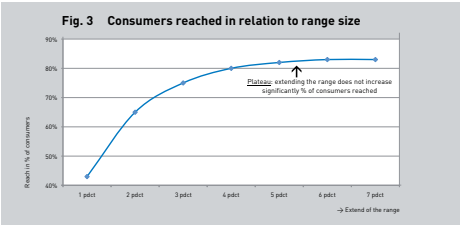
Fig. 2 Reach and Performance for a 2-product-range



3. Optimizing the Range Size
The reach will increase until achieving a plateau: This is the case, if adding more products to the range would not increase the number of consumers reached.

This sometimes occurs with only a few products in the range. In this case, consumers who extremely love the product-concepts can be considered for a new TURF modeling.

Fig. 3 Consumers reached in relation to range size



SIMILAR REACHING:
Most of the times TURF gives really similar reaching between several combinations. Additional input helps to select the best one:
- **Cluster Analysis**: Systematically done in parallel in order to support selecting the best combination choices at each step.
- **Range Performance**: (defined as sum of the reaches of the range) it takes into account the consumer who love more than one flavor (grey columns on fig 2.) It can be minimized or maximized depending on the range strategy (example: single packs versus assortments in multipacks)

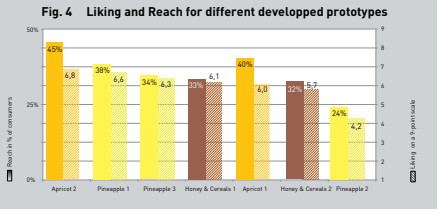
Second Step: SMOT (Second Moment of Truth)

Based on 1st step, SAM proposes the best combination and gives advice for prototype development.
In this example, 3 flavors are selected (Pineapple, Honey&Cereals and Apricot) for prototype development.

4. Identifying Product(s) Targeting the Highest Share of the Target Group
Confirmation of recipe potential (satisfying consumers expectations) based on liking and reach.

Putting together Apricot 2 + Pineapple 1 + Honey&Cereals 1 could be the best combination for the core products of the range

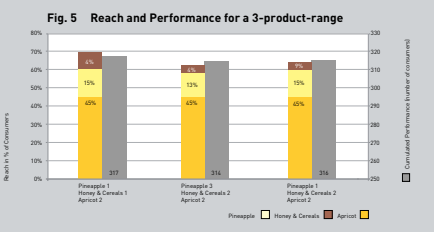
Fig. 4 Liking and Reach for different developped prototypes



5. Screening the Best Alternatives
Based on liking and ideal complementarity TURF modeling will give the best combination maximizing the number of consumers reached.

The TURF result gives another combination than previously thought. Apricot 2 + Pineapple 1 + Honey&Cereals 2 is at the end the best combination (highest reach and high performance)

Fig. 5 Reach and Performance for a 3-product-range



Overall, Honey&Cereals2 is less liked and reaches less consumers than Honey&Cereals1 but it is the best alternative for a 3 flavor combination as the core product range definition.

It is more segmenting than the other version, thus it could attract additional consumers (i.e. consumers who love cereals much more than fruit).

LIMITS:
- **Multivariant Purchase:** TURF modeling is based on the hypothesis that once consumers are satisfied with a specific product they will no longer buy other variants of this product, which is not the case for all product categories.
  > It leaves open the possibility to consider the number of consumers who would definitely buy all the variants of the combinations as an alternative indicator.
- **Purchase Frequency:** TURF modeling does not distinguish the consumer, who would frequently buy the product from the consumer, who would occasionally buy the product.
  > It leaves open the possibility to consider purchase frequency in the modeling.

CONCLUSION

Sensory TURF is a methodology combining analysis of 1st purchase AND repurchase (based on stimulation with products and prototypes). It is a useful tool in order to know which combination of products is needed in order to reach the highest share of the target group.

It enables avoiding any mismatch between attractiveness of flavors before tasting and real experience of products that could be disappointing for consumers.

Relevant TURF modelling combined with cluster analysis enables selecting the top flavors of the range in **BOTH**: attracting consumers and delivering high product liking for a successful launch.