

### Risk & Reward: Alienation Testing

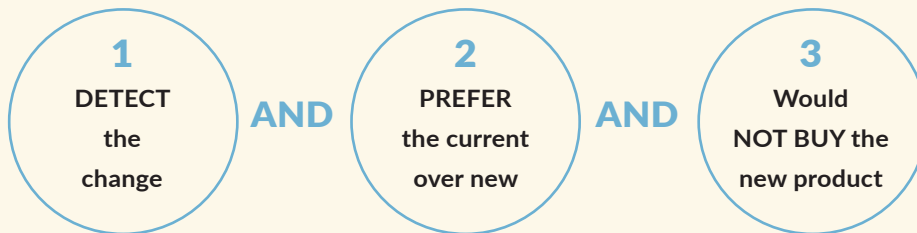
Changing a product for any reason entails risk that current users will reject the new product—reasons such as quality improvement, cost reduction effort or a change due to regulatory or ingredient related issues. Alienation testing involves engaging with current users to quantify their purchase behaviors to proposed changes to assess the potential risk to the business.

InsightsNow takes a unique behavioral approach in assessing this risk through the application of behavioral science to predict how and why current users will react to a proposed product change. This includes a diverse array of situations where product changes are “blind” or accompanied by marketing communications and/or testing is to be conducted in a central location, home use or extended home use environment.



#### Identifying Alienation

The percentage of people who would be alienated can be calculated by identifying the number of people who:



#### Sensory Tradeoffs

The alienation test quantifies the sensory tradeoffs for a proposed change.

- Is the new product detected as different from current?
- Does the new product create penalties that reduce liking or preference?
- Do benefits if communicated overcome penalties leading to a change in purchase behavior?

#### The Reactions

Analysis through alienation testing looks at when a brand makes a product change, and there are several ways in which the brand’s franchise may respond to that change. Essentially, there are four possible reactions:

- **Unaware/Indifferent:** Members of this group fail to detect the change, or are unaware or indifferent to it.
- **Contented:** These consumers detect and prefer the product change.
- **Vulnerable:** These prefer the current product, but will remain brand loyal and keep buying in spite of the change.
- **Alienated:** Members of this reactionary group are aware of change, prefer the current product, and in turn will reduce or discontinue product use as a result.

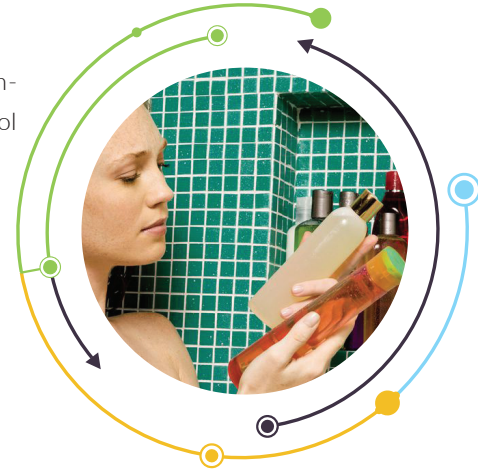


Thinking about making changes to your product? Plan alienation testing!

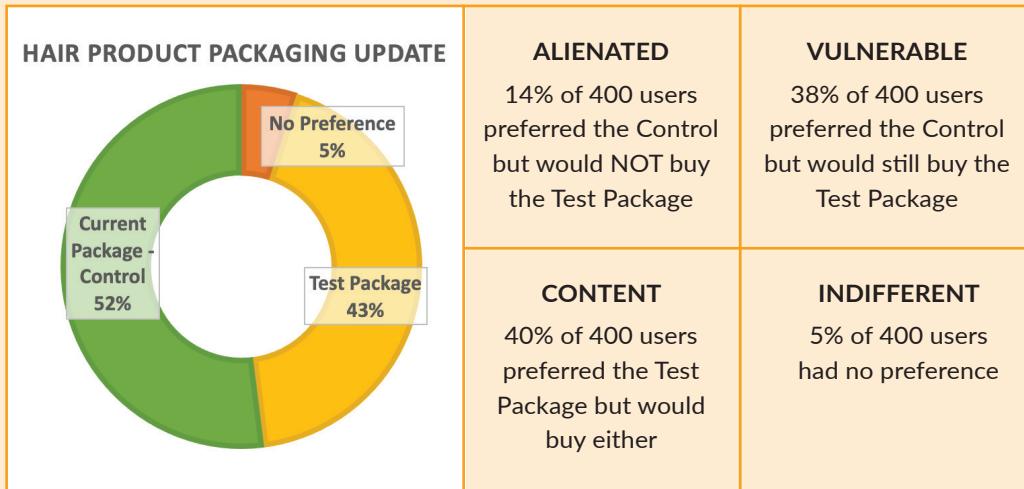
## Alienation Testing In Practice

For an alienation test, we partner with you to create the ideal in-home study situation for the best insights and feedback. In most scenarios, current product users are given fully labeled products (control and test) and the participants appraise them using a sequential monadic design, however other designs including central location testing with unbranded products are potential options.

What happens next? Each person scores each product on a variety of diagnostic attributes—including an estimation of their likelihood to buy the product. After both products are tried, they are asked preference. Based on their preference and likelihood to purchase, they are categorized into one of four possible reaction groups described on the previous page: Unaware/Indifferent, Contented, Vulnerable, or Alienated.



### Example: Using Alienation Testing to Improve Hair Product Packaging



A shampoo brand wanted to test a new bottle design which they hypothesized would communicate to consumers about the natural and fresh aspects of their product. The study showed up to 14% of current users would be alienated by the new bottle design, which was primarily attributed to the slippery surface. They decided to not make the change and continue development.

### The Alienated Group

The most important group of the four, of course, is the alienated group. The size of this group is statistically tested against the size of “error” in the study (the “error” are those who say they would not buy the current product—because only consumers who do buy the current product were recruited for the study). If this group is larger than the “error”, the results indicate that a product change will alienate some current users.

### What to Do?

Start by determining how much alienation you are willing to accept, if any. For most brands we recommend taking with at least 400 current users. This allows you to have reliable market predictions as alienation levels are typically fairly low. Smaller sizes can be used if you are willing to take more risk.

From the research identify how much alienation would result from making the product change and identify if the cause of that alienation can be addressed with additional R&D efforts, or if the change is simply not recommended for the brand.

Alienation testing gives you the vital information you need to make sure that you don’t lose current users when doing a product change or update. Reach out to learn more!