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The Innovation and Forecasting Specialists



Pointofview



Dispelling the Myths of the Fuzzy Front End



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Exciting. Creative. Evolving. Challenging. Confusing. Scary.

These are just some of the words that come to mind when we think about the fuzzy front end of innovation.

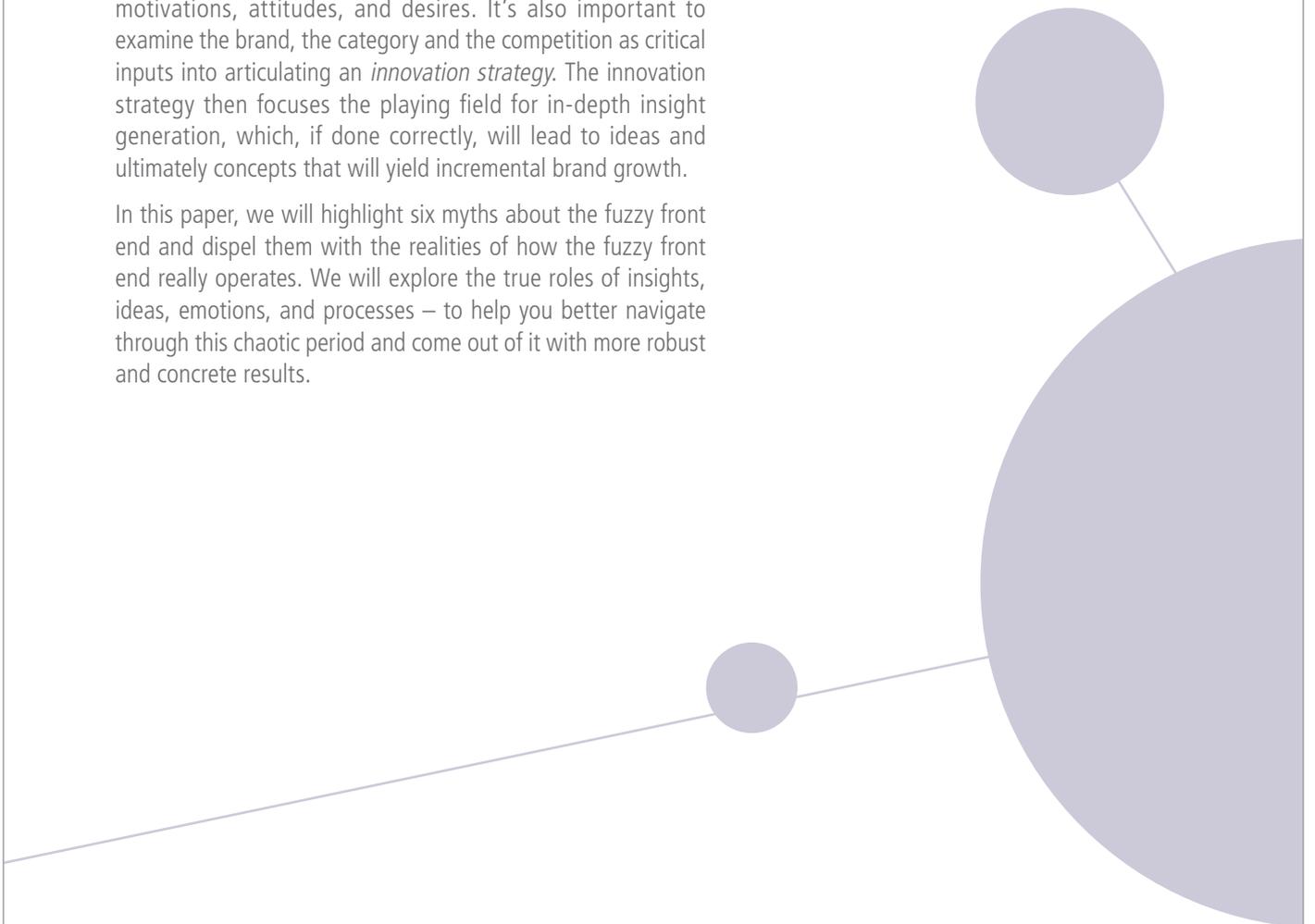
While the term “fuzzy front end” has been popular since the early 1990s, a universal definition still does not exist. The term itself can take different forms – Front End of Innovation, Phase 0, Top of Funnel and Pre-Project-Activities. So, it’s not surprising that what is supposed to happen during the fuzzy front end can be a bit hazy.

And, therefore, intimidating for many.

As a start, we really need to articulate what the fuzzy front end is. Our perspective is that it is a strategic process to feed your innovation funnel with good ideas.

During this earliest stage of innovation, the primary goal is to uncover and validate insights – but that’s not all. The key is to start with the consumer, understanding his or her behaviors, motivations, attitudes, and desires. It’s also important to examine the brand, the category and the competition as critical inputs into articulating an *innovation strategy*. The innovation strategy then focuses the playing field for in-depth insight generation, which, if done correctly, will lead to ideas and ultimately concepts that will yield incremental brand growth.

In this paper, we will highlight six myths about the fuzzy front end and dispel them with the realities of how the fuzzy front end really operates. We will explore the true roles of insights, ideas, emotions, and processes – to help you better navigate through this chaotic period and come out of it with more robust and concrete results.



Myth #1: The fuzzy front end is a creative process that should not follow a formal framework.

Reality: The fuzzy front end is a strategic process that needs to be rooted in business decisions.

During the earliest stages of the innovation process, you need to be creative, nimble and open-minded as you explore new avenues; consequently, some believe that formal frameworks have no place at the fuzzy front end.

We could not disagree more!

The fuzzy front end is more than a creative process; above all, it is a strategic process. While we might use creative tools during the fuzzy front end – such as ethnographies, trend watching, cool hunters, virtual collages and laddering – the ultimate goal of the fuzzy front end is to uncover the insights and ideas that will lead to successful products in the marketplace.

As a strategic process, we firmly believe that following an established framework will make the fuzzy front end easier to navigate and yield better results. To quote management and quality guru W. Edwards Deming, “If you can’t describe what you are doing as a process, you don’t know what you’re doing.”

A fuzzy front end framework should be rooted in the business decisions that need to be made.

These business decisions, along with the research activities that support them, are illustrated below.



Fuzzy Front End Framework

First, we encourage companies to define the innovation strategy for the brand, which is about defining innovation platforms based on market, brand, shopper and consumer understanding. These innovation platforms should then serve as springboards for many ideas over several years. For example, “Ready to Eat Snacks” might be a platform. Choosing which platforms to pursue is a strategic decision – informed by foundational research, like market landscaping to determine where white space opportunities exist in the market. Once the platforms are identified, the work begins to deep-dive into these platforms to develop real consumer insights. Next, companies need to generate and decide on ideas to pursue. As the final step, marketers need to develop the concept, which should be the best expression of the right insight and the right idea supported by the right reason to believe and the right brand.

The framework ensures consistency throughout the fuzzy front end and beyond:

- Are the idea statements in line with real consumer insights?
- Are insights and ideas validated before becoming concepts?
- Are concepts written with the foresight of how it will affect concept screening results and, quite possibly, advertising copy?

Myth #2: The sole purpose of an insight is to guide idea generation around new products.

Reality: Insights can inspire new communication ideas and positionings as well.

An insight is gleaned from gaps between what consumers want (either consciously or unconsciously) and what is currently available to them. It is the problem or opportunity the brand is seeking to address.

Some believe that an insight is an insight, and they therefore evaluate them, and leverage them, in the same way.

We disagree with this line of thinking.

Insights are at the heart of the fuzzy front end – articulating them, validating them, turning them into ideas and applying them to concepts. Yet, once these precious insights are identified, they are often relegated to serve idea generation around *new products* – and that's it.

Insights should ideally be leveraged at different moments of the brand's life, which include not only new product development but also brand and communication strategies.

Our experience tells us that there are three different types of insights:

First, there are **fundamental insights**, which are about deep human truths. Fundamental insights capture the inherent motivations, desires and attitudes of people. They are independent of any brand or any product. Fundamental insights define long-term innovation platforms. So, using Ready to Eat Snacks as our innovation platform, a fundamental insight might be:

"I work so hard to serve my kids healthy meals, but when it comes to their snacks I just don't have the time to make sure they're eating the right things. Or honestly, sometimes I don't know what they're eating since they're serving themselves."

Fundamental insights can ladder to **product insights** or **brand insights**.

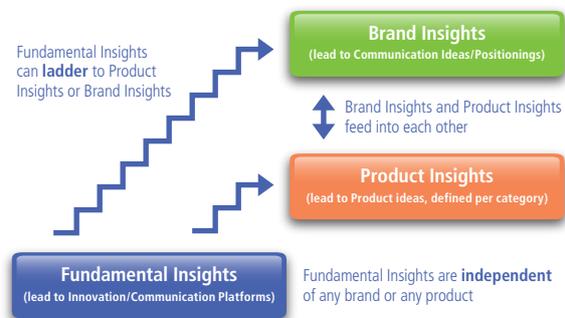
Product insights are fully articulated insights and resonate with the product benefit. For example:

"I wish there were convenient healthy snack choices like ready-to-eat fruits that were pre-cleaned and pre-sliced and did not spoil quickly. Then I would be able to serve my kids healthy snacks without any hassles."

Brand insights are the "Big Idea" for the brand communication platform. Brand insights can ladder to brand positioning statements later in the innovation process. An example of a brand insight might be:

"I wish there was a brand that really understood how to help moms serve their kids healthy snacks in a flash – a brand that understood how busy moms are, the pressure they are under to feed their kids the right foods, and the guilt they feel when they don't."

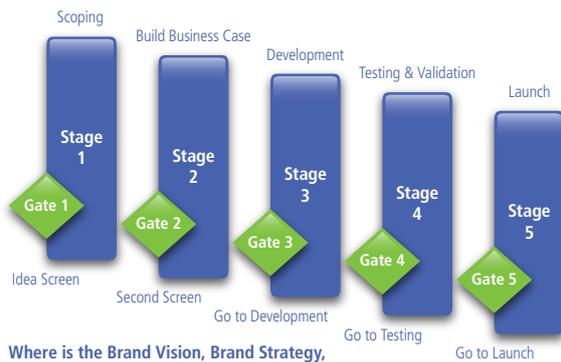
Insights can be the foundation of new product development and communication ideas or positioning, as illustrated below:



Myth #3: The fuzzy front end should be kept separate from the new product development process.

Reality: Integrating the fuzzy front end can vastly improve the innovation process.

It is often believed that it is not necessary – or even desired – to tie the approaches used in the fuzzy front end to concept building and testing. This belief may be due in part to the fact that the Stage Gate® Process omits the fuzzy front end, starting instead with idea screening, as illustrated below.

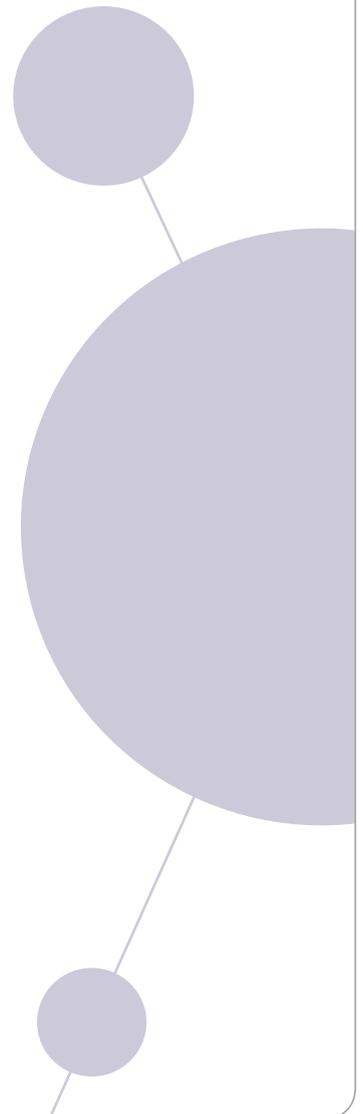


Where is the Brand Vision, Brand Strategy, Platform Definition and Idea Generation?

We should also recognize that the fuzzy front end is not only an exploratory phase – it is also an evaluation phase. The fuzzy front end should involve validated metrics that will help you to move from insight generation to ideation and concept development. At Ipsos, we use Relevance and Revelation measures for insight evaluation. The Relevance measure in particular should be tracked throughout the innovation cycle to evaluate insights, ideas, concepts, products, and packaging, thus ensuring that the product that is ultimately launched remains resonant with consumers.

The Stage Gate Process

We take a more holistic view toward the fuzzy front end. We believe the fuzzy front end represents one of the greatest opportunities for improvement to the overall innovation process. Remember, if you put good ideas into the funnel to begin with, you're more likely to get strong commercial opportunities out of it in the end. It should be wholly integrated into the innovation process, and not viewed as a separate "Feed the Funnel" activity. One reason to use an integrated process is that the insights gleaned from the fuzzy front end can help marketers to meet the objectives of the innovation process. As we just saw, insights can take the form of fundamental insights, product insights and brand insights and should be leveraged during concept development, product development, package development, and communications development. Too often, the original insights get lost along the way. It is one thing to identify an insight. It's another to write it in a concept so that it ties to the core idea, benefits, and reasons to believe.



Myth #4: Segmentation effectively defines consumer target groups at the Fuzzy Front End.

Reality: Segmentation may not capture all the dimensions of the consumer, and should therefore be complemented with consumer observation.

We spend a lot of energy trying to draw consumer portraits and identify their needs – but we may be tempted to put consumers into boxes too quickly. Segmentation studies are able to very precisely cluster various populations, providing us with the satisfaction of knowing who we should target. This is useful, but is it enough?

Probably not.

Marketers need to recognize that consumers must be understood from different angles and in different circumstances. Otherwise, they can miss strong opportunities or possibly steer their innovations in the wrong direction. For example:

1. Consumers' needs are influenced by their circumstances.

If a consumer is thinking about an ideal coffee shop, his choice will depend on whether he is alone or with family or with colleagues; whether it's for breakfast, after lunch or after the cinema; whether it's Monday afternoon and he needs to rush back to his office or it's Sunday morning and he has time to relax. We can see that understanding the portrait of the consumer is not enough; we need to understand the consumer's journey.

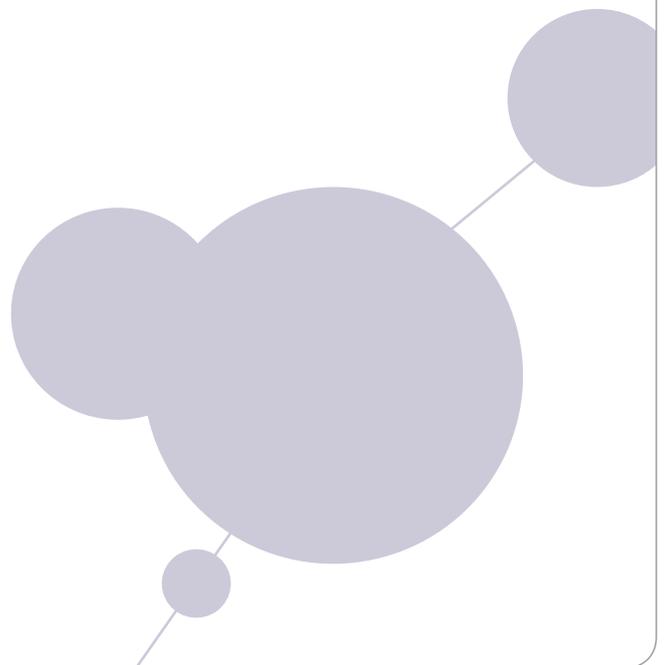
Marketers need to analyze all circumstances of use, regroup them in different need states, and then think what will be the best solution to answer these needs.

2. Consumers have two faces: the real one, and the one they want to show.

We often meet consumers who say they always make healthy decisions, but when we visit their homes we see lots of junk food in their cupboards.

Brands should speak to both faces. For example, if you want to develop a toy for a 10-year old boy, the toy itself should correspond to the child's real age level, with his real skills and interests. However, the pack should show a child of 13, otherwise the boy will find it very childish. This is true for most markets, and marketing strategies have to take this "consumer paradox" into account. We need to understand both faces of consumers, through questions about how they see themselves and also through observations about what they really do.

Segmentation is a powerful tool for identifying need states at the Fuzzy Front End, but does not always capture the whole consumer when used to define target groups at this early stage. To more realistically define consumer groups, segmentation should be considered along with real consumer behavior observation. This can be accomplished with ethnographic work and sharp consumer journey analysis at the Fuzzy Front End.

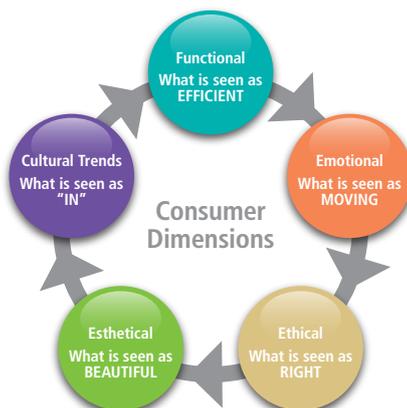


Myth #5: Marketers should focus mainly on emotions to unlock consumer insights.

Reality: Other dimensions of the consumer can lead to powerful insights.

While the quest to uncover emotions is critical (and let's face it—more sexy), there are other dimensions of the consumer that cannot be ignored: functional, ethical, esthetical, and cultural.

- **Functional Dimension:** Consider the case of General Mills' Yoplait Go-Gurt® – a portable, low-fat yogurt for kids that comes in the form of a squeezable tube. The idea for the product stemmed in part from General Mills' observation of children playing in school yards. It became apparent that a tube format of yogurt that could be held in one hand and eaten without a spoon would be an ideal way for children to eat yogurt on-the-go.^[1] This was not an emotional insight – it was the reality of how kids snacked while playing.
- **Ethical Dimension:** All category understanding work should comprise an analysis of what is perceived as right or wrong behaviors for a category of people. For example, people may believe that children should drink more water and less soft drinks. This suggests a possible opportunity for a new mineral water brand, placed in the soft drink aisle and delivered in kid-friendly packaging.
- **Esthetical Dimension:** The purpose of a product design may not just be to convey the positioning of the brand. The design can become the positioning itself. This is evident in the automotive sector, but we should not ignore it in consumer packaged goods. For example, Monster Energy Drink® uses a hip, daring bottle design and 16 ounce can to position itself as bigger, bolder and cooler than competitors like Red Bull®.
- **Cultural Dimension:** Consumers are under the pressure of cultural trends of all kinds. The fact that it has become trendy to use a water filter system for tap water instead of drinking mineral water is neither emotional nor functional. It has become a "fashion."



Myth #6: The more inventive an idea, the more likely it is to succeed.

Reality: Creative ideas don't always translate into big opportunities.

While companies are often looking for the next big idea, they should be careful not to pursue ideas that, while breakthrough or inventive, are not relevant to consumers at the current time.

While an idea may seem compelling, it may not yet be in the consideration set of consumers. Let's think again about the insight that moms want to serve their kids healthier snacks like ready-to-eat fruit but don't have the time or energy. One idea to fulfill this need may be pre-sliced shelf-stable fruits that are vacuum-packed and will not spoil for many years. However, this idea might be difficult for consumers to understand or believe; a more acceptable idea might be pre-sliced fruits in single-serve bags that can be stored in the refrigerator for up to two weeks.

Powerful ideas that relate to rare situations can also be doomed to market failure. For example, in the late 1980s, Pepsi introduced Pepsi® A.M. to appeal to breakfast soda drinkers. The product did not succeed, probably due in part to limited usage occasions of drinking cola at breakfast. Ideas that relate to more common occasions, such as daily cleaning routines, will often find greater success.

Our experience has taught us that successful ideas – whether breakthrough or closer in – relate back to insights, and these insights usually follow several criteria:

- The insight appears as a **revelation**, or discovery, either because it relates to a new phenomenon, or because it sees an old one through a new angle.
- The insight is **important**. It should relate to a real unmet need, or a foundational ethical position that can be leveraged, or a strong belief that can be brought to action.
- The insight relates to **frequent situations** (at least for fast moving consumer goods). A real unmet need, but which is activated only rarely, will never become a big opportunity.
- The insight relates to **personal involvement**. The insight would have a direct impact on the person's life, and would not be something that would just be of use to others. The insight is relevant to the actual purchaser or user.

[1] Roth, Erik A. and Smeader, Kevin D. Reinventing innovation at consumer goods companies. McKinsey Quarterly, November 2006.

The Truth about the Fuzzy Front End

The fuzzy front end, and insight identification and articulation in particular, are becoming more and more important to many companies. With the spotlight shining brighter on this early stage, there is increased pressure to “get it right” – in other words, produce results that ultimately lead to successful products and do so in a creative yet efficient manner. Now more than ever, marketers need to really understand the realities of the fuzzy front end, and shed the myths surrounding it. From recognizing the fuzzy front end as a strategic process to seeing the whole consumer, marketers can take charge of the fuzzy front end and produce impactful insights, ideas and concepts that resonate with people and pave the way for new product success.

MYTHS	REALITY
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The sole purpose of an insight is to guide idea generation around new products.	Insights can inspire new communication ideas and positionings as well.
The fuzzy front end should be kept separate from the new product development process.	Integrating the fuzzy front end can vastly improve the innovation process.
Segmentation effectively defines consumer target groups at the Fuzzy Front End.	Segmentation may not capture all the dimensions of the consumer, and should therefore be complemented with consumer observation.
Marketers should focus mainly on emotions to unlock consumer insights.	Other dimensions of the consumer can lead to powerful insights.
The more inventive an idea, the more likely it is to succeed.	Creative ideas don't always translate into big opportunities

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Ipsos InnoQuest helps clients to maximize the ROI of their innovation processes through a unique, global end-to-end offer and deep expertise across a wide array of sectors. Central to our offer is our ability to provide financial metrics – even at very early stages – and clear direction for maximization of initiative potential.

We offer simple, intuitive tools built on a consistent philosophy of what drives innovation success, a comprehensive suite of tools for product research and development offering solutions throughout the product's lifecycle, and powerful simulation capabilities to help clients reach their financial targets. From the fuzzy front end to mix optimization, launch and beyond, we help our clients to maximize their innovation I.Q.

Ipsos InnoQuest is a specialized practice of Ipsos, a global market research company which delivers insightful expertise across six research specializations: advertising, customer loyalty, marketing, media, public affairs research, and survey management. With offices in 84 countries, Ipsos has the resources to conduct research wherever in the world our clients do business. In October 2011 Ipsos completed the acquisition of Synovate. The combination forms the world's third largest market research company.

In 2011, Ipsos generated global revenues of €1.363 billion (US\$1.897 billion), Marketing research contributing to 49.6% of Ipsos revenues.

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