



Making the Invisible Visible: Using Implicit Knowledge to Pinpoint Consumer Needs

BUSINESS IMPACT STUDY



Challenge: substantial decrease in sales and in consumer loyalty

Solution: a deeper understanding of the underlying reasons in order to respond appropriately with improved or new products

Impact: a new roadmap for R&D and a better evaluation of the investment risk

C H A L L E N G E

A leading global consumer goods company was experiencing a substantial decrease in market share in one of its key product categories. On the one hand, this was not surprising, given the highly saturated market of consumer goods, where competition is fierce and consumer loyalty unstable.

On the other hand, the company had always made every effort to be close to their consumers, to build consumer trust by listening to them, understanding exactly what they wanted, and by turning this knowledge into innovative and compelling products.

They were keen to find out why consumers seemed no longer fully satis-

fied with these particular products, and how the company could respond appropriately with either an improved or a new product.

However, after yet another round of market research, using focus groups, consumer panels and lab testing, the company's R&D director came to the realisation that their traditional research methods were not providing them with any new data regarding consumer needs.

They needed a different approach, one that would provide them with new insights for product innovation: the SPACE-Balance Analysis turned out to be the answer.



S O L U T I O N

The SPACE-Balance Analysis is a powerful method for answering complex strategic issues and facilitating innovation.

It takes research one step further, and uncovers psychological dynamics beyond what is usually visible and measurable.

Conventional methods are limited to language and deliver data, leading to explicit knowledge which does not represent complexity.

On the other hand, implicit knowledge strongly influences preferences, ideas and decisions and thus directly impacts the innovative power of an organisation.

SBA entails a structured process of discovery, analysis and strategic action planning.

The SPACE-Balance Analysis (SBA) is a highly effective and non-traditional method for providing answers to complex issues.

Traditional research methods use language to gather data; consumers are asked to describe their needs in an explicit way, using words, and remain at a mental level of consciousness. This limits the results to explicit information, which is perfectly fine when looking for answers to specific issues. However, it is inadequate when the issues are less defined and more complex.

In contrast, SBA uses spatial dynamics to gather data, tapping into unconscious thought and implicit knowledge that in fact drive our personal preferences and decisions.

For our consumer goods client, the first step in the process was to organise a one-day SBA workshop with two groups of consumers and with the company's R&D team.

The purpose of the workshop was to find out how well the products in question addressed the most important consumer needs, and if there was a compelling reason for a fundamental product change:

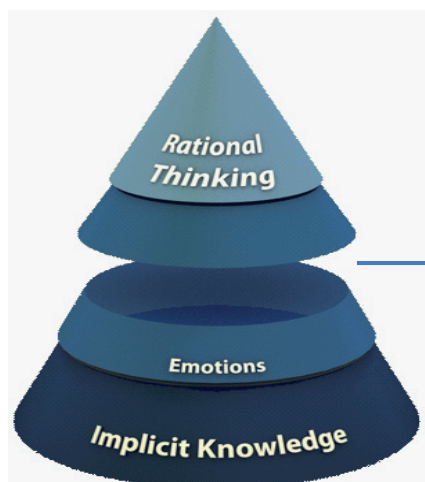
→ Are there specific consumer needs or problems that we are not aware of and therefore do not pay enough attention to?

→ How do current products solve these problems and/or satisfy these needs?

→ Which needs are addressed less adequately by these products than other needs?

→ How can we improve our products in order to better satisfy specific consumer needs?

During the workshop, individuals were asked to represent one element relating to the issue at hand, whether it be



Traditional Research

SPACE-Balance Analysis



What the Client Said:

“Mrs Steyer changed the way we look at our consumers in a very profound way.

We now have a much better understanding of the underlying needs of our consumers which were previously invisible to us.

Her unique SPACE-Balance Analysis approach helped us to obtain important insights in a very short time.

Also, many of our earlier hypotheses from other studies were confirmed by this unique approach.”

Anna-Maria Steyer,
Blue Ocean
Senior Associate,
is the creator and
lead facilitator of the
SPACE-Balance Analysis
process.

a person, an object or even a feeling. In this case, individuals represented the consumer group, the products, and each of the previously defined consumer needs.

Then the consumers were asked to position the representatives in the room according to their own perception of how the consumers, the products and the needs were related to each other. A certain pattern, or constellation, was formed which provided a “living” picture of the underlying dynamics of the issue and the obstacles that were previously invisible.

Finally, the representatives were asked to explain what they were observing and feeling from their respective positions. The results were both insightful and somewhat surprising:

→ From the various consumer needs represented, one particular need was identified as most important for consumers;

→ Another need was identified as not a priority for consumers;

→ There was a consumer need not yet represented in the constellation but important for the consumers;

→ And most surprising: none of the products had a connection to the consumer group or to the needs represented.

I M P A C T

The SBA process revealed the dynamic balance between needs, product and buying behaviour. In the discussions that followed, we were able to define

the implicit needs of the consumer group and what this meant for the company’s product innovation strategy. Three important insights were generated:

1. The most important consumer need was not fully satisfied by the current products.

2. Improving the existing products would not solve the issue; the products would need to be changed fundamentally.

3. More thought would need to be given to defining the consumer need that had been ignored so far.

In subsequent SBA-facilitated workshops with different target groups, the company received even more detailed insights about various consumer needs, which led to a new roadmap for R&D and a better evaluation of the investment risk. In addition, the company began intensive R&D work on issues which previously they had not considered at all.



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