In-Store, Online & E-commerce Proto-Selling

Transforming Ideas to In-Market Experiments

2020

A brand & innovation consultancy purpose-built to create the *now, near* and *next* for brands ...

Brand Strategy

Find brand resonance at the profitable intersection of enduring human truth and emerging category/cultural shifts.

Experience Design

Connect brands and people by designing experiences that reflect a deep understanding of people — their wants, needs and desires.

Innovation

Drive top-line growth and build market share through category-changing services and improvement to current solutions.

Insight & Foresight

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Global & Independent

More than 100 creative people, obsessed with moving the needle for brands.

CIN	GVA	LDN
CINCINNATI	GENEVA	LONDON
—	—	—
EST	EST	EST
1983	2004	2007

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We Live in an Era of

Innovation
Ambition

The Harsh Reality?

Innovation's failure rate has never been higher.

Pre-market Failure

70–80%

of corporate innovation projects fail to result in an in-market outcome.

McKinsey, 2016

In-market Failure

85%

of new-product launches fail to meet revenue expectations.
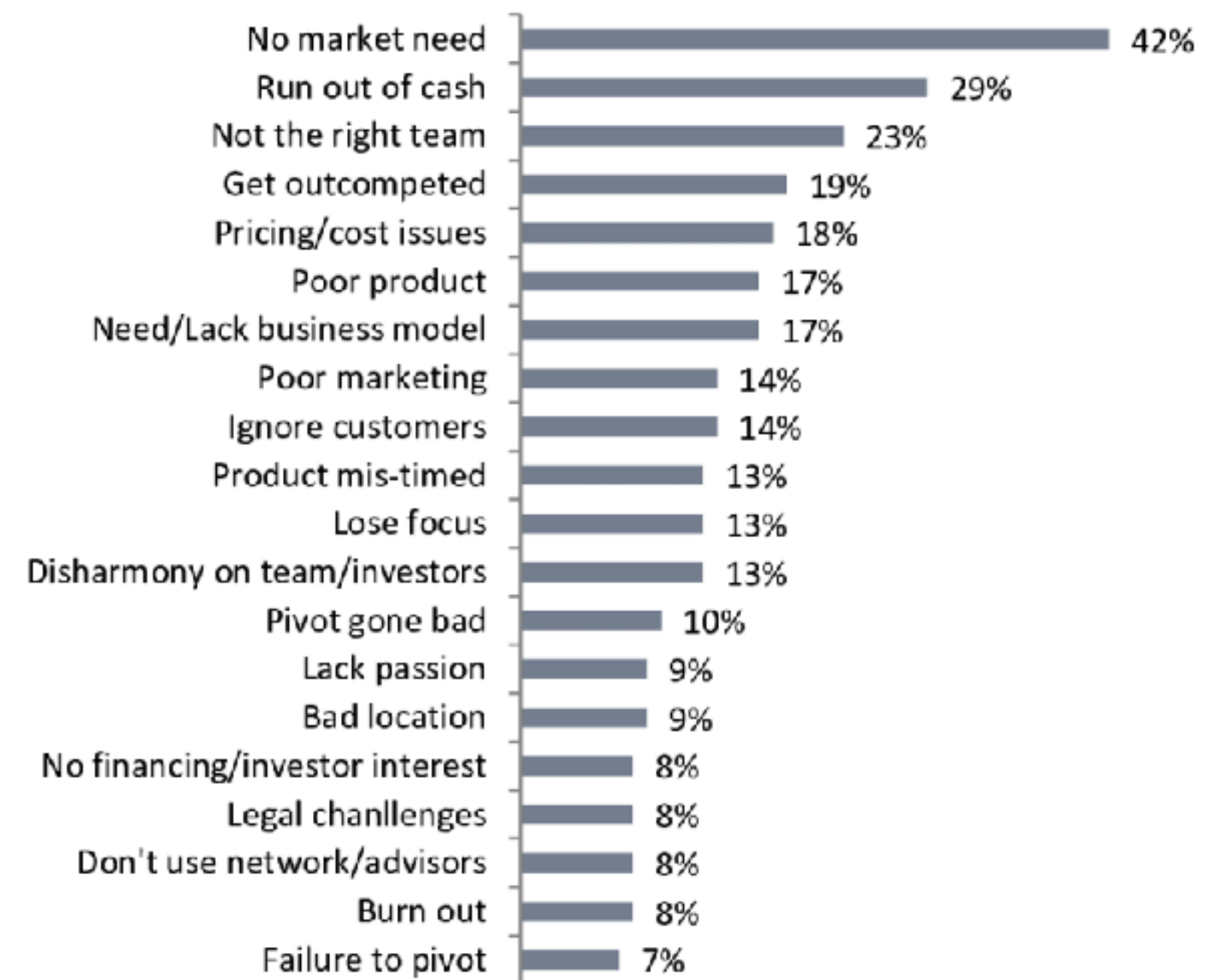
Harvard Business School, 2015

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Why does innovation fail *in market?*

More than technical feasibility or business viability the lack of a clear market need is the most cited reason for innovation failure.

Priority #1 - Prove market demand quickly, without over-investing.

No market need] ▬▬▬▬▬▬▬▬▬▬▬ 42%

Reason	Percent
No market need	42%
Run out of cash	29%
Not the right team	23%
Get outcompeted	19%
Pricing/cost issues	18%
Poor product	17%
Need/Lack business model	17%
Poor marketing	14%
Ignore customers	14%
Product mis-timed	13%
Lose focus	13%
Disharmony on team/investors	13%
Pivot gone bad	10%
Lack passion	9%
Bad location	9%
No financing/investor interest	8%
Legal chanllenges	8%
Don't use network/advisors	8%
Burn out	8%
Failure to pivot	7%

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The common troubles with traditional validation methods?

○ *"They're often **slow,***

○ ***expensive,***

○ *most importantly, **poor predictors of in-market performance."***

▼

Why? They measure what consumers and customers **say**, and not what they **do**—gauging purchase **intent**, not real purchase **behavior**.

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Question:

How do you conclusively prove your solution will succeed in market,

before investing years and millions in development, commercialization & full launch?

Answer:

Attempt to sell your solution before you build it.

LPK's In-Store, Online & E-commerce Proto-Selling is a rapid way to test early prototypes live on shelf in <u>real</u> stores or online with <u>real</u> consumers.

To shoppers, your prototype product appears real and ready to purchase.

Protoselling proves that consumers will actually buy your product before you spend years and millions on development, commercialization and full launch.

solution = product, brand, service, design, messaging

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Real & In the Wild

To confirm that shoppers actually desire and will buy your new product, brand or design, Proto-Selling experiments appear as close to "at scale" as possible.

This means real shoppers in real stores and sites attempting to buy a prototype that appears as real and ready to purchase as every other product in the aisle or site.

REAL
Shoppers

REAL
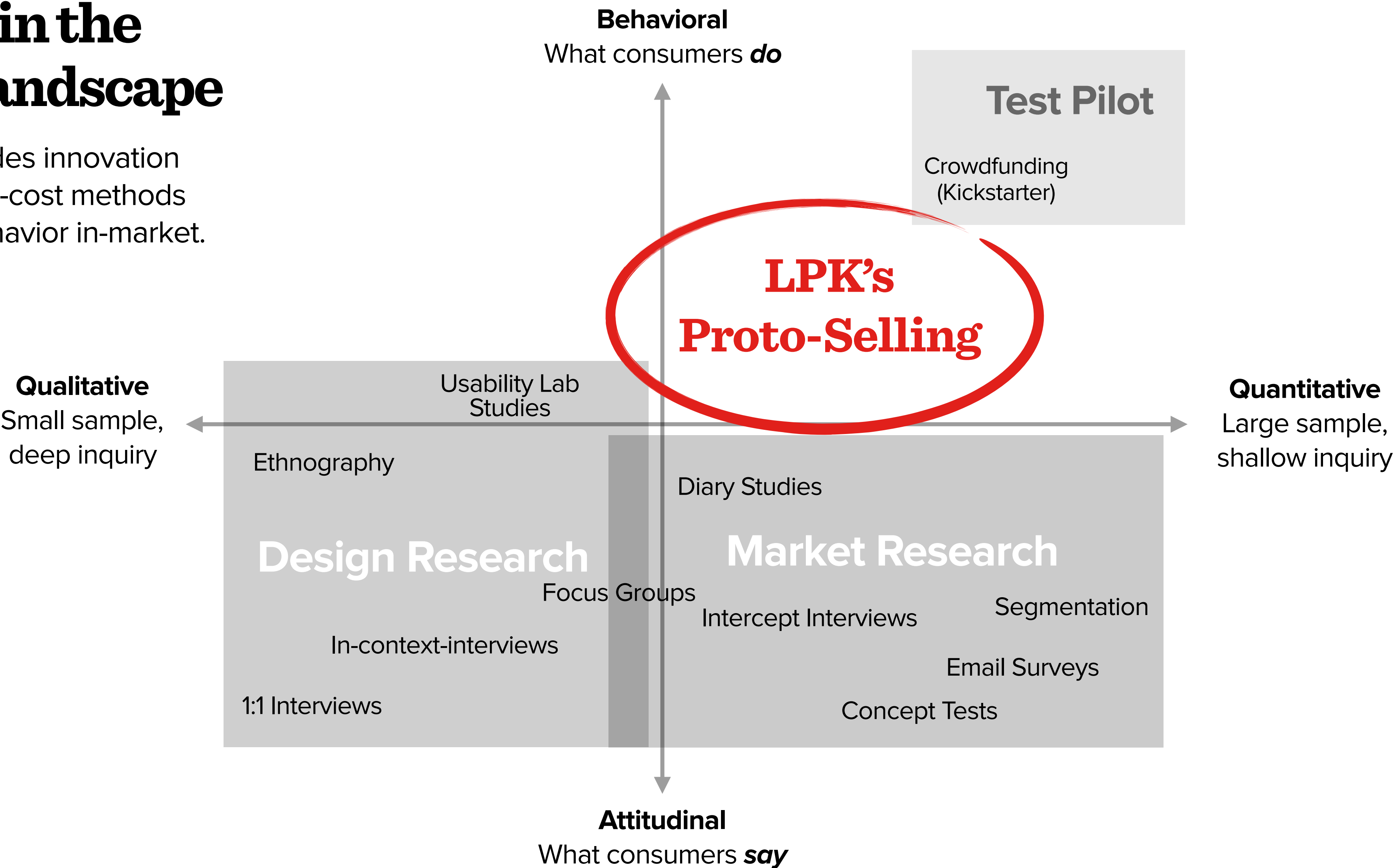Stores & Live Sites

REAL
Brands

REAL
Purchase Attempts

REAL
(Prototype) Products

Filling a Gap in the Validation Landscape

LPK's Proto-Selling provides innovation and marketing teams low-cost methods that proves purchase behavior in-market.

Behavioral
What consumers *do*

Test Pilot

Crowdfunding
(Kickstarter)

**LPK's
Proto-Selling**

Qualitative
Small sample,
deep inquiry

Quantitative
Large sample,
shallow inquiry

Usability Lab
Studies

Ethnography

Diary Studies

Design Research

Market Research

Focus Groups

Intercept Interviews

Segmentation

In-context-interviews

Email Surveys

1:1 Interviews

Concept Tests

Attitudinal
What consumers *say*

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11

3 Proto-selling Methods

Online
Proto-Selling

In-Store
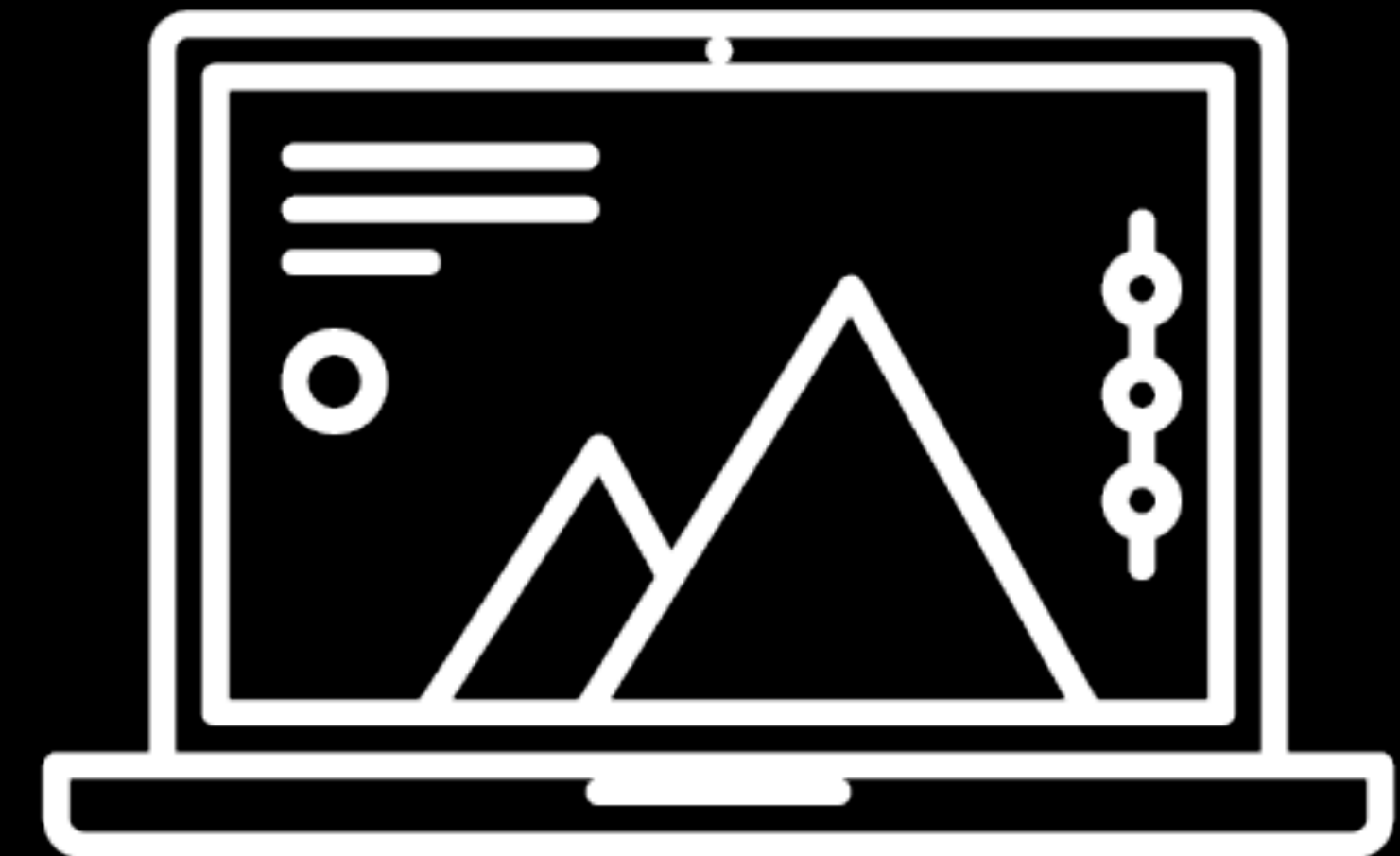Proto-Selling

E-commerce
Proto-Selling

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Online Proto-Selling
(i.e. False Door Landing Pages)

Consumers are driven to a simple website that states a product's value proposition and attempts to convert a sale (which is ultimately not completed and the order is therefore not fulfilled).

A paid followup survey is often used to gauge qualitative points (brand fit, category fit, competitive replacement).

By measuring click-through rate and purchase conversion rate, rather than just self reported intent like a survey, Online Proto-Selling allow innovators to quickly and accurately A/B test the highest performing propositions and calculate CAC:LTV.

Channel: Web
To Validate: Trial Purchase, Lead Benefits, Brand Fit, Price, Product/Pack Design
Industries: Food/Beverage, Packaged Goods, Appliances, Apparel, Equipment

How *Online* Proto-Selling Works

1. Turn Concepts into Landing Pages

LPK's designers and strategists transform your promising early concepts into a simple landing page website that states a product's value proposition and highlights brand, product description and key benefits.

2. Drive Online Shoppers to the Pages

LPK then drives web traffic to the landing page websites via ads and attempts to convert a sale (which is ultimately not completed and the order is therefore not fulfilled).

A paid followup survey is employed to gauge qualitative points (brand fit, category fit, competitive replacement).

3. Measure Purchase Behavior

Performance is measured by calculating the click-through rate from the ad and purchase conversion rates on each landing page—out of all the visitors who viewed the page, how many were convinced to make a purchase?

Iteratively refine the proposition prior to investing in development and full launch.
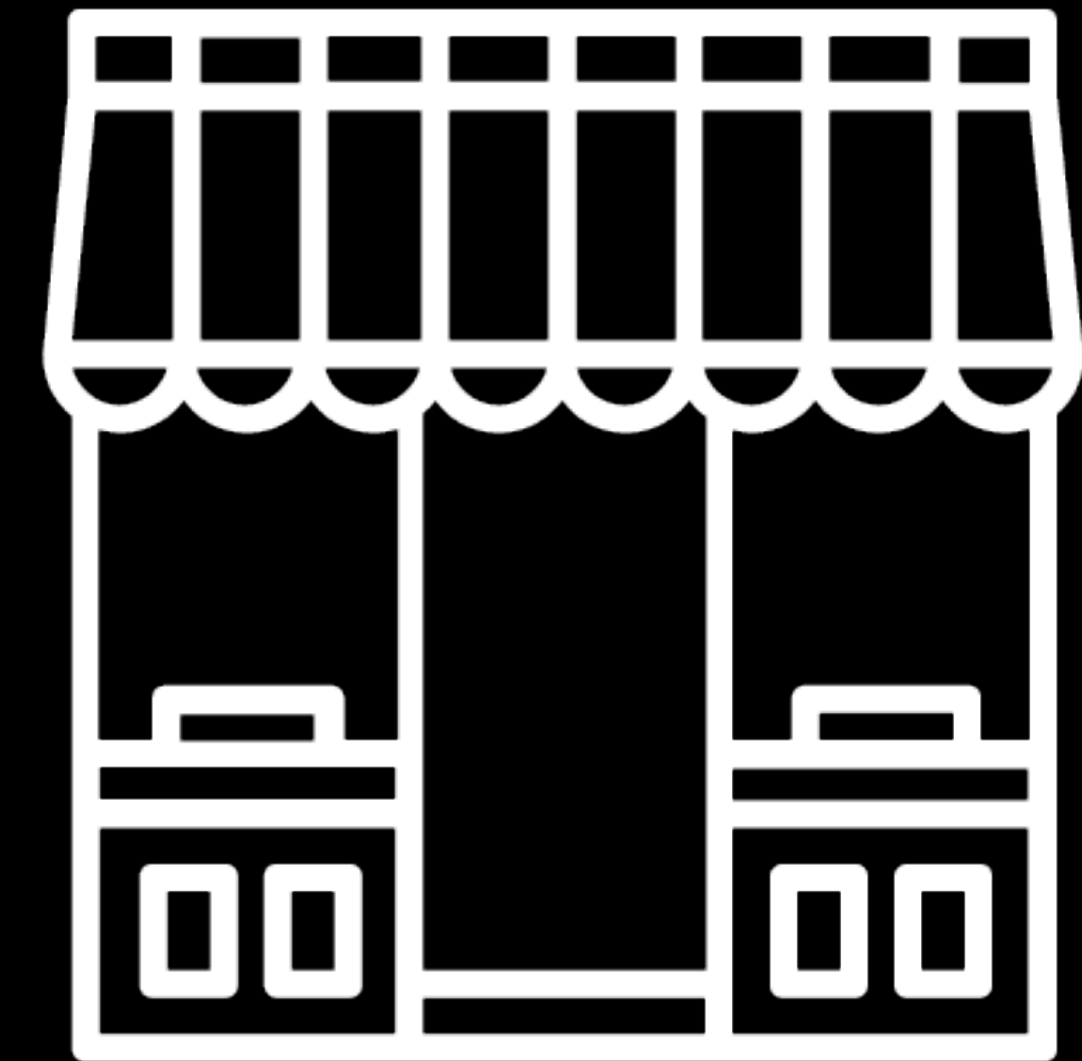
In-Store Proto-Selling

Transform extremely early concepts into shelf-ready prototypes that can be tested live in our retail partners' stores. Consumers attempt to make a purchase, but are then intercepted for a brief paid interview, before they are able to purchase.

Based on the qualitative shopper feedback and quantitative purchase conversion benchmarks, the concept is refined prior to investing in development and full launch.

Channel: Physical Retail
To Validate: Trial Purchase, Lead Benefits, Brand Fit, Price, Product/Pack Design
Industries: Food/Beverage, Packaged Goods, Appliances, Apparel, Equipment
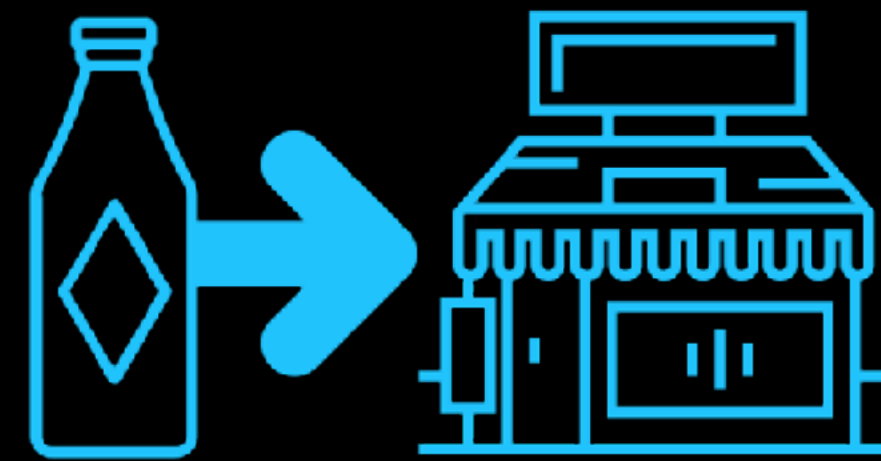
How *In-Store* Proto-Selling Works

**1. Turn Concepts
into Prototypes**

LPK's designers and strategists transform promising early concepts into realistic shelf-ready product and package prototypes.

**2. Place Prototypes
in Real Stores**

We collaborate with our network of retail partners to place your prototypes live on shelf, enabling us to gauge real consumer buying behavior and capture shopper feedback via intercept interviews.

**3. Measure
Purchase Behavior**

Based on the qualitative shopper feedback and quantitative purchase conversion benchmarks, the proposition is iteratively refined prior to investing in development and full launch.

E-commerce Proto-Selling

Transform early concepts into digital prototypes that can be tested seamlessly on our partner's trusted online e-commerce experience. Ads natively appear in thousands of apps and pair with digital shopping lists for a seamless integration and experiment off-ramping.

This partnership allows us to target based on and benchmark against years of transactions across hundreds of categories, to draw meaningful insights based on real consumer interest and behavior.

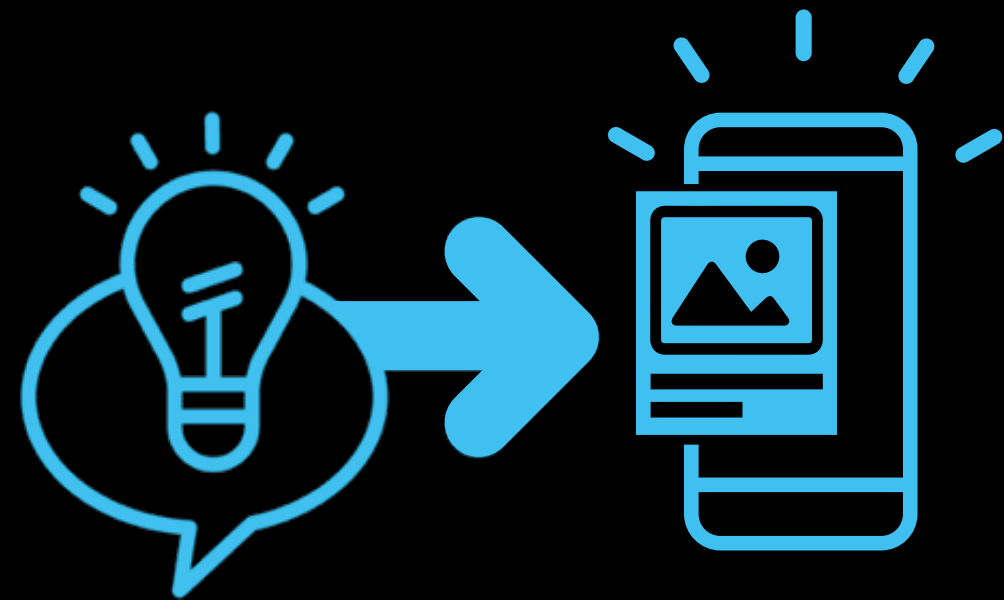**Channel:** eCommerce Platform (AdAdaptive)
To Validate: Trial Purchase, Lead Benefits, Brand Fit, Price
Industries: Food/Beverage, Packaged Goods, Appliances, Apparel, Equipment

# How *E-Commerce* Proto-Selling Works

1. Turn Concepts into Ads

LPK's designers and strategists transform your promising early concepts into a suite of ads that will be placed across thousands of apps, with the ability to reach more than 100 MM unique shoppers, target based on past shopping tendencies and interests.

2. Add to Digital Shopping Lists

This partnership allows use to natively integrate with wide network of digital shopping lists. Adding items to a shopping list cart not only provides a reliable read on purchase intent, but also provides an elegant off-ramp, with the ability to add "not available in your store" or product redirect messages.
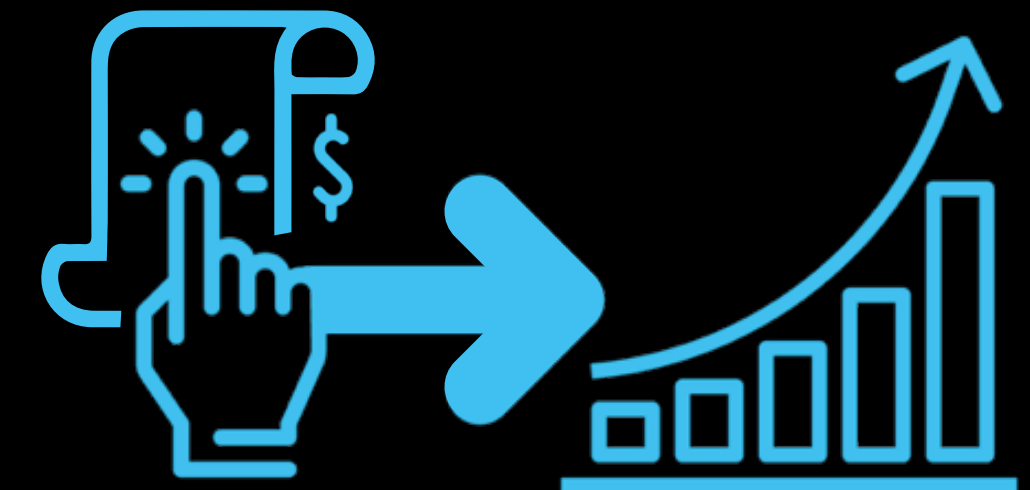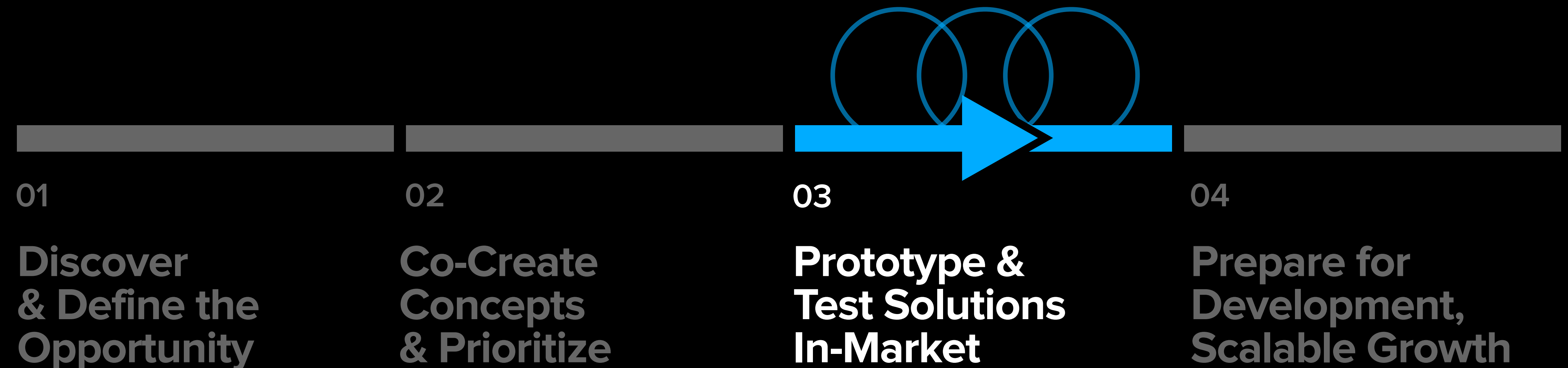
3. Measure Purchase Behavior

Performance is measured by calculating the click-through rate from the ad. The "Add to Shopping Cart" call to action provides a reliable read on purchase intent and is then benchmarked against performance of similar products and/or categories and follow through purchase rates when possible.

WHEN are Proto-Selling Experiments conducted?

AFTER a portfolio of concepts have been co-created and prioritized.
BEFORE beginning high cost development and full launch.

01

**Discover
& Define the
Opportunity**

02

**Co-Create
Concepts
& Prioritize**

03

**Prototype &
Test Solutions
In-Market**

04

**Prepare for
Development,
Scalable Growth**

HOW does the Proto-Selling Sprint work?

Plan

Build

Measure

Learn

Kickoff & Plan Experiment
Half-Day Workshop
@ Client's Space or Remote

Prototype Development
5-7 Days, Remote

Run Experiment
3-10 Days, Remote

Conclude Sprint Cycle
Half-Day Session
@ Client's Space or Remote
Pivot, Pause, Proceed?

Let's make extraordinary happen together.

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