

## Know Thy Consumer

by Nancy Zwiers

The traditional definition of marketing is meeting consumer needs and wants. But, how many of us in the toy industry really know what the consumer needs and wants? Sure, there is plenty of conventional wisdom out there, and most of it is empirical (that is, we see how the marketplace treats various products, draw conclusions, and take action accordingly). We learn from the natural feedback loop and gradually develop and hone our judgment.

However, consider this: the consumer is full of surprises. Even for someone who has been in the business for 20 years, understanding consumers and responding in effective ways (read “profitable ways”) is an art, not a science. How can we take a little of the guesswork out, make marketing less of an art and more of a science, and give it more predictability?

Our industry is woefully behind other industries in leveraging consumer research to make smart decisions. There are some good explanations for this:

- In many industries with sophisticated approaches to consumer research, life cycles of products are much longer and justify more spending to understand the consumer for that product.
- In many industries, the consumer is a communicative adult who can get in touch with and articulate their needs and wants. Our consumers are children.

These challenges have led to a historically underdeveloped appreciation and usage of consumer research. But now, the trade is demanding consumer insights. They want data and yet it costs money to get trustworthy data.

There are two main types of consumer research:

**Qualitative Research:** This is research which spurs insights, spawns hypotheses, and suggests directions, but this research does not attempt to predict a market result. The sample is too small to be statistically significant and is usually not nationally representative. Reports are written in words, not numbers. Focus groups are the most popular form of qualitative research and most companies with website-based panels deliver this type of feedback.

- Use at the beginning of an initiative to generate hypotheses by exploring consumer attitudes and/or behavior.
- Use to screen out less strong concepts (but, it cannot

tell you how strong a concept is).

- Use to understand the strengths and weaknesses of each concept.
- Use quotes to help you understand how people talk about the category or product being researched.

**Quantitative Research:** This research includes a large sample (usually 150+) that is nationally representative, and therefore results can be extrapolated to the population it seeks to represent. Questions can be closed-ended (multiple choice) or open-ended. Online is the preferred method of choice, now that the online population is considered representative of the population at large.

- Use to evaluate the strength of a concept or commercial (versus a control or established norms).
- Use to understand awareness, ownership, usage, etc.
- Use to understand the most important attributes and how products stack up against those attributes.

When researching with kids, remember:

- Kids under age 6 do not communicate verbally well enough to participate in focus groups. Talk to their moms instead.
- Kids under age 6 do not read well enough to participate in written surveys.
- Kids give the richest feedback when asked to react to stimulus versus just speaking from their mind.
- When testing appeal, test multiple concepts or products since kids will say they like almost any toy; the question is how much do they like it relative to other offerings.
- Testing pricing is helpful with moms but not meaningful with kids. For example, we ask for mom’s purchase intent at an expected price and at an actual price, but with kids we just ask about appeal.

Costs for professional research can be as low as \$1,000 so most companies, even small ones, can afford to understand their consumer better. ■

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