

Risk & Reward: Using Alienation Testing to understand potential in the marketplace

### Why do Alienation Testing?

In today's competitive marketplace, making changes to a product can be a double-edged sword. Whether it's for quality improvement, cost reduction, or compliance with new regulations, any modification carries the risk of alienating your loyal customers.

How can you ensure that your new product will be embraced rather than rejected? Enter Alienation Testing—a powerful tool that helps you understand how your current users will react to proposed changes.

Join us as we explore the methodology, practical applications, and real-world examples of Alienation Testing. Learn how to minimize risks, maximize rewards, and make informed decisions that keep your brand thriving. Whether you're considering a minor tweak or a major overhaul, this guide will equip you with the knowledge you need to ensure your product changes resonate positively with your target audience.

#### Know and manage your risks!

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#### Identifying Alienation

The percentage of people who would be alienated is 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.

# **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 above:

Unaware/Indifferent, Contented, Vulnerable, or Alienated.



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

HAIR PRODUCT PACKAGING UPDATE	79% of 409 users preferred the Test Package but would still buy the Control	81% of 404 users preferred the Control but would still buy the Test Package	A consumer packaged good company focused on personal care products wanted to test a new shampoo bottle design that they hyphothesized would communicate to consumers about the natural and fresh aspects of their product. The study showed 14% of current users may be alienated by the new bottle design, so the team had to decide if that percentage was too high to move forward.
	19% of 409 users preferred the Test Package but would NOT buy the Control Users show an inclination to switch	14% of 404 users preferred the Control but would <b>NOT</b> buy the Test Package <b>Users show a risk</b> for alienation	

#### 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 talking 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.

> Need to find out if your product will resonate with your target consumers? Reach out to us to learn more about alienation testing.