



SÉISSMO



Séissmograph 2012/2013

Market Cartography

Free sorting

In Qualitative Market research

Our Starting Point: We Live in Permanently Oversaturated Markets

The researchers' point of view

- ▶ Clusters belong to our **methodological repertoire**, and are almost part of our **inventory**
- ▶ Nevertheless, we often get feedback that our love of real products (or brand logos) on a table is a typical Séissmo specialty.
- ▶ For a long time we've wanted to know how we've intuitively **refined** our method.



We wanted to arrive at a **consolidated theory of clusters**, assuming that one cluster isn't equal to another.

The consumers' point of view

- ▶ Consumers want choice and novelty. They want the exact hair dye product that perfectly matches their hair color.
- ▶ But they feel overwhelmed, fail to get an overview of the offer and feel frustrated. Have they overlooked an interesting product that could have better answered their needs?
- ▶ Facing thousands of SKUs, consumers develop coping strategies that simplify the offer.



We wanted to make the consumers' navigation visible.

The manufacturers' point of view

- ▶ Manufacturers and retailers face a huge challenge of complexity:
- ▶ Towards more and more: Permanent innovation, with new boundaries and emerging product categories.
- ▶ Towards less and less: Permanent pressure on SKUs and shelf space, forcing strict portfolio management.



We wanted to help in making better decisions, including both needs and constraints.

Why Are Qualitative Clusters in Séissmo's DNA?

► Séissmo's name stems from **geology** :

- Deep layers and their composition
- Tremors and shifts/movements



► Annual self-funded experimental research: Séissmograph 2012/2013

- We introduce a sorting technique capable of detecting such trends and tremors:
The Market Cartography



► A solid fundament:

- First applications in 2002, strongly developed in 2004 and the years after
- **103 ad hoc research projects** using clusters were analysed in **2012/2013** to consolidate our theory
- Self-funded experiments conducted during summer 2013, in total **6 consumer groups** across **different product categories (FMCG)**



In Short: The Method

Free Sorting: Intuitive and So Normal!

- Basic Principle: Arranging items according to their similarity and with respect to their proximity



The crux for market research: the sorting criteria chosen by consumers
 = what you pay attention to when you choose a screw (or any other product)

- Do the consumers arrange the screws according to...?

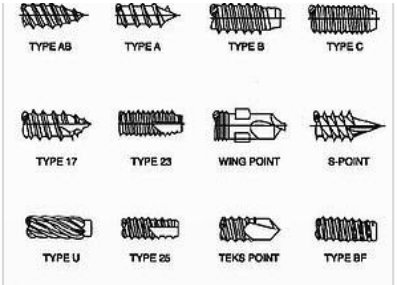
...their length ?



...their head ?



...their thread ?



So easy that it even works with children!

Sorting "Things" is...



9 yr old PUPILS

...fun, playful :

Therefore, emotional and highly motivating for participants

...involving the whole body :

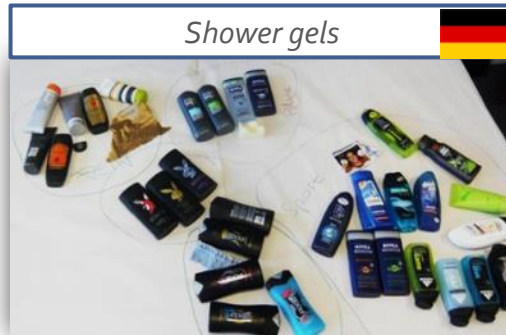
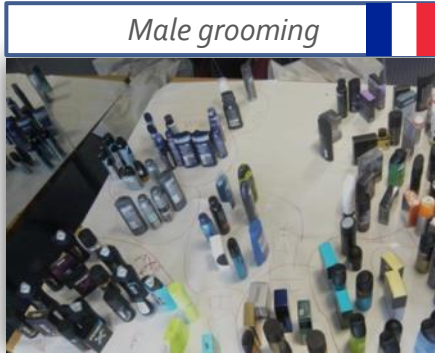
No falling asleep at a table with a rational discussion

...interactive, fostering dialogue

Exchanging views. A group at ist best

Our international practice

Examples of our practice around the world...



What is Market Cartography? – a Technical Definition

- ▶ A market cartography models **the consumers' mental** mapping of a market, i.e. a product category, portfolio structure or other defined scope.



- ▶ It is based on **free sorting techniques** that can be used as a part of a group discussion, where 6 or more respondents **organize** a randomly arranged **set of products** into segments according to **their own criteria**.

A non-directive, implicit and iterative method:

- Consumers are free to choose their own sorting criteria and hence we learn how *they* see the market
 - ➔ hypothesis finding rather than thesis verification
- **Free sorting + projective techniques = decoding of the consumers' mental categories and relevant segmentation criteria/ purchase criteria.**
- The sorting process can **be repeated multiple times** in one group and in many **variations** (e.g. with more/ less/ different products) across different groups.



7 Kinds of Answers You Get

Learning (a Lot!) While They Are Doing

1. Checking Comprehension

2. Measuring Heartbeats

3. Mastering Navigation

4. Cracking the Code(s)

5. Detecting Trends

6. Piloting Launches

7. Steering Innovation



1. Checking Comprehension

**Do the consumers understand your intentions?
How do they comprehend your products?**

- Via the process of sorting, consumers are under pressure to be **quick**.
- This reproduces the very **fast paced orientation** processes in real life.
- When they **don't understand** a product, they leave it. Ignore it. Put it aside. Or **hesitate a lot** before they attribute it to a group. Move the product from place to place. Bad sign for your product...



**This reveals the level of cognitive involvement required by your product.
If it is not immediately clear what it is about, it will have a hard time to
emerge out of the crowd. It will create confusion and insecurity.
Unless you have a wonderful and striking design/ feature to encourage the
consumer to spend time and effort!**

2. Measuring Heartbeats

Are consumers motivated to pay more attention to your product than required just to sort and classify it? Is there something more...?

We not only check the **cognitive involvement**, we listen to the **heartbeat** as well:

- Some clusters are built very quickly. Decoding can be easy, yet **emotional involvement does not automatically correlate**.
- A **good sign** for your **product**?
- When they spend time & effort and talk a lot about a category...
- When they joke, laugh, debate, disagree...
- When they give metaphoric names and forget the descriptive ones to label the sub-group...



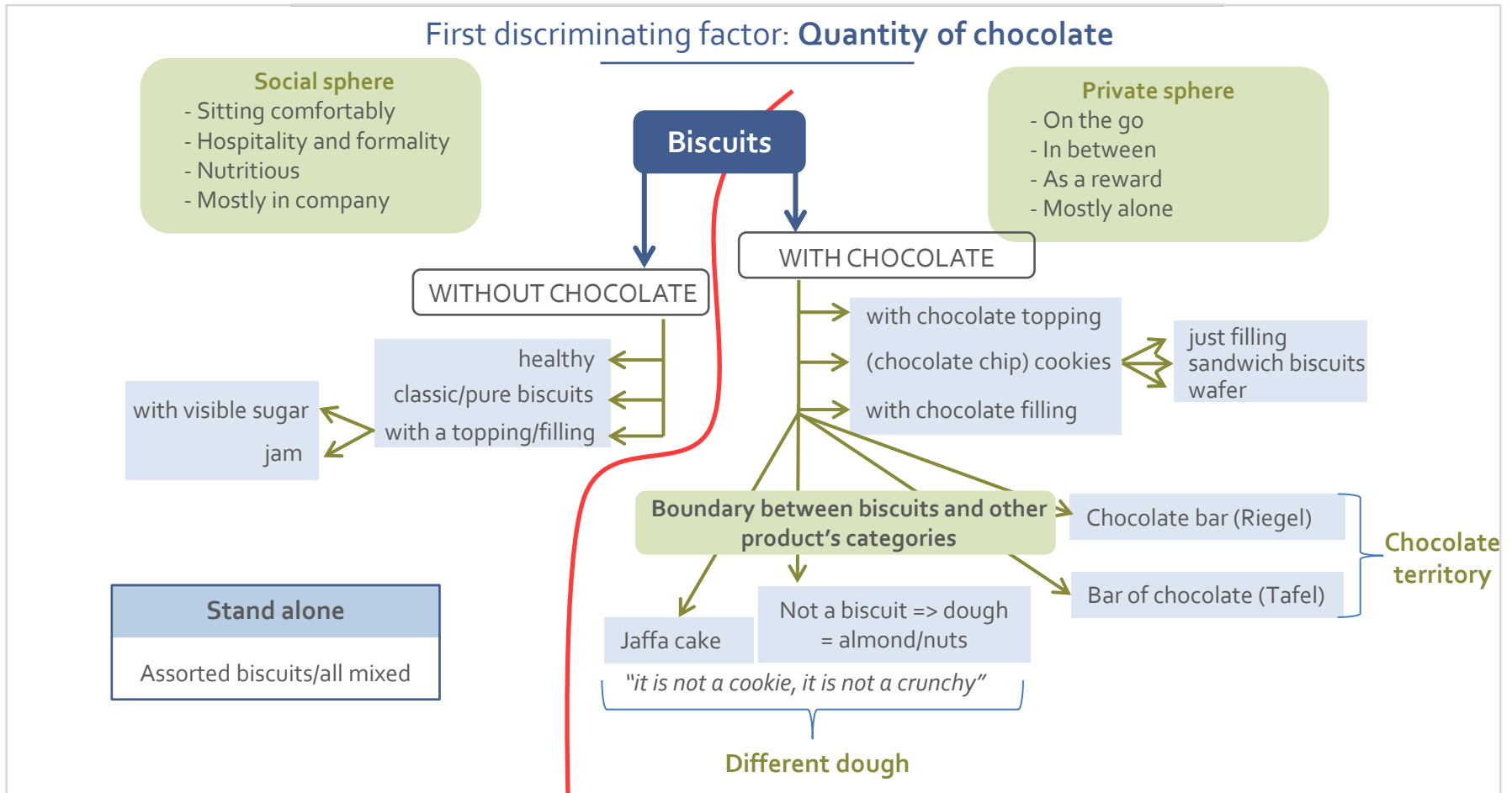
Biscuit assortments

1. Easily decoded...
2. Yet no motivation to spend more time :

"rather for guest than for me" Cannot touch emotionally and enter the private sphere, because the "I" is missing

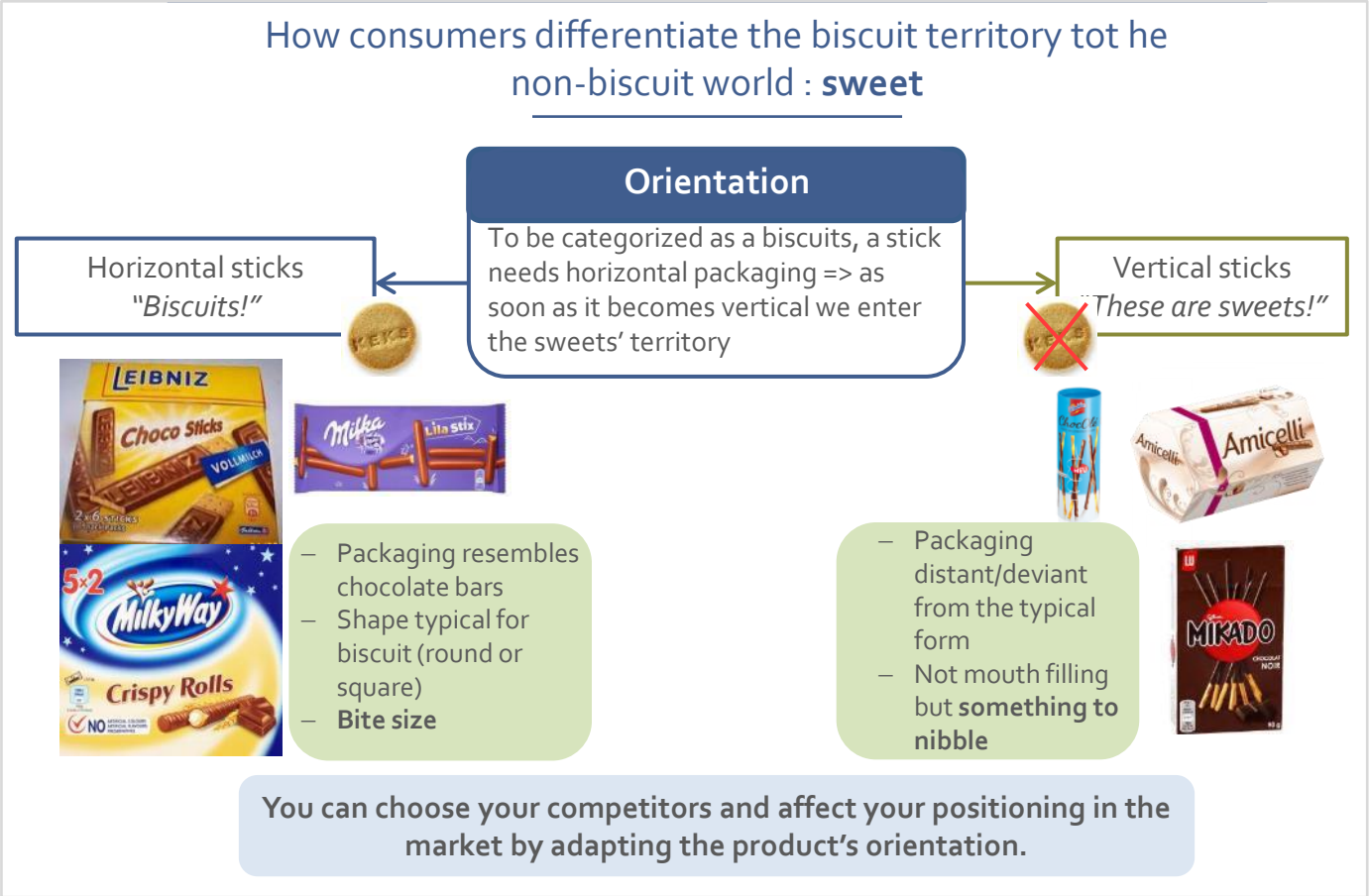
3. Mastering Navigation

Observing the consecutive steps of classification, sub-segmentation and all kinds of corrective measures during the process, we end up delivering a mental map on how the consumer navigates inside the category.



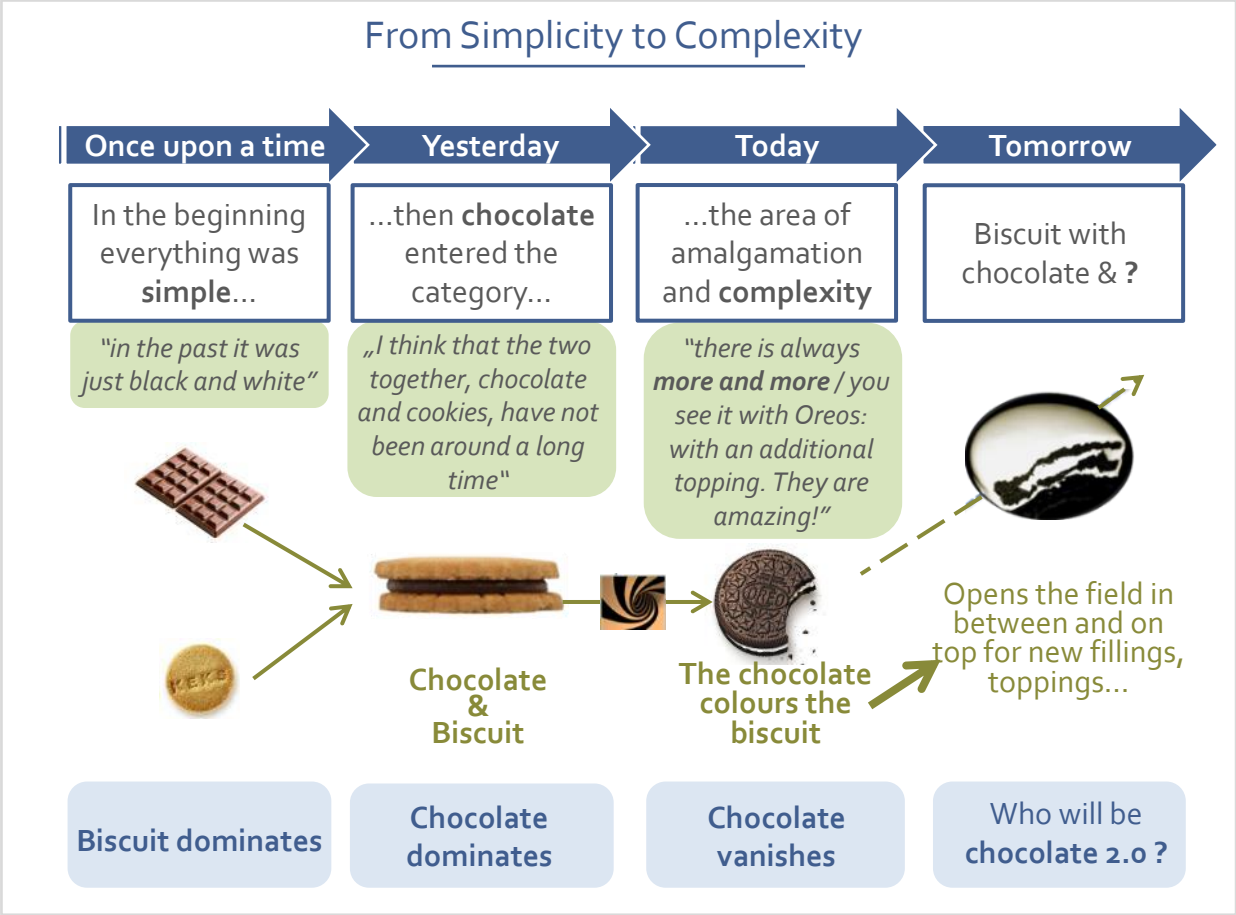
4. Cracking the Code(s)

Observing the consecutive steps of classification, sub-segmentation and all kinds of corrective measures during the process, we end up delivering a mental map on how the consumer navigates inside the category.



5. Detecting Trends

Sorting does not just mirror the status quo of market perception. In the clusters we can also read where the road is taking us, as well as the lands we leave behind...



6. Piloting Launches

Within a cluster round, some items remain alone. They are a precious indicator of how well the new product launch performs (if at all)!

A Product which cannot be attributed to a category and ends up on its own, indicates to have...

A bit of everything

Due to several existing criteria **Oreo White Choc** could belong to many clusters.



Yet the **unique combination and mutation** of many criteria (sandwich biscuit, filled plus topping) makes it a potential protagonist of a **new cluster**.



The mutation

...nothing of anything typical...



Due to a completely new and unique criteria **Tilman's Toasties** creates a new cluster in the snacking world: The only ready meal to be prepared in the toaster fulfills relevant, unsatisfied needs of the consumer.



The innovation

...nothing of anything relevant



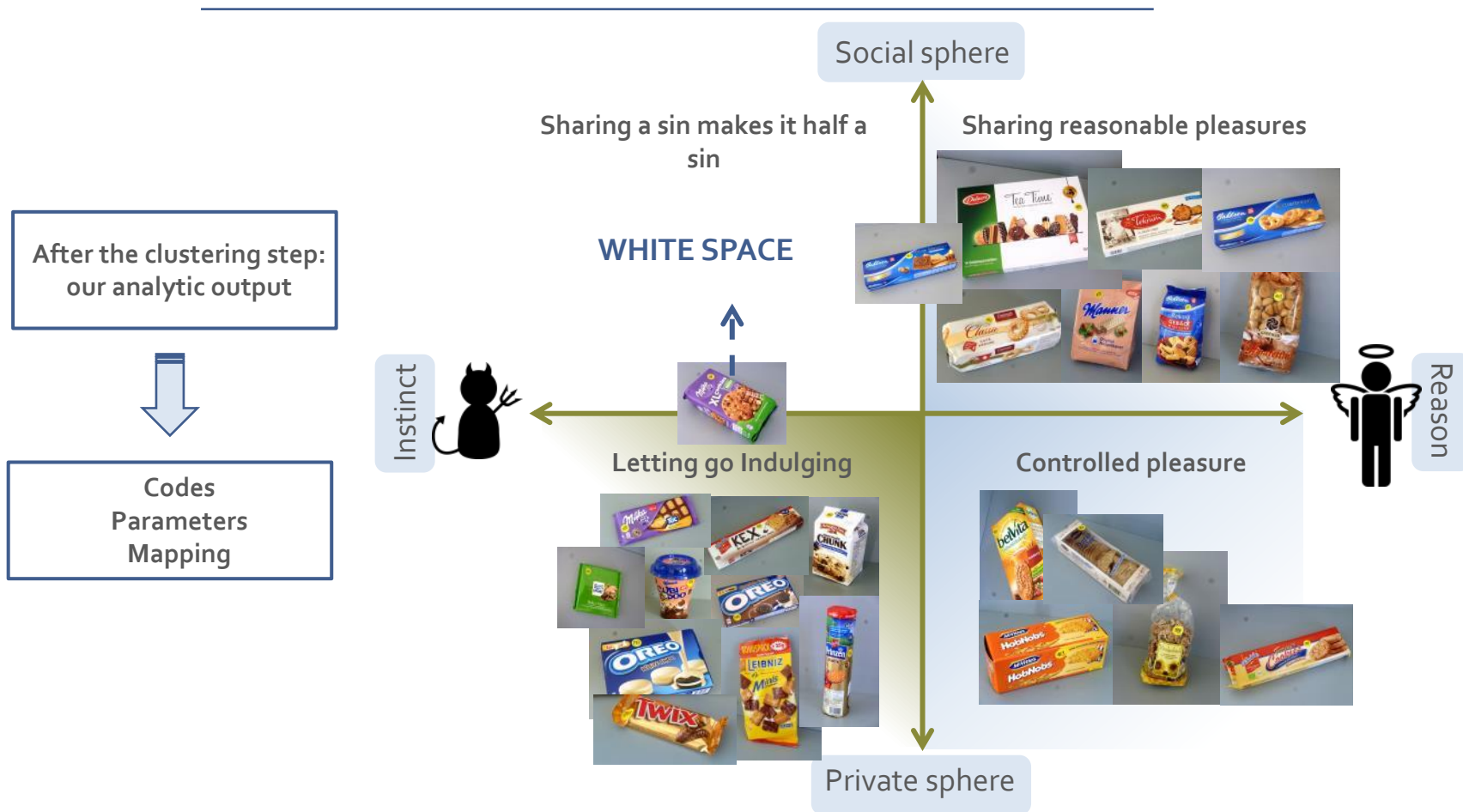
The benefit of "Ghost" could not be connected with the brand **DNA of Stabilo**. Also the packaging (design) was considered as untypical for the brand. All in all an outsider in the brand-portfolio – a real castaway.



The mismatch

7. Steering Innovation

The axes of segmentation of the product set help to understand the rules of the category and reveal the need states. Some areas appear crowded, but by analytical deduction or simple observation we find unexploited spaces.





Consolidated Theory:

Séissmo Customizes the Methodology and Takes it Further!




We Validated Mainly 3 Types of Cartographies

Cartography teaches us about both

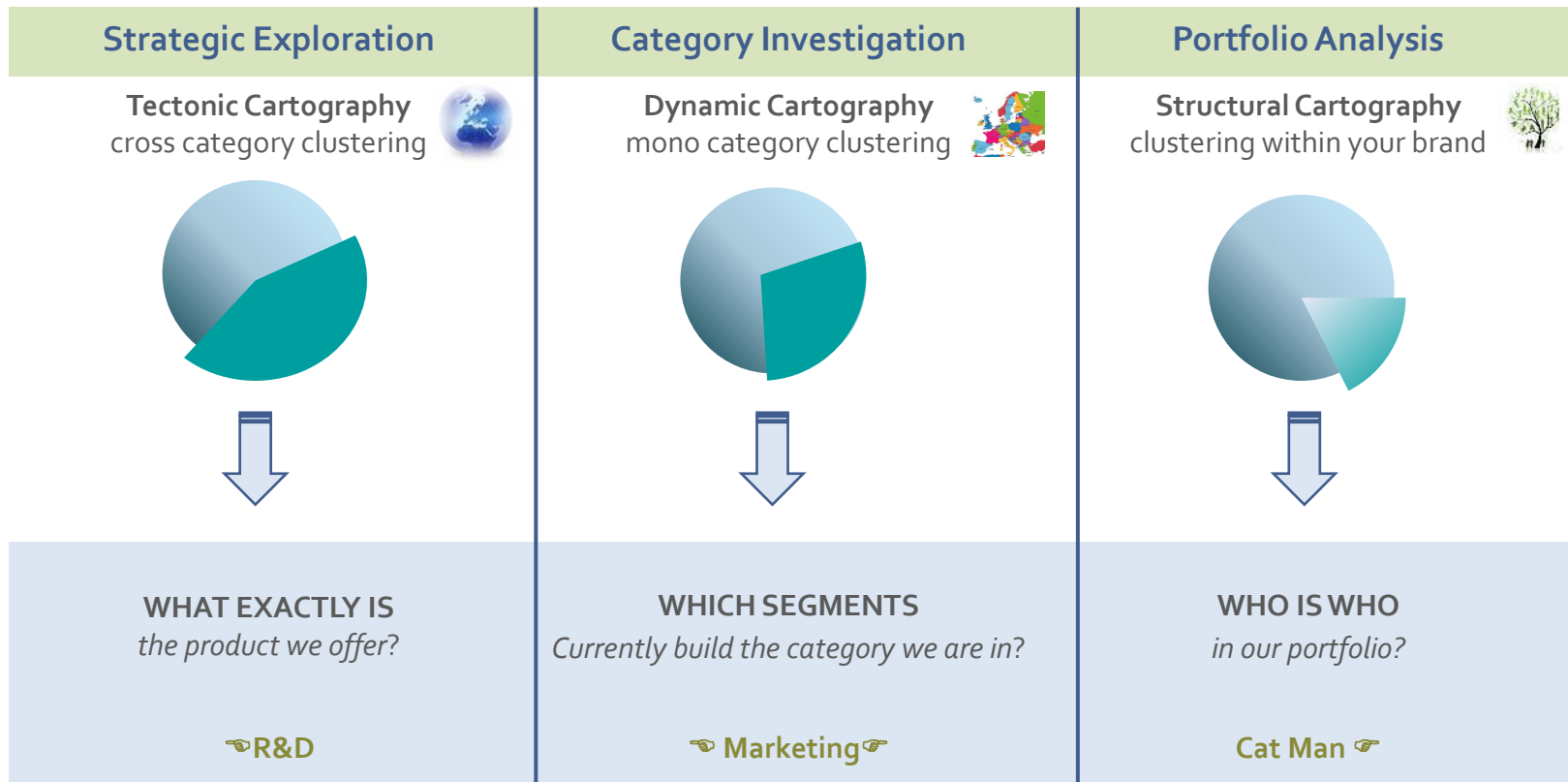


Shopper: socially learned signals and (culture) codes
 ⇒ **impact and navigation** at shelf level => findability







Consumer: (unmet) needs, desires, values, attitudes, motivators
 ⇒ influencing the consumers' **purchase decision criteria**

Strategic Exploration	Category Investigation	Portfolio Analysis
<p>Tectonic Cartography cross category clustering</p> <hr/> <p>Scope of competition and zones of influence – wide scope, direct & indirect</p>	<p>Dynamic Cartography mono category clustering</p> <hr/> <p>What are the rules of your category? – immediate scope</p>	<p>Structural Cartography clustering within your brand</p> <hr/> <p>How do consumers approach your products? – home ground</p>
<p>the whole world of competition, & market dynamics</p>  <ul style="list-style-type: none"> - To (re-)define and understand who your competition really is - And where you are within this world ⇒ brand positioning - Draw (new) borders between the relevant categories 	<p>a full map of all sub categories</p>  <ul style="list-style-type: none"> - To learn how the consumer approaches a category - Product positioning: where are your products anchored in this landscape - How strong is your current/ new product in this category 	<p>an organogram or family tree of your brand portfolio</p>  <ul style="list-style-type: none"> - How do consumers navigate through your portfolio? - Star products, structure, history - Brand legitimacy, brand stretch - Cross-usage and cannibalization

Which Answer Different Types of Questions



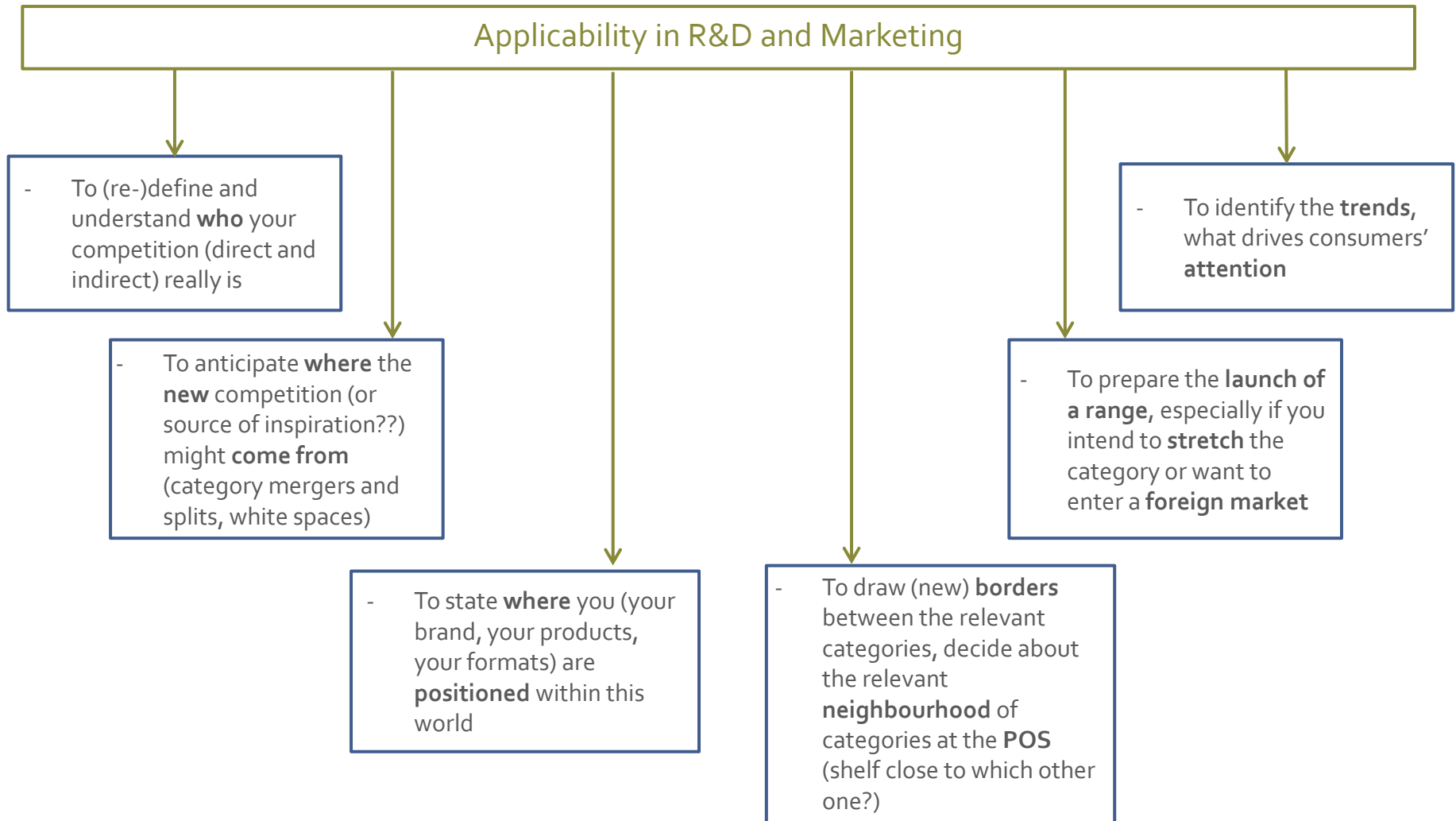
Our Own Experiments: An Overview

Strategic Exploration	Category Investigation	Portfolio Analysis
<p data-bbox="320 401 654 472">Tectonic Cartography cross category clustering</p> <p data-bbox="282 554 461 586"><i>Experiment 1</i></p>  <p data-bbox="262 708 710 889">126 products selected from different categories: biscuits, cakes, sweets, chocolate to explore the whole world of competition & market dynamics</p> 	<p data-bbox="784 401 1157 472">Category Cartography mono category clustering</p> <p data-bbox="765 554 944 586"><i>Experiment 2</i></p>  <p data-bbox="745 708 1174 889">108 biscuits and close relatives selected by consumers to understand the rules of a single category and provide a full map of all sub categories</p> 	<p data-bbox="1267 401 1640 472">Portfolio Cartography clustering within your brand</p> <p data-bbox="1248 554 1427 586"><i>Experiment 3</i></p>  <p data-bbox="1228 708 1676 889">74 Stabilo pens to investigate how consumers approach the products of a brand and to build an organogram or family tree of a brand portfolio</p> 
<p data-bbox="340 1065 629 1093">WHAT IS A BISCUIT?</p>	<p data-bbox="745 1029 1193 1136">WHICH SEGMENTS ARE THERE IN THE CATEGORY OF BISCUITS?</p>	<p data-bbox="1248 1051 1653 1115">HOW IS THE BRAND PORTFOLIO STRUCTURED?</p>

Type 1: TECTONIC CARTOGRAPHY - cross categories



“Tectonic Cartography”



Presentation of Experiment 1

What we did

- We conducted two consumer groups to sort a large number of **products from different categories** (biscuits, cakes, sweets, chocolate)
- Free sorting of **126 products** with **projective mapping** and **tectonic cartography**
- The participants were male and female, aged from 15 to 503



Separate table



What we learned

By this tectonic cartography we learned:

- What **differentiate** biscuits from other products' categories (cakes, sweets, chocolate) ⇒ **territory's delimitation**
- That the most important and spontaneous criterion in sorting biscuits is the **presence/ absence of chocolate** ⇒ **main driver**
- Which trends affect these categories: **complexity** ⇒ **evolution/ revolution**

Alternative: let the consumers go hunting!
Safari purchase as a group task at a retailer nearby, then back in facility

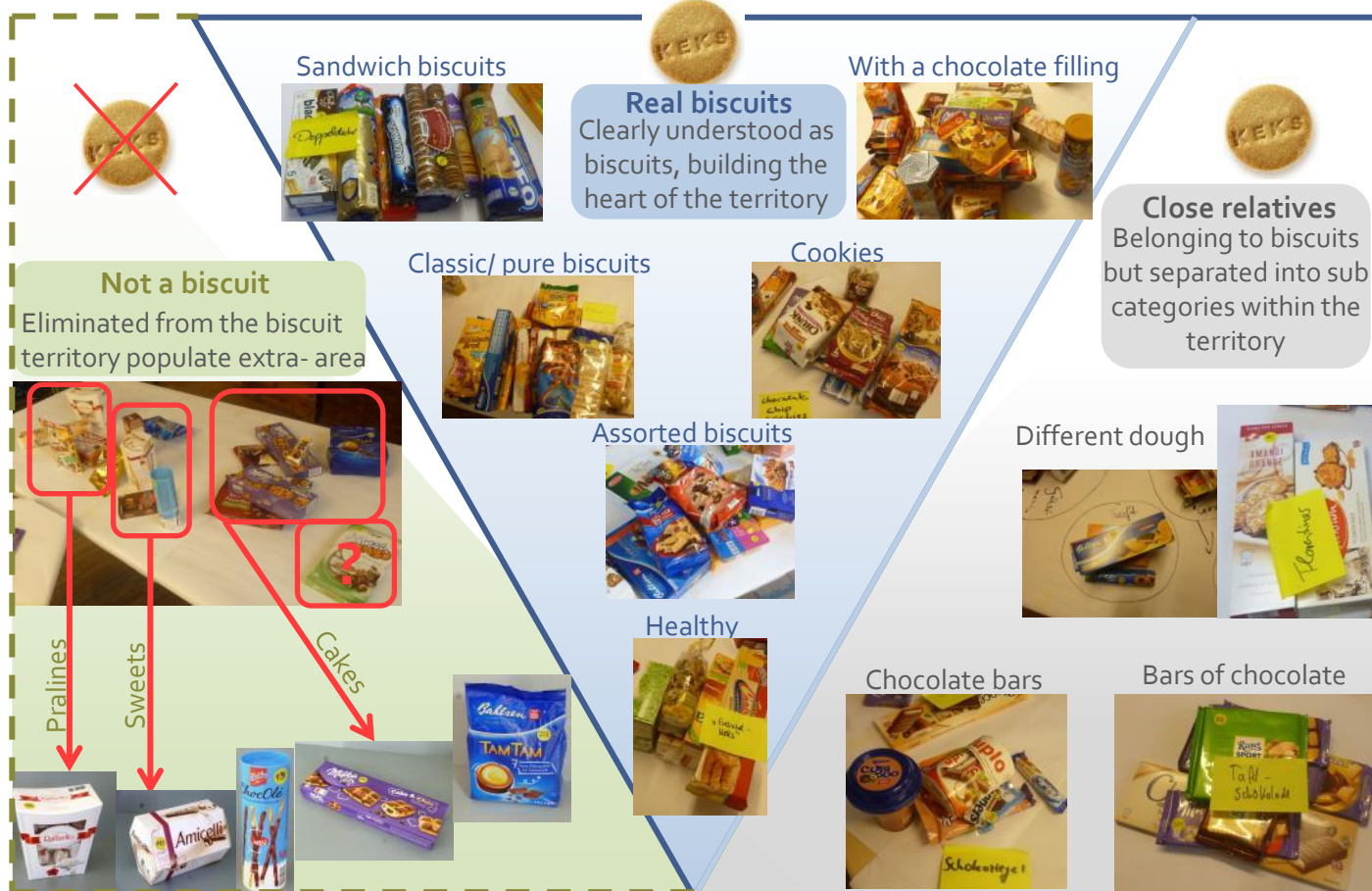


Learning 1: Draw the Category's Boundaries and Delimitation!

Do you really know where your category starts and where it ends?

We found out that the manufacturers' opinion might strongly differ from the consumers' view. Qualitative Clusters help to draw the frontiers and to define the true identity of each product.

When is a biscuit a biscuit?

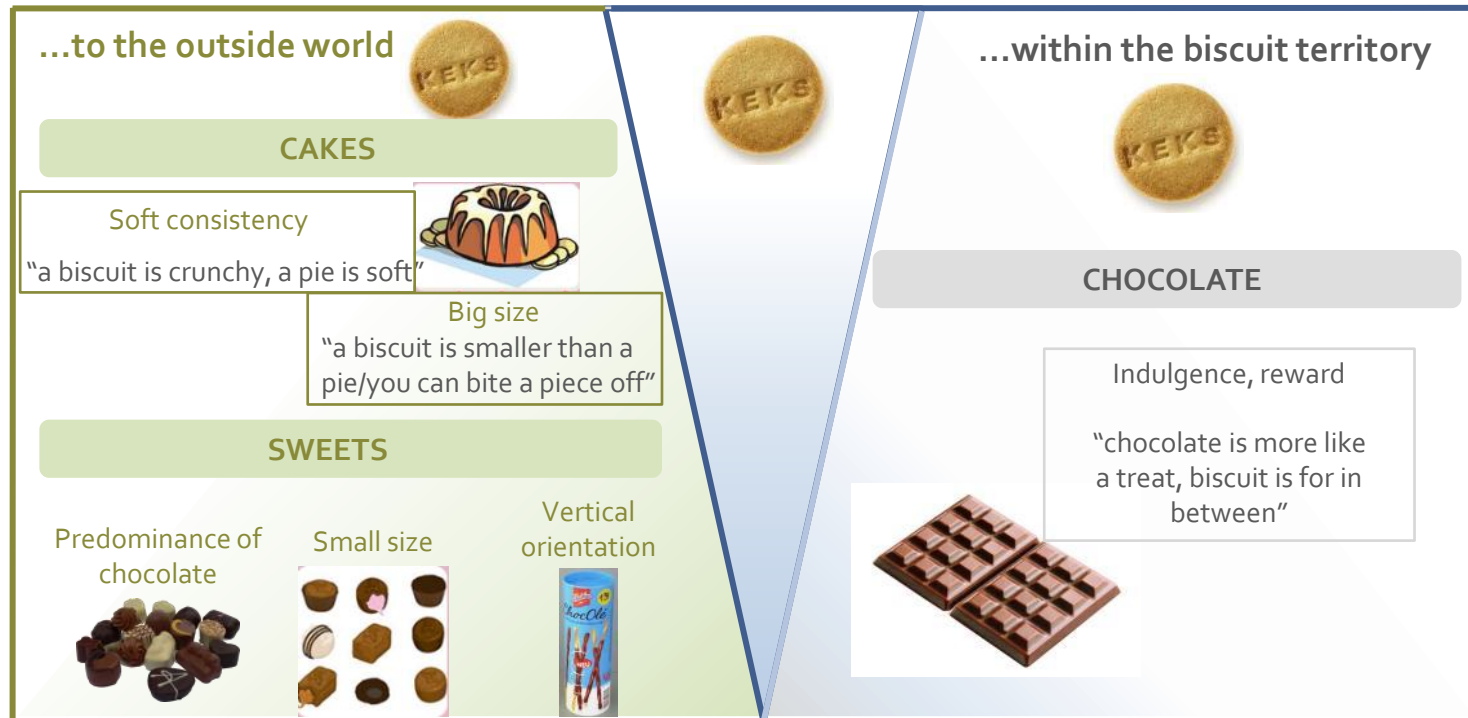


Learning 2: Find who Your (unexpected) Competitor is!

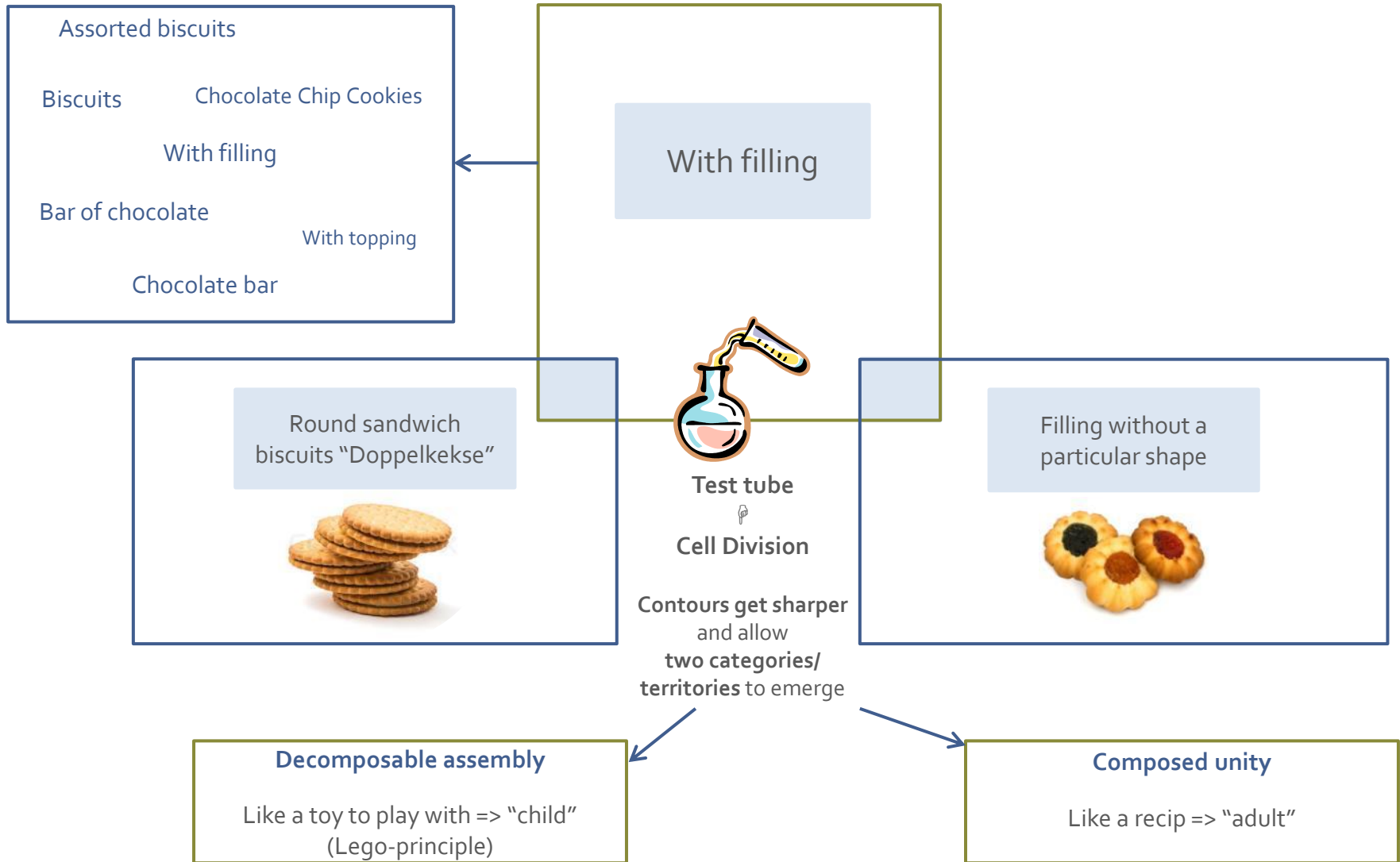
A biscuit with chocolate is still a biscuit, but not for example if it has a soft dough or is mini-sized!
 Consumers differentiate between soft and hard/ crumbling dough. This separates the biscuit world. But not the presence of chocolate. Therefore, chocolate is a powerful entrant in your world, merging with the crumbling cookies!

Qualitative Clusters help to identify who is threatening/ entering your category and which products are perceived as far away.

Competition of the biscuit world : closer to chocolate than to dough !



Learning 3: Create Best Laboratory Conditions for NPD



Type 2: CATEGORY CARTOGRAPHY – Mono category

Rules

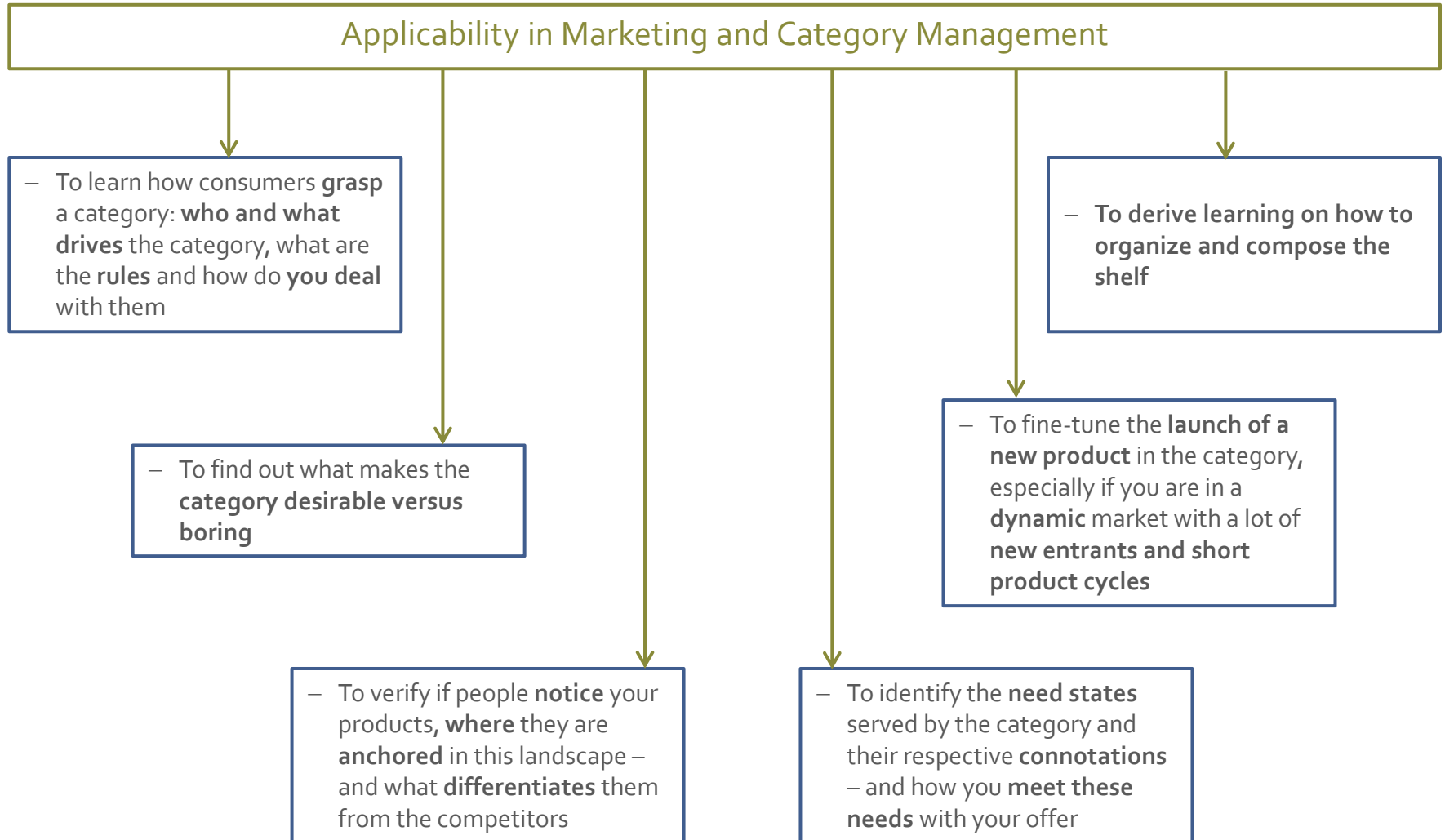
Drivers



Codes

Differentiation

“Category Cartography”



Presentation of Experiment 2

What we did

We conducted two consumer groups to sort a large number of **biscuits and close relatives**:

Free sorting of **108 real products** with **projective mapping**

Free sorting of **108 laminated pictures** of products

The participants were male and female, aged from 15 to 50



What we learned

By this regional cartography we learned:

- How the category of biscuits and their close relatives is **segmented** by consumers: products' composition, brand, packaging format and colours, consumption situation...
- Which **codes** rule the category and the segmented sub categories: cookies, assorted biscuits, sandwich biscuits, healthy biscuits, cravings...
- Which **need states** drive the category: sharing, indulging, controlling...
- Where **white spaces** open the possibility to create/ launch new products to compensate **unfulfilled wishes**

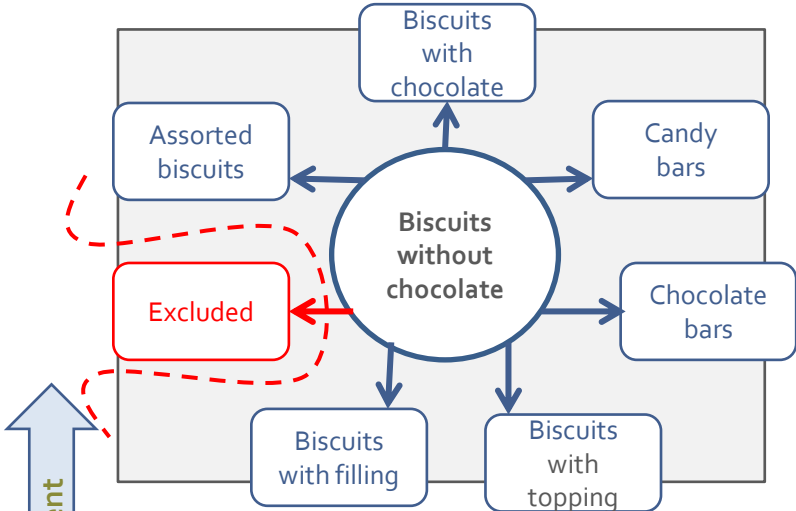


Learning 1: Draw the Category's Sub-Segments and Identify the Need States!

Consumer's cluster : 1st round

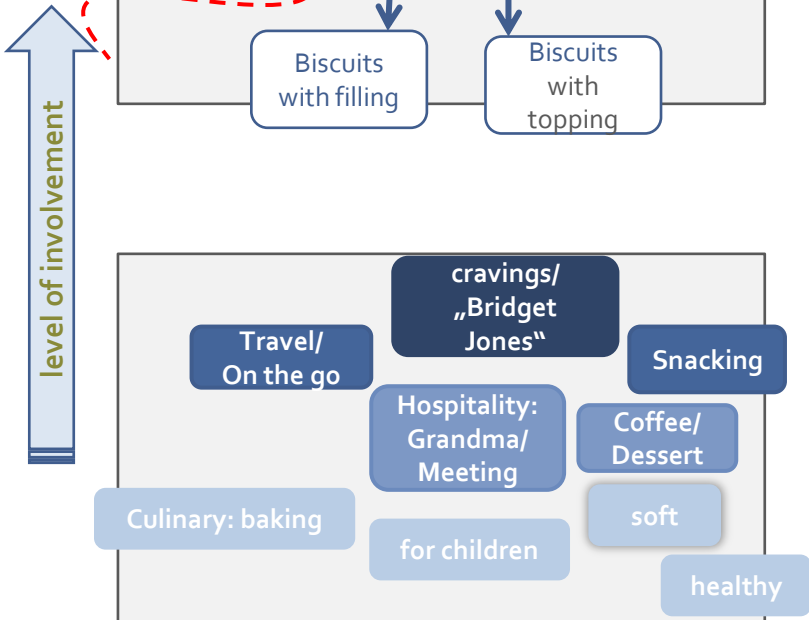
Identification of the obvious (best visible, most discriminating and relevant criteria like colour, brand, material etc.) → **rational** (what is "logic") **salient segmentation criteria** emerge.

Inside the biscuit territory, there are different sub-categories which a biscuit can be assigned to.



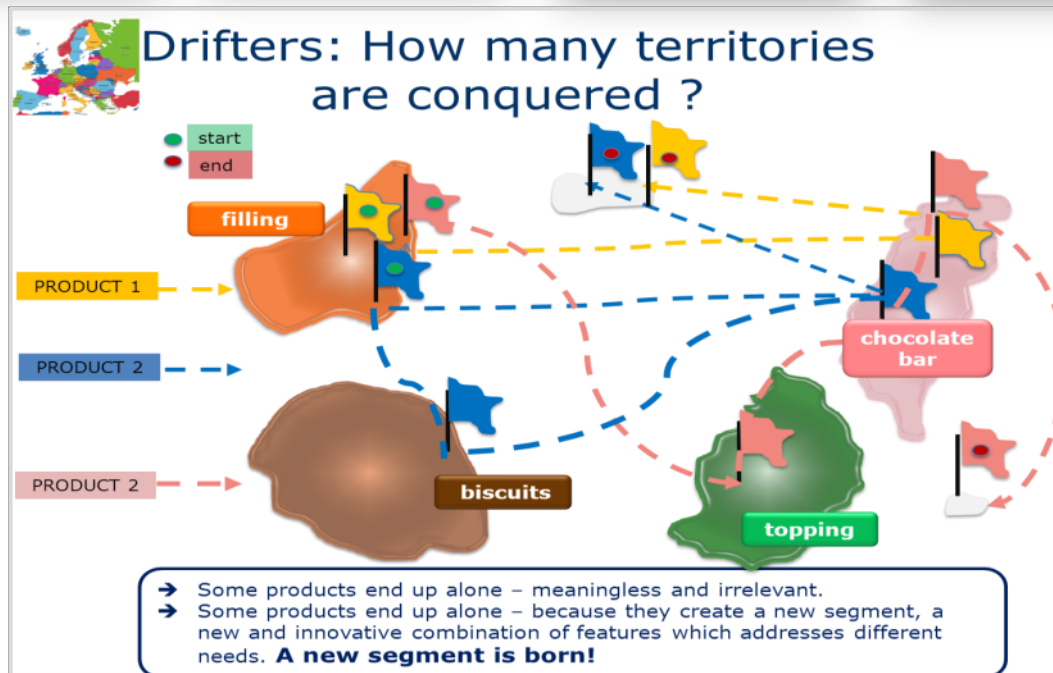
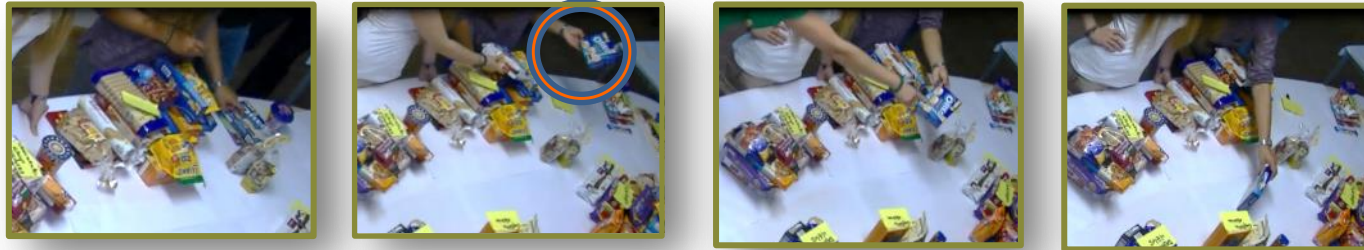
Consumer's cluster : 2nd, 3rd, 4th rounds

Inside the biscuit territory a further clustering according to the consumption situation allow **emotional segmentation criteria** to emerge → consumers dip down **beyond the obvious** to reach a **deeper segmentation level**, showing a **higher involvement**.



Learning 2: Anticipate Emerging Sub-Segments!

Thanks to the iterative process of moving products around or re-assigning them to territories, we see how many need-states they fulfill and if they create new benefit platforms with tangible benefits and clear messages.





Learning 3: Learn to Exploit (or Manipulate) the Codes!

Successfully playing with the codes requires an understanding of the market rules. Decoding the implicit messages of the category enables you to interpret them and keeps you from disregarding and failing the codes.




near enough is not good enough
 Why not every cookie is a "Bridget Joneses":
It takes more than chocolate to be a "real" cookie


A proper cookie

- right **name**: "cookie" (cosmopolitan, modern)
- + authentic "homemade" appearance (big **size**, no square or regular **shape**)
- + appropriate **packaging** (no formal hard box)
- + chocolate **chunks** (not just fondant) to bite, feel and enjoy!
- + "**sexy**" exciting appearance (not reasonable/healthy)

Almost a cookie...

 triggers loss of control and indulgence

Type 3: PORTFOLIO CARTOGRAPHY – Within your brand

Brand DNA

Product legitimacy



Brand stretch

Product credibility

“Portfolio Cartography”

Applicability Category Management and Marketing

- To check if your portfolio has a **clear, comprehensible** structure **resonating with the consumers’ inner logic** (opportunity to derive learning for better navigation on shelf)

- When you ask yourself the question of the relevance and legitimacy of new products in your portfolio

- To identify your DNA, your core business, your star products, your brand pillars (independently of the sales figures)

- If you have to skip some SKU’s (the shelf space might require it...)

Presentation of Experiment 3

What we did

- We conducted two consumer groups to sort products belonging to the Stabilo portfolio
- Stabilo offers a huge range of diverse products in several segments
- Free sorting and projective mapping of 74 Stabilo products with a group of 6 students
- Free sorting of 74 Stabilo products with 5 young pupils (9 yrs)



What we learned

From this family cartography we learned

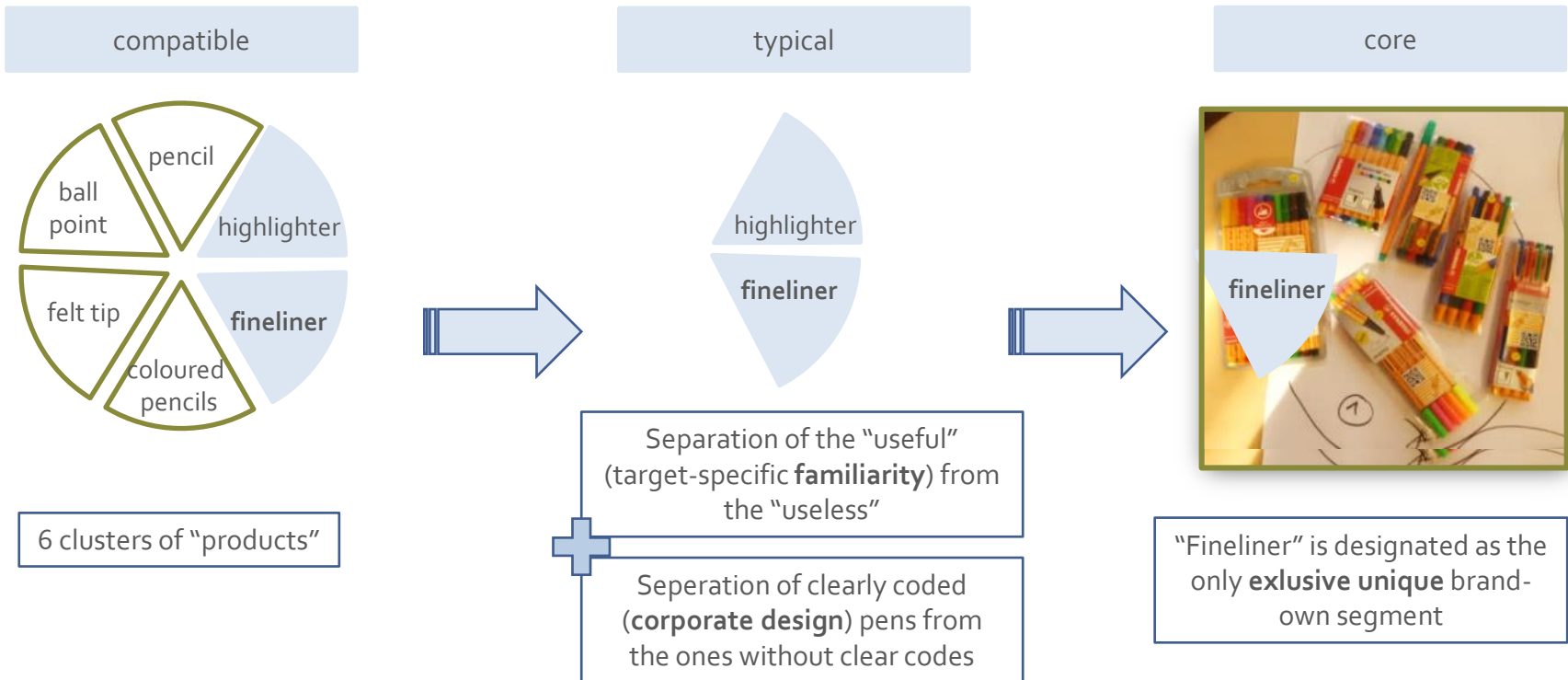
- about the perceived **structure** of the Stabilo range
- about the **relevance** of distinctive product benefits (and the way they are communicated)
- about the **brand DNA**: how many Stabilo genes each product contains

And also we learned, that even children can do family cartography...!

Learning 1: Clarify What Your Genes Really Are

Sorting a brand implies probing the DNA: Free Sorting a brand portfolio by your own chosen criteria automatically reveals the uniqueness of the brand and the level of brand-fit for each SKU.

Sorting Stabilo pens by seemingly functional criteria also reveals brand-fit issues: Even if not asked for explicitly, students classified (and commented) the set of pens by the level of brand DNA inside.



Learning 2: Experience Where Your Genes Can Take You

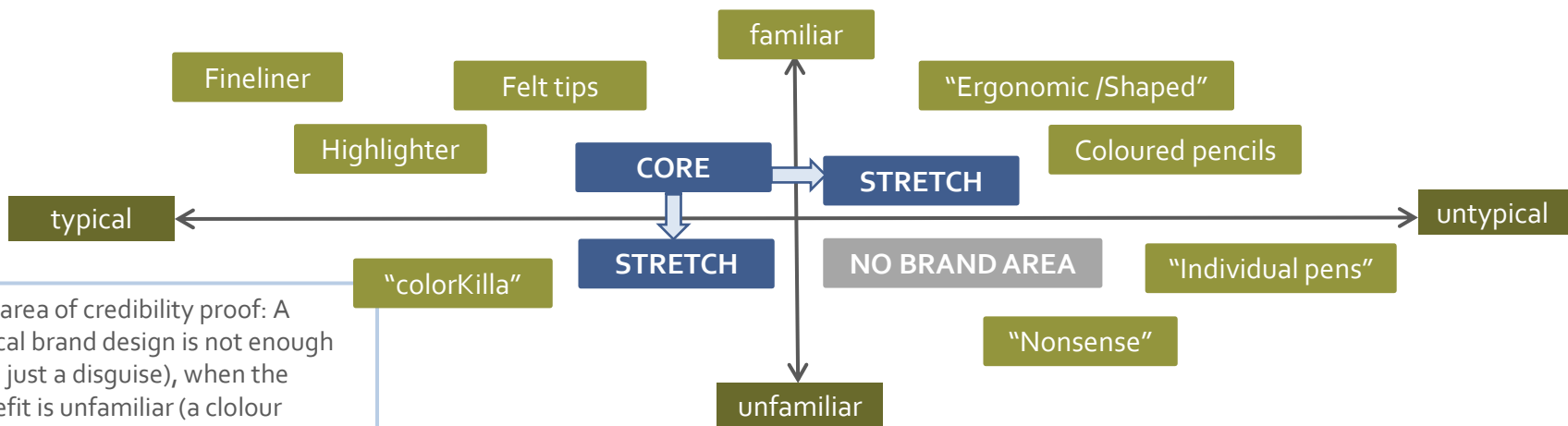
From projective exercises after the sorting session we experienced which kinds of products may be part of the portfolio to stretch the brand without tearing it.



„Stabilo represents fineliner – exists already for a long time“

“Stabilo have those white bars, the light orange, which they always have“

“...the coloured pencils we position far far away from them...“

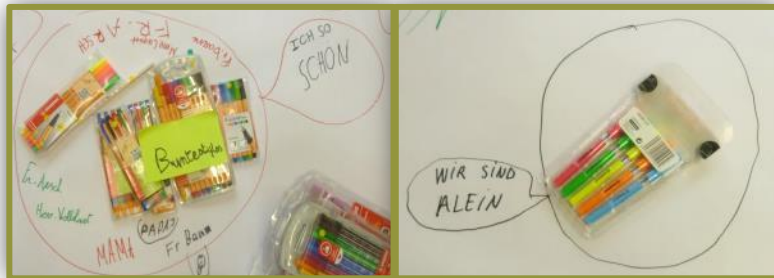


The area of credibility proof: A typical brand design is not enough (and just a disguise), when the benefit is unfamiliar (a colour deleting pen)!

Learning 3: Do the Acid Test – Who may Bear the Brand Name?

A brand is a collective good – and we all share a common understanding: Same results across different targets are not surprising but prove a clear brand profile. “Users” and “Non Users” are similarly able to detect what fits the brand personality.

STUDENTS



„I’m so beautiful...“

„we are alone“

both targets, students and pupils, point out the same products as **core** of the brand and **benchmark**.

PUPILS



„funny pen/a punk...“

both targets miss the brand DNA of this product.
The link to the core is cut.

Also a small child notices if a launch hits the core or fails the target.
Sorting is a way to enable them to express this intuition.

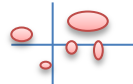


More Detail for the Researchers'
Passionate Heart!

Everybody Clusters – What is Different About Séissmo?

► Free

- Consumers always choose their own criteria at least during the first rounds of sorting.



► 2-Dimensional

- The items are sorted: not linear (1-dimensional) but spatial, multi-dimensional

► Multiple



- We do it not just once but usually have several rounds of free sorting to reveal the deeper hidden or slowly emerging (trend) variables = the criteria is not immediately obvious.

► Dynamic

- After the sorting, a projective discussion of the territories is essential to understand the dynamics.
Some items are wanderers, hence we don't just look at the end result but the process.

► Tailored

- Different research questions demand different types of techniques, therefore we have developed three kinds of market cartographies (see next page).
Also each global market demands an unique approach: in China we will use different techniques to Germany or the US (e.g. do not cluster families in China as they are too small, nor political regimes...).

Procedure: A Two step System

All three types of cartographies are built in a two step system.
 However, the instruction and questions asked in each step differ according to type.

Step 1: Free Sorting



- Simple instruction
- No interference
- Interactive process
- Intuitive
- Spontaneous
- Minimal verbal censorship
- Active

Step 2: Projective Mapping



- Projective questioning
- Open questions
- Relevant criteria used for segmentation
- Relationships between product families

What We Discover in Each Step

Step 1: Free Sorting

*The moderator steps back after giving the instructions.
Several processes happen (sometimes simultaneously):*

- **Discover:** consumers familiarize themselves with the set of products (look, touch, read, awake memories,...)
- **Discuss:** the group starts deliberating which products may belong together and in this define their sorting system
- **Differentiate:** consumers build homogenous groups of products that can be differentiated from one another

⇨ INTUITION

revealing various segmentation criteria

Step 2: Projective Mapping

*Moderator steps in again when categories are complete
for deeper questioning and projective techniques*

- **Borders:** circling and naming each product cluster and in this ask what separates one group from another → semiotics
- **Domestic Affairs:** projective techniques like “visiting the planet of...” or “who is the speaker” reveal the system’s actors
- **Tectonic Dynamics:** with the metaphor of plate tectonics discuss market movements and potential trends

⇨ IMMERSION

emotional and rational appropriation

Why one Round is not Enough

Free sorting can be repeated 2-5 times

- Because during the first rounds only the obvious, rational (what is “logic”) salient segmentation criteria emerge.
- Obvious (best visible, most discriminating and relevant criteria like colour, brand, material etc.) enable the consumers to act efficiently and fulfil the required task.

The first round – also important as a warm up

- Consumers need **time to discover all products** (which enables them to act easier and faster in the following rounds)
- ➡ Nevertheless: Also in s first round we learn a lot about what is “obvious”

More to come – more to emerge!

When the rational part is done...

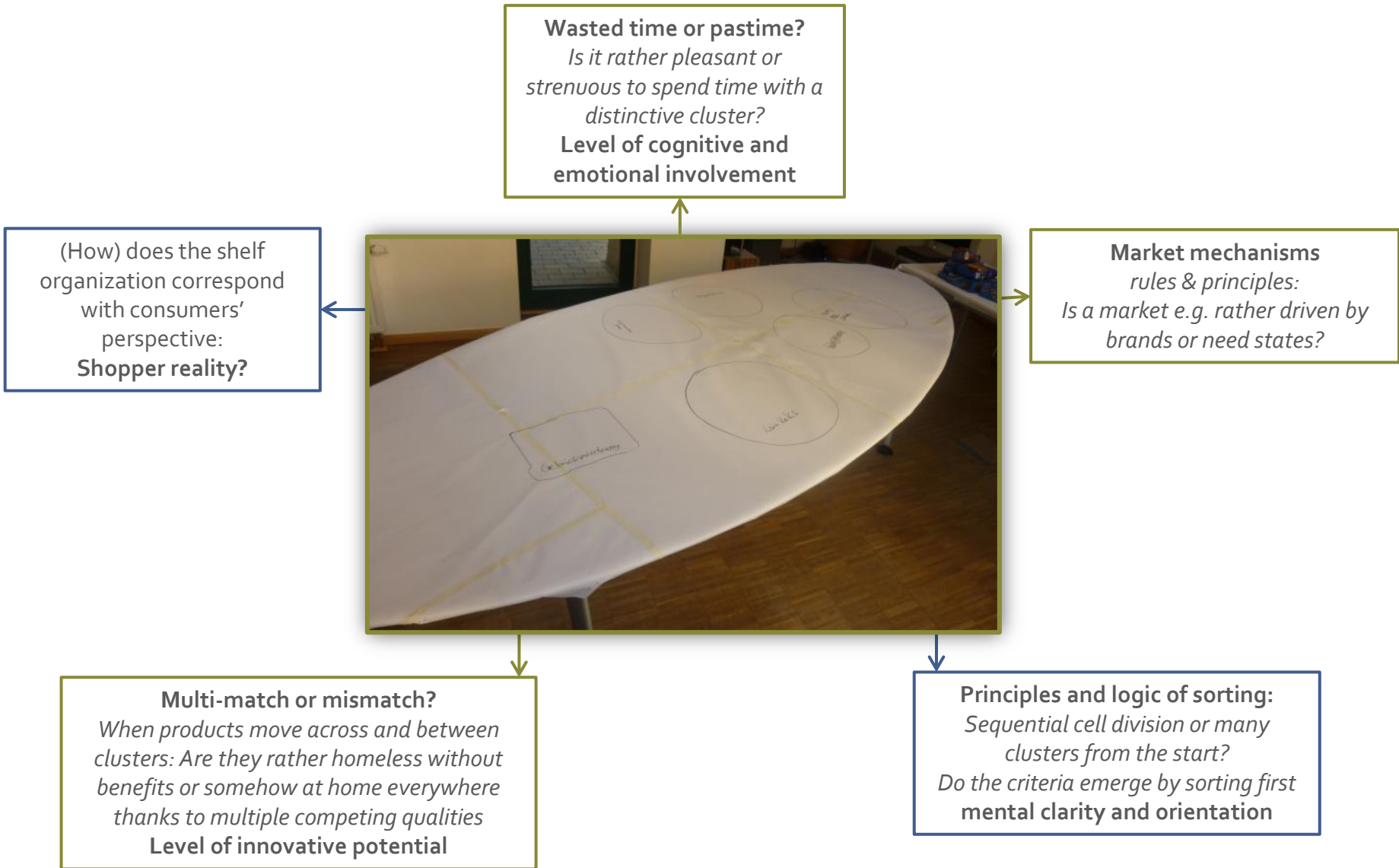
...in additional rounds consumers start getting creative, dig deeper and diversify their ways of mapping

- the deeper hidden or slowly emerging (trend) variables are revealed.
- the criteria not obvious for everybody but with a growing potential to subconsciously influence our purchase become relevant.

Example biscuits:

It was striking, that in the first rounds consumers sorted the biscuits by their “composition” and NOT by brands – which would have been an obvious criteria as well !

What We Keep in Mind During the Analysis:



Stimulus Material: If Possible Use Real Products!

The more realistic the better

In general real products are preferred, since they convey the complete impression: the whole visual and haptic sensation - life sized also in relation to each other.

Sometimes the alternative to use pictures is the more pragmatic or useful way

- when **not** all required products are **available**
- when the products are **too big** (to handle, i.e. keep from free sorting): like cars...
- when they are **too precious or hard to get**
- when **not all products really exist!**
- to **give smuggled in innovations the same chance**
(and otherwise consumers could easily identify 3D-dummies or mock-ups)

When we use images
consumers sort cards,
not just products



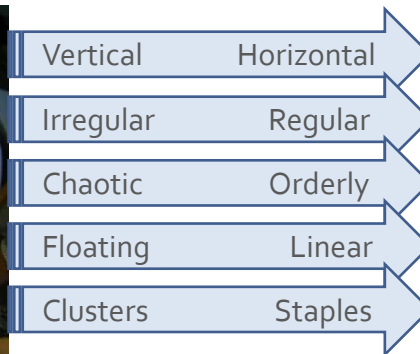
Consumers want to touch the products,
not only see:
There is a good reason, why the German word
"be-greifen" (touch) means to understand!

Careful with 2D Material “Playing Cards”

„Playing Cards“ influences the process and affects the result:

- **The weighting of criteria may change**, if all stimulus is 2-D and the same size: In our biscuit study we could observe, that colours of the images become more important. Sorting by brands (which are blue, yellow, lilac...) happened at an earlier stage. **Thus it gives too much weight to some criteria which might not be so relevant in front of the shelf.**
- **During the moderation** we have to take care, that items do not get out of perception: Pictures tend to get covered easily, get invisible and vanish from sight and memory. Only the top of a cluster (staple) stays visible, the feeling for size of clusters is lost by flat staples...
Thus the described content depends a lot on the “top of the pile” and partly ruins the holistic view of the category.

Better images than no cluster!
 If images, better a small number of images which stay visible on the table all time!



Some Provocative Thoughts in the End

- ▶ STOP SPLITTING YOUR TARGET GROUPS INTO A HUNDRED PIECES
- ▶ TRUST THE TRANSVERSAL INTUITION OF THE MARKET
- ▶ HAVE A MORE HOLISTIC VIEW OF YOUR "POTENTIAL CUSTOMERS"
- ▶ USERS/ NON USERS (or other marketing) DEFINITIONS ARE EPHEMERAL, CARTOGRAPHY IS STABLE AND DELIVERS CONSTANT AND VALID RESULTS
(with sometimes only 2 short groups)

Consumers (and clients!) find it easy and playful. Just a nice effect?

- ▶ STOP ASKING 100 QUESTIONS (per hour)
- ▶ USE THE NON-VERBAL ELEMENTS
(physical product movements, attraction and rejection...)
- ▶ JUST LET PEOPLE "do"
- ▶ THEY'LL TALK (ANYWAY) ABOUT THE RELEVANT ASPECTS TO THEM

Thank you for your attention

... and a very warm THANK YOU to:

Jürgen Meyer

International Marketing

Head of Digital & Market Research

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We welcome your input, questions, feedback, thoughts and experiences, so please get in touch...
contact@seissmo.com