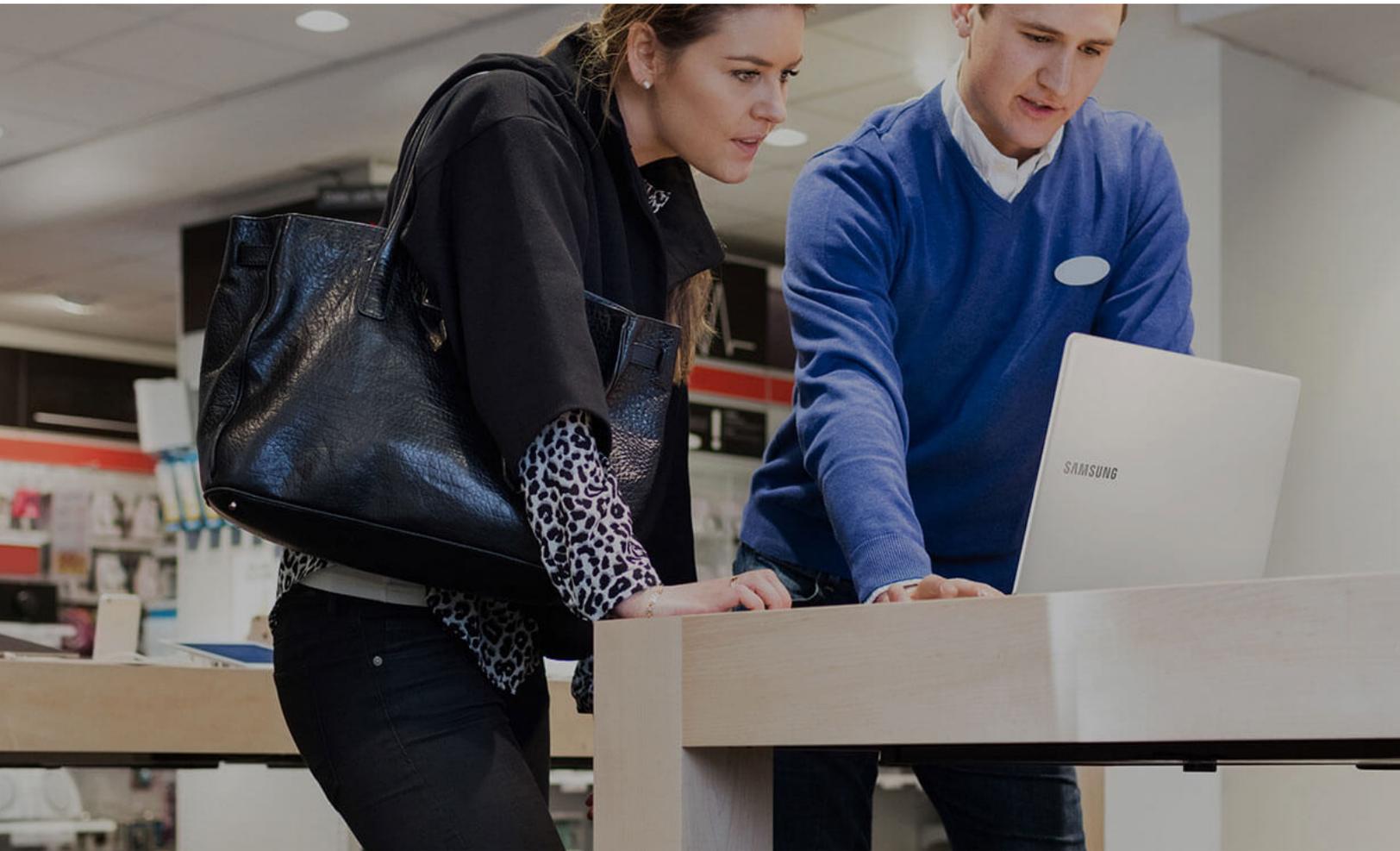


SAMSUNG SDS



**Using Big Data & Modern
Technology to Determine
Product/Market Fit**

Introduction

Big data and modern technology play pivotal roles in determining product/market fit. Retailers need the insights to make decisions on products, promotions, and marketing efforts especially when it comes to testing products in new markets. Marketing strategies that were once seen as standard industry best-practice are no longer effective. Marketers and brands have turned to pop-up shops and other modern technologies such as digital displays, heatmaps, people counters, facial recognition, and more to connect with today's consumer.

Why is Product/Market Fit Important to CPGs and Enterprises?

Launching a new product often involves a long development process that starts with brainstorming and research resulting in several iterations. The same considerations apply for launching existing products into new geographic markets. Product/market fit is a research-driven metric for gauging how receptive people are to a product.

Early adopters of new products can share valuable feedback and help brands determine a market's interest. Testing new products with smaller audiences can give a glimpse into whether or not the new product can sell and become profitable. Offerings with strong product/market fit that resonate with buyers are likely to sell well in the specific campaign test regions.

In the past, marketers would have to manually collect data insights over a given period of time, analyze the reports, and present the findings to decision-makers. This process often took weeks or even months, which is far too long in today's world. Speed-to-market is one of the most essential metrics for launching a product and generating a return on investment. As a result of greater efficiencies, marketers have the opportunity to take a truly iterative approach for testing fit.

CPGs and enterprises were reliant on surveys for data capture which is a tedious process when factoring in the need for a representative sample size. This was often done manually with pen and paper, adding to the challenge. Given that many products only have a shelf life of six months to a year, traditional approaches often produce outdated results, especially in today's fast-paced market.

How to Measure Product/Market Fit

Building a survey for product users is an effective way to measure product/market fit. Here are some questions a product/market fit survey should include:

- How did you hear about our product?
- How would you feel if you could no longer use our product?
- Please help us understand why you feel that way.
- Are there any alternative products you would consider if we stopped making our product?

These questions serve two purposes. The questions allow the customer to be in control of the experience with honest feedback, and also allow the company to determine if there is product/market fit for the new offering. A general benchmark for product/market fit is the “40% Rule.” This rule suggests that if 40% of survey respondents would be disappointed if your product no longer existed, that there is strong product/market fit. If fewer than 40% would be disappointed, the product/market fit is not as strong, and customers need additional value to be compelled to use your product.

Without modern technologies, testing for product/market fit can be a time-consuming and tedious process. Advanced analytics and tools enable today’s marketers to investigate insights at the click of a button, giving them a significant advantage over outdated approaches.

Today’s retailers use personalized digital displays, sensing technologies, customer counting, traffic reports, and mobile device interaction, like the ones Samsung SDS offers to understand consumer behavior. These technologies deliver additional insights on how to market new offerings effectively by providing demographic information from target consumers of specific products.

Beyond brick-and-mortar stores, retailers have taken their testing efforts to pop-up shops in densely-populated community locations such as town centers and malls. Pop-up shops enable marketers to test new products with new audiences, who might not otherwise come to the retail store. While pop-up shops are beneficial for iterative testing, today’s brands are primarily looking to scale their businesses.

Modern technologies allow CPGs, enterprises, and other retailers to leverage data-driven insights to prove product/market fit and enable informed decision making.

Modern Technology Improves Data Insights and Analysis

Today’s technologies allow marketers to put strategies of the past behind them. No longer do they have to take out pen and paper to record information about store visitors, nor do they have to spend months gathering a large enough sample size for fit. Modern technologies’ advanced features allow companies to keep up the pace. These features include data and insights on key metrics for CPGs, retail stores, and enterprises, such as customer traffic, dwell time, and demographics (age and gender). Samsung Connected Spaces includes these advanced data and insights in the form of IoT-enabled pop-up solutions that can be used to shape product strategy.

People counters allow CPGs and enterprises to know how many people are walking into their space, whether it is a pop-up or a traditional store. These counters do not gather personalized information, rather they help with distinguishing demographics to improve personalized advertising campaigns and maintain data ambiguity. For example, the sensors would detect if the visitor was a male or female and their approximate age without assigning or capturing individualized information.

These sensors also gather facial recognition data using a big data platform with AI capabilities built into Samsung Nexshop. This platform, Brightics AI, is able to interpret large quantities of in data in minutes, enabling marketers to make better decisions and forecast future customer trends based on data patterns. Brightics AI facilitates data innovation to help CPGs and enterprises better analyze customer needs to develop products that have strong product/market fit.

The data from people counters can be used in conjunction with dwell time and heatmap information to determine where customers are spending the majority of their time. This helps marketing executives and store managers optimize layouts to maximize product reach and ensure smooth traffic flow of customers.

According to [Forrester Research](#), in 2017, 47% of surveyed commerce technology influencers are continuing or increasing investments in in-store analytics.

Using Samsung SDS' technology, digital in-store displays use AI technology along with camera sensors to get consumer demographic information, conduct sentiment analysis, and display appropriate advertisements without storing any personally identifiable information. Analytics are then pushed and visualized by data dashboards that marketers can analyze to make adjustments to product offerings, store layouts, and more.

Sentiment analysis gives a general idea of the emotions customers display as they walk toward the different digital displays within the store. Customer reactions toward products and services are a strong indicator of product/market fit.

Data-driven insights from in-store product and service promotions help in creating effective pop-ups to engage new audiences and test for product/market fit.

Pop-Ups and Product/Market Fit in Action

Pop-up shops bring a human element that allows businesses to get in front of customers in ways that traditional brick and mortar stores can not. Customers are able to have personal interactions with brand representatives.

Pop-up shops also help retail stores with their testing process. Companies can use pop-up shops to their advantage by streamlining the testing process without involving a wholesale distribution of product to retail stores.

In addition, pop-up shops increase flexibility for marketers to run A/B tests on new products and how they target the consumer. Test variants primarily include different locations and experiences. Understanding where consumers are engaging and how they are reacting to new products is critical in building sustainable, scalable products that resonate with the customer.

Recently, Samsung SDS partnered with Unilever's Pure Leaf brand team to create a pop-up in just 90 days that showed customers the tea-making process while showcasing a new tea product. Pure Leaf was able to gather important data about its buyers. The insights gained from the pop-up experience helped shape marketing strategy to drive customer engagement and sales opportunities.

Connected Spaces and Samsung SDS's Nexshop platform showed that there was a 6% conversion rate from traffic and engagement resulting in approximately 900 free tea samples being redeemed. The results indicate product/market fit for this new tea in the Toronto market, the location of this Pure Leaf pop-up.

More knowledge about consumer behavior can better prepare retailers both in stores and at pop-up shops. Pop-up shops give consumers a chance to interact with the brand on a personal level. They feature a few products at a time, so marketers can isolate which products drive customer engagement.

Samsung SDS' Connected Spaces retail solution helps retailers stay on the cutting-edge of consumer industry trends. It enables marketers to give consumers the personal experience they crave using digital displays, a mobile analytics dashboard, and more. Customers can engage in a personalized experience both in-stores and at pop-up shops, which feature products of interest to them based on demographic information. Retailers now have the insight to win over customers bringing them back into stores.

Big data and modern technology can help determine product/market fit, saving retailers valuable time and resources in engaging the appropriate audience.

Contact Us

Learn more about how you can use pop-up shops, modern technology, and data to ensure that new products are a success. Contact Samsung SDS to get started.

LET'S TALK

Whether you are looking for a specific business solution or just need some questions answered, we are here to help!
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