**4Real**

**April 2013 v1**

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*ASU30*

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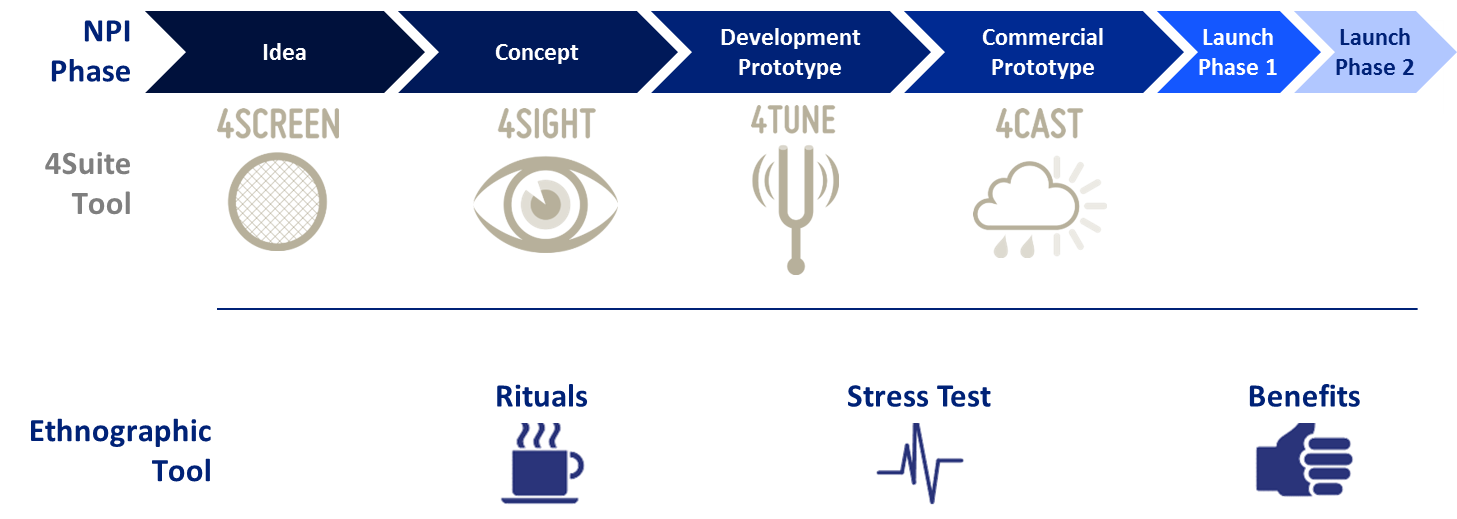
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# Overview – 4Real Study:

4Real is part of the new BAT 4Suite Innovation Toolkit. The methodology has been designed to explore and evaluate innovative concepts in a real life environment and to provide an extended usage observation of product usage, rituals and performance during the course of the concept testing phase, before and after launch.



4Real is a ***qualitative toolkit based on Ethnography***; it acts as a supplemental plug and play module with the 4Suite and can be coupled with quantitative 4Suite tools used at different stages of the NPI process.

4Real *Ethnography Toolkit* includes 3 methodologies that can be used depending on the specific needs for real life insight, enrichment and understanding. The 3 methodologies are:

**Rituals:** Focus on usage, benefits and product experience to evaluate product performance in real yet controlled environment

**Stress test:** Focus on real life product performance and most relevant occasion set to uncover latent issues with commercial prototypes

**Benefits:** Focus on product/brand decision and adoption making process and launch strategy assessment to correct the course quickly

**The key business questions that 4Real helps to answer:**

Ethnography is all about understanding behaviours, attitudes and rituals in consumer reality, unearthing unarticulated needs and capturing vivid and illustrative insight. More specifically, Ethnography helps to inform the following business questions:

***RITUALS: How does the product perform in real-life usage environments?***

* What are the product usages?
* What are the expected or unexpected interactions with the product?
* What are the consumer rituals/new rituals?
* What are the trade-offs?
* How does the product perform during different moments and occasions?
* How does the product perform over time?
* What is the role/place of the product within the consumer ‘tobacco’ portfolio?
* What are the motivations and barriers, perceived benefits (emotional, sensorial, functional), unarticulated needs and expectations?

***STRESS-TEST: Does the product deliver its promise?***

* Are there gaps between assumptions by manufacturer and consumers reality?
* Are the product and the stated benefit relevant and interesting to the consumer?
* Does the consumer understand the product benefits and brand USP?
* Does the product deliver the benefit that it promised?
* Does the product work in all the different usage occasions the consumer expects it to?

***BENEFITS: How can we maximize consumer adoption post launch?***

* What are the drivers of value perception?
* What are the improvement routes (marketing, product)?

# How to set up a 4Real study?

## Overall considerations

4Real is an ethnographic tool relying on 3 key ingredients: *product placement, observation and real life environment.*

* All three modules are mandatory for CAP3 projects.
* Stress Test and Benefits modules are mandatory for CAP2 projects
* All three modules are optional for CAP1 projects and should be used only if there is particular need for additional insights.

Lead markets for the CAP3 and potential CAP2 innovations are decided and governed by the IPSG and Brand SGM’s.

These tools can be also used outside of the NPI process where relevant to capture additional insights and learning. It is very important to remember that these are qualitative tools for rich insights and real-life experience – they do not replace the quantitative tools that are normally required for the key decision making.

Whilst we have defined the 4Real toolkit to enrich the NPI research, Ethnography as such can be used for wide range of purposes to gain insights. Discuss the suitability with your research agency for your particular projects.

## Stimulus materials and requirements:

The most important thing is the availability of real products that can be placed with the respondents at home. Normally this is only challenging with the early stage testing (RITUALS) where availability of products can be scarce. It is critical to review the feasibility, availability and amounts of product stimuli needed with the research agency to agree on the final sample size and definition.

Prototypes have to be comparable to real products (cigarette and packaging) pre-tested and approved by the product champions.

Prototypes should be branded in order to qualify for the 4Suite process. If there are limitations around branded stimuli this needs to be reviewed with research agency to see what the options are.

4Real is first and foremost about product usage and performance in real life situation. Nonetheless, 4Real is also an opportunity to enrich our understanding on the concept. Therefore in addition to the product itself concept boards are used. *Ideally the same concept boards that are used in the 4Sight project should be used in the Rituals 4Real.*

Concept boards can be either printed or electronic.

## Sample size and definition

In the early stages of the NPI process there are concerns around confidentiality and all testing should be done in a safe environment where the stimulus materials are controlled. This of course is challenging when we use a tool such as ethnography which is all about observing usage in the real life situations.

Due to this – especially with the RITUALS test which is done at the early stage development – it is very important to review the confidentiality level required at the outset of the project. There is no exact formula how the confidentiality is defined – this has to be discussed and confirmed with key stakeholders case by case.

The confidentiality level required will impact the scope, sample definition and recruitment criteria.

* ***High confidentiality level:*** People will be recruited from local BAT and Kantar/WPP adult smoking employees with strict confidentiality contracts and restricted smoking environment. The sample size and recruitment criteria have to be flexible as it is dependant of the number of BAT and Kantar smoking employees in local markets. Here the key criterion is to exclude people who are personally working with the innovation / project in question. Any CAP3 projects will always fall into this category.
* ***Average confidentiality level:*** Regular consumers belonging to the core target groups are recruited and required to sign a confidentiality agreement before testing the product. The objective is to minimise the risk of exposure however please note that the risk still remains as with any consumer research that we do.
* ***Low confidentiality level:*** no specific constraints or restriction regarding the sample size, definition or smoking environment. Recruiting will be done as per the defined target group.

Typical sample size for Ethnography study is between 16-30 respondents per market. The recommendation varies a bit among the different 4Real tools. The exact sample size needs to be discussed with the Research Agency. Please note that it is not necessary to recruit a huge amount of people the main thing is to cover well the different types of consumers and assumed types of usage.

Please note that as 4Real is often done in conjunction with the quantitative 4suite tools – it is recommended (if confidentiality allows) to recruit people from the quantitative testing to continue further with the 4Real module. This is usually efficient and saves time and money.

In case a separate recruiting is done it is important to see that the target group aligns broadly with that used for the quantitative study.

## “Rituals”

*Why? Explore usage and benefits in a controlled environment*

Rituals is mandatory for CAP3, optional for CAP2 and not relevant for CAP1

**Methodology:**

“Rituals” is a threefold process combining:

* ***Face-to-face interviews*** – first interview (30m) at research agency premises with product discovery and first trial, briefing for next stages and on confidentiality issues.
* ***Product placement and digital diaries*** (using a digital platform – Avid) – 4 to 5 days including a weekend. The duration can be extended for products with a lower ADC such as Non-combustible products.
* ***Multiplex group discussion***– 3h group discussion, gathering all respondents in the same place to debate and discuss their product experience, improvement routes and product concepts.

The same respondents should go through all the 3 stages!

**Requirements:**

* Product requirement equals *number of respondents x average daily consumption x number of days placed.* *For example if we have 16 respondents smoking 1 pack per day for 4 days the amount needed is 64 packs. Alsoimportant to have some extra products in buffer!*
* For high confidentiality level projects, the process will also require Blue Pouches for cigarette butts management *(butts will need to be collected back)* – approximately 380 units
* Concept boards to be used in the first interview and group discussion

The recommendation for Rituals is to do the first interviews at central location due to logistical and confidentiality reasons.

**Indicative timing from start to finish:**

About 12 weeks to go through the entire process and analysis.

## “Stress Test”

*Why? Explore real-life product performance and uncover latent issues* *with commercial prototypes*

Stress Test is mandatory for CAP3 and CAP2, optional for CAP1

**Methodology:**

“Stress Test” is done leveraging a digital platform to engage with consumers and product relationship on a daily basis. A bespoke digital platform will be utilized in each market to monitor and bring to life product performance and smoking occasions.

The first stage is a personal interview with the respondent and placement of the test product. After this the respondents will be communicating with the research agency via the platform.

Please note that this digital platform is administered by Kantar – Added Value and their appointed Kantar partners.

The principles of using the platform are the following:

* Platform will be live for one week (duration of the product placement)
* Product consumption will be captured on occasions cards and illustrated with videos and/or photos and commentary
* All occasions will be downloaded on the digital platform on a daily basis and consumers can record their videos direct from their PC or smart phone
* The platform is managed and administered daily by the Research Agency (Added Value).

A sample of 24 consumers is recommended for the Stress Test. The final recruitment criterion is dependent on the confidentiality level of the project. Typically the Stress Test is done around the same time as a 4Tune or before 4Cast. It is recommended to see if it is feasible to use some of the same consumers in both 4Real and the quantitative testing.

**Requirements:**

* Product requirement is number of respondents x average daily consumption x number of days placed. *For example if we have 24 respondents smoking 1 pack per day for 7 days the amount needed is 168 packs. In addition to this it is important to have some extra products in buffer!*
* Branded products and packs – these should be in the same quality and format as what is intended to be launched in the market.
* Concept boards and any intended communication if available

**Indicative timing:**

About 10 weeks to go through the entire process and analysis.

## “Benefits”

*Why? Understand product/brand decision and adoption process and assess launch strategy to correct the course quickly*

In key markets, Benefits is mandatory for CAP3 and CAP2 and optional for CAP1.

**Methodology:**

"Benefits" is a threefold process combining:

* **Consumer Product Safari:** prior to the interview, respondents will have to report and assess in a scrapbook all the touch points with the product/brand (could be at the POS, witnessing product or brand users in their environment). The scrapbook can be digital or in a notebook format)
* **Consumers Face-to-face interviews:** (in studio or at home - 2h duration), including ‘touch points’, in store visitation and mystery shopping where relevant.
* **OPTIONAL: Interviews with retailers:** (at the point of sale – 1h duration) with the retailers where relevant

The exact format of the study depends on the market and what sorts of launch execution options have been used.

The recommended sample construction – 26 smokers in total split into:

* **Fans** – early adopters who like the new product/brand.
* **Lapsed users** – people who have tried the product/brand but do not have it in their repertoire.
* **Non-users or rejecters** – people who are aware of the product/brand but have not tried it.

In addition if relevant interviews with retailers can be included into the study to capture their views.

**Requirements:**

* Benefits study does not require any product placement. The research is based on experiences consumers have with the product already from the market.

**Indicative timing:**

About 8 weeks to go through the entire process and analysis

# Deliverables

Given the complexity and richness of ethnographic research, 4Real has no standard output template that can be used in all studies. The exact content of the report will depend on the particular topic however we do expect over time to settle for a common look and feel as we conduct more projects.

The standard output for each module (assuming a Global multi-market study) will be:

* **Local report:** including local usages and specificities, product experience and concept evaluation (fit with the product trial),
* **Global report** typically a summary across all the markets highlighting local differences and overall learning

The ethnographic report is designed to meet the following criteria:

* **Comprehensive and ‘glocal’** – a deep dive into the product and experience truth with global and local differences and similarities
* ***Actionable and straightforward*** – focused on clear action points, unearthing relevant guidelines and recommendations for the product and marketing teams
* ***Inspiring and brought to life*** – insight illustrated and supported by real life photos/videos and consumer quotes

*Examples of the 4Real reports can be requested from the Global SP&I team.*

# Agency for 4Real

The lead agency for 4Real within Kantar is Added Value. They are specialists in Ethnographic research.