Required Assignment 6.3:   
Design a Research Plan for Concept Testing a New Product

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**Suggested time:** 120 minutes

**Assignment Instructions**

The assignment is divided into 2 parts:

1. In a few sentences, define a new product concept you would like to test
2. Define how you would test the concept through customer responses. This step should consist of elements you would test (Two of which are mentioned above (intent and frequency). You have to come up with one more element that should be tested). Also show the questionnaire consisting of one question each for each element.

***Note****: This is a required assignment and counts towards programme completion.*

1. **AR/VR enabled personalized shopping app.**

Personalized shopping of latest fashion done online through an AI assistant and augmented reality which allows you to try out and customize hundreds of designs without leaving the comfort of your home.

* Customers will use their apps along with an AR/VR device.
* The AI assistant will take ask for your age, gender, body type, fashion preferences, colour preferences and type of clothing you would like to buy.
* Through generative AI it will build a profile of the customer by identifying intents and through a similarity algorithm identify the best and latest clothing items for the customers to try out online.
* Customers can also upload their photos for the machine to learn the proportions and measurements best suitable for them.
* Customers can also link their social media profiles and Pinterest pages so that the app can learn about their fashion choices though image analytics.
* Customers can then use their AR/VR in conjunction with their mobile phone to try out the recommended outfits and select the ones they like.
* Customers can add allowed customizations to the clothing items they liked.
* They will be order as many items as they like, which will shipped to them at a decided date.
* Customers will have an option to return the items they don’t like within a week or similar duration.

This type of application can also be used for multiple other use cases as well:

* Interior designing
* Furniture shopping
* Accessory shopping
* Choosing the best dress combination for an event
* Eyewear shopping

Latest AI algorithms will be used to improve the recommendations based on 100s of attributes supplied by the customer herself along with her social media profile, image analytics and feedback given by returning certain items.

* Surprise items that suit the customers profile can be sent to the customer to increase customer delight and test new fashion trends.
* A personalized note from the designer of the chosen clothes will be added to add a human angle to the whole interaction.

1. **Testing the concept through customer responses**

We would like to apply the seven stages of concept testing for the AR/VR personal shopping app which will include the customer response measurement as step 5.

**Step 1: Define the purpose of the concept test:**

The purpose of the concept test is to provide a premium personal shopping experience available only to the rich segment of the population to everyone in the comfort of their home enabled through technology and multiple cutting edge AI techniques.

**Step 2: Choose a survey population:**

Survey population will be **young technology savvy customers** based in large urban centres. The responses will help in understanding which cities can be used for a pilot and setting up a logistics operations unit.

**Step 3: Choose a survey format:**

For the chosen product, we can choose multiple survey formats to gain more intelligence to improve the product and its features.

* Face to face interactions in malls and high-density shopping areas where a prototype can be shown to the customers to try and give feedback.
* Online surveys can be done where the videos of the concept can be shown to solicit feedback.
* Focus groups in workplaces can be asked survey questions and shown prototypes as well.

**Step 4: Communicate the concept:**

Concept can be communicated to the customers in the following ways:

* **Video** of the working prototype for displaying in various offline and online locations.
* **Working prototype** to be tested in physical locations such as malls and offices.
* **Photos along with storytelling** can be used for engaging customers in any channel.
* **Physical product** such as latest items of clothing along with AR/VR sets can be shown to the customers to build trust

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Face to face interactions in malls** | **Online surveys** | **Focus groups in working locations** |
| **Working prototype** | **X** |  | **X** |
| **Video** | **X** | **X** | **X** |
| **Photos with story** | **X** | **X** | **X** |
| **Physical product** | **X** |  | **X** |

**Step 5: Measure customer response:**

As this a new technology enabled product, the intent, frequency, price sensitivity and the technology savviness of the customer should be tested thoroughly before designing and selling the product.

* **Purchase Intent:** Customers will get a unique shopping experience not available to them earlier through this app in the comfort of their home.
* **Purchase Frequency:** Customers will need to provide intelligence on how frequently they shop online for custom clothing.
* **Ease with technology:** Not all customers are technologically well versed with apps and this needs to be factored into a very immersive online shopping experience.
* **Pricing:** How much are the customers willing to pay for this kind of service?

**Questions about the product:**

1. How interested are you in having a personal shopper experience in the comfort of your home?

|  |  |
| --- | --- |
| **Survey question** | **Response** |
| I am very interested | 20% |
| I am mildly interested | 30% |
| I might try but not very interested | 35% |
| Not interested at all | 15% |

1. How frequently do you buy custom clothing online?

|  |  |
| --- | --- |
| **Survey question** | **Response** |
| 2-3 times a month | 10% |
| Once a month | 40% |
| Once in 3 months | 20% |
| Once in 6 months | 20% |
| Don’t buy online at all | 10% |

1. How technologically savvy do you consider yourself?

|  |  |
| --- | --- |
| **Survey question** | **Response** |
| Highly Savvy | 30% |
| Savvy | 20% |
| Basic | 10% |
| Not savvy at all | 40% |

1. How much do you spend online on clothing annually?

|  |  |
| --- | --- |
| **Survey question** | **Response** |
| More than $25K | 10% |
| $10K - $25K | 20% |
| $5K - $10K | 30% |
| Under $5K | 40% |

**Step 6: Interpret the results:**

The results can be interpreted through responses of various segments of customers on different questions and use the analysis to improve the positioning and features of the product and price.

**Step 7: Reflections on the results:**

* Concept of the product can be tested of target population and identify potential customers.
* Pilot testing locations can be identified, and fulfilment centres opened accordingly.
* The pricing of the items and app fee can be decided based on spending of the customers.
* Customer buying behaviour can be used to continuously improve the app recommendations.
* Customer emotion and mood can be added as an input real time in future iterations to really enhance customer experience