

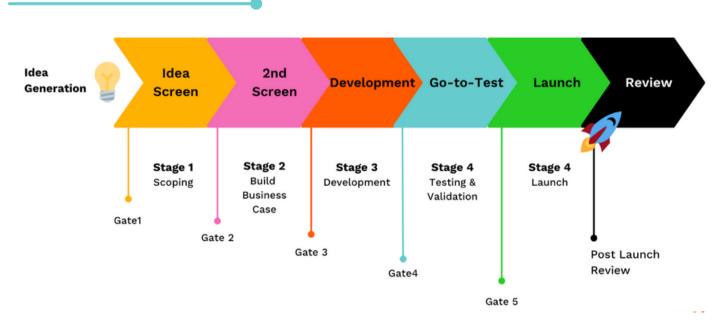
5 Lessons Physical Product Development Teams Can Learn from Agile Software Principles

At Highlight, we've enabled customers to test hundreds of thousands of physical products through our software platform. So we got to wondering: What could our customers testing physical products learn from the principles we use to guide our agile software development?

Lesson 1:

There are clear trade-offs between spaced-out innovation stage gates versus continuous improvement and development.

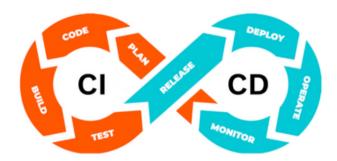
The Physical Approach



Physical product development tends to follows a clear, linear, waterfall-like roadmap. Stage-gated innovation processes (visualized above) are even more structured. This allows for thorough quality assurance and pressure testing to ensure physical product launches are buttoned up.

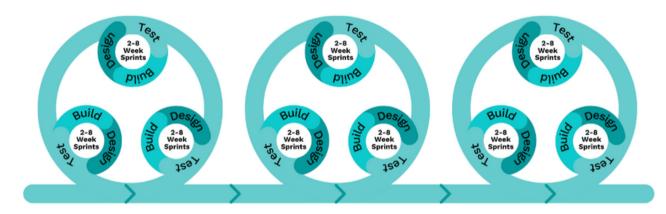


The Digital Approach



CI and CD, on the other hand, stand for continuous integration and continuous delivery/deployment. In very simple terms, CI is a modern software development practice in which incremental code changes are made frequently and reliably.

Case Study: Clorox Agile Innovation



Clorox's physical product development teams have adopted an iterative approach inspired by digital product development practices. Since implementing, the Clorox team has moved from three month project cycles to eight week sprints in which they build, design, and test different concepts and prototypes. Feedback is constantly integrated and validated through consumer testing.

READ THE CLOROX CASE STUDY

Lesson 2:



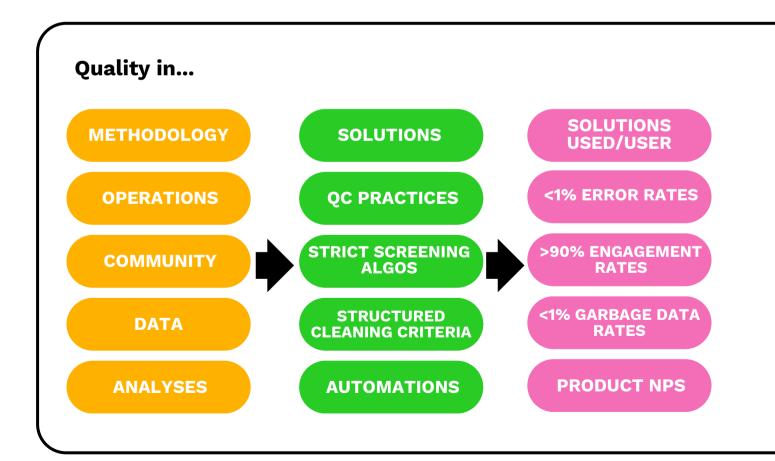
Quality practices can actually unlock velocity, rather than slow teams down.

Move Faster When QA Is Everyone's Job

Instead of an individual or discrete team, many software development teams employ a tactic called "Whole Team Quality", and measure themselves by "DORA" metrics:

- Quality in every step
- Testing is visible
- Automation is a priority
- Everyone owns quality

Physical product development teams can emulate these practices by ensuring airtight quality controls and key quality metrics across all elements and parties in the product insight lifecycle.



Lesson 3:

Highlight."

Co-development drives efficiency over episodic feedback.

A traditional stage-gate innovation process can be two or three years long. It's a linear process where efficacy can only be measured upon product launch (and changes can no longer be made).



Scrum, on the other hand, is used by many software development teams. It's designed to regularly incorporate feedback. In contrast to stage-gate innovation, learning is continuous, so improvement can be, too.

Case Study: Nestlé's Agile Innovation Strategy



"When it comes to speed to market, we were able to shorten the time to market by 60% since 2016. We moved from an average project duration of 33 months to 12 months. We are faster now here than many of the startups which are out there."

- Stefan Palzer, CTO at Nestlé's accelerator (Source)

Nestlé's unwavering commitment to centering consumer needs has led to value creation that not only prioritizes consumer preferences, but also incorporates future trends and sustainability.

WATCH NESTLÉ ACCELERATOR x HIGHLIGHT IIEX PANEL



Lesson 4:



The way digital products have "session replay", physical products can collect robust, in-context, behavioral data.

Brand teams often learn about physical product experiences after launch through product reviews and support teams. Digital product teams, on the other hand, monitor usage of their platforms live with tools like session replay and product analytics to gather the data they need for continuous improvement.

Likewise, physical products can use longitudinal, in-context exploration to understand what consumers really want.

Spotlight: Highlight's Occasion Generator



Understand & Diagnose

QUESTIONS

- Are there possibilities to expand the way product X is used today?
- Does actual product usage match intended product usage?
- What are the most common occasions (where, when, how, and what)?
- Are there key differences in occasions / usage across key consumer targets?

SOLUTION

- In-depth, longitudinal study of newly launched product
- 100+ in-home testers for survey with qualitative subset of 30+
- Get a diary-like understanding of the entire customer journey in someone's real life
- Identify opportunities to increase frequency and diversify usage occasions

EXAMPLE: OCCASION TESTING FOR BEVALC BRANDS

Lesson 5:

Highlight.

Benchmark your products versus your competitors using real, relevant, valid data.

Norms are critical for benchmarking, but they're often fuzzy, outdated, or sometimes don't exist at all.

Digital products, on the other hand, benefit from live A/B testing software. In other words, they have access to behavioral monadic side-by-side comparisons to understand consumer preferences.

Luckily, there is a way for physical product testers to bridge that gap.

Spotlight: Highlight's Benchmark Builder



Understand & Diagnose

OUESTIONS

- How does my product compare to new players emerging on the shelf?
- I need head-to-head data for a retailer sell-in conversation
- How does my product perform against key competitors, which is preferred in each of the spaces, and why?

SOLUTION

- Competitive, in-context evaluation to gauge performance against competitor(s) on key metrics
- Understand comparison across comparable taste profiles or claims
- 200+ in-home testers for retailer sell-in data or internal innovation direction

CASE STUDY: POSTPARTUM RECOVERY COMPETITIVE TEST



In Summary How physical products can bridge the gap

Lesson 1

There are clear trade-offs between spaced-out innovation stage gates versus continuous improvement and development.

Lesson 2

Quality practices can actually unlock velocity, rather than slow teams down.

Lesson 3

Co-development drives efficiency over episodic feedback.

Lesson 4

The way digital products have "session replay", physical products can collect robust, in-context, behavioral data.

Lesson 5

Benchmark your products versus your competitors using real, relevant, valid data.

Learn more about Highlight

Highlight's product intelligence platform helps global and emerging brands innovate, test, and successfully launch new products in categories including food and beverage, beauty and personal care products, apparel, durables, products for kids and pets, and more.

Highlight's end-to-end solution streamlines and delivers everything from recruit to logistics to data set. Quickly field in-home usage testing (IHUTs) and see results as they come in-usually within a few days of launch.

Highlight's community of testers are mission-driven, highly engaged, diverse, and articulate so that you get the reliable quantitative and qualitative data you need to innovate with confidence-with the option for photo, video, and even in-depth interviews.

Highlight's customers (brands like Nestlé, P&G, and Estée Lauder) have tested concepts, products in early development, blind-tested products against the competition, benchmarked in-market products for category insight and more.

Learn more about the Highlight product intelligence platform at <u>letshighlight.com</u>.

Request your <u>personalized demo</u> today.

