

## Using AI to accelerate innovation development

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The quest for *next*



# ***Thank You For Joining Us***

## ***Using AI to Accelerate Innovation Development***

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joining this session**



**Code revealed at the end  
of the session!**

# Agenda

1

Introductions

2

Current challenges

3

The future of innovation development

# Meet your speakers



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In the past year:

only

7%

of companies grew  
their innovation sales

while only

50%

of innovations grew in  
their second year

This beg the question:  
*Is innovation worth it?*

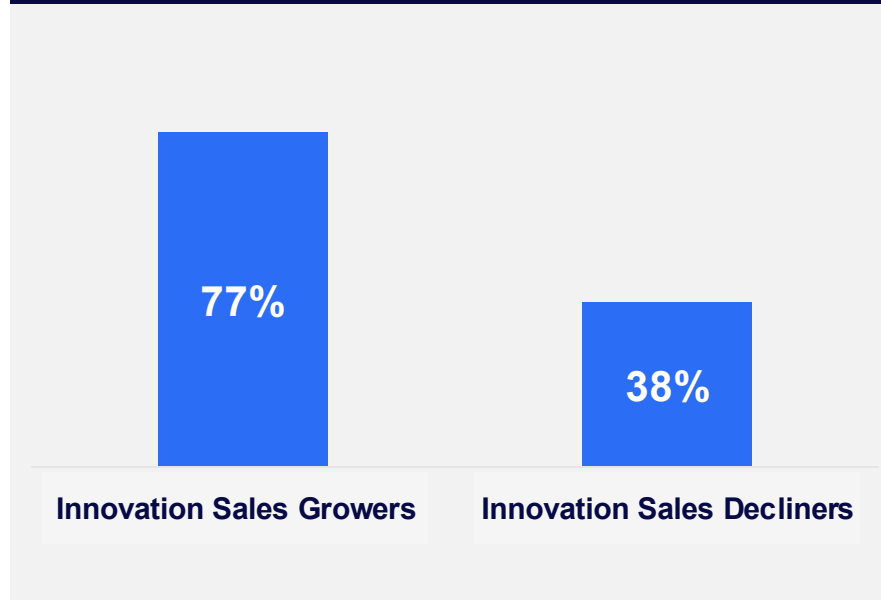


Companies  
growing  
innovation sales  
are

**2x**

as likely to grow  
their business  
overall

### % of Manufacturers Growing Total Sales YoY



How we calculate likelihood to grow:

77% of Innovation Sales Growers

38% of Innovation Sales Decliners

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= 2.03x likely to grow

The data shows  
**innovation is worth it.**

*Can we use AI to  
innovate better and  
more efficiently?*



Today, we are navigating a landscape of *hyper-innovation*, which poses significant risks for brands



**Budgets remain flat**

Cost-efficient solutions take precedence.

**Ideas are plentiful**

Brands need help prioritizing which opportunities are & are not worth pursuing

**Speed is paramount**

With accelerated business needs, brands need fast and effective solutions.

*One of the **biggest** challenges is sorting through a **high volume** of new ideas to identify which ones have the potential to **grow your brand** without ignoring **evolving consumer trends***



An example: 3 seconds of time, 100 ideas, now what?

can you please give me 100 new product ideas for a new skin cream?

**I. Function-Based Creams**

**II. Skin Type-Specific Creams**

**III. Ingredient-Themed Creams**

**IV. Scent & Sensory Experience Creams**

**VI. Demographic-Targeted Creams**

**VII. Packaging/Delivery Innovations**

**VIII. Ethical & Sustainability Focus**

**IX. Tech-Enabled or Futuristic Creams**

Now imagine this across over 100 brands and 100 countries!  
AI allows us to blow past historical limits of scale.

- |       |     |     |     |     |     |     |     |     |     |      |
|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 1. A  | 11. | 21. | 31. | 41. | 51. | 61. | 71. | 81. | 91. | 100. |
| 2. B  | 12. | 22. | 32. | 42. | 52. | 62. | 72. | 82. | 92. |      |
| 3. C  | 13. | 23. | 33. | 43. | 53. | 63. | 73. | 83. | 93. |      |
| 4. D  | 14. | 24. | 34. | 44. | 54. | 64. | 74. | 84. | 94. |      |
| 5.    | 15. | 25. | 35. | 45. | 55. | 65. | 75. | 85. | 95. |      |
| 6.    | 16. | 26. | 36. | 46. | 56. | 66. | 76. | 86. | 96. |      |
| 7.    | 17. | 27. | 37. | 47. | 57. | 67. | 77. | 87. | 97. |      |
| 8.    | 18. | 28. | 38. | 48. | 58. | 68. | 78. | 88. | 98. |      |
| 9. S  | 19. | 29. | 39. | 49. | 59. | 69. | 79. | 89. | 99. |      |
| 10. L | 20. | 30. | 40. | 50. | 60. | 70. | 80. | 90. |     |      |
36. Cocoa butter cream  
37. Jasmine cream  
38. Coffee cream  
39. Sandalwood cream  
40. Coconut cream  
44. Fall repair pumpkin enzyme cream  
45. Holiday edition gold shimmer cream  
46. Back-to-school teen skincare cream  
47. Travel-size jetlag hydration cream  
48. Pre-wedding glow prep cream  
49. Festival glitter-safe cream  
50. Post-workout recovery cream  
59. Cream inspired by ancient royal formulas  
68. Food-inspired cream (matcha, yogurt, etc.)  
77. Crystal-infused energy cream  
86. Affirmation-enhanced wellness cream  
94. Cream + essential oil aromatherapy blend  
95. Daily mantra printed cream packets  
100. Celebrity co-designed limited edition cream

## Where are we headed?

From



To

*Manually fusing multiple data sets and human feedback to generate new ideas*

*“Leap of faith” manual prioritization to limit human testing, risking leaving some ideas on the floor before even testing*

*Slow, iterative process that required days or weeks of long pauses for testing and refinements*

*Product brief delivered written to R&D with product requirements to start development process*

## What can AI offer us?

*AI-enabled “unlimited” new idea development that incorporates real-time social, sales, qualitative chat bots, and other data*

*AI-enabled idea evaluation to enable testing more ideas within budgets, with true objectivity*

*Immediate feedback from AI that allows for instant iteration and re-testing to get to ‘great’ faster*

*AI develops product brief to with specific detail on flavor profiles and ingredients to use to achieve strong performance*

# The promise of synthetic consumers for idea evaluation, with important considerations



## ***The Promise***

***Faster*** – Responses in minutes

***Cheaper*** – less expensive

***Predictive*** – results can be very predictive of human behavior

***More feasible*** – on hard-to-find sample groups



## ***The Risks/Considerations***

*Ease of testing balanced with organizational focus*

*Cost model & process for research will change  
Build into future budget plans*

*Not all synthetic consumers are predictive  
Need unbiased, real-world behavior & proven predictiveness*

***Do your homework on your partners***



# Summarizing what's at stake



## ***Speed***

Traditional iterative consumer innovation takes extended periods of time to collect and analyze consumer feedback.



## ***Overspending at the early stage***

Committing too much budget at the early stage can limit research at the later stage and prevent your winning initiatives from reaching their full potential, thereby limiting business growth.



## ***Accuracy***

AI is only as **effective** as the data that supports it.

Too many AI solutions **use historical data that is not regularly updated**, which incorrectly informs innovation strategies.

Meanwhile, "**fast & cheap**" survey research **sacrifices sample quality and insight reliability**.

# A solution with a unique combination of data, technology and expertise

## Synthetic respondents

Machine Learning + NIQ Behavioral Data

Integrating different **NIQ data sources**, a Machine Learning Model dynamically identifies and creates **synthetic respondents which reflect consumers**, demographically and also in their purchase behaviors for the relevant category.



Consumer  
Demographic  
Characteristics



Recent  
Purchase  
Behaviors



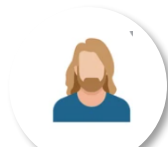
Competitive  
Products  
Characteristics



## Gen AI surveys

Large Language Model + Synthetic Respondents

A **Large Language Model** surveys synthetic respondents who will evaluate your innovation ideas and **provide feedback**.



### Might or Might Not Buy

"The innovative blend of yerba mate and classic cola offers a unique, refreshing taste, though its unusual flavor profile may not suit all preferences."

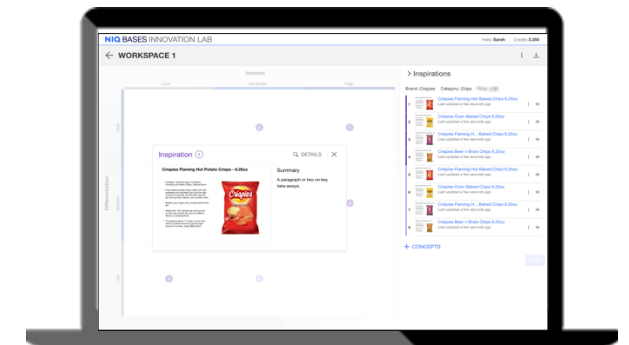
- 22-year-old male category buyers
- Has purchased the following products in the past 12 months:
- Household information:



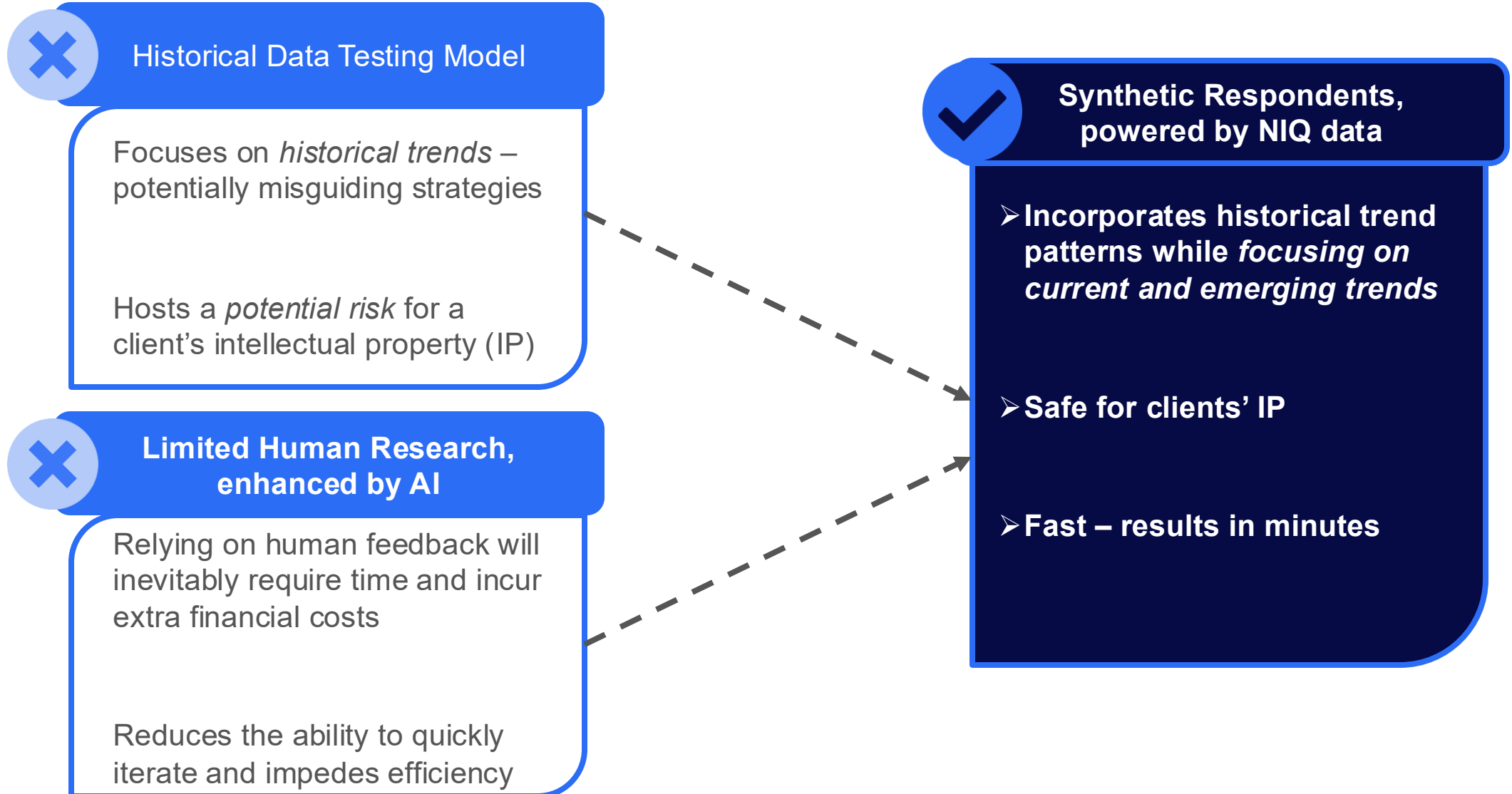
## Insights & Recommendations

BASES database + Synthetic feedback

Synthetic results are consolidated and **benchmarked against similar initiatives**, using AI tools to deliver **actionable insights & recommendations** for advancing your innovation ideas to the next phase.



# NIQ explored several different options before landing on Synthetic Respondents



# NIQ's Synthetic Respondents

Extensive inputs build our synthetic respondents to “think” like real-life consumers

**Age:** 42  
**Gender:** Female  
**Education:** College Graduate  
**Employment:** Full time / 40 hours per week



**Lives in:** Louisiana, USA



**Ethnicity:** Caucasian



**Household income = \$175,000**



**Children:** 13-year-old girl and a 5-year-old boy



**Recent Purchases:**  
Skin Proud General/Multipurpose Foam Cleanser  
Que Bella Cleansing Gel Mask.....



**Human feedback still plays a valuable role too! A few ways that's true:**

**Considering the nuances of brand fit / brand strategy**

**When research requires deep emotional or contextual understanding**

**Ensuring the big investment executional elements (pack, creative, etc.) hit the mark**

**Product Experience / TPO Feedback and Validation**

***Extremely new-to-the-world ideas***

**Maybe these will be different next year....**

# General Mills Pilot



# General Mills experience takeaways

## Synthetic Responses

- **Intuitive results**
- Results **aligned with human testing**
- Great AI qualitative feedback
- AI had a **good sense of what was already in-market** in open-ended feedback

## Inputs

- Tested concepts **with and without imagery**, with consistent results.
- Important learnings for **how to test concepts**

## Research Phase

- Great for **different ideas** as part of **early** screening and prioritization
- Not ideally suited for testing communications/small messaging tweaks

## Sample

- Currently **General Population** only
- Some implications to consider for niche ideas and brands when reviewing results.





**Bringing it to life:**

**Developing a new skin care  
product iteratively, with NIQ  
Synthetic Respondents**

# New Ideas Generated and Tested: ROUND 1

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## 1. Adaptive Skin Renewal Cream

### Adaptive Skin Renewal Cream

A smart cream that adapts to your skin's needs throughout the day using time-release encapsulation technology.

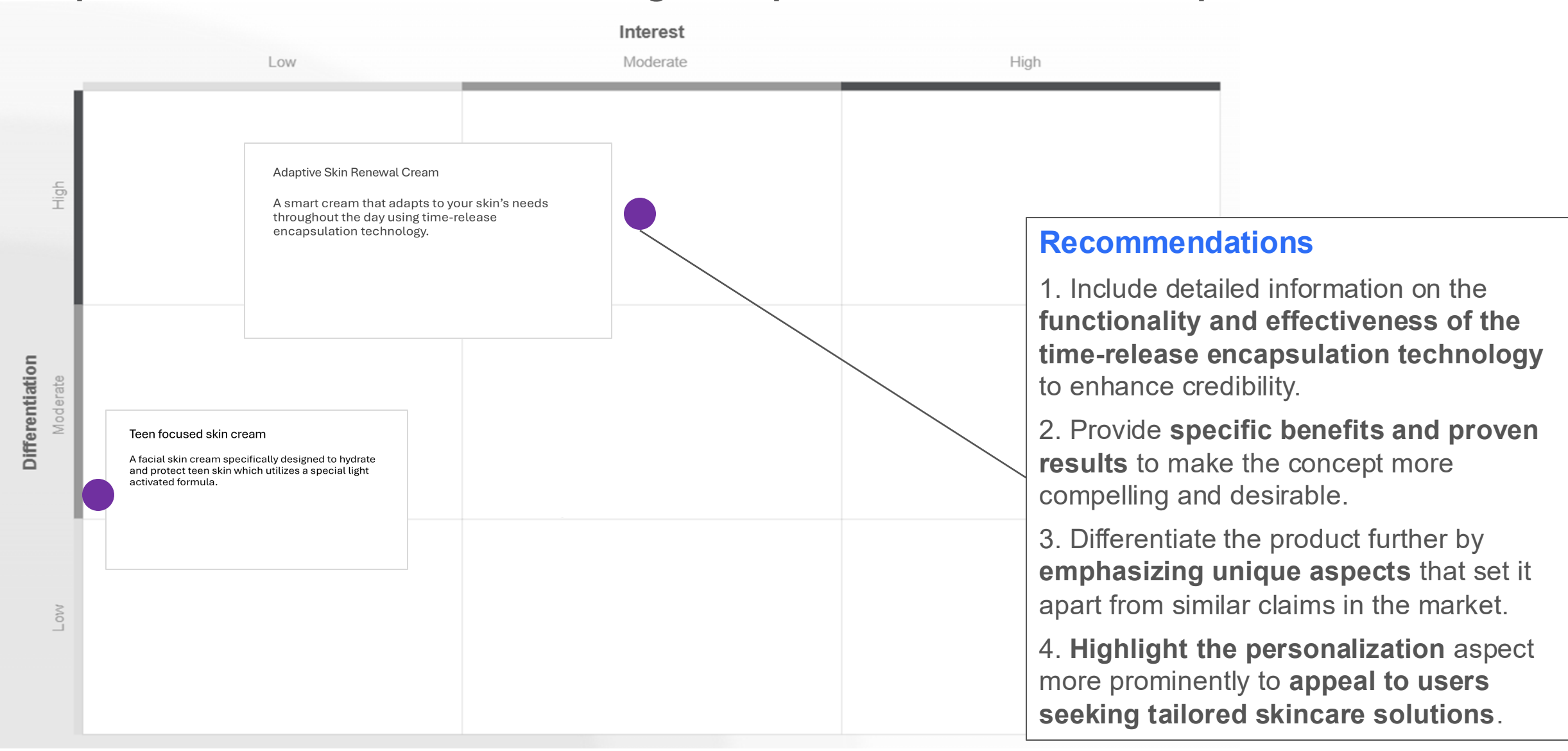
## 2. Teen Light Facial Skin Cream

### Teen focused skin cream

A facial skin cream specifically designed to hydrate and protect teen skin which utilizes a special light activated formula.

# ROUND 1 Results:

## Adaptive Skin Renewal Cream showed greater promise for further development



# Adaptive Skin Renewal Cream: ROUND 2

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Adaptive Skin Cream, with enhancements

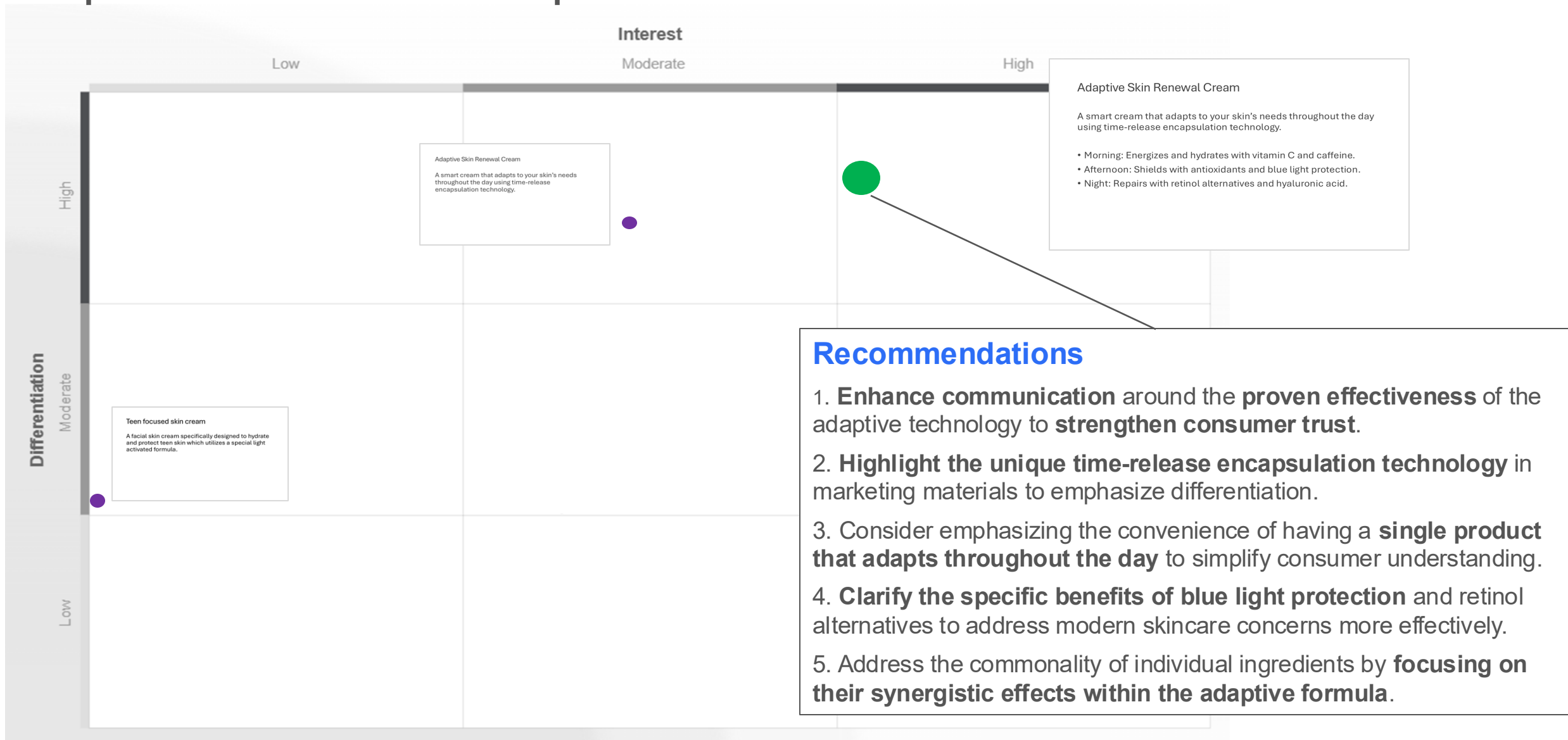
## Adaptive Skin Renewal Cream

A smart cream that adapts to your skin's needs throughout the day using time-release encapsulation technology.

- Morning: Energizes and hydrates with vitamin C and caffeine.
- Afternoon: Shields with antioxidants and blue light protection.
- Night: Repairs with retinol alternatives and hyaluronic acid.

# ROUND 2 Results:

## Adaptive Skin Renewal Cream improvements well recieved



# Adaptive Skin Renewal Cream: ROUND 3

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## TimeVeil Adaptive Skin Renewal Cream

TimeVeil™ is a next-generation, intelligent facial cream designed to adapt to your skin's changing needs throughout the day.

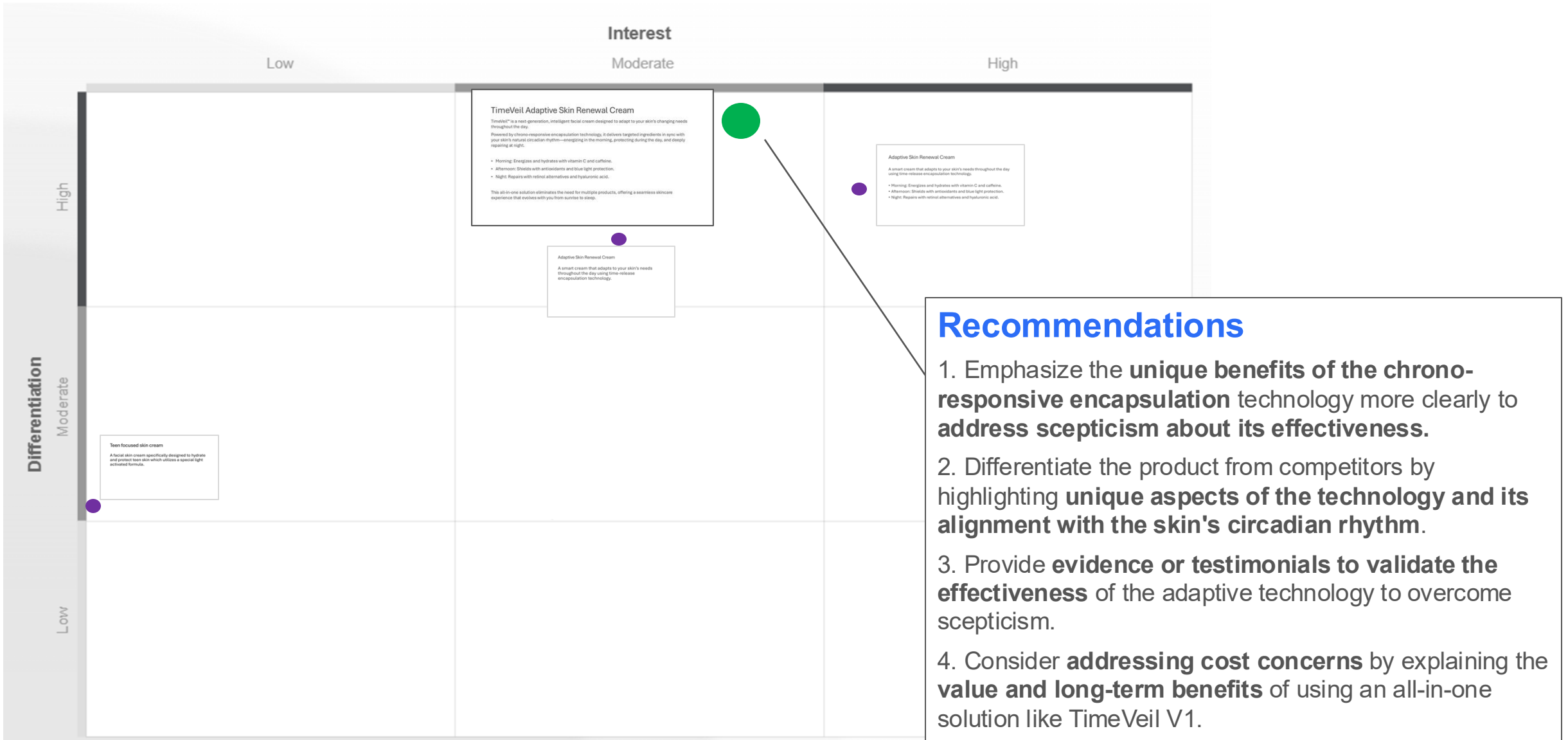
Powered by chrono-responsive encapsulation technology, it delivers targeted ingredients in sync with your skin's natural circadian rhythm—energizing in the morning, protecting during the day, and deeply repairing at night.

- Morning: Energizes and hydrates with vitamin C and caffeine.
- Afternoon: Shields with antioxidants and blue light protection.
- Night: Repairs with retinol alternatives and hyaluronic acid.

This all-in-one solution eliminates the need for multiple products, offering a seamless skincare experience that evolves with you from sunrise to sleep.

# ROUND 3 Results:

## Adaptive Skin Renewal Cream improved differentiation, with further improvements possible



# Adaptive Skin Renewal Cream: ROUND 4

## TimeVeil Adaptive Skin Renewal Cream

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- Morning: Energizes and hydrates with vitamin C and caffeine.
- Afternoon: Shields with antioxidants and blue light protection.
- Night: Repairs with retinol alternatives and hyaluronic acid.

This all-in-one solution eliminates the need for multiple products, offering a seamless skincare experience that evolves with you from sunrise to sleep. TimeVeil™ is developed in collaboration with dermatologists and chronobiologists, using time-release microcapsules that respond to skin temperature and pH changes to release actives precisely when needed.

### Clinically Proven Results --- In a 12-week clinical study:

92% of users reported visibly brighter skin within 2 weeks.

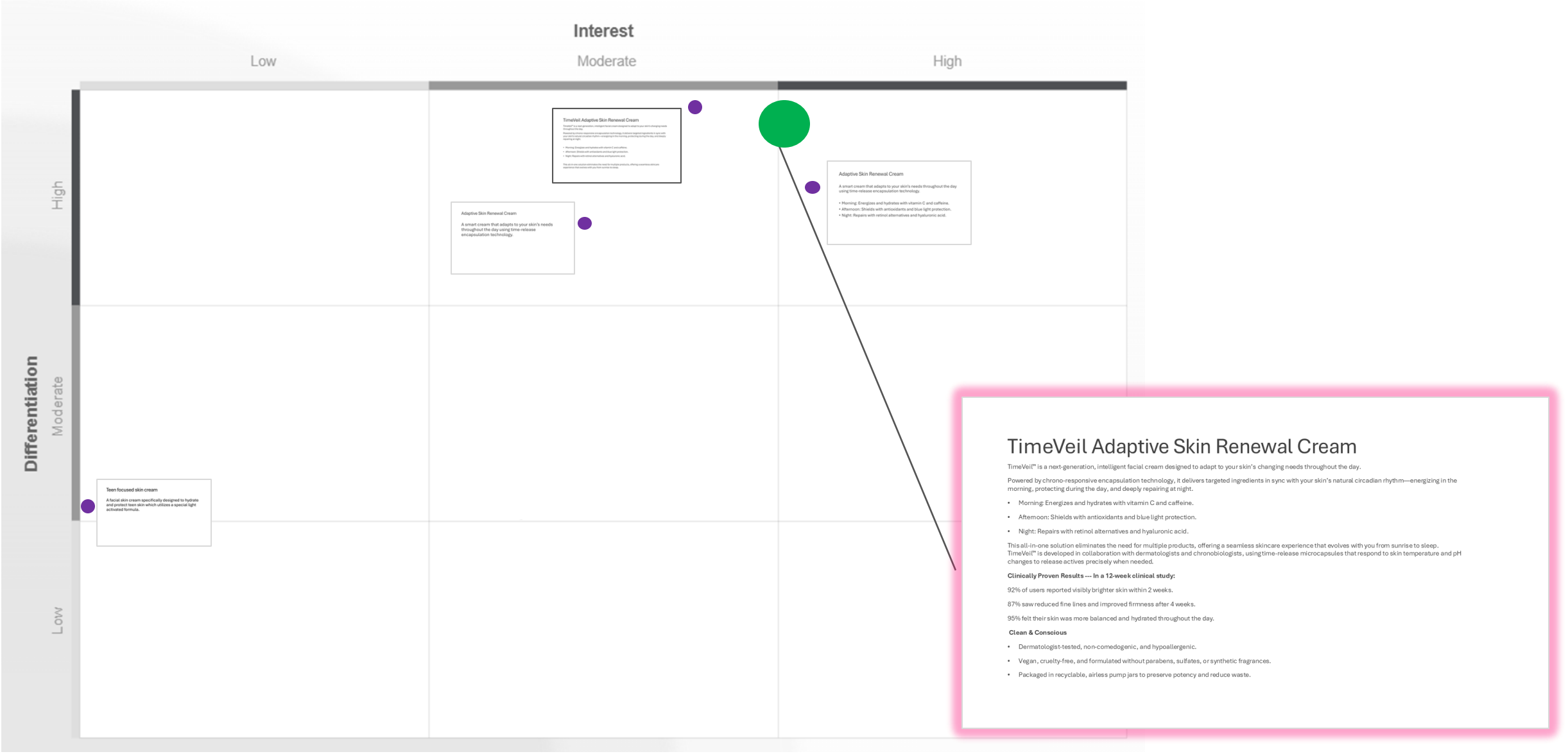
87% saw reduced fine lines and improved firmness after 4 weeks.

95% felt their skin was more balanced and hydrated throughout the day.

### Clean & Conscious

- Dermatologist-tested, non-comedogenic, and hypoallergenic.
- Vegan, cruelty-free, and formulated without parabens, sulfates, or synthetic fragrances.
- Packaged in recyclable, airless pump jars to preserve potency and reduce waste.

# Final Concept Developed for TimeVeil Adaptive Skin Renewal Cream



**20**

**Minutes**

**5**

**Concepts**

**4**

**Iterative Learning Loops Completed**

**1**

**Winner with promise to advance**

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# Q&A



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**Enter for your chance to win a  
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**Save This Code to Win:  
“Speed of Light”**



# Thank you

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**Chris Sinclair**

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The quest for *next*  
*Find your next growth opportunity*

