



— WHITE PAPER

Validate in *Seconds*

*How CPG concept testing is being reinvented,
not just accelerated.*



EXECUTIVE SUMMARY

A different *operating model* for launching new products.

Industry estimates show that **70–85% of new CPG products fail**, mostly due to misread consumer needs and weak positioning. Yet concept testing, the function meant to de-risk launches, is itself under strain, squeezed between tighter budgets and compressed timelines. For decades, the trade-off was: rigorous answers in months, or weak faster answers.

Generative AI offered a chance to resolve that trade-off, but the dominant industry response was simply to make existing surveys cheaper and faster.

A Fortune 500 CPG leader has used this approach to turn months of testing into days. The results?

60%

lift in add-to-cart on tested products

90%

cost savings

The shift is not faster research. It is a different operating model for launching new products.

AlgoVerde argues for a different model.

Reinventing concept testing around validated AI consumers to inform decisions continuously across the innovation pipeline.



— THE PROBLEM

The decision that *makes* or *breaks* the launch.

Most innovation leaders face a paradox: growth requires innovation, yet the innovation cycles are slow. Teams test fewer concepts, and the data often arrives too late to influence the go/no-go decision.

01

Too few concepts

Businesses with many promising ideas must prematurely discard most ideas to fit testing budgets.

02

The wrong results

The concepts that survive are not those that would win with consumers, but those that survived the boardroom.

03

Stale by arrival

Each study takes months, so major decisions ride on research three, six, or twelve months out of date.

Concept testing happens too late, and in insufficient volume, to meaningfully guide strategy.

Traditional concept testing — monadic designs, volumetric forecasts, focus groups — is rigorous but slow, limited by human fieldwork. Rigor and speed have always been a trade-off.

When generative AI made it possible to simulate consumer responses, the industry's adoption was revealingly cautious. Leading agencies used synthetic respondents for early screening but never trusted them with the final decision.



— THE REINVENTION

From a gate to a *continuous* validation layer.

What if testing were designed with AI consumers from the start?
Continuous validation instead of a one-time gate before launch.



The *Flight Simulator* for Product Strategy.

Test product and message combinations before committing resources. Insight becomes foresight.

Insight that *compounds*.

Research moves from a retrospective report of "what happened?" to a predictive tool that answers "what if?" Simulate outcomes before capital is committed.

The *GenAI Persona*.

An AI consumer built and validated against real behavioral data. Teams pressure-test every element of a launch, from positioning and claims to packaging and price.



Validating *synthetic* fidelity.

For any insights leader, the central question is one of trust. Can you trust the insights generated by the AI Personas?

Synthetic Fidelity is the empirically validated accuracy of AlgoVerde's AI panels against human consumer panels. The relevant comparison is not abstract "AI versus humans," but whether the AI panel's predictions track the human panel's results with sufficient consistency for the decision at hand. Multiple field experiments have pressure-tested AlgoVerde's AI personas. We are also honest about their limitations: human research is still best for highly nuanced decisions.

Off-the-shelf LLM

A large language model prompted to "act like" a consumer produces fluent but unvalidated answers.

AlgoVerde GenAI Persona

- Built from individual-level behavioral data
- Benchmarked against human results
- Re-calibrated as markets evolve

A new operating model for innovation — not just a faster survey.



— CASE STUDY

Inside a *Fortune* 500 CPG launch.

One global CPG leader — a maker of dozens of household brands — ran reinvented concept testing across a single connected innovation program.

The problem was not a shortage of ideas.

R&D was overflowing with promising research across home, fabric, and personal care, while the validation pipeline — recruiting, focus groups, facilities, analysis — cost hundreds of thousands of dollars and ran for months per cycle. Good ideas were being killed early, simply because there was no affordable way to test them all.

So the team ran a two-week sprint. They configured validated GenAI Personas to match their target consumers and pitched multiple product concepts to them. Where a concept fell flat, they reworked the feature set and messaging on the spot and re-tested in real time — no new fieldwork, no waiting.

A personal-care concept landed poorly until the team shifted the message from a health benefit to a personal-confidence angle: purchase intent jumped immediately. In a traditional focus group, that insight would have arrived weeks later, or never.



— ONE PANEL, END TO END

What was validated, and the *outcome*.

JOURNEY STAGE	WHAT WAS VALIDATED	OUTCOME
Concept testing	~50 concepts in a two-week sprint, iterated in real time	Months to ~2 weeks; ~90% lower testing cost
Message & creative	Messaging angles and campaign creative, pre-flight	Campaign development from months to days
Image creation	Image briefs and concepts before agency hand-off	Weeks and thousands of dollars saved
Creative validation	TV, visuals, and messaging before media spend	Post-production revisions replaced by pre-flight validation
E-commerce	Presentation, pricing, and promo vs. panels	60% increase in add-to-cart on tested products
Transcreation	Claims and messaging adapted for new markets	Local validation in a fraction of the timeline

Speed did not cost accuracy. The winning concepts went on to top purchase-intent scores in traditional human studies. The AI panel and the humans agreed.



— SIDE BY SIDE

Two approaches to AI in *concept testing*.

	Incumbent	Reinvention
	AI bolted on	Process rebuilt
CORE QUESTION	How do we run the same survey faster and cheaper?	What would concept testing look like if designed around AI consumers?
ROLE OF AI	A faster questionnaire	A continuous validation layer across the journey
WHERE IT'S ALLOWED	Low-risk early screening only — a pre-filter	Concept, claim, message, creative, image, price, localization
LINK TO THE DECISION	Synthetic narrows; humans decide	Validated personas inform the decision itself
CADENCE	Episodic study at a gate	Always-on; learning compounds across tests
NET EFFECT	Marginal improvement	Rigor and speed together