



infosurv concept exchange

**An innovative way to improve the speed and
accuracy of online concept tests**

What is the Infosurv Concept Exchange (iCE)?

iCE is a patent-pending prediction market sponsored by Infosurv, a full-service market research firm. This innovative, high-tech system presents a new and highly accurate way to predict the success of new products, packages, logos, advertisements, and anything else traditionally measured with monadic concept tests or traditional screening methodologies.

How does iCE work?

iCE is an online marketplace where respondents are given free virtual dollars to buy “shares” in the products, packages, logos, or advertisements that our clients wish to test. Just like in real world markets, share prices fluctuate based on the perceived market value of the underlying asset. By observing how share prices move over time, we can make very accurate predictions regarding the real world success of the concepts being tested. To learn more about the academic and commercial research backing the power of prediction markets like iCE, please read our white paper “Prediction Markets for Concept Testing”.

What are the benefits of using iCE for concept testing?

- **Cost savings** – Costs are lower with iCE than traditional concept tests because a “general population” sample can be used for most iCE markets. In the next couple of sections we’ll explain why.
- **Speed** – It can take up to 4-6 weeks to design, field, and analyze a traditional concept test. Turn-around time on iCE concept tests is much less – just 1 week from project kick-off to presentation of final results. iCE projects are completed more quickly due to ease of setup, respondent recruitment, and data analysis.
- **Better respondent engagement** – iCE respondents view participating in the marketplace as an entertaining game with both intrinsic and extrinsic rewards. Since respondents can earn additional incentives by betting on correct outcomes, they have ample motivation to remain engaged in the process.
- **No risk of misrepresented or “professional” survey takers** – Since iCE respondents rarely have to qualify for a particular study based on demographic or behavioral criteria, they have no reason to misrepresent themselves. In addition, “professional” respondents are not a concern because if some iCE participants are disproportionately active in our markets, the validity of the market’s conclusions is only enhanced.
- **Qualitative concept feedback** – Our respondents are given a mechanism for explaining why they buy or sell shares in certain concepts, allowing clients to collect qualitative feedback which answers the question, “Why?” This feedback can be used to explain the behavior of the iCE market and help the client refine current concepts and create additional concepts for testing.

How are iCE respondents recruited?

iCE respondents are recruited just like survey respondents. We work with top survey panel providers to recruit a statistically valid sample of “general population” consumers to participate in every iCE market. Though technically we could target specific demographic subgroups, it’s usually not necessary (see next section below.) If a client wishes to use their own customers or employees as iCE respondents we can do that as well.

Why don’t iCE respondents need to be in my target market?

A traditional concept test typically targets respondents within a specific market, however respondent targeting isn’t usually necessary on iCE since participants have an incentive to “self-select” only for markets *they think they can win*. Nobody likes to lose money, real or virtual. Respondents therefore only participate in studies dealing with topics and market segments they are familiar with, even though they may not be in that segment. Also, iCE doesn’t ask respondents “Would you buy this concept?” but instead “Would *others* buy this concept?” iCE harnesses a phenomena known as “the wisdom of crowds” to allow non-experts to answer expert questions often more accurately than the experts themselves.

How does “the wisdom of crowds” allow a non-expert group of respondents to be smart?

According to James Surowieki, author of the best-selling book “The Wisdom of Crowds” which helped inspire iCE’s creation, there are four key qualities that make a crowd smart:

1. It needs to be **diverse**, so that people are bringing different pieces of information to the table.
2. It needs to be **decentralized**, so that no one at the top is dictating the crowd’s answer.
3. It needs a **mechanism** of summarizing people’s opinions into one collective verdict.
4. The people in the crowd need to be **independent**, so that they pay attention mostly to their own information, and not worrying about what everyone around them thinks.

iCE accomplishes all four of these things. It is **diverse** because respondents are balanced in terms of gender, age, geography, ethnicity, and income. It is **decentralized** because respondents act to maximize their own personal profits, not follow a leader. The **mechanism** for summarizing opinions into one collective verdict is iCE itself. Our respondents act **independently** because they are not uniquely identified and there is no means of communication between traders.

To learn more about iCE please
contact the iCE Sales Team at

iCE@infosurv.com or 888.262.3186



infosurv concept exchange