Case study: Van Westendorp
Van Westendorp's Price Sensitivity Meter

The Price Sensitivity Meter helps determine psychologically acceptable range of prices for a single product or service. It is a frequently used pricing research method proposed by the economist Peter van Westendorp in the 1970s. It is particularly useful when:

- You want to assess what price range the market considers to be fair for your product
- Your product is the only such product on the market or the number of competitive offerings is very large
- You need quick, directionally correct results
Disguised case study: Van Westendorp for a fashion brand

Business problem
• Fashion Co, a major New Zealand-based online fashion company, recently expanded into the UK market. Initially, pricing for most SKUs was set through simple conversion from NZD into GBP. But there is suspicion that current pricing is seen as too high by consumers.
• As part of the first quarter operational review, the insights team needs to check if current pricing is too high for the target market?
• Given the need for a quick turn-around, Fashion Co uses Conjoint.ly for Van Westendorp project.

Research approach
• Fashion Co performed Van Westendorp test using Conjoint.ly platform on a dozen highest grossing products (SKUs) in the UK.
• Sample consisted of 150 customers (invited by Fashion Co) and 150 panel respondents (sourced by Conjoint.ly). Questionnaire included screening and demographic questions (e.g. brand awareness and open-end feedback).
• Data collection of panel respondents was completed in 10 hours. Collecting responses from customers took 12 days.
• Findings were immediately available upon completion of the project on the Conjoint.ly platform.

Outputs and outcomes
• Van Westendorp confirmed that the expectation of price (range of acceptable prices) was substantially lower than current pricing: ~45% lower for all consumers and ~30% for current customers.
• Based on these findings, Fashion Co decided to invest further into its brand to elevate perception of quality and style among UK consumers.

Price Sensitivity Meter

Conjoint.ly Investment

£4,435 Total cost

3 days Time to insight

Note: This example is disguised to protect confidentiality of the client. However it gives a realistic picture of a typical project with us.
Why Conjoint.ly

Trusted by insight departments of global brands
Conjoint.ly automated tools (Conjoint analysis, Claims Test, etc.) have been used by multiple projects from multiple countries.
We are cooperatively working together with several insights department of global brands

Specialisation in pricing and product research
We are focused on product and pricing research (i.e. we do not offer ad testing, shopper, other types of studies)
We support 10+ pricing projects every week (most of which are automated)

Agile service from automated platform to custom projects
We provide state-of-the art quality analytics for different types of service
From fully automated experiments on our platform to fully once-off custom projects of any complexity

Deep involvement support all through the process
Conjoint.ly provide reliable support all through the service
Quality support involves methodology explanation, interface guidance, result interpretation etc.
We also know data collection and can provide quality assured panel
How Conjoint.ly works: We offer product and pricing research done faster, better, at a lower cost

Tools for specific research methods

Conjoint.ly offers manager-friendly tools for specific research methods that are trusted by leading companies around the world

Agency-quality results using marketing science

Our methods are thoroughly tested and rooted in marketing science, which means you get agency-quality results at a fraction of the cost and time investment

We enjoy providing support to our users

Importantly, we enjoy providing support to our users to ensure your studies meet your research and business needs
Outputs of automated tools: Log onto Conjoint.ly to explore example interactive reports

- Generic Conjoint
  - Importance of features, attributes, willingness to pay, simulations, etc.

- Brand-Specific Conjoint
  - Preference for brands and features, simulations, etc.

- Claims Test
  - Preference and diagnostics, Passport of a claim, TURF analysis, etc.

- Predictive Product Test
  - Predictions, consensus history, rationales

- Gabor-Granger
  - Price elasticity curves, optimal prices

- Van Westendorp
  - Acceptable price ranges

All outputs come online and in Excel, segmentable by respondent attributes
How Conjoint.ly works: Regardless of mode of engagement, we work in an agile fashion

“Working with Conjoint.ly was a truly agile experience. Mondelez used the platform for an important PPA project for one of our core product lines. The expertise gave us the confidence to make several critical product decisions for the business.

Shopper Insights Lead, Mondelez International
Melbourne, Australia

Automated solutions

- **Manager-friendly tools** and intuitive online reports
- **Automated DIY research** process (design, sampling and analysis)
- **Costs**: Licence + sample (or BYO respondents)
- **Timeframe**: 5 hours to 2 weeks
- **Expert support** readily available

Custom projects

- **Decision-ready reports**
- **Research process fully managed** by us
- **Costs**: Labour + sample (or BYO respondents)
- **Timeframe**: 5 days to 3 weeks
- **Expert support** readily available
How Conjoint.ly works:
Timeline of a project

<table>
<thead>
<tr>
<th>1</th>
<th>Choose a tool</th>
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<tbody>
<tr>
<td>2</td>
<td>Set up your study</td>
</tr>
<tr>
<td>3</td>
<td>Choose sample</td>
</tr>
<tr>
<td>4</td>
<td>Collect data</td>
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<tr>
<td>5</td>
<td>Automated analytics</td>
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</tbody>
</table>

How it works

| Based on **your research** question |
| Insert stimuli into online interface (packaging, pricing, claims, features) |
| **Buy from us** or bring your customers and leads |
| Automated sampling (monitored by Conjoint.ly team) |
| Automated analytics and outputs |

Timeframe

| In your **own time** | 5 hrs to 2 weeks | 1 min to 1 hour |

Optional support from Conjoint.ly team (whenever you need us)

| **Discuss** your research needs |
| **Review** your studies before launch |
| **Custom targeting** and sample |
| **Interpreting results** and extra stats analysis |
## Panel sampling with Conjoint.ly:
Three ways Conjoint.ly can help source respondents

<table>
<thead>
<tr>
<th>Targeted respondents</th>
<th>Pre-defined panels</th>
<th>Custom targeting and sampling</th>
</tr>
</thead>
<tbody>
<tr>
<td>How it works</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Choose country, age, gender, profiling questions</td>
<td>Choose a <strong>pre-defined audience</strong> (e.g., mothers of babies &lt;12 m.o. in UK)</td>
<td>Ping us for <strong>your sample</strong> request (<a href="mailto:support@conjoint.ly">support@conjoint.ly</a>)</td>
</tr>
<tr>
<td><strong>Timeframe</strong></td>
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<tr>
<td>5 hours +</td>
<td>1 day +</td>
<td>2 days +</td>
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<tr>
<td><strong>Cost</strong></td>
<td></td>
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<tr>
<td>From $3 per complete (quoted online)</td>
<td>From $4 per complete (quoted online)</td>
<td>Custom quote</td>
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<tr>
<td><strong>Level of targeting</strong></td>
<td></td>
<td></td>
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<tr>
<td>Broadly targeted</td>
<td>Narrowly targeted</td>
<td>Ultra-targeted</td>
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</table>
How Conjoint.ly works: We will employ state-of-the-art statistical methods

We use the most appropriate state-of-the-art techniques by default, not as an extra service

- Efficient and optimal experimental design, confirmed through *multiple runs of simulation tests to validate sufficiency* of design and optimise sample size

- **Non-trivial randomisation** in presentation of options to the respondents to remove confounding effects

- **Hierarchical Bayesian estimation** of individual-level preferences for accurate prediction of market shares

We lead the way in ensuring response quality in choice studies

- As developers of a survey platform, we care deeply for respondent experience and mobile-readiness

- We are ruthless and fearless advocates for response quality and we **only use quality responses in our analysis**, which has material implications for analytical outcomes
How Conjoint.ly works: Our team has supported hundreds of projects since 2016

Our Team

Nik Samoylov, Founder
Former Consultant at Bain & Company, University Medal in Marketing from the Australian National University

Jason Widjaja, Market Researcher
First Class Honours in Marketing from Monash University

Yutian Shen, Market Researcher
PhD in Marketing from the University of New South Wales Business School

Mitchell Vanderham, Project Manager
Bachelor of Business and Commerce, Marketing, from Western Sydney University

Denis Smagin, Developer

Anna Burunova, QA Engineer

Sergey Pavlenko, Developer

Hugh Zhao, Market Researcher

Sergey Sesyolkin, Developer

Our Story

• Conjoint.ly started in 2016 with the mission to bring discrete choice experimentation within reach of corporate researchers

• Since then, we have embarked on a bigger journey of simplifying advanced research methods and helping insights managers make the most out of their research investment

• Conjoint.ly has a strong roadmap for 2020 with a number of product and pricing methods in development
We have undertaken hundreds of projects globally, with majority of our work focused on North America and Western Europe.
Our experience:
Some of our notable custom projects

We helped a **major shoe manufacturer** understand **optimal pricing and importance of features**
for a shoe-subscription service
Method: **Brand-Specific Conjoint**

We helped a **major CPG** to understand cross-country **optimal launch scenarios**
for organic dairy-based product
Method: **Brand-Specific Conjoint**

We helped a **large supplier of ingredients for CPG brands** measure willingness to pay for their ingredients and justify value to buyers
Method: **Various modules**

We helped a **motor brand** to identify **optimal pricing scenarios**
for newer car models
Method: **Brand-Specific Conjoint**

We helped a **Fortune 100 manufacturer** understand **optimal pricing and importance of features**
for a high-output machinery
Method: **Brand-Specific Conjoint**

We helped a **hygiene product manufacturer** understand **promotional and pricing strategy**
for a NPD
Method: **Brand-Specific Conjoint**

We helped a **US telecommunications company** to identify **optimal bundling options**
for a home-based product
Method: **Brand-Specific Conjoint**

We helped **Mondelēz International, Cadbury brand** to understand preference for **pack and price trade-offs** for their confectionery product line
Method: **Brand-Specific Conjoint**

We helped a **major CPG company** to identify **winning claims and combination**
for an organic dairy-based product
Method: **Claims Test**

We helped an **US telecommunications company** to identify **optimal bundling options**
for a home-based product
Method: **Brand-Specific Conjoint**
Next steps

Explore example outputs
Log onto Conjoint.ly to explore example interactive outputs

Schedule a call with us
Receive a demo or discuss an upcoming project:
www.conjoint.ly/consultation

Ask us some questions
Any questions? Happy to answer on support@conjoint.ly