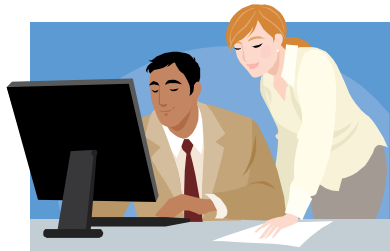

Conjoint Analysis: Respondents and Clients Experience

Stefan Binner

SKIM Conference 2010
Köln



What Makes a Successful CJ Project?



Researchers

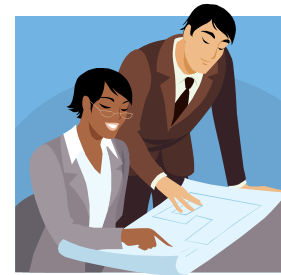
- High Hit Rates!
(Fix Tasks)
- Low Mean Absolute Errors!
(Fix Tasks)
- Validation of Simulations!
(Market Reality)

Mission:

Happy Client

What Makes a Successful CJ Project?

- Trust in reliability of method and its application!
- Actionable results for business decisions and planning!
- A success story within the company! (ROR)



Clients

Mission:

Happy Boss

Client Measurement of CJ Project Success

Predictability?

Success
Story?



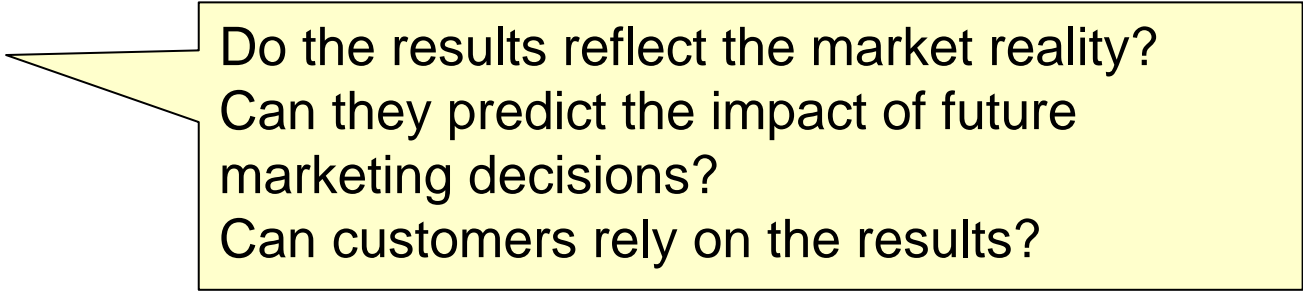
Business
Integration?

Clients

Action ability?

Client Measurement of CJ Project Success

- **Predictability**



Do the results reflect the market reality?
Can they predict the impact of future marketing decisions?
Can customers rely on the results?

- Action ability

- Business Integration

- Success Story

Client Measurement of CJ Project Success

➤ Predictability

➤ **Action ability**

Are results providing the right input in decision making?
Do they cover the relevant dimensions?
Do they cover the right market segments?

➤ Business
Integration

➤ Success Story

Client Measurement of CJ Project Success

➤ Predictability

➤ Action ability

➤ **Business
Integration**

At which stages in marketing processes will the results be applied?

Are study and results accepted throughout the organization?

➤ Success Story

Client Measurement of CJ Project Success

➤ Predictability

➤ Action ability

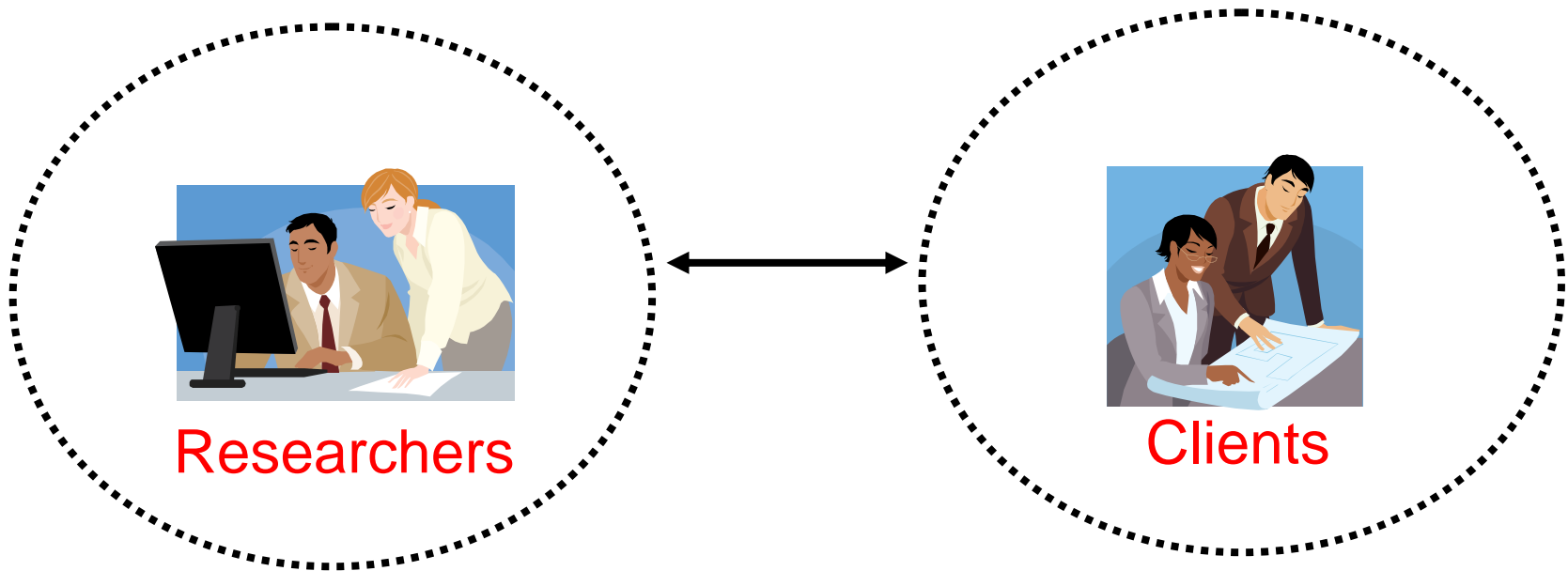
➤ Business
Integration

➤ **Success Story**

How is the return-on-research?
Can we create a success story about using
the benefits from CJ in order to significantly
increase revenues and profit?

How to Achieve CJ Project Success?

Old Model: Two Different Worlds



How to Achieve CJ Project Success?

Get clients more involved
and committed !

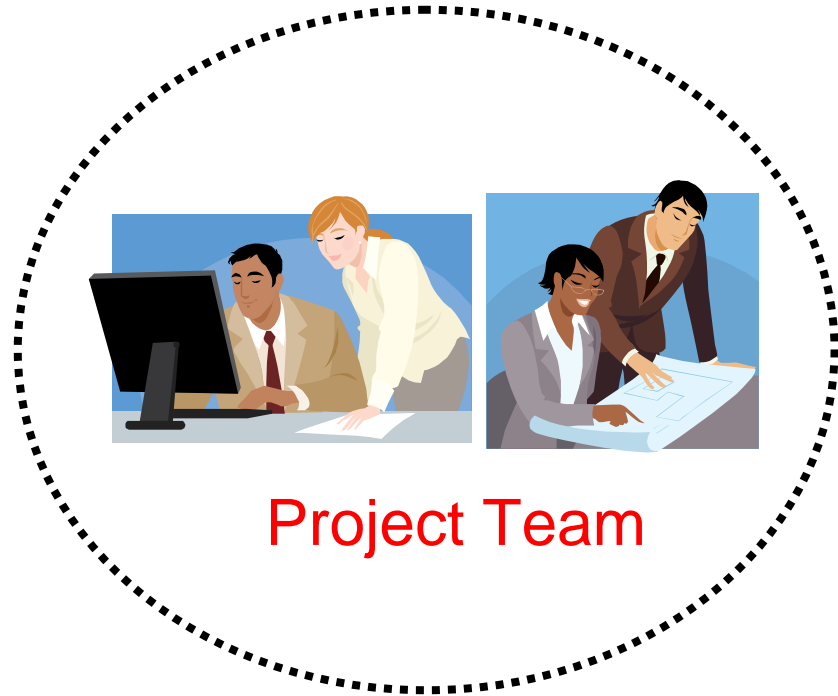


Project Team

Clients Involvement and Commitment

An analysis of 20+ different CJ projects indicate a strong impact of clients interface on success. Main success factors are:

- **Share knowledge!**
- **Exposure to field work!**
- **Actively use Results!**
- **Create Success Stories!**



Share Knowledge

How close is the cooperation during the research design?

Case Example A

Market: B2C - transport

Objectives: Product design/features
Communication triggers

Low client interest in conjoint theory
No involvement in design
Hidden objectives

Evaluation:

Predictability	++
Action ability	+-
Integration	--
Success Story	--

Case Example B

Market: B2C – DIY market

Objectives: Price Positioning

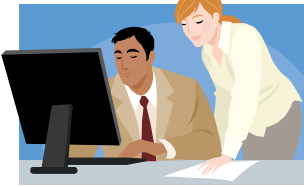
High client interest in conjoint theory
Pro-active discussion throughout
design. => customized sample
structure and CJ approach

Evaluation:

Predictability	++
Action ability	++
Integration	++
Success Story	++

Share Knowledge!

=> There is a strong benefit from sharing knowledge and experience



Researchers

- The more understanding of objectives and business background the better
- Fresh or different hypothesis about the marketing issue



Clients

- Not necessary to dig too deep into the theory
- Just enough to challenge the method and its borders

Observations:

Studies in which customers insist on constraints in research design (rather than in simulation) seems to be more actionable

Clients knowledge is basis for success stories (e.g. avoid mean value fallacy)

Exposure to Field Work!

Clients observation and interaction with respondents lead to:

- Better understanding of respondents experience
- Improved research designs
- Trust of clients in study and results
- Explanation and interpretation of results (meat to the bones)

Observation: Studies in which customers were involved in field work seems to be more likely to be integrated into business processes

Actively use Results!

How many client simulator licenses have never been used?

Case Example A

Market: B2C - durables

Objectives: New Product Development

Client insisted in very basic CJ design
(no ASD, relative pricing etc.)
As a result the product specification
attributes were too general

Evaluation:

Predictability	+ -
Action ability	--
Integration	--
Success Story	--

Case Example B

Market: B2B – Chemical

Objectives: Product Range
Optimisation

Low interest in study design/method.
High interest in results and extensive
scenario simulation by client

Evaluation:

Predictability	+ -
Action ability	++
Integration	++
Success Story	++

Actively use Results!

In order to prove the power of a CJ project providing a dynamic result researchers should motivate clients to use the results by:

- Offering additional scenarios and simulations
- Offering and providing client simulators
- Training of clients (workshops instead of one way presentations)

Observation: Studies with ongoing simulations tend to predict the market better and are clearly better integrated

Create Success Stories!

Case Example

Market: B2B – Building Control

Objectives: Pricing of new product generation

Different opinion about pricing the new products: cost based or value based. The simulation indicated to keep both product generations on the market and their optimized price positioning

Evaluation:

Predictability	++
Action ability	++
Integration	++
Success Story	++++



(happy) Clients

The simulation results were followed and in the next years the business unit increased the profit for the product category by several million Euro.

How to Further Achieve CJ Project Success?

Forgot Somebody?



Project Team



Respondents

What Makes a Successful CJ Interview?



Respondents

- Understand what they want me to do
- Feel competent in the questions they ask me
- Answering interesting questions
- Feel like contributing something when answering

Respondent Experience and Motivation

Based on analysis of previous CJ studies the experience and motivation of respondents have a serious impact on success. Therefore it is necessary to:

- **ask realistic tasks!**
- **get the right setup!**
- **talk respondents language!**



Project Team



Respondents

Ask Realistic Tasks!

Are the choice tasks intuitive?

Case Example A

Market: B2C-Automotive

Objectives: New Product Develop.

New to the world product. Client insisted in many design and tech spec. alternatives while general relevance of product was not clear

Evaluation:

Predictability	--
Action ability	+-
Integration	--
Success Story	--

Case Example B

Market: B2C – DIY market

Objectives: Product Development
Package Design

Usage of ACBC for non-compensatory model. Intuitive Task for respondents.

Evaluation:

Predictability	+-
Action ability	++
Integration	+-
Success Story	++

Ask Realistic Tasks!

- Difficult and many choice tasks can be asked as long as they are relevant and intuitive to respondents and mimic realistic purchase situations
- Alternative Specific Designs might help
- ACBC has been observed to be seen as very realistic (positive feedback after average 30 minute interview!)
- Tasks will only be relevant for the right persons (exact screening)

Observation: Studies in which tasks are more relevant for respondents seems to be better in predictability.

Get the right setup!

- The scenario (context) of the conjoint is extremely important and must be laid out very carefully
- Selection of best delivery method (Online, CAPI, CLT)
 - => *depending on context and target group*
 - => *no systematic impact on project success found*
 - => *not all questions work online!*
- Usage of Stimuli as necessary
 - => *again no grant for success*
- Usage of method (CBC, ACBC, ACA) and design (# tasks, # levels, full/partial design etc)
 - => *ACBC most intuitive ... ACA least intuitive*

Talk respondents language!

Are we able to communicate the choice tasks

Case Example A

Market: B2B – Building Material

Objectives: Product Design
Prod. Range Optimisat.

Low client interest in conjoint theory
Insisting in very complex attributes
with combined physical properties of
product

Evaluation:

Predictability	--
Action ability	+-
Integration	--
Success Story	--

Case Example B

Market: B2B – Health Care

Objectives: Price Positioning

High client interest in right scenario,
terminology and model parameters.
F2F pre-test to understand
terminology and decision patterns

Evaluation:

Predictability	++
Action ability	++
Integration	++
Success Story	++

Talk respondents language!

- Almost every customer group has its own language
- Cultural differences need to be taken care of. However, no strong impact on success detected.
- Translate “inside company code” into understandable market terminology
- Make respondents feel in a familiar decision environment (pre-research!)

Observation: Right terminology is almost a qualifier. We found high indication as a success factor.

Conclusion

If we do not involve clients and respondents in a sufficient way, we cannot expect to get best results out of our conjoint models, disregarding how sophisticated they are!