



Case Study: Gabor-Granger

# Gabor-Granger Pricing Method

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**The Gabor-Granger Pricing Method determines the price elasticity of products and services.** Developed by two economists, Andre Gabor and Clive Granger, it has been used since the 1960s. It is particularly useful when:

- 1 You want to get a directionally correct estimate for willingness to pay for the product
  - 2 You want to find revenue-optimising price points
  - 3 All the other components (or attributes) of the product or service are fixed and cannot be changed
  - 4 You only want to look at your brand or SKU without considering competition
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# Disguised case study: Gabor-Granger for a books-on-demand provider

## Business problem

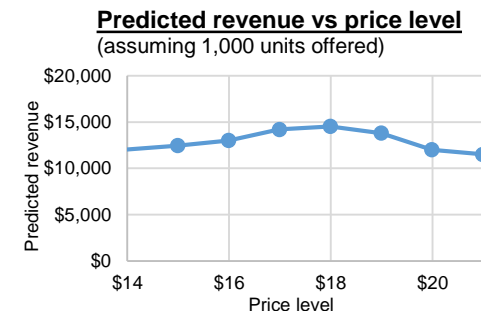
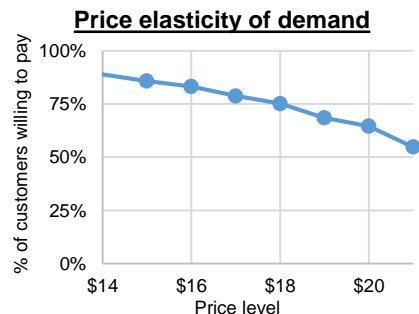
- Book Co is a major books-on-demand provider in Egypt. Given intense competition in this market, Book Co would like to measure the value customer on book streaming over the Internet.
- As part of the strategy review, the insights team would like to test for non-paying users, competitors' users, and Book Co's paying users:
  - What is customers' willingness to pay?
  - What is the optimal price of subscription to maximize its revenue?

## Research approach

- Book Co performed a Gabor-Granger test using Conjoint.ly platform and test eight price points for its paid subscription
- Respondents are book streaming users with predefined panel (33% 18-24y.o., 33% 25-33y.o., and 33% 34-55y.o.; 35% non-paying users, 35% competitors' users, and 30% Book Co's paying users).
- Data collection of 953 responses was completed in 3 days (38 hours) given the relative scope of the target audience
- Findings were immediately available upon completion of the project.

## Outputs and outcomes

- Gabor-Granger confirmed the Price elasticity of demand and Predicted revenue vs. price level of Book Co's paying subscription for different segments
- The study provided agile and actionable insights to help Book Co understand customers' demand. For example, results suggest that the optimal price is \$17.99/month of subscription for its users



## Investment

**€7,217**  
Total cost

**3 days**  
Time to insight



Automated tools and expert support  
for product and pricing research

# How Conjoint.ly works: We offer product and pricing research done faster, better, at a lower cost

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



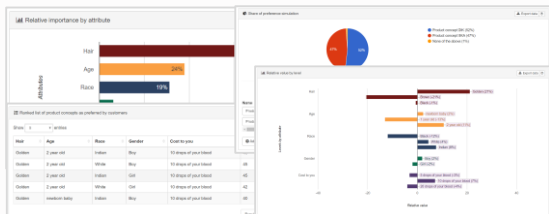
Our methods are thoroughly tested and rooted in marketing science, which means you get **agency-quality results at a fraction of the cost and time investment**



Importantly, **we enjoy providing support to our users** to ensure your studies meet your research and business needs

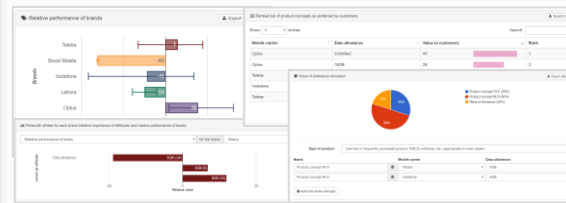
# Outputs of automated tools: Log onto Conjoint.ly to explore example interactive reports

## Generic Conjoint



Importance of features, attributes, willingness to pay, simulations, etc.

## Brand-Specific Conjoint



Preference for brands and features, simulations, etc.

## Claims Test



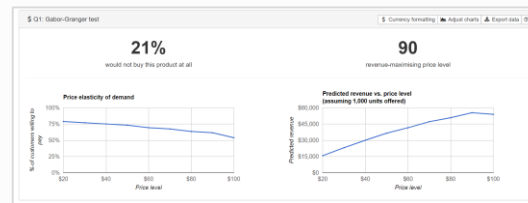
Preference and diagnostics, Passport of a claim, TURF analysis, etc.

## Predictive Product Test



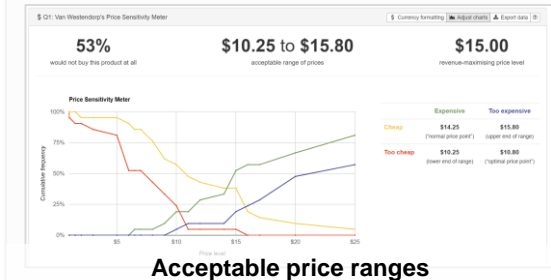
Predictions, consensus history, rationales

## 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


## 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

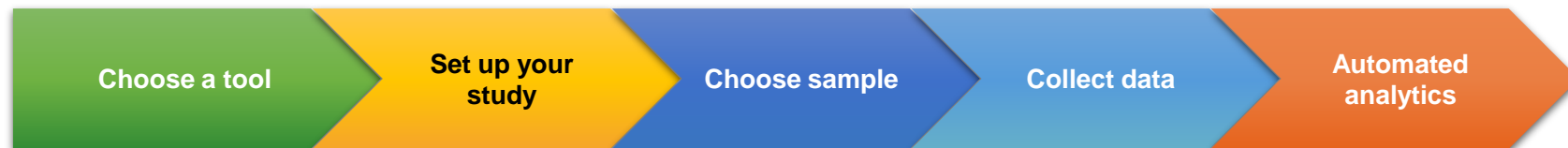
 **Expert support** readily available

*“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.”*

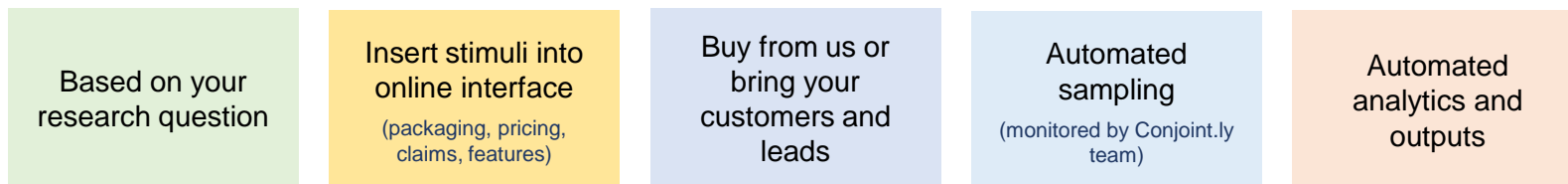
*–Shopper Insights Lead,  
Mondelēz International  
Melbourne, Australia*

# How Conjoint.ly works:

## Timeline of a project



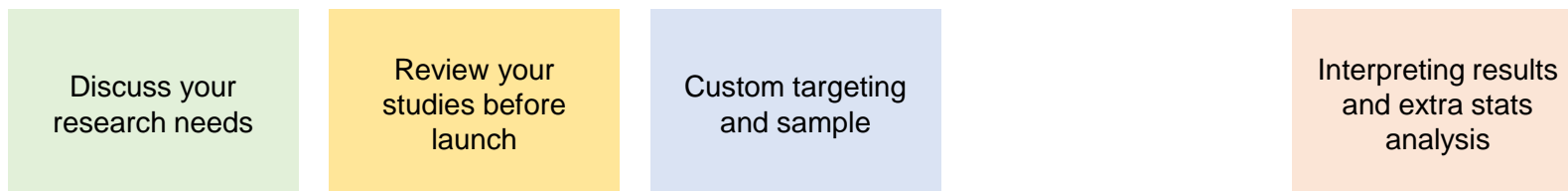
### ? How it works



### 🕒 Timeframe



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





# Panel sampling with Conjoint.ly:

## Three ways Conjoint.ly can help source respondents

Targeted respondents

Pre-defined panels

Custom targeting and sampling

### ? How it works

Choose country, age, gender, profiling questions

Choose a pre-defined audience  
(e.g., mothers of babies <12 m.o. in UK)

Ping us for your sample request  
([support@conjoint.ly](mailto:support@conjoint.ly))

### 🕒 Timeframe

5 hours +

1 day +

2 days +

### 💰 Cost

From \$3 per complete  
(quoted online)

From \$4 per complete  
(quoted online)

Custom quote

### 🎯 Level of targeting

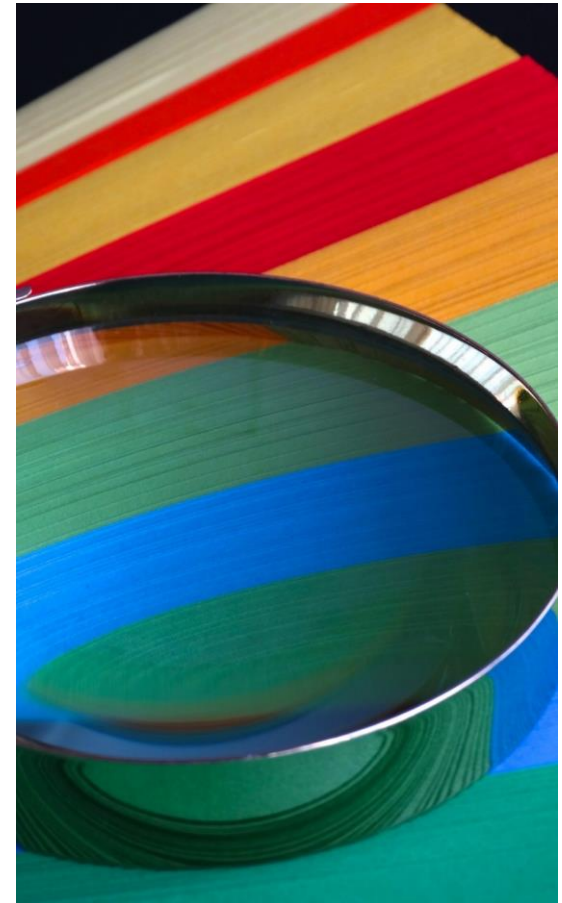
Broadly targeted

Narrowly targeted

Ultra-targeted

# 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



**Denis Smagin**  
Developer



**Anna Burunova**  
QA Engineer

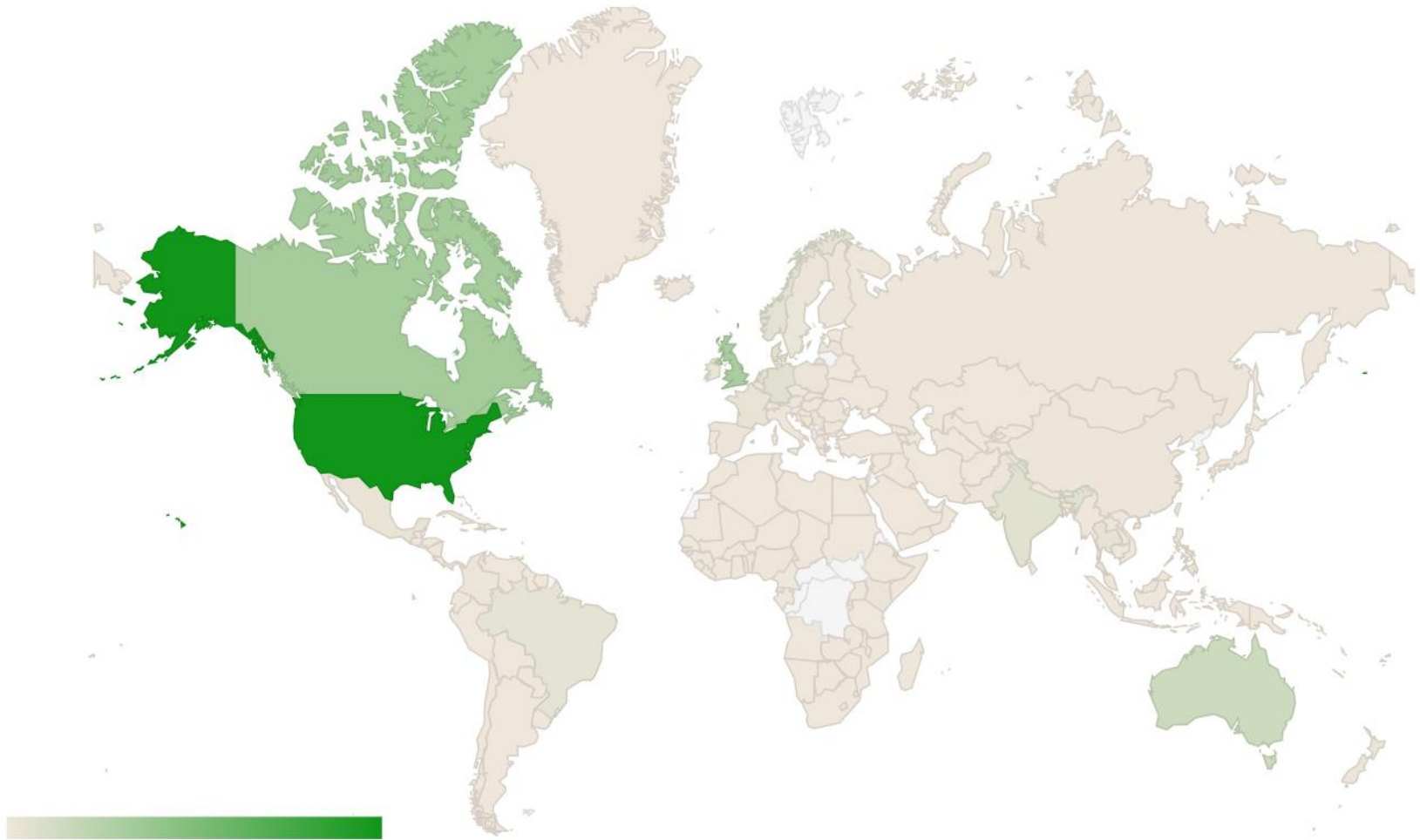


**Sergey Pavlenko**  
Developer

## Our story

- Nik started Conjoint.ly in 2016 after 3 years at Bain & Company, a top-tier strategy consulting firm, 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 2019 with a number of product and pricing methods in development

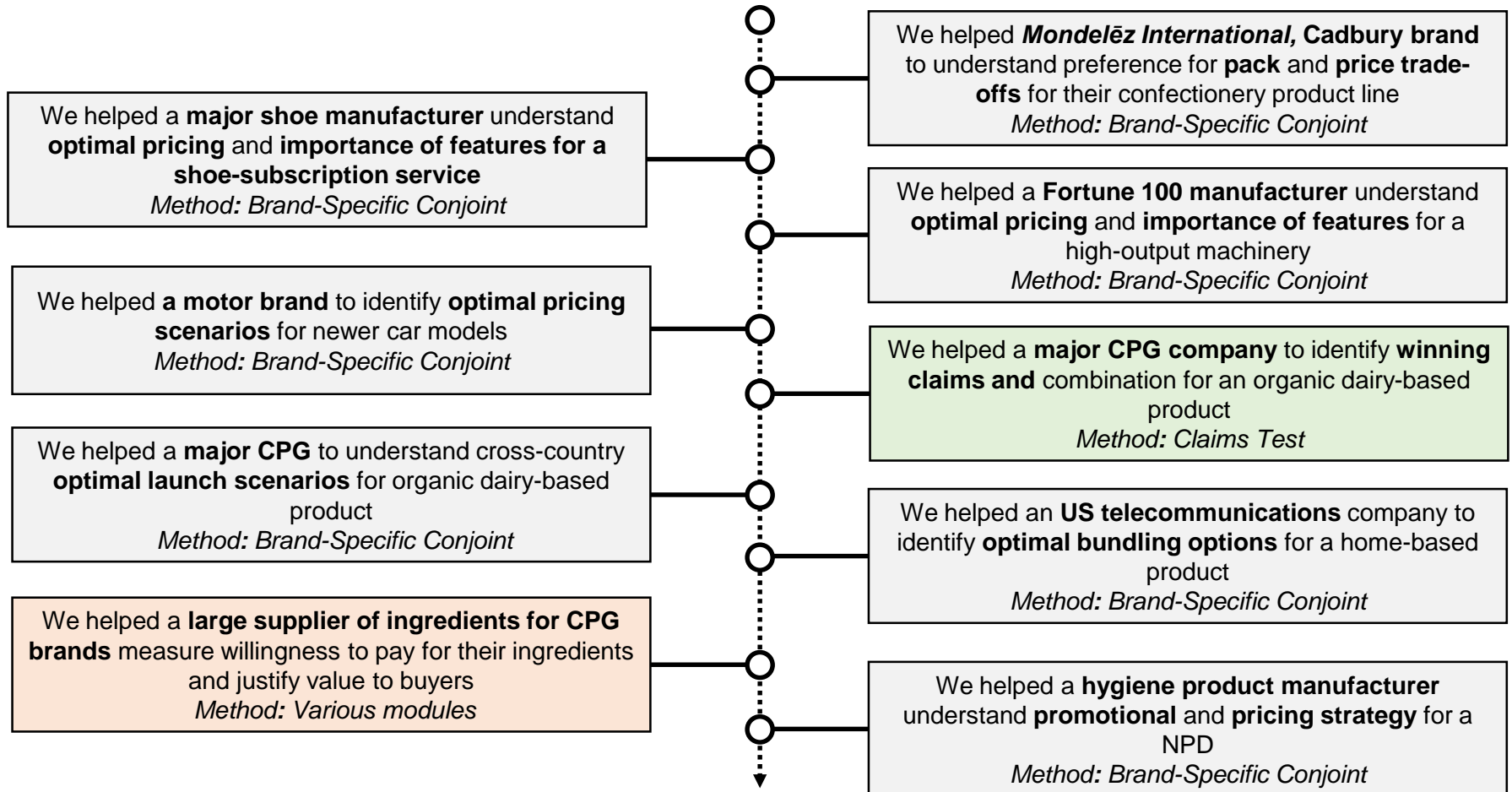
# Geography of previous engagements: Our projects are primarily in North America



Note: Most intense green colour indicates countries where we collected most responses

# Our experience:

## Some of our notable custom projects



# Next steps

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Log onto [Conjoint.ly](https://conjoint.ly) to explore example interactive outputs



Schedule a call with us for a demo or to discuss an upcoming project: [www.conjoint.ly/consultation](https://www.conjoint.ly/consultation)



Any questions? Happy to answer on [support@conjoint.ly](mailto:support@conjoint.ly)

