conjoint.ly

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 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
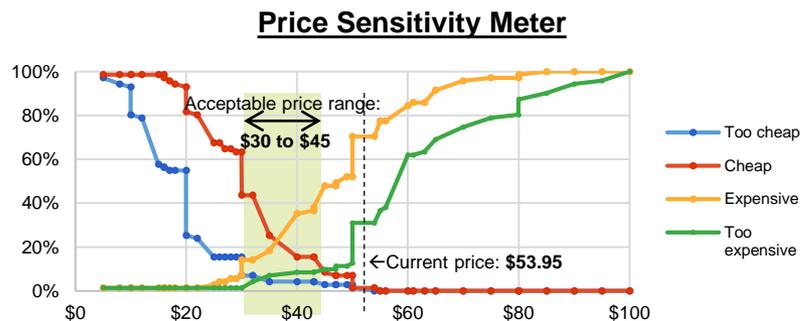
Investment

£4,435
Total cost

3 days
Time to insight

conjoint.ly

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

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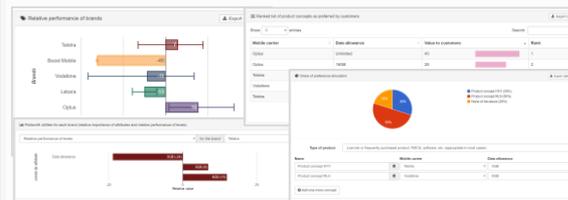
Outputs of automated tools: Log onto Conjoint.ly to explore example interactive reports

Generic Conjoint

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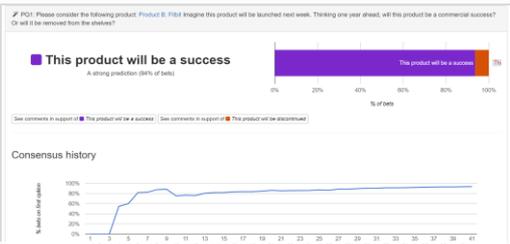
Brand-Specific Conjoint

Preference for brands and features, simulations, etc.
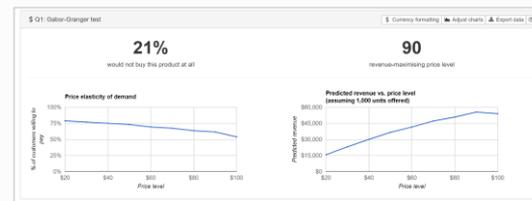
Claims Test

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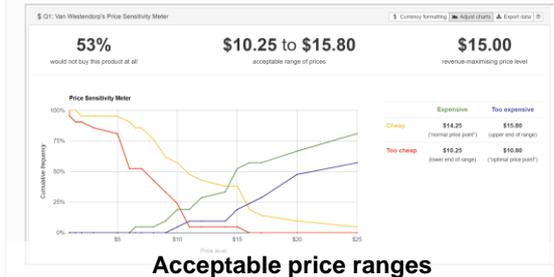
Predictive Product Test

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

Choose a tool	Set up your study	Choose sample	Collect data	Automated analytics

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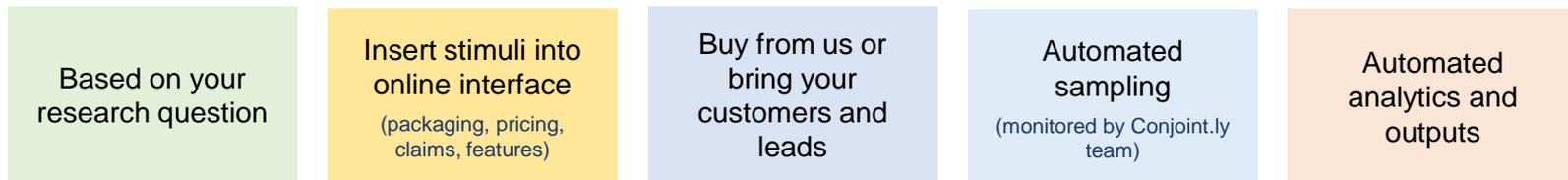
👤 Optional support from Conjoint.ly team (whenever you need us)

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

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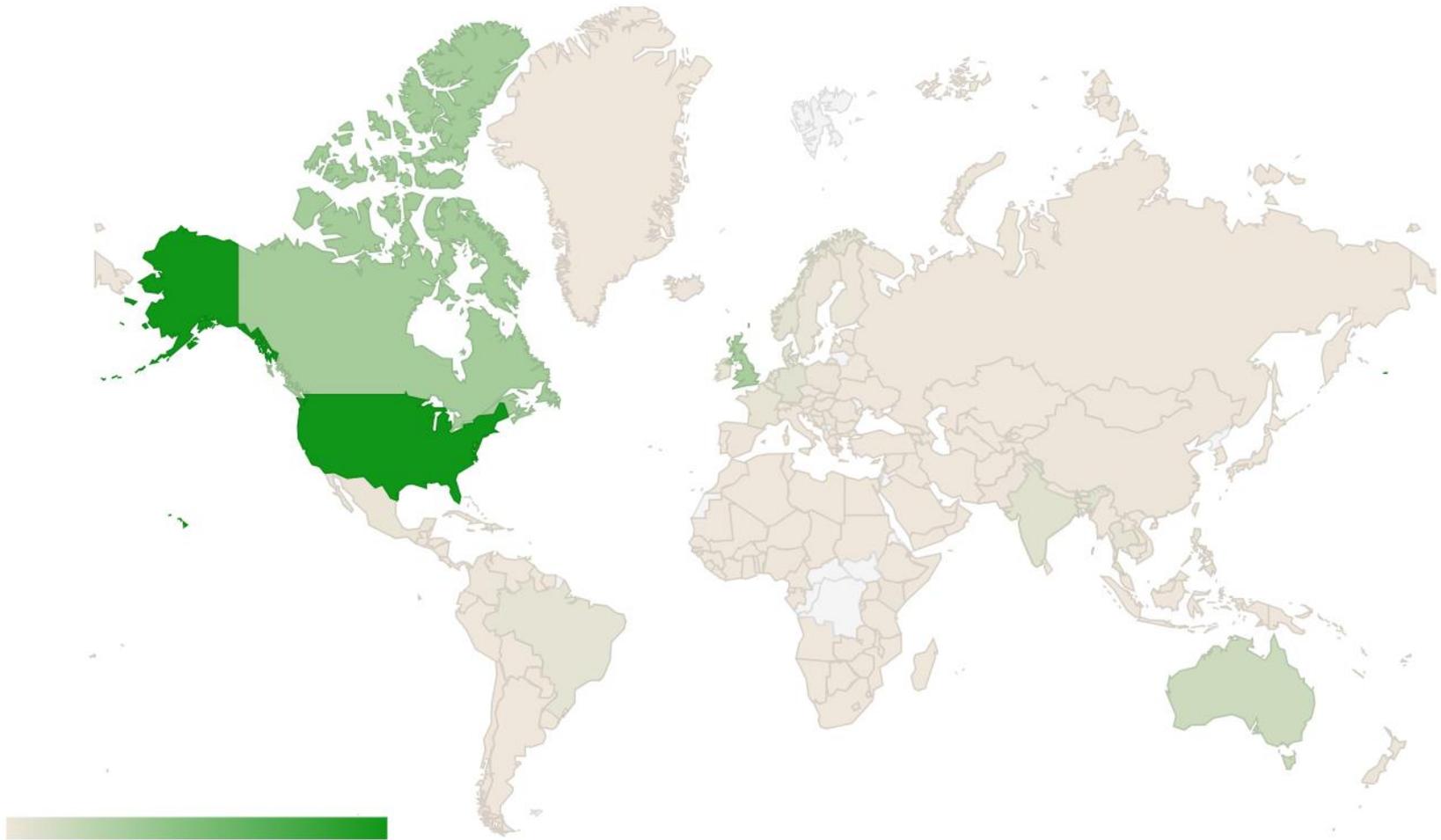
Note: Most intense green colour indicates countries where we collected most responses

Our experience:
Some of our notable custom projects

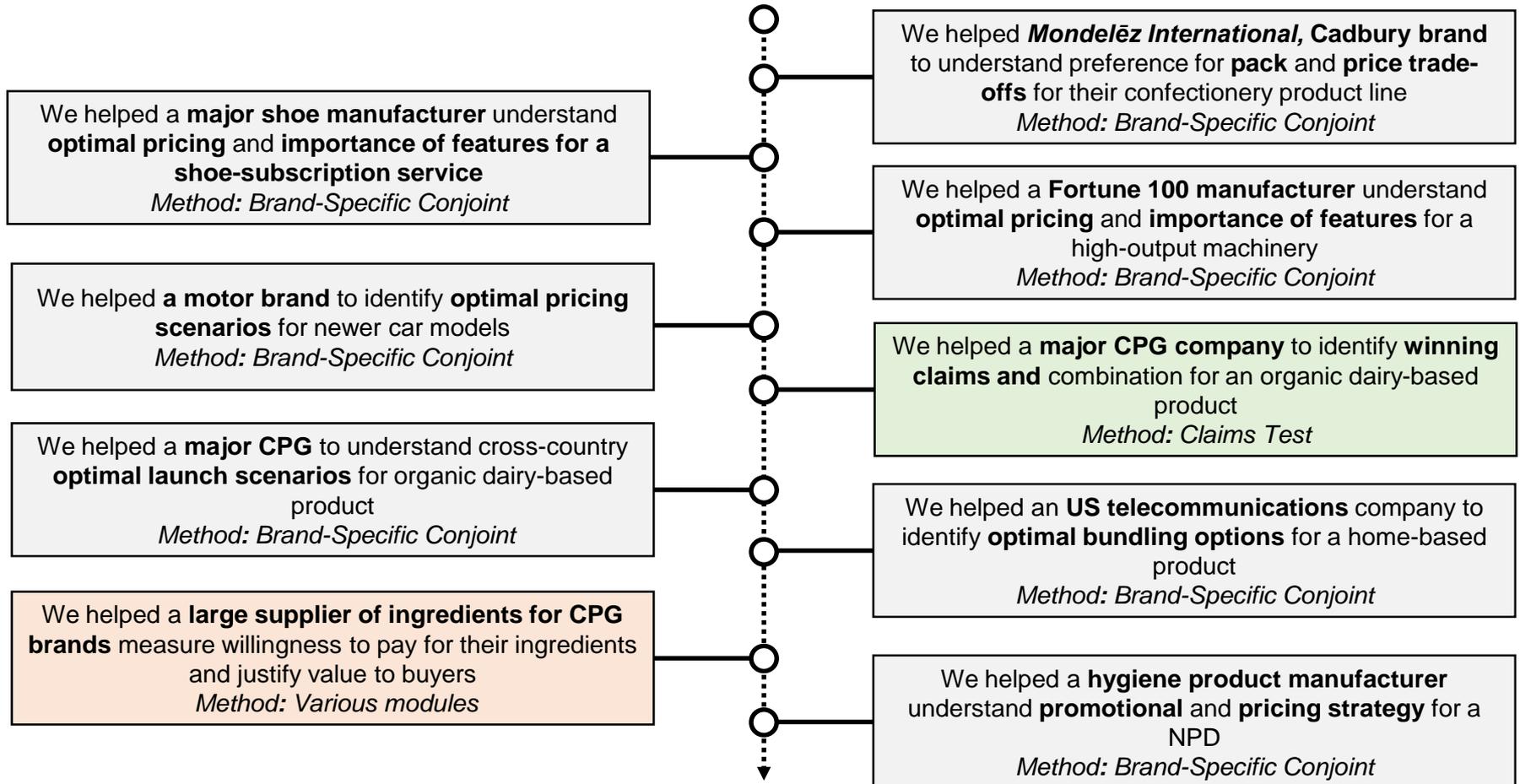We helped a **major shoe manufacturer** understand **optimal pricing** and **importance of features for a shoe-subscription service**
Method: Brand-Specific Conjoint

We helped **a motor brand** to identify **optimal pricing scenarios** for newer car models
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 *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 **Fortune 100 manufacturer** understand **optimal pricing** and **importance of features** for a high-output machinery
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

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

Next steps

Log onto 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

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