

CONJOINT



CONJOINT from RED C is a powerful, statistical modelling tool which enables brand and marketing professionals to fully understand and simulate how consumers prioritise, trade-off and choose between different products and services.

Conjoint From Red C

One of the biggest conundrums facing brand and marketing professionals is how to design products from a combination of features that have high consumer appeal, while providing satisfying return on investment. It is simply not possible to give consumers the best possible product at a low price! The secret to success is to understand how consumers evaluate different product features at different price points so we can develop the optimal products for both the consumer and your business.

Conjoint from RED C provides a comprehensive tool to understand how consumers prioritise and trade-off between different product features. The technique is based on actual consumer choice by presenting the respondents with a number of different, possible real-life scenarios. The respondents choose their preferred product out of a choice set of products at various price points. Based on these choices the conjoint model “learns” how consumers respond to various product and market scenarios and thus allowing you to confidently predict resultant market performance in share, volume and revenue terms across your key business questions.

Key Business Scenarios Conjoint Answers

- / How much can we increase or decrease the price on a product to maximise share and revenue?
- / What is the impact of a fixed price increase or decrease on a product range or portfolio?
- / What is the optimal promotion mechanic to use to maximise short term volume and revenue?
- / What is the impact on share and revenue if a product is de-listed from the market?

- / What is the impact of launching a new product in the market in share and revenue terms?
- / What are the optimal product attribute combinations to create a winning product?
- / What happens when a competitor changes price or launches a new product?

If these were the options available to you when buying a new mobile phone product/package, which would you choose?

Mobile Network	3	O2	vodafone
Mobile phone	Medium end phone e.g. Samsung Galaxy Ace or iPhone 3	High end phone e.g. Samsung Galaxy SII or iPhone 4	Low end phone e.g. Samsung S5610
Price for mobile phone	€ 99	€ 49	Free
Contract Length	24 Months	18 Months	12 Months
Bundle Size (minutes)	Unlimited	Unlimited	300
Bundle Size (texts)	Unlimited	500	300
Free Calls/ Texts to Same Network	None	None	Free calls to everyone on same network.
Data Offer	750 MB data allowance	2 GB data allowance	No data included
Monthly Price/Commitment	€55 per month	€65 per month	€35 per month
Additional Extra			20% reduction in your monthly price/commitment for the first three months of your contract.

Sample screens of the interactive choice tasks respondents see that feed into the Conjoint model. Across a series of choice tasks respondents choose the product they would buy from all the product information given.

If these were the only options available to you the next time you were buying Spreads or Butter in a supermarket, which one would you choose?
(Please scroll down if necessary)

1 of 15

☐ NONE: I wouldn't choose any of these.

REDC

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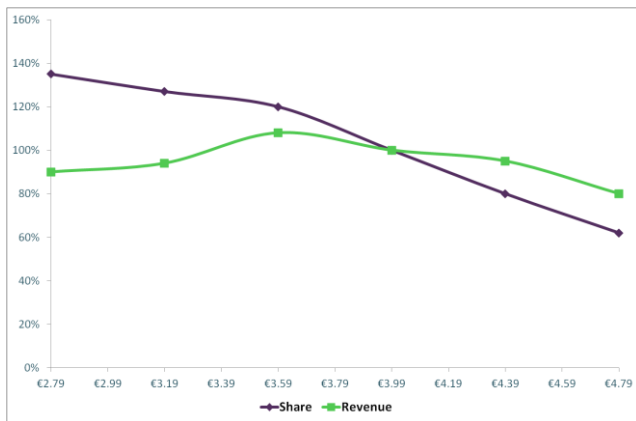
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What Conjoint from RED C Gives You

Our Conjoint analysis gives you the confidence to make accurate predictions on your key “What If?” scenarios by talking in your language. Our models translate findings in the relevant metrics that is commonly used in your business (e.g. Share, Volume, Value, Revenue, Profitability). Therefore the impact of any of the scenarios listed above can be reported and actioned quickly. Some of the key outputs provided are as follows

- / Price Elasticity Modelling
- / Share/Volume impact of price movements or promotion activation
- / Level of retention when delisting products
- / Level of cannibalisation when launching new products
- / Relative importance of product attributes
- / Optimal product creation



Giving You The Power

RED C also provides you with a Market Simulation Tool in Excel for additional scenario testing outside the key business questions provided. Your client service team at RED C will provide you with extensive training on how to use this tool and to get the most out of conjoint... thus giving you control. The modelling tool is used extensively by client organisations across a wide range of sectors as well as various functions and departments within, e.g. pricing/finance, marketing/communication, product development and strategy.

	Base case	Current	Difference
Vodafone	14.6%	14.6%	0.0%
O2	11.2%	11.2%	0.0%
Meteor	22.3%	22.3%	0.0%
3	23.5%	23.5%	0.0%
None	28.4%	28.4%	0.0%

Product	Network	Phone	Price phone	Contract	Minutes	Text	On Network	Data	Price	Extra
<input checked="" type="checkbox"/> Classic Flex	3	Medium	99.0	12 Months	300	300	Free calls	None	€40.0	No Extra
<input checked="" type="checkbox"/> Sup Flex Max	3	High	99.0	18 Months	500	300	Free calls	Unlimited	€60.0	No Extra
<input checked="" type="checkbox"/> Ult Flex Max	3	High	Free	24 Months	Unlimited	Unlimited	None	Unlimited	€90.0	No Extra
<input checked="" type="checkbox"/> Cl Flex Max	3	Medium	Free	18 Months	300	100	Free calls	Unlimited	€40.0	No Extra
<input checked="" type="checkbox"/> Mini Flex	3	Low	Free	12 Months	300	100	Free calls	None	€25.0	No Extra
<input checked="" type="checkbox"/> All in 700	O2	High	Free	24 Months	Unlimited	Unlimited	None	750 MB	€85.0	No Extra
<input checked="" type="checkbox"/> All in 250	O2	High	99.0	18 Months	300	300	None	750 MB	€50.0	No Extra
<input checked="" type="checkbox"/> All in 400	O2	Medium	Free	18 Months	500	500	Free calls	750 MB	€65.0	No Extra
<input checked="" type="checkbox"/> All in 250	O2	Medium	Free	18 Months	300	300	Free calls and texts	750 MB	€45.0	No Extra
<input checked="" type="checkbox"/> All in 400	O2	Low	Free	12 Months	500	500	Free calls	None	€55.0	No Extra
<input checked="" type="checkbox"/> Vodafone	High	149.0	18 Months	300	300	Free calls and texts	750 MB	€50.0	No Extra	
<input checked="" type="checkbox"/> Vodafone	Medium	89.0	18 Months	300	300	Free calls and texts	750 MB	€55.0	No Extra	

