

– Monadic Pricing Evaluations –

If the number of price-points being considered is relatively few and a competitive context is not essential, a monadic approach may be best. A monadic design calls for testing concept acceptance at specific price-points using matched independent samples.

The monadic approach ensures that responses are unbiased since only one price-point for the product concept is being shown to each individual respondent, and it represents a realistic exposure to the product since the concept can include all marketing elements in addition to the price.

Price sensitivity is then assessed by comparing concept acceptance across the independent samples, where each sample evaluated a different price-point of interest. This ensures unbiased, clean reads on pricing sensitivity for the price-points of interest to our clients.

Likelihood to Buy Dog Food Online

Monadic Presentation of Concepts*



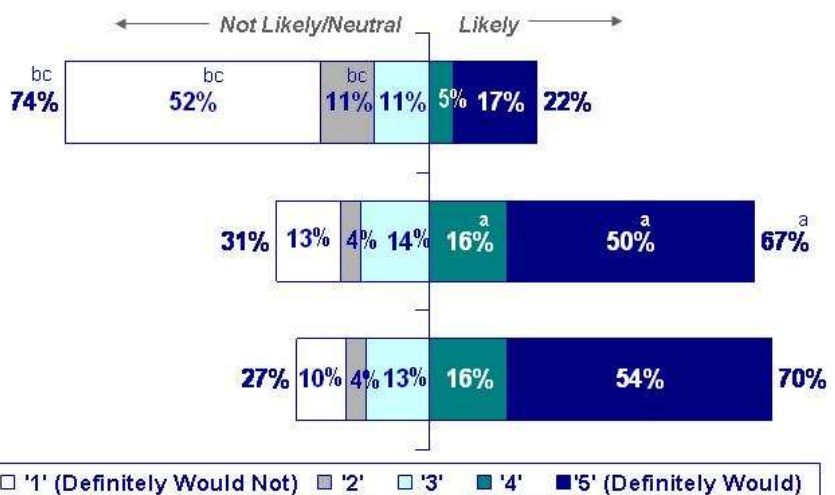
- Given assumptions that the brand and size they normally buy are available and shipping is free, about two in ten (22%) indicate a likelihood to buy dog food online at a promise of 10% savings.
- However, with 25% savings, interest is tripled; two-thirds of the survey participants indicate a positive likelihood, and half (50%) are “Definitely” likely to buy online.
- A savings of 35% does not appear to generate substantively more interest than 25% savings.

Likelihood to buy online if ...

Saving 10%*
(a)

Saving 25%*
(b)

Saving 35%*
(c)



NOTE: Fictional brand and data.

*Savings levels were tested monadically – i.e., each respondent evaluated only one concept.

5-Pt Scale: 5= Definitely Would, 4= Probably Would, 3= Might or Might Not, 2= Probably Would Not, 1= Definitely Would Not

Base: Respondents randomly selected for each savings level evaluated (n=150 each)



Note: Letters next to a percentage indicate it is significantly higher than the corresponding percentage at a 90% confidence level.

Q22 How likely are you to buy dog food online if you could buy the same brand and size you normally buy, shipping is free, and it saves (insert 10%/25%/35%) compared to the dog food you normally buy in the store?