

– Pricing and Conjoint Analysis –

When price is one of many variables being considered at the product development stage (i.e., final make-up of the product is still evolving), a conjoint analysis design may be best. The key tool resulting from a conjoint model is a simulator, which allows for numerous product configurations to be assessed and the ability to conduct sensitivity analysis in gauging the impact of differing price levels.

Additionally, conjoint modeling will identify optimal levels within all features evaluated and provide insight as to whether new features or lower prices is more compelling to consumers. In using conjoint, price is being assessed in the context of developing the overall product. Note that conjoint results are derived from consumer ratings of intent as opposed to the more realistic tasks of consumer choice offered in a discrete choice design.

Importance of Attribute Levels (Utilities*)

Total Category Shoppers



Utility scores characterize the desirability of the various levels within any given attribute.

The focus when examining utility levels is to understand the importance of the levels within each attribute.* In other words, the higher the utility for a given level of an attribute, the more important that level is, relative to the other levels within that attribute.

Analyzing these results, there is a direct relationship between perceptions of greater quantity (number of sheets and size of sheets) and higher utilities, while an inverse relationship is evident with regard to price levels.

Thresholds are evident – sheet counts of 90 or more; sheet lengths of 12.5-inches or greater; and price-points of \$12.99 or less. In addition, a quilted towel design offers some appeal as well.

As could be expected given its tenure in the category, the CleanAway brand name has considerably higher utility than BestChoice or Greenwise.

12 Rolls/Pack, Perforated, 1-Ply Paper Towel Product



NOTE: Fictional brands and data.



* Utilities have been scaled so that the least preferred level within each attribute is set to zero (--). More details on the computation of utilities are provided in the appendix to this report.

Base: Total Respondents (815)

