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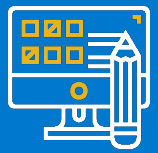
Product Guide

Understand How Your Customers Make Decisions

Find out the true drivers behind the choices your customers make



- Innovative Designs
- Market Simulations
- Latent Class Segmentation
- Product & Portfolio Optimization

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Daniel McFadden, an American econometrician won a Nobel Prize for "for his development of theory and methods for analyzing discrete choice"

WHY WE NEED TRADE-OFF EXPERIMENTS

We are constantly making choices, some conscious, but most unconscious. Regular surveys questions with traditional question scales are unable to get to the core of why a consumer makes his or her decision. Most of these scales don't simulate real-life conditions, which always include some type of real trade-offs.

To simulate real life consumer decision making, the most precise approach is through either a Conjoint Analysis or MaxDiff Analysis.

Gradient has designed countless experiments within a wide range of markets and sectors, with each its own application.

Maximum Difference Analysis

MaxDiff is a type of survey question in which respondents are presented a lists of items and are asked to indicate which item in each list they like the most and which item they like the least.

Typically, respondents are asked to complete tasks, where the options shown in each task vary according to an experimental design. Due to the nature of the experiments, respondents are forced to make trade-offs, which unveils their true preferences.

Q1. Of these, which [ATTRIBUTE] is the most and least important factor?

Most Important	Attribute	Least Important
☐	A	☐
☑	B	☐
☐	C	☐
☐	D	☑
☐	E	☐

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How It Works

MaxDiff Analysis

When to use a MaxDiff Analysis?

1. When you want to know which attributes are most important
2. When you want to rank-order attributes in terms of relative importance
3. When you want to force respondents to make trade-offs
4. When you want to place less of a burden on respondents relative to a Conjoint Analysis

Considered jointly Analysis

Choice-based conjoint analysis is a technique for quantifying how the attributes of products and services affect their preference. It is typically used to help decision makers identify the optimal design of products and pricing.

In contrast to a MaxDiff experiment, each attribute typically contains *levels*. Each level holds a variation of an attribute (e.g. three different price points). Each respondent is shown multiple screens with varying levels within each attribute.

On a large scale, this allows us to know exactly how much each attribute and level contributes to making the decision.

***Q1. Which of the following product options would you buy if you had to choose?**

Attribute	Option A	Option B
Price	30$	45$
Color	Red	Green
Add-on	No Add-on	Add-on
Choice	☑	☐

** The display can take many forms — even a real shopping aisle to emulate true market conditions*

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How It Works

Conjoint Based Choice (CBC) Analysis

When to use a Conjoint Analysis?

1. When you want to identify the optimal combination of product attributes that drive customer choice
2. If you want to emulate a *realistic* shopping experience
3. If you want to see how market changes affect consumer behavior with the *Market Simulation Tools*
4. When you want to create customer segments based on their relative attribute importances

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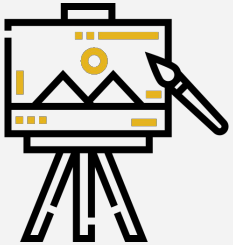
What You Get

YOU GET THE IDEAL BLEND OF A STORYTELLING ART-FORM AND SCIENTIFIC RIGOR



Gradient kicks off with a deep dive analysis into your business, taking you through a custom research and analytics journey.

We'll work with you to identify which discrete choice experiment (and in what form) will give you the answers you need. Next we will create the design, determine the sample parameters, collect the data and synthesize the results back to you in a succinct and clear way.

Conjoint Analysis

- ☑ An online easy-to-use data dashboard
- ☑ Demand curves and willingness-to-pay estimates
- ☑ Excel-based market simulator
- ☑ Latent class segments mapped directly to your customer file

MaxDiff Analysis

- ☑ An online easy-to-use data dashboard
- ☑ Analysis and synthesis of the experiment in a format of your choosing
- ☑ Additional mindset segments based on our segmentation solution

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Stories From The Field

A showcase of the potential and versatility of discrete choice experiments*

*** For more examples, don't hesitate to contact us at:**
hello@gradientmetrics.com

EXAMPLE I: HOW AMERICANS DEFINE SUCCESS

1

Gradient pushed a Conjoint Based Choice experiments to its absolute limits, and designed an innovative approach to measuring success

2

After an initial experimental phase, our new methodology was rolled out on a global scale, leading to transformative change

3

We are now our clients trusted research partner, developing innovative research methodologies along with guiding their efforts to make a difference

EXAMPLE II: PRICING BUNDLE OPTIMIZATION

1

Our client wanted to know how to optimally market their services within a set of constraints. Gradient crafted a CBC to fit their exact needs

2

Our optimization models ran through more than a billion options to determine the right combination of prices for all services provided

3

Our client saw a substantial revenue increase along with a higher number of return customers, subscriptions and walk-in customers

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To get started

In order to get started we need to understand your strategic or operational objectives. This should include

- The decision you need to make
- The options you are considering (inc. levels if opting for a conjoint)
- Which, if any, constraints that you have.

Pricing

Contact hello@gradientmetrics.com to brainstorm a plan, discuss pricing in more detail, and identify steps to getting started for your company.

- ☑ One-time fee for the initial instrument design and analysis
- ☑ Monthly fee for tracking customer choices over time if desired
- ☑ Additional hosting fees if applicable
- ☑ You can cancel ongoing tracking studies at any time

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The World's Most Forward-looking Organizations Trust Gradient