




Conjoint Without the Jargon

What is Conjoint?

Conjoint analysis (often referred to as Trade-off) is a robust market research method for understanding the value buyers place on product and service features. Rather than asking respondents to score the importance of each feature individually, respondents are asked to rate packages of features, called profiles, similar to how they might make selections in a store. This information is then used to help decision-makers predict market reactions to different combinations of features and price points.

For example, profiles for water bottles may include multiple product features such as brand, material, capacity and cost. Survey participants answer a series of questions similar to the one below. For each question, the features are carefully modified and the respondent makes a selection from these revised options.

Among these three options, which is the best?

			
Brand	EcoBottle	Genera	Everware
Material	Polymer	Plastic	Aluminum
BPA-Free	Yes	No	Yes
Top	Bite Valve	Push/Pull Top	Screw cap
Capacity	0.75 liter	0.75 liter	0.5 liter
Price	\$14.99	\$8.99	\$17.99
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What are the benefits?

Decision-makers need research that can measure the value buyers place on product or service characteristics and predict how buyers will behave in the marketplace. Using data collected from this type of design, market simulators are created. Market simulators are interactive tools that allow decision-makers to play out various “what-if” scenarios with their product or service in a competitive context and evaluate the results. For instance, from the water bottle study above decision-makers could establish the optimal price point for their water bottle, determine brand value or evaluate impact on market share by changing features such as fluid capacity.

When would I want to consider using conjoint analysis?

Conjoint is used for a wide range of market and product analysis studies. Common applications include measuring price sensitivity (elasticity), product development and design, determining market potential and penetration, market segmentation, branding and packaging.

How much does it cost?

Not long ago, conjoint studies commonly surpassed six figures and were reserved for elite projects. Much has changed. Conjoint designs have improved while costs have fallen. Such studies can now be conducted for under \$15,000.