

Conjoint Analysis
Energy Drink

Multivariate Solutions

Basics of Conjoint Analysis

- ❖ Conjoint analysis is a technique for estimating the value people place on the attributes or features which define products and services.
 - ❖ The goal of any conjoint design is to assign specific values to the range of options people consider when making a decision. The objective of conjoint analysis is to determine what combination of a limited number of attributes is most preferred by respondents.
 - ❖ These choices or ratings, when taken together, allow the researcher to compute the relative importance of each of the attributes studied. Instead of "stated importance," conjoint analysis uses "derived importance" values for each attribute or feature.
 - ❖ Conjoint can be used to determine customers' relative tradeoffs when making a purchase decision, such as purchasing Energy Drinks for their establishment.
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Study Objectives

- ❖ Energy Drink, Inc. seeks to determine which product attributes most effect purchase intent for their product. The following attributes were tested:

- ❖ **Count**

- 6
- 8
- 10
- 12

- ❖ **Ounces**

- 8
 - 10
 - 12
 - 14
 - 16
-

Study Objectives

❖ Material

- Glass
- Plastic

❖ Variety

- Single Flavor
- Multiple Flavors

❖ Price

- \$8.99
 - \$9.99
 - \$10.99
 - \$11.99
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The Conjoint Exercise Was Conducted Among Three Energy Drink Quota Groups

❖ Three Energy Drink Quota Groups

- Teen-Aged Consumers
- Young Professionals
- Sportive Boomers

Conjoint Output

- ❖ Conjoint analysis gives two levels of output
 - ❖ Relative importance for each of the attributes
 - Measures the impact that each attributes (e.g. Count, Ounces, Price) have on 'Likelihood to Purchase' Energy Drink.
 - Relative importance says which attribute is 'more important' when respondents consider whether to purchase Energy Drink.
 - ❖ Utility scores
 - Utility scores are values assigned not to an attribute as a whole, but to each level of attribute. For example, within 'Variety', all five attributes receive a utility score.
 - Utility scores are summed across all attributes and then used to calculate total affect of each conjoint level.
 - The effect of utility scores is to be able to model perspective responses on specific scenarios that were not tested.
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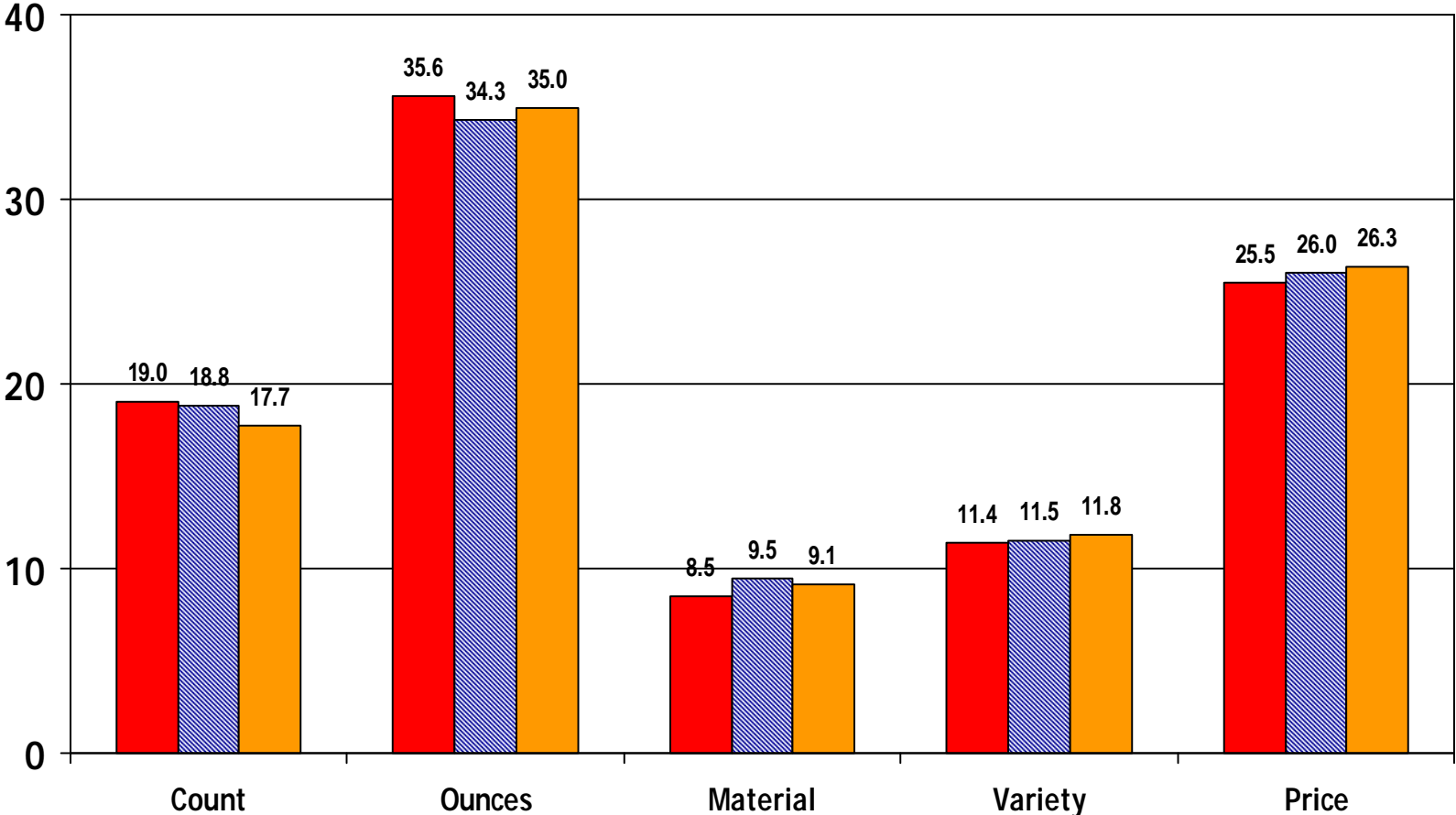
Conjoint Design

- ❖ Using a scale of one to ten, where “10” means you would be extremely interested and “1” means you would not be interested at all, how would you rate your interest in buying the following multipacks of Energy Drink if they were available in the warehouse club stores where you shop?

| Energy Drink Conjoint Scenarios | | | | | |
|---------------------------------|----------|----------|------------------|------------------|---------|
| Card ID | Count | Ounces | Material | Variety | Price |
| 1 | 6 count | 10 ounce | Glass material | Single flavor | \$9.99 |
| 2 | 8 count | 8 ounce | Glass material | Multiple flavors | \$8.99 |
| 3 | 10 count | 8 ounce | Glass material | Single flavor | \$8.99 |
| 4 | 10 count | 14 ounce | Plastic material | Single flavor | \$10.99 |
| 5 | 8 count | 14 ounce | Glass material | Multiple flavors | \$10.99 |
| 6 | 10 count | 10 ounce | Glass material | Single flavor | \$9.99 |
| 7 | 6 count | 8 ounce | Plastic material | Single flavor | \$8.99 |
| 8 | 12 count | 16 ounce | Glass material | Single flavor | \$11.99 |
| 9 | 6 count | 16 ounce | Glass material | Multiple flavors | \$9.99 |
| 10 | 6 count | 14 ounce | Glass material | Multiple flavors | \$8.99 |
| 11 | 8 count | 10 ounce | Plastic material | Single flavor | \$9.99 |
| 12 | 10 count | 16 ounce | Glass material | Multiple flavors | \$11.99 |
| 13 | 12 count | 14 ounce | Plastic material | Single flavor | \$10.99 |
| 14 | 12 count | 12 ounce | Glass material | Multiple flavors | \$11.99 |
| 15 | 8 count | 16 ounce | Plastic material | Single flavor | \$11.99 |
| 16 | 12 count | 10 ounce | Glass material | Single flavor | \$10.99 |

Relative Importance Scores for Conjoint Parameters Energy Drink Quota Groups

■ Teen-Aged Consumers ■ Young Professionals ■ Sportive Boomers

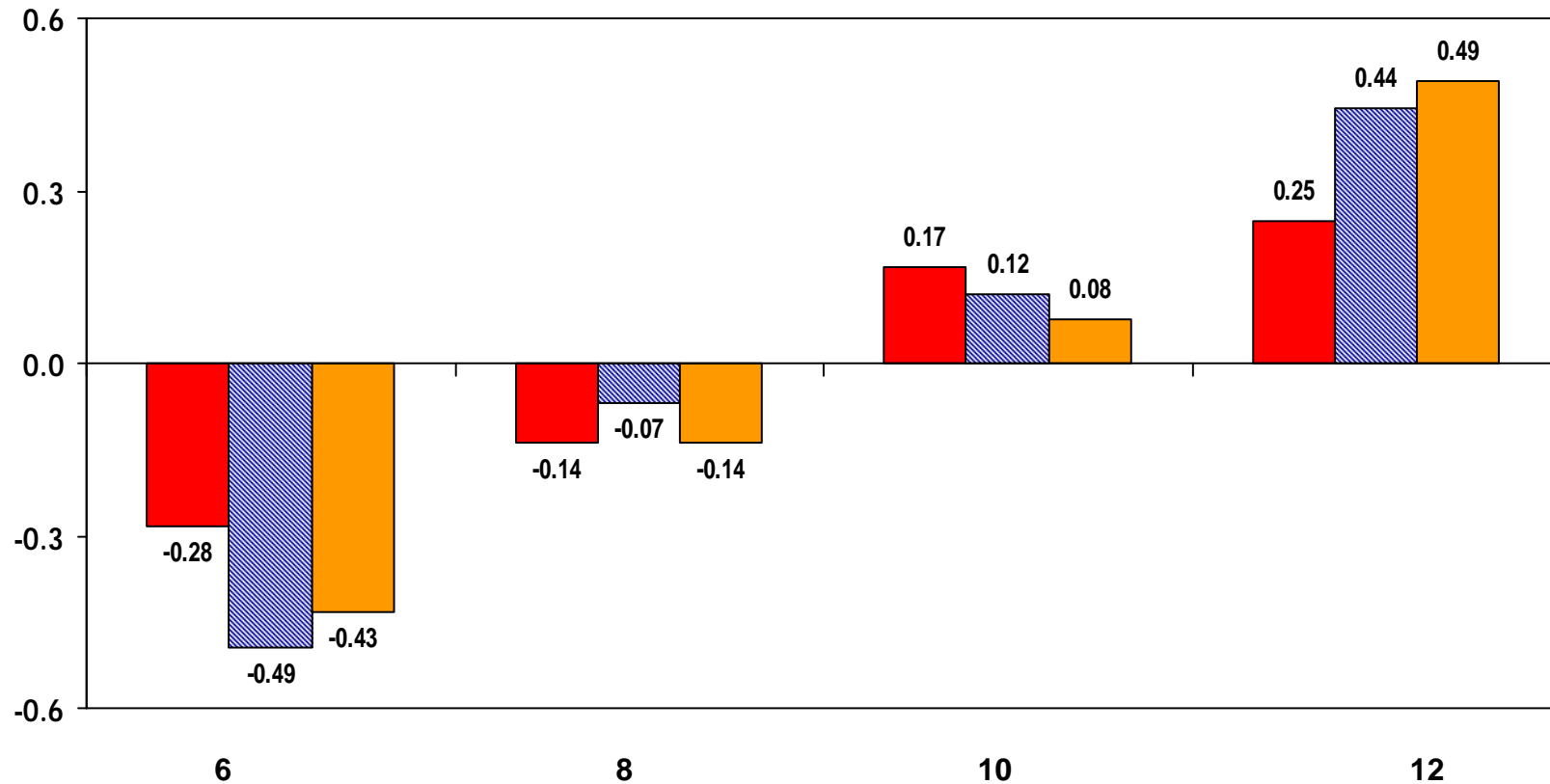


Utility Scores for Conjoint Parameters

Count

Energy Drink Quota Groups

■ Teen-Aged Consumers ■ Young Professionals ■ Sportive Boomers

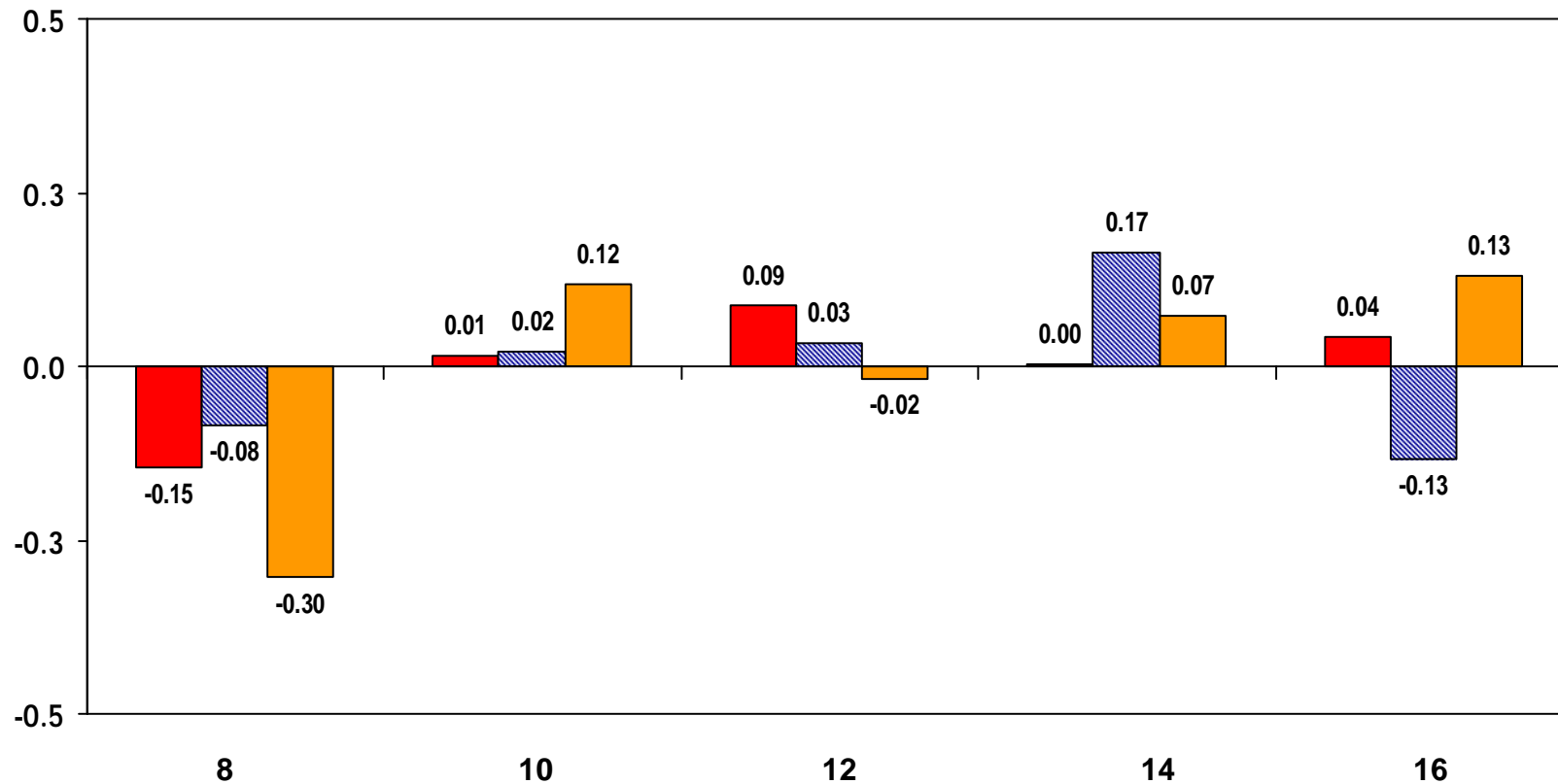


Utility Scores for Conjoint Parameters

Ounces

Energy Drink Quota Groups

■ Teen-Aged Consumers ■ Young Professionals ■ Sportive Boomers

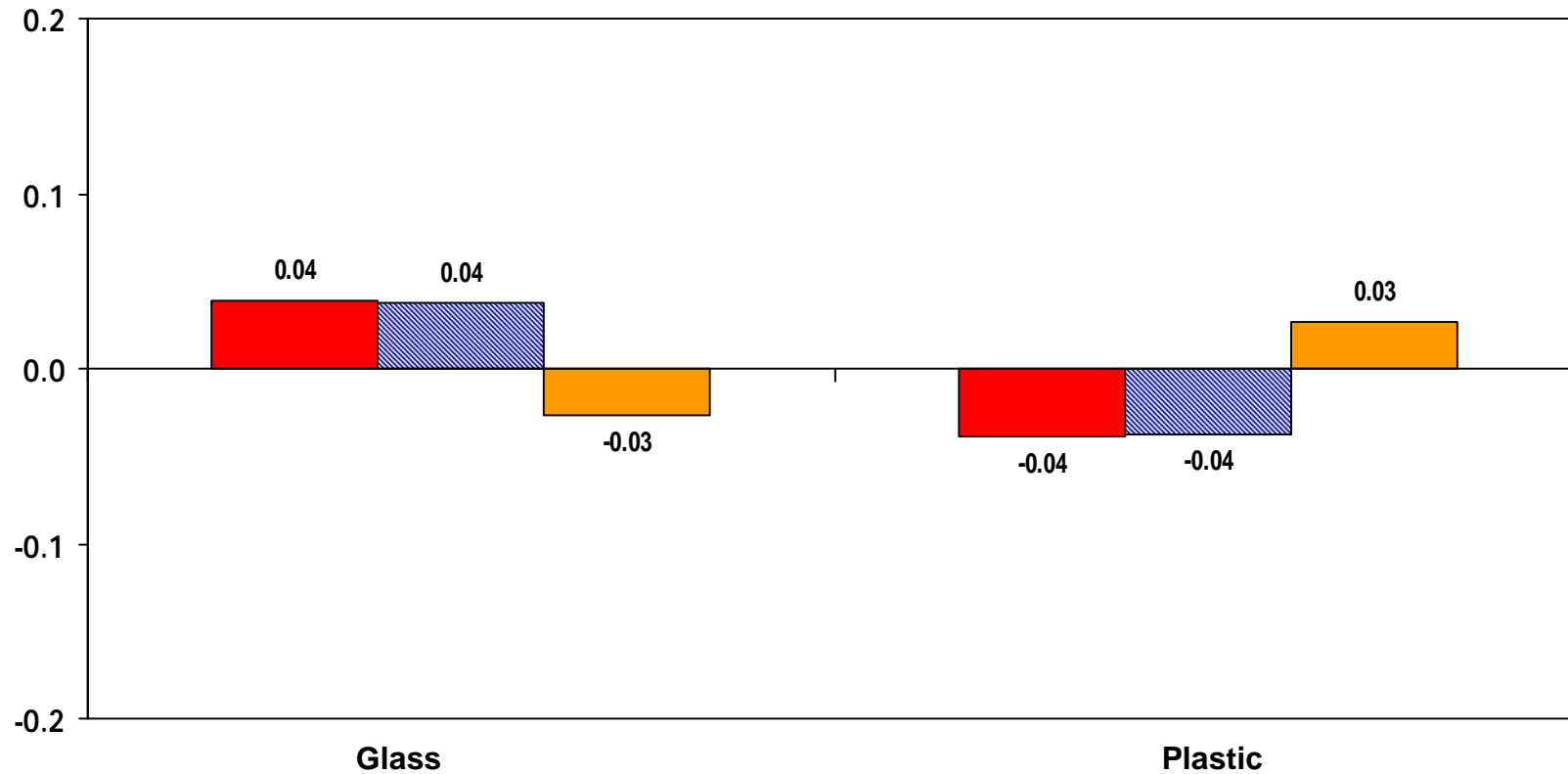


Utility Scores for Conjoint Parameters

Material

Energy Drink Quota Groups

■ Teen-Aged Consumers ■ Young Professionals ■ Sportive Boomers

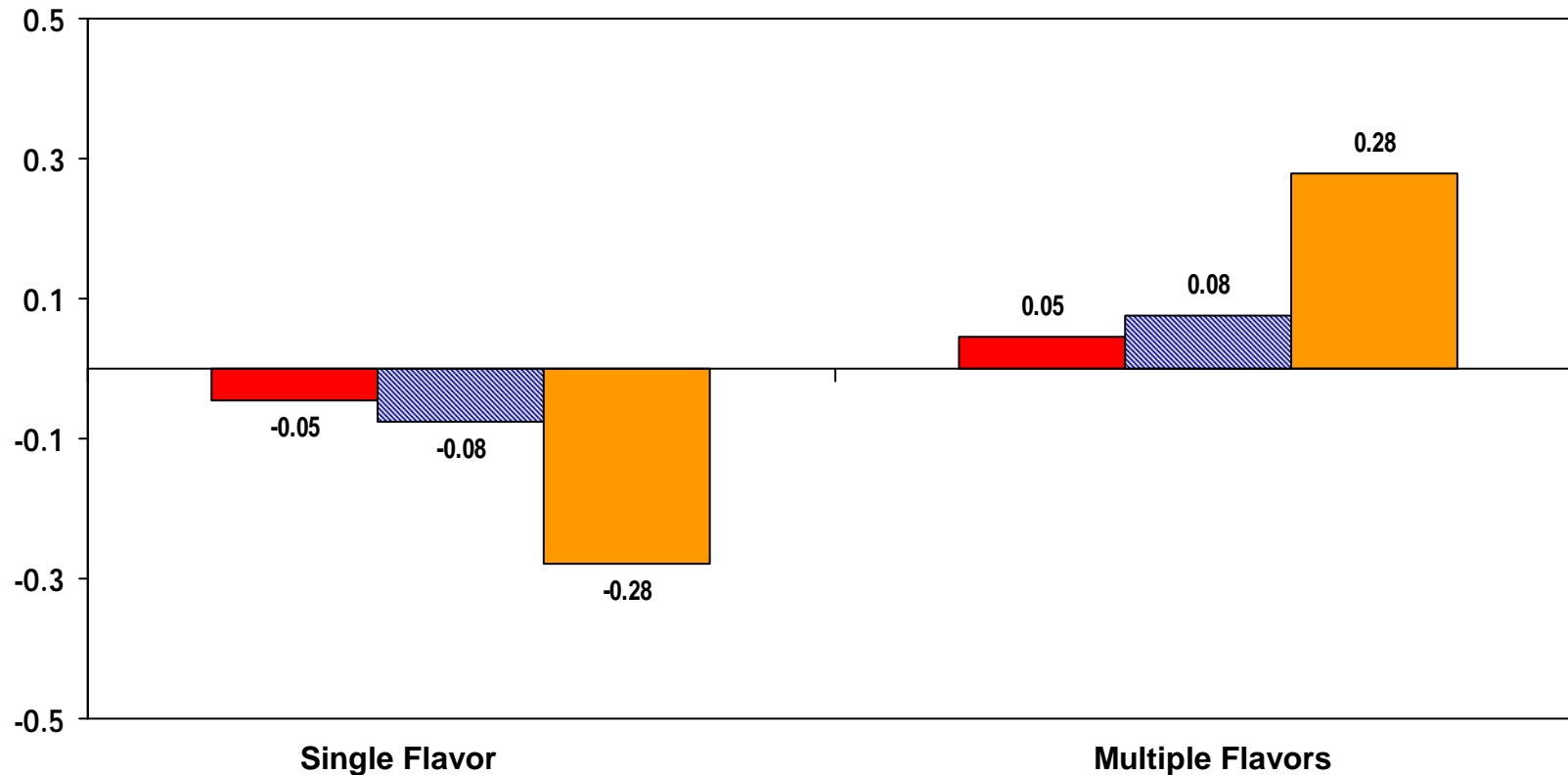


Utility Scores for Conjoint Parameters

Variety

Energy Drink Quota Groups

■ Teen-Aged Consumers ■ Young Professionals ■ Sportive Boomers



Utility Scores for Conjoint Parameters

Price

Energy Drink Quota Groups

■ Teen-Aged Consumers ■ Young Professionals ■ Sportive Boomers

