Choice-Based Conjoint (CBC)

What is it?

An approach for measuring consumer preference for a combination of features that make up a product or service. CBC analysis can help you with product design, line extensions, pricing research, modeling economic and healthcare choices, market segmentation and more!

If these were your only options, which would you choose?

1 / 10

	AMERICAN EXPRESS	VISA	VISA
Brand			
Credit Limit	$5,000	Unlimited	$5,000
Interest Rate	15%	11%	19%
Balance Transfer Fee	0% for 18 months	0% for 6 months	0% for 6 months
Annual Fee	$150	$50	No annual fee
	Select	Select	Select

A product or service is broken down into attributes (ex. Brand) and levels (ex. Visa). An experimental design is created so that respondents are shown 3-4 product concepts at a time, each showing a different combination of levels, and respondents are asked to _choose_ which product they prefer.

Output

- Utilities
- Importances
- Simulations

Utilities are estimated, typically using hierarchical Bayes (HB), so that you can understand the value that each individual respondent places on every attribute level tested. Once you have computed your HB utilities, you can:

- Create importance scores to characterize the relative impact of each attribute on a respondent's decision
- Create a market simulator to predict choices for any combination of products defined using the attributes and levels you measured!

Applications
- Designing new products
- Product line extensions
- Estimating brand equity
- Measuring price sensitivity
- Branding and packaging

Buzzwords
- Optimization
- Pricing
- Preference
- Trade-off
- "Market share"
- Competition
- Cannibalization

Expert Tips
- Typically 5-7 attributes with 3-5 levels each
- Typically show 3-4 concepts per screen, over 10-14 screens
- Consider a 'none' alternative

Sawtooth Software