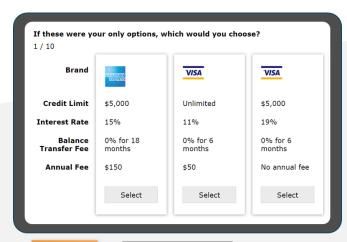
## **Choice-Based Conjoint (CBC)**

#### 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!



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 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!

## plication

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

packaging

### rds

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

# xpert 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

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sales@sawtoothsoftware.com