

TRADE OFF GRIDS

Trade-off grids are an approach to collecting information from respondents that recognises that an individual customer cannot have everything. He or she has to make trade-offs to get the best product they can buy. The classic trade-off is between price and quality, but in practice when considering most purchases we make trade-offs between different features and service levels and even emotional risk.

A trade-off grid is a method of getting underneath a customer's general wish list to really understand what they must have and what are the nice-to-haves. This means we can see what is really valuable to a customer and with a few further questions, we can also understand what their priorities would be for trading up or improving the current system. A simplified example of a trade-off grid is shown below:

Attribute	Levels			
Time to answer the phone	Phone can ring and ring	Always answered in 8 rings	Always answered in 5 rings	Phone always answered in 2 rings
Delivery on promises	Only meet 30% of promises	Meet 50% of promises	Meet 80% of promises	Always live up to promises
Knowledge of my business	Take no interest in knowing about my business	Know nothing, but seem keen to learn	Understand business in general	Very familiar with the detail of my business
Quality of advice	Advice is poor and can be incorrect	Advice is factually correct but limited in helpfulness	Advice is accurate and useful, but can miss bigger opportunities	Advice is accurate and identifies new possibilities for my business

In a trade-off grid a product or service is described in terms of attributes and levels. An attribute describes a generic feature such as colour or friendliness. An attribute is then made up of levels for instance colour would have levels blue, red, green and so on. A typical product or service can be broadly defined in terms of as few as 10-15 attributes but can require more (some more complex versions use 60-70 attributes).

With the grid, we can then ask the respondent to complete a number of tasks. Typically the first task is to find out where he or she would want a "first class supplier" to perform – this sets the ideal standard. Next we can ask where your company is currently performing. We can then ask them to do a number of different things – for instance to prioritise improvements in your company's performance one square at a time, or to ask questions such as if you had more of x, what would you be prepared to sacrifice from y.

One useful aspect of measuring performance by levels, is that you can clearly see where the next performance target is – it isn't a question of guessing how to get from a score of 8.0 to 8.5 or what might move a customer from "satisfied" to "very satisfied", the levels give specific objective information about the performance required.

The outcome is thus a detailed understanding of where the customer would like improvements and what those improvements should be. A particularly useful feature of these grids (and a related computer-based technique conjoint analysis) is the ability to compare hard and soft issues and to see what really makes an impact product or service features.