

A close-up photograph of a brass scale of justice. The scale is positioned diagonally across the frame. The pan in the foreground is filled with a globe, which is the central focus. The globe is highly reflective, showing highlights and shadows that define its spherical shape. The brass of the scale has a warm, golden-brown hue. The background is a soft, out-of-focus blue, which makes the brass and the globe stand out. The lighting is dramatic, coming from the side, creating strong highlights and deep shadows.

# Conjoint analysis

## Conjoint analysis

Understand what really drives customer purchases by testing sets of products made up from different options and observing what customers choose.

### What business problem does it solve?

For forecasting and strategy development where demand and financial estimates for potential new products or new prices are needed e.g. new product or service design, category management, price optimisation, brand valuation, market forecasting for new offers.



### How does it work?

Products/services are split into attributes and levels. Combinations of potential product profiles are created and customers asked to choose. Analysing the choices made shows what each item is worth e.g. is price more important than quality?

### Types and versions

Choice-based conjoint analysis (CBC), ACA, ACBC, Full-profile, Discrete Choice Modelling, menu-based (MBC), configurators, MaxDiff, trade-off grids.

### Challenges

There are limitations on the number of attributes and it can be challenging to define actionable levels that make up products or services. Expertise is needed to choose the right type of conjoint and to ensure analysis and modelling is correct.

Potential business impact	★★★★★★
Sophistication	★★★★★★
Use in forecasting	★★★★★★
Ease of design	★
Expertise required	★★★★★★