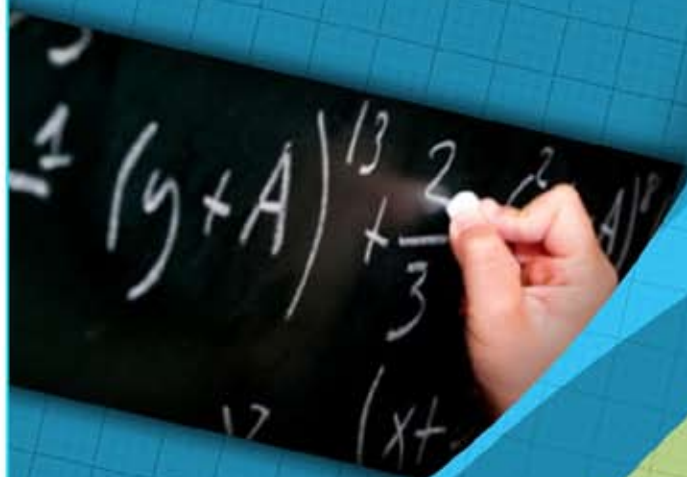


Discrete Choice Modeling

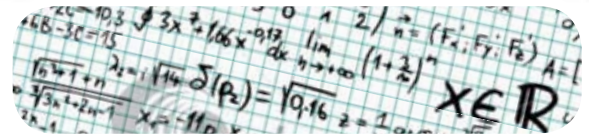


Gain insight
into what your
customers think

Discrete choice modeling can be used to help your company make smarter product development decisions and to guide your marketing and sales strategies. That's because this process is unique in that it gives businesses accurate and timely insight into the collective thought process of its consumers.

Discrete choice analysis is a choice based approach for measuring consumer preference for product or service characteristics that might include brand, price, and other specifications or features, and for developing optimal products and portfolios of product offerings.

Morpace uses a variety of traditional and proprietary choice based techniques to build creative applications and solutions. Our choice modeling approach produces actionable recommendations that drive compelling products and services.



Analytic Expertise

Our statisticians have conducted hundreds of choice model projects and understand the inner workings of these models. With this experience we are able to offer continuous enhancement and customization of these techniques to meet client needs. And we've developed an array of custom tools that expand traditional choice modeling techniques.

Custom Solutions

Morpace has developed our own web based tools for conjoint and choice modeling and our own interactive modeling/simulator tool. This gives us the flexibility to meet your needs with a truly custom approach. When a project demands a new approach, we can rapidly develop the necessary tools.

Actionable Reporting

Our reporting emphasizes actionable results that impact meaningful outcomes such as take rates, willingness to pay, and brand share. We focus on what you need to know-including feature preferences, price sensitivity, and optimal products and portfolios. Further analyses help you to implement these findings and can include product chooser profiles to aid in identifying target customers, and a preference segmentation to further align products with customer groupings.

Business Decision Tools

Use the Morpace interactive modeler to investigate any number of possible "what if" scenarios for different product specifications and pricing and see the impact on expected choice shares. The modeler produces reports for each simulation scenario where differences by consumer segment and other filter groups are seen. An automated sensitivity analysis quickly shows the impact that product specifications make.

The Discrete Choice Exercise

An introduction and education section is often used to expose respondents to product and feature descriptions before they complete the choice exercise. Visuals of products and features are included in this section when appropriate.

The choice exercise replicates an actual shopping experience. Each respondent evaluates a series of alternative market scenarios. In each of these, consumers choose from product configurations that might be available to them. The available brands, features, and prices vary in each of these scenarios.

Morpace has developed an approach within our proprietary web interviewing software to vary the attributes and levels in a choice model to create the necessary experimental design on the fly for each respondent. With this approach, a far greater number of the possible combinations are shown across the sample than would be possible with traditional fixed designs, yielding many statistical benefits.

Choice Model Analysis and Deliverables

Analyses are conducted using Hierarchical Bayesian estimation techniques. Traditionally, choice models have produced only aggregate level results. With Bayesian estimation, individual level results are produced from a choice model analysis. This is especially helpful where a number of filters need to be applied to the results. Recent studies have suggested that Bayesian analysis also produces better estimates than traditional approaches.



The principal results of a Choice Model Analyses include the following:

- ✓ Feature relative appeal and impact on product choice.
- ✓ Optimal product configurations that maximize reach and revenue.
- ✓ Portfolio opportunities of multiple products that maximize total reach and revenue.
- ✓ Price sensitivity and brand effects for optimal products.
- ✓ Chooser profiles of consumers attracted to each product.
- ✓ Interactive market simulator to model "what if" scenarios for any product configuration or portfolio.



We're the Choice Experts

Morpace is skilled in offering a variety of choice modeling analytics – it's one of the differentiators that set us apart from other firms. We specialize in analyzing consumer choice and clearly defining actionable recommendations and next steps that can improve processes for ongoing product development and marketing strategies.

Ultimately this emphasis on choice is designed to improve corporate performance. That is what defines Morpace as...

The Choice Experts.



31700 Middlebelt Road, Suite 200
Farmington Hills, MI 48334
248.737.5300
www.morpace.com