

CONFIDENTIAL

Solution for Pricing Research

For further detail:

info-india@intage.com

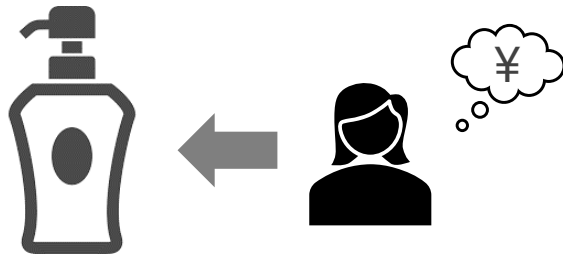


INTAGE INDIA Pvt. Ltd.

Solutions for Pricing research

► Demand aspect

Pricing method considering "how much would target consumers pay for the product"

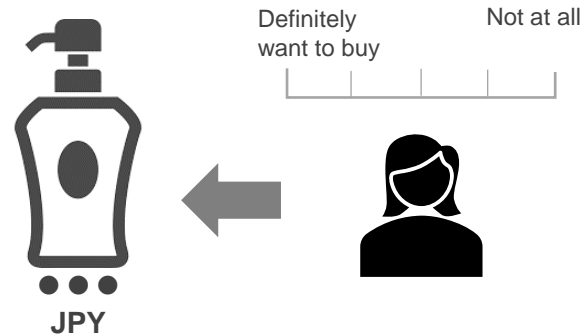


Capture price perception of consumers towards the product

PRICE2
PSM

► Competitive aspect

Pricing method considering the market price of competing products; when the products are not differentiated and there is some competition within the market.



Assess the purchase intention at the proposed price

Gabor Granger
(simple version)



Assess how comparative the product at the assumed price

GG (competitive version)
GG (tip game)

Solutions for Pricing research (cont.)

PoV	Solution	Key Points
Demand	PRICE2/PSM	<ul style="list-style-type: none"> Consumers are asked perceived price of the product without any price information Benefit of this approach is to figure out optimal price point from consumer point of view Limitation is that it is not able to assess purchase intention at the point of price because the price point is not indicated.
	Gabor Granger Simple ver.	<ul style="list-style-type: none"> Assess purchase intention with price point It capture the change in purchase intention with repeating questions at different price point.
Competition	Gabor Granger Competitive ver.	<ul style="list-style-type: none"> Ask respondent to select the product which they want to buy the most among competition Understand price elasticity with repeating questions at different price point of test product It is suitable for the products with less purchase frequency (less than once a year)
	Gabor Granger Tip game ver.	<ul style="list-style-type: none"> Presenting the product side-by-side with the competition and assigning how many times to buy which product in a 10-purchase opportunity. Understand price elasticity with repeating questions at different price point of test product It is suitable for the products with purchase frequency (once a year or more) because purchase frequency is considered.

Recommended solution by research objectives

○ : Recommend
△ : Some limitation

Product X development stage		Research objectives		Solutions			
				Demand		Competitive	
				PRICE2 / PSM	Gabor Granger simple ver.	Gabor Granger competitive ver.	Gabor Granger Tip game ver.
New product	New market/ NO competition	Concept stage	(1) Determine the price range at which the target will purchase	○	△	-	-
		Products is ready	(2) Determine the price at which the target will purchase the product	○	△	-	-
	Existing market with competition	Concept stage	(3) Determine the price range at which the target (competitor user) will buy (switch)	○	△	-	-
		Products is ready	(4) Determine the price at which the target (competitor user) will buy (switch)	○	-	△	△
Renewal	Concept stage		(5) Determine the price range at which existing users can be retained and new users can be acquired	○	△	-	-
	Products is ready		(6) Determine the price at which existing users can be retained and new users can be acquired	○	-	△	△
Existing product	Price hike		(7) Determine the price at which profit can be obtained even if users leave (outflow to competitors)	○	-	○	○
	Discount		(8) Determine the price at which you can acquire new users (inflow from competitors).	○	-	○	○



Gabor Granger (simple ver.)

Gabor Granger (simple ver.)

Showing the product to the respondents along with its price and ask them about their purchase intention. The evaluation is repeated at different prices, and the percentage of intenders at each price is calculated to determine price elasticity.



How much would you want to buy this product at ¥298? (7 point scale)

Q1 298円(税込327円)の場合、買いたいですか

<input type="radio"/> 非常に買いたい	<input type="radio"/> 買いたい	<input type="radio"/> やや買いたい	<input type="radio"/> どちらともいえない	<input type="radio"/> あまり買いたくない	<input type="radio"/> 買いたくない	<input type="radio"/> まったく買いたくない
Definitely want to buy	Want to buy	Slightly want to buy	Cannot say either	Slightly not want to buy	Not want to buy	Not want to buy at all

¥348

¥398

*Repeat questions at different price point



Planning the price hike

Repeat the evaluation by showing the price in stepwise increments.

Continue until you reach the highest level of price or the lowest rating of purchase intent (Bottom1) is selected.



Planning the price down

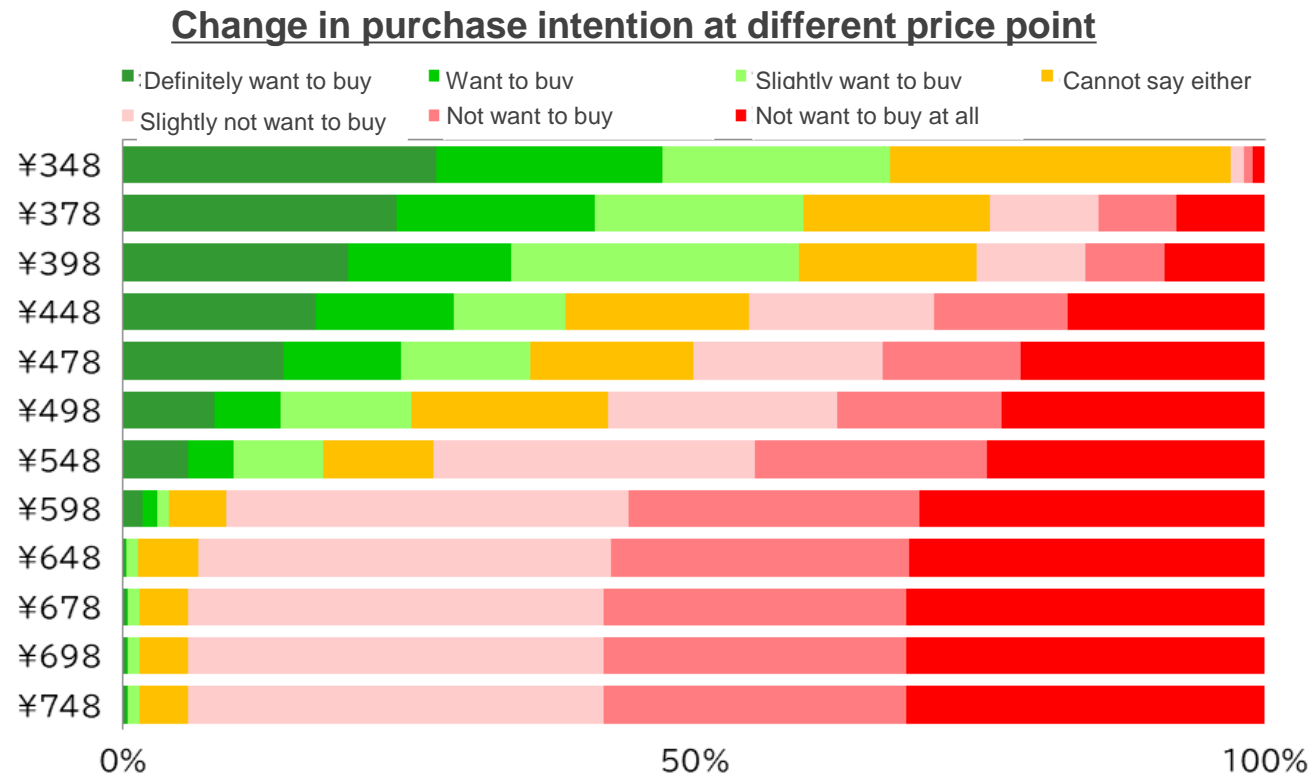
Repeat the evaluation by showing the price down in stepwise.

Continue until you reach the lowest level of price or the highest rating of purchase intent (Top1) is selected.

Output of GG simple ver.

Price elasticity of the tested product

Capture changes in purchase intention resulting from price changes.

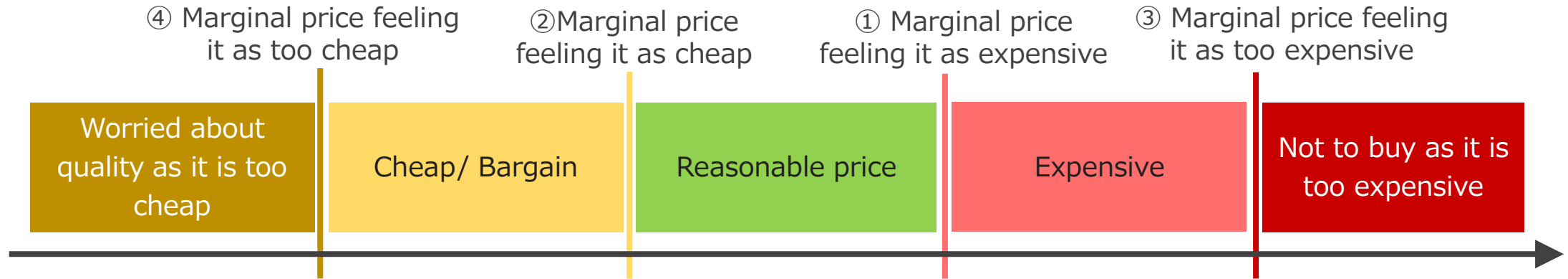




PRICE2

PRICE2: Analysis frame (1)

Define 5 price range based on 4 questions about Price



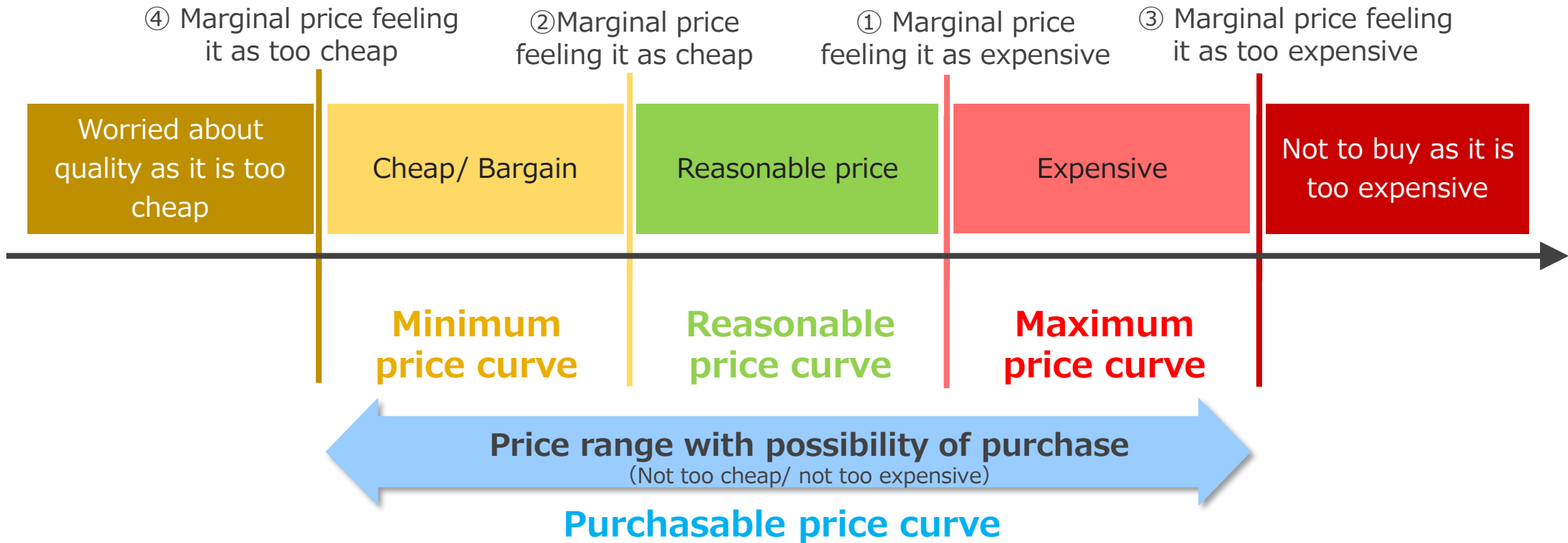
PRICE2 calculate the percentage of respondent at each price point
➔ **Identify the optimal price which many respondent consider it as want to purchase.**

(Example) If respondent A's answers are as follows (in red) and the price of the product is 190 yen, the product is in the "reasonable price range"



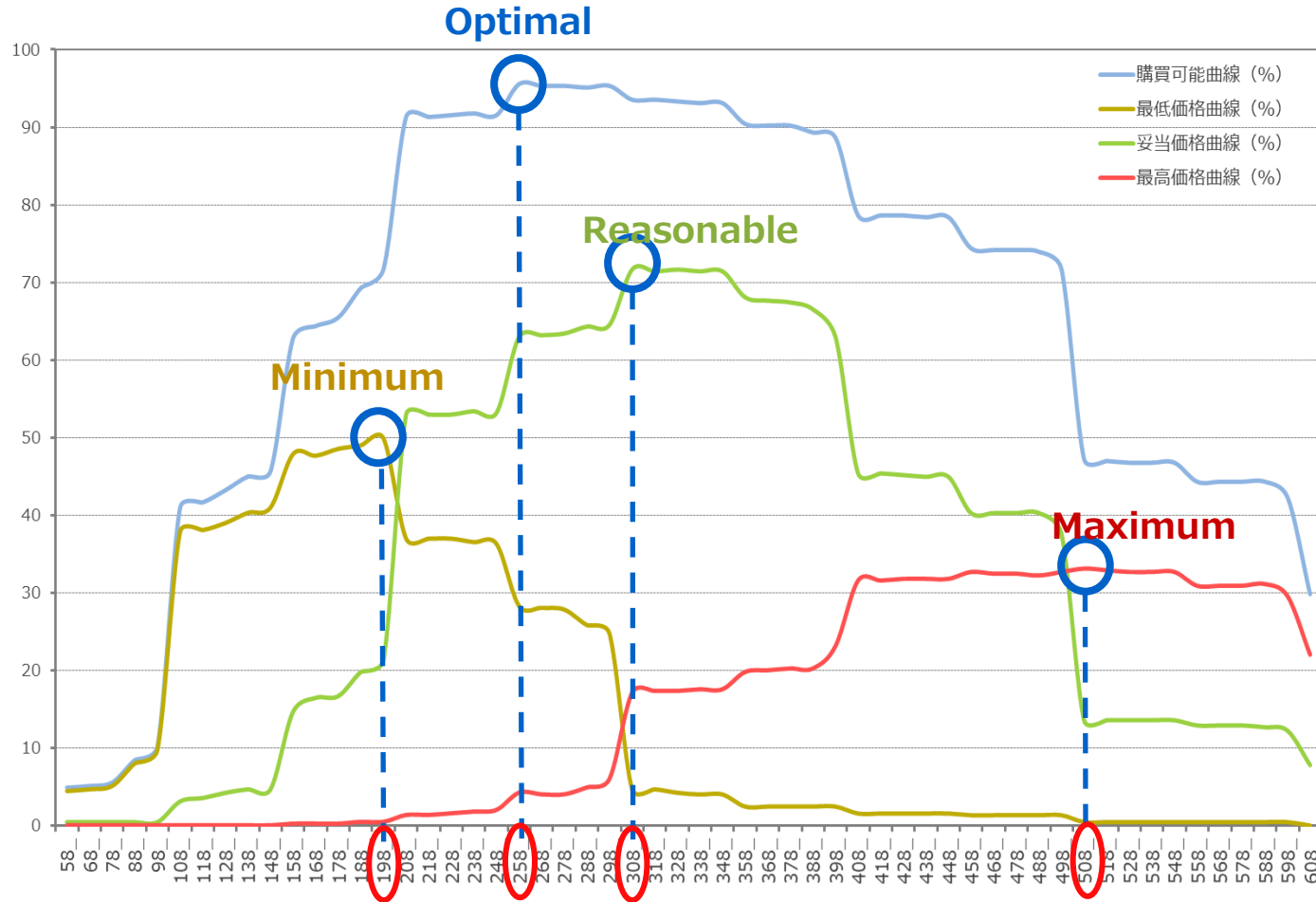
PRICE2: Analysis frame(2)

PRICE2 analyzes four price ranges: "cheap," "reasonable," "expensive," and "purchasable."



Purchasable price curve = Minimum price curve + Reasonable price curve + Maximum price curve

How to analyze the result



● **Minimum price (¥198)** :
 The price at which most people perceive the price to be cheap.
 *If low-price strategy is applied, price will be set near this peak.

● **Optimal purchasable price (¥258)** :
 Price at which maximum number of people would purchase the product. Hence consider it as optimal price point.

● **Reasonable price (¥308)** :
 The price at which most people perceive the price to be reasonable.
 Price at which the product would be purchased if there were no competing products.

● **Maximum price (¥508)** :
 The price at which most people perceive the price to be expensive.
 *If premium-price strategy is applied, price will be set near this peak.

購買金額	188_	198_	208_	218_	228_	238_	248_	258_	268_	278_	288_	298_	308_	318_	328_	338_	498_	508_	518_
Purchasable price curve (%)	69.27	71.71	91.31	91.31	91.54	91.76	91.54	95.55	95.32	95.32	95.1	95.32	93.54	93.54	93.32	93.1	71.71	47.22	46.99
Minimum price curve (%)	49	49.89	36.97	36.97	36.97	36.53	36.3	28.29	28.06	27.84	25.84	24.72	4.68	4.68	4.23	4.01	1.34	0.45	0.45
Reasonable price curve (%)	19.82	21.38	53.01	53.01	53.01	53.45	53.23	63.03	63.25	63.47	64.37	64.59	71.71	71.49	71.71	71.49	37.64	13.59	13.59
Maximum price curve (%)	0.45	0.45	1.34	1.34	1.56	1.78	2	4.23	4.01	4.01	4.9	6.01	17.15	17.37	17.37	17.59	32.74	33.18	32.96



Appendix

The order of questions asking GG and PRICE2

When PRICE2 and the GG Simple version are incorporated into a single survey, the questions that are more important at each stage of development are interviewed first.

- ◆ Emphasis on capturing **the perceived price** by the consumer (mainly for the concept stage)

PRICE2 → GG simple ver.

*The PRICE2, which asks consumers about their perceived price, is interviewed first, and then the GG Simple version is done. The reason for conducting the GG Simple version is that PRICE2 does not indicate whether or not consumers want to buy at a particular price. Note that since PRICE2 is done first, the results of the GG Simple version are the outcome of looking at and considering the target product more closely than usual (the resulting score can be both up and down).

- ◆ Emphasis on **purchase intention** at a hypothetical price (mainly for the pre-launch phase)

GG simple ver. → PRICE2

*The GG Simple version is asked first, followed by PRICE2, because we want to know the volume of the Intenders. **The reason for conducting PRICE2 is to check whether the assumed price is not out of the acceptable price range of the respondents.** Note that the results of PRICE2 will be biased by the price in the GG, because the GG Simple version is asked first.)

Looking forward to working with you

Create Consumer-centric Values

お客様企業のマーケティングに寄り添い、共に生活者の幸せを実現する



INTAGE INDIA Pvt. Ltd.