

Trade-Off studies

● *Principle*

In selecting one product from a choice of several, consumers opt for the "best compromise". They choose the one which, as they see it, best meets their expectations. They are thereby led to prioritise certain attributes to the detriment of others that are less important for them. The Trade-Off model not only allows purchasing behaviour to be measured, but also explains how and why purchasing decisions are made. Knowledge of decision-making processes obviously enables future purchasing decisions to be influenced.

● *Method*

• **4-step data collection**

1. Identify the product characteristics to be taken into account (the variables) and the possible forms of these characteristics (the levels) for example: the price variable with 4 possible levels: 10, 15, 20 and 25 F.
2. Combine the variables so as to obtain all the possible combinations (the compromises) and, if necessary, reduce the number of these combinations by developing a relevant study plan.
3. Develop the products corresponding to the combinations in the research plan.
4. Expose the consumer to all the products and, simply, ask him to rank them in order of preference.

• **Using the data**

The calculation program reveals :

- the relative importance of each variable (its sensitivity) in the choice process,
- the relative importance of each level (its utility),
- the share of choice corresponding to each combination (compromise),
- a typology of the respondents according to their individual usefulness which will enable the identification of consumer groups that are homogeneous in terms of their demands.

● **Application**

We use the Trade-Off method to:

- optimise a marketing mix to best meet the demands of the target population,
- build a range of products covering the diversity of demands,
- predict the market share that a new product could have on an existing market and identify the means to improve it,
- predict the effects of an alteration of the selling price on the market share of a product or a service,
- etc.

● **Implementation**

- We have been using the Trade-Off method for over 10 years, on behalf of many industrial companies, both in the product and service domains.
- The Trade-off method is a light tool, requiring interviews no longer than 20 minutes, it can therefore be integrated into broader studies (U&A, image study), for a limited extra cost.
- We provide an "after-sales service" when it appears worthwhile to study simulations not originally incorporated into the research.