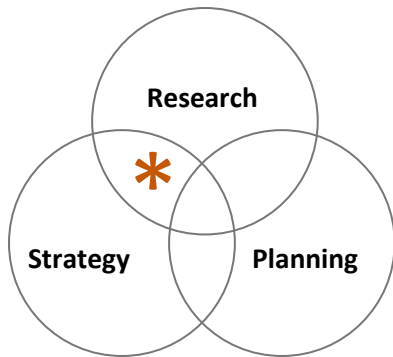


Defining Pricing Strategies

A growing national casual dining restaurant chain sought to determine the price ceiling for a flagship food product, to understand limits to promotional pricing, and to assess themselves versus competitor brands in terms of dining experience.



Tools Used:

Conjoint Analysis
Competitive Assessment
Strategic Consulting

Approach

W5 developed a complex and customized choice-based conjoint study to explore consumers' price sensitivity and preferences for casual dining promotions and brands. Through application of a complex screening algorithm, W5 conducted this research with two key segments of the client's consumer base.

W5 developed a customized market simulator for the client, permitting exploration of everyday and promotional price sensitivity. W5 provided follow-up consultation to help the client understand the output of the conjoint research and to make strategic recommendations regarding optimal product pricing.

Results

The results of this research allowed the client to understand consumers' price sensitivity at several proposed price points for individual food items as well as for combinations. This research also illuminated consumers' prioritization of food price, dish options, proposed promotions, and brand. The client was able to refine promotions and define a validated price point for their primary food product.