SUCCESS STORIES - SUMMARY

Project Name	Client	Brief Description	Key Analyses
PRICING AND BUNDLING ANALYSES	**Outdoor Hospitality Chain**	**Designed and analyzed a choice-based conjoint survey** to determine pricing structure for a disruptive hospitality business. Also, identified features and product attributes that could be bundled or charged separately.	Choice-based conjoint survey analyses

CONJOINT SURVEY DESIGN AND ANALYSIS FOR A HOSPITALITY SERVICE

ABOUT THE CLIENT

Client is a leading outdoor hospitality firm with multiple chains across the U.S.

SITUATION

- An innovative **hospitality** client wanted to devise a **comprehensive pricing strategy for its next phase of expansion** that enables it to penetrate new markets while continuing to be positioned as a "wellness" brand
- Opportunity to **explore a flat pricing option vs. the traditional industry's model of variable pricing** through out the week and year
- Need to also **identify the service attributes that could be bundled with the base prices vs. those that should be unbundled** and charged separately

VALUE ADDITION

- **Researched the hospitality industry and also the target segment of the client to arrive at hypotheses** related to flat pricing and bundled pricing
- **Designed a choice-based conjoint survey, estimated the sample size of respondents** required for statistical significance of the results and **analyzed the survey data to answer the hypotheses** and identify the service attributes which could potentially be bundled within base price
- Survey was **designed to test the comprehensive set of packages** using exhaustive list of services. It also **included a screener section** to ensure that the survey is administered on the appropriate respondent base
- **Partnered with a third-party research company** to administer the survey and provided them a complete set of coding rules for the UI
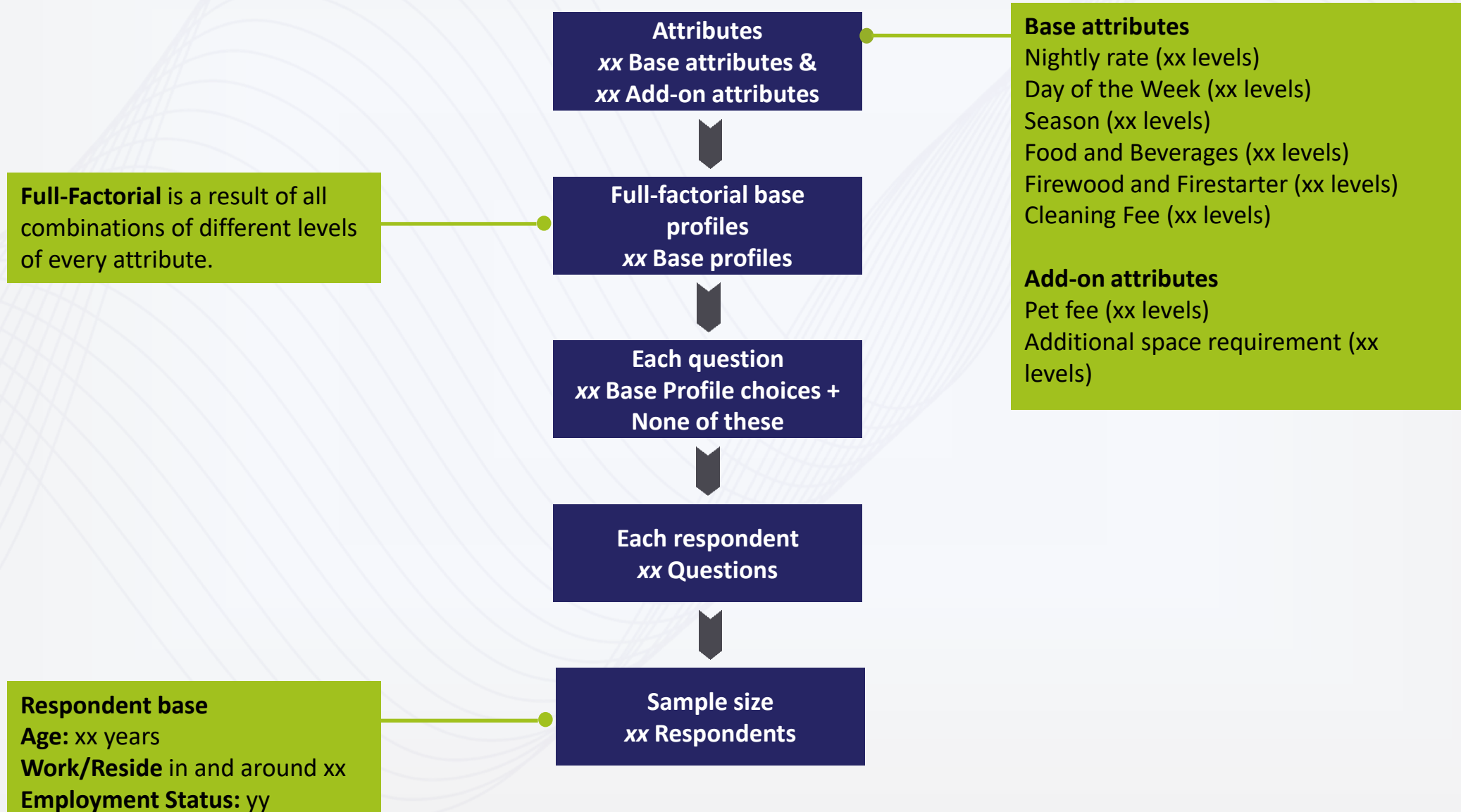
IMPACT

- Client **leveraged the insights from the survey to devise the pricing strategy** and the final pricing menu was aligned with the recommendations from the analysis
- The analysis **provided visibility for the client into the customer preferences** for various service attributes. This was leveraged to devise appropriate marketing communications and promotions initiatives.

CONJOINT SURVEY DESIGN AND ANALYSIS FOR A HOSPITALITY SERVICE

Choice-based/Menu-based Conjoint Survey Design

Attributes
xx **Base attributes &**
xx **Add-on attributes**

Base attributes
Nightly rate (xx levels)
Day of the Week (xx levels)
Season (xx levels)
Food and Beverages (xx levels)
Firewood and Firestarter (xx levels)
Cleaning Fee (xx levels)

Add-on attributes
Pet fee (xx levels)
Additional space requirement (xx levels)

Full-Factorial is a result of all combinations of different levels of every attribute.

Full-factorial base profiles
xx **Base profiles**

Each question
xx **Base Profile choices + None of these**

Each respondent
xx **Questions**

Respondent base
Age: xx years
Work/Reside in and around xx
Employment Status: yy

Sample size
xx **Respondents**

CONJOINT SURVEY DESIGN AND ANALYSIS FOR A HOSPITALITY SERVICE

Features	Package 1	Package 2	Package 3	
Per night rate	Nightly rate Included	Nightly rate Included	Nightly rate Included	
Day of the Week	Weekend (Fri/Sat)	Weekday (Sun-Thurs night)	Weekend (Fri/Sat)	
Season	Winter (December to March)	Spring (March to June) or Fall (September to December)	Spring (March to June) or Fall (September to December)	
Type of Site	Extra Secluded (Completely out of sight of any other cabins)	Extra Secluded (Completely out of sight of any other cabins)	Standard (Your own private area, but in view of other sites)	
Food and Beverages	A la carte (pay on site)	Free S'mores and other food available for additional cost	All inclusive (breakfast, lunch, dinner provided)	
Firewood and Firestarter	A la carte (pay on site)	A la carte (pay on site)	Provided for free	
Cleaning fee	Cleaning Fee Included	Cleaning Fee Included	Cleaning Fee Included	
Additional space required, if any	Select one... ⌄	Select one... ⌄	Select one... ⌄	None of these
Would you like to bring along your pet?	Select one... ⌄	Select one... ⌄	Select one... ⌄	
Price per night	$	$	$	
Please select a package that would purchase	○	○	○	○

Choice Based Conjoint Survey Design Snapshot

Preference by season (A/B/C)

Bar chart values: A = 0.07, B = 0.64, C = -0.20
Y-axis from -0.40 to 0.80
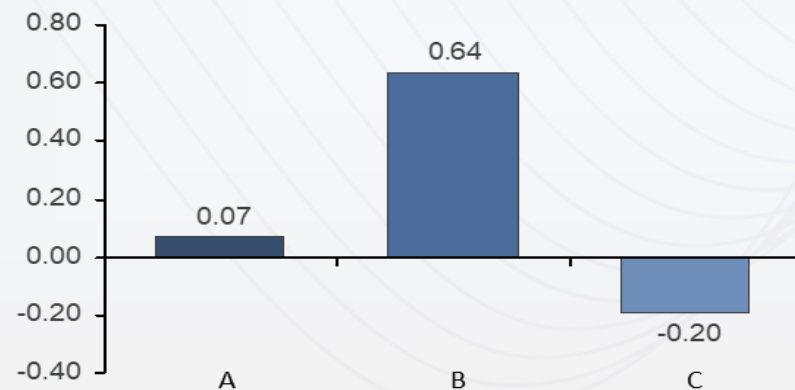
Results: Estimation of part worth utilities for each attribute to understand customer preferences.

Example: B is the most preferred season due to its high relative part worth utility

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CONJOINT SURVEY DESIGN AND ANALYSIS FOR A HOSPITALITY SERVICE

Suggested menu pricing

Attribute	Suggested price
Base nightly rate	$xx
AAA	$xx (bundle in nightly rate)
BBB	$xx (bundle in nightly rate)
CCC	$xx (bundle in nightly rate)
DDD (Add-on)	$xx per night
EEE (Add-on)	$xx per stay
FFF (Add-on)	$xx per night

Day of week >>>	Weekday	Weekend
Premium/Discount	$xx	$xx

Season >>>	Spring/Fall	Summer	Winter
Premium/Discount	$xx	$xx	$xx
Total nightly rate	**$xx**	**$xx**	**$xx**

PRICE MENU

Nightly rate @ $xx

Inclusive of:
- *AAA*
- *BBB*
- *CCC*

Add-on services offered:
- *$xx* per night for an *DDD* feature
- *EEE* fee of *$xx* per stay
- Additional *$xx* per night for *FFF* feature