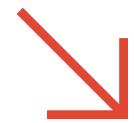


RAYBAN.META



Understanding Customer Preferences for Ray-Ban Meta Smart Glasses



A Conjoint-Based Market Segmentation and Tiered Product Strategy

Nichakamon E. (25241807)

Business Challenge & Objective



Business Challenge

- Ray-Ban Meta smart glasses offer a wide range of features.
- However, **it's unclear which combinations of features actually drive customer interest and willingness to pay.**
- Product decisions risk being based on assumptions rather than measurable customer value.



Project Objective

To design a **data-driven product strategy** by:

- Identifying high-utility feature combinations
- Understanding trade-offs between price and function
- Aligning offerings with **distinct market segments**

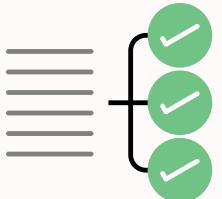


Scope of Analysis & Deliverables



Scope of Analysis:

- Conduct a conjoint analysis to quantify feature preferences across **five key attributes**
- **Segment customers** based on individual-level utility patterns using K-Means
- **Simulate** demand and utility for tiered product bundles



Key Deliverables:

- 1** Prioritized feature set based on **part-worth utilities**
- 2** Identified **3 unique customer segments** with distinct needs
- 3** Designed and validated **three product tiers**: Vision Lite, Vision Pro, Vision Elite
- 4** Developed a **4-stage launch strategy roadmap** for market entry



Methodology Overview

Four core components of our research methodology

1. Survey Sample	41 qualified respondents Each rated 11 smart glass profiles → Responses collected using a 7-point Likert scale.
2. Conjoint Analysis	Used regression-based conjoint analysis to estimate customer preferences (part-worth utilities) across five feature attributes. → Helped determine which features drive value.
3. K-Means Clustering	Segmented respondents based on individual-level utility patterns. → Uncovered 3 distinct customer segments with unique preferences and price sensitivity.
4. Preference Simulation	Calculated total utility for each product profile by summing selected part-worths. → Enabled prediction of demand for various product combinations.

Key Attributes & Feature Levels (Tier Structure)

We began by designing **three product tiers** based on increasing feature sophistication:

Attribute	Level 1	Level 2	Level 3
Indoor	Auto-Brightness	Smart Display	AI Vision
Outdoor	Basic GPS	Advanced GPS & Live Mapping	AR Navigation & Real-Time Environmental Data
Professional	Distraction-Free	Voice Commands & Reminders	AI Assistant & Hand-Free Control
Fitness	Step Tracker	Heart Rate & Workout Insights	Biometric Coaching
Price	AUD 350	AUD 450	AUD 550
Tier	Vision Lite	Vision Pro	Vision Elite

Survey Design

- We designed 11 unique product profiles by combining different feature levels across five key attributes.

Attributes Tested



Indoor



Outdoor



Professional



Fitness



Price

How Respondents Rated Profiles

- Each respondent rated 11 randomized profiles on a 7-point Likert scale:

Smart Display

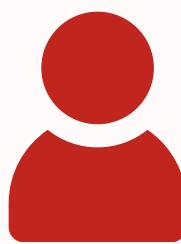
Advanced GPS

Voice Commands

Step Tracker

AUD \$450

Respondent Demographics



AGE GROUP

66% aged 25 -34

20% aged 18 - 24



EDUCATION

80% university students

20% working professionals



INCOME LEVEL

Broad range, not a key differentiator

Most report limited disposable income

KEY INSIGHT

The sample was relatively **homogeneous**, with most respondents being young adults and students



PREFERENCE-BASED CLUSTERING WAS USED

Demographic segmentation was less meaningful compared to grouping by part-worth utilities

Average Part-Worth Utility

Attribute	Levels	Avg. Path-Worth Utility
Price2	AUD 450	0.47
Price3	AUD 550	0.14
Indoor2	Smart Adaptive Display	(0.20)
Indoor3	AI Optimized Vision	(0.27)
Outdoor2	Advanced GPS & Live Mapping	0.25
Outdoor3	AR Navigation & Real-Time Environmental Data	0.03
Prof.2	Voice Commands & Reminders	0.23
Prof.3	AI Assistant & Hand-Free Control	0.45
Fitness2	Heart Rate & Workout Insights	(0.17)

→  Users prefer features that are intuitive and relevant to daily use over advanced complexity.

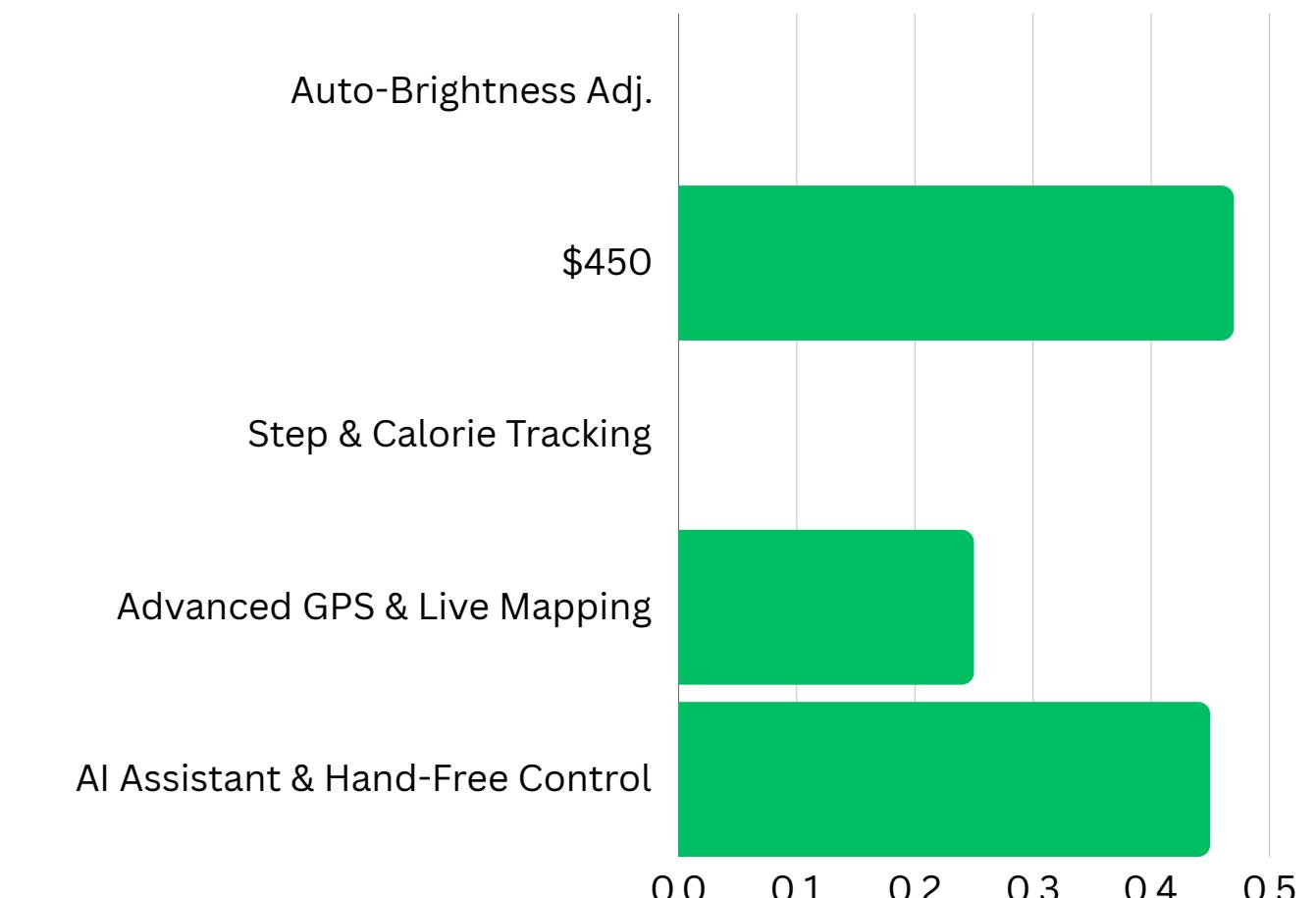
This chart shows the average part-worth utility for each feature level included in the conjoint analysis. Higher utility values indicate greater customer preference and perceived value.



Part-Worth Utility Insights

Attribute	Top-Rated Feature	Avg. Utility	Baseline Feature Level
Indoor	None (Simplest Preferred)	0	Lv.1 Auto-Brightness Adjustment
Price	Lv.2 Price \$450	+0.47	Lv.1 Price \$ 350
Fitness	None (Simplest Preferred)	0	Lv.1 Step & Calorie Tracking/ Lv.3 Full Biometric Analysis & AI Coaching
Outdoor	Lv.2 Advanced GPS & Live Mapping	+0.25	Lv.1 Basic GPS & Weather Updated
Professional	Lv.3 AI Assistant & Hand-Free Control	+0.45	Lv.1 Distraction-Free Alerts

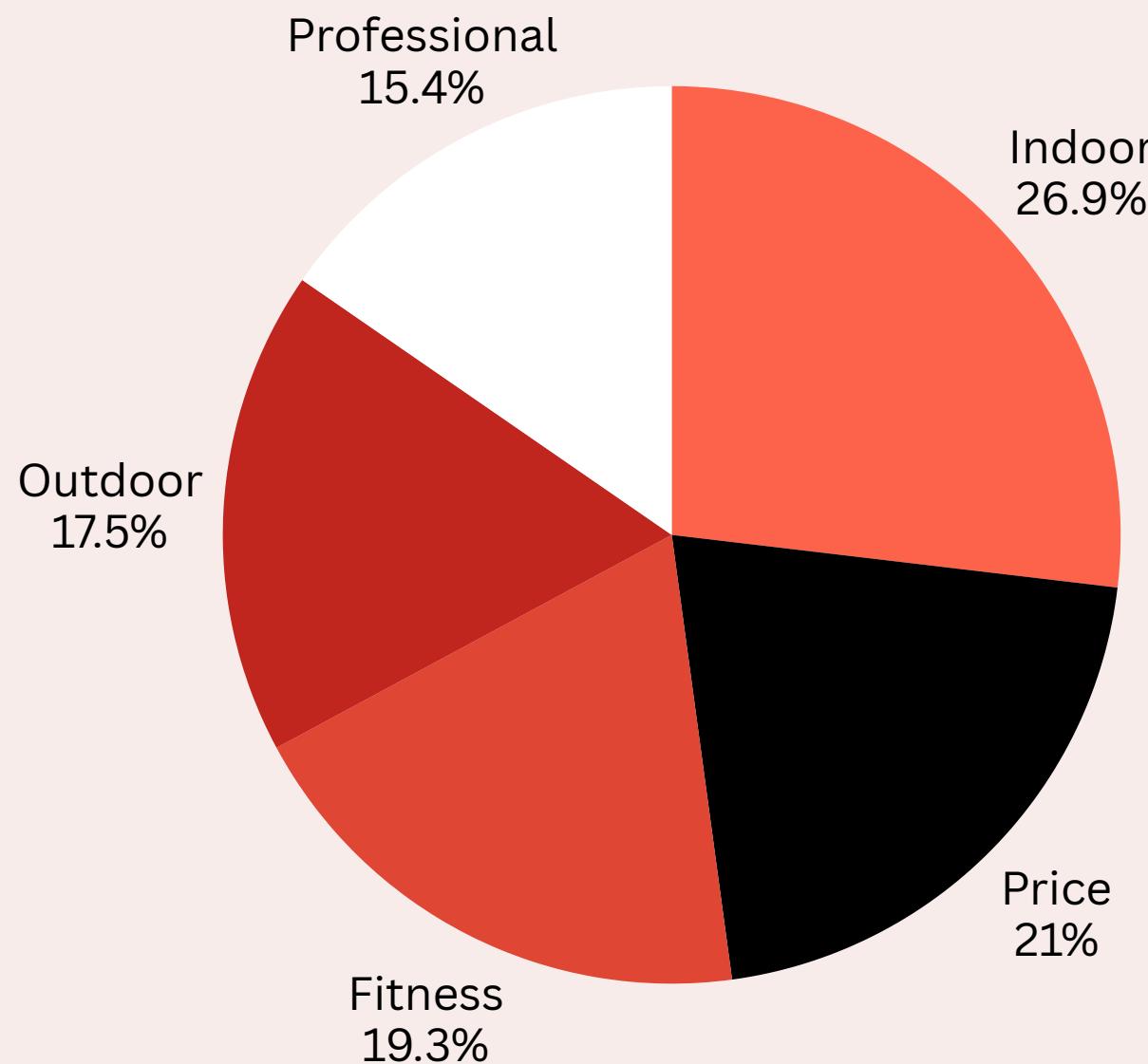
Each bar represents the relative utility customers assign to a specific feature level.
The longer the bar, the more preferred the feature was.



Key Takeaways:

- Practical and purpose-driven features scored highest (e.g., AI Assistant, GPS)
- Overly advanced or complex features (like biometric AI coaching) were rated lower
- \$450 mid-tier price point delivered most perceived value

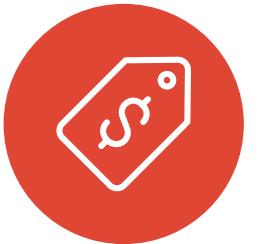
What Matters Most — Attribute Importance



- **Indoor** and **Price** accounted for nearly 50% of all decision weight.
- These attributes played the biggest role in shaping customer preferences.
- **Simplicity** within high-importance attributes was preferred.
- When advanced levels didn't offer clear value, baseline features performed better, especially in **Indoor** and **Fitness** categories.

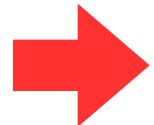
*Prioritizing simplicity in the most influential categories
AND
Elevating select high-utility features is key to driving product success!*

Key Preference Insights

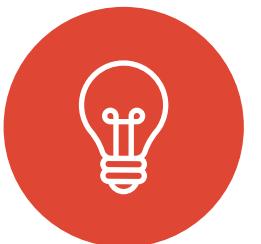


\$450 Was the Optimal Price Point

- Perceived as “affordable premium”
- strong balance of value and function

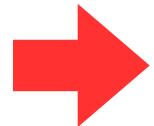


Use \$450 as an anchor for both mid and premium tier positioning

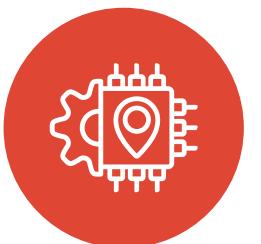


Simpler Features Preferred in Indoor & Fitness

- Simplicity resonated better in everyday use features



Prioritize easy-to-understand functionality over feature depth in low-importance categories



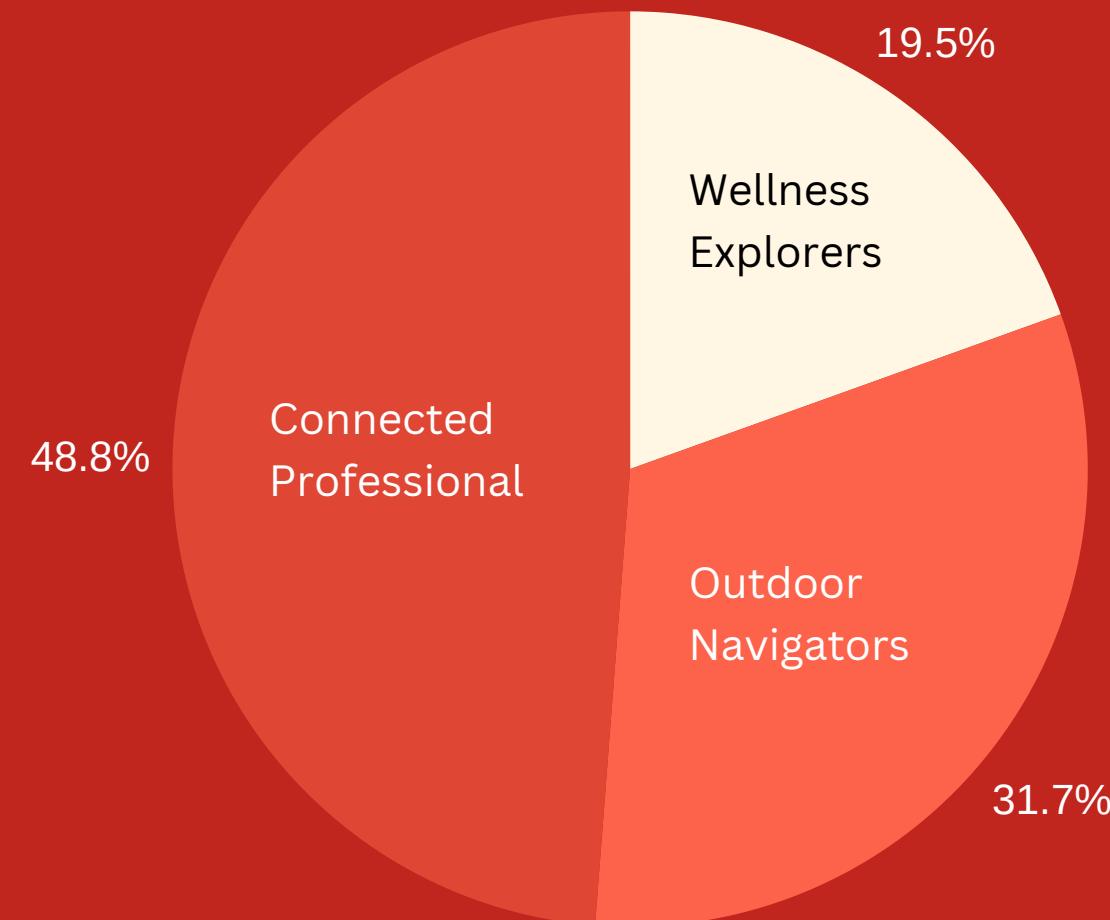
AI & GPS Features Offer Targeted Value

- AI Assistant and Advance GPS Live Mapping scored among top features
- Critical for select segments



High-utility features should be offered selectively, not bundled into all tiers

Three Market Segmentation Based on Preferences



Cluster Summary :

Cluster	Size	Key Preferences	Price Sensitivity
Wellness Explorers	(n = 8)	Fitness features	High
Outdoor Navigators	(n = 13)	Outdoor features	Moderate
Connected Professionals	(n = 20)	Professional Features	Low

Product Tier Design Framework

Design Logic Overview:

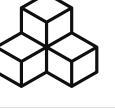
We began with a structured 3-tier product concept based on ascending feature sophistication. Each tier combines different levels of features across five attributes: Indoor, Outdoor, Professional, Fitness, and Price.

Attribute	Level 1	Level 2	Level 3
Indoor	Auto-Brightness	Smart Display	AI Vision
Outdoor	Basic GPS	Advanced GPS & Live Mapping	AR Navigation & Real-Time Environmental Data
Professional	Distraction-Free	Voice Commands & Reminders	AI Assistant & Hand-Free Control
Fitness	Step Tracker	Heart Rate & Workout Insights	Biometric Coaching
Price	AUD 350	AUD 450	AUD 550
Tier	Vision Lite	Vision Pro	Vision Elite

This structure served as **the foundation for initial tier design** before validating it against customer preference data.

How We Refined Product Tiers

To improve relevance and perceived value, we refined each product tier based on what the most aligned segment values. Below is the concept we used to refine product tiers:

Design Concept	Description
 Segment-Guided Customization	<ul style="list-style-type: none">• Use the preferences of the segment that aligns best with each tier to inform feature focus.
 Keep Tier Logic (Lv.1–Lv.3)	<ul style="list-style-type: none">• Keep original tier structure based on increasing feature depth and price
 Avoid Unrealistic Feature Combinations	<ul style="list-style-type: none">• No mixing premium features with entry-level pricing
 Balance Feature Value vs. Cost	<ul style="list-style-type: none">• Only upgrade features when the utility gain justifies the cost and aligns with tier pricing.
 Not Fully Custom Per Segment	<ul style="list-style-type: none">• Tiers aren't built specifically for one segment – we use insights, not tailoring.
 Some Flexibility Allowed	<ul style="list-style-type: none">• Select high-utility features outside the standard level if they strongly enhance perceived value.

This approach helps us keep tiers commercially realistic, while still reflecting what customers truly value.

How Do Segments Respond to Our Predefined Tiers?

This matrix shows the total simulated utility each segment would experience from our three predefined product tiers: Vision Lite, Pro, and Elite.

- **Outdoor Navigators** show clear rejection of higher tiers, prefer basic features only.
- **Connected Professionals** respond best to the mid-tier (Vision Pro), balance of smart features and affordability.
- **Wellness Explorers** surprisingly find the Elite tier most valuable.

Summary Diagnostics											
Clusters	Number of Items	450	550	Fitness2	Indoor2	Indoor3	Outdoor2	Outdoor3	Professional2	Professional3	
Cluster 1	13	-0.0256	-0.641	-0.3974	-0.7564	0.34615	0.58974	0.96154	-0.71795	-0.74359	
Cluster 2	20	2.2	1.4	-1.45	0.55	-1.2	-0.9	-1.15	1.05	1.65	
Cluster 3	8	-2.9167	-1.7292	3.3542	-1.2292	1	2.6458	1.5	-0.22917	-0.52083	
Not Clustered	0										



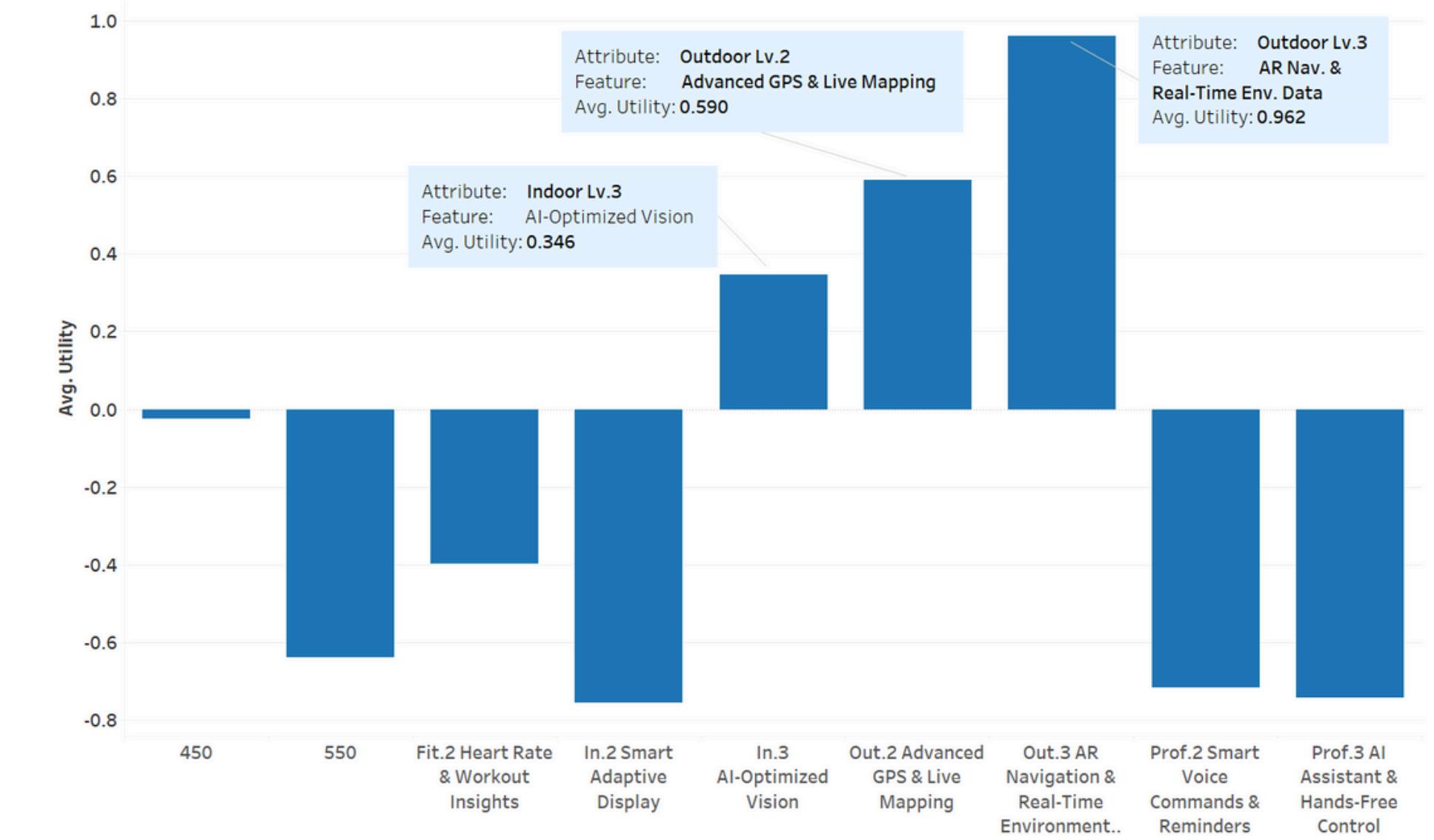
Cluster	Segment Cluster	Vision Lite / Lv.1	Vision Pro/ Lv. 2	Vision Elite / Lv.3
1	Outdoor Navigators, 13	+0.00	-1.31	-0.47
2	Connected Professionals, 20	+0.00	+1.45	-0.75
3	Wellness Explorers, 8	+0.00	+1.62	+3.60



OUTDOOR NAVI-GATOR

- 13 respondents (30%)
- Value outdoor features
- Moderate price sensitivity
 - negative to \$550
 - neutral to \$450
- Best fit “Vision Lite”

“This group values navigation features the most. They show moderate price tolerance but have little interest in productivity tools like AI Assistants.”



Simulated Utility for Ideal Profile		
Price 1	\$350	0
Outdoor 2	Advanced GPS & Live Mapping	+0.59
Indoor 1	Auto-Brightness	0
Fitness 1	Step & Calorie Tracker	0
Professional 1	Distraction-Free	0

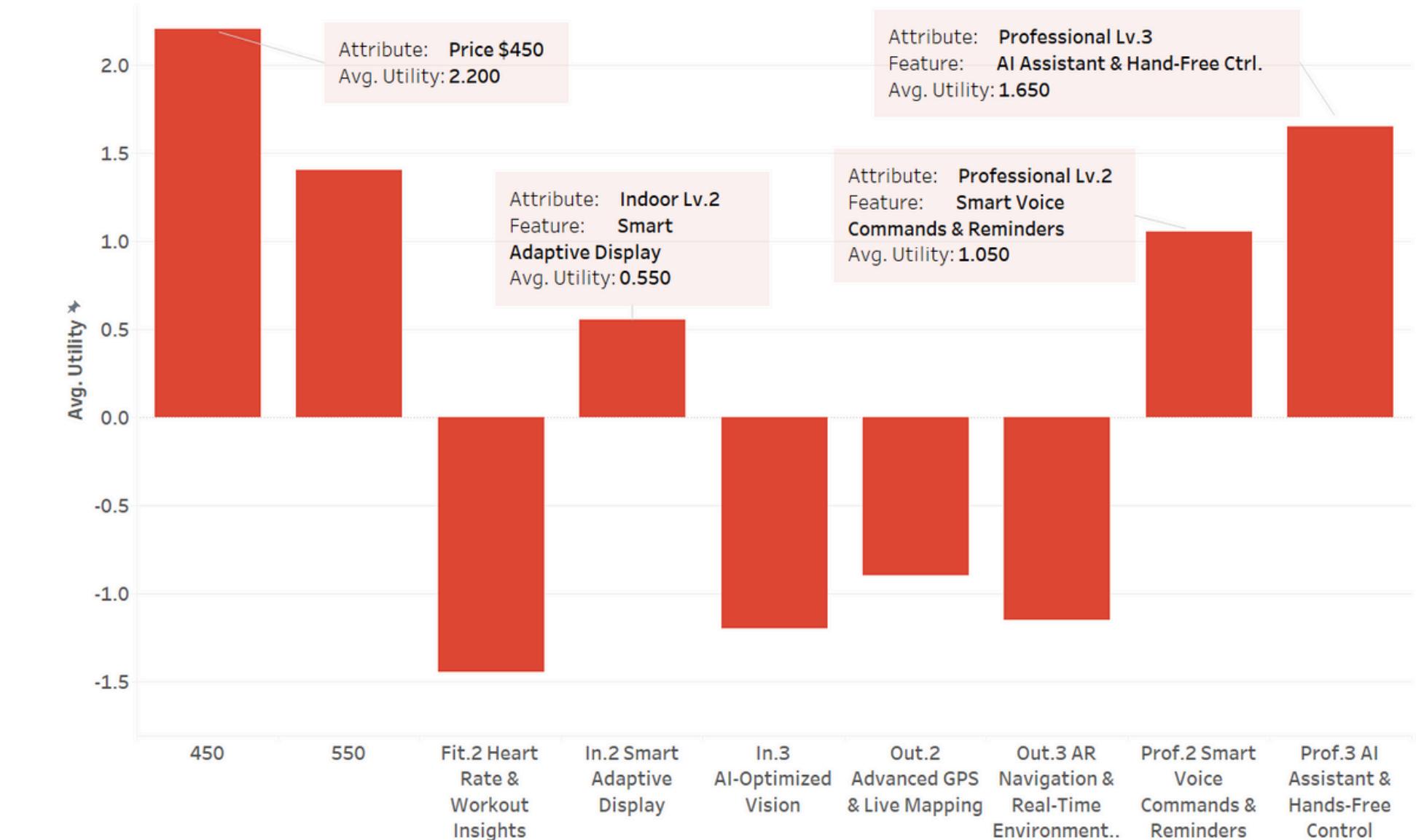
Simulated Total Utility
+0.59



CONNECTED PROFESSIONALS

- 20 respondents (47%)
- Efficiency-driven, tech-savvy professionals
- Low price sensitivity
 - Comfortable with \$450
 - Accept \$550 if feature value is high
- Best fit “**Vision Pro**”

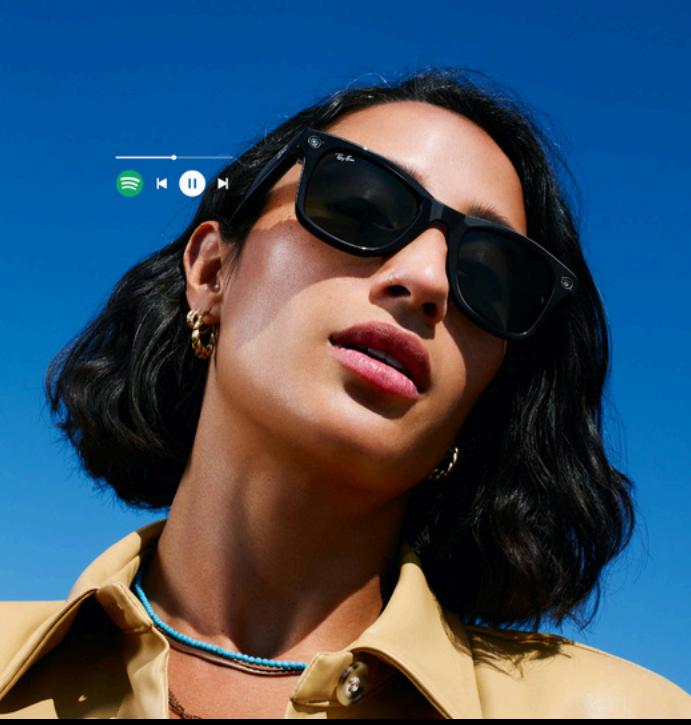
“This group values smart, time-saving features. If the product helps them work better, they’re willing to pay more”



Simulated Utility for Ideal Profile

Price 2	\$450	+2.20
Outdoor 1	Basic GPS	0
Indoor 2	Smart Adaptive Display	+0.55
Fitness 1	Step & Calorie Tracker	0
Professional 3	AI Assistant & Hand-Free Control	+1.65

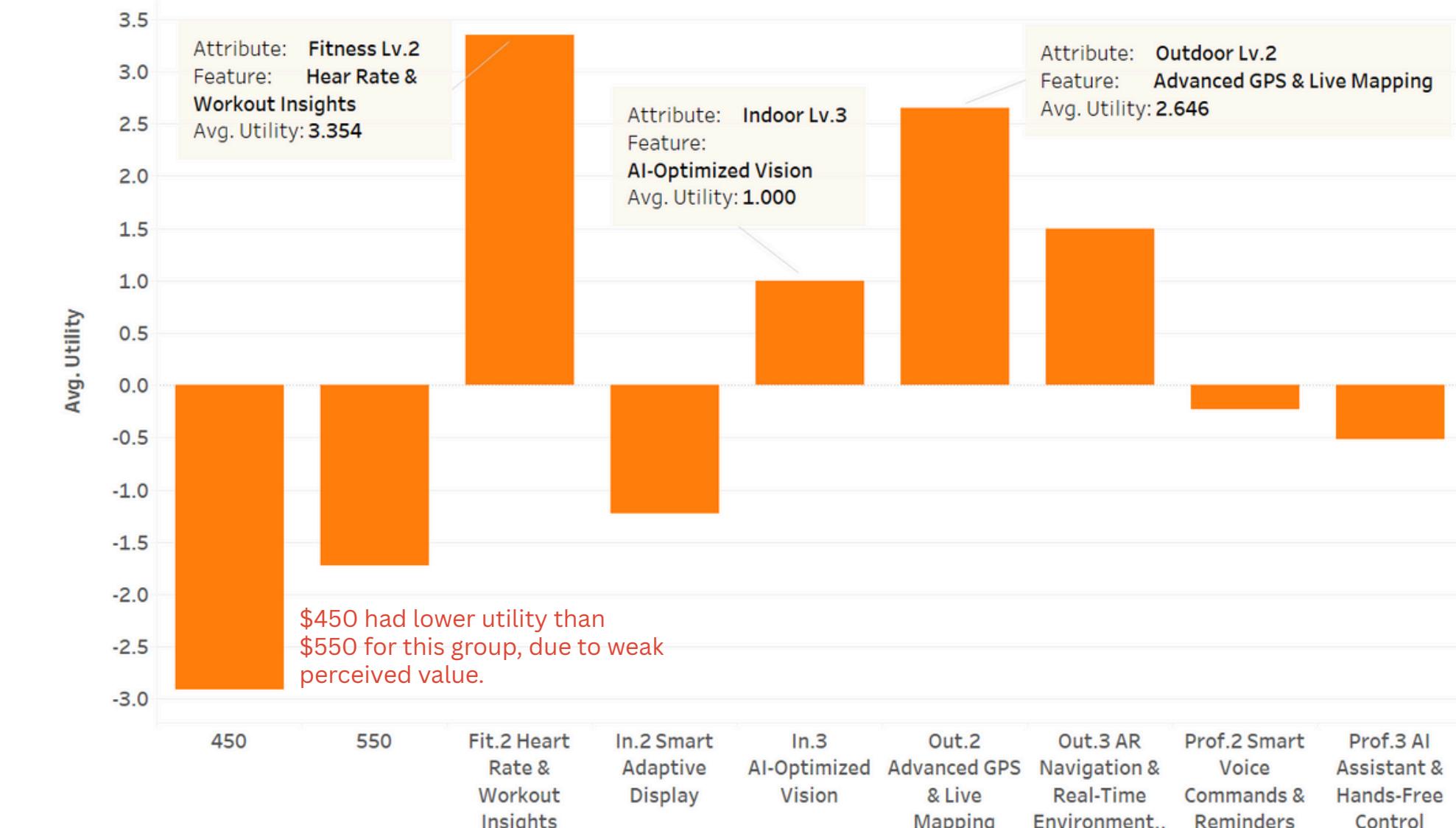
Simulated Total Utility **+4.40**



WELLNESS EXPLORERS

- 8 respondents (19%)
- Value fitness and Outdoor features
- Prefer high-end configuration, despite assumed price sensitivity
- Negative reaction to mid-tier (\$450)
 - \$550 performed better due to stronger feature alignment
- Best fit “**Vision Elite**”

“This group values wellness-focused features and is willing to pay more – if the product feels worth it. They care more about benefits than price.”



Simulated Utility for Ideal Profile

Price 3	\$550	-1.73
Fitness 2	Heart Rate & Workout Insights	+3.35
Indoor 3	AI-Optimized Vision	+1.00
Outdoor 2	Advanced GPS & Live Mapping	+2.65
Professional 1	Distraction-Free	0

Simulated Total Utility
+5.27

Customization Delivers Stronger Value

Cluster	Segment Cluster	Size	Price Sensitivity	Vision Lite	Vision Pro	Vision Elite	Best Tier
1	Outdoor Navigators (13)	30%	Moderate	+0.59	-1.31	-0.47	Vision Lite
2	Connected Professionals (20)	47%	Low	+0.00	+4.40	-0.75	Vision Pro
3	Wellness Explorers (8)	19%	High	+0.00	+1.62	+5.27	Vision Elite

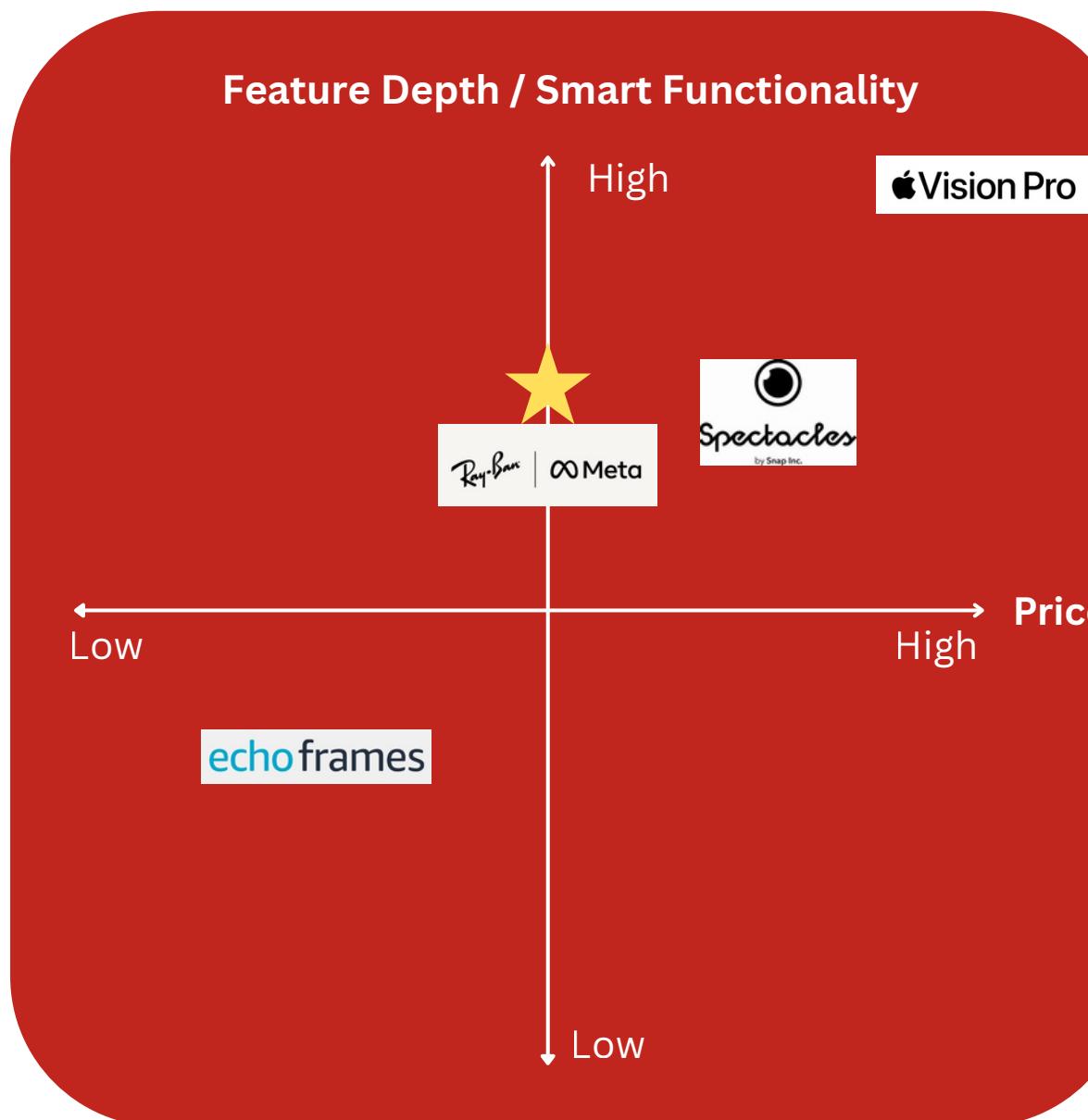
Key Points:

- Segment-fit customization increases value.
 - All clusters respond best to different product tiers.
- One-size-fits-all give low perceived value.
 - Standard tiers don't align well with diverse preferences.
- Vision Pro is the commercial sweet spot.
 - Largest segment (47%) + strong utility + price readiness.

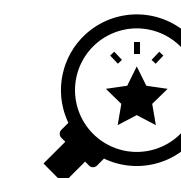
Tier Summary Table

Tier	Target Segment	Strategic Role
Vision Lite	Outdoor Navigators	Entry-level: GPS-first, budget-friendly
Vision Pro	Connected Professionals	Core tier: Smart features, good value
Vision Elite	Wellness Explorers	Premium tier: Wellness focus, high utility

Smart Eyewear Market: Competitive Landscape



Brand/ Product	Price (AUD)	Key Features	Target Segment	Positioning Summary
Meta x RayBan (New Gen)	\$450 - \$550	Open-ear audio Meta AI, camera	Lifestyle/ Tech Enthusiasts	Fashion-forward, AI-integrated daily wear
Snap Spectacles 4	\$580 - \$765	AR video, touchpad limited apps	Content Creators	Niche AR experience with limited mainstream use
Apple Vision Pro	\$5,000+	Full spatial computing, productivity suite	Tech Professionals / Elite	High-end immersive device (not for daily wear)
Amazon Echo Frames	\$350	Alexa voice assistant, music playback	Smart home users	Voice-first control for home and light mobile



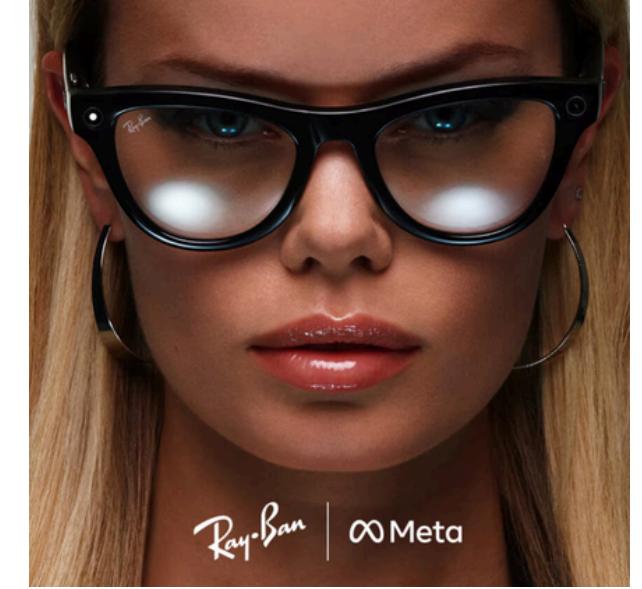
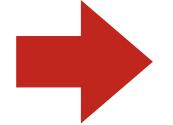
Opportunity for Ray-Ban Meta:

The **Vision Pro** at \$450 fills a critical, “**affordable premium**” gap - balancing professional utility with lifestyle appeal, while avoiding AR overkill or ultra-high price points.

Risk and Mitigation

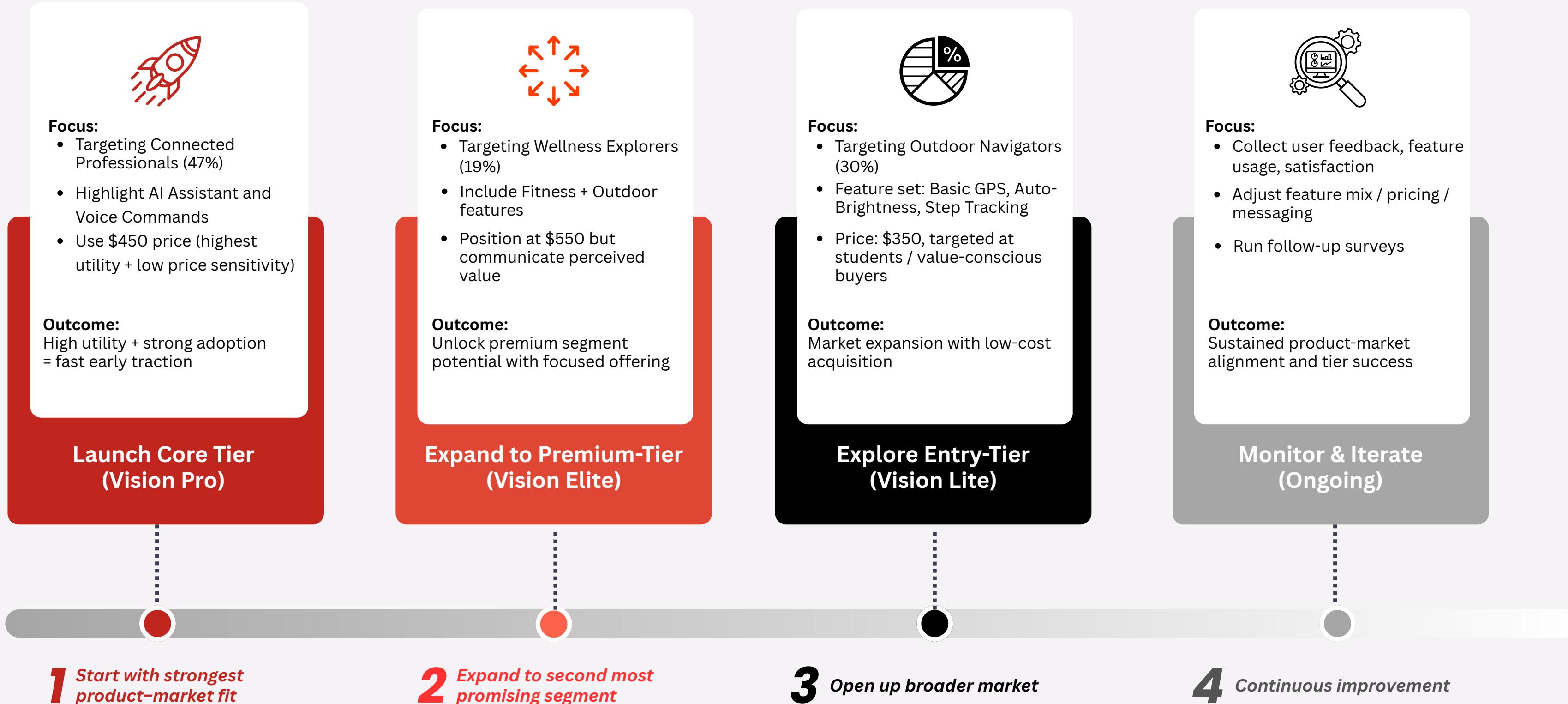
Most risks are manageable through a staged launch and data-informed adjustments

Risk / Challenge	Impact	Mitigation Approach
Limited Appeal of Vision Elite (\$550)	High	Start with Vision Pro launch, test Elite with targeted wellness campaigns
Price Sensitivity in Student Segments	Medium	Maintain Vision Lite at \$350; emphasize practical value (GPS, brightness)
Survey Sample Bias (mostly students)	Medium	Plan future surveys with broader demographics to validate tier appeal
Feature Overload Perception	Medium	Prioritize simplicity, highlight real-world benefits over technical depth
Future Competitor Disruption (e.g., Apple)	Medium	Reinforce Ray-Ban's fashion-tech position; stay agile with roadmap iteration cycles



Starting with Vision Pro reduces launch risk while maximizing commercial traction. Monitor feedback to adapt tiers and messaging over time.

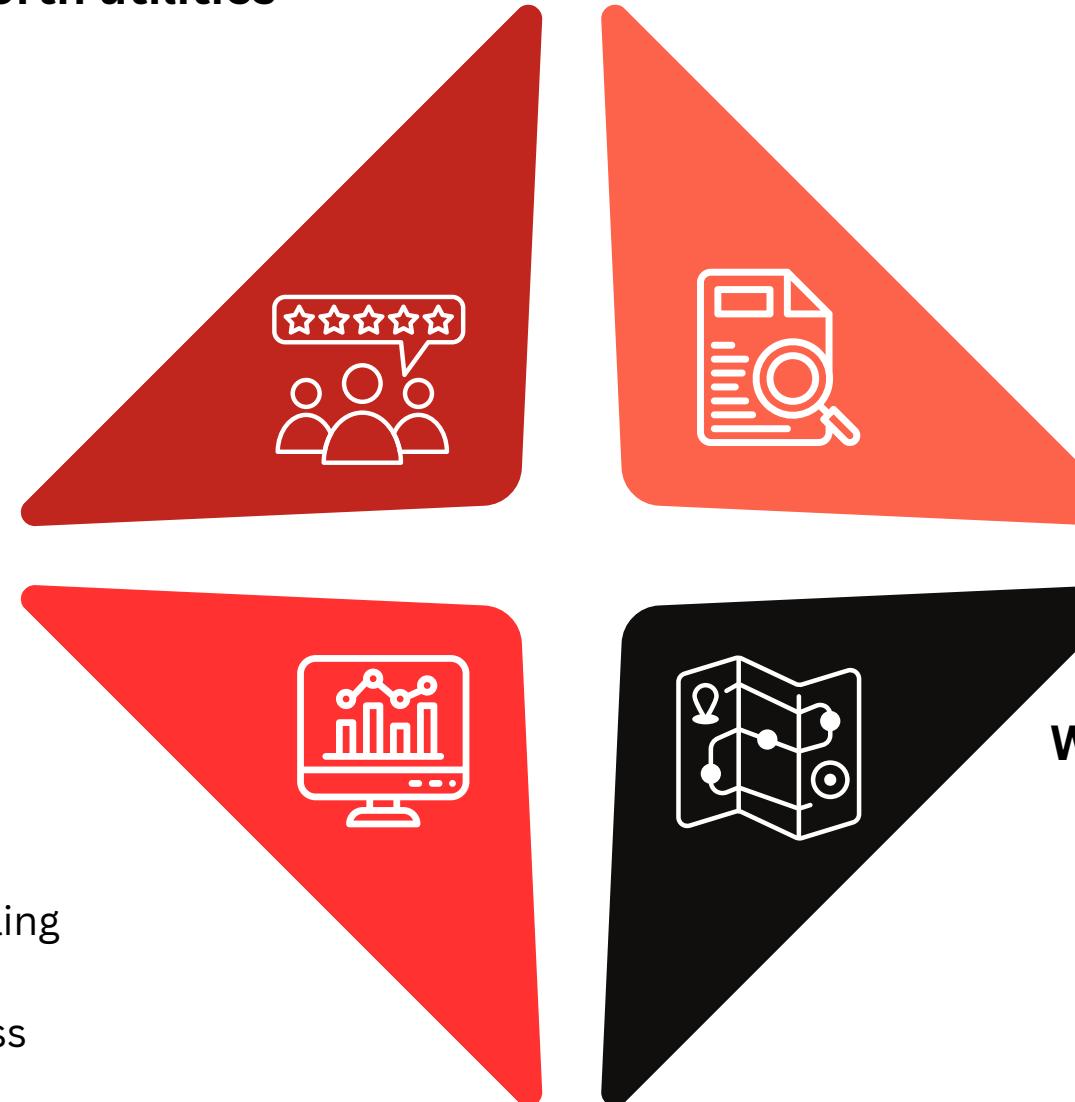
Recommended Product Roadmap



What We Discovered and Delivered

Best feature set based on part-worth utilities

- *AI Assistant & Hand-free control* and *Advanced GPS & live mapping* were the most liked
- Simplicity preferred in Indoor and Fitness
- \$450 hit the sweet spot – not too cheap, not too premium



We matched them with 3 product tiers

- Vision Lite = simple and affordable
- Vision Pro = balanced and best-selling option
- Vision Elite = premium with wellness perks

We found 3 clear customer groups

- Connected Professionals (47%) love smart features that save time
- Outdoor Navigators (30%) just want GPS and good value
- Wellness Explorers (19%) want premium health tracking and are willing to pay more

We mapped out a smart rollout plan

- Start with Vision Pro
- Then launch Elite and Lite
- Keep learning from feedback to improve and scale

Final Recommendation & Why It Works



Product Roadmap

Ray-Ban Meta should adopt a tiered product strategy that aligns with actual customer preferences:

- Launch “**Vision Pro**” first, targeting Connected Professionals (47%) with high-utility features at a \$450 price point.
- Expand to “**Vision Elite**” for Wellness Explorers, offering premium fitness and navigation features at \$550.
- Introduce “**Vision Lite**” to reach Outdoor Navigators and price-sensitive users, focusing on simplicity and affordability.



Why This Works

- ✓ **Backed by data:** Conjoint + segmentation = customer-aligned design
- ✓ **Commercially realistic:** Matches price sensitivity and value perception
- ✓ **Scalable:** Roadmap allows phased rollout and feedback-based refinement
- ✓ **Competitive edge:** Positioned in the “affordable premium” sweet spot

