**Conjoint Analysis**

**Problem No. 1**

The marketing manager of **Reynolds** wants to know how the customer values the various tangible and intangible features offered by its micro-trip pen. He identifies the attributes of his product which are important to customers, then the level for each attribute that the company is willing to design and offer to a customer. These are the following attributes of a micro-tip pen, which are considered to be important.

1. The price of the micro-tip pen.
2. The colour of ink in refill.
3. Diameter of tip of the refill.

The levels of these attributes are:

1. Price – Rs. 5, Rs. 7, and Rs. 10.
2. Colour of ink – blue, black, and red.
3. Diameter of tip – 0.25 mm, 0.45 mm, and 0.5 mm

Since we have 3, 3, and 3 levels of the three attributes, we get a total of 3 X 3 X 3 = 27, different combinations of attribute levels. Find out best combinations of attribute levels.

**Problem No. 2**

The marketing manager of **BPL Colour Television** wants to know how the customer values the various tangible and intangible features offered by its colour television. He identifies the attributes of his product which are important to customers, then the level for each attribute that the company is willing to design and offer to a customer. These are the following attributes of a colour television, which are considered to be important.

**TABLE 1.1**

|  |  |  |
| --- | --- | --- |
| ***Price of the Product*** | ***Longevity*** | ***Dimension of the Product*** |
| Rs. 14,000 | 2 years | 14” |
| Rs. 19,000 | 4 years | 21” |
| Rs. 25,000 | 5 years | 25” |
| Rs. 30,000 | 7 years | 32” |

1. **Price of the Product –** this is the price of the various sizes of the different models.
2. **Longevity in years –** this is the length of the time period for which the product is expected to last.
3. **Dimensions of the Product –** this is the length of the television screen measured diagonally in inches.

The levels of the above three attributes are stated in Table 1.1

The objective of conjoint analysis is to determine from a potential customer of colour televisions, how important each attribute is to him. We also want to know, how much utility he derives from given combinations of these levels of attributes. Since we have 3, 3, and 3 levels of the 3 attributes, we get a total 3 X 3 X 3 = 27 different combinations of attribute levels.

1. Combinations
2. Rate it
3. Code creation
4. Transpose
5. Punch data in spss
6. Gate the Utiliti values
7. Find best combination