

Conjoint Market Analytics

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Contents

Introduction..... 3

Methodology 4

Interpretation..... 7

Recommendations:..... 8

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Introduction

The case study deals with the recent advances in the entertainment industry. Curved TVs were initially introduced by Samsung and LG in the year 2013. With the recent growth in globalization in technology different competitors in different parts of the world are growing. The case study is based on a similar idea where a relatively new company in this market of curved TVs SONY is trying to explore and capture Australian market with their new Curved TVs. Sony conducted a market research with 20 participants which are representing the Australian market. They will be offered 18 products and observations are going to be made on customers choices and attributes and features which they look for while buying a TV.

SONY's first phase was to build their product profile by applying Conjoined Analysis to define product requirements that will succeed with rivals like Samsung and LG on the market of curved TVs. The report is about the observation and finding of the market survey. Through this we want to help in the decision-making process of Sony which want to launch a range of their Curved TVs and capture the market.

Levels and attributes in the case study are brand names, resolution, refresh rate, price and display size. We noticed that participants in our market share look for cheapest prices with high resolution, screen size and refresh rate. Mostly customers went for specification such as screen size of 65inch to 85inches, refresh rate of 120hz and 4000P of resolution in their curved TVs. Customers were made to rate their product from 1-7 where 1 represents least likely and 7 represents most likely. We described the methodology used to analyze the interactions between various characteristics and our interpretation. SONY focuses primarily on making greater profit from the market by using conjoint analysis to structure the product profile. To SONY, we recommend a strategy to maximize benefits and earn the greatest earnings in the market segment.

Methodology

1) We addressed the methodology used for this report for analyzing the present curved TV market. At the start we need dummy variables. So determining dummy variables.

Brand	dc(samsung)	ds(sony)
Samsung	1	0
Sony	0	1
LG	-1	-1
screen size	dc(65)	dc(75)
65	1	0
75	0	1
85	-1	-1
refresh rate	dc(120)	
120	1	
240	-1	
resolution	dc(4000)	
2160	-1	
4000	1	
price	dc(4000)	dc(6000)
4000	1	0
6000	0	1
9000	-1	-1

Dummy variable takes 0 or 1 values to specify the category in which an individual fall. Dummy coding is required as it is a part of regression. In our specific instance, 0 is a non-applicable value, 1 is the applicable value, and -1 is the value we cannot assign since it does not belong to the category we have.

We carried out regression analysis on the choice of 20 customers ' rankings. After detailed analysis we were able to form different relationships among different attributes of a product.

SONY came up with the concept of conjoined analysis that will allow individuals to choose distinct characteristics and characteristics to retrieve this information instead of just asking clients what they want. Conjoint analysis- The price deriving from its characteristics. In our scenario, SONY inserts functions into curved TV to assist you find out the product's cost quickly. Conjoint analysis enables us discover product pricing. We coded 4 attributes i.e. brand, refresh rate, resolution and pricing in our research. This regression is carried out in order to understand the potential future and the coefficient acquired for all 20 participants is taken as part worth. Part worth acquired i.e. amount of each attribute part worth multiplying with it dummy code provides portion of the base line part worth of each attribute. The range of Part Worth is calculated for each attribute by Min max operation of Part Worth. In this manner, all characteristics with their broad spectrum of comparisons with the products available on the market are confined to one value. Significance is measured for each attribute display size, brand, refresh rate, resolution, price by value proportion of each part worth over the amount range. Similarly, the value of the Part worth is measured across all 20 participants.

It is possible to interpret the significance of each respondent by values acquired as participant 1 favors price. Respondent 6 seems to be more likely to refresh rate. It could be said that by findings, that price is the most weighted attribute and brand and refresh rate are next in line.

2) As Sony kept on going with 4000-pixel resolution and 120HZ refresh rate preference. we need to produce a sony product with the same display size and cost, which is already been set. The pairings acquired are nine bundles of products given below.

1	SONY 65in 120HZ 4000 pixels \$4000	40%
2	SONY 65in 120HZ 4000 pixels \$6000	21%
3	SONY 65in 120HZ 4000 pixels \$9000	9%
4	SONY 75in 120HZ 4000 pixels \$4000	50%
5	SONY 75in 120HZ 4000 pixels \$6000	31%
6	SONY 75in 120HZ 4000 pixels \$9000	15%
7	SONY 85in 120HZ 4000 pixels \$4000	46%
8	SONY 85in 120HZ 4000 pixels \$6000	26%
9	SONY 85in 120HZ 4000 pixels \$9000	11%

Samsung and LG have two existing products. Sony has introduced nine more products in their curved TVs product range in order to compete. Utilities are measured by adding sum of part worth's which are already calculated. Utilities are measured for all the brands. The percentages of buying the Sony product range are calculated as an exponential utility proportion. Largely its percentage of recent exponential usefulness of Sony product and total of current market brand usefulness together with Sony. It provides presentation market share for each participant and an average of all 20 participants would give market share for specific Sony commodity.

After analysis of the 9 products introduced, we came to know that Sony 120Hz 4000 Pixels 75In \$4000 has highest 50%. This means that the likelihood of individuals purchasing this product with these requirements are strong as it inhabits the largest market share.

3) Upon measuring market shares for all of Sony's diverse 9 product spectrum. Market size of 100000 and \$2000000 fixed cost & \$800 variable cost are given respectively. \$1000 and \$600 hype in feature cost of 85 inch and 75 inches. The combined variable cost among all 9 Sony products is computed by baseline cost and feature cost. Market share and market price are used to estimate the sale for each and every Sony product. In order to calculate the profitability, price of each product, sales, variation between price and variable cost and fixed cost, all play an important role in deciding the profitability. It can be seen that Sony has collected the largest profit from 120Hz 4000 Pixels 75In \$6000.

S.NO	Product profile	Market share	Profit
1	SONY 120 Hz 4000 Pixels 65 in \$4000	40%	\$12,48,36,864
2	SONY 120 Hz 4000 Pixels 65 in \$6000	21%	\$10,80,30,505
3	SONY 120 Hz 4000 Pixels 65 in \$9000	9%	\$7,09,46,708
4	SONY 120 Hz 4000 Pixels 75 in \$4000	50%	\$12,73,99,754
5	SONY 120 Hz 4000 Pixels 75 in \$6000	31%	\$13,85,18,557
6	SONY 120 Hz 4000 Pixels 75 in \$9000	15%	\$10,83,60,397
7	SONY 120 Hz 4000 Pixels 85 in \$4000	46%	\$9,96,92,744
8	SONY 120 Hz 4000 Pixels 85 in \$6000	26%	\$10,79,81,015
9	SONY 120 Hz 4000 Pixels 85 in \$9000	11%	\$7,60,22,522

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Interpretation

Based on estimates and analysis, profit and market hold seem to be the two main considerations for evaluating product acceptance in the market. After comparison it can be said that that Sony 120Hz 4000 pixels 75In \$6000 has the highest turnover of \$13,85,18,557. From this we can interpret that the customers are more inclined towards 75 inches display screen size which costs around \$6000. If comparisons are needed to be drawn with other competing products, the features which the product presents are decent as they fall in decent or I should say that they fall in affordable price range for the customers. 30.55% is the second highest market share, which is of this particular model. If Sony likes to go with this particular model, they can earn large revenues and generate more economy. The reason why it does not capture the highest market share can be its price and variance. Sony 120 Hz 4000 Pixels 75In \$4000 takes the first spot with maximum market share of 50% approximately. The fun part is that this particular model makes less profit in comparison to its model which is second best in market share, nevertheless its popularity speaks for itself as it is the most demanded product. Possibly because of the pricing of the product, as the product offers certain features which are best offered at this price among its competitors. If Sony is looking for expanding its market share, this particular model can lay the path for them.

As mentioned earlier, while measuring the significance of every other attribute in portion, it is stated that price has a very strong market impact. Sony has two models, one of them captures the biggest market share and the other one creates the highest profit, both depend on price as other characteristics and attributes are similar to each other.

Recommendations:

It will be a dream come true if a company is able to cover the highest profit margin and simultaneously have the largest market share. Market share shows that they are leaders in the industry or which company can be a potential leader in the future. It gives the leading company advantage over others as there are several benefits which comes with it, for example access to different and expanding markets & resources. Profits also play a major role as these are actual inflow of cash for which everything is being done and implemented. For sony, if there objective is to gain highest profit then Sony 120Hz 4000 pixels 75In \$6000 is the model to promote and if they are looking to get the maximum market share then Sony 120 Hz 4000 Pixels 75In \$4000 is best suited for this goal. From the conjoint analysis, Sony has described their goals of bringing their new range of products into a new Austrakia market by which it can create the maximum profit. According to its specifications, it can be said that Sony 120Hz 4000 pixels 75In \$6000 with a massive profit of \$13,85,18,557 is that of the highest customer choice and also beneficial for achieving large revenues for Sony.