## 1.5.4 Direct surveys methods

The simplest way to determine the value attached to a product is by asking consumers to state their WTP directly. According to Hofstetter et al. (2021), this method is among the most used approaches for measuring demand and assessing product-market fit due to its ease of implementation, low cost, and the rich customer data it provides. Unlike other methods that observe actual behaviour, direct surveys rely on consumers stated valuations. These surveys typically involve questions regarding price or price thresholds and can be directed at either market experts or potential buyers.

When field experts, such as marketing managers or sales representatives are questioned, their specialized knowledge can yield more complex valuations that may go beyond what the public can provide. However, such surveys are generally applicable to smaller markets or more targeted customer groups.

Direct surveys can also elicit a consumer’s reservation price. In these surveys, respondents are asked straightforward questions about their maximum WTP, such as “What is the maximum price you would pay for this product?” Researchers can use either hypothetical scenarios or predetermined price points to understand consumer valuation. Direct survey questions typically come in two formats: open-ended and closed-ended. In open-ended surveys, respondents provide their own price without constraints, whereas closed-ended surveys offer a specific price and ask whether the respondent would purchase the product at that price.

One commonly used open-ended survey was developed by Stoetzel (1954), based on the idea that each consumer has a minimum and maximum price they would consider acceptable for a product. Examples of such questions include:

“Above which price would you not buy a product because you cannot afford it or do not think it is worth the money?”

“Below which price would you not buy the product because you would suspect its quality?”

These questions directly target the reservation price by linking monetary value to perceived quality or affordability.

Another approach asks respondents to specify price points that represent different value perceptions (e.g., very good value, average value, and somewhat poor value). Literature suggests that the “somewhat poor” value often comes closest to the real WTP (Diller and Herrmann 2003), as consumers tend to default to a middle value when faced with multiple hypothetical scenarios. This method can be further refined using Price Sensitivity Meter (PSM) questions (Löffler 2015), which focus on identifying upper (U) and lower (L) thresholds as well as upper (u) and lower (l) bounds. Examples of PSM questions include:

“At what price would you consider this product so expensive that you would not consider buying it?”

“At what price would you consider this product so inexpensive that you would doubt its quality?”

“At what price would you consider the product to be becoming expensive, though not entirely out of question?”

“At what price would you consider the product a bargain – a great buy for the money?”

“What would you expect the market price to be without any discounts?”

The cumulative percentage values from these thresholds and bounds can then be used to determine an optimal price point (the intersection of U(p) and L(p)) as well as an acceptable price range (the intersection of cumulative PSM responses).

Because direct surveys do not involve real monetary transactions, the responses are hypothetical and may exhibit significant hypothetical bias. Research has shown that WTP figures derived from direct surveys are often significantly higher than those obtained by other methods. Therefore, while direct open-ended questions can capture initial consumer valuation, their results should be interpreted with caution and ideally corroborated with other measurement approaches.

### 1.5.5 Indirect surveys methods

Traditional survey methods often rely on direct questioning, where respondents explicitly state their preferences and price points. However, such approaches can introduce biases and inaccuracies, as individuals may have difficulty articulating their true preferences. In contrast, indirect survey methods require respondents to reveal their preferences through choice-based scenarios rather than direct statements. In these surveys, respondents are presented with several product profiles each containing a set of attributes (e.g., price, quantity, etc.) and asked whether they would purchase the product. By selecting a particular profile, participants implicitly indicate the price they are willing to pay for that combination of attributes. This indirect approach has evolved into more sophisticated choice experiments in pricing and marketing studies.