KANTAR

Study to assess willingness to pay premium for Schneider Electric ACB

Final Report

Schneider Electric

5th August 2025

CONTENTS

What this report covers

Today's Agenda

01 Setting the Context

Objectives, Execution Process and Methodology

A reminder of the project background and objectives

Central Question:

What are the most attractive product offerings for ACB and derive the optimal price point for select features?

Aspects Evaluated

- Size Performance
- Advanced Features
- Price Premium
- Brand and Range

Key questions we set out to answer

- Which ACB product features are more important?
- Which product combination (Size + advanced feature) would have highest share of preference ?
- Which features of ACB will have higher willingness for premium?
- What is Price Elasticity among the combination tested in the survey?
- Which SE brand to be leveraged: MasterPact MVS vs. EasyPact NW ?

How did we execute the study?

01 | KICK-OFF

- Pre-execution alignment with the SE team:
  - Finalizing the features to be tested and base price for each profile
  - Setting the criteria for the respondent recruitment
  - Showcase dummy output & get buy in on the usability of the results

02 | MODEL DESIGN

- We aligned on following attributes and their level:
  - Size performance: 2 Levels
  - Advanced Features: 8 Levels
  - Price
- The combination of Size and Advanced Features yields 16 unique product profiles with Price varying across each profile
- Data was collected on all 16 profiles to evaluate user preference.

03 | EXECUTION PHASE

- A total of n=358 structured interviews (SI's) were conducted across personas using mix methodology of f2f and online
- To ensure the survey was robust and easy to administer, we built in checks before launch:
  - Mock interviews with the SE team
  - Pilot interviews with actual stakeholders

04 | INSIGHTS & STRATEGY

- Disseminate key learnings and insights to devise Pricing Strategy for ACB product
- Interim meetings with businesses to discuss findings and useability of the data

5th Aug – Presentation

WE ARE HERE TODAY

Next Steps….

Continue the discussion to deep dive into the data using Simulator

Survey Design and Execution

Question:
Assuming you are planning to select an Air Circuit Breaker for your electrical system, I am going to show you a series of concepts of ACB designs with some of their key attributes written on the card. These features may or may not currently exist in reality. Our aim in showing these cards is to understand what combination of these advanced features best suits your need -

Card # 1: Example

	Product A	Product B	Product C	
Size Performance	High performance Ics=Icu=Icw 66kA for 1sec	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	High performance Ics=Icu=Icw 66kA for 1sec	None: I am not interested in any of the ACB products
Advanced Feature	Higher Electrical life from 6,000 to 7,500 operations without maintenance	Higher Electrical life from 6,000 to 7,500 operations without maintenance	Visible Health indication (Breaker Status, trip cause Indication - OL,SC,GF)	
Price	INR 1,12,200	INR 1,12,500	INR 1,12,500	

- Every respondent is exposed to 4 cards and every card had 3 + 1 option to make a choice
- The profiles for each card are selected randomly and the design takes care of the fact that “every profile has a equal probability of appearing” in the choice sets
- There were no competition products tested as part of the study; hence the output gives share of preference for only SE products
- Every profile had only one advanced feature and there was no combination of advanced features which were tested

Whom did we meet?

The study was conducted among 4 key personas and total sample of n=358 SI's

Panel Builder

- Three types of panel builders were met:
- Type A: Franchise partners – TO: INR 50 Cr +
  - *E.g. Vee Vee, Techno, Horizon etc.*
- Type B:Non-Authorized & partner with multi brands TO: INR 5 – 50 CR
  - *E.g.Apfc, Brilltech, Nexus*
- Type C:Local serving tier II & III markets, mostly residential: TO: > INR 5Cr
  - *E.g. Classic, Zeniya, AIM*

240 SI's

Schneider Distributor

- Power Products distributors of Schneider across Titan, Titan Plus, Orion, Quartz
- List of distributors shared by Schneider Electric team.
- These distributors where reached out in collaboration with Schneider Team
- *E.g. Novatek Electro, Brisk Electronics, Powertech Switchgears, Electron Engineers, Delton Control etc.*

38 SI's

OEM's

- OEM's using power products to protect the equipment's from short circuit and overloads - such as Diesel Generator, Transformer, Compressors, Generator, Boilers etc
- *E.g. VA Tech Wabag, GEA Westfalia separators, Agri-Process Innovations, Praj Industries, Aquatech Systems, Xylem, Jakson Power etc.*

50 SI's

Design Firms & Consultants

- Technical consultants who are major influencers of the brand and features/ specifications of the switchgear products including power products across various industrial, commercial, infrastructure projects.
- *E.g. AECOM, Arup India, Hatch India, Jacobs Engineering Group, GHD Group India, Engineers India Ltd. (EIL), Cyient, Tata Consulting etc.*

30 SI's

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Sample Coverage for Each Persona

Why Discrete Choice Modelling?

Choice modelling is a based on experimental design to gather insights on decision-making by presenting respondents with repeated choice sets and alternatives

Key Benefits of DCM

Understanding Preferences
Quantifies the importance of various attributes (e.g., price, quality, features) influencing choices.

Utility Estimation
Assigns measurable values to alternatives using statistical models (e.g., multinomial/mixed logit).

Trade-Off Analysis
Reveals how individuals balance or compromise between competing attributes (e.g., cost vs. quality).

Predicting Behavior
Estimates the probability of respondents choosing specific alternatives in different scenarios

Product Design
Informs optimal combinations of features to maximize appeal or adoption

Playback on how we arrived at Willingness to Pay?

The choice modelling analysis is **based on an experimental design with 16 product profiles** generated from three variables:

1. **Size (2 levels)**
2. **Advanced Feature (8 levels)**
3. **Price**

- The combination of Size and Advanced Feature yields 16 unique profiles (2 × 8), with Price varying across each profile.
- Data was collected on all 16 profiles to evaluate consumer preferences.

Two Statistical models we designed to analyze the customer preference:

1. Discrete Choice Model (DCM) that uses logistic regression to analyze consumer preferences from choice data
2. Bayesian Choice Model adopts a probabilistic approach to model consumer choices, incorporating uncertainty via 95% credible intervals.

Input

- The **DCM** estimates utility coefficients deterministically.
- While the **Bayesian model** incorporates uncertainty, producing outputs like utilities with credible intervals and willingness-to-pay (WTP).

Simulator

- The simulator, built on the DCM logistic regression model, predicts market shares for product profiles under price scenarios (e.g., baseline, ±5% price changes, custom prices etc.).
- It computes choice probabilities using the fitted model

Output

02 Executive Summary

Key Insights and Next Steps

Profile Description

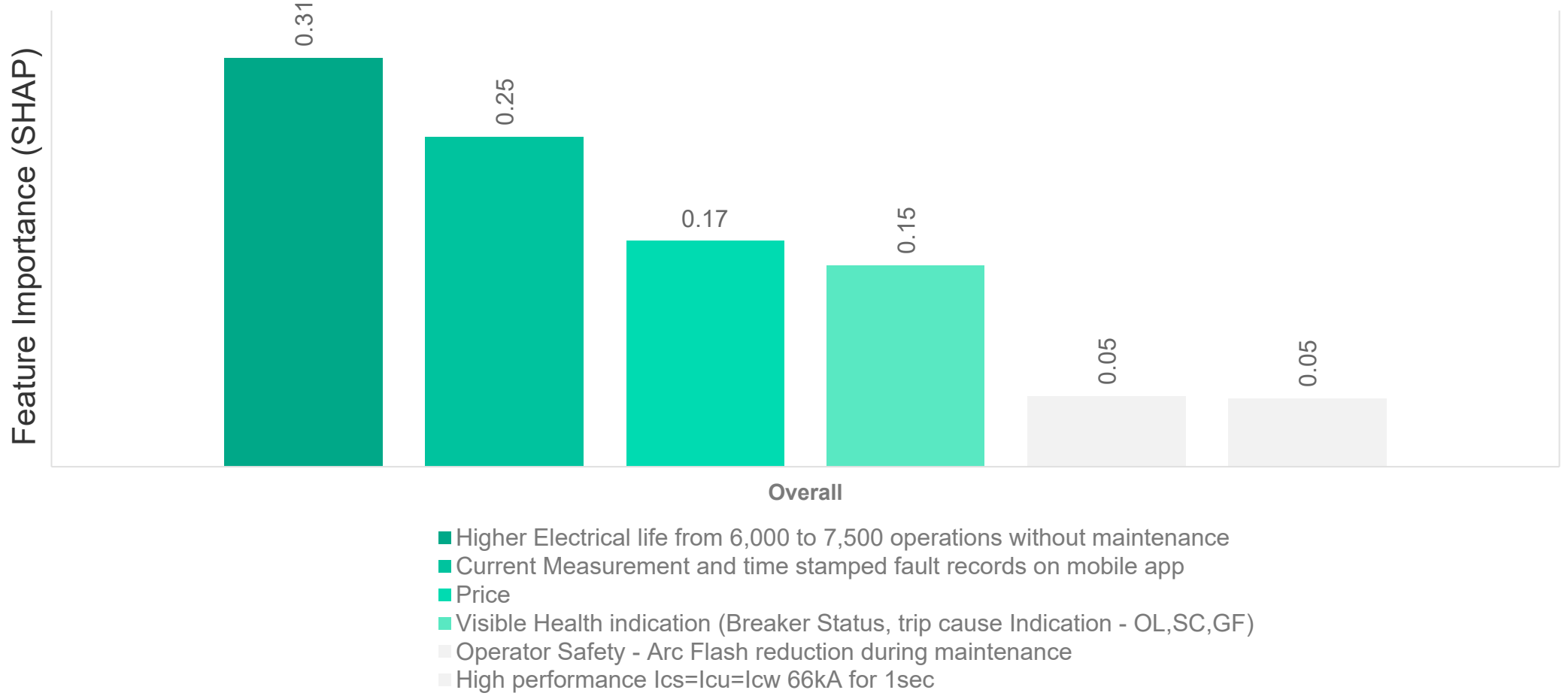
Profile Choice Sets

Profile no.	Size Performance	Advanced Features	Baseline Price
Profile 1	High performance Ics=Icu=Icw 66kA for 1sec	Higher Electrical life from 6,000 to 7,500 operations without maintenance	112200
Profile 2	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	Higher Electrical life from 6,000 to 7,500 operations without maintenance	112500
Profile 3	High performance Ics=Icu=Icw 66kA for 1sec	Visible Health indication (Breaker Status, trip cause Indication - OL,SC,GF)	112500
Profile 4	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	Visible Health indication (Breaker Status, trip cause Indication - OL,SC,GF)	112800
Profile 5	High performance Ics=Icu=Icw 66kA for 1sec	Scalable connectivity at breaker level- Basic Modbus (Breaker Status, contorl, terminal temp alarm)	115600
Profile 6	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	Scalable connectivity at breaker level- Basic Modbus (Breaker Status, contorl, terminal temp alarm)	115900
Profile 7	High performance Ics=Icu=Icw 66kA for 1sec	Current Measurement and time stamped fault records on mobile app	112500
Profile 8	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	Current Measurement and time stamped fault records on mobile app	112800
Profile 9	High performance Ics=Icu=Icw 66kA for 1sec	Access trip unit data during tripping events without supply	112200
Profile 10	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	Access trip unit data during tripping events without supply	112500
Profile 11	High performance Ics=Icu=Icw 66kA for 1sec	Scalable connectivity at breaker level- Modbus Ethernet	112650
Profile 12	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	Scalable connectivity at breaker level- Modbus Ethernet	112950
Profile 13	High performance Ics=Icu=Icw 66kA for 1sec	Operator Safety - Arc Flash reduction during maintenance	112850
Profile 14	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	Operator Safety - Arc Flash reduction during maintenance	113150
Profile 15	High performance Ics=Icu=Icw 66kA for 1sec	Terminal Temperature threshold monitoring	116350
Profile 16	Compact Frame size 1600A Icu=66kA, Icw 50kA for 1sec	Terminal Temperature threshold monitoring	116650

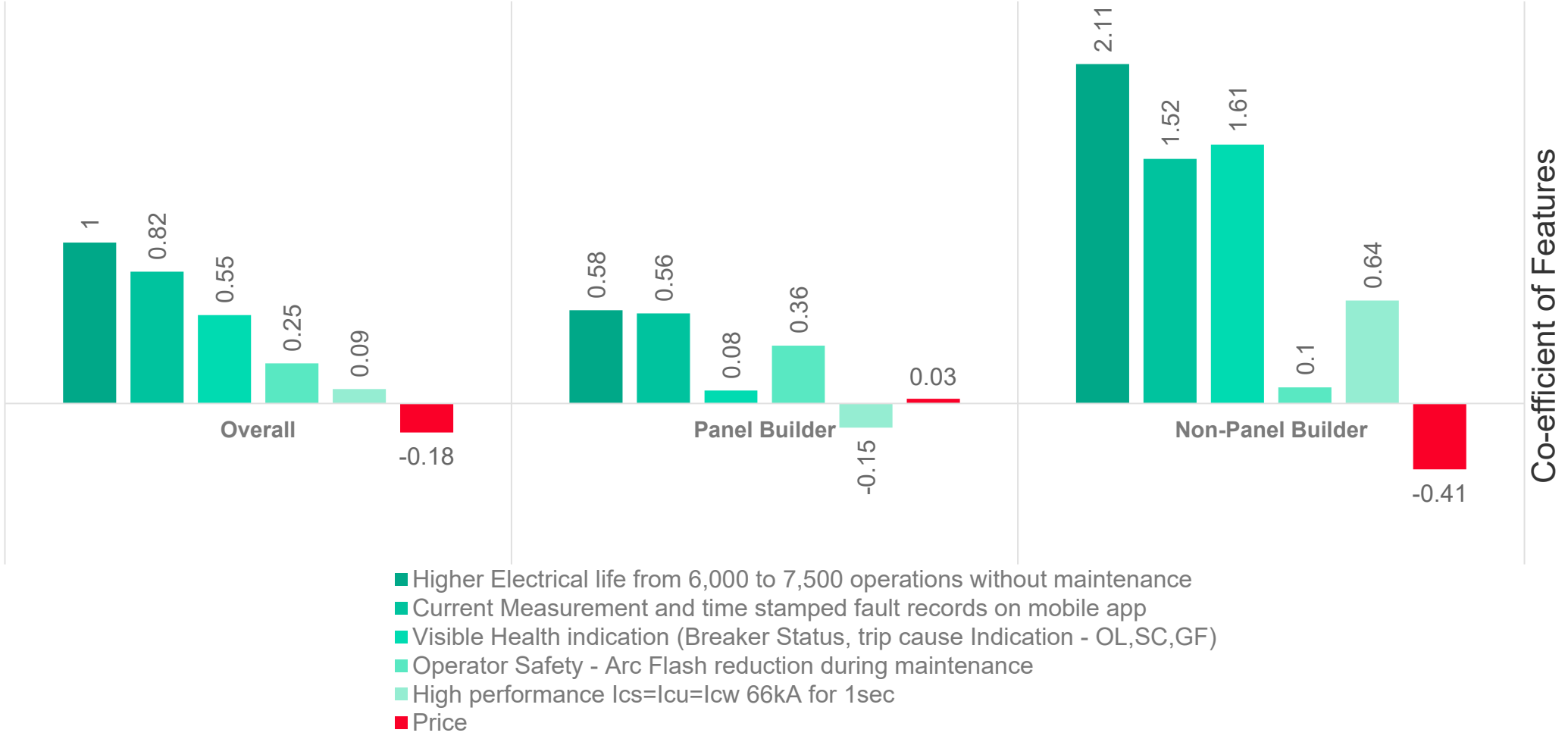
* All profiles were equally exposed

Utility Impact on Choice Prediction

Features average contribution to the model's prediction in comparison to other features depicts more than 85% impact coming from 4 features only i.e. "higher electrical life", "current measurement and time stamped fault records", "price" and "visible health indication"



If price is considered around Baseline, Panel Builders are less concerned with minor price variation and higher importance is given to features like “higher electrical life”; Non-Panel Builders are more sensitive to price variation and are more likely to choose alternate profile if offered

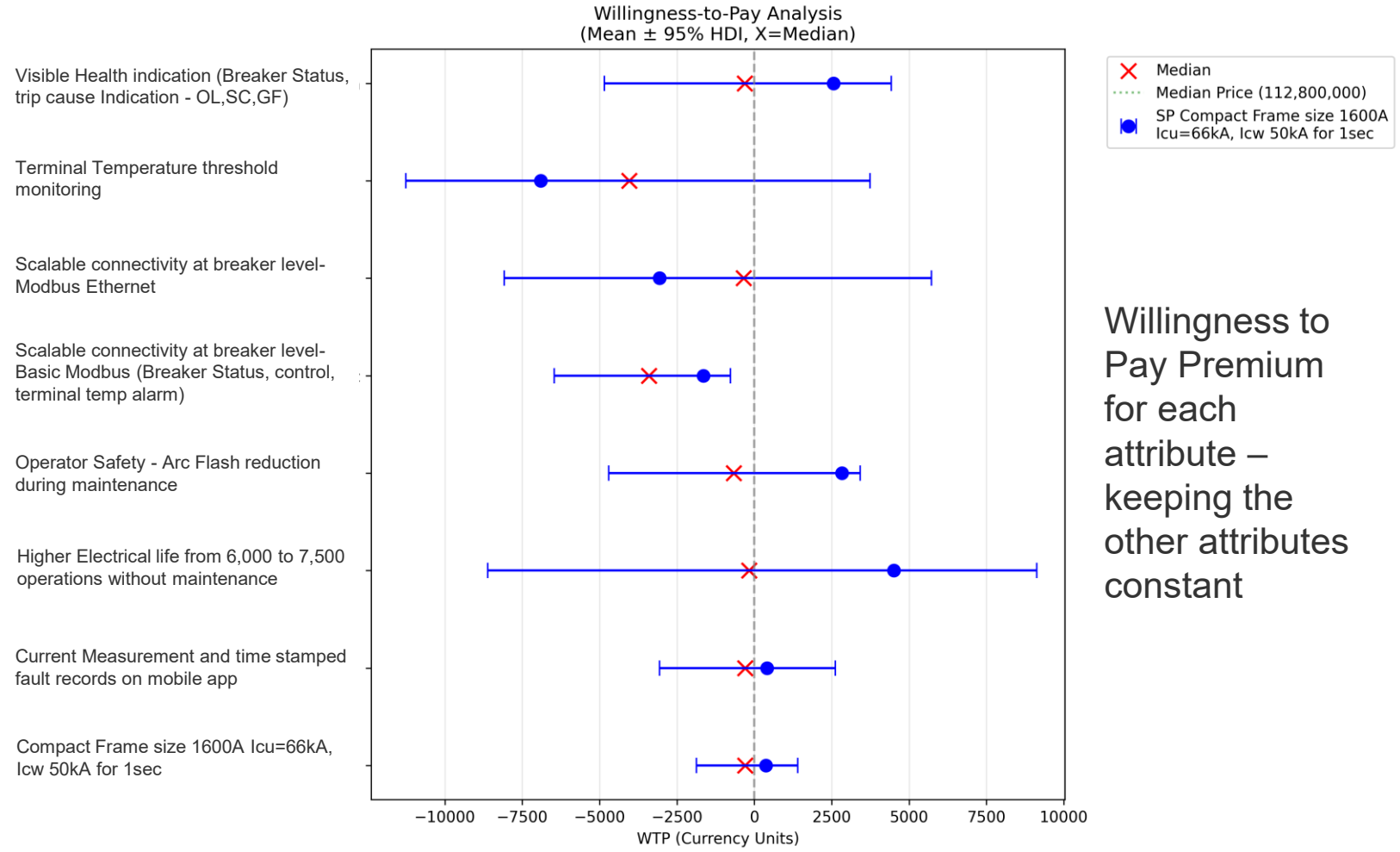


Further through Bayesian model analysis, superimposing the Mean value indicating higher willingness to pay premium for “Higher Electrical Life” feature followed by “Operator Safety” and “Visible Health Indicator”

“Higher Electrical Life”, “Operator Safety” and “Visible Health Indicator” shall cumulatively allow SE to charge a premium of approximately **10K** from the baseline price

Features with Mean in “Negative” and away from Median are less likely to be considered by consumers (potentially detrimental compared to baseline), thus less values.

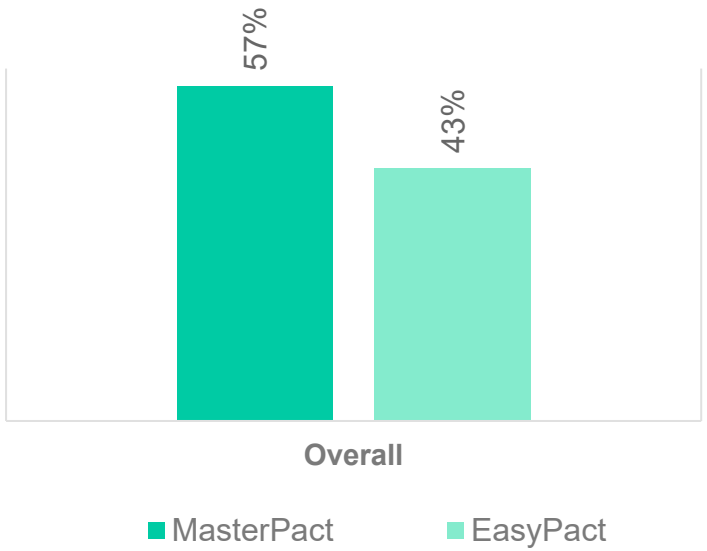
Features with Mean near “Zero” but “Positive” i.e. **“Current Measurement”, “Compact Frame Size”** are good to have for consumers (potentially considered as basic features)



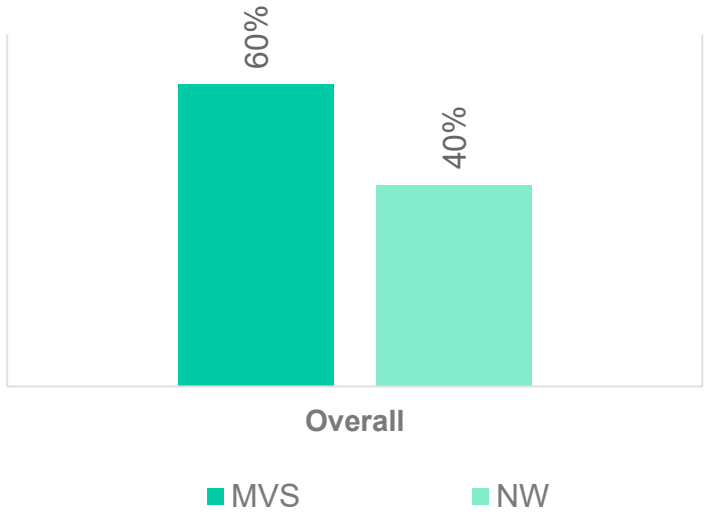
Willingness to Pay Premium for each attribute – keeping the other attributes constant

Which Brand to go for to improve relevance?

Most recalled Brand X Product across personas for Schneider ACB



Top of Mind Product Range for Schneiders Air Circuit Breakers



Top of Mind Product Series for Schneiders Air Circuit Breakers

What have we learned so far……

Key Interpretation so far:

1. Electrical Life is the most important feature and users are ready to pay premium of ~4% or INR 4,800
2. Current Measurement is important but it is seen as a “must have” feature
3. Visible Health Indicator and Operator Safety are other advanced features for which users are ready to pay premium
4. “High Performance” is more important than “Compact Frame Size”

This leads us to 4 “Advanced Feature Combination”** which can yield premium price:

1. Electrical Life + Visible Health Indicator
2. Electrical Life + Operator Safety
3. Operator Safety + Visible Health Indicator
4. Electrical Life + Visible Health Indicator + Operator Safety

Multiple price scenarios can be executed for these 4 identified Feature Combination using simulator…. We have showcased the few indicative scenarios in the next section……

** Keeping High Performance and Other advanced features constant

…..Next Steps

- Kantar will set-up a separate call with SE team to explain and discuss the usability of the data and working on the simulator

- After the session, Kantar will hand over the simulator to the SE team to experiment with the data and take a informed decision on –
  - ACB product features it needs to introduce – factoring in the feature combination & real world market scenario
  - Optimal price point which will yield maximum share for the selected feature combination
  - Extent of cannibalization

03 Indicative Pricing Scenarios: For Reference

Building Scenarios for “Price Premium” for feature combination (1/2)

….the SE team can experiment with the price points to create combinations

Scenario 1**

Price Premium for combination of A+B	High Electrical Life (A)	Visible Health Indicator (B)	Operator Safety (C)	Premium Price (A+B)	Cumulative Share of Preference (A+B)
Price Tweak*	Base Price + 2.2%	Base Price + 1.1%	Base Price	INR 3706	34%***

Premium of INR 3706 can be charged for A+B feature combination which will yield a maximum share of preference.

Scenario 2**

Price Premium for combination of A+C	High Electrical Life (A)	Visible Health Indicator (B)	Operator Safety (C)	Premium Price (A+C)	Cumulative Share of Preference (A+C)
Price Tweak*	Base Price + 1%	Base Price	Base Price + 0%	INR 1122	35%***

Feature combination of A+C although gives a higher share of preference, but do not allow a higher price premium. Indicating that this combination might not be attractive

*Price tweaks are assumed considering the mean premium price for individual features from Bayesian Model
** Keeping High Performance and Other advanced features constant
*** Share of Preference has been derived among 8 Profiles

Building Scenarios for “Price Premium” for feature combination (2/2)

….the SE team can experiment with the price points to create combinations

Scenario 3**

Price Premium for combination of B+C	High Electrical Life (A)	Visible Health Indicator (B)	Operator Safety (C)	Premium Price (B+C)	Cumulative Share of Preference (B+C)
Price Tweak*	Base Price	Base Price + 0.8%	Base Price + 0.2%	INR 1126	33%***

Similar to Scenario 2, combination of B+C also do not allow to charge a high price premium.

Scenario 4**

Price Premium for combination of A+B+C	High Electrical Life (A)	Visible Health Indicator (B)	Operator Safety (C)	Premium Price (A+B+C)	Cumulative Share of Preference (A+B+C)
Price Tweak*	Base Price + 4%	Base Price + 2.9%	Base Price + 1.8%	INR 9782	47%***

Incorporating all key features (A+B+C) together shall allow charging maximum premium of INR 9782 while maintaining the maximum share of preference of 47%, equally contributed by the three features

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*Price tweaks are assumed considering the mean premium price for individual features from Bayesian Model
** Keeping High Performance and Other advanced features constant
*** Share of Preference has been derived among 8 Profiles

04 Annexure

Thank you