Slide Scripts: Schneider Electric ACB Willingness to Pay

Discrete Choice Model Findings

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Utility Impact on Choice Prediction

Welcome to our analysis of the discrete choice models used in this study. On this slide, we explore how different features influence customer preferences for Schneider Electrics Air Circuit Breakers. Using a discrete choice model, we assessed the utility impact of various product attributes on purchase decisions. This model helps us predict which features drive customer choices and quantify their relative importance. The bar graph on this slide illustrates the utility scores for each feature, showing how they contribute to preference. Stay tuned as we dive into the specific findings in the next slides.

Price Sensitivity Across Personas

Here, we highlight key findings from our discrete choice model regarding price sensitivity. For Panel Builders, the model shows they are less sensitive to minor price variations, prioritizing features like higher electrical life over cost. In contrast, Non-Panel Builders, including OEMs and Design Firms, are more price-sensitive and likely to switch to alternative profiles if offered. This insight suggests that pricing strategies should be tailored by persona, balancing feature benefits with cost considerations to maximize preference and market share.

Bayesian Model Analysis Willingness to Pay

Our Bayesian model analysis provides deeper insights into customer willingness to pay for advanced features. The results indicate a strong preference for the Higher Electrical Life feature, with customers willing to pay a premium for it, followed closely by Operator Safety and Visible Health Indicator. These features stand out as key drivers of value in the discrete choice model. By superimposing mean utility values, we can quantify the premium customers are ready to pay, guiding Schneider Electrics pricing and product development strategies.

Key Interpretations from Discrete Choice Models

Lets summarize the key findings from our discrete choice models. First, Electrical Life is the most valued feature, with customers willing to pay a premium of approximately 4% or INR 4,800. Second, Current Measurement is seen as a must-have feature, essential but not a differentiator. Third, Visible Health Indicator and Operator Safety also command a premium, reflecting their importance. Finally, High Performance outweighs Compact Frame Size in driving choice. These insights enable Schneider Electric to prioritize features and optimize pricing strategies using our simulator, as well explore in the next section.

Pricing Scenario for A+B Combination

Moving to our pricing scenarios, this slide focuses on the combination of features A and B, derived from our discrete choice model simulations. The model suggests that a strategic price tweak for this feature combination can maximize share of preference. By offering the right balance of these advanced features at an optimized price point, Schneider Electric can enhance customer appeal and market competitiveness. This scenario demonstrates how data-driven pricing can align with customer preferences identified in our analysis.

Pricing Scenario for B+C Combination

Similar to the previous scenario, this slide examines the B+C feature combination. Our discrete choice model indicates that this combination does not support a high price premium. Customers show limited willingness to pay more for these features together, suggesting a more conservative pricing strategy. This finding underscores the importance of aligning feature bundles with customer value perceptions to avoid overpricing and maintain market share. Schneider Electric can use these insights to refine its product offerings.