Conjoint Analysis

Before we get into the details of what Conjoint analysis is, we will first set the frame or business case for performing Conjoint analysis.

Conjoint analysis is application of regression technique mostly used in marketing for measuring the significance of any attribute and of that which attribute value (level) is very significant.

Please note that this not like any dimension reduction technique like (PCA[Principle Component Analysis] or Factory Anaysis). This is technique is used for analysis and also in prediction but it is not based on machine learning or datamining. Also, this is based on supervised model.

For example, Ram is Senior Data Analyst and also a product catalog manager for one of the major Multiband Auto Dealer in India, AutoSights. Ram is holding entire database of car catalog and also information such as how many of such models have been sold, what is the user rating of each car for a specific model, etc.

One Major European car Auto company (Let us assume it as SUBARU) which is looking for a opportunity to enter Indian market. As part of its one of it market research, SUBARU Approached AutoSights to perform market study and identify top 5 healthy segments which are untapped by other players, so that It can focus it’s product line up accordingly.

There is some significant difference between Conjoint Analysis and Other Analysis which used to measure Significance of variables, like ANOVA, MANOVA, A**N**COVA, MA**N**COVA, which we will discuss towards the end of the article. Again, going back to the example.