

Pricing Evaluator™ – Van Westendorp

Solution Overview

Determining price for a new product or service is one of the most nerve-wracking points in the launch process—particularly, if you’re entering a new market where you don’t have a clear idea of how much to charge. This is the perfect time for our Van Westendorp analysis.

The Van Westendorp analysis is a tool in our Pricing Evaluator™ suite that helps establish pricing for new products where there isn’t a clear benchmark available. The deliverable provides an acceptable price range for consumers and several price points of interest, including the preferred price point.

Common Research Objectives

- Establish a starting point for pricing when pricing benchmarks do not exist.
- Identify price points where consumer interest in the product begins to fall off.
- Determine how much consumers would be willing to pay for a new product or significant product upgrade.
- Understand different audiences’ perceptions of price.

How It Works



You provide concept(s)



Align on target audience(s)



Respondents answer key pricing questions



We plot out responses & analyze results

Key Report Deliverables

HEAT MAPS

DETAILED FINDINGS: HEAT MAP (n=234), LIKES
Respondents reacted most positively to the combination of low calories and high protein content.

SUBGROUP SNAPSHOT

DETAILED FINDINGS: SUBGROUPS WITHIN ACCEPTABLE PRICE RANGE
Within the acceptable price range, Purchase Intent and the average price at which respondents consider the Smart Scale a good value are highest among those engaged in fitness tracking conveying higher interest.

Subgroup	Average Price
50 to 64 yrs. (n=117)	\$51
Females (n=218)	\$56.60
18 to 49 yrs. (n=88)	\$73.00
Top Box Pl. (n=48)	\$51.00
FIRST-Owner (n=10)	\$89.50
Males (n=10)	\$51.00
Fitness App Users (n=36)	\$51.00

PRICE SENSITIVITY

KEY FINDINGS: VAN WESTENDORP (n=500)
The acceptable price range for the Smart Scale is \$51.00 to \$89.50.

Point of Marginal Cheapness	Preferred Price Point	Indifference Price Point	Point of Marginal Expensiveness
\$51.00	\$56.60	\$73.00	\$89.50

Below \$51, interest toward the product would be due to a perception of low quality, while above \$89.50, the product would be too expensive for most people to consider it.

Within the acceptable price range, \$73 is the perceived normal price in the market, so at this price, consumers would neither be drawn toward nor turned away from the product.

Marketing the product around \$56.50 would achieve the largest reach, as it is the price point at which most respondents think the price is acceptable.

GutCheck Van Westendorp Points of Difference

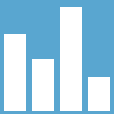
Trusted Methodology: We built upon the framework founded by Dutch economist Peter Van Westendorp to develop an enhanced study for market research.

Focused on Pricing: While many vendors ask pricing as one question or component of a study, our framework is structured around pricing as the key question to identify areas that affect product value and purchase behaviors.

Speed & Affordability: We optimized this method using automation and agile processes to deliver our actionable report up to 3x faster and more affordably than other pricing studies.

Methodology

Van Westendorp Monadic Quantitative



The Van Westendorp analysis is based on four open-ended questions in which respondents report price points ranging from so inexpensive that they would doubt the product's quality to too expensive for them to consider buying it.

Audience

Starts at 200 views per concept or audience



Targeted through demographic and behavioral screening questions; can also recruit a gen pop audience

Currently available in USA, CAN, UK, AUS, and NZL, please inquire about other countries as we're doing a tiered rollout

Study Design & Activities



Van Westendorp price sensitivity analysis

Heat maps

Purchase intent

Up to 3 additional questions which can include awareness, retailers, usage, improvements, product substitutions, etc.

Timeline Parameters

6-8 Days from recruit to report



May require additional days for in-field for difficult-to-reach audiences