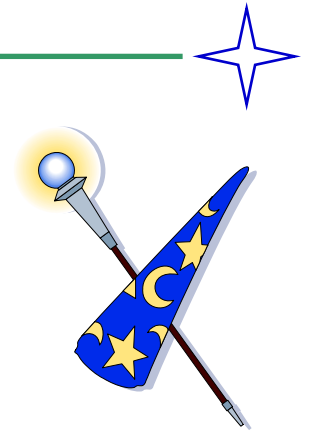

Discrete-Choice Wizards

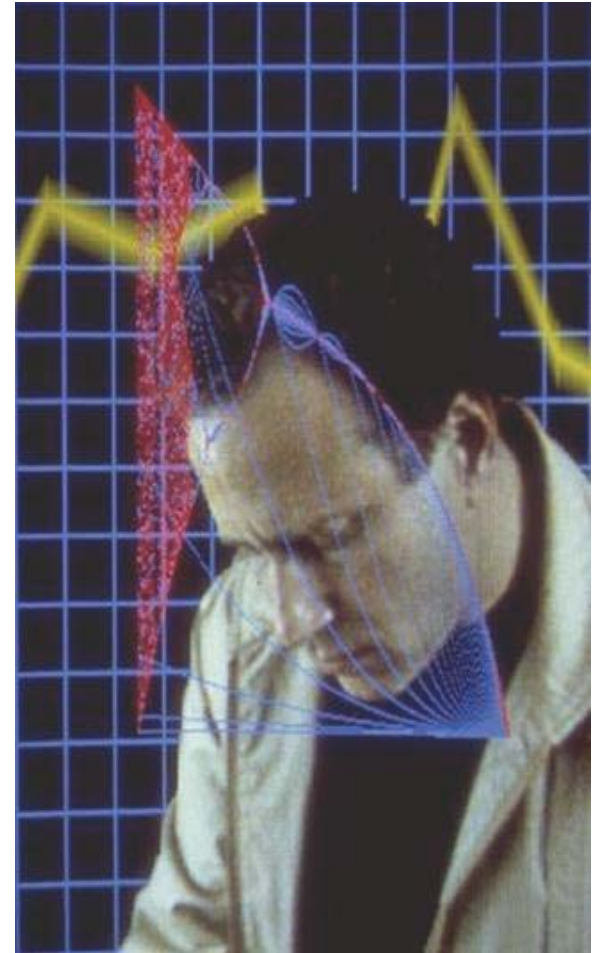


Microsoft Excel add-ins that facilitate discrete-choice projects

What Are StatWizards[®]?

Quantitative tools
for solving
critical business
problems.

For example ...





Let's Take Some Common Business Questions

1. What features should we include in our products?
 2. Given present and future competition, how should we price our products?
 3. Should we re-brand our product?
 4. Do our customers fall into segments based on differing needs from our products?
 5. What penetration rates should we expect?
-

1. What features should we include?

- Alternative form factors
- Re-branding
- Styling
- Functional options
- Bundling options
- Payment plans
- Advertising messages
- Rebate programs

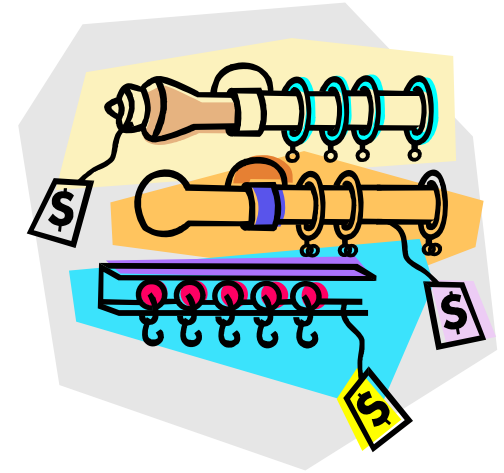
We can include anything that affects the customer's choice:

- To buy your product vs. a competitor's product
- To buy any product at all
- To buy now or later



2. What price should we set?

- What price would maximize revenues?
- What price would maximize profits?
- Should we price to gain market share?
- Which of these strategies should we follow?



3. Should we re-brand?

- How much is our brand worth?
- What are customers willing to pay for competing brands?
- Does this vary by feature set or customer group?



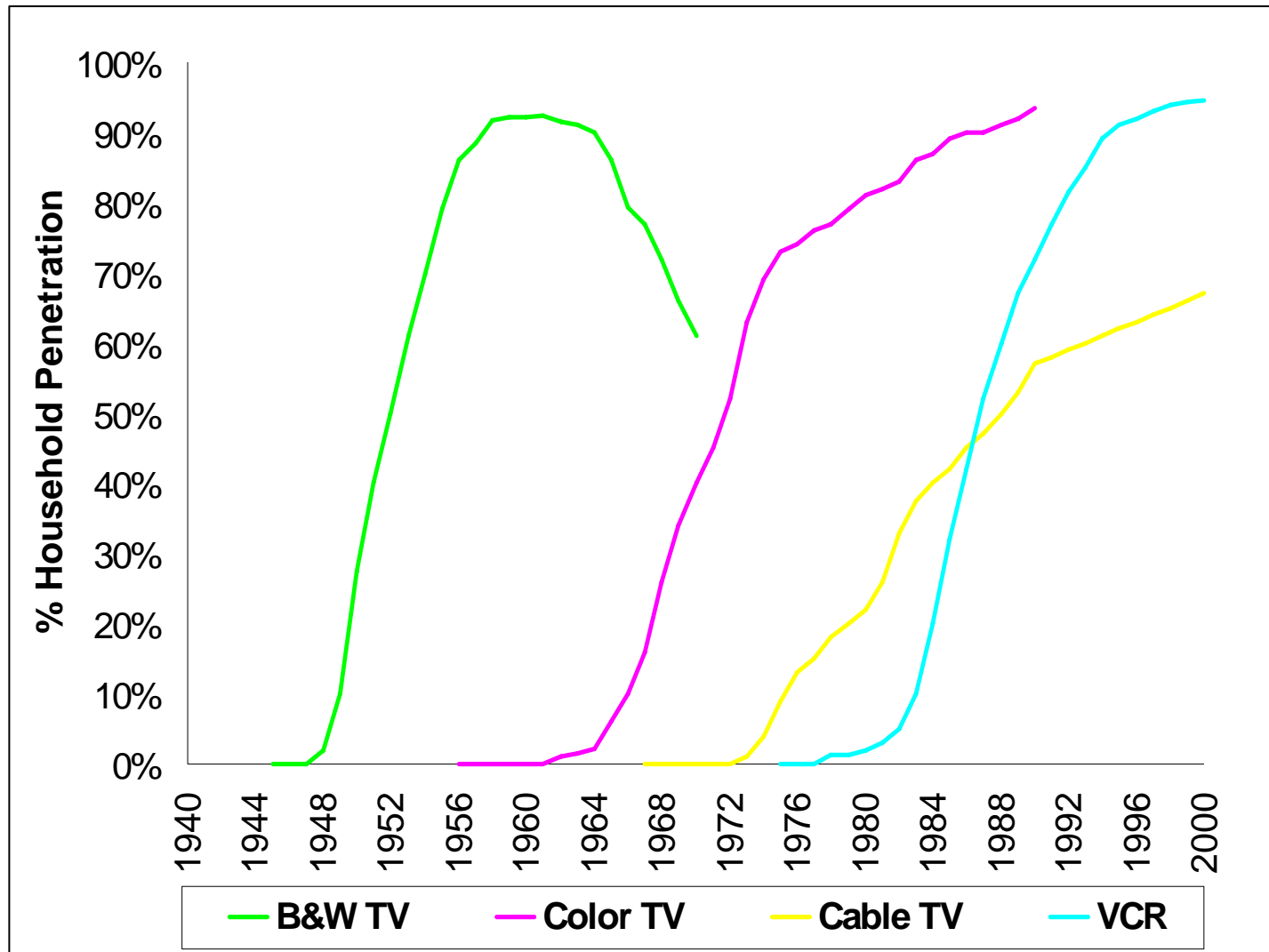
4. Do Customers Fall into Segments?



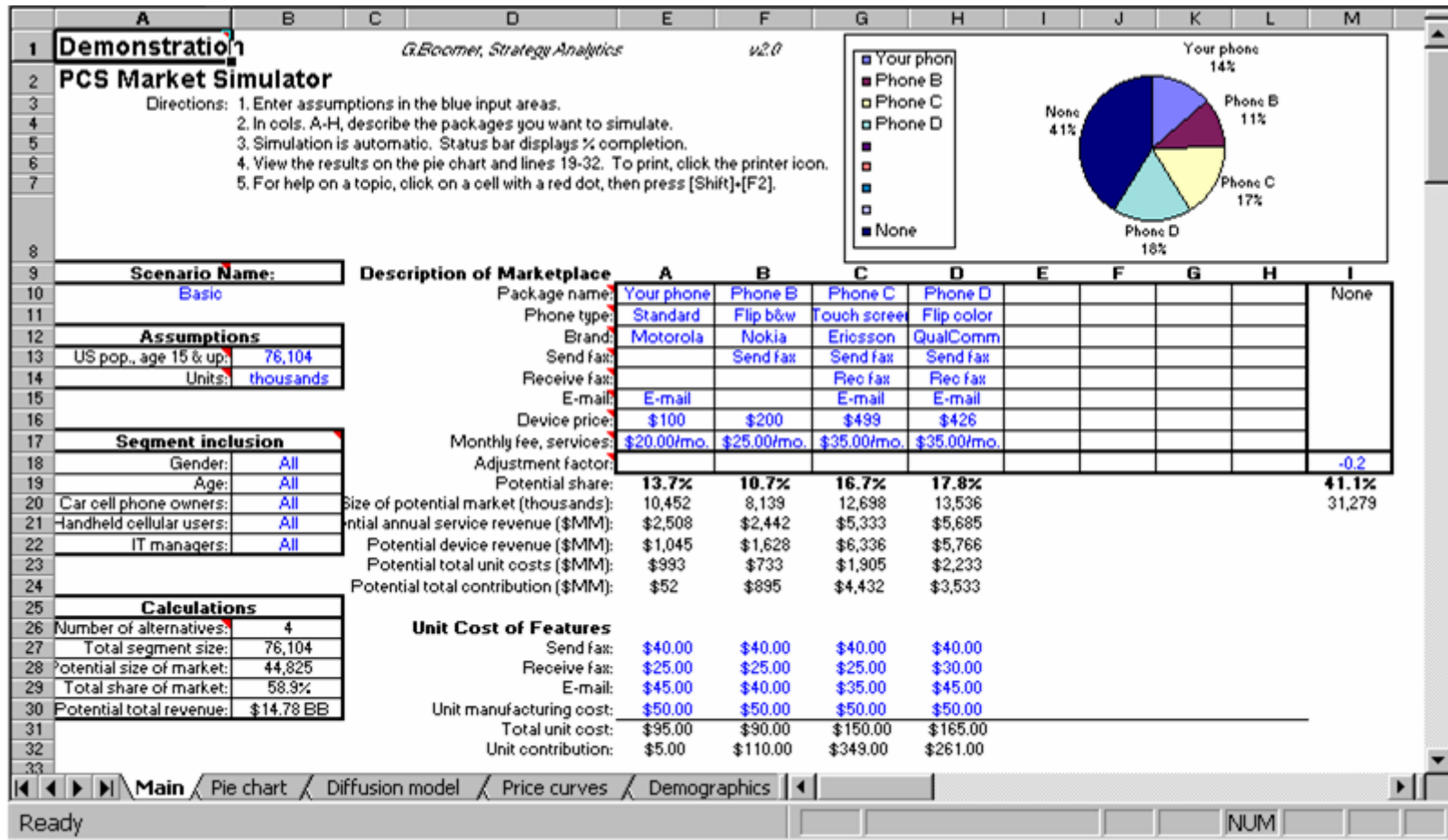
- Do different groups want different things from our products?
- Do our customers fall into segments with different price sensitivities and purchase behavior?
- Do different advertising messages resonate with different types of people?
- Would designing new products for different segments cannibalize existing products?



5. What Penetration Rates Should We Expect?



An Excel Market Simulator Provides Solutions to These Questions



Solution 1: Feature Evaluation



The impact of adding fax reception to Phone A...

| | C | D | E | F | G | H |
|----|----------------------------|--|-------------|-------------|--------------|-------------|
| | Description of Marketplace | | A | B | C | D |
| 9 | | | | | | |
| 10 | | Package name: | Phone A | Phone B | Phone C | Phone D |
| 11 | | Phone type: | Standard | Flip b&w | Touch screen | Flip color |
| 12 | | Brand: | Motorola | Nokia | Ericsson | QualComm |
| 13 | | Send fax: | | Send fax | Send fax | |
| 14 | | Receive fax: | | | Rec fax | Rec fax |
| 15 | | E-mail: | E-mail | | E-mail | |
| 16 | | Device price: | \$100 | \$200 | \$499 | \$426 |
| 17 | | Monthly fee, services: | \$20.00/mo. | \$25.00/mo. | \$35.00/mo. | \$35.00/mo. |
| 18 | | Adjustment factor: | | | | |
| 19 | | Potential share: | 15.0% | 11.7% | 18.3% | 9.9% |
| 20 | | Size of potential market (thousands): | 11,447 | 8,923 | 13,941 | 7,571 |
| 21 | | Potential annual service revenue (\$MM): | \$2,747 | \$2,677 | \$5,855 | \$3,180 |
| 22 | | Potential device revenue (\$MM): | \$1,145 | \$1,785 | \$6,957 | \$3,225 |
| 23 | | Potential total unit costs (\$MM): | \$916 | \$803 | \$2,091 | \$606 |
| 24 | | Potential total contribution (\$MM): | \$229 | \$981 | \$4,865 | \$2,619 |
| 25 | | | | | | |
| 26 | | Unit Cost of Features | | | | |
| 27 | | Send fax: | \$40.00 | \$40.00 | \$40.00 | \$40.00 |
| 28 | | Receive fax: | \$25.00 | \$25.00 | \$25.00 | \$30.00 |
| 29 | | E-mail: | \$30.00 | \$40.00 | \$35.00 | \$45.00 |
| 30 | | Unit manufacturing cost: | \$50.00 | \$50.00 | \$50.00 | \$50.00 |
| 31 | | Total unit cost: | \$80.00 | \$90.00 | \$150.00 | \$80.00 |
| 32 | | Unit contribution: | \$20.00 | \$110.00 | \$349.00 | \$346.00 |

Navigation: Main / Pie chart / Diffusion model / Price curves / Demographics

Solution 1: Feature Evaluation



The impact of adding fax reception to Phone A...

| | C | D | E | F | G | H |
|----|---|--|-------------|-------------|--------------|-------------|
| | | Description of Marketplace | A | B | C | D |
| 9 | | Package name: | Phone A | Phone B | Phone C | Phone D |
| 10 | | Phone type: | Standard | Flip b&w | Touch screen | Flip color |
| 11 | | Brand: | Motorola | Nokia | Ericsson | QualComm |
| 12 | | Send fax: | | Send fax | Send fax | |
| 13 | | Receive fax: | Rec fax | | Rec fax | Rec fax |
| 14 | | E-mail: | E-mail | | E-mail | |
| 15 | | Device price: | \$100 | \$200 | \$499 | \$426 |
| 16 | | Monthly fee, services: | \$20.00/mo. | \$25.00/mo. | \$35.00/mo. | \$35.00/mo. |
| 17 | | Adjustment factor: | | | | |
| 18 | | Potential share: | 17.3% | 11.4% | 17.8% | 9.7% |
| 19 | | Size of potential market (thousands): | 13,193 | 8,681 | 13,572 | 7,367 |
| 20 | | Potential annual service revenue (\$MM): | \$3,166 | \$2,604 | \$5,700 | \$3,094 |
| 21 | | Potential device revenue (\$MM): | \$1,319 | \$1,736 | \$6,773 | \$3,138 |
| 22 | | Potential total unit costs (\$MM): | \$1,385 | \$781 | \$2,036 | \$589 |
| 23 | | Potential total contribution (\$MM): | (\$66) | \$955 | \$4,737 | \$2,549 |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | Unit Cost of Features | | | | |
| 27 | | Send fax: | \$40.00 | \$40.00 | \$40.00 | \$40.00 |
| 28 | | Receive fax: | \$25.00 | \$25.00 | \$25.00 | \$30.00 |
| 29 | | E-mail: | \$30.00 | \$40.00 | \$35.00 | \$45.00 |
| 30 | | Unit manufacturing cost: | \$50.00 | \$50.00 | \$50.00 | \$50.00 |
| 31 | | Total unit cost: | \$105.00 | \$90.00 | \$150.00 | \$80.00 |
| 32 | | Unit contribution: | (\$5.00) | \$110.00 | \$349.00 | \$346.00 |

... is to boost share but generate losses.

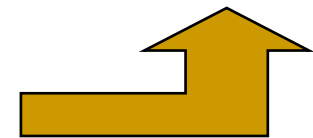
Solution 2: Pricing



Describe a competitive situation ...

| Description of Marketplace | A | B | C | D |
|----------------------------|-------------|-------------|--------------|-------------|
| Package name: | Phone A | Phone B | Phone C | Phone D |
| Phone type: | Standard | Flip b&w | Touch screen | Flip color |
| Brand: | Motorola | Nokia | Ericsson | QualComm |
| Send fax: | | Send fax | Send fax | Send fax |
| Receive fax: | | | Rec fax | Rec fax |
| E-mail: | E-mail | | E-mail | E-mail |
| Device price: | \$100 | \$200 | \$499 | \$426 |
| Monthly fee, services: | \$20.00/mo. | \$25.00/mo. | \$35.00/mo. | \$35.00/mo. |
| Adjustment factor: | | | | |
| Potential share: | 13.7% | 10.7% | 16.7% | 17.8% |

... and calculate potential market share

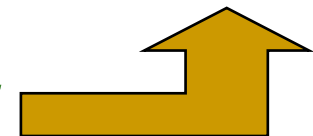


Solution 2: Pricing

Change an assumption ...

| Description of Marketplace | A | B | C | D |
|----------------------------|--------------|-------------|--------------|--------------|
| Package name: | Phone A | Phone B | Phone C | Phone D |
| Phone type: | Standard | Flip b&w | Touch screen | Flip color |
| Brand: | Motorola | Nokia | Ericsson | QualComm |
| Send fax: | | Send fax | Send fax | Send fax |
| Receive fax: | | | Rec fax | Rec fax |
| E-mail: | E-mail | | E-mail | E-mail |
| Device price: | \$100 | \$200 | \$499 | \$200 |
| Monthly fee, services: | \$20.00/mo. | \$25.00/mo. | \$35.00/mo. | \$35.00/mo. |
| Adjustment factor: | | | | |
| Potential share: | 11.6% | 9.1% | 14.3% | 30.2% |

... and immediately see the impact



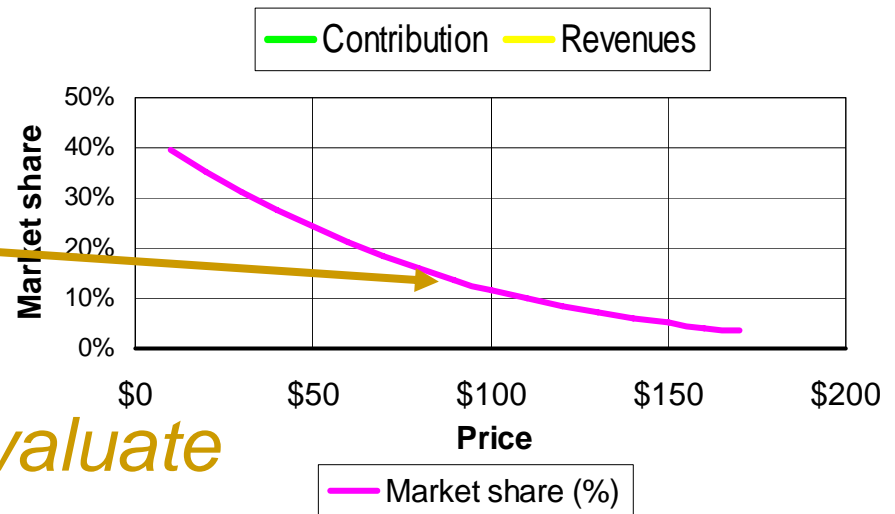
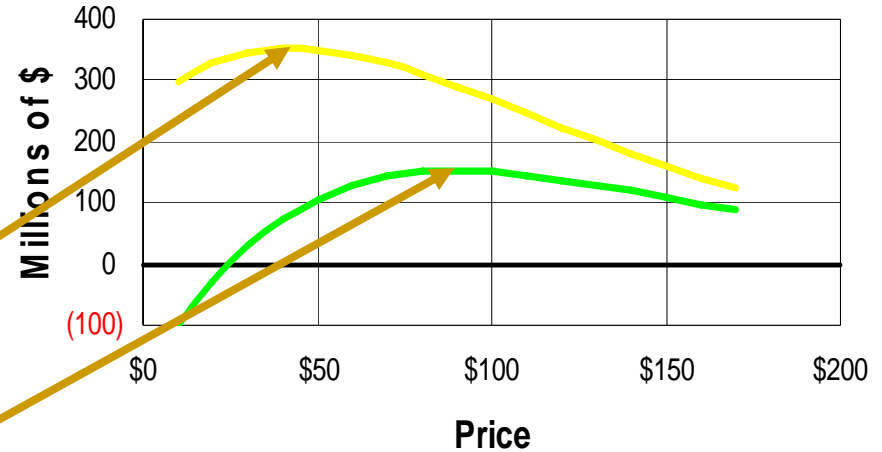


Solution 2: Pricing Strategy

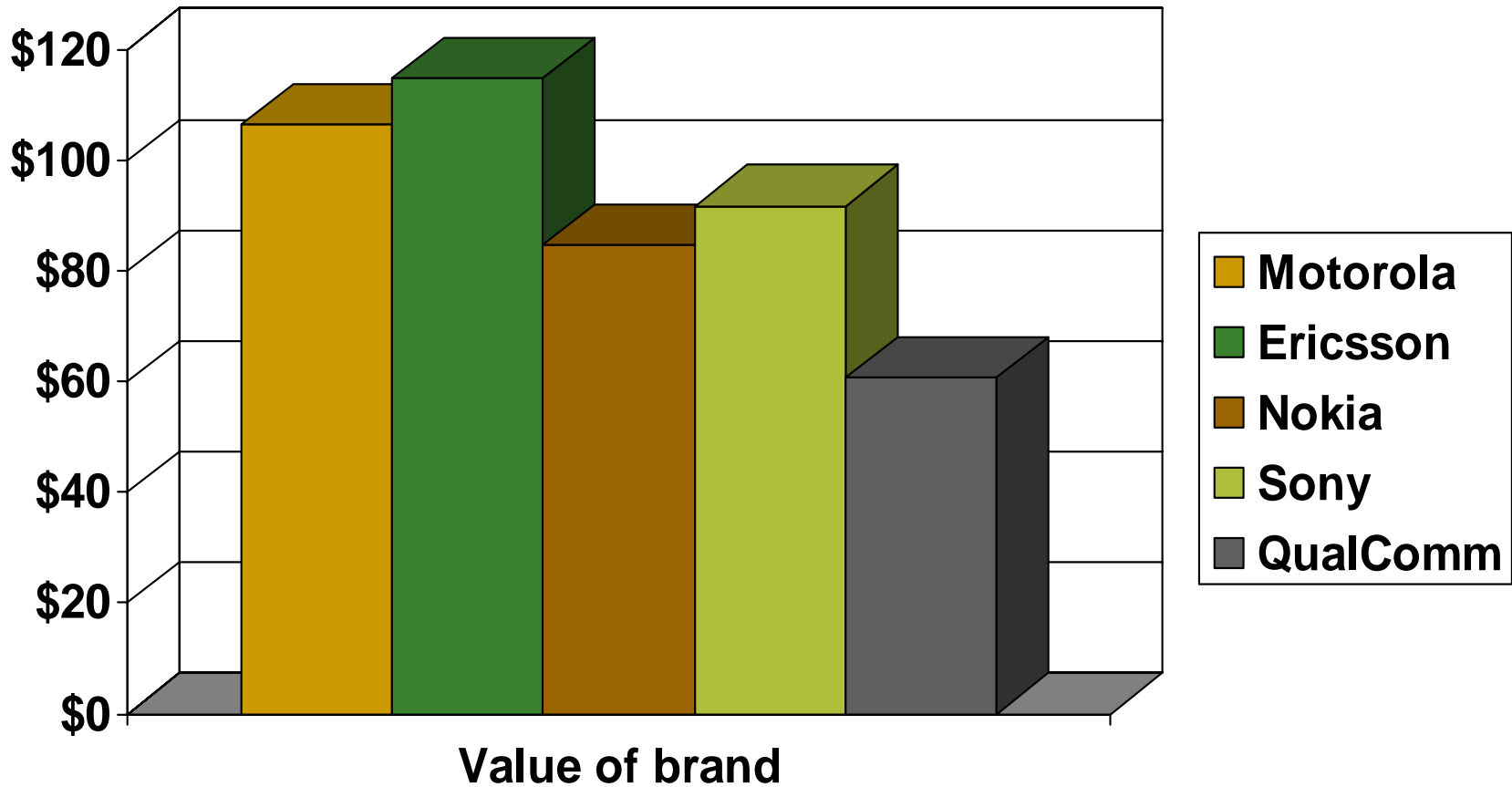
A built-in feature conducts price simulations, revealing that the price that maximizes revenues is not the same as that which maximizes profits.

Yet maximizing profits sacrifices market share.

The simulator helps you evaluate these strategic tradeoffs.



Solution 3: Measuring Brand Equity

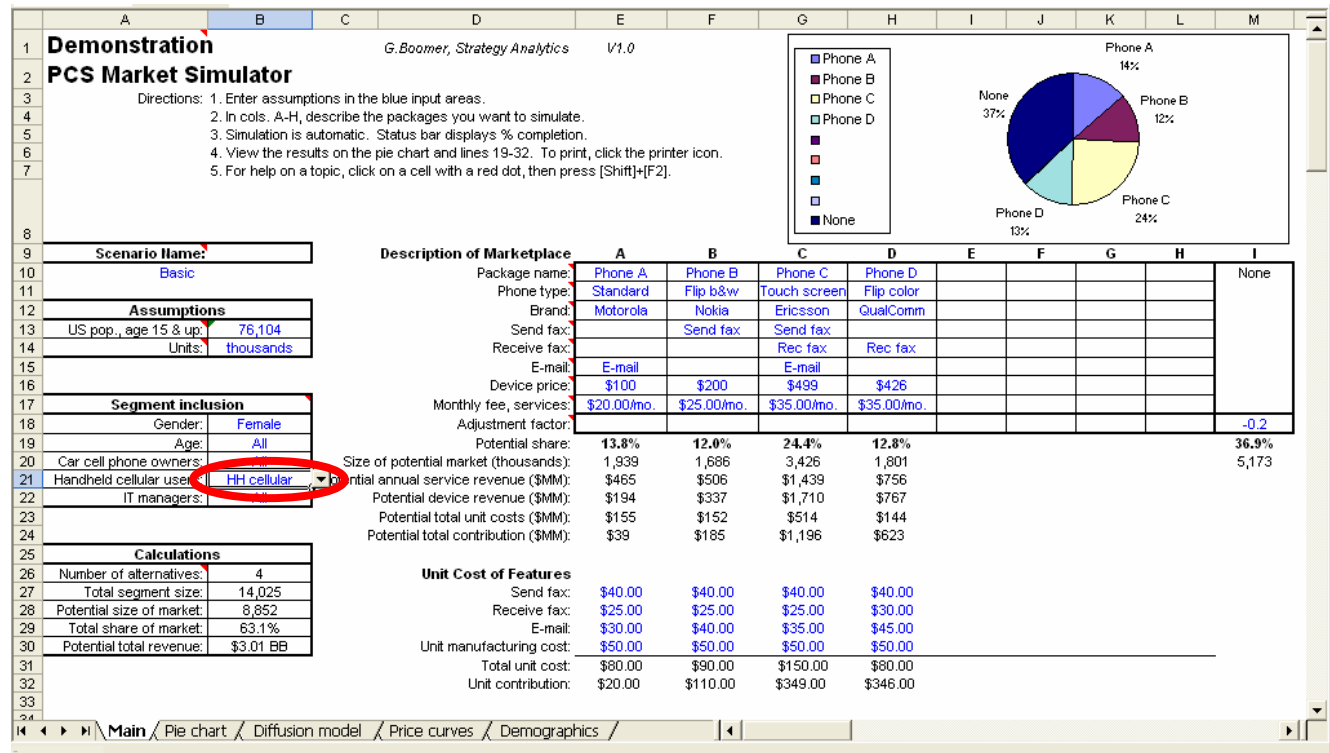


We can make similar charts for other attributes.

Solution 4: Identifying Market Segments

In building the model, we identified 5 segmentation variables.

The simulator lets us see



Solution 4: Identifying Market Segments



In building the model, we identified 5 segmentation variables.

The simulator lets us see how segment preferences differ.

Demonstration
PCS Market Simulator
G.Boomer, Strategy Analytics V1.0

Directions: 1. Enter assumptions in the blue input areas.
 2. In cols. A-H, describe the packages you want to simulate.
 3. Simulation is automatic. Status bar displays % completion.
 4. View the results on the pie chart and lines 19-32. To print, click the printer icon.
 5. For help on a topic, click on a cell with a red dot, then press [Shift]+[F2].

Scenario Name: Basic

Assumptions
 US pop., age 15 & up: 76,104
 Units: thousands

Segment inclusion
 Gender: Female
 Age: All
 Car cell phone owners: [red dot]
 Handheld cellular use: **No HH cellular** [red circle]
 IT managers: [red dot]

Calculations
 Number of alternatives: 4
 Total segment size: 25,335
 Potential size of market: 13,552
 Total share of market: 53.5%
 Potential total revenue: \$4.13 BB

Description of Marketplace

| | A | B | C | D | E | F | G | H | I |
|--|-------------|-------------|--------------|-------------|---|---|---|---|--------|
| Package name: | Phone A | Phone B | Phone C | Phone D | | | | | None |
| Phone type: | Standard | Flip b&w | Touch screen | Flip color | | | | | |
| Brand: | Motorola | Nokia | Ericsson | QualComm | | | | | |
| Send fax: | | Send fax | Send fax | | | | | | |
| Receive fax: | | | Rec fax | Rec fax | | | | | |
| E-mail: | E-mail | | E-mail | | | | | | |
| Device price: | \$100 | \$200 | \$499 | \$426 | | | | | |
| Monthly fee, services: | \$20.00/mo. | \$25.00/mo. | \$35.00/mo. | \$35.00/mo. | | | | | |
| Adjustment factor: | | | | | | | | | -0.2 |
| Potential share: | 15.4% | 11.9% | 16.6% | 9.6% | | | | | 46.5% |
| Size of potential market (thousands): | 3,907 | 3,006 | 4,203 | 2,435 | | | | | 11,783 |
| Potential annual service revenue (\$MM): | \$938 | \$902 | \$1,765 | \$1,023 | | | | | |
| Potential device revenue (\$MM): | \$391 | \$601 | \$2,097 | \$1,037 | | | | | |
| Potential total unit costs (\$MM): | \$313 | \$271 | \$630 | \$195 | | | | | |
| Potential total contribution (\$MM): | \$78 | \$331 | \$1,467 | \$843 | | | | | |

Unit Cost of Features

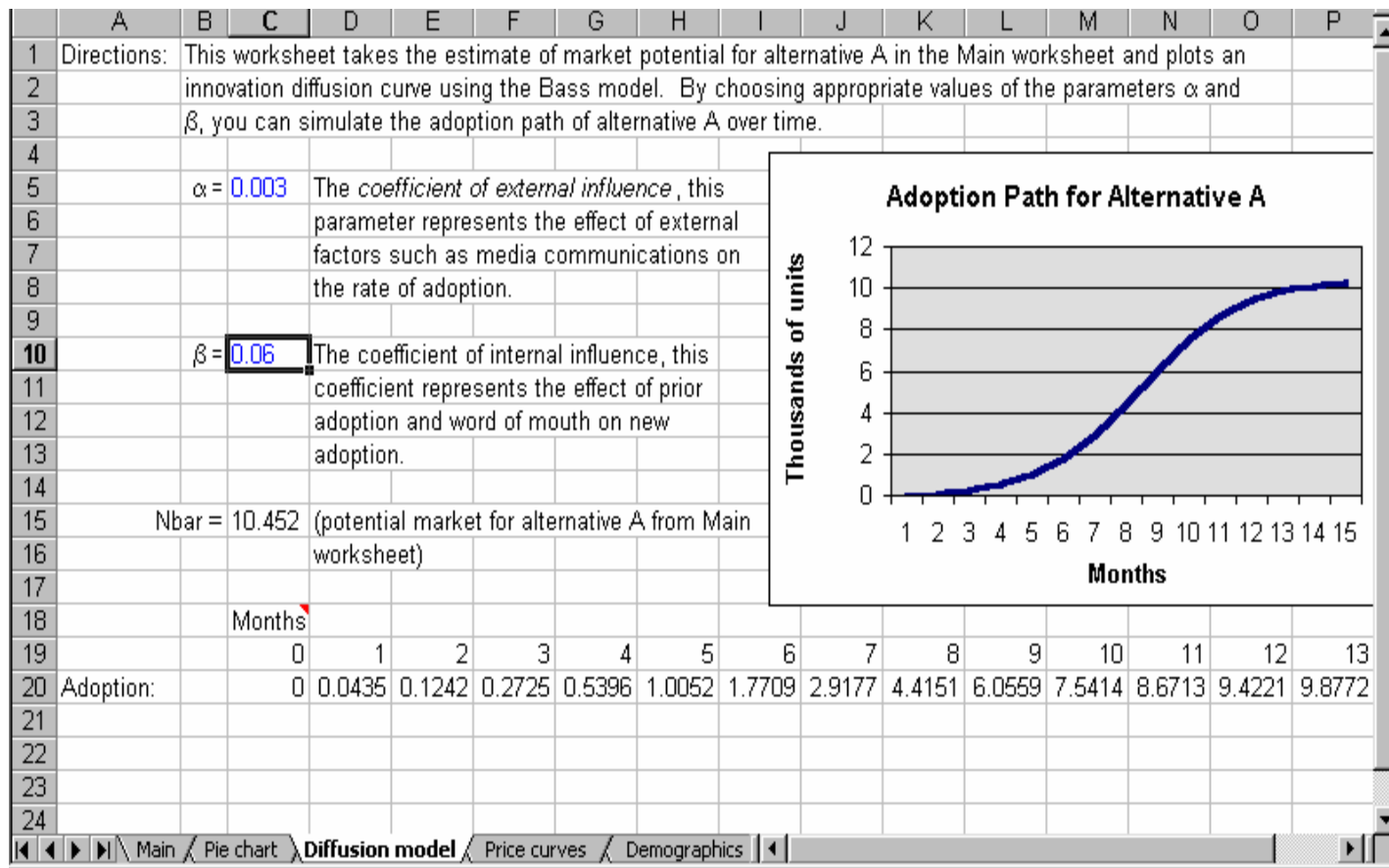
| | A | B | C | D |
|--------------------------|---------|----------|----------|----------|
| Send fax: | \$40.00 | \$40.00 | \$40.00 | \$40.00 |
| Receive fax: | \$25.00 | \$25.00 | \$25.00 | \$30.00 |
| E-mail: | \$30.00 | \$40.00 | \$35.00 | \$45.00 |
| Unit manufacturing cost: | \$50.00 | \$50.00 | \$50.00 | \$50.00 |
| Total unit cost: | \$80.00 | \$90.00 | \$150.00 | \$80.00 |
| Unit contribution: | \$20.00 | \$110.00 | \$349.00 | \$346.00 |

Pie Chart Data:

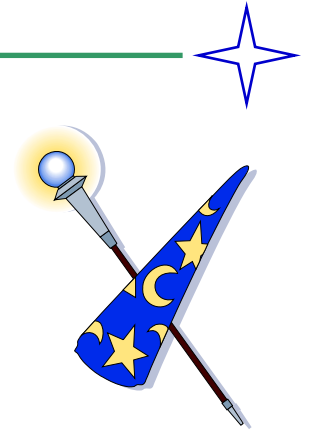
- Phone A: 15%
- Phone B: 12%
- Phone C: 17%
- Phone D: 10%
- None: 47%

Navigation: Main / Pie chart / Diffusion model / Price curves / Demographics /

Solution 5: Product Diffusion Model



How Does This Technique Work?





Discrete-Choice Models

In recent years, discrete-choice analysis has emerged as a powerful tool in the market-research arsenal. Based on consumers' hypothetical or real-world choices, discrete-choice models help guide product managers' critical tasks:

- Positioning products in a competitive marketplace
 - Developing strategic and tactical pricing strategies
 - Sizing markets for new products
 - Determining the optimal mix of product features
 - Isolating market segments based on product preferences
-

A photograph of a pottery shop. In the foreground, a man in a white shirt is sitting on the floor, looking at a large orange pot. The floor is covered with many different types of pottery, including large orange and grey pots, smaller bowls, and some finished pieces. The background shows more pottery and a stone wall. A blue starburst graphic is in the top right corner.

Discrete Choice Theory

- All transactions involve choice.
- We decompose customer choices into systematic and non-systematic components, ...
- ...then we model the systematic components



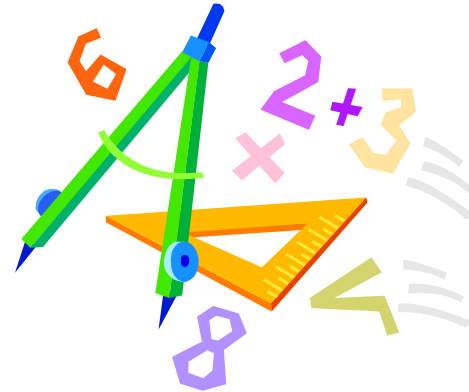
A Discrete Choice Questionnaire

- We generate choice sets by varying attributes according to a formal experimental design.
- Then we create shopping exercises for respondents.

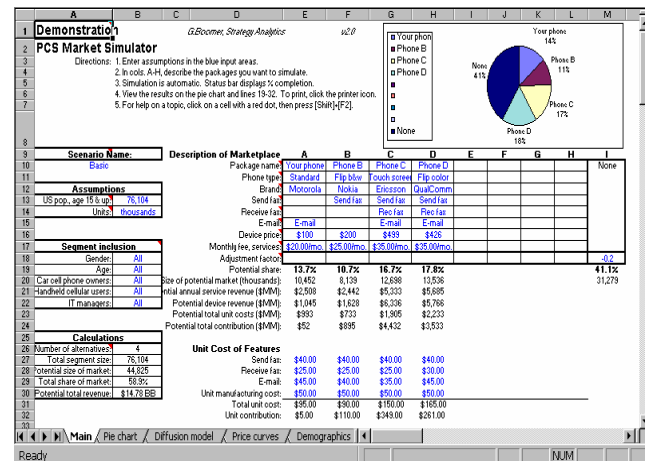
| Choice | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------------------------|-------------|-------------|------------|-------------|------------|-------------|-------------|------------|-------------|------|
| Base unit Brand | Motorola | Nokia | AudioVox | Sony | NEC | Ericsson | Toshiba | Mitsubishi | Panasonic | None |
| Weight | Lighter | Heavier | Lighter | Lighter | Heavier | Lighter | Average | Average | Heavier | |
| Configuration | Flip square | Std. square | Flip round | Flip square | Flip round | Std. square | Std. square | Std. round | Flip square | |
| Key size | Medium | Small | Large | Large | Medium | Medium | Large | Small | Large | |
| Key feel | Soft | Hard | Soft | Soft | Hard | Hard | Soft | Hard | Hard | |
| Display | LCD | LED | LCD | LCD | LCD | LCD | LCD | LED | LED | |
| Talk time | 1 hour | 4 hours | 4 hours | 4 hours | 4 hours | 2 hours | 2 hours | 2 hours | 4 hours | |
| Display size | Large | Average | Small | Small | Small | Small | Large | Average | Large | |
| Battery type | NiCad | Li | NiCad | NiMH | NiCad | NiCad | NiCad | Alkaline | NiMH | |
| Charger type | Internal | Internal | Internal | External | External | External | Internal | N/A | Internal | |
| Color | Black | Black | Black | Colors | Grey | Black | Grey | Colors | Black | |
| Price | Free | \$30 | \$200 | \$300 | \$100 | Free | \$30 | \$30 | \$200 | |

Next Steps

- Estimate a statistical model

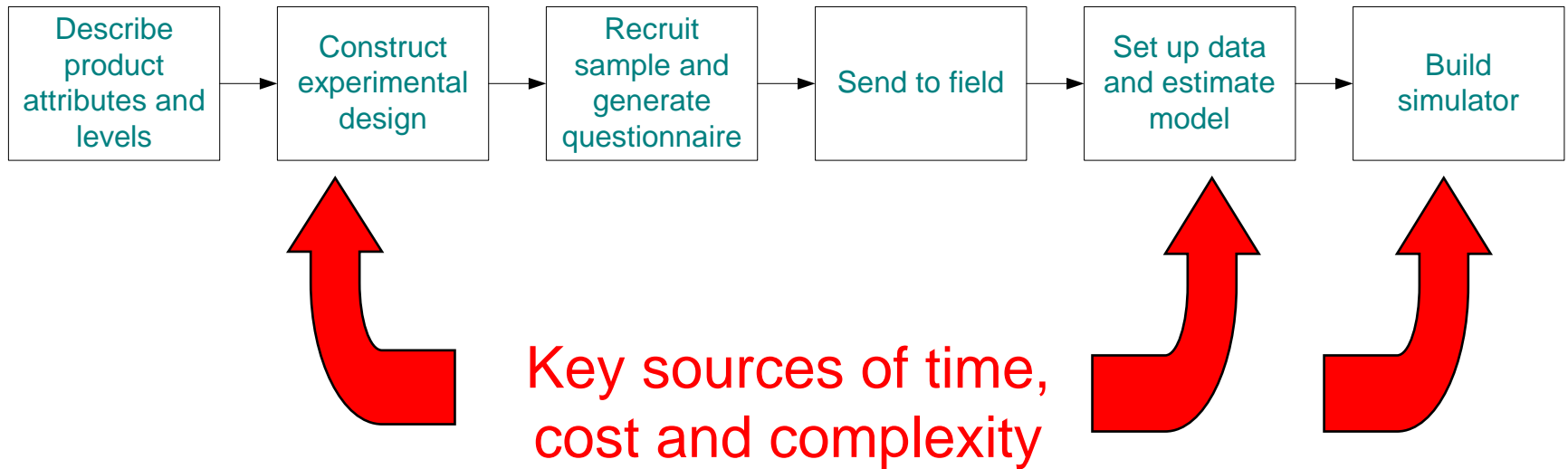


- Build the simulator





A Typical DCM Project Schedule

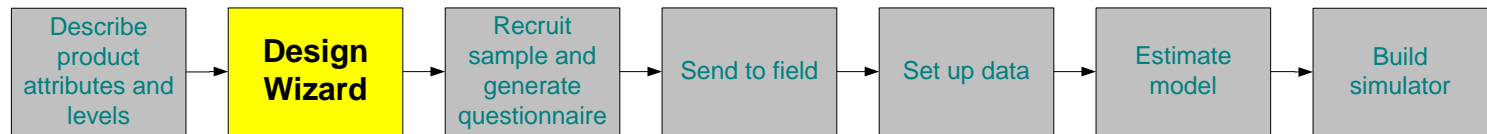


StatWizards® Accelerate and Simplify the Process



- **Design Wizard** - An Excel add-in that takes a list of product attributes and generates an experimental design
 - **Data Wizard** – A second add-in that takes a spreadsheet of respondent data and configures it for the most popular discrete-choice estimation packages
 - **Simulator Wizard** - A third add-in that reads the output from a statistical package and builds a market simulator in Excel
-

Design Wizard



An Excel add-in that generates an experimental design and choice sets based on a list of product attributes



Design Wizard Features

- Automatic selection of best design
 - Designs are fully customizable using Excel
 - Permits blocked and unblocked designs
 - Supports up to 13 attribute levels
 - Suggests values for choices per store
 - Recommends blocking factor, if needed
 - Shopping layouts can be scanned by OMR software such as Remark Office OMR or published as Web pages
 - Automatic generation of variable names
 - Defaults support most needs
-

Design Wizard Benefits



- Greatly reduced time in design construction
 - Elimination of error
 - Flexibility to meet most needs
 - Enables discrete-choice methodology to be used in low-budget, short-duration efforts
 - High-quality designs
 - Typically pays for itself in one project
-



Design Wizard Walkthrough - 1

1. Start with a simple list of product attributes and levels in Excel.

| Attribute name: | Model | Brand | Meter shelf price | Mfr. Rebate | Trade-in allowance | Glucose test strip quantity | Glucose test speed | Glucose test strip unit price |
|-----------------|-----------------|-------|-------------------|-------------|--------------------|-----------------------------|--------------------|-------------------------------|
| Test values: | CheckIt Instant | X | \$16.88 | \$0.00 | \$0.00 | 25 | 5 sec | \$0.50 |
| | CheckIt Simple | X | \$109.99 | \$40.00 | \$40.00 | 100 | 15 sec | \$0.85 |
| | King | None | | | | | 30 sec | |
| | 2In1 | Ours | | | | | 40 sec | |
| | ExactlyRight | Y | | | | | | |
| | OneDrop | Z | | | | | | |
| | TakeControl | Ours | | | | | | |
| LightTouch | Big | | | | | | | |



2. Run the wizard from Excel's Tools menu.

Design Wizard Walkthrough - 2



Comments provide help

3. The wizard adds some information and directions to your workbook...

| | A | B | C | D | E | F | G | H | I | J | K |
|----|---|-----------------|-------|-------------------|-------------|--------------------|-----------------------------|--------------------|-------------------------------|------------------------------|----------------------------|
| 1 | Attribute name: | Model | Brand | Meter shelf price | Mfr. Rebate | Trade-in allowance | Glucose test strip quantity | Glucose test speed | Glucose test strip unit price | Fructosamine test available? | Fructosamine test quantity |
| 2 | Test values: | CheckIt Instant | X | \$16.88 | \$0.00 | \$0.00 | 25 | 5 sec | \$0.50 | Yes | 2 |
| 3 | | CheckIt Simple | X | \$109.99 | \$40.00 | \$40.00 | 100 | 15 sec | \$0.85 | No | 4 |
| 4 | | King | None | | | | | 30 sec | | | 8 |
| 5 | | 2In1 | Ours | | | | | 40 sec | | | 12 |
| 6 | | ExactlyRight | Y | | | | | | | | |
| 7 | | OneDrop | Z | | | | | | | | |
| 8 | | TakeControl | Ours | | | | | | | | |
| 9 | | LightTouch | Big | | | | | | | | |
| 10 | | | | | | | | | | | |
| 11 | Desired # of levels: | 8 | 8 | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 4 |
| 12 | Selection type (Fixed, Continuous, One only or Vary all): | Fixed | Fixed | Continuous | Continuous | Continuous | Continuous | Continuous | Continuous | One only | Continuous |
| 13 | Sequence in questionnaire: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 14 | Variable names (1 to 8 characters): | Model | Brand | MtShPrc | MfrRbt | TrdAllw | GITsQnt | GITsSpd | GITsPrc | FrTsAvlb | FrTsQnt |
| 15 | Expected effect on value proposition (+/-/blank): | | | - | + | + | + | + | - | + | + |
| 16 | Stores: | 9 | | | | | | | | | |
| 17 | Blocks: | 1 | | | | | | | | | |
| 18 | Stores per block: | 9 | | | | | | | | | |
| 19 | Next higher design: | 39 | | | | | | | | | |
| 20 | Required factors: | 35 | | | | | | | | | |
| 21 | Closest design: | 35 | | | | | | | | | |
| 22 | One only total: | 35 | | | | | | | | | |
| 23 | Vary all total: | 0 | | | | | | | | | |
| 24 | Vary all count: | 0 | | | | | | | | | |
| 25 | One only 2 ^h : | | | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 |
| 26 | Vary all 2 ^h : | | | | | | | | | | |
| 27 | Count of 2 ^h : | 2 | | | | | | | | | |
| 28 | Count of 2 ^h : | 15 | | | | | | | | | |
| 29 | Count of 2 ^h : | 1 | | | | | | | | | |
| 30 | Count of 2 ^h : | 0 | | | | | | | | | |
| 31 | Fixed attributes: | 2 | | | | | | | | | |
| 32 | Steps completed: | 2 | | | | | | | | | |

Directions: 1. Change Desired # of levels: and Selection type so that Required factors = Closest design.
2. Arrange Sequence numbers to reflect how you want the questionnaire to appear.
3. Make any changes you want to Variable names, here and in the Variables sheet.
4. From the drop-down list, enter the total number of Stores you want to show subjects.
5. Blocking data allows you to show a smaller number of stores to each respondent.
Do this by increasing Blocks such that Stores divided by Blocks is a whole number.

Automatically generates variable names

Directions are attached to the sheet

Design Wizard Walkthrough - 3



4. It spreads attribute ranges and assigns unique variable names...

| | A | B | C | D | E | F | G | H | I | J | K | L | |
|----|---|---|-------|-------------------|-------------|--------------------|-----------------------------|--------------------|-------------------------------|------------------------------|----------------------------|------------------------------------|--|
| 1 | Attribute name: | Model | Brand | Meter shelf price | Mfr. Rebate | Trade-in allowance | Glucose test strip quantity | Glucose test speed | Glucose test strip unit price | Fructosamine test available? | Fructosamine test quantity | Fructosamine test strip unit price | |
| 2 | Test values: | Checkit Instant | X | \$16.88 | \$0.00 | \$0.00 | 25 | 5 sec | \$0.50 | Yes | 2 | \$0.00 | |
| 3 | | Checkit Simple | X | \$47.92 | \$13.33 | \$13.33 | 50 | 15 sec | \$0.62 | No | 4 | \$3.33 | |
| 4 | | King | None | \$78.96 | \$26.66 | \$26.66 | 75 | 30 sec | \$0.74 | | 8 | \$6.66 | |
| 5 | | 2In1 | Ours | \$109.99 | \$40.00 | \$40.00 | 100 | 40 sec | \$0.85 | | 12 | \$10.00 | |
| 6 | | ExactlyRight | Y | | | | | | | | | | |
| 7 | | OneDrop | Z | | | | | | | | | | |
| 8 | TakeControl | Ours | | | | | | | | | | | |
| 9 | LightTouch | Big | | | | | | | | | | | |
| 11 | Desired # of levels: | 8 | 8 | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 4 | 4 | |
| 12 | Selection type (Fixed, Continuous, One only or Vary all): | Fixed | Fixed | Continuous | Continuous | Continuous | Continuous | Continuous | Continuous | One only | Continuous | Continuous | |
| 13 | Sequence in questionnaire: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | |
| 14 | Variable names (1 to 8 characters): | Model | Brand | MtrPrice | MfrRbt | TrdAllwn | GlcQntty | GlcSpeed | GlcPrice | FrcAvlbl | FrpQntty | FrpPrice | |
| 15 | Expected effect on value proposition (+/-/blank): | | | - | + | + | + | + | - | + | + | - | |
| 16 | Stores: | 9 | | | | | | | | | | | |
| 17 | Blocks: | 1 | | | | | | | | | | | |
| 18 | Stores per block: | 9 | | | | | | | | | | | |
| 19 | Next higher design: | 39 | | | | | | | | | | | |
| 20 | Required factors: | 35 | | | | | | | | | | | |
| 21 | Closest design: | 35 | | | | | | | | | | | |
| 22 | One only total: | 35 | | | | | | | | | | | |
| 23 | Vary all total: | 0 | | | | | | | | | | | |
| 24 | Vary all count: | 0 | | | | | | | | | | | |
| 25 | One only 2 ⁺ : | | | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 2 | |
| 26 | Vary all 2 ⁺ : | | | | | | | | | | | | |
| 27 | Count of 2 ⁺ : | 2 | | | | | | | | | | | |
| 28 | Count of 2 ² : | 15 | | | | | | | | | | | |
| 29 | Count of 2 ³ : | 1 | | | | | | | | | | | |
| 30 | Count of 2 ⁴ : | 0 | | | | | | | | | | | |
| 31 | Fixed attributes: | 2 | | | | | | | | | | | |
| | Directions: | 1. Change Desired # of levels: and Selection type so that Required factors = Closest design. 2. Arrange Sequence numbers to reflect how you want the questionnaire to appear. 3. Make any changes you want to Variable names, here and in the Variables sheet. 4. From the drop-down list, enter the total number of Stores you want to show subjects. 5. Blocking data allows you to show a smaller number of stores to each respondent. | | | | | | | | | | | |

Calculates equal intervals for levels

Renames duplicate variables



Design Wizard Walkthrough - 4

5. ...then in seconds builds an experimental design, ...

| | AX | AY | AZ | BA | BB | BC | BD | BE | BF | BG | BH | BI |
|----|--------|--------|--------|---------------|-----------------|------------|-----------------|--------------|--------------------------|--------------------|---------------------------|------------------------------------|
| 1 | | | | | | | 1 | 2 | 3 | 4 | 5 | 6 |
| 2 | | | | Choice | | | Model | Brand | Meter shelf price | Mfr. Rebate | Trade-in allowance | Glucose test strip quantity |
| 3 | | | | set | Question | Alt | | | X4X5 | X6X7 | X8X9 | X10X11 |
| 4 | X28X29 | X30X31 | X32X33 | | Question | AltNo | | | MtrPrice | MfrRbt | TrdAllwn | GlcQntty |
| 5 | 0 | 0 | 0 | 1 | 1 | 1 | CheckIt Instant | X | \$16.88 | \$0.00 | \$0.00 | 25 |
| 6 | 3 | 2 | 0 | | 1 | 2 | CheckIt Simple | X | \$47.92 | \$40.00 | \$0.00 | 75 |
| 7 | 2 | 3 | 2 | | 1 | 3 | King | None | \$47.92 | \$13.33 | \$13.33 | 75 |
| 8 | 3 | 0 | 2 | | 1 | 4 | 2In1 | Ours | \$78.96 | \$0.00 | \$40.00 | 100 |
| 9 | 2 | 3 | 2 | | 1 | 5 | ExactlyRight | Y | \$109.99 | \$13.33 | \$40.00 | 25 |
| 10 | 3 | 3 | 1 | | 1 | 6 | OneDrop | Z | \$16.88 | \$0.00 | \$26.66 | 75 |
| 11 | 1 | 0 | 2 | | 1 | 7 | TakeControl | Ours | \$47.92 | \$40.00 | \$40.00 | 50 |
| 12 | 0 | 0 | 2 | | 1 | 8 | LightTouch | Big | \$47.92 | \$0.00 | \$26.66 | 100 |
| 13 | 2 | 0 | 1 | 2 | 2 | 1 | CheckIt Instant | X | \$16.88 | \$26.66 | \$13.33 | 50 |
| 14 | 1 | 3 | 0 | | 2 | 2 | CheckIt Simple | X | \$78.96 | \$40.00 | \$26.66 | 50 |
| 15 | 3 | 2 | 1 | | 2 | 3 | King | None | \$47.92 | \$13.33 | \$26.66 | 50 |
| 16 | 3 | 1 | 3 | | 2 | 4 | 2In1 | Ours | \$16.88 | \$26.66 | \$26.66 | 100 |
| 17 | 0 | 3 | 3 | | 2 | 5 | ExactlyRight | Y | \$16.88 | \$26.66 | \$0.00 | 50 |
| 18 | 0 | 2 | 0 | | 2 | 6 | OneDrop | Z | \$109.99 | \$0.00 | \$26.66 | 50 |
| 19 | 2 | 3 | 0 | | 2 | 7 | TakeControl | Ours | \$109.99 | \$26.66 | \$0.00 | 100 |
| 20 | 1 | 1 | 1 | | 2 | 8 | LightTouch | Big | \$47.92 | \$13.33 | \$40.00 | 25 |
| 21 | 0 | 2 | 2 | | 3 | 1 | CheckIt Instant | X | \$16.88 | \$26.66 | \$40.00 | 75 |
| 22 | 1 | 2 | 1 | | 2 | 2 | CheckIt Simple | X | \$109.99 | \$0.00 | \$13.33 | 100 |

Attributes / Variables / Available designs / **Design** / Layout / Export



Design Wizard Walkthrough - 5

6. ...complete with printer- or Web-ready shopping excursions, ...

| | B | C | D | E | F | G | H | I | J | K | L |
|----|---|-------------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------|-------------------------|--------------------------------|-------------------------------|-----------------------|------------------|
| 1 | Store 1 | | | | | | | | | | 1 |
| 2 | Directions: Please choose from among the following products, or specify "None of these" if you don't want any of them. | | | | | | | | | | (Max=9) |
| 3 | COMPLETELY fill in the circle corresponding to your choice. | | | | | | | | | | |
| 4 | | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Circles? |
| 5 | Choice: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Yes |
| 6 | Model: | CheckIt Instant | CheckIt Simple | King | 2In1 | ExactlyRight | OneDrop | TakeControl | LightTouch | None of these | Print All Stores |
| 7 | Brand: | X | X | None | Ours | Y | Z | Ours | Big | | |
| 8 | Meter shelf price: | \$16.88 | \$47.92 | \$47.92 | \$78.96 | \$109.99 | \$16.88 | \$47.92 | \$47.92 | | |
| 9 | Mfr. Rebate: | \$0.00 | \$40.00 | \$13.33 | \$0.00 | \$13.33 | \$0.00 | \$40.00 | \$0.00 | | |
| 10 | Trade-in allowance: | \$0.00 | \$0.00 | \$13.33 | \$40.00 | \$40.00 | \$26.66 | \$40.00 | \$26.66 | | |
| 11 | Glucose test strip quantity: | 25 | 75 | 75 | 100 | 25 | 75 | 50 | 100 | | |
| 12 | Glucose test speed: | 5 sec | 5 sec | 15 sec | 30 sec | 30 sec | 40 sec | 40 sec | 30 sec | | |
| 13 | Glucose test strip unit price: | \$0.50 | \$0.62 | \$0.50 | \$0.85 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | | |
| 14 | Fructosamine test available?: | Yes | No | Yes | Yes | Yes | No | No | No | | |
| 15 | Fructosamine test quantity: | 2 | 4 | 8 | 8 | 4 | 8 | 8 | 12 | | |
| 16 | Fructosamine test strip unit price: | \$0.00 | \$3.33 | \$10.00 | \$3.33 | \$3.33 | \$3.33 | \$0.00 | \$10.00 | | |
| 17 | Bundle?: | Yes | No | No | No | Yes | No | No | Yes | | |
| 18 | Bundle discount: | 0% | 20% | 20% | 0% | 10% | 10% | 10% | 20% | | |
| 19 | Trial period: | None | None | None | None | 30-day | Money back | None | Money back | | |
| 20 | Ease-of-use message: | Easy to use | Easy blood application | Easy to use | Confirmation dot makes testing sure | Easy blood application | No cleaning | No buttons, no fuss no worries | No calibration, no coding | | |
| 21 | Simplicity message: | Simple accuracy testing | Simple accuracy testing | Simple 3 step process | Simple two step testing | | Simple accuracy testing | | Simple two step testing | | |
| 22 | Accuracy message: | | Reliable | Clinical Accuracy | Reliable | | Accurate results | Reliable | Accurate results | | |
| 23 | Blood size: | | Less blood (less pain) | Very small sample required | Less blood (less pain) | Very small sample required | Less blood (less pain) | Test anywhere, any time | | | |
| 24 | Meter size: | Fits in the palm of your hand | Large easy to read display | Compact / portable | Fits in the palm of your hand | Compact / portable | Compact / portable | Fits in the palm of your hand | Fits in the palm of your hand | | |
| 25 | Memory: | 20 | 20 | 200 | 200 | 200 | 120 | 200 | 200 | | |

Attributes / Variables / Available designs / Design / Layout



Design Wizard Walkthrough - 6

7. ... and a data set ready for export to most statistical packages.

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
|----|----------|-------|----------|--------|----------|----------|----------|----------|----------|----------|----------|--------|----------|
| 1 | Question | AltNo | MtrPrice | MfrRbt | TrdAllwn | GlcQntty | GlcSpeed | GlcPrice | GlcAvlbl | GlpQntty | GlpPrice | Bundle | BndDscnt |
| 2 | 1 | 1 | 16.88 | 0 | 0 | 25 | 5 | 0.5 | 0 | 2 | 0 | 0 | 0 |
| 3 | 1 | 2 | 47.92 | 40 | 0 | 75 | 5 | 0.62 | 1 | 4 | 3.33 | 1 | 0.2 |
| 4 | 1 | 3 | 47.92 | 13.33 | 13.33 | 75 | 15 | 0.5 | 0 | 8 | 10 | 1 | 0.2 |
| 5 | 1 | 4 | 78.96 | 0 | 40 | 100 | 30 | 0.85 | 0 | 8 | 3.33 | 1 | 0 |
| 6 | 1 | 5 | 109.99 | 13.33 | 40 | 25 | 30 | 0.5 | 0 | 4 | 3.33 | 0 | 0.1 |
| 7 | 1 | 6 | 16.88 | 0 | 26.66 | 75 | 40 | 0.5 | 1 | 8 | 3.33 | 1 | 0.1 |
| 8 | 1 | 7 | 47.92 | 40 | 40 | 50 | 40 | 0.5 | 1 | 8 | 0 | 1 | 0.1 |
| 9 | 1 | 8 | 47.92 | 0 | 26.66 | 100 | 30 | 0.5 | 1 | 12 | 10 | 0 | 0.2 |
| 10 | 1 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | 2 | 1 | 16.88 | 26.66 | 13.33 | 50 | 40 | 0.5 | 0 | 4 | 10 | 1 | 0.3 |
| 12 | 2 | 2 | 78.96 | 40 | 26.66 | 50 | 5 | 0.5 | 0 | 8 | 6.66 | 1 | 0.3 |
| 13 | 2 | 3 | 47.92 | 13.33 | 26.66 | 50 | 5 | 0.74 | 0 | 12 | 6.66 | 0 | 0 |
| 14 | 2 | 4 | 16.88 | 26.66 | 26.66 | 100 | 5 | 0.74 | 0 | 4 | 3.33 | 0 | 0.3 |
| 15 | 2 | 5 | 16.88 | 26.66 | 0 | 50 | 15 | 0.62 | 1 | 8 | 3.33 | 0 | 0 |
| 16 | 2 | 6 | 109.99 | 0 | 26.66 | 50 | 15 | 0.85 | 0 | 2 | 3.33 | 1 | 0.3 |
| 17 | 2 | 7 | 109.99 | 26.66 | 0 | 100 | 40 | 0.74 | 1 | 12 | 6.66 | 0 | 0.1 |
| 18 | 2 | 8 | 47.92 | 13.33 | 40 | 25 | 15 | 0.85 | 1 | 12 | 3.33 | 0 | 0.3 |
| 19 | 2 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | 3 | 1 | 16.88 | 26.66 | 40 | 75 | 5 | 0.85 | 1 | 12 | 6.66 | 1 | 0.3 |
| 21 | 3 | 2 | 109.99 | 0 | 13.33 | 100 | 40 | 0.62 | 0 | 12 | 0 | 0 | 0.2 |
| 22 | 3 | 3 | 109.99 | 40 | 26.66 | 100 | 30 | 0.62 | 1 | 2 | 0 | 1 | 0.2 |

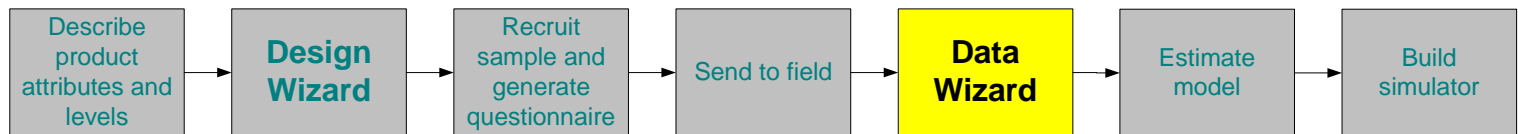
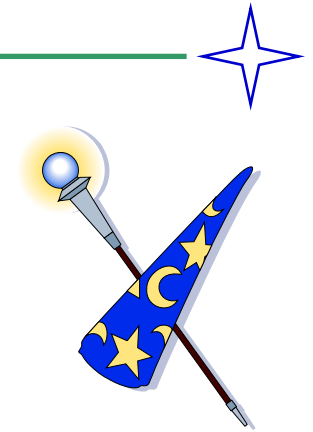
Attributes / Variables / Available designs / Design / Layout

The Design Wizard



Turbo-charges the generation
of efficient experimental
designs, making the process
EASY

Data Wizard



An Excel add-in that converts a spreadsheet of participant responses into data sets and control files accepted by major statistical programs



Data Wizard Features

- Starts with a spreadsheet of responses – the simplest data form
 - Automatically distinguishes between continuous, categorical, binary and choice variables.
 - Handles both stated-preference (SP) and revealed-preference (RP) data
 - Can incorporate design data from other spreadsheets
 - Generates data sets and command files for three popular statistical estimation packages
 - LatentGOLD Choice
 - Limdep
 - Gauss (Kenneth Train's mixed logit programs)
-



Data Wizard Benefits

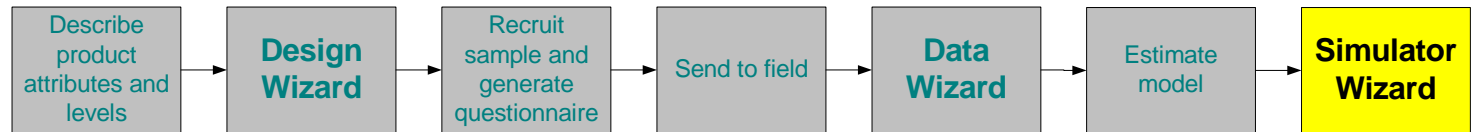
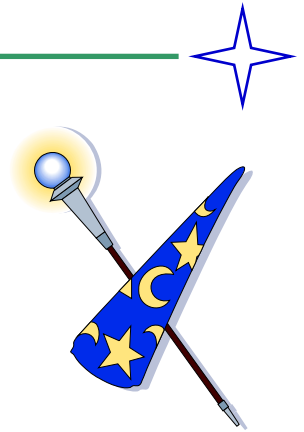
- Eliminates the most tedious portion of a discrete-choice project: Data setup
 - Removes a common source of error:
 - The lengthy customized data manipulation routines needed to sort and merge design and response data.
 - Cuts at least a day off a discrete-choice project's schedule
 - Typically pays for itself in one project
-

The Data Wizard



Makes organizing even large
data sets for discrete-choice
estimation **EASY**

Simulator Wizard



An Excel add-in that reads output files from statistical estimation programs (and StatWizard spreadsheets, if they exist), then builds a market simulator in Excel



Simulator Wizard Features

- Quickly translates statistical output to a powerful tool that product managers can use.
 - Can be easily customized and extended.
Examples:
 - Inclusion of production cost data
 - Calculation of contribution margins
 - Makes no demands on the user to comprehend the underlying statistics
 - Handles random-coefficient and latent-choice models
-



Simulator Wizard Benefits

- Translates esoteric statistical output into a form that product managers can use to make critical decisions
 - Gives managers a powerful tool for pricing and positioning their product or service in a competitive marketplace
 - Use of Excel allows extensive customization to suit individual requirements
 - Typically pays for itself in one project
-

Simulator Wizard Walkthrough - 5

5. ... and builds a market simulator, ...

Company Name

Market Simulator

Directions: 1. Best views: 1024x768 at 68% zoom; 2nd best: 800x600 at 50% zoom.
 2. Enter assumptions in the blue input areas.
 3. In columns A-F, describe the packages you want to simulate.
 4. View the results on the pie chart and summary lines. To print, click the printer icon.
 5. For help on a topic, move mouse over a cell with a red dot in the upper-right corner.

Scenario Name
Basic

Assumptions
 Target market size (000): 196,957
 Units: Persons

Calculations
 Number of alternatives: 4
 Total market potential: 27.7 mil.
 Total market share: 14.0%
 Total potential revenue: \$ 1.2 bil.

Segment Inclusion Table

| Age | | % of target market |
|-------------------------------|-----|--------------------|
| 25-34: | All | 17.8% |
| 35-44: | All | 21.7% |
| 45-54: | All | 18.4% |
| Other age: | All | 42.2% |
| Income | | |
| \$35,000-74,000: | All | 23.2% |
| \$75,000+: | All | 6.9% |
| Other income: | All | 69.3% |
| Reimburse meter: part | | |
| Reimburse meter: part: | All | 14.3% |
| Reimburse strips: part | | |
| Reimburse strips: part: | All | 18.6% |
| Insurance situation | | |
| Medicare: | All | 21.8% |
| Medication plan | | |
| Use diet: | All | 9.0% |

Package Name

- New product
- Simple
- Right
- King
- None

Product Marketplace

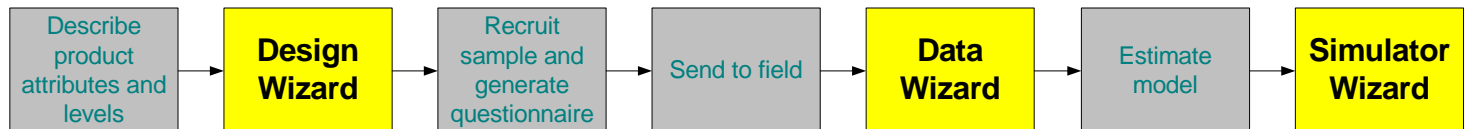
| Package name: | Your prod. | B | C | D | E | F |
|-------------------------------------|--------------------------------|------------------------|---|--------------------------------|---|--------------------------|
| Model: | 2pt | Simple | | Right | | King |
| Brand: | Ours | CheckIt Simple | | ExactlyRight | | King |
| Meter shelf price: | \$50.00 | \$25.00 | | \$100.00 | | \$20.00 |
| Min. Rebate: | \$0.00 | \$10.00 | | \$40.00 | | \$0.00 |
| Trade-in allowance: | \$30.00 | \$30.00 | | \$20.00 | | \$20.00 |
| Glucose test strip quantity: | 25 | 50 | | 100 | | 25 |
| Glucose test speed: | 25 sec | 25 sec | | 40 sec | | 40 sec |
| Glucose test strip unit price: | \$0.80 | \$0.70 | | \$0.60 | | \$0.50 |
| Fructosamine test available?: | Yes | No | | No | | No |
| Fructosamine test quantity: | 5 | 5 | | 7 | | 7 |
| Fructosamine test strip unit price: | \$5.00 | | | | | |
| Bundle?: | Yes | Yes | | No | | No |
| Bundle discount: | 10% | 20% | | 20% | | 20% |
| Trial period: | None | Money back | | 30-day | | None |
| Ease-of-use message: | Easy to use | Touchable test strips | | No buttons, no fuss no worries | | Eliminates testing error |
| Simplicity message: | Simple two step testing | | | Simple accuracy testing | | Simple 3 step process |
| Accuracy message: | Accurate results | Clinical Accuracy | | Reliable | | |
| Blood size: | Test anywhere, any time | Less blood (less pain) | | Very small sample required | | |
| Meter size: | Picture of meter (actual size) | | | Fits in the palm of your hand | | Compact / portable |
| Memory: | 20 readings | 100 readings | | 150 readings | | 200 readings |
| Meter price: | \$50.00 | \$15.00 | | \$60.00 | | \$20.00 |
| Glucose test strip price: | \$20.00 | \$35.00 | | \$60.00 | | \$12.50 |
| Fructosamine test strip price: | \$25.00 | | | | | |
| Bundled strip price: | \$40.50 | \$28.00 | | \$60.00 | | \$12.50 |
| Adjustment factor: | | | | | | |
| Potential market share: | 2.2% | 7.1% | | 2.9% | | 1.8% |

Enter assumptions for features and price, ...

... and see the impact on market share.

... and see the impact on market share.

The StatWizards® Discrete-Choice Suite



Suite Features



- Each wizard can stand alone, yet benefits from the other wizards
 - The Data Wizard can automatically incorporate designs produced by the Design Wizard
 - The Simulator Wizard can automatically incorporate information from both Data and Design Wizards
 - Common look and feel resemble Microsoft wizards, making them easy to learn and use.
 - Payback is immediate
 - Cost savings from just one project can exceed the cost of the entire suite
-

Summary



- StatWizards[®] are Excel add-ins that facilitate the execution of discrete-choice projects.
 - Each wizard can either stand alone or integrate with others.
 - Combined, the suite cuts days off projects, reduces costs, and improves the accuracy of the results.
 - Return on investment is immediate.
-



Conclusion

If you do serious market research, the StatWizards[®] modules,

- Design Wizard
- Data Wizard
- Simulator Wizard

will improve the quality of your staff's work and make your life

EASY

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