Category: *Automotive*
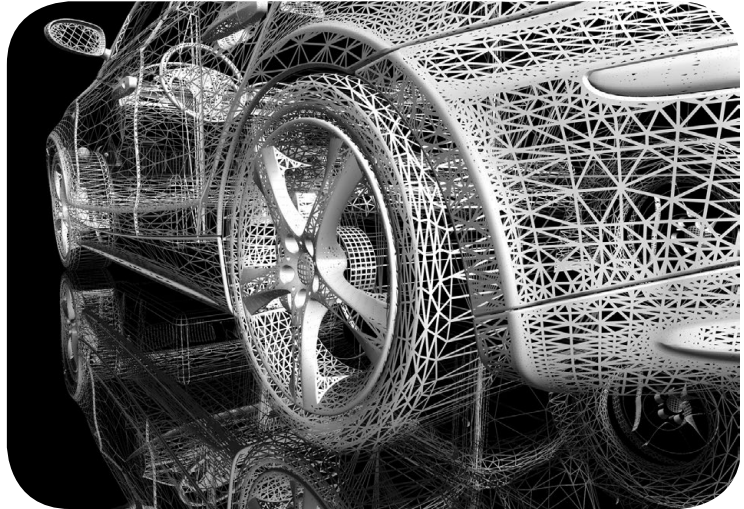
Methods: *Advanced Analytics, Discrete-Choice Modeling, Focus Group Qualitative Research, Quantitative Static Clinic*

Summary

A multinational automobile manufacturer sought to introduce a new vehicle into a segment of the market that technically did not exist at that time. Since the automobile market is intensely competitive, the rewards for being one of the creators of a new segment are large. However, because the investments required to develop, manufacture, and market an all-new vehicle are also very large, the ability to reduce risk and accurately forecast sales is crucial.

Strategic Issues

The auto manufacturer's goal was to establish a presence in a market in which others had failed because the value proposition ran contrary to prevailing consumer sentiment. However, there was some evidence that opinions were in the process of changing, due in large part to the high cost of fuel and environmental sensitivity. Still, there was no existing competitive set from which they could draw product comparisons. There was also no real profile of the target market either, whether from a demographic, psychographic, or autographic point of view.

Research Objectives

The client had the multifaceted challenge of gathering vital product knowledge for their planners, producing meaningful insights and guidance on *how* to successfully market the product for their advertisers and marketers, and developing an accurate volume forecast for their senior executives.

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Research Design and Methods

Decision Analyst conducted important preliminary research on the market, followed by a *static clinic*. You might think of a static clinic as a beauty contest among new vehicles, with consumers serving as the judges. It is a head-to-head comparison of the exterior and interior design elements of a "concept vehicle," or prototype, against relevant competitors.

For the static clinic, Decision Analyst selected the vehicles identified by the preliminary research as most likely to be cross-shopped. Though the clinic was essentially quantitative in nature, Decision Analyst coupled it with a qualitative post-clinic exercise that included some of the clinic respondents, which clarified and enhanced the quantitative findings.

The third integral element of the design was a brand positioning and messaging conjoint exercise, accompanied by a post-clinic brand/price choice task exercise, where consumers identified their vehicle preferences from different choice scenarios that included price and feature packaging and trim levels.

Results

The client succeeded in providing the vital product, marketing, and executive inputs, and now both the marketing plan and overall business plan for this new vehicle are proceeding.

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