Category: CPG – Health & Beauty Aids

Methods: Discrete Choice Exercise, Hierarchical Bayes Choice Model, Price Elasticities, Optimization Model, Sales Forecast

Summary

An innovative, customer-driven personal health product company was launching a new, noninvasive health-monitoring device. The company wanted to assess and optimize the product’s features and understand the optimal product’s likely performance in the market via a sales forecast.

Strategic Issues

Launching new products is a costly endeavor. Rigorous design and premarket testing can help inform companies how to develop a product and achieve faster and higher adoption rates by better meeting consumer needs and expectations.

Research Objectives

Prior to finalizing the development of their new device (and determining the level of investment to make in the product and its launch), the company wanted to assess consumer needs and optimize the device to meet those needs.

More specifically, the company wanted to:

- Evaluate attitudes towards health and nutrition as well as the steps taken to improve health, manage health, and prevent disease.
- Gauge reactions to and interest in the device’s concept.
- Assess product-feature preferences and how patients would likely use the device.
- Identify an optimal product or product line (i.e., the set of features, the price for that set of features, and the number of products that should be offered) and develop a forecast for the new product or line.
**Research Design and Methods**

Almost 1,000 U.S. consumers were surveyed, including a mix of people with specific medical diagnoses and those who are at risk for the targeted disease. These consumers completed a 25-minute online survey, which included a choice task that described different sets of products for the consumer to choose from. Respondents had to be interested in tracking their personal health and/or nutrition, have a smartphone, and be either diagnosed with or at risk for a specific disease.

**Results**

The research revealed the top two drivers of purchase interest, which the client planned to use in messaging. The research also determined the most preferred product configuration (optimal features to include, pricing, etc.). Recommendations were provided for a one-product line as well as a two-product line, based on maximized preference (share) and revenue.