



How to Figure Out What Your Customers Want You To Build

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Reforge

Gradient is your quantitative decision science partner

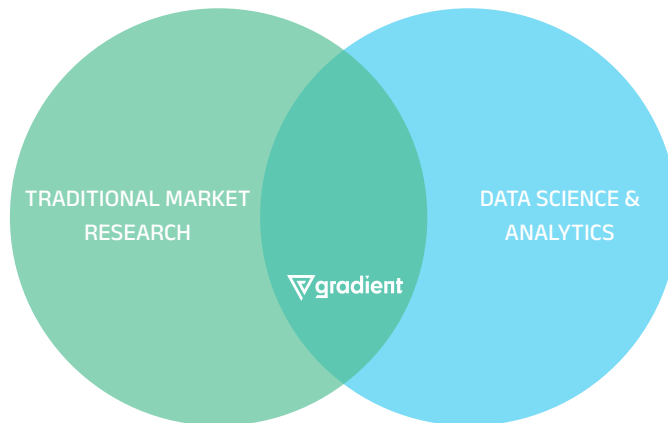


Who we are

Gradient equips our clients with **evidence-based clarity to answer their most challenging strategy questions** and achieve their growth goals.

We uncover critical objective realities with bespoke research programs that push the boundaries through custom statistical methodologies.

We work with startups, Fortune 100 brands, consulting firms, and political campaigns.



What makes us unique

We aren't a SaaS product or an off-the-shelf solution; nor are we a traditional research firm, producing the same reams of spreadsheets for every client.

We integrate into your business, share your goals, and can't wait to champion your successes.



Kyle Block

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Let's talk! I'm always happy to learn more about product design challenges.



Today's Topic

How to Figure Out What Your Customers Want You To Build



Agenda

10 min

Overview of Product Research Methodologies

What options exist to inform product design?

20 min

Tradeoff Experiment Double Click

Explore the most precise ways to measure product preferences

15 min

Q&A



What's the cost of building the wrong product features?



The decision of what to build is the thorniest strategy challenge.

But it doesn't have to be based solely on intuition.



While there is no wrong approach, there is a wide spectrum of rigor

Good

Qualitative Listening

Directional, nuanced, but low fidelity to the real-world

Better

Quantitative Concept Testing

Limited attribution to product preference, but can simulate real-world preferences

Best

Trade-off Experiments

Generalizable, direct attribution to drivers of product preference, can evaluate multiple elements of a product, simulates real-world tradeoffs

Qualitative Listening

Pros

- Hear straight from the mouth of the user
- Capture emotions, unscripted reactions
- Use visual stimulus and capture live reactions

Cons

- Insights are not generalizable
- Social pressure bias to react in an expected way
- Time-consuming to conduct
- Far removed from the real-world consumer environment

Quantitative Concept Testing

Pros

- Capture high-level preferences for a concept as a whole
- With large enough sample, can be generalizable
- Answer multiple strategy questions related to audience and brand in addition to product preferences

Cons

- Unable to attribute preference to specific product features
- Lacks trade-offs so decision making environment does not reflect reality
- Measures of price sensitivity have large margin of error

Trade-off Experiments

Pros

- Emulates real-life decision making environment where trade-offs are inherent
- Attributes preference to specific product features
- Identifies the optimal combination of product features
- Can use any type of stimulus (text, visual, and/or video)

Cons

- Complex to design and analyze
- Requires an above-average familiarity with quantitative data
- Time-consuming and expensive to conduct



Let's get to know the gold
standard: **Trade-off**
experiments



Why trade-off experiments?

- + We are constantly making choices, some are conscious and can be stated, but most are unconscious and need to be revealed.
- + Regular “direct ask” survey questions with traditional question scales are unable to get to the core of why a consumer makes a decision.
- + Most of these scales don't simulate real-life conditions, which always include some type of real trade-off.
- + Like any well-designed experiment, the results are generalizable to a specific population of consumers.

Two Types of Trade-off Experiments

MaxDiff (Maximum Difference)

- A trade-off experiment that determines the relative importance or preference for a list of product features
- Can only include a measure of preference, not cost
- Not designed to identify the optimal combination of product features

Conjoint (Considered Jointly)

- Reveals how consumers value different attributes of a product and surfaces the combinations that are most preferred
- Can measure multiple outcomes of interest such as preference, price, intent to purchase, etc.

The difference between the two methods is in the scope of the features under evaluation.

MaxDiff Analysis

MaxDiff is a type of survey methodology that reveals the preferences and their order of magnitude of product features.

Help! Which features should I prioritize??

- User interface
- User authentication
- Data backup
- Customizability
- Notifications
- Integrations
- Reporting & Analytics
- Security Features
- Collaboration
- Help & Support



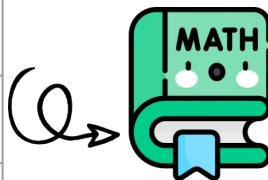
When to use a MaxDiff Analysis?

- + When you want to know which attributes are most important
- + When you want to rank-order attributes in terms of relative importance
- + When you want to force respondents to make trade-offs
- + When you want to place less of a burden on respondents relative to a Conjoint Analysis

MaxDiff Applied

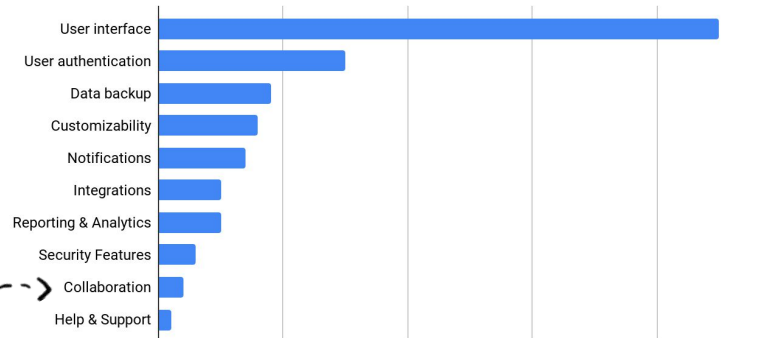
Of these, which [ATTRIBUTE] is the most and least important to you in selecting an app?

Most Important	Attribute	Least Important
	Reporting & Analytics	
	Notifications	
✓	Security Features	
	Help & Support	
	Integrations	✓



Reveals the rank-order and magnitude of feature preferences

Product Feature Preferences



Respondents complete 8-12 tasks with randomly populating attributes

Conjoint Analysis

Conjoint analysis is a technique for quantifying which combination of product features are the most preferred.. It is typically used to help decision makers identify the optimal design of products and pricing.



Help! Which combination of features should I prioritize??

Data Backup	Notifications	Integrations	Price
Continuous	In-app	API	\$10/month
Weekly	Email	Webhooks	\$15/month
Monthly	Text	Messenger	\$20/month

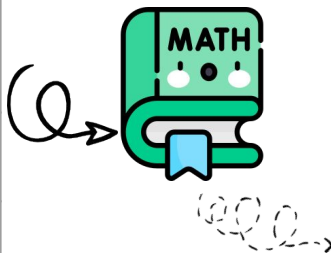
When to use a Conjoint Analysis?

- + When you want to identify the optimal combination of product attributes that drive customer choice
- + If you want to emulate a realistic shopping experience
- + If you want to see how market changes affect consumer behavior with a *marketshare simulator*
- + When you want to create customer segments based on their relative attribute importances

Conjoint (very simply) Applied

Which of these apps would you prefer to purchase?

App #1	App #2
Continuous data backup	Monthly data backup
Email notifications	SMS notifications
API integrations	Messenger Integrations
\$20/month	\$15/month



Respondents complete 8-12 tasks with randomly populating attributes.

Reveals the attribute and alternative feature preferences

Data Backup (21%)	Notifications (35%)	Integrations (4%)	Price (40%)
Continuous	Text	Messenger	\$15/month
Weekly	In-app	API	\$10/month
Monthly	Email	Webhooks	\$20/month

Let's Simulate a Conjoint!



Imagine you are the Vice President of Product at Tax Me More Enterprise.

The biggest challenge you're facing for FY 2025 is to determine what types of features to invest in to grow market share and retain current customers.

The competitive landscape has changed dramatically and **you don't know what your current or prospective customers demand** from a tax software.

You can make a case for increased engineering budget to your CEO using a combination of intuition and existing product usage data.

Or...you can refer to generalizable insights from a conjoint analysis to guide your decision.



Elements of a Conjoint: Attributes

What product elements are the most valuable?

The first step in designing your conjoint is to identify which product attributes—the building blocks of your product—that you want to evaluate.

These are different aspects of the product that each have their own set of alternative possibilities..

Tax Software Attributes

- Error checking
- Multi-platform access
- Refund tracking
- Audit assistance
- Multiple filing options
- Price

What alternatives are under consideration?

Within each attribute, what features do your customers really demand? These options are called levels.

Tax Software Levels

Multi-platform access

- Quickbooks
- Xero
- SAP
- Oracle NetSuite

Refund tracking

- Yes
- No

Multiple Filing Options

- Federal
- State
- Municipal
- Business
- Freelancer

Error checking

- AI-enabled
- Manual

Audit Assistance

- Low-touch virtual
- High-touch virtual
- IRL prep

Price

- \$300/filing
- \$350/filing
- \$400/filing

Experience a Conjoint

Respondents from your customer profile will complete 8-12 choice tasks in a custom survey.

Which of the following options appeals to you the most?

Multi-platform access
Oracle NetSuite

Refund tracking
No

Multiple Filing Options
Municipal

Error checking
Manual

Audit Assistance
High-touch virtual

Price
\$350/filing

Multi-platform access
Oracle NetSuite

Refund tracking
No

Multiple Filing Options
Freelancer

Error checking
AI-enabled

Audit Assistance
Low-touch virtual

Price
\$400/filing

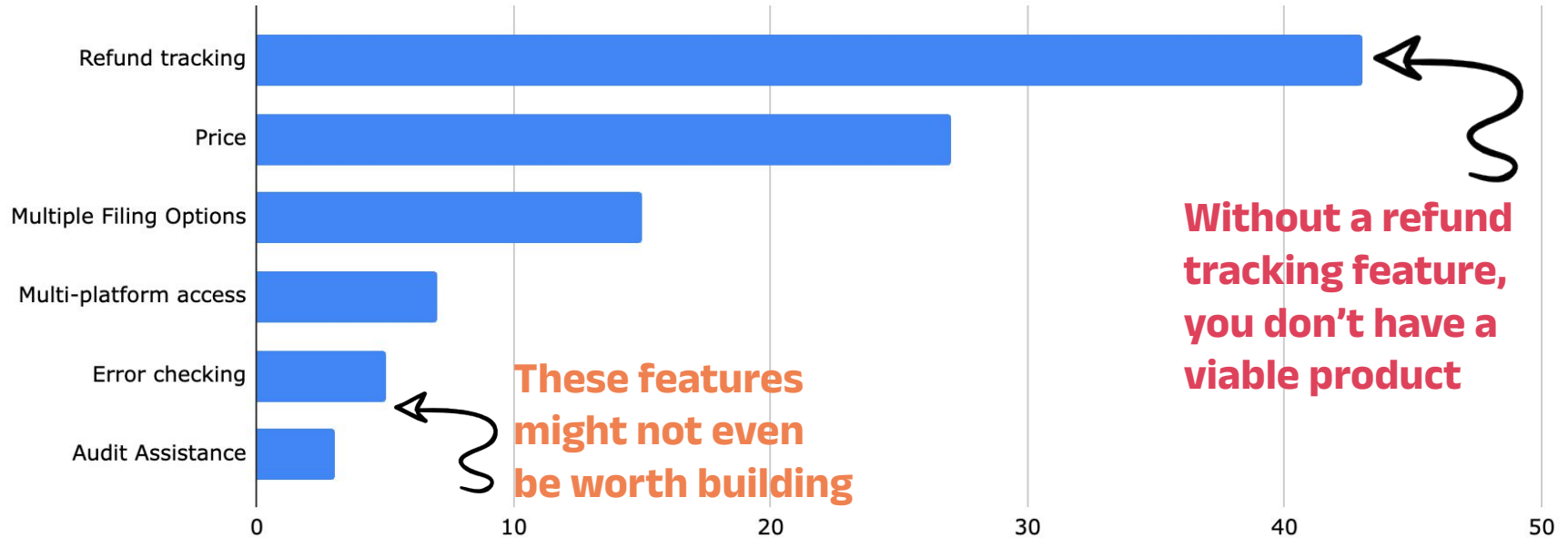


What does the analysis tell me?

What contributes the most to my customer's decision to purchase

The attribute importance reveals the product attributes that drive—and to what extent—customers to prefer a product.

Attribute Importance



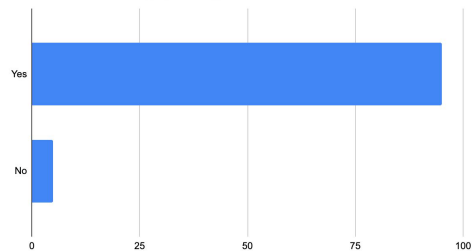
Without a refund tracking feature, you don't have a viable product

These features might not even be worth building

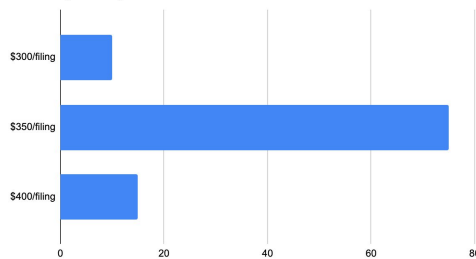
What alternative features do my customers see the most value in?

The level importance reveals how desirable each option is to your customers—taking the guesswork out of prioritizing your product development roadmap.

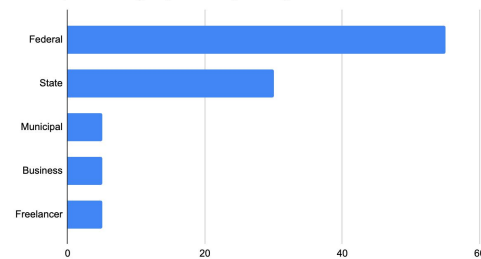
Refund tracking (43%)



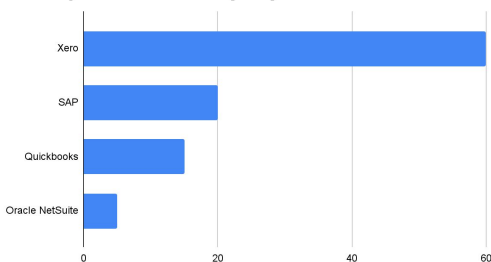
Price (27%)



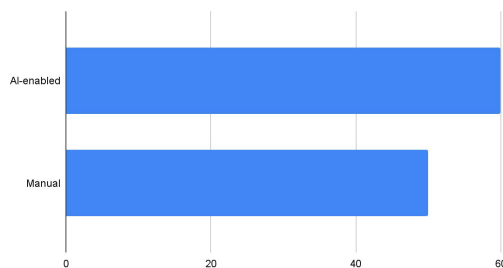
Multiple Filing Options (15%)



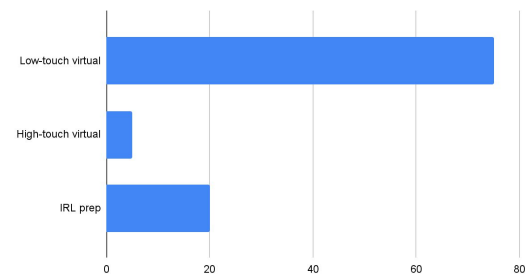
Multi-platform access (7%)



Error checking (5%)







Audit Assistance (3%)



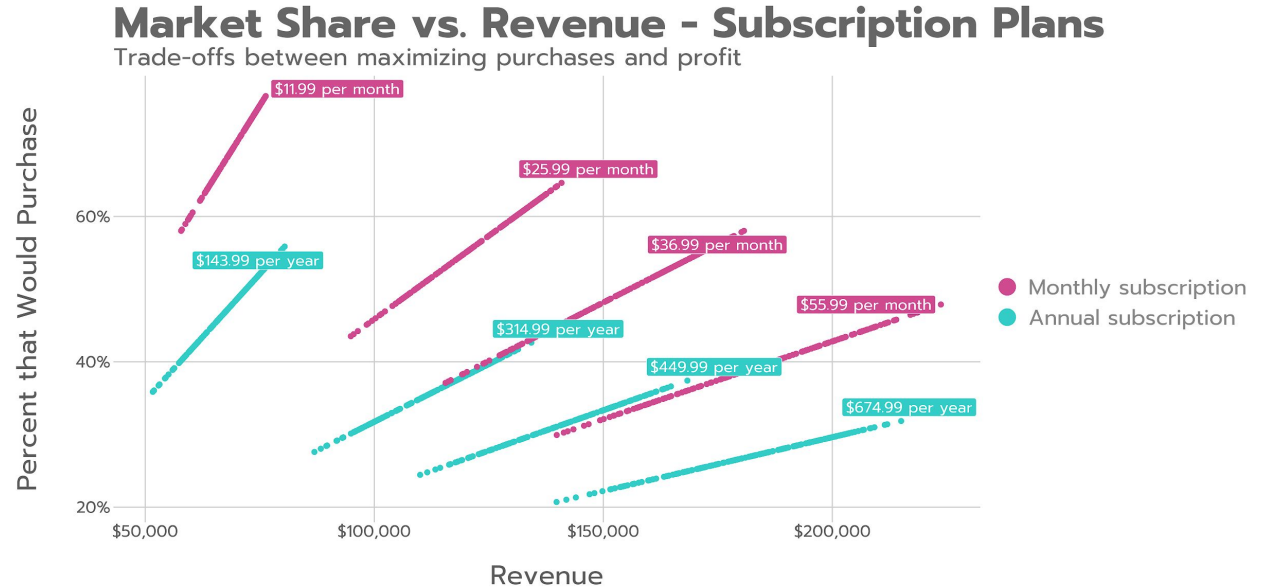
What else can I do with a conjoint?

Simulate market/preference share for any combination of product features

				
Egg weight:	60g	65g	55g	55g
Organic:	No	No	No	No
Charity:	10% of Revenue donated ...	10% of Revenue donated ...	No	No
Quality:	Free Range	Fresh Eggs (Caged)	Barn Raised	Fresh Eggs (Caged)
Uniformity:	All eggs appear the same	All eggs appear the same	All eggs appear the same	Some eggs appear differ...
Feed:	Vegetables	Grain and fish (high in O...	Not stated	Not stated
Price \$:	\$5.00	\$2.50	\$2.00	\$5.00
MARKET SHARE:	29.5%	30.3%	39.7%	.5%

What else can I do with a conjoint?

Model the tradeoff between optimizing for market share or revenue growth





No longer do you need to build and sell to see what your customers demand.



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I'd love to [connect with you on LinkedIn!](#)

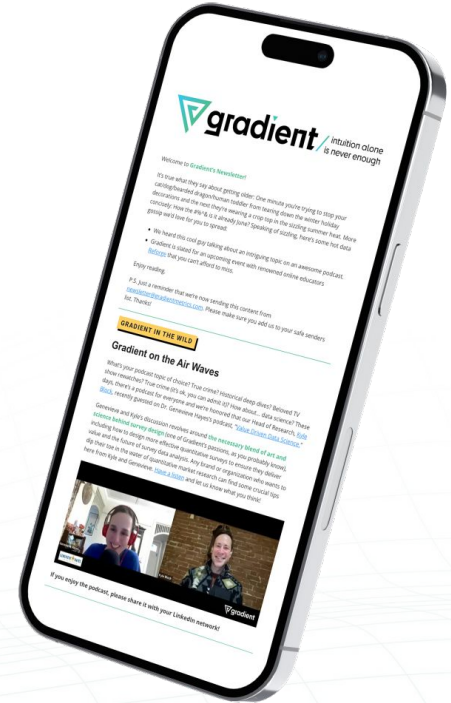
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