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# Trade off methodologies Max-diff & Conjoint

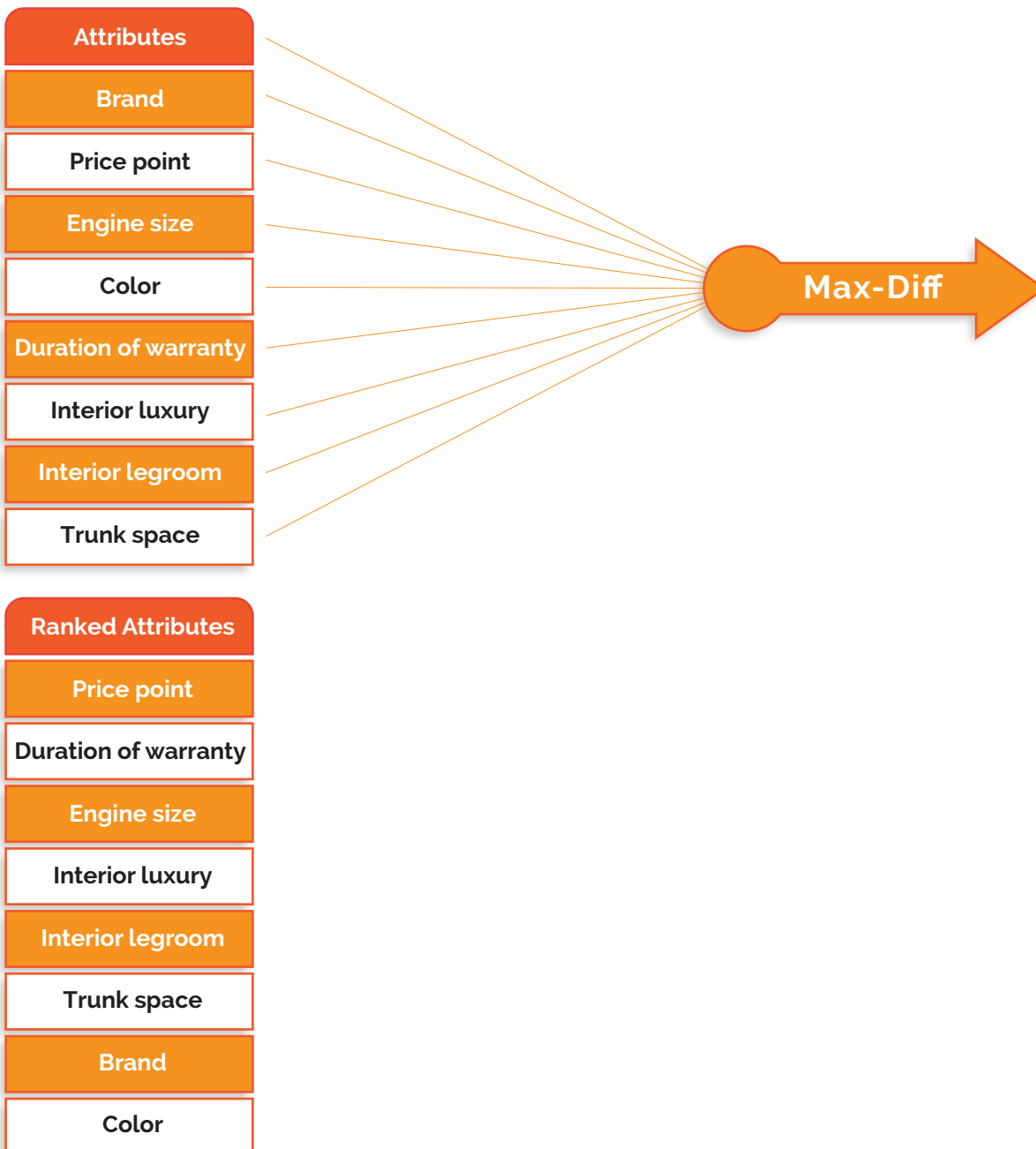
# Trade off methodologies

## Max-diff & Conjoint

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Max-diff and conjoint analysis are both statistical techniques used in trade-off analysis. However, the methods provide different insights. Max-diff determines the most preferred features for a product or service. Conjoint on the other hand determines feature combinations with the highest preference share.

The below illustrates with a familiar example of a car purchase. An important set of attributes for a car purchase may include items shown in Figure 1 (left). Max-diff analysis informs the relative preference of these attributes (Figure 1 right).



# Trade off methodologies

## Max-diff & Conjoint

*(continued)*

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On the other hand, a choice-based conjoint exercise allows one to dig deeper into user preferences. Let's consider a more complex choice scenario (Figure 2) where each of the attributes (e.g. engine size) has its own levels (1.3 L, 1.8L, 2L and 2.5L). For simplicity, a smaller set of attributes is considered.

Attributes	Levels
Brand	Brand A, Brand B, Brand C
Price Point	\$18K, \$22K, \$28K, \$35K
Engine	1.3L, 1.8L, 2 L, 2.5L
Warranty	4 years, 6 years

A consumer is now guided to make a choice between different product configurations (i.e. product 1 and 2, Figure 3, below), as in a real purchase scenario. The subsequent analysis identifies product concepts with high market share along with relative importance of the attributes and their levels.