CASE STUDY

APPLIED MARKETING SCIENCE

High-stakes product and pricing decisions in a crowded market – powered by conjoint analysis

THE CHALLENGE

The client:

- A Fortune 500 medical device manufacturer preparing to launch a next-generation cardiology capital system.

The problem:

Internal discord over:

- Which features actually drive choice.
- How much customers will pay for performance and innovation.
- Whether new launches would grow share —or cannibalize the portfolio.

The client needed data – not internal debate.

WHAT WE DID

AMS's solution: A conjoint study carefully designed to guide product design, pricing, and launch decisions.

CLIENT
Medical Device Manufacturer

INDUSTRY
Medical Products & Pharmaceuticals

SERVICES
Conjoint Analysis and Discrete Choice

KEY TAKEAWAY

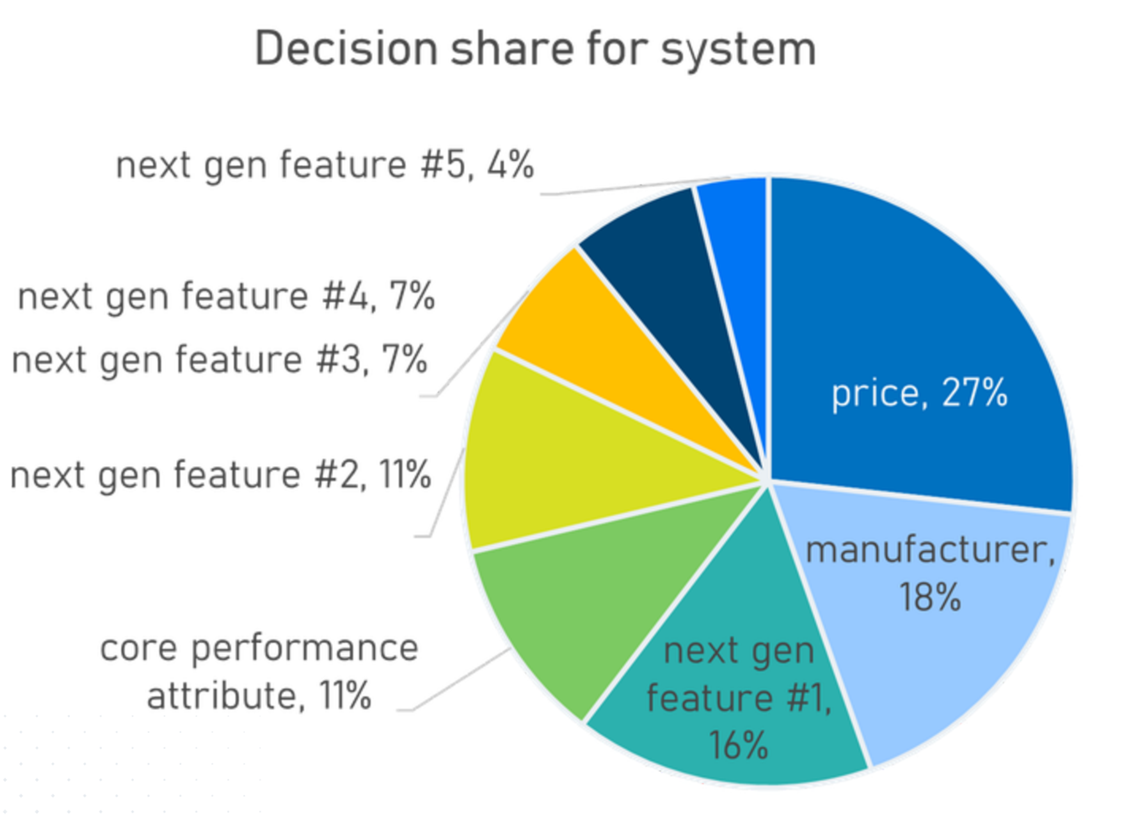
Our conjoint study gave the client clear evidence to raise the launch price while protecting share, turning a product decision into a margin opportunity.

THE OUTCOME

INSIGHT #1

A small set of attributes explained over half of the decision for the capital system.

- Price, manufacturer, and core performance together drove over 50% of choice.
- Advanced features mattered but only after baseline expectations were met.
- Clear evidence of diminishing returns on certain "premium" upgrades the client was considering.



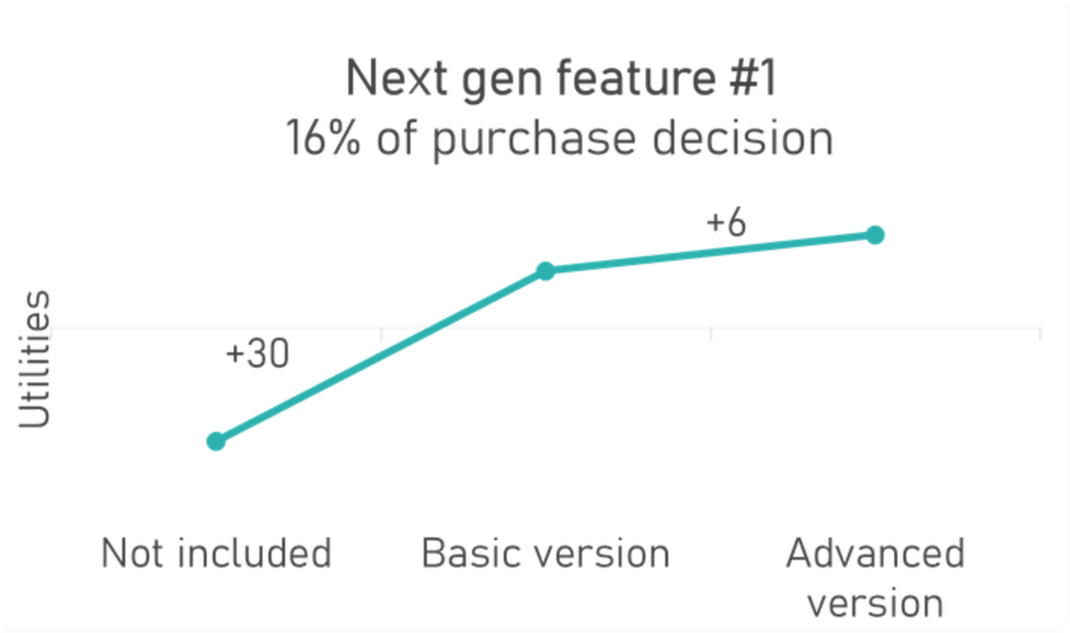
Why this mattered:

- Prevented the client from over-engineering the system and helped them prioritize investment where it pays off.

INSIGHT #2

Higher performance levels were preferred, but gains flattened beyond a threshold for many features.

- Connectivity features were valued, but basic integration captured most of the benefit.
- Some planned next-gen features increased cost and complexity without moving demand.
- One feature emerged as a clear driver of willingness to pay - if delivered at a premium level.



How much incremental value does each feature provide?	Basic = **$9,400**	Advanced = **$10,800**

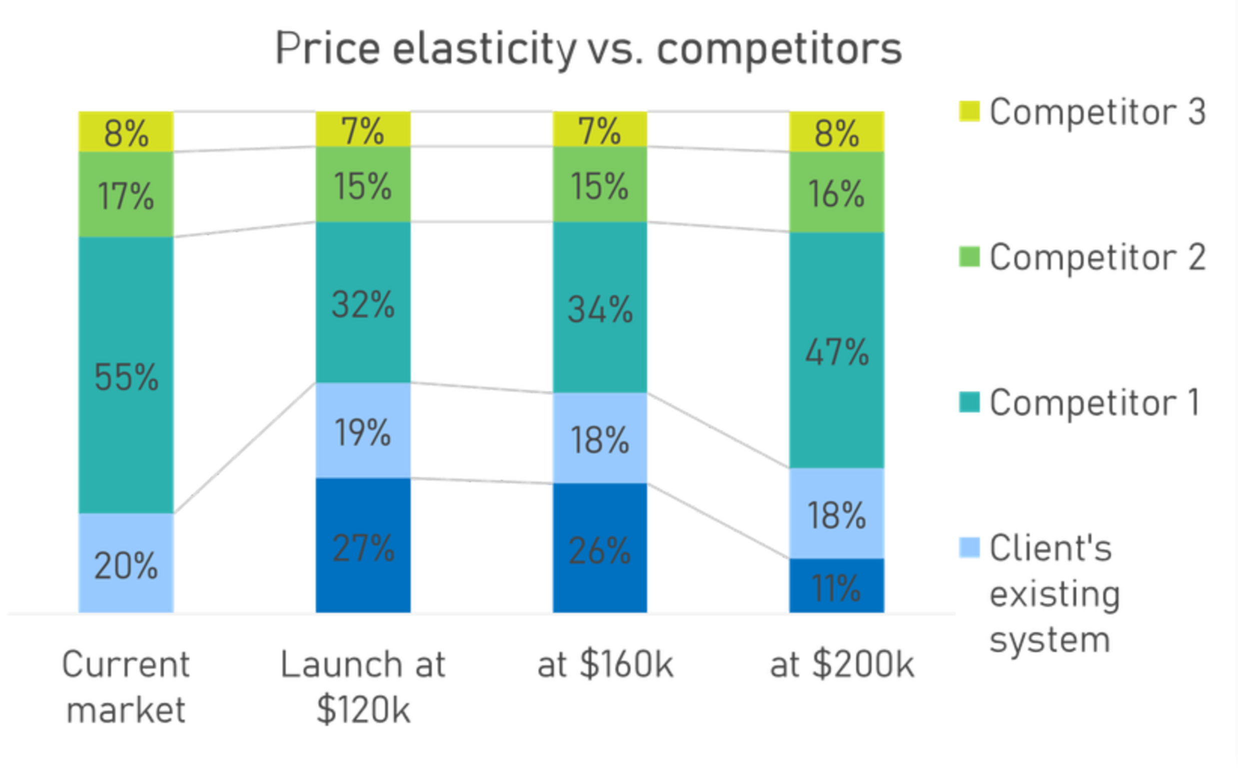
Why this mattered:

- Identified must-have vs. nice-to-have features, protecting margins and development budgets.
- Allowed the client to focus on innovation that would drive willingness to pay.

INSIGHT #3

Demand for the next gen system significantly declines after price exceeds $160k.

- The next-gen system delivers net new share, with minimal cannibalization of the existing system.
- Share gains are driven largely by switching from the market leader (Competitor 1).
- $160k is the price ceiling without additional feature differentiation.



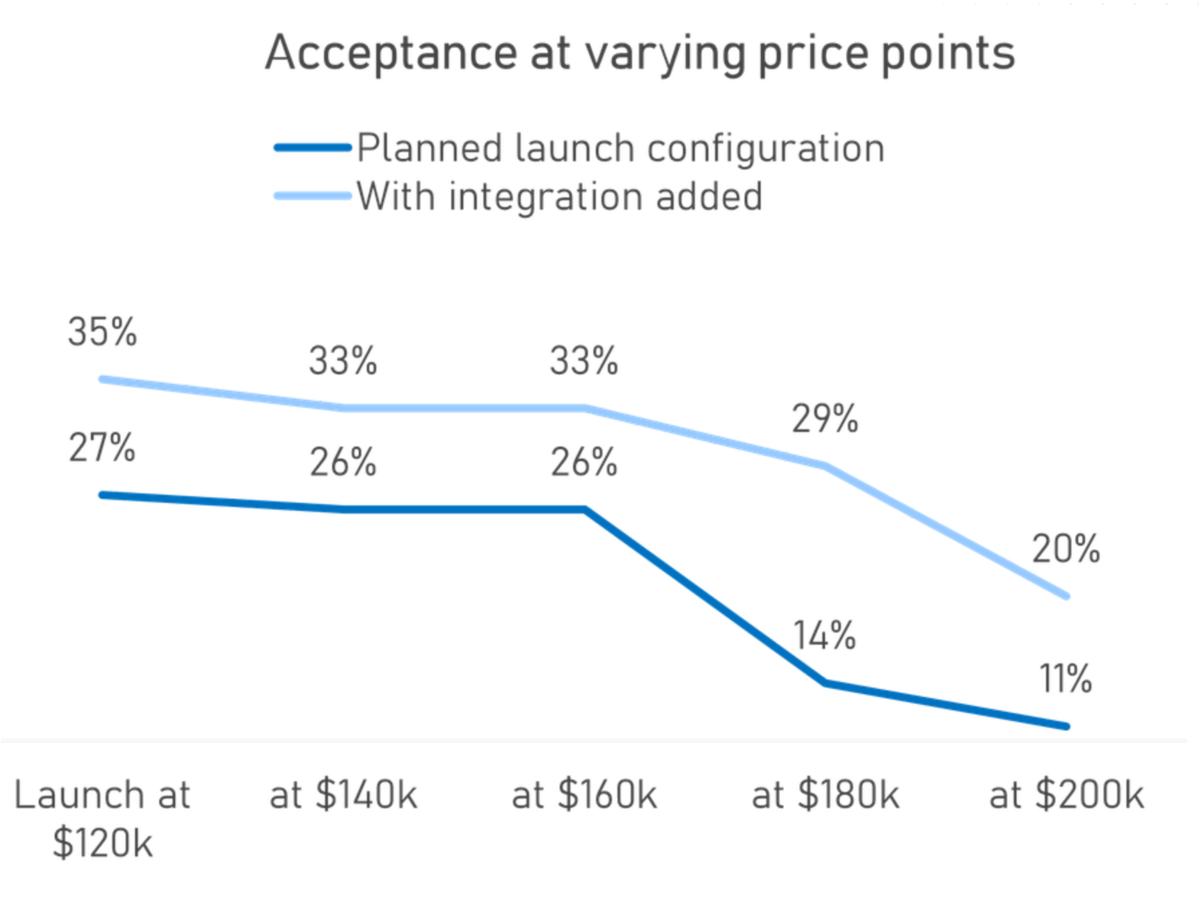
Why this mattered:

- Clear evidence of where price starts to hurt demand.
- Replaces gut-feel pricing with defensible price corridors backed by data.

INSIGHT #4

Adding integration could drive higher acceptance and justify a $180k price.

- With integration, demand remains resilient up to ~$180k- where the base configuration begins to drop sharply.
- Integration shifts the price–value curve, enabling a higher launch price without sacrificing share.



Why this mattered:

- Proved that integration wasn't just a feature — it was a lever for pricing power.
- Gave the client clear evidence to raise the launch price while protecting share, turning a product decision into a margin opportunity.

From internal debate to confident decisions:

The client challenge	How conjoint delivered
No internal consensus about which features truly drive customer choice.	Isolated the few features that materially move demand, cutting through opinions and internal bias.
Risk of over-engineering and overspending on R&D.	Quantified diminishing returns, preventing investment in low-value features.
Pricing decisions carried high financial risk and relied on assumptions.	Put hard dollars around value, enabling confident decisions.
Needed to know the optimal launch configuration, not just a good one.	Simulated real-world choices to identify the highest-value product before launch.
Leadership needed confidence to make high-stakes go-to-market decisions.	Replaced debate with data-backed simulations, reducing launch risk.

Our approach to pricing consulting rests upon our team's groundbreaking academic research and has been tested in the real world — where multi-million-dollar decisions are at stake and errors are irreversible. We apply our expertise to every pricing study we conduct, spanning a wide range of industries.

Contact our team of expert consultants to learn more.

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