

# Pricing Studies with Mercury Research

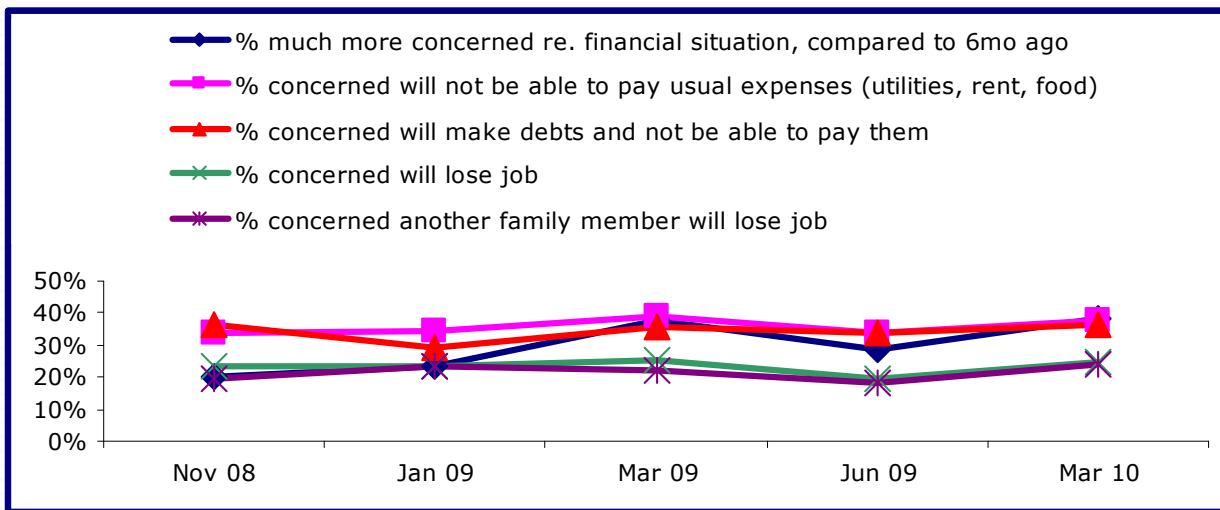
Market intelligence  
which supports

decision making

# Current Background

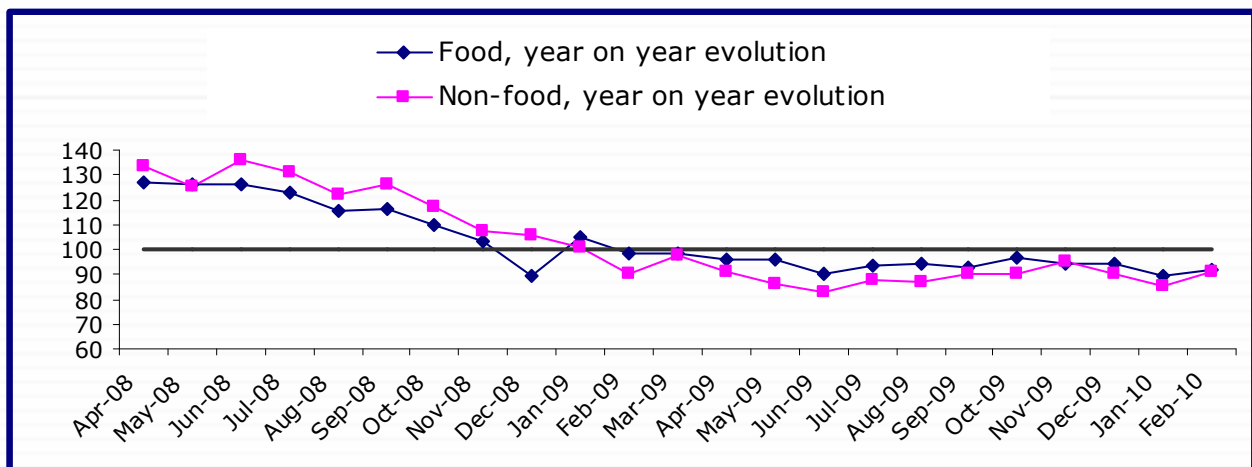
## Financial Crisis Effects on General Population

After a more positive attitude regarding own financial situation, recorded in the summer of 2009, concerns are growing again amongst the Romanian adult population.



Source: Mercury FinancialCrisis Meter, 2008-2010

Evolution of retail turnover over the past 2 years shows decreases on both food and non-food categories, for the year on year indicators.



Source: INSSE, Monthly Bulletin Feb 2010

# Pricing Studies

## Challenges for FMCG Companies

- ? Need to **understand new economical context**, and to **align prices** accordingly
- ? Need to understand **predicted market changes**, in case of price restructuring for own products or for competitors

## How Mercury Research Can Assist

- ✓ **Conjoint studies** to help in pricing strategies, from simple Brand-Price Trade Off (BPTO) studies to complex, multi-levelled studies, involving products defined by a variety of features.

## Mercury Research Experience with Pricing Studies

**First research company** that has conducted a **conjoint study on the Romanian market**, in 1998.

**Numerous conjoint studies** conducted over the years, from BPTO studies and studies focused on brand importance in FMCG, to conjoint studies to allow optimisation of bank products, new product design studies on several product categories in telecom, conjoint studies to estimate future sales of new products, price sensitivity on treatment areas in the healthcare sector.

## Pricing Studies conducted in FMCG Sector

- Soft drinks
- Dairies
- Canned food
- Meat products
- Edible Oil
- Snacks
- Coffee
- Chocolate

**Team trained at international standards:** American Marketing Association Advanced School of Marketing Research - Experimental Design for Conjoint and Discrete Choice Modeling, Conjoint Analysis Seminar - Skim Software Division - Rotterdam, The Netherlands

**Specialists in conjoint studies:** using the most appropriate software for design, processing and simulation for pricing studies – **CBC/HB Advanced Module** from Sawtooth Software, with extended design capacity:

- Up to 30 attributes
- Up to 254 levels / attribute
- Up to 100 concepts / task

# Features and Benefits

## Features

- Possibility to replicate **shelf-facing displays** in tasks shown to respondents

## Benefits

- **Greater realism** in the interview, and greater flexibility for interviewing respondents.



- Possibility to include **'None'** option – 'I wouldn't chose any of these'

- Information gauged from this contributes to the **estimation** for the **decrease in demand** to be expected **if**, for example, **prices** of all offered products would **increase**

- Possibility to have **partial profile designs**

- **Simulate markets** with **complex** products or with **numerous products**, without additional burden for respondents, as each choice task includes only a subset of the attributes

- Possibility to have **product or alternative specific attribute levels**

- **Simulate preferences** for markets with **products** defined by **different sets of attributes**, but which are inter-changeable in respondents' minds.

- Possibility to have cases where entire **attributes apply only to certain brands** or levels of another attribute

- **More realistic choices** for respondents, who are not forced to choose from options which cannot be found in real life.

# Project Steps and Outputs

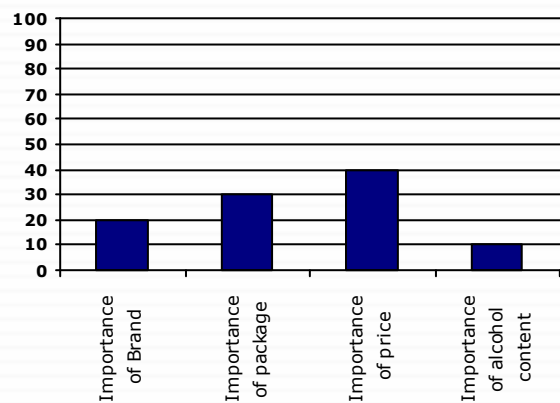
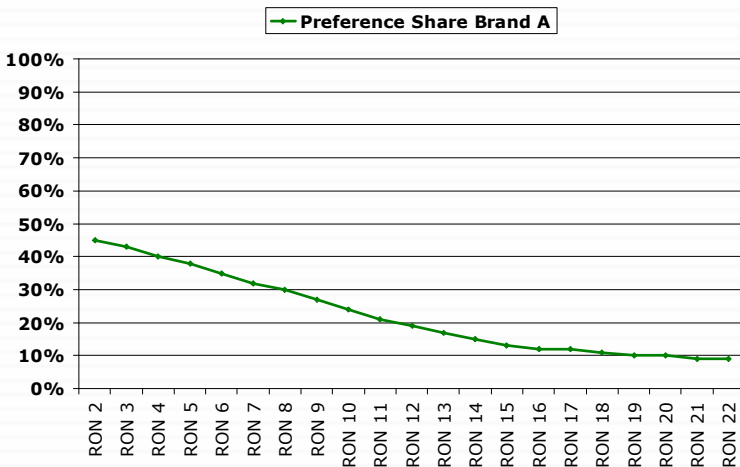
## Project Steps

- **Define business objectives:** increase sales volume, redesign price offer for some/all products in the portfolio, etc.
- **Integrate information needs** to business objectives and **design the research.**
- **Conducting** the actual **research.**  
*For a demo survey please go to <http://mail.mercury.ro/redirect/ber/>*
- **Workshop** on results – presentation, discussions and ideas, training on the market simulation software, choose relevant market scenario based on marketing or product managers input
- Complete the **presentation** with market simulations, to have complete information for the launching decision/ adjusting product portfolio.

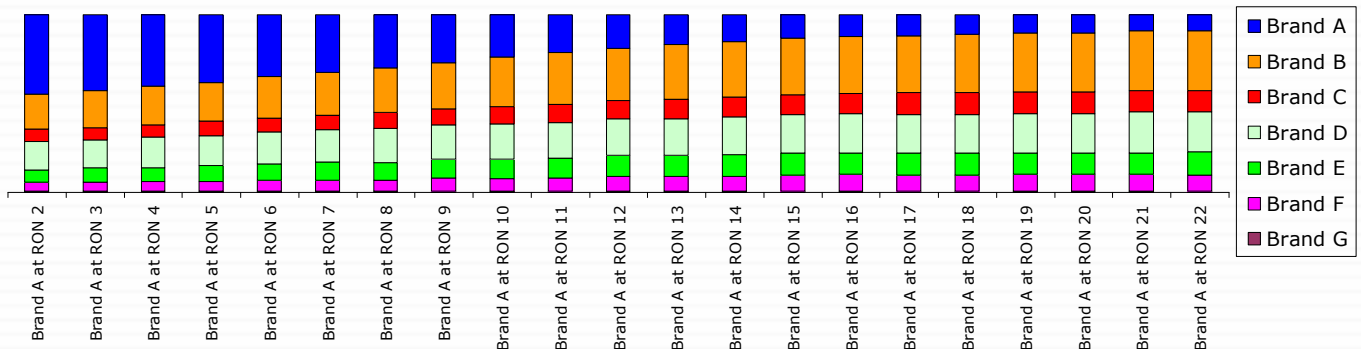
## Examples of Outputs

- **Price sensitivity graphs**

- Understand **importance of price** in decision making process



- **Market simulations** of various scenarios: which would be the preference share for a specific price offer.



# Mercury Research Background

**Largest independent full service research agency on the Romanian market**

Highly **specialized** staff:

- 14 full-time **research consultants**
- 7 **specialists** in **data analysis, processing, statistics**
- 400 **field interviewers**, covering all Romania, coordinated by a team of 4 people who recruit, train, supervise and control F2F data collection
- 79 **CATI stations**, served by over 100 interviewers, 5 supervisors led by our CATI manager
- separate **qualitative recruitment team** coordinated by 3 executives and one manager
- **online panel** manager supervising own panel, currently at approx. 17,000 panelists

## International affiliations



Members of:

- ESOMAR (International Code of Marketing and Social Research Practice)
- SORMA (Romanian Society for Market and Opinion Research)
- Global Market Research - independent research companies network covering 25 countries ([www.agmr.com](http://www.agmr.com))

## Services Delivered

**Qualitative Research**  
**Quantitative Research**  
**Data Analysis & Statistics**  
**Data collection: F2F, CATI, online**

## Sectors Covered

**Automotive**  
**Durables & Home Improvement**  
**Financial & Banking**  
**FMCG**  
**Media**  
**Pharmaceuticals/ Healthcare**  
**Social**  
**Telecom - IT&C**

## Contact

**95 Siret, 1<sup>st</sup> floor, Bucharest, Romania**  
**[contact@mercury.ro](mailto:contact@mercury.ro)**  
**+4021 224 6600**  
**[www.mercury.ro](http://www.mercury.ro)**  
**Ingrid Lambru, Marketing Director ([Ingrid\\_Lambru@mercury.ro](mailto:Ingrid_Lambru@mercury.ro))**  
**Ioan Simu, General Manager ([Ioan\\_Simu@mercury.ro](mailto:Ioan_Simu@mercury.ro))**