

# Willingness to Purchase Study from JATO

Understand how Customer Buying Behaviour helps to drive feature and pricing decisions



## 1 Understanding the Problem

For original equipment manufacturers (OEMs), National Sales Companies (NSC's) and Importers, **decisions about product features and perceived value has always been a carefully balanced and extremely important task that requires experience, skill and data.** The outcome influences how successful they are within the marketplace, increase/decrease market share and ultimately affect the bottom line. This is further 'guess-timated' on whether to make said option a standard fitment and how much to charge for it.

While this group of organisations can access data on what customers think they would hypothetically pay for a feature and if they find a feature attractive, **there has never been real-life, market-wide data** on how customers were really acquiring individual features and how much they actually pay for them... **until now.**

JATO, the global specialists in industry-leading automotive research, has developed and launched a new solution - **Willingness to Purchase Study** - that will greatly support product and pricing decisions by providing insights on how customers may be perceiving attractiveness and value of individual vehicle features.

It all comes down to behavioural analysis gained from research of real vehicle transactions – what the customer has actually bought and at what cost.

## 2 The Pain of Getting it Right

The necessity to decide pricing and product definition on a feature-by-feature basis is an extremely important process for an OEM's, NSC's and Importers.

If a feature is priced inappropriately, it can have a detrimental impact on the company's revenue, customer satisfaction and market share.

Deciding about individual features always been an issue for the automotive industry, as outlined way back in 2015 by PSA CEO Carlos Tavares:



*"We need to better understand market trends. One of the big mistakes made by the automotive industry is putting in lots of features that customers don't value. It's something that needs more focus on the marketing side. Let's keep the features that customers value and avoid those that customers don't value, but perhaps our engineers do."*

PSA CEO Carlos Tavares



## 3 The Answer

Take the 'Guess-timation out'

In 2015 JATO made the move to start researching real vehicle transactions which included the way customers equipped vehicles with individual options and packs.

JATO has been helping our customers better understand their customers preference for individual equipment features, leading to well-informed pricing and product actions. **Feature by Feature.**



## 4 Have you heard the story of the HANDS-FREE BOOT RELEASE?

It's a good one

A couple of years ago HANDS-FREE BOOT RELEASE was a bit of a star in several commercials for vehicles in the popular SUV segment. Click [here](#) to read all about it



## 5 The Benefits – Answers to Big Questions

Running a data-driven decision process helps answer some of the **BIG** questions, based on real market data. Can Feature Level Willingness to Purchase answer these?

And one of the **big BIG** ones?

How to untangle the price of the single **FEATURE** when you want to offer as a part of a pack?

**In a nutshell:** People rarely purchase this feature as a standalone item: it is bundled in equipment packs. Unbundling the value of this individual item is complicated but together with this product it can be done.

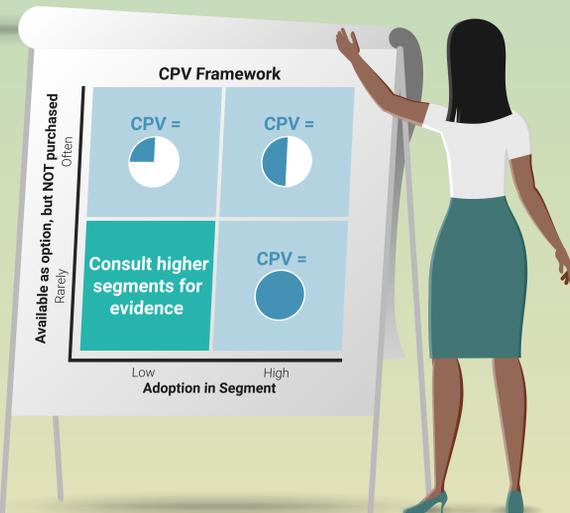
- Is this feature really ready to become part of a vehicle standard?
- Should it stay an option?
- How valuable is this option to a customer?
- Is this what the customer wants on a vehicle?



- What might be the value perception of a feature by customers in a segment?
- What insight can be gained from analysis of the offer and of the customer behaviour

## 6 So how do JATO do it at the feature level?

- Analysing the data of option purchase as well as analysing the data on option rejection can provide some evidence.
- JATO has developed a simple framework that can help with making this decision based on real market data:



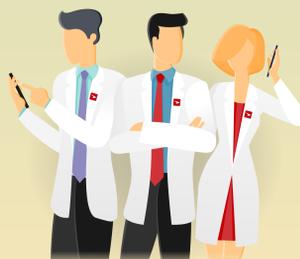
## 7 Next Steps



To understand more how Willingness to Purchase analysis can help you, **get in touch**

**Demo**

Click [here](#)



**JATO data scientists** are on hand to walk you through the data and support you through the process

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