ANSWERS RESEARCH

PRICING RESEARCH METHODOLOGY

Enhanced Gabor-Granger



WHY ENHANCED

Advantages of Enhanced Gabor-Granger

Additional price points can be tested

Additional price points improve optimal price point precision (up to 20 price points).

Randomly selected initial price point

Initial price point is randomly selected from within the tested range, which mitigates order bias and respondent fatigue.

Dynamic incrementality

Quickly finds a respondent's optimal price point by incrementing price based on the conviction of purchase likelihood.

Price curve stability

Additional pricing information softens large demand drops across price increments, leading to more stable price curves.

EXAMPLE

How dynamic incrementality works

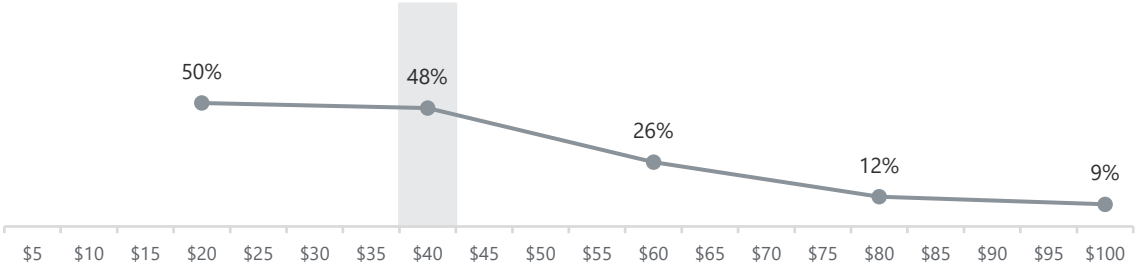
Purchase likelihood	Change to next price point
Definitely would	↑↑ +2
Probably would	↑ +1
Might or might not	↓ −1
Probably would not	↓ −1
Definitely would not	↓↓ −2

EXAMPLE OUTPUT: PRICE ELASTICITY OF DEMAND

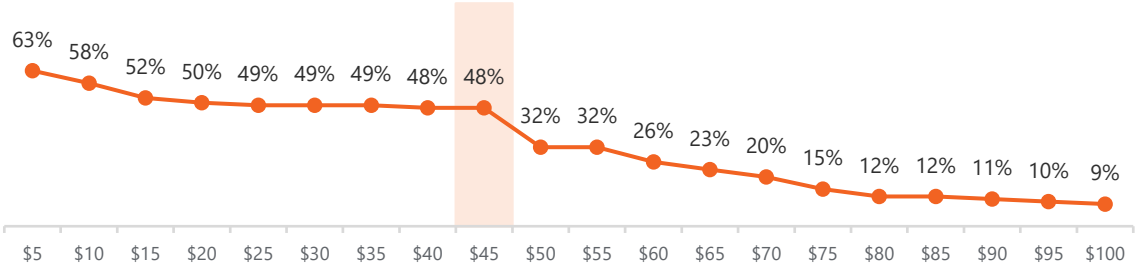
Greater precision on the revenue-optimizing price

Willingness to pay · Base: respondents willing to pay

Scripted Gabor-Granger · 5 price points



Enhanced Gabor-Granger · 20 price points



Scripted Gabor-Granger
5 price points

$40 revenue-maximizing price point

Enhanced Gabor-Granger
20 price points

$45 revenue-maximizing price point

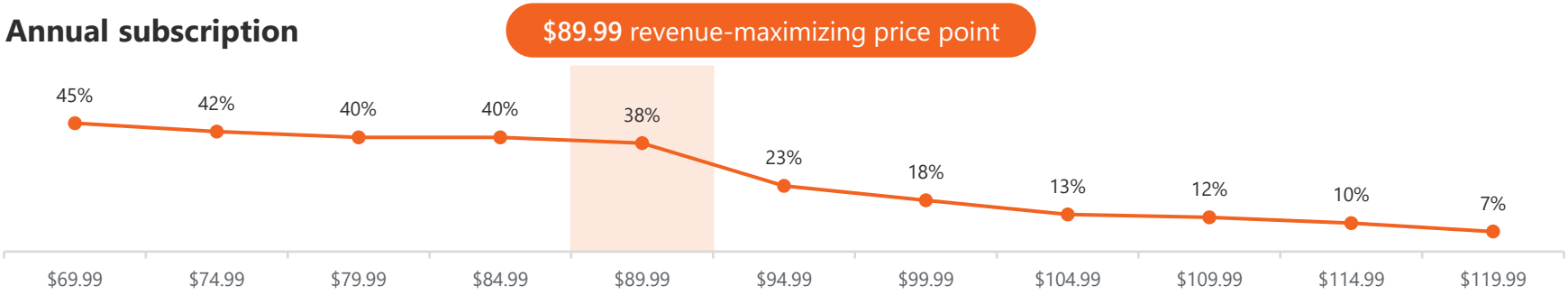
Extra price points reveal where demand actually drops: between $45 and $50.

EXAMPLE OUTPUT: PRICE ELASTICITY OF DEMAND

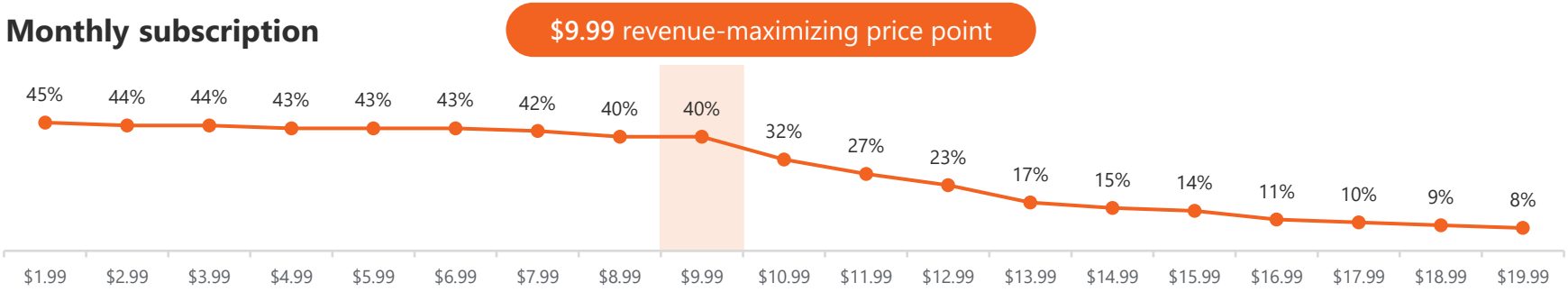
Well-suited for annual and monthly subscription pricing

Willingness to pay · Base: respondents willing to pay

Annual subscription



Monthly subscription



APPLICATION

Custom bundle pricing with Enhanced Gabor-Granger

1 STEP 1
Identify individual WTP

Identify respondent-level WTP for 2+ products or services.

Service A
Optimal price point
$9.99

Service B
Optimal price point
$19.99

2 STEP 2
Sum the optimal prices

These values are summed and used as a custom max price point in a bundled offering.

$9.99 + $19.99

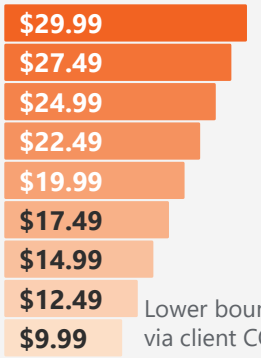
$29.98

Maximum optimal bundle price

3 STEP 3
Test the bundle range

Custom bundle price range is tested via Enhanced Gabor-Granger.

Example bundle price range



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