

Tracking the value of your brand

Nepa Willingness to Pay Tracker

How do customers value your brand?

Introducing Nepa's Willingness to Pay Tracker

The challenge

The actual purpose with most companies' brand investments is to create an incremental value for its customers.

Traditional brand tracking KPIs are not able to quantify and translate this value into a financial number, making it difficult for brands to follow up on their investments properly.

The solution

At Nepa we have a long history of using different types of discrete choice models (conjoint) to capture how much consumers are actually willing to pay for a certain brand.

By combining our methodological expertise with extensive experience from tracking data, we have developed a solution using discrete choice modelling to measure the willingness to pay on a continuous basis.

The possibilities

1. Follow your monetary brand value
2. Prove the importance of marketing internally
3. Get continuous strategic pricing input

Outsmart competitors by tracking willingness to pay

Three benefits of the WTP Tracker

1

Go from reactive to proactive

In today's dynamic marketplace, consumer preferences are changing more rapidly than ever.

By tracking consumers' willingness to pay on a continual basis, you can stay one step ahead and be the first to act on these changes. E.g. is your general strategy in line with what premium consumers actually are willing to pay for your brand or do you need to adapt?

2

Gauge the competition

By tracking consumer preferences in your category, you will gather an understanding of the willingness to pay for your brand in relation to main competitors in the category.

Instead of guessing the impact of competitive initiatives, such as new marketing activities, you can assess the actual impact they have on your competitiveness – and whether you need to act or not.

3

Assess marketing activities

Driving consumers' willingness to pay is in many cases a key objective for marketing activities, but one that is often difficult to keep track of.

By measuring the willingness to pay continuously, it becomes possible to assess the effect that different marketing activities have had on this KPI. Being able to show a positive development on WTP is often a strong argument internally for the importance of marketing in general.

Case **Airline**

How an airline took back initiative by making willingness to pay the number one priority

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Willingness to pay over time
Brand and main competitor
Development 2014-2019

1
Getting a grip of the situation
Company X was losing market shares as well as facing a negative development of willingness to pay in the category, which had been ferociously targeted by new, agile low-cost competitors.
A decision was made to do a full assessment of the airline's current offering architecture, with the aim of improving the competitiveness of its services.

2
Willingness to pay gets lead role
A decision is made to make willingness to pay the primary objective of marketing communications, with the aim of defending the remaining price premium.

3
What gets measured gets done
The company has been able to defend its price premium and is consistently tracking the effects of its marketing activities as well as closely monitoring the need for adaptations in bundling and its overall pricing strategy, to remain competitive.
The WTP tracker provides the company with one of its most important KPIs, and is consequently reported directly to top management and the CEO.



**For more
information,
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