

Case Study:

# PRODUCT OPTIMIZATION: UNTANGLING IDEAS TO UNLOCK INNOVATION

## Client Challenge

A leading U.S. health system was developing a first-of-its-kind wellness solution that would integrate a state-of-the-art health facility, preventive/wellness programming, and therapy-based alternative treatments into a single, cohesive experience. The facility design, pricing strategy, positioning and program mix had yet to be defined, creating a rare opportunity to build out the entire solution “from-the-ground-up.”

## Ironwood’s Solution

Ironwood designed a custom optimization study that integrated multiple experimental designs and advanced analytical approaches. Highlights of the approach included:

- ④ Leveraging Ironwood's proprietary sample aggregation platform to capture a robust, high-quality sample despite the facility's small, hyper-targeted target market.
- ④ Designing Discrete Choice (DCM) and Max-Diff (M-D) experiments to optimize the overall offering, model its market potential and prioritize the most compelling wellness programs from a menu of 30 potential ideas.
- ④ A respondent-level, Integrated Preference analysis linking M-D and DCM utilities to generate willingness to pay and price elasticity estimates for the 30 programs.

## Key Outcomes

From these analyses, Ironwood estimated the market potential for the Integrated Wellness offering under various conditions and developed a comprehensive blueprint to guide its further development...

Translated the Discrete Choice and Max-Diff output into an optimized menu of programs and offerings.

Used scenario modeling to identify the market potential of the facility under numerous combinations—programs, price points, brands, travel distances—as well as identify scenarios to offset key adoption barriers (i.e., longer travel distances).

Leveraged the Integrated Preference utilities to identify high willingness to pay features that signaled greater value and fortified the offering’s positioning and potential uptake.

