Annotated Summary of:

Barich, Howard, and V. Srinivasan (1993), "Prioritizing Marketing Image Goals under Resource Constraints." *Sloan Management Review* **34(4): 69–76.**

Chapter 7: Conjoint Analysis
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In this article, the authors explain and demonstrate the multiple uses of conjoint analysis as an aid in managerial decision making by exploring marketing image in a high-end department store. Marketing image is how the customer perceives the organization's products and services and has an impact on organizational performance. By understanding how the customer views the organization's marketing image, managers can determine the resources necessary to improve that image. Thus, conjoint provides a means for prioritizing marketing image goals. The authors apply the technique to determine customer importance of marketing image goals and then compare those measures to manager perceptions. They then perform a cost-benefit analysis based on the results in order to prioritize objectives that will bring the greatest return. The authors accomplish this by explaining the technique and then by offering a multistep approach to prioritize marketing image goals.

This application uses a full-profile method with six factors (convenience, customer service, product quality, product variety, reasonable prices, and store attractiveness), each containing three levels (fair, good, and excellent). A fractional factorial design is used to reduce the 729 possible combinations, which results in an additive model of 18 hypothetical combinations. Each of the six part-worth functions is examined for diminishing returns, indicating that the increase in utility from fair to good is larger than the increase from good to excellent. Management perceptions of each attribute's importance and ratings on the degree of difficulty (effort and resources) to make a unit improvement for each of the attributes are also gathered. With this information, the authors are able to compare management perceptions with those of the customer and compute the relative advantage of improving each attribute. Priority is given to improvements with high attribute importance but fewer resource demands. By applying the conjoint results, the authors demonstrate the method's ability to aid in decision making by accounting for customer needs and resource demands.