



GO-TO-MARKET & PRICING

What is Gabor-Granger pricing research, and why purchase intent is not a market price

Gabor-Granger asks stated purchase intent at named prices. Treat its curve as a research signal, then validate it against choice and market constraints.

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MANAGEMENT SUMMARY

Gabor-Granger pricing research is a stated-intent protocol in which respondents are shown named prices and asked whether they would buy, accept, or consider the offer. The resulting threshold or intention curve is a structured research signal, not an observed market price, realized revenue, or willingness-to-pay fact. Research on new-product forecasting and demand estimation explains why direct purchase questions can overstate adoption and why indirect choice methods still need market and budget validation. This article defines the method boundary, gives a synthetic response curve, and shows how to use the output without turning stated intent into a forecast.

Keywords: Gabor-Granger Pricing Research · Price Sensitivity Research · Purchase Intent · Stated Preference · Market Validation · Demand Forecasting

A respondent says yes to a price in a survey. A commercial team multiplies that share by the market size and calls the result demand. The arithmetic is easy. The jump from an answer to a transaction is the hard part.

Gabor-Granger pricing research is a stated-intent protocol that tests purchase or acceptance responses at declared price points. It produces a structured research signal. It does not directly observe a market price, realized revenue, or a binding willingness-to-pay fact.

The conjoint article owns the boundary between stated preference and demand in multi-attribute choice. This page owns the simpler price-point sequence and the validation needed before a price curve is used for a commercial decision.

How does the method work?

Declare the research object before asking the first question:

- 1 Define the offer, buyer unit, context, currency, and price basis.
- 2 Choose price points and the order or randomization rule.
- 3 Ask the same binary or scaled purchase-intent question at each point.
- 4 Preserve respondent eligibility, prior exposure, and missing responses.
- 5 Summarize the share selecting the stated response at each price.
- 6 Treat the resulting curve as intent under the prompt, not observed demand.
- 7 Validate the point price with choice, budget, channel, capacity, and transaction evidence.

The response rule matters. “Would consider,” “likely to buy,” and “would authorize” are not the same event. A price point without a unit or buying context is not a reproducible observation.

What does research contribute?

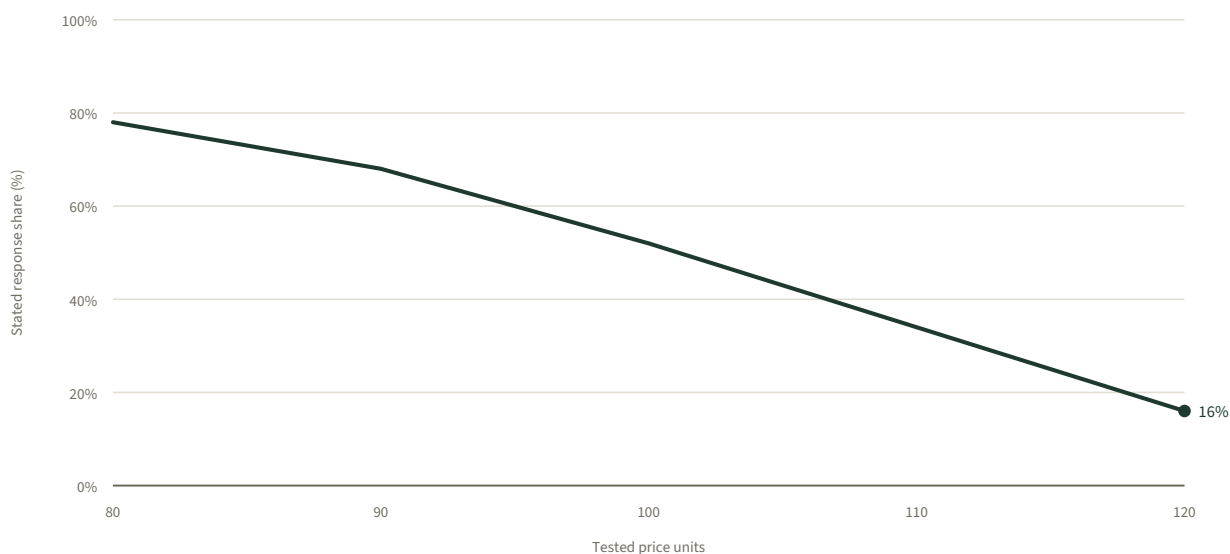
Urban, Weinberg, and Hauser examine premarket forecasting for really-new products and show why forecasting requires more than a simple direct question about purchase. Aydin, Kwong, Ji, and Law review market-demand estimation methods for new-product development and distinguish direct survey approaches from indirect choice approaches (Urban et al., 1996; Aydin et al., 2014).

These sources do not evaluate a single current Gabor-Granger implementation. They support the method boundary: a stated response is an input to a forecast or pricing decision, not the transaction itself. A direct, version-checked Gabor-Granger source is not yet held in the local evidence library, so the procedural description below is an author method description and this pair remains draft-only pending acquisition.

What does a stated-intent curve look like?

The chart is synthetic. It shows the share selecting a declared “would buy” response at five prices. It is not a demand curve, a market share estimate, a price recommendation, or a calibrated probability.

Figure 1 The synthetic Gabor-Granger intent curve



Author's synthetic price-point illustration bounded by Urban, Weinberg and Hauser (1996) and Aydin, Kwong, Ji and Law (2014). The response shares are illustrative stated-intent values, not observed purchases, market demand, or a price recommendation.

The downward shape is not the finding. The finding is that the shape has a declared question, sample, offer, price basis, and response rule. Change any of those and the curve represents a different research object.

Which mistakes make the curve look stronger than it is?

- Intent substitution: a likely-buy answer is reported as a purchase.
- Price-basis drift: respondents see a monthly price while the model uses annual revenue.
- Context omission: procurement, implementation, switching, tax, or service costs are absent.
- Order effect: later prices are interpreted relative to earlier anchors.
- Sample leakage: respondents who cannot buy are included without an eligibility rule.
- Market-size multiplication: an intent share is multiplied by TAM without adoption, access, capacity, or budget constraints.

An intentional design can address some of these issues. It cannot make a stated answer an observed transaction by labeling it “demand.”

How should a team use the result?

- 1 Report the exact question and response scale.
- 2 Show the price basis and tested sequence.
- 3 Segment by eligible buyer and decision context.
- 4 Preserve nonresponse and “cannot assess” states.
- 5 Compare the stated curve with observed choice, quote response, pilot conversion, or transaction data when those objects become available.

6 State which decision the curve informs: price screen, offer design, sample selection, or next research.

Do not select a price by finding the highest stated share. The decision may optimize revenue, margin, contribution, adoption, access, or learning. The objective must be declared separately.

What is Gabor-Granger pricing research not?

It is not a market price, a guaranteed demand forecast, a willingness-to-pay fact, or proof that respondents can or will transact. It is not interchangeable with revealed preference, conjoint choice, price elasticity, or observed revenue.

Use Gabor-Granger as a structured stated-intent signal. Keep the response, the forecast, the commercial decision, and the later transaction as separate objects until the evidence connects them.

The revealed-preference article draws the boundary between stated acceptance and observed choice under constraints.

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END OF ESSAY

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