Some Tips for Being Successful with Solo 2

Solo 2 introduces concepts that may be new to you, and it demands a little more “R conjuring” than Solo 1. It's also worth 25% of your course grade. So, here are some tips for being successful with it.

First, Solo 2 is a Bayesian statistics exercise. So avoid doing anything that's “non-Bayesian.” For example, don't use t-tests, F-tests, ANOVAs, or other frequentist statistical techniques. Compare posteriors and summarize using expected values if necessary. Remember that from a Bayesian perspective, parameters have uncertainty; they don't have a “true” single value that you could discover if you had a big enough sample size.

Second, be sure to recognize that your HB models allow you understand how STC's survey respondents vary. This goes to the heart of much of marketing: it's about customer heterogeneity. The famous statistician Ed Deming once remarked that the fundamental task for management is to understand variability.

Third, and related to the above, when answering questions like Obee's question about whether price sensitivity varies by brand, be sure to answer them using the information that your HB results provide you with. For example, you can address Obee's issue more fully by asking “Does price sensitivity vary by brand for any of the respondents, and if so, for which ones?”

Be sure that in summarizing results for respondents you take a “full enumeration” approach by calculating the quantities of interest at the lowest, most disaggregate level possible (which will often be at the individual respondent level), and then aggregating up to summarize. You'd do this to predict preference shares for new scenarios, for example.

When interpreting model results like the MNL betas, don't forget to consider the implications of having used effects coding.

You don't have to actually calculate partworths for each respondent. (But you can if you want to.) All you need to do is to describe how they should be calculated in enough detail that a competent programmer could write code that would do the calculations. By “partworth” I mean here the contribution that a specific attribute level makes to the expected overall utility of a choice alternative.

Don't not exceed the maximum page limit. Don't include a title page with your report. You don't need an executive summary. Do try to make any graphics you include large enough to read.

Last but not least, make sure you address each and every question and issue raised in the assignment description.

Good luck!