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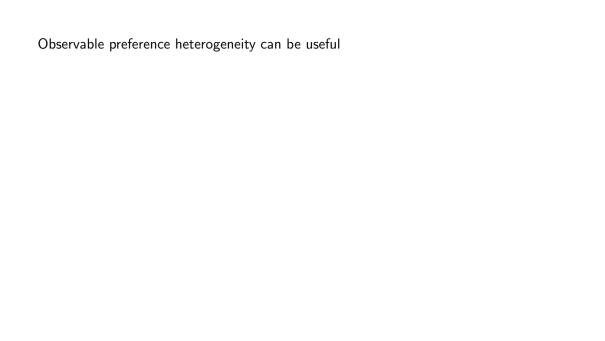
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Now a change in Z_j will have a heterogeneous impact on utility depending on X_i e.g. students $(X_i = 1)$ may be more/less sensitive to changes in price (Z_j)



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Coefficients that are "mixed" are called random coefficients

Models with discrete mixing distributions: latent class models or finite mixture models