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$$u_{i,car} = \beta_2 X_i + \gamma Z_2$$

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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**