Likert Scale Dual Response in Conjoint Analysis

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Write the abstract here ...

1 Introduction

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[1] -0.8475514
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Source: Article Notebook

2 Model

Consumers are indexed by $i = 1, 2, ... I$. Goods are indexed by $j = 1, 2, ... J$ and each good is characterized by a vector of characteristics x_j. Each consumer has: (i) taste parameters β_i, (ii) a good-specific taste shock ε_{ij}, and (iii) a good-specific taste shock ν_{ij}. The outside good is indexed with $j = 0$ and $x_j = \mathbf{0}$.

Consumer i derives utility U_{ij} from good j, where

$$U_{ij} = x_j{}'\beta_i + \nu_{ij} + \varepsilon_{ij}. \tag{1}$$

For each consumer i, the econometrician observes:

- The most preferred good $j \in \{1, 2, ... J\}$, denoted $j_i^{(1)}$. Let $t_i = e_{j^{(1)}}$ represent the "one-hot'' encoding of consumer i's choice of good $j^{(1)}$;