Likert Scale Dual Response in Conjoint Analysis

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Abstract

Write the abstract here …

1 Introduction

Lorem ipsum

2 Model

Consumers are indexed by $i = 1, 2, \dots I$. Goods are indexed by $j = 1, 2, \dots J$ 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

$$U_{ij} = \exp\left\{ x_j{}' \beta_i + \nu_{ij} + \varepsilon_{ij} \right\}.$$

For each consumer i, the econometrician observes: * The most preferred good $j \in \{1, 2, \dots J\}$, denoted $j_i^{(1)}$. Let $t_i = e_{j^{(1)}}$ represent the "one-hot'' encoding of consumer i's choice of good $j^{(1)}$; * A signal related to the probability that the consumer prefers the outside good $j = 0$. This signal takes the form of an ordinal scale $w \in \{1, 2, \dots W\}$. Higher w_i corresponds to increased probability of choosing $j_i^{(1)}$ over the outside good 0. In addition, the econometrician observes the matrix of good characteristics $\boldsymbol{x}$.

3 Simulation Study

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4 Empirical Analysis

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5 Discussion

Differs from (Brazell et al. 2006)

6 Conclusion

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References

Brazell, Jeff D., Christopher G. Diener, Ekaterina Karniouchina, William L. Moore, Válerie Séverin, and Pierre-Francois Uldry. 2006. "The No-Choice Option and Dual Response Choice Designs." *Marketing Letters* 17 (4): 255–68. https://doi.org/10.1007/s11002-006-7943-8.