

Conclusion

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- Multinomial logit regressions are used when consumers choose one out of many options. Typical examples include brand choice in grocery stores.
- Similar to the propensity models, multinomial logit regressions also follow the utility theory of consumer behavior.
- Conjoint analysis is a major application of multinomial choice.
 - A conjoint analysis allows the researcher to evaluate trade-offs consumers make among different features of a product, including price and brand name.
- Cross-selling or predicting the next product to buy is another application of multinomial logit regressions.

