Multiple Hypothesis Testing in Conjoint Analysis

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Joint work with Guoer Liu (U-M)

Conjoint Analysis

Conjoint Analysis

Do conjoint, and you will get at least one significant result

— Advice given to a presenter in a conference

Conjoint Analysis

- Conjoint Design

Please read the descriptions of the potential immigrants carefully. Then, please indicate which of the two immigrants you would personally prefer to see admitted to the United States.

	Immigrant 1	Immigrant 2
Prior Trips to the U.S.	Entered the U.S. once before on a tourist visa	Entered the U.S. once before on a tourist visa
Reason for Application	Reunite with family members already in U.S.	Reunite with family members already in U.S.
Country of Origin	Mexico	Iraq
Language Skills	During admission interview, this applicant spoke fluent English	During admission interview, this applicant spoke fluent English
Profession	Child care provider	Teacher
Job Experience	One to two years of job training and experience	Three to five years of job training and experience
Employment Plans	Does not have a contract with a U.S. employer but has done job interviews	Will look for work after arriving in the U.S.
Education Level	Equivalent to completing two years of college in the U.S.	Equivalent to completing a college degree in the U.S.
Gender	Female	Male

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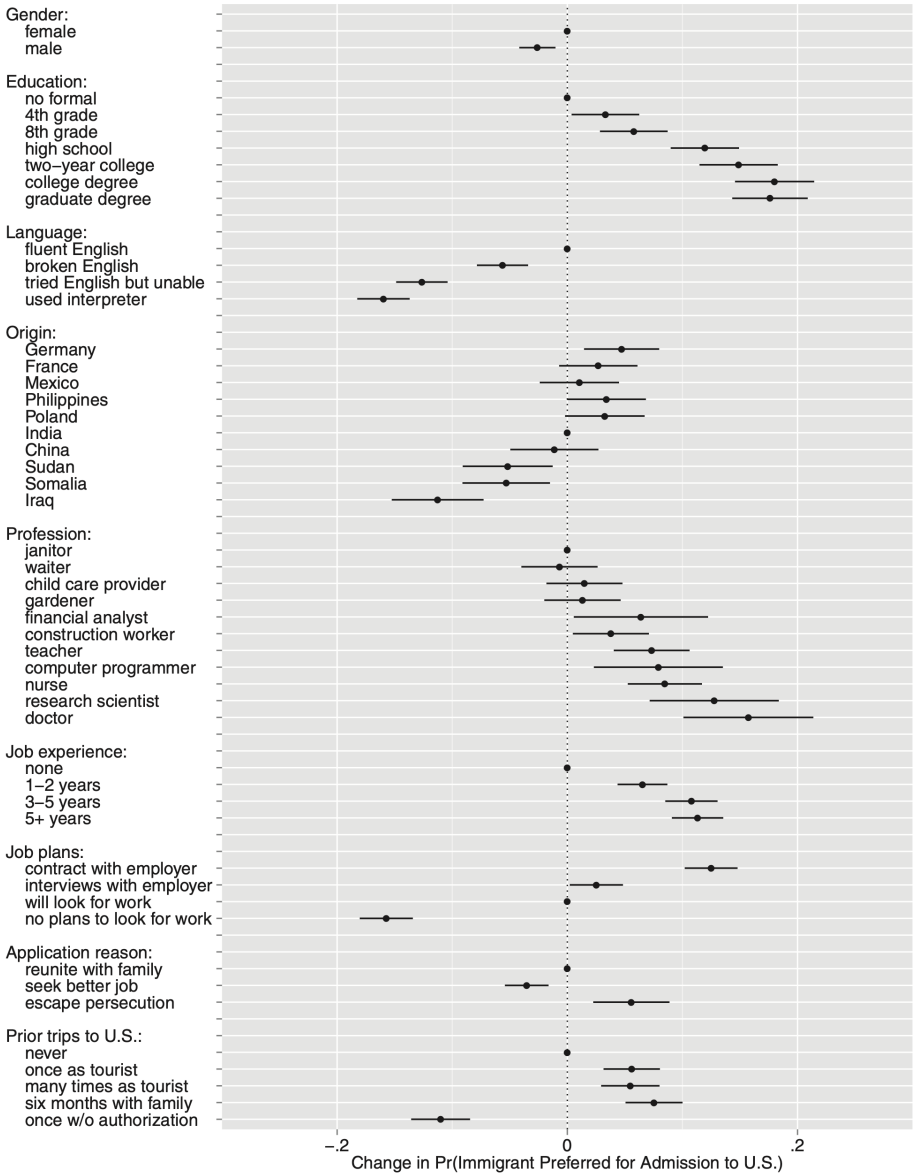
- AMCE: test multiple causal hypotheses ***simultaneously***

Classic Conjoint Results



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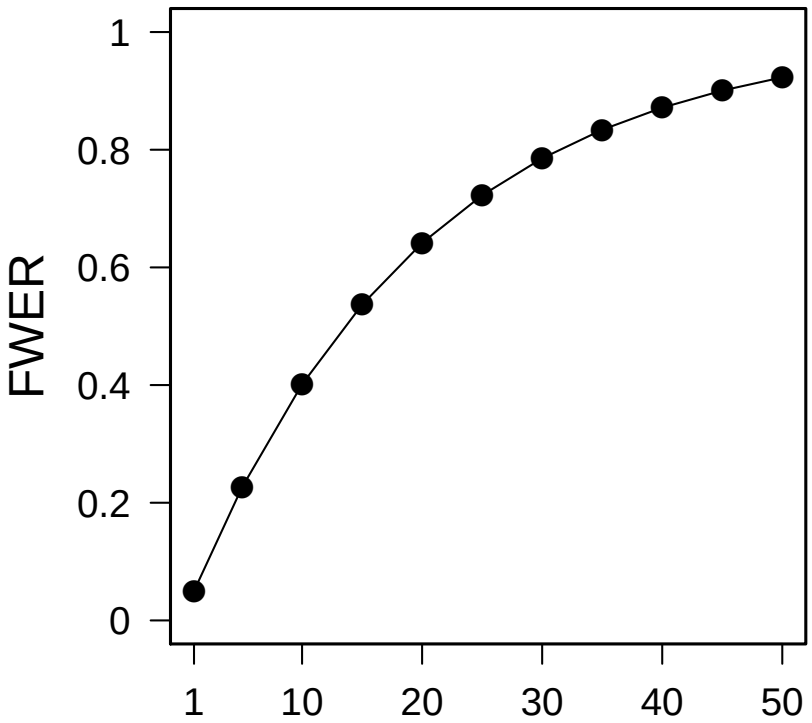
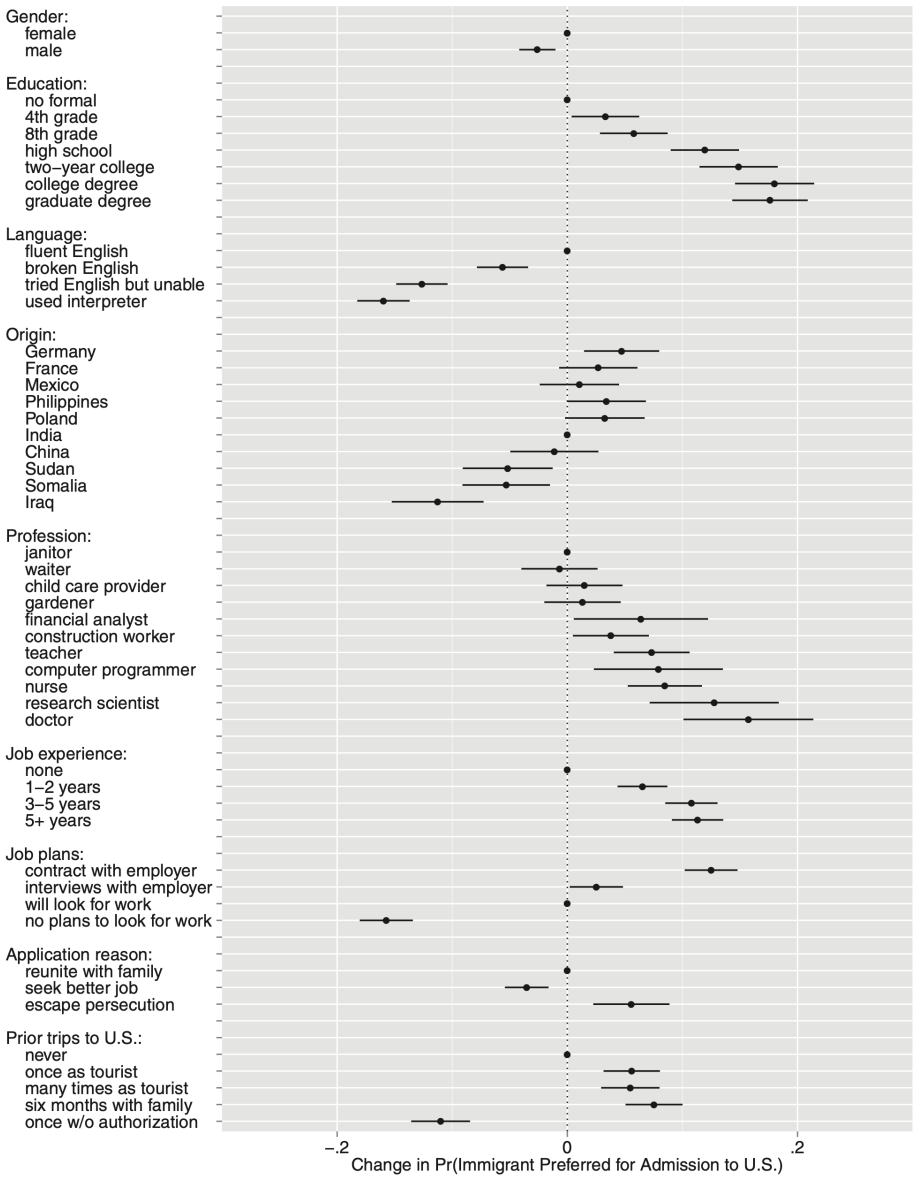
- Theoretical results



Number of Hypotheses in Conjoint Analysis: 41



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- If AMCE is zero, in how many samples do you get false findings?
- Two scenarios for 41 attribute levels:
  1. No *individual* effect
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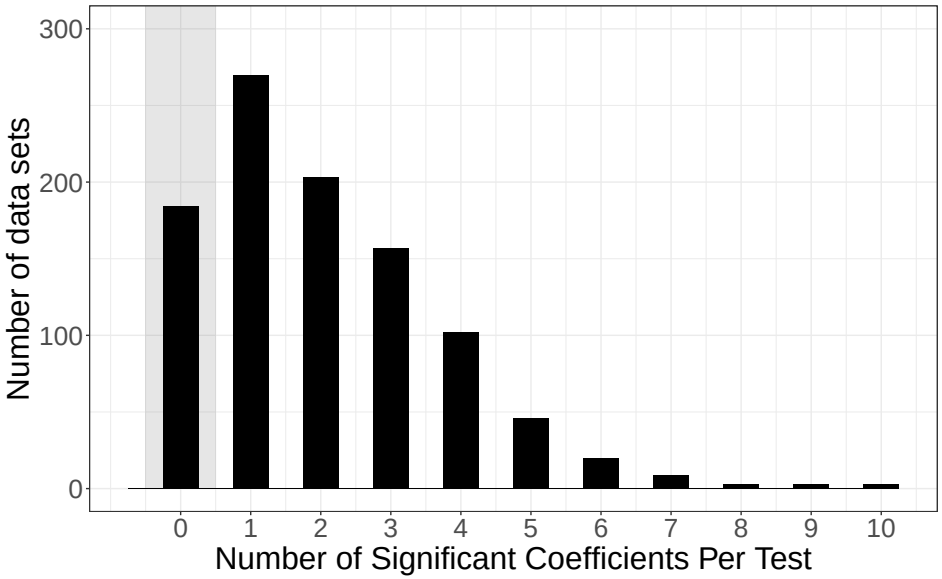
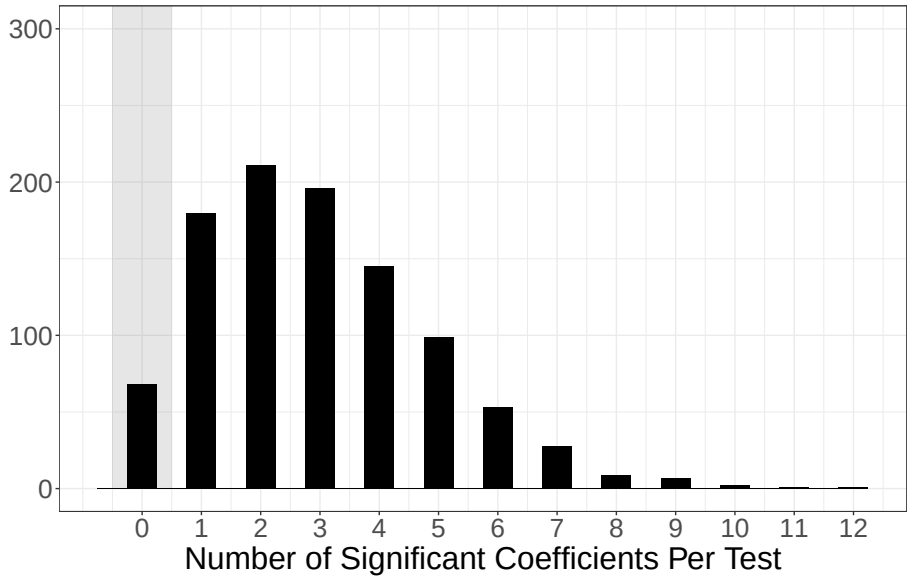
- Number of samples for each number of false findings:



(a) Zero Individual MCE



(b) Nonzero Individual MCE but Zero AMCE

Correction Methods Overview

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- Correction methods
  - Control *family-wise error rate* (FWER)
    - **Bonferroni Correction**
  - Control *false discovery rate* (FDR)
    - **Benjamini-Hochberg Procedure**
  - Control *false discovery rate* (FDR) & Reduce RMSE
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- Proposal:

Bonferroni Correction

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- Procedure: set $\alpha^* = \frac{\alpha}{\#\text{ of tests}}$ for each test
- Strength: easy to construct confidence intervals
- Shortcomings:

  high risk of false negative conclusions
  ambiguous definition of "total number of tests"

Benjamini-Hochberg Procedure

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- Controls FDR:

$$\mathbb{E}\left[\frac{\text{\# of false discoveries}}{\text{\# of total discoveries}}\right] \leq \alpha$$

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$$p \leq \frac{\text{rank of } p}{\text{\# of tests}}\,\alpha$$

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- Strength: less susceptive to false negative conclusion
- Shortcomings:

  sensitive to pre-specified FDR

  no uncertainty measures

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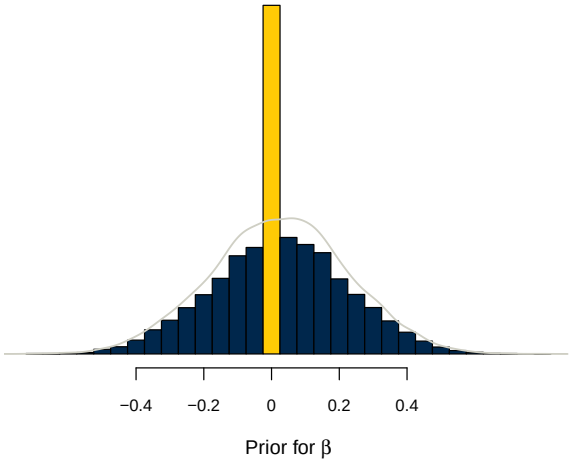

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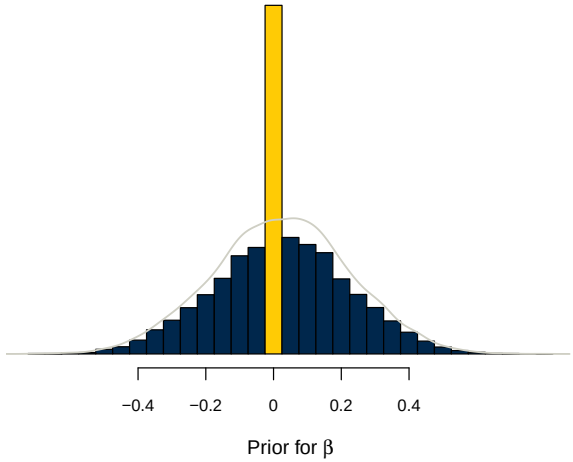

- Procedure: empirical Bayes post-estimation procedure
- Strength:

  transparent, flexible, credible interval
  more precise point estimates

Simulations

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- Avoiding false positives: zero AMCE
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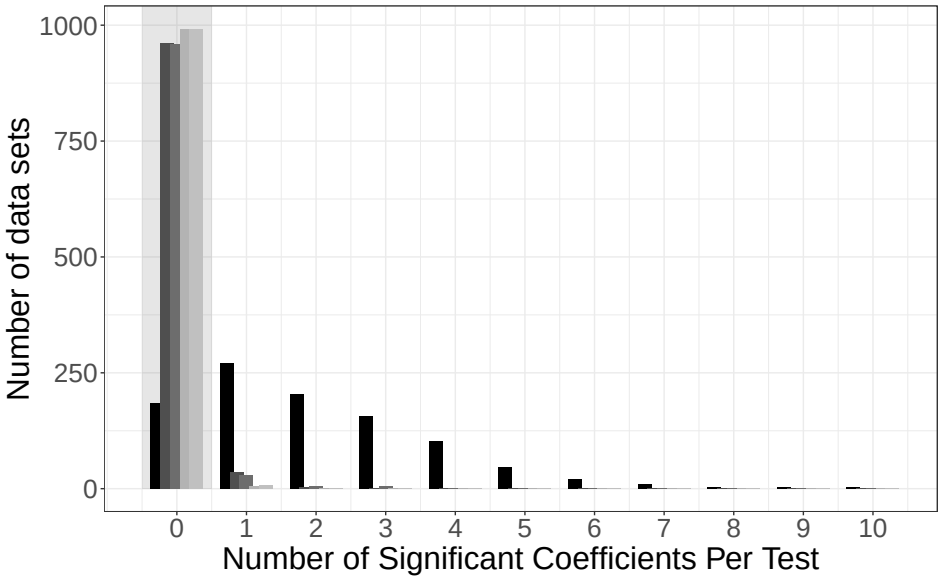
- Avoiding both false positives and false negatives: nonzero AMCE
  1. Only *gender* has effect (appendix)
  2. All levels of *gender, education, English* have effects

Zero AMCE



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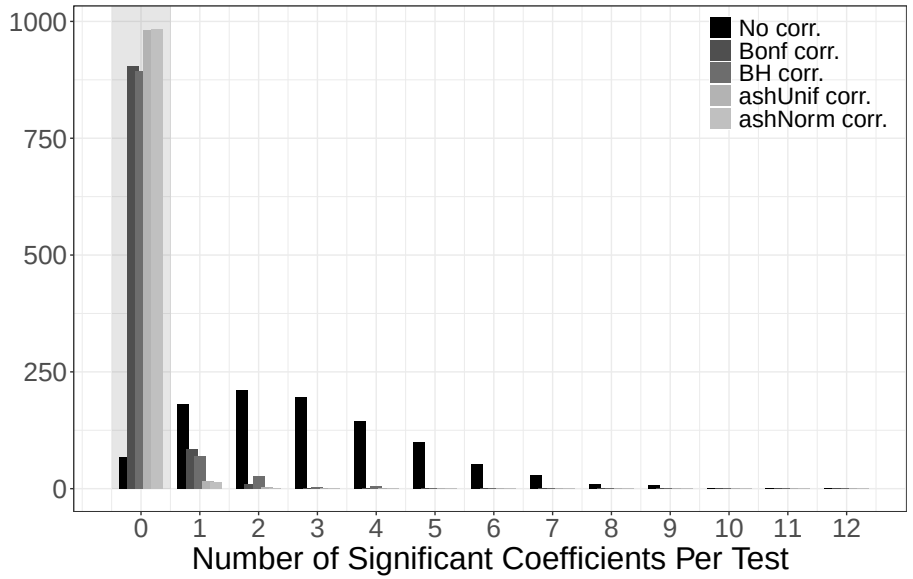

(b) Nonzero Individual MCE but Zero AMCE

Nonzero AMCE

			No. of False Positives									
			0	1	2	3	4	5	6	7	8	9
No. of True Positives	No corr.	9	2	8	3	1	4	1				
		10	258	270	196	133	54	42	13	10	4	1
	Bonf corr.	8	38									
		9	305	6	2							
		10	623	25	1							
	BH corr.	8	4									
		9	47	25	4		1					
		10	607	208	66	23	7	6	2			
	ashUnif corr.	8	17	2								
		9	160	26	4	1		1				
		10	620	127	30	6	5	1				
	ashNorm corr.	8	21	2								
		9	172	29	3	1	1					
		10	647	99	14	7	4					

- Correct number of positives: 10

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- Trading partners preferred in Vietnam (Spiker et al. 2016)
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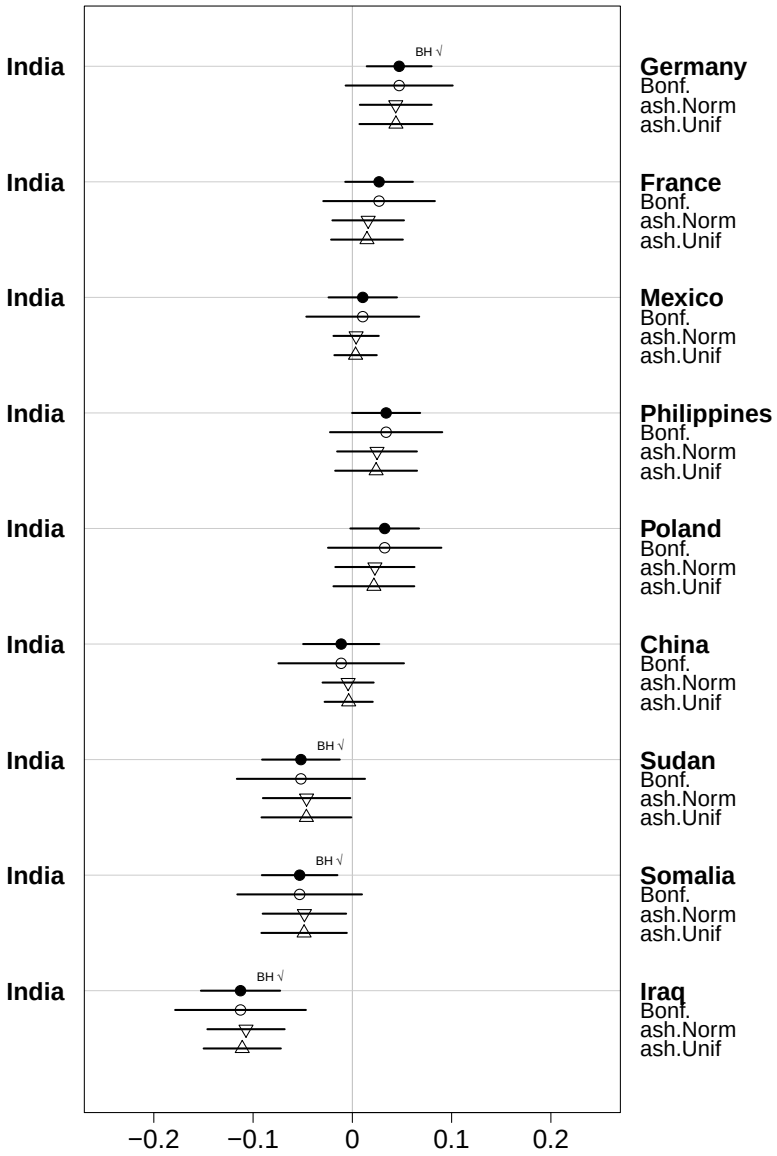
  - To show:
    1. Bonf. and ASh recovers the null correctly
    2. BH does not correct at all with few number of discoveries

Country of Origin



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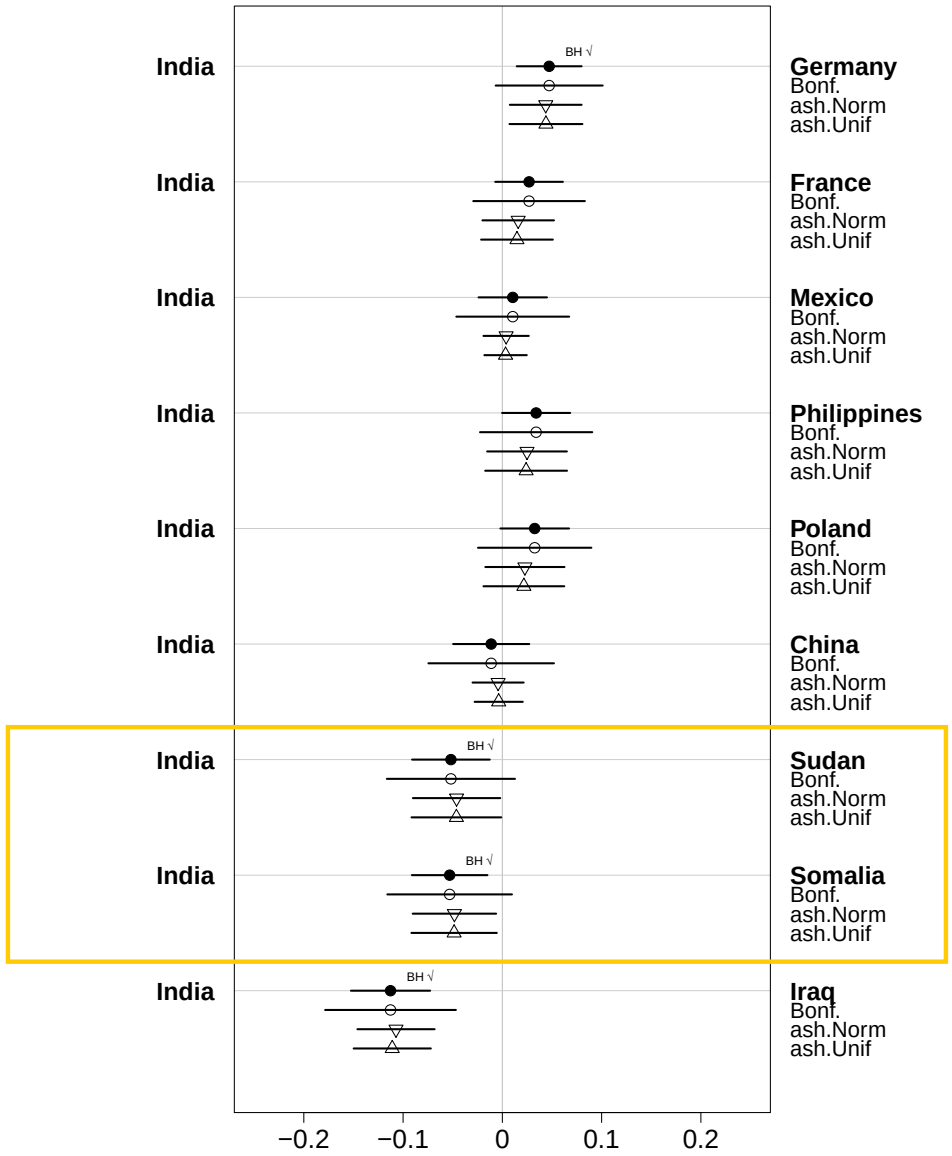
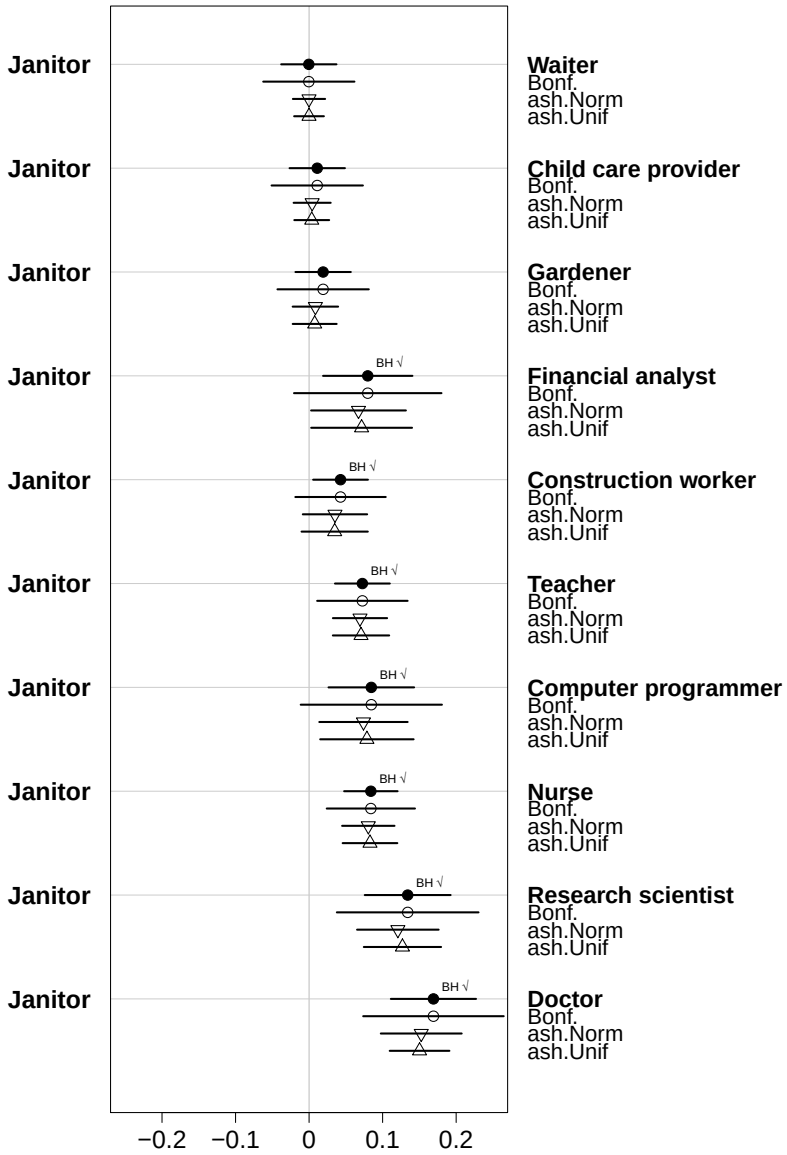


Profession


Janitor
Waiter
Bonf.
ash.Norm
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0
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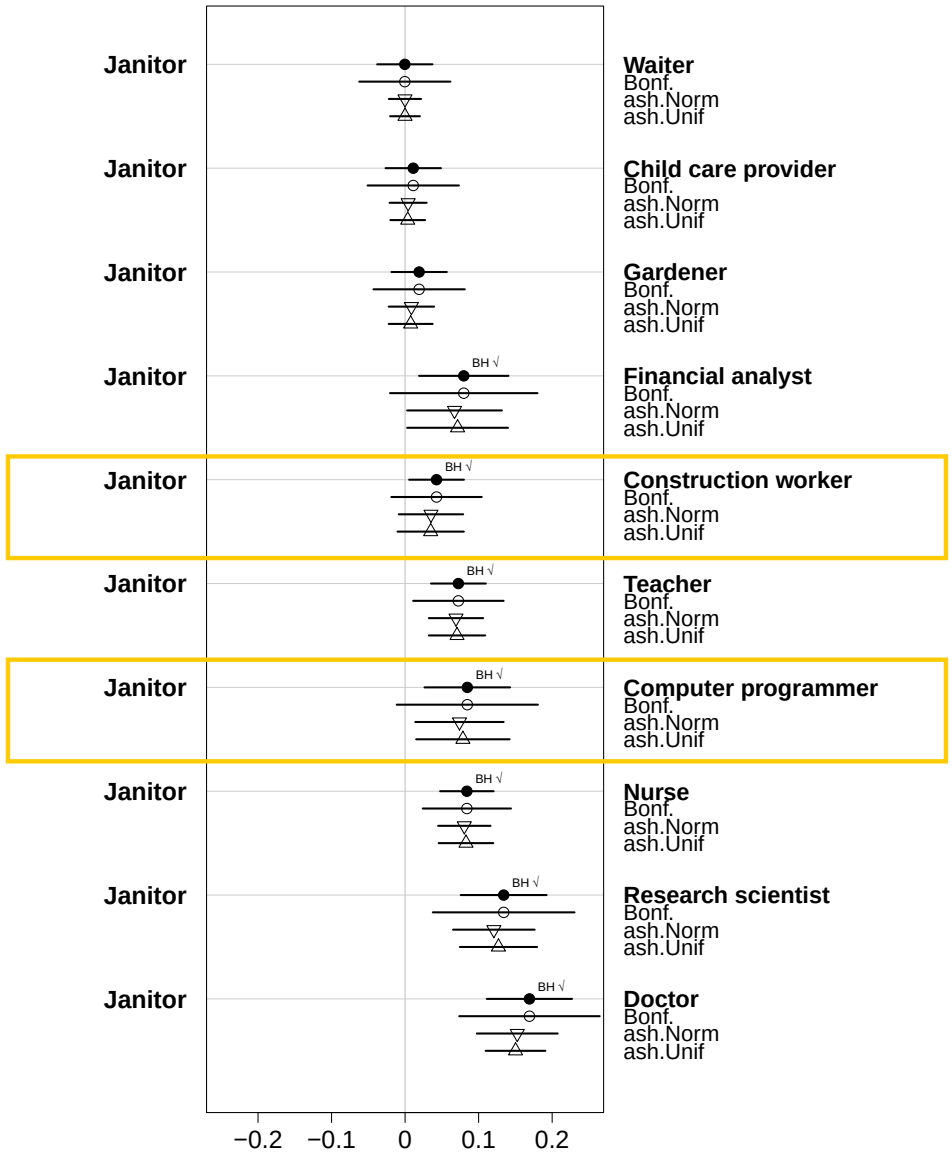
0.2

Profession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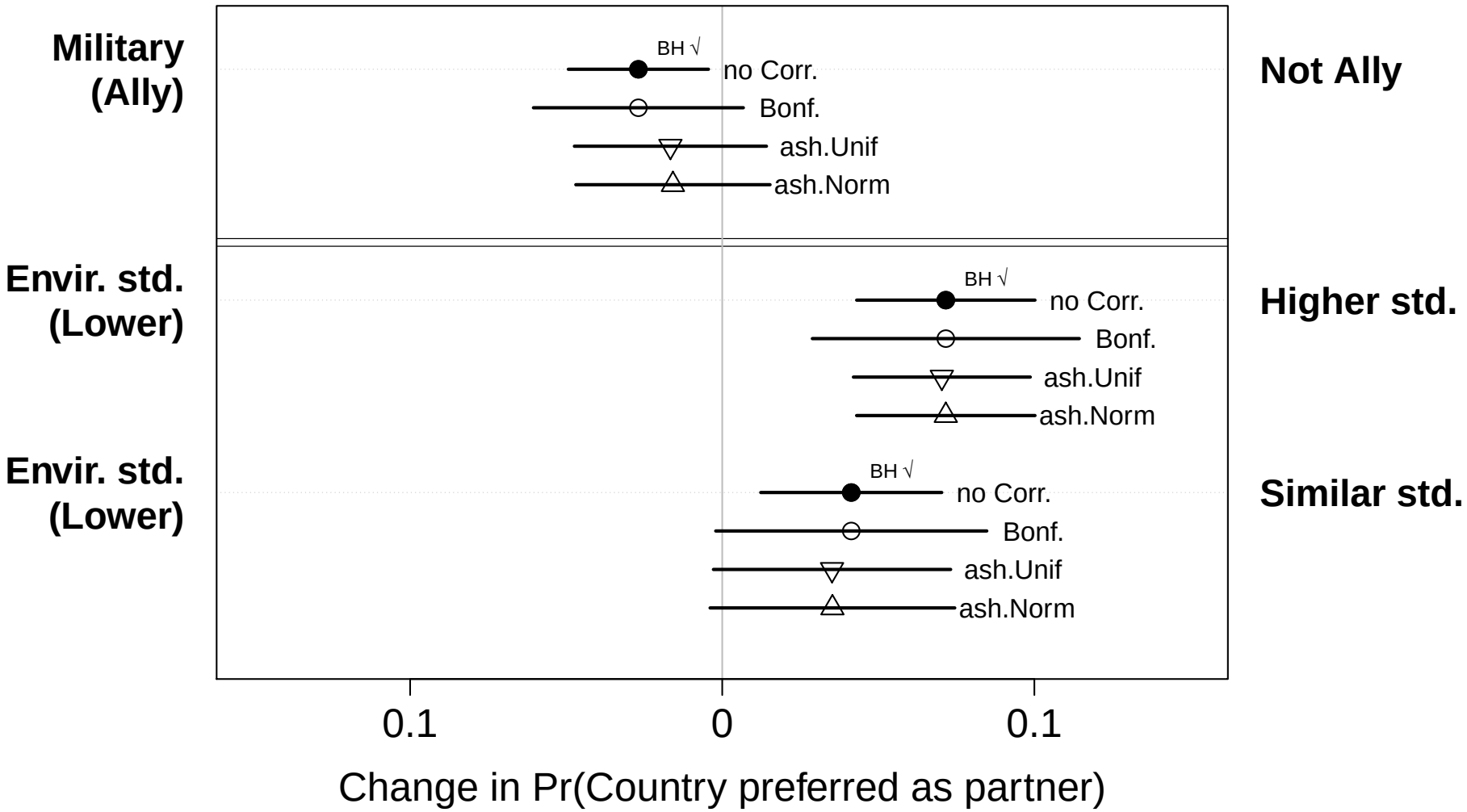
Selecting Trading Partners in Vietnam



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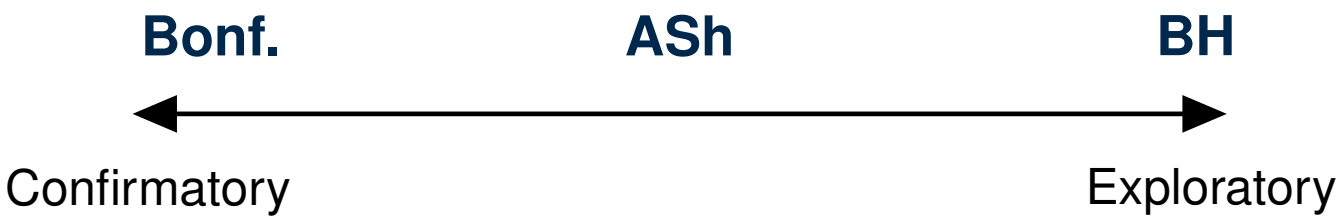

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- Do correction, or you will get at least one false result

ASh Model

- Model: $\boldsymbol{\beta} = (\beta_1, ..., \beta_J)$; est. $\hat{\boldsymbol{\beta}}$, std.err $\hat{\sigma}$

$$p(\boldsymbol{\beta}|\hat{\boldsymbol{\beta}}, \hat{\sigma}) \propto \underbrace{p(\hat{\boldsymbol{\beta}}|\boldsymbol{\beta}, \hat{\sigma})}_{\text{Likelihood}} \underbrace{p(\boldsymbol{\beta}|\hat{\sigma})}_{\text{Prior}}$$

$$\beta_1, ..., \beta_J \overset{iid}{\sim} g$$

where

$$g(\cdot; \boldsymbol{\pi}) = \pi_0 \delta_0(\cdot) + \sum_{k=1}^{K} \pi_k \mathcal{N}(\cdot; 0, \delta_k^2),$$

$$\sum_{k=0}^{K} \pi_k = 1 \quad \text{and} \quad \pi_k \geq 0$$

- Emprical Bayes estimates:

$$\hat{\boldsymbol{\pi}} = \underset{\boldsymbol{\pi}}{\text{argmax}} \prod_{j=1}^{J} \sum_{k=0}^{K} \pi_k \mathcal{N}(\hat{\beta}_j; 0, \delta_k^2 + \hat{s}_j^2)$$

Simulation Result: Only One Nonzero AMCE

			No. of False Positives								
			0	1	2	3	4	5	6	7	8
No. of True Positives	No corr.	1	230	290	215	123	69	42	19	9	3
	Bonf. corr.	1	966	32	2						
	BH corr.	1	931	61	7	1					
	ashUnif corr.	1	996	4							
	ashNorm corr.	1	998	2							

$$\epsilon_i \overset{iid}{\sim} \mathcal{N}(0, 0.01^2)$$

Simulation Result: Only One Nonzero AMCE

			No. of False Positives											
			0	1	2	3	4	5	6	7	8	9	10	11	12
No. of True Positives	No corr.	1	237	253	223	134	83	38	17	6	2	6			1
	Bonf. corr.	1	962	37	1										
	BH corr.	1	930	55	7	5	1	1	1						
	ashUnif corr.	1	984	14	2										
	ashNorm corr.	1	987	12	1										

$$\epsilon_i \overset{iid}{\sim} \mathcal{N}(0, 0.1^2)$$

Simulation Result: Nonzero AMCE in Each Attribute

			No. of False Positives												
			0	1	2	3	4	5	6	7	8	9	10	11	12
No. of True Positives	No corr.	7		2				1							
		8	10	22	27	16	22	8	2	3	1				
		9	118	194	179	169	86	58	39	19	13	7	2	1	1
	Bonf corr.	5	7	3											
		6	77	5	2										
		7	244	15	7										
		8	396	37	5										
		9	180	20	2										
	BH corr.	6	5	2											
		7	37	15	5	1	1								
		8	147	89	36	11	4	1		3					
		9	321	187	75	35	12	8	1	3	1				
	ashUnif corr.	6	12	3	1	1									
		7	84	25	4	1	1								
		8	220	99	23	12	1	1							
		9	294	130	46	29	8	2	2		1				
	ashNorm corr.	5		1											
		6	11	5	2	1									
		7	98	21	5	2									
		8	224	100	24	10	1	1							
		9	295	124	42	21	7	2	2	1					

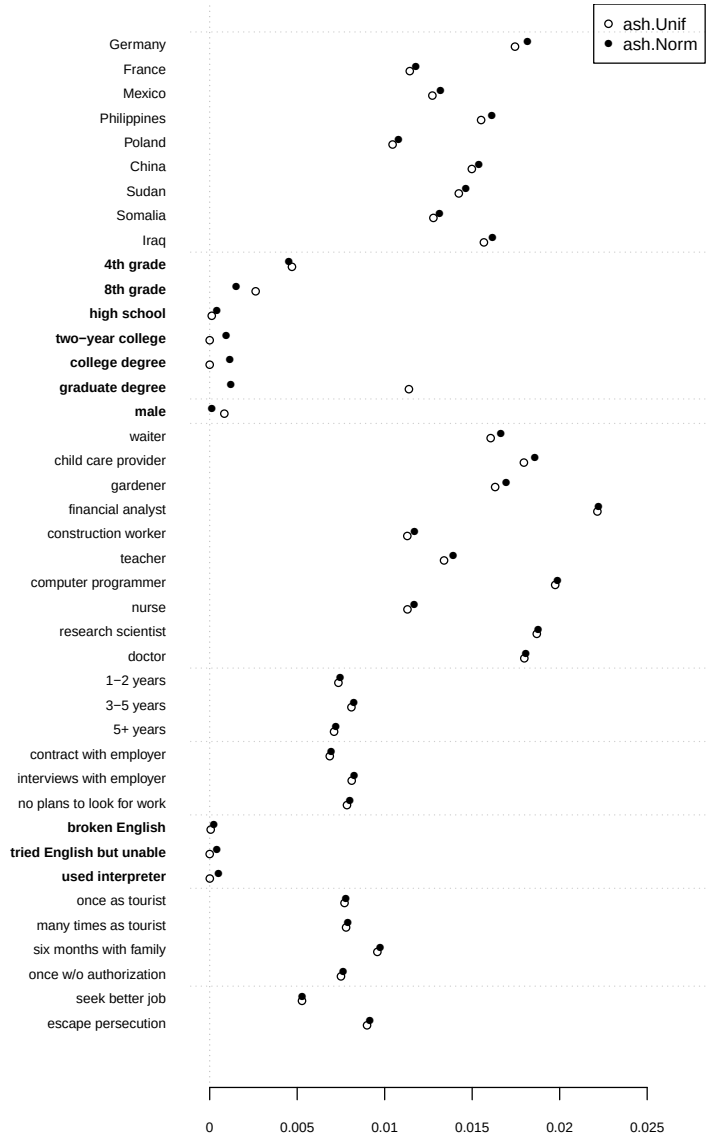
Figure: The true AMCE for each attribute has one significant levels I.

Simulation Result: Nonzero AMCE in Each Attribute

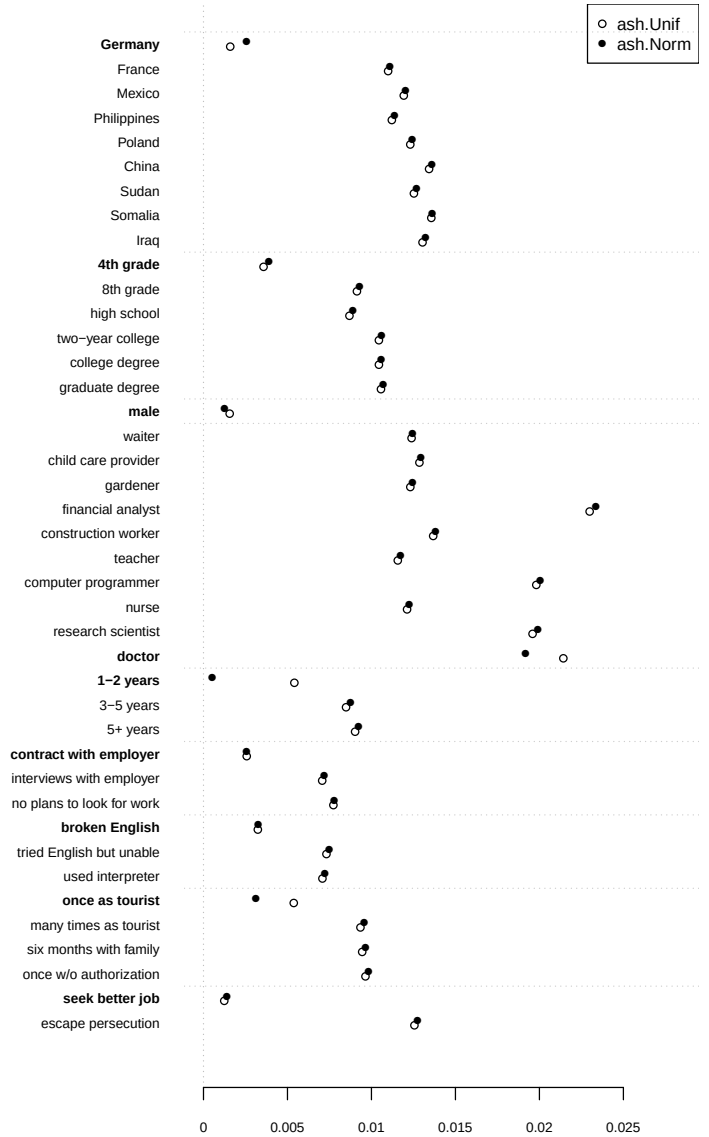
			No. of False Positives												
			0	1	2	3	4	5	6	7	8	9	10	11	12	13
No. of True Positives	No corr.	6			5	7	4	4	1	1						
		7			41	46	34	17	8	9	3					
		8			115	100	88	52	22	16	12	6	1		2	1
		9			100	116	82	49	31	17	5	1	4			
	Bonf corr.	4		1	37											
		5		2	247	14	1									
		6		4	365	15	1									
		7		4	224	7	3	1								
		8		2	63	2										
		9			7											
	BH corr.	4			3											
		5			32	4	2									
		6			106	28	7	4	2							
		7			212	70	17	8	1	1						
		8			229	82	38	9	7	2	1	1				
		9			77	34	13	5	3	2						
	ashUnif corr.	4			2	1		1								
		5		1	52	13	4									
		6		1	176	50	13	5								
		7			233	72	14	11	1	1						
		8			180	62	23	6	1	1	2					
		9			40	20	10	2	1	1						
	ashNorm corr.	4			4			1								
		5		1	47	13	4									
		6		1	174	49	11	3								
		7		234	71	17	8		1							
		8			187	63	23	7	1	2	1					
		9			43	20	11	1	2							

Figure: The true AMCE for each attribute has one significant levels II. The standard deviation for the reference category of *Job Experience* is four times larger.

Simulation Result: ASh RMSE



RMSE Difference: No corr. − ASh corr.



RMSE Difference: No corr. − ASh corr.