

Conjoint choice questions (CCQ)

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Conjoint Choice Questions

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1 Introduction

In a typical conjoint choice question study, individuals are asked to indicate which alternative they would choose (deem the most highly preferred) out of K possible alternatives. The alternatives are described by attributes that the researcher hypothesizes to affect utility, such as environmental quality and price.

2 Methodology

The responses to conjoint choice questions are interpreted within a random utility model. Depending on the assumption one is willing to make about the error term(s) of the underlying utility, the appropriate statistical model is a conditional logit, a multinomial probit, or a mixed logit.

3 Process

The coefficients on the attributes represent the marginal utilities of the attributes. The marginal prices (values) of the attributes can be calculated by taking the coefficients on the attributes and dividing them by the coefficient on price (which is interpreted as the marginal utility of income). In addition, if the “status quo” is included among the alternatives in the choice set, it is possible to estimate the willingness to pay for the good or policy package represented by any given combination of attributes.

Conjoint choice questions are an example of stated preference studies, because they rely on choices that individuals say they would do under hypothetical conditions.

4 Review

4.1 Evaluation results

Not described yet.

4.2 Experiences

Conjoint choice questions have been increasingly used to place a value on environmental quality, recreational and wildlife sites, cultural heritage sites, and on various public and private goods.

Conjoint choice questions are flexible, and well suited for valuing a great many public and private goods and policy packages. Their main appeal is that can be used to place a value on (environmental or other) conditions that are not currently observed, and that they force individuals to make tradeoffs between the various attributes of the goods or policy packages, including their cost to the respondent.

4.3 Combinations

The tool provides input for Cost–benefit Analysis. The tool can be used with Contingent Valuation, other non–market valuation methods, Market methods.

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4.4 Strengths and weaknesses

Strengths:

- Conjoint choice questions are flexible
- CJQ is well suited for valuing many public and private goods and policy packages

Weaknesses:

- hypothetical questions and answers
- responses could be affected by fatigue, learning, rejection of scenarios, etc.

4.5 Further work

Not described yet.

4.6 References

Not described yet.