

TIM BOCK PRESENTS



# **DIY Advanced Analysis** Session 2: Max-Diff



## Agenda

- Motivating problems
- Generating an experimental design
- Counting analysis
- Latent class analysis
- Varying coefficients



What personality traits would you like to see in The **President of** the United **States?** 

Thinking about the type of person you would like to have as the President of the USA, which of these characteristics is most appealing to you, and which is least appealing?

Decent/ethical	Good in a crisis	Concerned about global warming	Entertaining
Plain-speaking	Experienced in government	Concerned about poverty	Male
Healthy	Focuses on	Has served in the	From a traditional

Successful in Ur business e

Understands economics

minorities

Multilingual

military

Christian

American

background



### Standard problems

- Quantifying preferences for
  - Attributes/traits
  - Products/concepts
- Where:
  - There are too many alternatives for a ranking
  - Ratings will lead to too many ties
  - There is a desire to model noise (rather than confuse it for preferences). With a well-designed experiment, it will work if people randomly answer every second question.

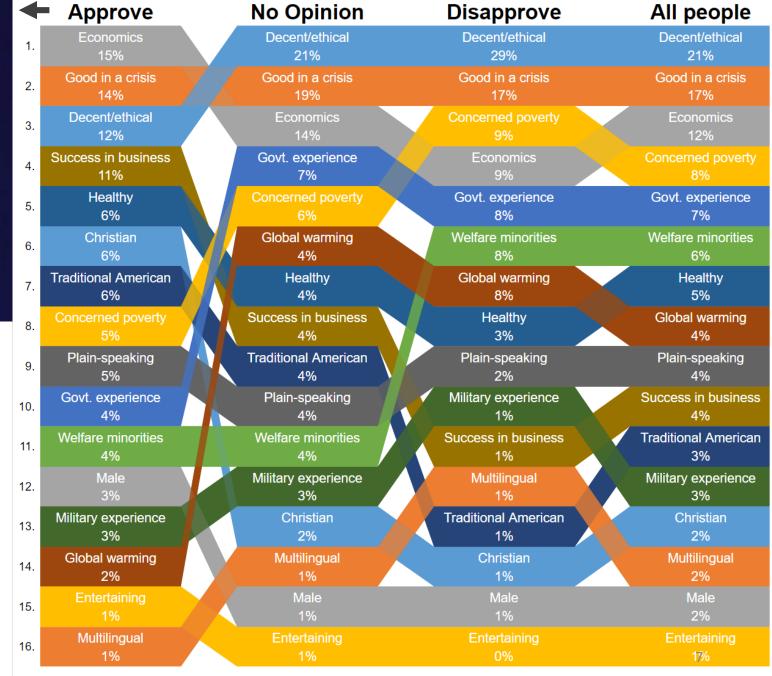


### 10 questions, each with a different subset of the traits

Least appealing
Least appealing
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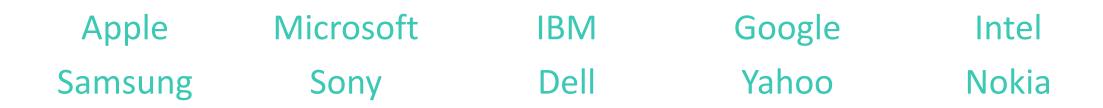
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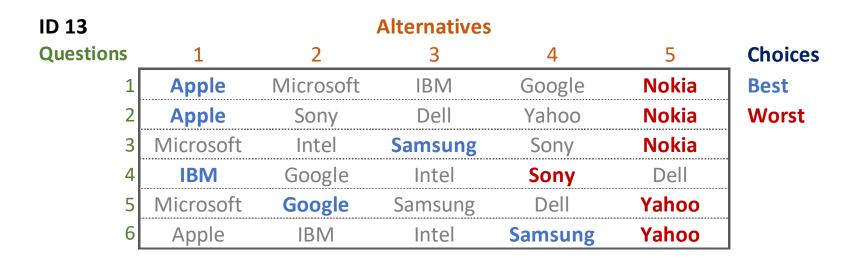
#### Worked example: appeal of technology brands





### Individuals and their data

ID 1			Alternatives			
Questions	1	2	3	4	5	Choices
1	Apple	Microsoft	IBM	Google	Nokia	Best
2	Apple	Sony	Dell	Yahoo	Nokia	Worst
3	Microsoft	Intel	Samsung	Sony	Nokia	
4	IBM	Google	Intel	Sony	Dell	
5	Microsoft	Google	Samsung	Dell	Yahoo	
6	Apple	IBM	Intel	Samsung	Yahoo	



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