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# **Can Explicit Price Reminders Mitigate Hypothetical Bias in Online Choice Experiment?**

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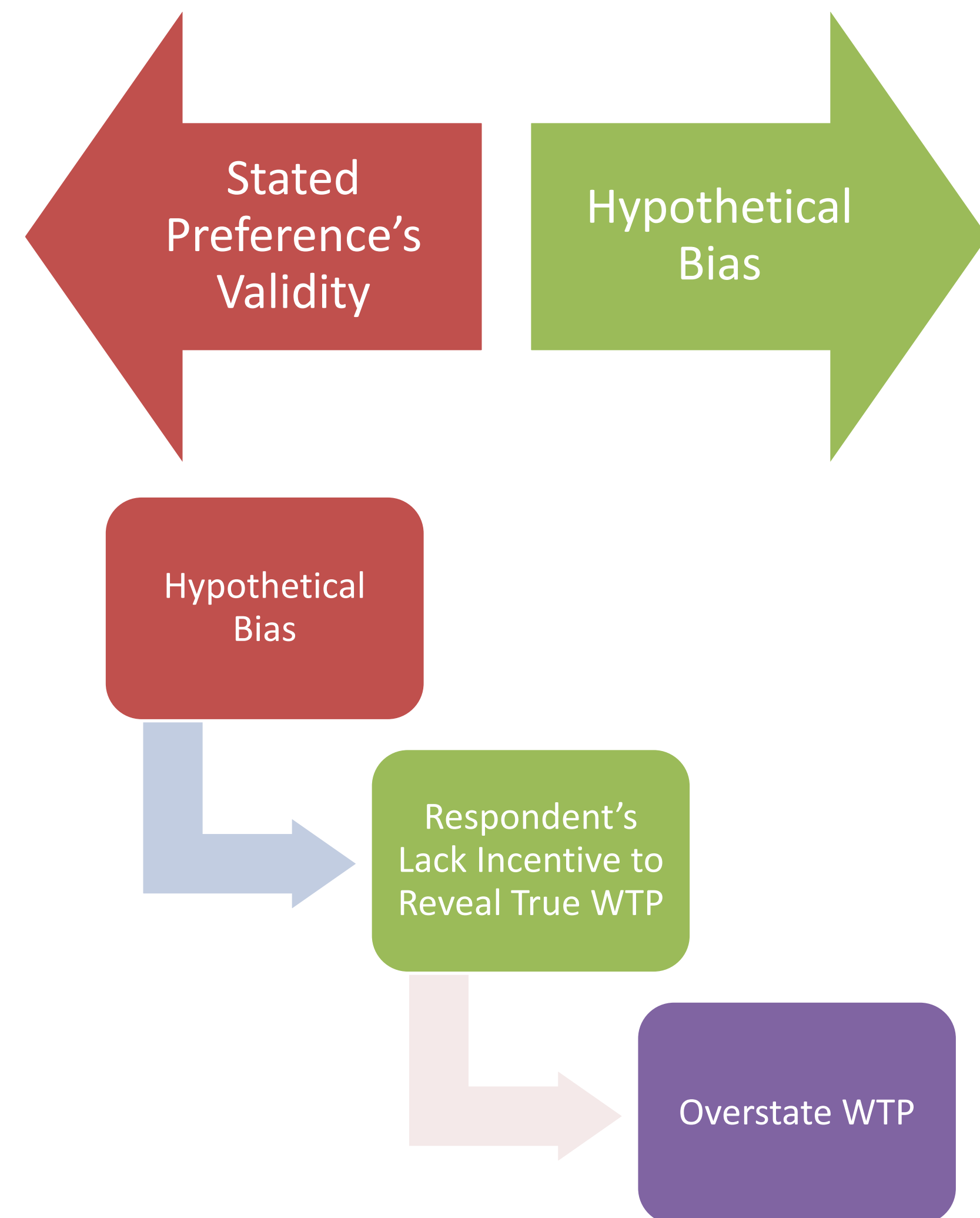


# Can Explicit Price Reminders Mitigate Hypothetical Bias in Online Choice Experiment?

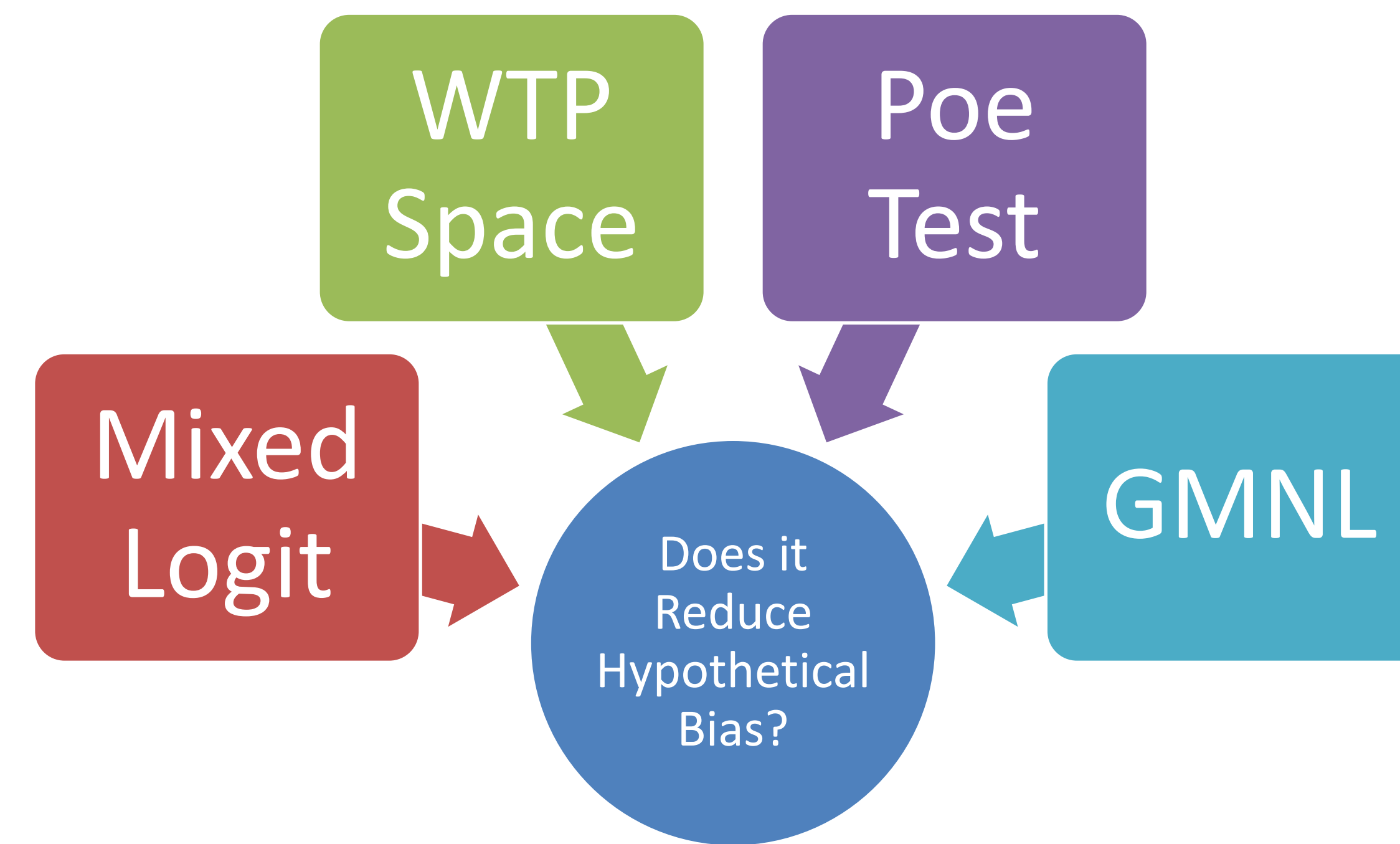
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## Introduction



## Econometric Tests



## Poe Test - Statistical Difference in WTP

	Local160	Local320	Province	Canada	USA
Mean	0.5210	0.1550	<b>0.9335</b>	-0.2417	<b>-2.2947</b>
p-value	0.80	0.59	<b>0.95</b>	0.35	<b>0.005</b>
	Organic	Grass fed	BSE Tested	<b>BSE Free</b>	<b>Opt Out</b>
Mean	-0.1837	-0.0990	0.3491	<b>0.8457</b>	<b>-3.4979</b>
p-value	0.37	0.40	0.81	<b>0.99</b>	<b>0.005</b>

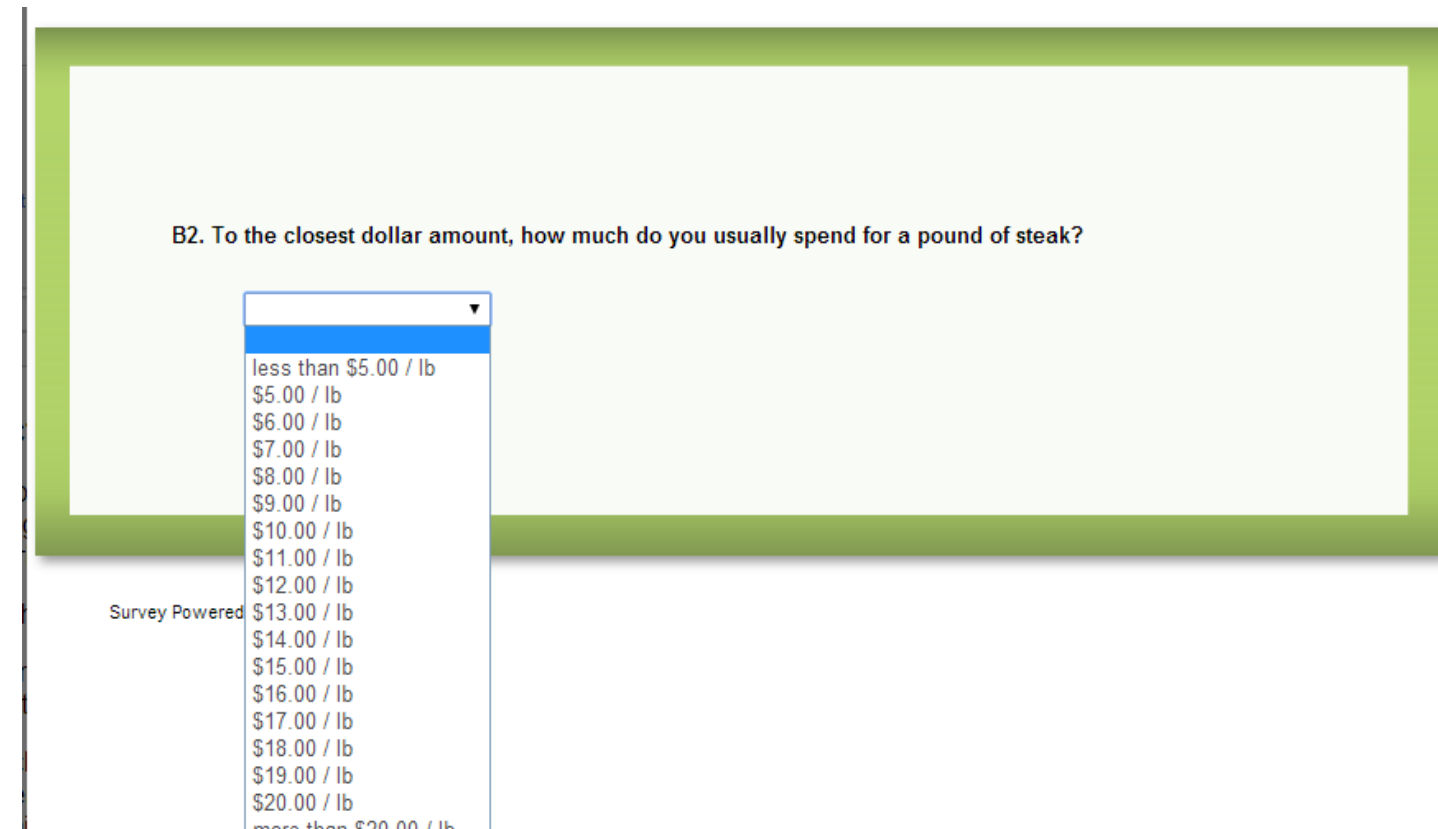
Bolded Values are Statistically Significant at 95% level  
 p denotes probability for difference in WTP > 0

## Objectives

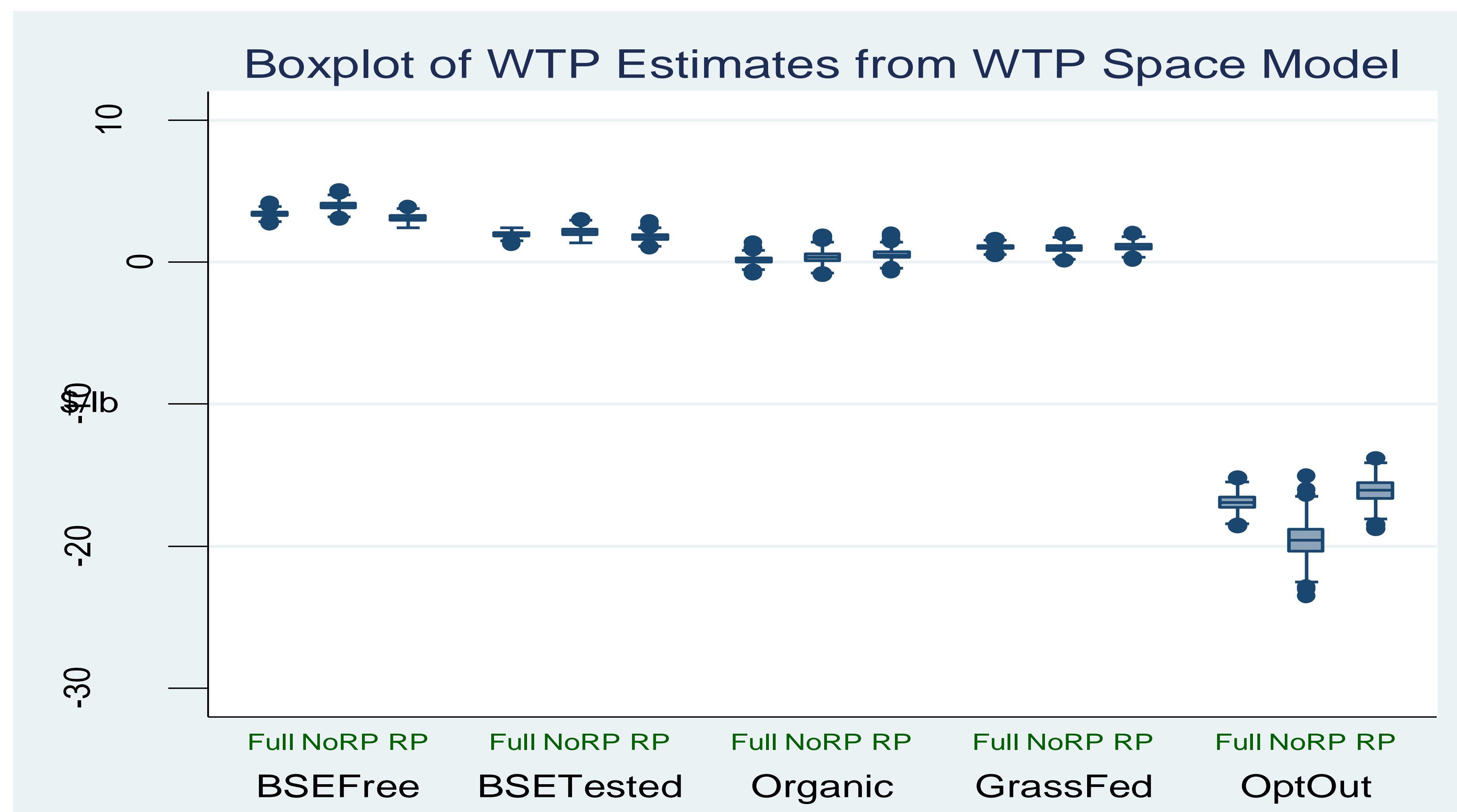
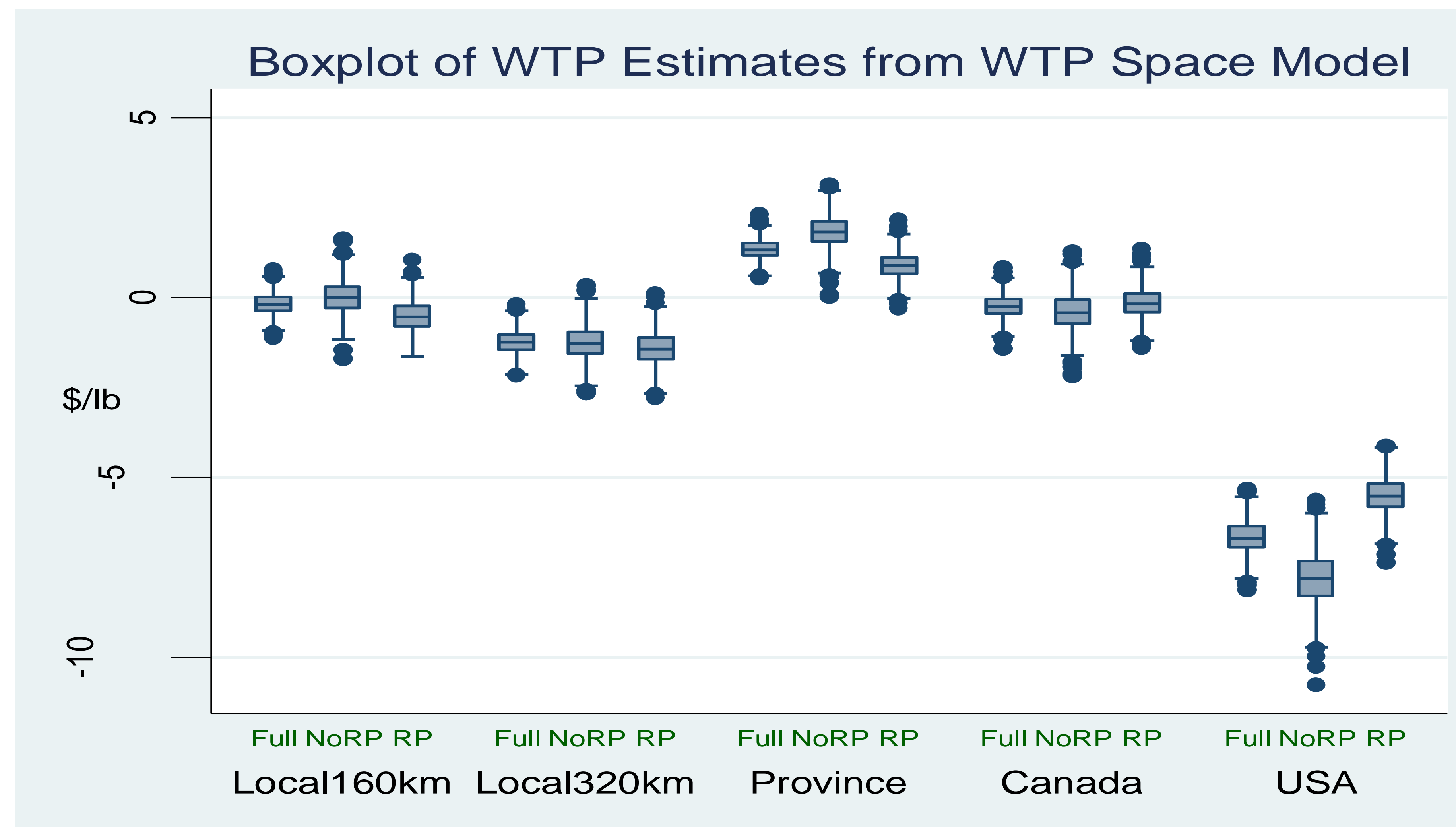
A New Way to Mitigate Hypothetical Bias

Show it's Easy and Effective

## A Price Reminder Approach



## WTP Space Estimates



## ML with RP as Observed Heterogeneity

Coefficients	Main Effects		Standard Deviations		Interaction Terms with Price Difference		Interaction with Reference Price in CS	
	Estimates	Std. Err	Estimates	Std. Err	Estimates	Std. Err	Estimates	Std. Err
Local160	0.1937	0.1532	0.0649	0.3125	-0.0272	0.0165	-0.1993	0.1593
Local320	-0.0597	0.1695	0.5587***	0.1688	-0.0316*	0.0181	-0.0631	0.1706
Province	0.4574***	0.1454	0.6809***	0.1254	0.00005	0.0150	-0.3065**	0.1552
Canada	-0.3115**	0.1546	0.7184***	0.1310	0.0508***	0.0159	0.2449	0.1597
Usa	-2.2638***	0.2067	1.4376***	0.1528	0.0734***	0.0194	0.3101	0.2015
Organic	0.1699	0.1090	1.3035***	0.0809	-0.0372***	0.0110	-0.0851	0.1201
Grass Fed	0.4505***	0.0932	0.6804***	0.0881	-0.0316***	0.0094	-0.0004	0.0988
BSE Tested	0.9596***	0.1060	0.4334***	0.1170	-0.0703***	0.0110	-0.1626	0.1081
BSE Free	1.4157***	0.1178	0.7981***	0.0761	-0.0734***	0.0116	-0.2625**	0.1156
Opt Out	-5.2830***	0.2806	3.4308***	0.1703	-0.0017	0.0197	0.4872*	0.2868
NPRICE	0.2769***	0.0105						
Log likelihood		-6394.17						
Pseudo R2		0.2895						

\*\*\*, \*\*, \* -- Significance at 1%, 5% and 10% Level

## GMNL Model

Coefficients	Main Effects		Standard Deviations	
	Estimates	Std. Err.	Estimates	Std. Err.
Local160	0.0833	0.0648	0.0719	0.4010
Local320	-0.1652**	0.0739	0.5213***	0.1750
Province	0.3903***	0.0685	0.8265***	0.1262
Canada	-0.4228***	0.0791	0.9407***	0.1152
Usa	-1.7142***	0.1224	1.0835***	0.1463
Organic	0.5300***	0.0639	1.1475***	0.0838
Grass Fed	0.4871***	0.0502	0.5698***	0.0972
BSE Tested	0.7767***	0.0607	0.4164***	0.1330
BSE Free	1.1056***	0.0743	0.8442***	0.0784
Opt Out	-8.2988***	0.4661	0.5398	0.4159
NPRICE	0.3397***	0.0100		
	Scale Parameters			
TauScale	1.2139***	0.1451	TauRP	0.0610*
			TauEDU	-0.0278***
			TauMALE	-0.2342***
			TauJ	0.0338***
Gamma	1.0000		Sigma(i)	0.9833
Log likelihood		-6438.93		0.9931
Pseudo R2		0.2845		

\*\*\*, \*\*, \* -- Significance at 1%, 5% and 10% Level