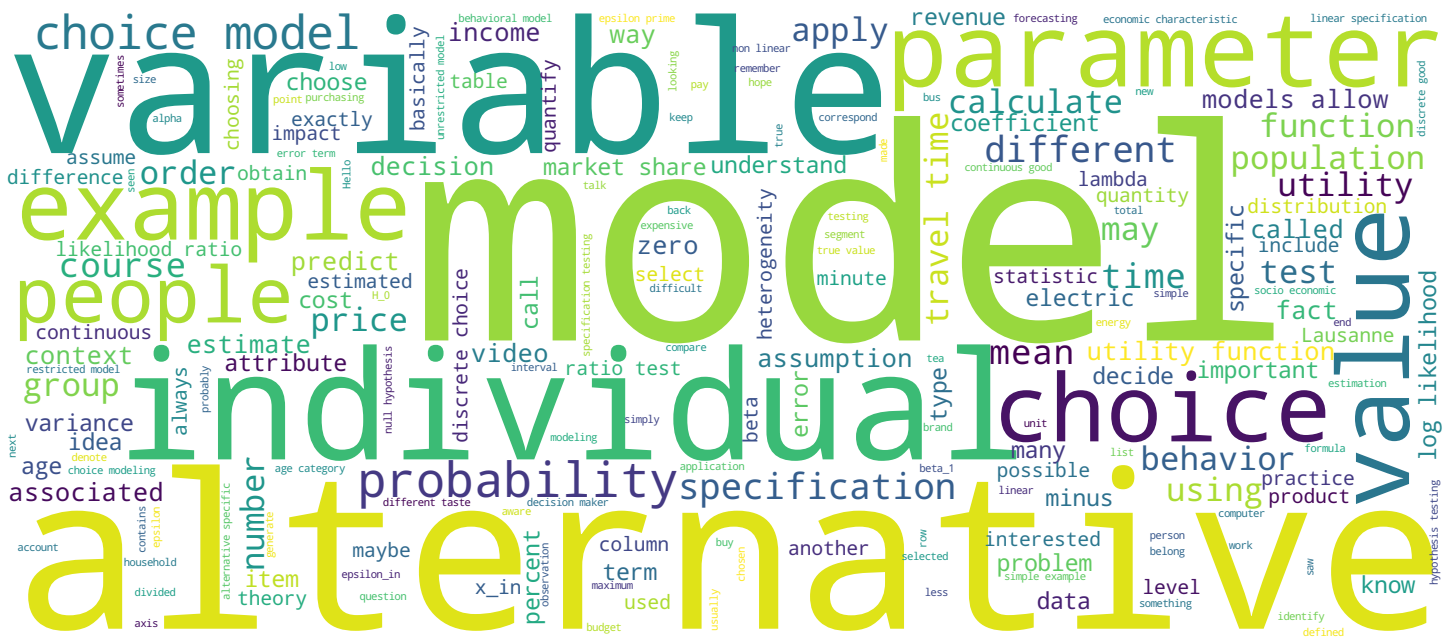


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TEAM: ANNA FERNÁNDEZ ANTOLÍN, EVANTHIA KAZAGLI & MERITXELL PACHECO



**EPFL**



Welcome to this online course on choice modeling. My name is Michel Bierlaire. And I'm a professor at EPFL (Ecole Polytechnique Fédérale de Lausanne), in Switzerland. I had the pleasure to prepare this course with Evanthia Kazagli, Meritxell Pacheco, Anna Fernandez Antolin, and Virginie Lurkin. Maybe you are aware; and maybe you are not. But you make so many choices everyday. The first decision in the morning, after choosing between coffee or tea of course, is probably how you go to your workplace or university? Will you bike, take the car, public transportation, maybe a scooter? It probably depends on a set of factors: the weather, the congestion, and the travel time and travel cost among others. Choice models allow to predict such a behavior. Other decisions are taken a lot less frequently. Let's talk about energy. In several countries, you can now choose the origin of the electricity that is consumed in your household. In Lausanne, for example, you can choose between energies of mixed origins, or exclusively local and renewable energy. The second one is more expensive. But how much more are people willing to pay in order to be more environmental-friendly?

Notes

Summary

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Choice models allow to quantify such trade-offs. You will probably agree that most people own a smartphone nowadays. They use it to communicate, but also to make pictures or videos. When purchasing an iPhone or Android phone, people do not always consider the features or specifics of each operating system. Actually, they don't even investigate how these features match up with their needs. And the same could apply when choosing a computer. They have an emotional preference for one brand. Choice models allow to quantify such subjective preferences. Some choices that people actually make may look counter-intuitive and difficult to predict such as this choice of shoe, this choice of car, or this choice of president. People are different. They have different preferences, different tastes. Choice models allow to account for this heterogeneity. At the end of the course, you will have the basic understanding of choice models. Most importantly, you will be able to create behavioral models in a real context; and to apply them to understand and predict consumer choices, demand, and market shares. You will be familiarized with problems of model specification, testing and forecasting. And you will have gained hands-on application experience by using a readily available software and real data sets to estimate and test discrete choice models. I hope you enjoy the course.

Notes

Summary

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