

EE461: Class summary  
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### **Food Preferences and Discrete Choice experiment survey**

Based on what we have been discussed in class, this session will mainly focus on the definition of health, the importance of health, healthy consumption decisions and constraints, and the various survey experiments observed on food consumption. As mentioned in class, Health is a form of human capital in economics and it is expected to be related to labor market success. Encouraged human good health can increase labor productivity and living standards. Besides, the preferences on food consumption and food nutrition knowledge are the basic factors that directly impact the health status associated with human productivity level. However, many people in some regions don't lack knowledge about healthy food but there are several reasons behind their decision to not consume healthy food. First, the price of healthy food is costly. The price of healthier food was priced at nearly twice as high as the price of unhealthy foods. Second, food deserts. Their geographic areas were surrounded by the most unhealthy food options. Third, limited access and not affordable. Healthy food has high barriers to access due to high costs in the food preparation process or transportation costs. Lastly, food preferences. Each people have different preferences including taste, convenience, food allergy, etc.

Preferences in economic terms can be divided into two main types including review preferences and state preferences. To elaborate, review preferences is to directly observe the consumer behavior and the state preferences is a survey-based technique. Both experiments have different limitations. In terms of review preferences, they are time-consuming and have a limited number of samples since we need to observe them one by one. On the other hand, the state preferences aren't time-consuming and not costly but they are not the actual behavior observed but they try to mimic the survey to come up with the best results.

For food preferences, the food attributes affecting food preference can be categorized into 2 categories: Intrinsic food attributes which can be classified into positive and negative attributes. The positive attributes are the nutrition characteristic that should be increased for example fiber, protein, etc. On the other hand, negative attributes. It is the nutrition characteristic that should be decreased such as Calories, saturated fats, sweetness, etc. Besides, the extrinsic food attributes. It is the related product that is not included in the physical part such as price, convenience,

packaging, etc. Where these extrinsic attributes are the ones that most people will be relying on when they make rapid decisions.

In this class, food preferences were indicated by several types of surveys such as the Liker scale survey, Ranking scale survey, and Discrete choice experiment survey (DCE). Each type of survey yields slightly the same results but they have some limitations on each type of survey. For example, the DCE survey. This method facilitates the understanding of the subject's preferences and better represents the trade-off between attributes subjects must consider when making a decision. Besides, the several choices offered featured a combination of multi-level attributes that resemble real-life situations that are subject to decision-making. However, this method has some limitations. First, it may become too challenging for subjects if many attributes are included in the model. Moreover, the endogeneity bias may occur as a consequence of omitted variables or attributes. DCE can only elicit stated preferences because subjects make decisions on choices provided not in real life. Lastly, hypothetical bias may arise when choices tasks do not fully reflect reality in the characteristics of choices.

To conclude, in an experimental setting, the decision-making is likely to be influenced by controlled, deliberate, and effortful processes.