

Description

Choice models (CM) are models for data with outcomes that are choices. The choices are selected by a decision maker, such as a person or a business, from a set of possible alternatives. For instance, we could model choices made by consumers who select a breakfast cereal from several different brands. Or we could model choices made by businesses who chose whether to buy TV, radio, Internet, or newspaper advertising.

Models for choice data come in two varieties—models for discrete choices and models for rank-ordered alternatives. When each individual selects a single alternative, say, he or she purchases one box of cereal, the data are discrete choice data. When each individual ranks the choices, say, he or she orders cereals from most favorite to least favorite, the data are rank-ordered data. Stata has commands for fitting both discrete choice models and rank-ordered models.

This manual documents commands for working with and summarizing choice data, for fitting models, and for interpreting the results of those models.

Remarks and examples

The entries in this manual are organized as follows:

- Introductions*
- Declaring and summarizing data*
- Fitting choice models*
- Postestimation*
- Glossary*

Introductions

We recommend that you read the introductions first. In them, you will learn the language of choice models. We will show you how data for choice models are organized and how to explore these data using special summary statistic commands. You will learn about the models available for choice data and what makes each one unique. You will also learn about how to interpret results of these models. Choice models are known for being difficult to interpret, but Stata makes interpretation easy. So we start by telling you all about interpretation in the first introduction.

[CM] Intro 1	Interpretation of choice models
[CM] Intro 2	Data layout
[CM] Intro 3	Descriptive statistics
[CM] Intro 4	Estimation commands
[CM] Intro 5	Models for discrete choices
[CM] Intro 6	Models for rank-ordered alternatives
[CM] Intro 7	Models for panel data
[CM] Intro 8	Random utility models, assumptions, and estimation

Glossary

Finally, we provide a glossary that can be referred to as needed.

[CM] [Glossary](#)

[Glossary](#)