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‘The Art of the Ask’ in Forecast Modeling: Implications of “Allocation” vs. “Discrete Choice” Projections

By Michael Polster, PhD and Susan Schwartz McDonald, PhD

Growing focus on the cognitive processes surrounding customer choice has invited greater attention to the way the choice process is simulated and measured in market research. One of the greatest challenges of market research is, in fact, deciding precisely how we ask respondents to predict their own behavior, given that people are fundamentally poor prognosticators, and research artifact introduces other sources of error.

In general, sound research requires that the questions we pose to customers be sensible and relevant to the decision environment we wish to evoke. In forecasting research, we often have the option of relying on either (a) a *discrete choice task*, in which respondents are presented with a list of products and asked to choose which *one* they are most likely to purchase, (b) a *constant sum exercise*, in which respondents allocate future purchases across a range of options, or (c) *an estimated probability or likelihood* of selecting one or more offerings (via ratings or percentages).

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