

Non-linearities in Discrete Choice Attribute Valuations

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Abstract

This paper evaluates the extent to which nonlinearities occur in discrete choice attribute valuations. If nonlinearities do exist and are not accounted for, this may lead to inaccurate demand forecasts and miscalculated welfare benefits. The data used comes from a stated preference (SP) experiment involving motorists' route choice and includes attributes relating to time and cost expressed as absolute amounts. The findings of this study indicate that individuals perceive SP attributes as either gains or losses on their current travel characteristics. It is these perceived gains and losses that are the main source of nonlinearities.

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