The effect of attitudes on reference-dependent preferences: Estimation and validation for the case of alternative-fuel vehicles

Several recent studies in transportation have analysed how choices made by individuals are influenced by attitudes. Other studies have contributed to our understanding of apparently non-rational behaviour by examining how choices may reflect reference-dependent preferences. This paper examines how reference-dependent preferences and attitudes together may explain individual choices. In a modelling framework based on a hybrid choice model allowing for both concepts, we investigate how attitudes and reference-dependent preferences interact and how they affect willingness-to-pay measures and demand elasticities. Using a data set with stated choices among alternative-fuel vehicles, we see that allowing for reference-dependent preferences improves our ability to explain the stated choices in the data and that the attitude (appreciation of car features) explains part of the preference heterogeneity across individuals. The results indicate that individuals have reference-dependent preferences that could be explained by loss aversion and that these are indeed related to an individual's attitude towards car features. The models are validated using a large hold-out sample. This shows that the inclusion of attitudes improves the models' ability to explain behaviour in the hold-out sample. While neither reference-dependent preferences nor the attitude affect the average willingness-to-pay measures in our sample, their effect on choice behaviour has implications for policy recommendations as segments with varying attitudes and reference values will act differently when affected by policy instruments related to the demand for alternative-fuel vehicles, e.g. subsidies.

General information
State: Published
Organisations: Department of Transport, Traffic modelling and planning, COWI AS
Contributors: Mabit, S. L., Cherchi, E., Jensen, A. F., Jordal-Jørgensen, J.
Pages: 17-28
Publication date: 2015
Peer-reviewed: Yes

Publication information
Journal: Transportation Research. Part A: Policy & Practice
Volume: 82
ISSN (Print): 0965-8564
Ratings:
BFI (2019): BFI-level 2
Web of Science (2019): Indexed yes
BFI (2018): BFI-level 2
Web of Science (2018): Indexed yes
BFI (2017): BFI-level 2
Scopus rating (2017): CiteScore 3.64 SJR 1.939 SNIP 2.141
Web of Science (2017): Impact factor 3.026
Web of Science (2017): Indexed yes
BFI (2016): BFI-level 2
Scopus rating (2016): CiteScore 3.26 SJR 1.737 SNIP 1.971
Web of Science (2016): Impact factor 2.609
Web of Science (2016): Indexed yes
BFI (2015): BFI-level 2
Scopus rating (2015): CiteScore 3.02 SJR 1.815 SNIP 1.9
Web of Science (2015): Impact factor 1.994
Web of Science (2015): Indexed yes
BFI (2014): BFI-level 2
Scopus rating (2014): CiteScore 3.49 SJR 2.301 SNIP 2.586
Web of Science (2014): Impact factor 2.789
Web of Science (2014): Indexed yes
BFI (2013): BFI-level 2
Scopus rating (2013): CiteScore 3.46 SJR 2.393 SNIP 2.822
Web of Science (2013): Impact factor 2.525
ISI indexed (2013): ISI indexed yes
BFI (2012): BFI-level 2
Scopus rating (2012): CiteScore 3 SJR 2.514 SNIP 2.651
Web of Science (2012): Impact factor 2.725
ISI indexed (2012): ISI indexed yes
Web of Science (2012): Indexed yes
BFI (2011): BFI-level 2
Scopus rating (2011): CiteScore 2.61 SJR 1.899 SNIP 2.528
Web of Science (2011): Impact factor 2.354
ISI indexed (2011): ISI indexed yes
BFI (2010): BFI-level 2
Scopus rating (2010): SJR 1.76 SNIP 2.255
Web of Science (2010): Impact factor 1.601
BFI (2009): BFI-level 2
Scopus rating (2009): SJR 2.325 SNIP 2.192
Web of Science (2009): Indexed yes
BFI (2008): BFI-level 2
Scopus rating (2008): SJR 2.335 SNIP 2.451
Scopus rating (2007): SJR 1.554 SNIP 2.229
Web of Science (2007): Indexed yes
Scopus rating (2006): SJR 2.406 SNIP 2.89
Web of Science (2006): Indexed yes
Scopus rating (2005): SJR 0.881 SNIP 1.697
Scopus rating (2004): SJR 1.797 SNIP 2.679
Scopus rating (2003): SJR 1.44 SNIP 2.198
Web of Science (2003): Indexed yes
Scopus rating (2002): SJR 1.401 SNIP 1.962
Scopus rating (2001): SJR 1.263 SNIP 1.978
Scopus rating (2000): SJR 0.781 SNIP 1.254
Scopus rating (1999): SJR 0.829 SNIP 1.372
Original language: English
Keywords: Management Science and Operations Research, Civil and Structural Engineering, Transportation, Alternative-fuel vehicles, Attitudes, Hybrid choice model, Loss aversion, Reference-dependent preferences, Amphibious vehicles, Fuels, Vehicles, Alternative fuel vehicles, Choice model, Alternative fuels, alternative fuel, demand elasticity, model validation, policy development, transportation policy, willingness to pay
Electronic versions:
DOIs:
10.1016/j.tra.2015.08.006
Source: FindIt
Source-ID: 2281743787
Research output: Research - peer-review › Journal article – Annual report year: 2015