3 Methods of Preference Measurement

3.1 The Compositional Approach: The Self-Explicated Method

3.1.1 Overview of the Self-Explicated Method

The compositional self-explicated (SE) method is one of the three main approaches used in marketing to measure the preference structures of respondents (Green and Srinivasan 1990, p. 9). Its main underlying idea is that it asks respondents directly about their preferences of a product and is based on an additive model (Hensel-Börner 2000, p. 15). The SE method is considered an alternative to the decompositional conjoint analysis method. In this section, an overview of the SE method is presented.

SE models were known in the early 60’s by Hoffman (1960) and Pollack (1962) as well as Shepard (1964) (Green and Schaffer 1991, p. 476; DeFee 1982, p. 243). Since then, the SE method became one of the main research areas in consumer research (Kapur et al. 2008, p. 45). Accordingly, many researchers were interested in working with the method (e.g. Huber et al. 1969; Hoepfl and Huber 1970). With the introduction of linear additive models (Wilkie and Pessuemier 1973) in marketing, further research was conducted especially on the question of the necessity of importance weights in SE methods (Green and Schaffer 1991, p. 476; see also Dawes and Corrigan 1974; McClelland 1978; Curry and Faulds 1986; Green and Krieger 1986).

The main trends in the research of the SE methods since its development are directed in three main streams: (1) comparing the SE method to conjoint analysis methods, for example many studies have compared the full profile method to the SE method (Green et al. 1981; Cattin et al. 1982; Cattin and Weinberger 1980; Akaah and Korgaonkar 1983; Srinivasan and Wyner 1989; Oppewal and Klabbers 2003), (2) suggesting new approaches to improve the SE methods in order to overcome its limitations (Srinivasan 1988; Srinivasan and Wyner 1989; Netzer and Srinivasan 2011), and (3) proposing new approaches to improve the conjoint analysis methods by combining them with the SE method in order to overcome some problems of the conjoint methods and to obtain the advantages of the other method (Green et al. 1981; Johnson 1987; Srinivasan and Park

10 In this chapter, the compositional self-explicated and the decompositional conjoint analysis methods are handled because they are relevant to the empirical studies.

11 For information about conjoint analysis see Section 3.2.
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Examples such as hybrid conjoint analysis (Green et al. 1981; Ter Hofstede et al. 2002), adaptive conjoint analysis\(^\text{12}\) (Johnson 1987), and the partial Profile choice-based conjoint analysis method (Orme et al. 1997) were introduced (see Netzer and Srinivasan 2011, p. 141).

The SE approach is considered a good alternative to the decompositional conjoint analysis. The main advantages of the SE approach are the simplicity and easiness of the methodology for both the researchers and the respondents compared to the effort required by the conjoint analysis method (see Section 3.3). Consequently, it imposes less cognitive effort on the respondents when conducting the interviews (Srinivasan and Park 1997, p. 286). Because of this, SE methods are recommended for use with complex products consisting of a large number of product attributes (see Green and Srinivasan 1990, p. 9; Park et al. 2008, p. 563; Netzer and Srinivasan 2011, p. 140). For these main abovementioned reasons, the SE method is suggested to be more suitable for use with elderly people than the conjoint analysis method to figure out their preferences for the products. In the next section, the variants of the SE method are described.

### 3.1.2 Variants of the Self-Explicated Method

Self-explicated methods can be divided into two major categories: one-stage and two-stage SE methods (Dorsch and Teas 1992, p. 38). Recently, newly proposed SE methods have been developed taking into consideration the incentive effect (Park et al. 2008) and web-based data (Netzer and Srinivasan 2011).

#### 3.1.2.1 One-Stage Self-Explicated Method

The one-stage SE method consists of a compensatory stage, which assumes that the respondents use a compensatory decision rule\(^\text{13}\) in their evaluations of the product attributes (Dorsch and Teas 1992, p. 38). According to Huber (1974, pp. 1398-1399) the compensatory SE method consists of two main steps: (1) determining the utility of each level

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\(^{12}\) For details about adaptive conjoint analysis see Section 3.2.2.2.

\(^{13}\) Compensatory decision rule concerns trade-offs between the low utility on one attribute and a high utility on another (Hartmann and Sattler 2002, p. 5).