

**DISCRETE CHOISE ANALYSIS AS A TOOL IN MARKETING RESEARCH  
AND ITS IMPLEMENTATION  
IN THE SAS SYSTEM**

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**Abstract.** Discrete choice modeling, a somewhat newer technique in preference structure modeling of marketing research than conjoint analysis. This model differs in that consumers are asked to view a series of competing products and select one. In this regard, it is based on a more realistic task that consumers perform every day: the task of choosing a product from among a group of competitor. Discrete choice models can be used to perform powerful and complex simulation of marketplace for an entire product or service category. The impact of price change and product enhancements on brand shares can be simulated before they are implemented, as can the effects of potential competitive response to these actions. Further, discrete choice models are much better than conjoint analysis at duplicating the interactions between different characteristics of a product or service. We use PHREG procedure in the SAS system to estimate the discrete choice model.

**Keywords :** conditional logit model; conjoint analysis; marketing research; multinomial logit model; partial likelihood; PHREG procedure, and preference structure modeling.