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CORRIGENDUM

Willingness to Pay with Reference-dependent Preferences: A Comparative Analysis of Attribute-based and Alternative-based Approach – CORRIGENDUM

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The authors have provided an update to Table 5, specifically concerning the loss aversion parameters, and the corresponding final paragraph of Section 4.5 that discusses this result. These changes are minor and do not affect any other estimations, the main results, or the conclusions of the paper.

Original paragraph (last paragraph in Section 4.5):

In addition, estimated loss aversion parameters greater than one indicated the degree to which consumers were averse to losses compared to gains. The loss aversion parameter was found to be highest for seed character, followed by taste. This suggests that consumers were particularly sensitive to potential losses associated with the seed character and exhibited a moderate level of aversion to losses in taste. It is interesting to note that participants to be risk-seeking regarding berry color though the effect was insignificant. Additionally, introducing attribute weights had little effect on the WTP estimation, similar as in the attribute-based model. However, it led to a decrease in the loss aversion parameter estimations, suggesting that attribute weightings addressed the relative importance of perceived losses and gains for different attributes.

Revised paragraph (last paragraph in Section 4.5):

In addition, loss aversion parameters greater than one indicate the degree to which consumers are averse to losses compared to gains. However, since the gain coefficients were not statistically different from zero for any attributes, it is not appropriate to compute or interpret a loss aversion parameter as a ratio of losses to gains. The muted effect of gains is reasonable, as only a small fraction of participants experienced or perceived gains in these attributes. Instead, by comparing the gain and loss coefficients for each attribute, we can learn the relative degree to which consumers were more sensitive to losses than gains. We found losses related to seed characteristics had the largest impact on WTP, followed by losses in taste. This suggests that consumers were particularly sensitive to potential losses associated with the seed character and exhibited a moderate level of aversion to losses in taste. It is interesting to note that for berry color, the loss coefficient was smaller than the gain coefficient, potentially indicating risk-seeking behavior,

Table 5. Effects of Reference points on willingness to pay estimation using alternative-based model

		Unweighted			Weighted		
		(1)	(2)	(3)	(4)	(5)	(6)
Berry color	Base = Black						
	Red	−0.482***	−0.482***	-0.498***	−0.473***	−0.475***	−0.489***
		(0.164)	(0.164)	(0.164)	(0.163)	(0.163)	(0.163)
	Green	−0.414***	−0.415***	−0.420***	−0.408***	−0.409***	-0.413***
		(0.148)	(0.147)	(0.148)	(0.147)	(0.147)	(0.147)
	Gain in color γ_{color}	-0.097	−0.114	−0.100	−0.124	−0.142	−0.238
		(0.254)	(0.254)	(0.267)	(0.336)	(0.338)	(0.351)
	Loss in color $\gamma_{color}\lambda_{color}$	−0.063	−0.064	−0.098	−0.124	−0.142	−0.238
		(0.113)	(0.113)	(0.117)	(0.336)	(0.338)	(0.351)
Taste	Base = Balanced						
	Sweet	−0.355***	−0.356***	−0.352***	−0.359***	−0.360***	−0.354***
		(0.116)	(0.116)	(0.116)	(0.115)	(0.115)	(0.116)
	Sour	−0.917***	−0.917***	-0.896***	−0.915***	−0.916***	-0.897***
		(0.223)	(0.223)	(0.223)	(0.223)	(0.223)	(0.224)
	Gain in taste γ_{taste}	−0.100	−0.093	−0.011	−0.211	−0.208	−0.080
		(0.153)	(0.153)	(0.162)	(0.420)	(0.421)	(0.442)
	Loss in taste $\gamma_{taste}\lambda_{taste}$	−0.163	−0.161	−0.182*	−0.458	−0.453	-0.518*
		(0.101)	(0.101)	(0.103)	(0.286)	(0.287)	(0.293)
Seed character	Base = seeded						
	Seed trace	0.300	0.315	0.339*	0.305	0.318	0.340*
		(0.199)	(0.198)	(0.199)	(0.197)	(0.197)	(0.198)
	Seedless	0.187	0.215	0.243	0.186	0.212	0.233
		(0.177)	(0.176)	(0.178)	(0.176)	(0.176)	(0.178)
	Gain in seed character γ_{seed}	−0.028	−0.040	−0.160	0.012	−0.017	−0.384
		(0.202)	(0.203)	(0.218)	(0.551)	(0.553)	(0.607)
	Loss in seed character $\gamma_{seed}\lambda_{seed}$	−0.476***	−0.443***	−0.418***	−1.338***	−1.250***	−1.207***
		(0.122)	(0.122)	(0.126)	(0.340)	(0.342)	(0.353)
Constant		2.903***	2.484***	2.815***	2.853***	2.531***	2.830***
		(0.277)	(0.669)	(0.245)	(0.272)	(0.676)	(0.223)
Day fixed effect		YES	YES	YES	YES	YES	YES
Order fixed effect		YES	YES	YES	YES	YES	YES
Demographic controls		NO	YES	YES	NO	YES	YES
Individual fixed effect		NO	NO	YES	NO	NO	YES
Observations		792	792	792	792	792	792

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however, this effect was statistically insignificant and should be interpreted with caution. Additionally, introducing attribute weights had little effect on the WTP estimation, similar as in the attribute-based model. However, it did lead to changes in the estimated magnitudes of gain and loss parameters, suggesting that attribute weightings addressed the relative importance of perceived losses and gains for different attributes.

Reference

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