

Package ‘cash’

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Title Discrete Choice and Competitive Reactions: End-to-End Simulation

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Description Although discrete choice (choice-based conjoint) analysis has become a widely used technique for the elicitation of consumer preferences and hence a foundation for product design, to the best of our knowledge, there exists neither free and open-source nor commercial software that covers the game-theoretic simulation of competitive reactions among firms based on discrete choice models to improve decision making beyond traditional product (line) optimization. The package does not only provide functions to fill this gap but comprises an entire simulation pipeline including the upstream processes of discrete choice analysis itself. It ranges from preference generation, choice design, design assessment, error and response simulation, through hierarchical Bayesian estimation of mixed logit models as well as convergence and model assessment, to Nash equilibrium computation. Doing so, it partly draws from established packages concerned with discrete choice analysis. While its structure generally aims towards end-to-end simulation as well as simulation of competitive dynamics based on real data, all its key elements mentioned above may be of use independently of each other. For implementation and application details, see Dressler et al. (2026) <[doi:10.48550/arXiv.2606.15593](https://doi.org/10.48550/arXiv.2606.15593)>.

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B_prefgen	<i>Preference generation</i>
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Description

Simulates a multivariate normal preference structure following Wirth (2010a,b).

Usage

```
B_prefgen(
  resps,
  lvls,
  het = TRUE,
  randomizecols = TRUE,
  sortfirstattdesc = TRUE,
  saveplot = FALSE,
  seed = 1,
  temp = TRUE
)
```

Arguments

resps	An integer defining the number of respondents.
lvls	A vector defining the number of features (length) and levels (values).
het	If TRUE, the utilities of each feature level are more heterogeneous across respondents.
randomizecols	If TRUE, the generated column vectors containing the utilities for all respondents for each feature level are randomized.
sortfirstattdesc	If TRUE, the utilities of the first feature are sorted descendingly (taking the reference level (first level) utility of zero into account).
saveplot	If TRUE, a very basic ggplot of the final densities is saved.
seed	Addresses <code>set.seed()</code> .
temp	If FALSE, output files are not saved into the session's temporary but the current working directory.

Value

Automatically stores output in .rds files to be re-imported by subsequent functions or via readRDS().

References

- Dressler JHR, Kurz P, Steiner WJ (2026). “Discrete Choice and Competitive Reactions: End-to-End Simulation with the R Package cash.” *arXiv preprint (Econometrics)*.
- Dressler JHR, Kurz P, Steiner WJ (2025). “Computing Nash Equilibria for Product Design based on Hierarchical Bayesian Mixed Logit Models.” *arXiv preprint (Econometrics)*.
- Wirth R (2010a). *Best-Worst Choice-Based Conjoint-Analyse. Eine Neue Variante der Wahlbasierten Conjoint-Analyse*. Tectum.
- Wirth R (2010b). “HB-CBC, HB-Best-Worst-CBC or No HB At All?” In *Proceedings of the 15th Sawtooth Software Conference*, pp. 321–356.

Examples

```
B_prefgen(resps=10,lvls=c(5,5))
```

C_choicedes

Choice design

Description

Creates choice designs using the R package *idefix* or prepares external designs.

Usage

```
C_choicedes(
  lvls = "./B_levels.rds",
  setstraining,
  altstraining,
  setstest = setstraining,
  altstest = altstraining,
  prior = "./B_simulatedindividualbetas.rds",
  zeroprior = TRUE,
  bayesian = FALSE,
  createdesign = TRUE,
  algorithm = c("modifiedfedorov", "coordinateexchange"),
  trace = FALSE,
  startdesignstotest = 12,
  orthoarrayascandmodfed = FALSE,
  externaltrainingdesign,
  externaltestdesign,
  codingofexternal = c("dummy", "none"),
  efficiencyofexternaltraining = "",
  efficiencyofexternaltest = "",
```

```

    csvseparator = ";",
    seed = 1,
    temp = TRUE
)

```

Arguments

lvls	Defines the number of features and levels, equivalent to B_, but here through the corresponding .rds file coming from B_.
setstraining	An integer defining the number of choice sets (used for estimation).
altstraining	An integer defining the number of alternatives per choice set (used for estimation).
setstest	See setstraining, but for predictive testing.
altstest	See altstraining, but for predictive testing.
prior	A Bayesian prior .rds file, i.e., a preference matrix as generated by B_.
zeroprior	If TRUE, the entries of prior are set to zero.
bayesian	If FALSE, column means of prior are taken as (non-Bayesian) prior.
createdesign	If FALSE, external designs can be imported for preparation.
algorithm	Algorithm to generate choice designs by maximizing D-efficiency. Can either be "modifiedfedorov" or "coordinateexchange". Default is "modifiedfedorov".
trace	If TRUE, tracing of the algorithm is enabled.
startdesignstotest	An integer defining the number of random start designs to test.
orthoarrayascandmodfed	If TRUE, an orthogonal array is employed as the candidate set instead of the full factorial in case of the modified Fedorov algorithm.
externaltrainingdesign	Path to external design .csv file (used for estimation) with each row being an alternative (long-format), row names as first column and column names as first row.
externaltestdesign	See externaltrainingdesign, but for predictive testing.
codingofexternal	Choose "dummy" if external designs are dummy-coded and "none" to convert the designs to dummy-coding (first level becomes the reference category) if no coding scheme has been applied (i.e., each column corresponds to a feature and the entries are integers representing the levels). Default is "dummy".
efficiencyofexternaltraining	May be used to store efficiency measures of the external design (as character).
efficiencyofexternaltest	See efficiencyofexternaltraining.
csvseparator	Value separator for external design .csv files.
seed	Addresses set.seed().
temp	If FALSE, output files are not saved into the session's temporary but the current working directory.

Value

Automatically stores output in .rds files to be re-imported by subsequent functions or via readRDS().

References

- Dressler JHR, Kurz P, Steiner WJ (2026). “Discrete Choice and Competitive Reactions: End-to-End Simulation with the R Package cash.” *arXiv preprint (Econometrics)*.
- Dressler JHR, Kurz P, Steiner WJ (2025). “Computing Nash Equilibria for Product Design based on Hierarchical Bayesian Mixed Logit Models.” *arXiv preprint (Econometrics)*.
- Traets F, Sanchez DG, Vandebroek M (2020). “Generating Optimal Designs for Discrete Choice Experiments in R: The idefix Package.” *Journal of Statistical Software*, 96(3), 1–41.

Examples

```
oldwd=getwd()
setwd(tempdir())
extrain=matrix(c(11,5,2,12,1,3,13,3,5,14,4,4,15,2,1,
                21,2,5,22,4,3,23,5,1,24,1,2,25,3,4,
                31,5,3,32,4,5,33,1,2,34,3,4,35,2,1,
                41,5,2,42,4,1,43,2,3,44,3,5,45,1,4,
                51,3,1,52,5,3,53,2,4,54,4,5,55,1,2,
                61,2,5,62,5,2,63,1,1,64,4,4,65,3,3,
                71,2,2,72,5,3,73,1,4,74,3,1,75,4,5,
                81,1,2,82,2,3,83,3,4,84,5,5,85,4,1,
                91,4,5,92,2,2,93,5,4,94,3,1,95,1,3,
                101,2,3,102,5,5,103,4,2,104,1,4,105,3,1,
                111,2,4,112,5,1,113,1,5,114,4,3,115,3,2,
                121,5,4,122,3,5,123,4,2,124,2,1,125,1,3,
                131,4,2,132,5,5,133,1,1,134,2,4,135,3,3,
                141,3,2,142,5,1,143,1,5,144,2,3,145,4,4,
                151,2,5,152,4,3,153,5,4,154,3,2,155,1,1),
              nrow=75,ncol=3,byrow=TRUE)
write.csv2(extrain,"extrain.csv",row.names=FALSE)
extest=matrix(c(11,1,1,12,4,2,13,5,3,14,2,5,15,3,4,
               21,1,5,22,3,3,23,5,1,24,2,4,25,4,2,
               31,2,1,32,5,5,33,3,4,34,4,3,35,1,2,
               41,1,1,42,3,3,43,5,5,44,2,2,45,4,4,
               51,5,4,52,1,3,53,3,1,54,4,2,55,2,5),
              nrow=25,ncol=3,byrow=TRUE)
write.csv2(extest,"extest.csv",row.names=FALSE)
C_choicedes(setstraining=15,altstraining=5,setstest=5,createdesign=FALSE,
            externaltrainingdesign="./extrain.csv",externaltestdesign="./extest.csv",
            codingofexternal="none")
setwd(oldwd)
```

D_responsesim

Error and response simulation

Description

Median relative Gumbel error tuning procedure to add noise to the individual deterministic portion of utility across alternatives and choice sets, and simulation of choices based on the resulting total utilities, and/or preparation of data for model estimation.

Usage

```
D_responsesim(
  simulatedindividualbetas = "./B_simulatedindividualbetas.rds",
  trainingdesign = "./C_trainingdesign.rds",
  testdesign = "./C_testdesign.rds",
  MRGEtarget,
  learningrate = 0.5,
  stoppingcriterion = 10-5,
  maxiterations = 104,
  transform = TRUE,
  simulate = TRUE,
  seed = 1,
  temp = TRUE
)
```

Arguments

simulatedindividualbetas	Path to .rds file with synthetic utilities (as generated by B_).
trainingdesign	Path to .rds file with choice design for estimation (as generated by C_).
testdesign	Path to .rds file with choice design for predictive testing (as generated by C_).
MRGEtarget	Percentage indicating the desired magnitude of the Median relative Gumbel error (MRGE).
learningrate	Learning rate for the MRGE tuning.
stoppingcriterion	Tolerance for the MRGE tuning.
maxiterations	Maximum iterations for the MRGE tuning.
transform	If TRUE, choice design and responses are stored in an additional way such that they can be processed by the R package <i>bayesm</i> used for model estimation.
simulate	If FALSE, error and response simulation can be skipped to import and prepare external (experimental or differently simulated) data for model estimation.
seed	Addresses set.seed().
temp	If FALSE, output files are not saved into the session's temporary but the current working directory.

Value

Automatically stores output in .rds files to be re-imported by subsequent functions or via readRDS().

References

- Dressler JHR, Kurz P, Steiner WJ (2026). “Discrete Choice and Competitive Reactions: End-to-End Simulation with the R Package cash.” *arXiv preprint (Econometrics)*.
- Dressler JHR, Kurz P, Steiner WJ (2025). “Computing Nash Equilibria for Product Design based on Hierarchical Bayesian Mixed Logit Models.” *arXiv preprint (Econometrics)*.

Examples

```
D_responsesim(MRGETarget=0.3)
```

E_hbmxlest

Hierarchical Bayesian estimation of mixed logit models

Description

Hierarchical Bayesian estimation of mixed logit model employing the hybrid Gibbs sampler with a random walk Metropolis Hastings step implemented by the R package *bayesm*.

Usage

```
E_hbmxlest(
  trainingdesign = "./C_trainingdesign.rds",
  bayesmdata = "./D_bayesmdatatraining.rds",
  mcmciterations,
  nthiterationtoprint = 5000,
  moncomponents = 1,
  nthdrawtokeep = 1,
  signresfirstatt = c("none", "negative", "positive"),
  compresslist = TRUE,
  seed = 1,
  temp = TRUE
)
```

Arguments

trainingdesign Path to .rds file with choice design for estimation (as generated by C_).

bayesmdata Path to .rds file with choice designs incl. responses prepared for *bayesm* (as generated by D_).

mcmciterations An integer defining the length of the Markov chain.

nthiterationtoprint An integer defining the progress update frequency of the sampler.

moncomponents	An integer defining the mixture of normals components. To be left at default for now.
nthdrawtokeep	An integer defining pre-thinning of the Markov chain.
signresfirstatt	For sign-restricting the draws of the first feature. Can either be "none", "negative" or "positive". Default is "none".
compresslist	If TRUE, size of the output is reduced.
seed	Addresses <code>set.seed()</code> .
temp	If FALSE, output files are not saved into the session's temporary but the current working directory.

Value

Automatically stores output in `.rds` files to be re-imported by subsequent functions or via `readRDS()`.

References

- Dressler JHR, Kurz P, Steiner WJ (2026). "Discrete Choice and Competitive Reactions: End-to-End Simulation with the R Package `cash`." *arXiv preprint (Econometrics)*.
- Dressler JHR, Kurz P, Steiner WJ (2025). "Computing Nash Equilibria for Product Design based on Hierarchical Bayesian Mixed Logit Models." *arXiv preprint (Econometrics)*.
- Rossi PE (2025). *bayesm: Bayesian Inference for Marketing/ Micro-Econometrics*. R Package.
- Rossi PE, Allenby GM, McCulloch R (2005). *Bayesian Statistics and Marketing*. John Wiley & Sons.

Examples

```
E_hbmxlest(mcmciterations=1000)
```

F_designeval	<i>Design assessment</i>
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Description

Computes measures for choice design evaluation.

Usage

```
F_designeval(
  trainingdesign = "./C_trainingdesign.rds",
  testdesign = "./C_testdesign.rds",
  burninpercentage = 0.9,
  mcmciterations,
  nthiterationtoprint = 5000,
```

```

moncomponents = 1,
nthdrawtokeep = 1,
recoverycheckfortestdesign = TRUE,
seed = 1,
temp = TRUE
)

```

Arguments

trainingdesign Path to .rds file with choice design for estimation (as generated by C_).

testdesign Path to .rds file with choice design for predictive testing (as generated by C_).

burninpercentage Percentage defining burn-in iterations of the Markov chain to be discarded before calculating recovery measures.

mcmciterations An integer defining the length of the Markov chain.

nthiterationtoprint An integer defining the progress update frequency of the sampler.

moncomponents An integer defining the mixture of normals components. To be left at default for now.

nthdrawtokeep An integer defining pre-thinning of the Markov chain.

recoverycheckfortestdesign If FALSE, model estimation for testdesign based on random responses is prevented.

seed Addresses `set.seed()`.

temp If FALSE, output files are not saved into the session's temporary but the current working directory.

Value

Automatically stores output in .rds files to be re-imported by subsequent functions or via `readRDS()`.

References

- Dressler JHR, Kurz P, Steiner WJ (2026). “Discrete Choice and Competitive Reactions: End-to-End Simulation with the R Package cash.” *arXiv preprint (Econometrics)*.
- Dressler JHR, Kurz P, Steiner WJ (2025). “Computing Nash Equilibria for Product Design based on Hierarchical Bayesian Mixed Logit Models.” *arXiv preprint (Econometrics)*.

Examples

```
F_designeval(mcmciterations=1000)
```

Description

Computes various measures for model evaluation and prepares final model.

Usage

```
G_modelevel(
  experimental = FALSE,
  simulatedindividualbetas = "./B_simulatedindividualbetas.rds",
  trainingdesign = "./C_trainingdesign.rds",
  testdesign = "./C_testdesign.rds",
  trainingdesignwithsimuresponses = "./D_trainingdesignwithsimuresponses.rds",
  testdesignwithsimuresponses = "./D_testdesignwithsimuresponses.rds",
  bayesmdata = "./D_bayesmdatatraining.rds",
  model = "./E_model.rds",
  burninpercentage,
  chainlengthpsrf,
  secondmodelforgeleman = TRUE,
  seedsecondmodel = 2,
  removeversals = TRUE,
  removepositives = TRUE,
  drawspostremoval,
  thinning,
  alphanormality = 0.05,
  crediblelevel = 0.95,
  saveplot = FALSE,
  show = 5,
  seed = 1,
  temp = TRUE
)
```

Arguments

experimental If TRUE, an internal model based on external data or an external model can be evaluated.

simulatedindividualbetas Path to .rds file with synthetic utilities (as generated by B_).

trainingdesign Path to .rds file with choice design for estimation (as generated by C_).

testdesign Path to .rds file with choice design for predictive testing (as generated by C_).

trainingdesignwithsimuresponses Path to .rds file with choice designs incl. responses for estimation (as generated by D_).

testdesignwithsimuresponses	Path to .rds file with choice designs incl. responses for predictive testing (as generated by D_).
bayesmdata	Path to .rds file with choice designs incl. responses prepared for <i>bayesm</i> (as generated by D_).
model	Path to .rds file with model (as generated by E_).
burninpercentage	Percentage defining burn-in iterations of the Markov chain to be discarded. If < 1, it is interpreted as a percentage, and if >= 1, it is interpreted as an absolute number of burn-in iterations to be discarded.
chainlengthpsrf	An integer defining the number of iterations after burn-in to be used for computation of the (M)PSRF.
secondmodelforgelman	If FALSE, simulation of an independent second chain for convergence assessment is skipped.
seedsecondmodel	Seed for simulation of independent second chain.
removeversals	If TRUE, draws (remaining after burn-in) that violate monotonicity of the first feature (incorrect order) are removed.
removepositives	If TRUE, draws (remaining after burn-in) that violate monotonicity of the first feature (incorrect signs) are removed. Only considered if <code>removeversals = TRUE</code> .
drawspostremoval	An integer defining the desired number of remaining draws after removal before thinning.
thinning	An integer defining thinning of the remaining draws.
alphanormality	Significance level for frequentist normality tests.
crediblelevel	Probability coverage of the Bayesian credible intervals for the parameter recovery and predictive accuracy measures.
saveplot	If TRUE, the last respondent's primary chain trace plots for each parameter as well as very basic visualizations of the final posterior means and draws are saved.
show	An integer defining the number of draws/respondents (taken in equal distance from first to last) to show if <code>saveplot = TRUE</code> .
seed	Addresses <code>set.seed()</code> .
temp	If FALSE, output files are not saved into the session's temporary but the current working directory.

Value

Automatically stores output in .rds files to be re-imported by subsequent functions or via `readRDS()`.

References

- Dressler JHR, Kurz P, Steiner WJ (2026). “Discrete Choice and Competitive Reactions: End-to-End Simulation with the R Package cash.” *arXiv preprint (Econometrics)*.
- Dressler JHR, Kurz P, Steiner WJ (2025). “Computing Nash Equilibria for Product Design based on Hierarchical Bayesian Mixed Logit Models.” *arXiv preprint (Econometrics)*.

Examples

```
G_modelevel(burninpercentage=100,chainlengthpsrf=900,drawspostremoval=10,thinning=5)
```

H_precomputeM

Pre-computations for Nash competition

Description

Pre-computes product configurations, unit contributions, utilities, line configurations and competitive scenarios with total contributions.

Usage

```
H_precomputeM(
  trainingdesign = "./C_trainingdesign.rds",
  estimatedindividualbetas = "./G_estimatedindividualbetasdraws.rds",
  pricecostmatrix,
  pricecostmatrixfull,
  basecostfix = 0,
  basecostvar = TRUE,
  choicerule = c("first", "logit"),
  ruletosolvefcutilitytie = c("splitting", "sampling"),
  prodsperline,
  competitors,
  addnullparameters = TRUE,
  progressupdatedelay = 120,
  compressmatrix = FALSE,
  seed = 1,
  temp = TRUE
)
```

Arguments

trainingdesign Path to .rds file with choice design for estimation (as generated by C_). Only extracts \$resps, \$betas and \$lvls.

estimatedindividualbetas Path to .rds file with final preference array of draws, point estimates/posterior means (as generated by G_) or simulated/true utilities (as generated by B_).

pricecostmatrix	Path to .csv file with price and cost levels, comprising only the features that have been defined in B_ as being part of the conjoint choice experiment. The .csv has to have row names as first column, column names as first row, as many rows as there are features + 1, as many columns as there are (max) levels + 1, and price as first feature. Undefined cells (if the number of levels differs across features) must be NA, and a zero indicates that the level has no cost.
pricecostmatrixfull	See pricecostmatrix, but containing all features relevant to the contribution margin.
basecostfix	Numeric value defining fixed base cost.
basecostvar	If TRUE, levels of the features included in the full but not partial price cost matrix are randomly sampled to add their corresponding costs to the fixed base cost.
choicerule	Choice rule to be applied. Can either be "first" or "logit". Default is "first".
ruletosolvefcutilitytie	Tie-breaking strategy for the case of multiple first choices being present within a complete competitive scenario. Can either be "splitting" or "sampling". Default is "splitting".
prodsperline	An integer defining the number of products per line.
competitors	An integer defining the number of competitors.
addnullparameters	If FALSE, expansion of the preference array by zeros for the reference categories is suppressed.
progressupdatedelay	Numeric value defining update frequency of progress .txt file in minutes.
compressmatrix	If TRUE, size of the output is reduced.
seed	Addresses set.seed().
temp	If FALSE, output files are not saved into the session's temporary but the current working directory.

Value

Automatically stores output in .rds files to be re-imported by subsequent functions or via readRDS().

References

- Dressler JHR, Kurz P, Steiner WJ (2026). "Discrete Choice and Competitive Reactions: End-to-End Simulation with the R Package cash." *arXiv preprint (Econometrics)*.
- Dressler JHR, Kurz P, Steiner WJ (2025). "Computing Nash Equilibria for Product Design based on Hierarchical Bayesian Mixed Logit Models." *arXiv preprint (Econometrics)*.

Examples

```

oldwd=getwd()
setwd(tempdir())
pcmpartial=matrix(c(299,599,899,1199,1499,25,30,33,44,54),
  nrow=2,ncol=5,byrow=TRUE)
write.csv(pcmpartial,"pcmpartial.csv")
pcmfull=matrix(c(299,599,899,1199,1499,25,30,33,44,54,10,11,12,65,79),
  nrow=3,ncol=5,byrow=TRUE)
write.csv(pcmfull,"pcmfull.csv")
H_precomputeM(pricematrix="/pcmpartial.csv",
  pricematrixfull="/pcmfull.csv",prodsperline=1,competitors=2)
setwd(oldwd)

```

I_preoptandnashgame *Pre-optimization and Nash competition*

Description

Pre-computes optima of competitive scenarios matrix and uses them for fast simulation of the Nash games.

Usage

```

I_preoptandnashgame(
  scenariosmatrix = "./H_scenariosmatrixfirstdraws.rds",
  scenariosinfo = "./H_scenariosinfofirstdraws.rds",
  products = "./H_products.rds",
  lines = "./H_lines.rds",
  maxrounds = 20,
  progressupdatedelay = 120,
  temp = TRUE
)

```

Arguments

scenariosmatrix	Path to .rds file with pre-computed competitive scenarios matrix (as generated by H_).
scenariosinfo	Path to .rds file with additional information generated by H_.
products	Path to .rds file with pre-computed product configurations (as generated by H_).
lines	Path to .rds file with pre-computed line configurations (as generated by H_).
maxrounds	Even integer defining upper limit of game rounds.
progressupdatedelay	Numeric value defining update frequency of progress .txt file in minutes.
temp	If FALSE, output files are not saved into the session's temporary but the current working directory.

Value

Automatically stores output in .rds files to be re-imported via `readRDS()`.

References

- Dressler JHR, Kurz P, Steiner WJ (2026). “Discrete Choice and Competitive Reactions: End-to-End Simulation with the R Package *cash*.” *arXiv preprint (Econometrics)*.
- Dressler JHR, Kurz P, Steiner WJ (2025). “Computing Nash Equilibria for Product Design based on Hierarchical Bayesian Mixed Logit Models.” *arXiv preprint (Econometrics)*.

Examples

`I_preoptandnashgame()`

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