

Rasmussen (Eric)

- Guide to the Guide to BLP

Martinez and Martinez

- Statistics and MATLAB

Don't use while or for loops

Need a very efficient function if you are going to repeat it a lot of times.

"How to write faster code in MATLAB"

Tolerance parameters should be around  $10^{-6}$ .

- Optimset - good function

Can set the maximum number of iterations

Nelder-Mead - fminsearch

- Nervo recommends this.

- unconstrained optimization

- can put bounds with fminsearch(b)

or fmincon.

Newton

Increase number of simulations.

Lerner index: Just simulate preferences and take averages

N market shares

$(b, \Sigma)$

K goods

draws

P covariates

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(\*) Bayesian methods in BLP