

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	Eliška Halouzková
Advisor:	Mgr. Petr Polák MSc. Ph.D.
Title of the thesis:	Willingness to Pay for Houseplants in the Czech Republic

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Short summary

The thesis aims to analyze willingness to pay for houseplants on a sample of 334 observations collected using an online questionnaire. The author collected data on preferences and other socio-economic variables. Based on the data, women are more likely to buy houseplants and high income earners are willing to pay more.

Contribution

The thesis is a nice exercise. It hardly reflects the situation in the market for houseplants in the Czech Republic, as the data collected do not represent Czech population at all (mainly regarding age distribution). Still, the dataset is diverse enough for demonstrating some relations between individual characteristics and willingness to pay.

Methods

The author estimates two different models: (i) the logit model working with a binary dependent variable of willingness to buy houseplants; (ii) OLS regression estimating determinants of price people are willing to pay (based on a subsample of the original dataset where only those who are willing to buy houseplants are included). To my knowledge, methods are appropriate for the question at hand. Nevertheless, I have several comments regarding the methodology.

The major comment is about the question how much people are willing to pay for a new houseplant. The houseplant is not specified at all. Everybody can imagine a completely different houseplant – of a different size, of a different quality. This makes the responses on prices hardly comparable. The author collected the data for specific plants shown on photos, but did not use this data in the main analysis (just for cross-checking, e.g. that people who like big plants are willing to pay more for big plants). Among determinants, the author just includes preferences of individuals and some individual characteristics, but not features of plants themselves. Again, this could be possible when applying data on prices for plants from photos.

The author also included the question about pandemic that was precisely stated as follows: „Změnil se Váš vztah v pandemii k přírodě a k rostlinám?“ I don't think it is straightforward enough. Individual's attitude toward the nature might have changed, while, at the same time, her attitude toward plants or houseplants might not have changed at all.

Regarding the variable measuring the number of plants a person has, this variable might have a different effect depending on how big house a person lives in (having 10 plants in one room reflects different preferences than having 10 plants in 6 rooms).

Regarding the methodology, I did not fully understand the following (on p. 20 below equation 4.5): If $z=0$, $G(z) \rightarrow 0$, as $z \rightarrow -\infty$, Why is „If $z=0$ “ there? If $z=0$, then $G(z)=0.5$ I believe.

Literature

The author demonstrated a command of research that measures willingness to pay. She also mentions a few economic studies on willingness to pay for certain plants. The list is not exhaustive, but sufficient for the bachelor thesis I believe. The author quotes relevant literature in a proper way.

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Manuscript form

The thesis is well-written and has a clear structure. It is typeset in LaTeX. I found only a few shortcomings. I could not find the information about how many people are not willing to buy plants at all in the descriptive statistics. It is also disturbing when some maths expressions in the text are not in the math font.

Overall evaluation and suggested questions for the discussion during the defense

In general, it is a nice piece of work that does not have much impact on the real world, but demonstrates the author's capability to carry out own research. My major objection is that the data about prices respondents are willing to pay are not fully comparable, because the product was not precisely specified.

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade B. The results of the Turnitin analysis do not indicate significant text similarity with other available sources.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution (max. 30 points)</i>	25
<i>Methods (max. 30 points)</i>	25
<i>Literature (max. 20 points)</i>	19
<i>Manuscript Form (max. 20 points)</i>	18
TOTAL POINTS (max. 100 points)	87
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: PhDr. Lenka Šťastná, Ph.D.

DATE OF EVALUATION: 31.5.2023

*Digitálně podepsáno (31.5.2023)
Lenka Šťastná*

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F