

## Group Specific Final Ecosystem Services and Tailored Stated Preference Design

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Providing respondents information on final ecosystem services with a direct impact on utility in the Stated Preference studies have recently been given increased attention in the literature. However, theory recognizes that what constitutes a final ecosystem service to one individual might not be a final service to another. Individual specific final ecosystem services would require stated preference studies to be tailored towards the respondent, in order to present all respondents with information on the ecosystem services that are most relevant to them. This challenges the traditional way of designing stated preference studies in which all respondents receive the same information and scenario description.

This paper develops a theoretical model of group dependent final ecosystem services and tests for differences between groups of beneficiaries by identifying three final ecosystem services that are produced by a biophysical change in water quality. We analyze the effect applying two versions of a discrete choice experiment for water quality improvements in Danish coastal waters (1) a common version in which information concerning water quality improvements are presented identically across all groups of beneficiaries omitting information on subsequent ecosystem services, and (2) a tailored version of the study providing information on the water quality improvement and tailored information on the group specific final ecosystem service in which the water quality improvement is assumed to be a production input.

Our findings provide the first empirical evidence that different groups of beneficiaries are motivated by different final ecosystem services, and that this heterogeneity in final services affects welfare estimates obtained from stated preference studies. These results emphasize the need for a strong focus on the possibility of several different final ecosystem services. Furthermore, it demonstrates that using a single generic indicator common for all respondents might be insufficient. More flexibility is needed in the study design to obtain valid welfare estimates when the final ecosystem service motivation differs between groups of beneficiaries.