

RAY WEAVER

Massachusetts Institute of Technology
Sloan School of Management
1 Amherst St., E40-174
Cambridge, MA 02142

617-733-2681
rweaver@mit.edu
www.rayweaver.net

EDUCATION

Sloan School of Management, Massachusetts Institute of Technology Cambridge, MA
Doctor of Philosophy Candidate, Marketing Expected May 2008

The Wharton School, University of Pennsylvania Philadelphia, PA
Masters of Business Administration, Entrepreneurial Marketing 1997

Washington University St. Louis, MO
Bachelor of Science, Computer Science 1992
Bachelor of Science, Electrical Engineering

HONORS AND AWARDS

Goodwin Medal nominee for outstanding MIT teaching assistant (2005)
AMA-Sheth Foundation Doctoral Consortium Fellow (2005)
Graduate Fellowship, Massachusetts Institute of Technology (2002-present)
Palmer Scholar: top five percent of graduating class, Wharton School (1997)
Graduation with Distinction, Wharton School (1997)
Distinguished Service Award, Washington U. Electrical Engineering Department (1992)
Eta Kappa Nu electrical engineering honor society, Washington University (1991)
Woodward Merit Fellowship, Washington University (1988-1992)
National Merit Scholar (1988)

RESEARCH

INTERESTS Consumer judgment and decision making, social network effects in marketing, product development, social influences on consumer behavior and perceptions.

PAPERS

Job Market Paper Ray Weaver & Shane Frederick. **“Driving a fair bargain: The role of transaction (dis)utility in evaluation disparities.”** Targeted for *Journal of Marketing Research*.

The fact that selling prices often exceed buying prices is typically explained as the endowment effect: an aversion to losing

possessions causes sellers to demand more than buyers are willing to pay. An alternative explanation is that values are distorted by transaction disutility: people don't like to trade on terms they consider unfair. Consumers judge potential trades against perceived market prices, and because market prices usually exceed consumer values, selling prices become inflated. We develop and test experimentally a model of reservation prices based on this idea. We show that reducing reference prices relieves sellers' transaction disutility, shrinking or eliminating buyer-seller price gaps. However, further reducing reference prices causes disutility among buyers, creating gaps driven by a reluctance to buy. Thus, disparities are large when reference prices are either very high or very low, but small for intermediate reference prices. This U-shaped relationship is consistent with our model and cannot be explained by the endowment effect account. We also find that gaps are smallest among people who value a good most. These results support our contention that an aversion to unfair deals, not an aversion to losing possessions per se, causes buying and selling prices to diverge.

Under Review

Drazen Prelec & Ray Weaver. **“Truthful answers are surprisingly common: Experimental tests of the Bayesian Truth Serum.”** Under revision for second review at *Management Science*.

The Bayesian Truth Serum (BTS) is a survey scoring formula that provides truth-telling incentives for respondents answering questions about intrinsically private matters. The method requires respondents to provide not only their own answers, but also percentage estimates of others' answers. The formula then assigns high scores to answers that are surprisingly common, i.e. whose actual frequency exceeds their predicted frequency. Two experiments demonstrate that BTS both encourages and rewards truthful responses. First, we simulate various deception strategies and compare them to respondents' actual answers on four different surveys. For most respondents, BTS penalizes every deception policy we test. Second, we conduct a general knowledge questionnaire in which we list items such as brand names, famous people, and scientific terms. One-third of the items are nonexistent foils. BTS encourages truth-telling: when survey takers will be paid according to their score, they report recognition of fewer foils. BTS also rewards faith in the method: respondents score higher, and earn more, when they claim ignorance of foils.

Working Paper

Ray Weaver. **“Preference reversals between implicit and explicit choice.”** Targeted for *Journal of Consumer Research*.

To maximize expected utility, consumers should be willing to pay more for goods they prefer. In practice, however, the two evaluations sometimes diverge. A series of experiments shows that these preference reversals are caused by disparate reference prices: given the option of one free item, a consumer might choose a six-pack of beer over a bottle of wine, but that same consumer might pay more for the wine if its price is higher. These inconsistencies cannot be explained by quality inferences

made from reference prices, because reversals occur even when changing reference prices does not effect desirability ratings. The pattern holds whether ordinal assessments are choices or rankings, and whether cardinal assessments are buying prices, selling prices, or indifference amounts. Collectively, these results suggest that reference prices influence monetary values above and beyond their effect on expected utility.

Research in Progress

“The effect of transaction utility on purchase likelihood, product satisfaction, and happiness,” with Leonard Lee.

“A Bayesian model of loss aversion for consumer products,” with Michael Braun.

“Explorations of the rationality and robustness of the endowment effect,” with Shane Frederick.

“Consensus judgments show surprising false uniqueness,” with Drazen Prelec & Shane Frederick.

“Fairness in the domain of losses,” with Shane Frederick.

“The impact of early social interactions on group membership.”

“Social network influences on hit-driven products: A field experiment in the business publishing market.”

Publications Outside Marketing

Weaver, Ray, Cynthia Helms, Santosh K. Mishra, & Helen Donis-Keller (1992). **“Software for analysis and manipulation of genetic linkage data.”** *American Journal of Human Genetics*, 50(6), 1267-1274.

Donis-Keller, H., Weaver, R., Ramachandra, S., Warlick, C., Burgess, A.K., Weber, J.L., Litt, M., Nickerson, D.A., Boysen, C.A., & Mishra, S.K. (1992). **“A comprehensive genetic linkage map of the human genome: Chromosome 14.”** *Science*, 258(5079), 148-62.

TEACHING

INTERESTS

Technology marketing, product development, pricing, consumer behavior, business-to-business marketing, channels management, entrepreneurship, marketing research.

EXPERIENCE

Sloan School, MIT
2003 – 2006

Teaching Assistant, MBA Courses

Strategic Marketing Measurement, Prof. Drazen Prelec (2003, 2006)

Listening to the Customer, Prof. Drazen Prelec (2003, 2006)

Special Seminar in Marketing Research, Prof. Drazen Prelec (2005)

Consumer Behavior, Prof. Shane Frederick (2004)

Teaching Assistant, Undergraduate Course

Introduction to Marketing, Prof. Shane Frederick (2004)

Manhattan GMAT
2005 – Present

Instructor, GMAT Preparation Courses
Teach students in classrooms, live online courses, and individual tutoring sessions. Completed 10 nine-week courses to date. Contribute to curriculum reviews and development.

PROFESSIONAL EXPERIENCE

Akamai Technologies
1999 – 2002

Director of Product Marketing

Founded Akamai's marketing organization. Defined corporate brand and product positioning for first product launch, helping grow the company from pre-revenue in 1999 to \$90M in 2000. Akamai now has a market capitalization of over \$8 billion and is a member of the S&P 500.

Director of Product Management, Streaming Media Services

Led seven-person team in charge of launching and managing Akamai's second major product. Spearheaded \$200M acquisition of Network24 Communications.

Intel Corporation
1997 – 1999

Product Marketing Manager, Mobile Computing Group

Developed strategies, pricing, and distribution plans for Intel products in laptop PCs, mobile phones, and handheld devices. Member of launch team for Bluetooth wireless communications technology.

Sprint
1996

Strategic Marketing Intern, Global One Division

Developed model to predict European telecommunications prices under transition from monopolies to competition. Identified new target markets based on size, growth rate, and competition.

Deloitte Consulting
1992 – 1995

Consultant, Information Technology Group

Designed and implemented large scale information systems. Helped reduce order processing time from 45 to 15 days for a major moving and storage company, and save \$20M annually with a benefits eligibility system for one of the nation's largest HMOs. Managed a team of six consultants and clients.

Washington University
1991 – 1992

Software Developer and Data Analyst, Department of Genetics

Developed and implemented algorithms to analyze human genetic data as part of efforts to study hereditary diseases and develop the first map of the human genome.

DOCTORAL COURSEWORK

Psychology

Social Psychology, Nicholas Epley (Harvard)
Cognitive Processes, Molly Potter
Social Psychology Seminar, Dan Ariely & Mike Norton

Implicit Social Cognition, Mahzarin Banaji (Harvard)
Research Methodology in Psychology, Richard Hackman (Harvard)

Economics

Microeconomic Theory I, Franklin Fisher
Microeconomic Theory II: Game Theory, Glenn Ellison
Microeconomic Theory IV: Information Economics, B. Holmstrom
Industrial Organization, Professor Aviv Nevo
Experimental Economics, Professor Alvin Roth (Harvard)
Networks and Social Capital (audited), Markus Mobius (Harvard)

**Econometrics,
Statistics and
Mathematics**

Statistical Methods in Economics, Guido Kuersteiner
Econometrics I, Victor Chernozhukov & Jerry Hausman
Quantitative Methods, Lee Baer (Harvard)
Real Analysis, Mihalis Dafermos
Introduction to Programming in Matlab, S. Dey & D. Scepanovic

Marketing Seminars

Consumer Behavior, John Gourville (Harvard)
Behavioral Seminar I, Dan Ariely & Shane Frederick
Behavioral Seminar II, Dan Ariely
Behavioral Seminar III, Dan Ariely & Shane Frederick
Quantitative Marketing Research, Birger Wernerfelt & John Hauser
Current Quantitative Research, C. Tucker, J.J. Zhang & M. Braun