

2011 Wroe Alderson Distinguished Lecturer

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“Research Issues in Measuring WTP”

In this lecture, I will discuss some of my research on behavioral aspects of pricing. I will try to cover three ideas: (i) the usual measurement of WTP using a conjoint utility model may be biased due to the presence of informational effect of price; (ii) experimental results showing that the informational effect of price is not trivial to ignore; and (iii) incentive-compatible measurement procedures recently developed to measure the WTP for different levels of attributes. I will also describe the impact of informational effects of price on marketing resources allocation for a product.