

The October 26, 2004 presentation by Eric Greenleaf, Associate Professor of Marketing,
Stern School, New York University

How people behave in auctions: Theory, practice, and strange twists

The Chicago chapter of the American Statistical Association is pleased to have **Eric Greenleaf**, Associate Professor of Marketing, Stern School, New York University, as the luncheon speaker on Tuesday, October 26, 2004, at 12:00 noon.

Auctions are becoming more and more popular, but it is also becoming clear that peoples' actual behavior in auctions often differs from what "rational" models of decision making predict. In this talk, Prof. Greenleaf will discuss some of his empirical and theoretical research on this topic, and also discuss events in the auction world that highlight some unexpected and unusual behavior. The talk will focus on a discussion of how regret, rejoicing, and information overload affect the behavior of auction sellers. Time permitting, he will also discuss the topic of auction shilling, an illegal practice that persists, and why factors such as perceived moral hazard and the ability to customize bidder attraction efforts may lead many auction sellers to prefer internet auctions to conventional auctions.

Eric has been a faculty member in the Marketing Department at the Stern School since 1988. His research interests include: pricing theory, auctions, consumer delay, consumer help-seeking,

consumer reactions to aesthetic phenomena, and response and context effects in surveys.

The luncheon will be held at the **East Bank Club, 500 N. Kingsbury, Chicago** on **Tuesday, October 26, at 12 noon**. Registration begins at 11:45 am. The luncheons usually go from noon to approximately 1 to 1:30 pm. The cost is \$25 for Chicago Chapter ASA members, \$30 for nonmembers. Due to space considerations, seating will be limited, so please call early!

Reservations for the luncheon can be made before Saturday, October 23, by contacting Kate Juergens at 312-629-2400 or via email to kjuergens@smithhanley.com. Please include your name and telephone number in all messages. If you make a reservation but are unable to attend, Kate must receive your cancellation by 9 am Monday, October 25. Otherwise, we must ask that you pay, as the Chapter is liable for all meals ordered. As usual, the Lucile Derrick Fund will purchase a limited number of tickets for students who wish to attend.

2004 Statistician of The Year

The Chicago Chapter of the American Statistical Association is pleased to announce that Grace Wahba, who is the IJ Schoenberg-Hilldale Professor of Statistics at the University of Wisconsin-Madison, has been chosen as the 2004 Statistician of

the Year. The award dinner will be held on the evening of Wednesday December 1. Please mark your calendars for what promises to be an exciting event. More details will follow in the next issue of *Parameter*.

Harry Roberts 1923-2004

This past August, a giant in our profession passed away. The Chicago Chapter of the ASA chapter takes this opportunity to honor Harry Roberts with some photos, some reminiscences, and a brief history of his life.

Harry V. Roberts was born on May 1, 1923 in Peoria, IL. He attended the University of Chicago where he received a bachelor of arts degree in business in 1943. Shortly thereafter, he was drafted into the Army and was sent overseas to fight in Europe during World War II. As part of the 4th Armored Division, he fought in France and Belgium before being captured by the Germans in December of 1944 during the Battle of the Bulge. He was held as a prisoner until the end of the war in May of 1945.

After the war, Harry returned to the University of Chicago for a master's of business administration which he completed in 1947. He moved on to the private sector for a short time and worked in the field of marketing research before returning to his alma mater in 1949 as a statistics instructor in the Graduate School of Business.

Harry was on the Graduate School of Business faculty at the University of Chicago from 1949 to 1989. During his tenure, Harry taught courses in many areas including statistics, finance, health care, marketing, and quality management. His central professional interest was the effective use of statistics in dealing with business problems. These themes were reflected in his presentations, his publications, and his books.

Of the course of his career, Harry became known as a wonderful teacher whose efforts in the classroom were of help to his students. In this vein, the 1956 text book he co-authored with W. Allen Wallis titled "Statistics: A New Approach" effectively introduced statistical thinking to many people who were not statisticians. Later, his 1995 book "Academic Initiatives in Total Quality for Higher Education" reflected his advocacy for students:

A major reason that teaching at the Business School is very good is one that would be abhorrent to W. Edwards Deming: For a quarter-century Chicago has had public course evaluations. The ratings are widely read by students, faculty, and administrators. Faculty accept them as valid and respond to the incentive they create. Faculty want to be good at anything they do that can be measured!

The key idea behind "student as customer" is that faculty should assume some degree of responsibility for student success and avoid the rationalization that poor student performance is beyond faculty control. This can come as a by-product of trying to improve one's teaching, as in two-way fast feedback. Notice that students can't tell much about what to teach, but they can tell very accurately when they are confused, bored, or skeptical about the value of the course.

Through time the frequency of flaws and muddy points is gradually reduced, and the professor learns general lessons about teaching. For example, students can never get too many concrete examples to illustrate theory. They are frustrated by course reading packets that contain vastly more material than they can possibly read. They often are inherently skeptical about the value of course material, and a little "marketing" by the professor can reduce this skepticism.

Tension between better- and poorer-prepared students is inevitable, but it can be managed if the professor has current information on the problems faced by each group.

In 1970, Harry pioneered the application of interactive statistical computing for statistical instruction, and worked closely with Robert Ling in the development of the statistical package called (Interactive Data

In the mid-1980's, Harry co-founded the organization Making Statistics More Effective in Schools and Business. In 1989 Harry became the Sigmund E. Edelstone Professor of Statistics and Quality Management and in 1993 became professor emeritus.

In 1997 Harry was awarded the Norman Maclean Faculty Award from the University of Chicago. The Maclean Award was established in order to recognize emeritus faculty for the contributions they have made to teaching and to the student experience of life on campus.

Harry had a longstanding relationship with the Chicago Chapter of the ASA. His membership in our chapter predated his joining the Graduate School of Business faculty. He served on our Chapter's Board of Directors for numerous years and served as a speaker or moderator at well over 100 of our functions. In 1989 he received our Chapter's "Statistician of the Year" award and 1993 we honored him by naming him a "Chicago ASA Fellow". In 2001 it was determined that the Chapter's new "Statistical Advocate of the Year" award would have his name on it. This was but a small reflection of the contributions he made to our chapter and the esteem with which we held him.

Outside of the classroom, Harry was an avid runner who competed in many marathons and triathlons. He competed in the Boston Marathon numerous times and once finished it in a time of three hours and five minutes.

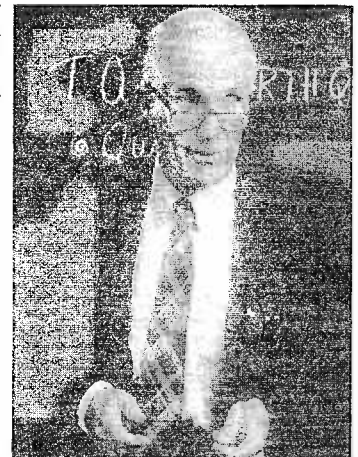
Harry died on August 14 in South Holland and is survived by June, his wife of 60 years, his son Andrew, his daughter Mary, and five grandchildren.

Chicago ASA Board Member George Bateman was long-time colleague of Harry. He remembers Harry in the following piece:

During his long and distinguished career Harry had a significant impact on the practice and teaching of statistics and in areas such as finance, marketing, quality management, affirmative action, and healthcare. Through his teaching, writing, speaking, and consulting, he was a tireless and consummate advocate for the effective use of data and statistical analysis in all areas. Examples of his written advocacy range from "Statistics as a Career" with Howard Jones in 1953 and "Statistics in Middle Management" in 1955 to Quality is Personal with Bernie Sergesketter in 1993. Thirty years after writing the path breaking text, Statistics: A New Approach with W. Allen Wallis (1956), Harry and George Tiao with the support of George Easton created the organization Making Statistics More Effective in Schools and Business (www.msmesb.org). Much of what MSMESB has done to improve the teaching and practice of statistics in the past 18 years is due to Harry's contributions and inspiration. Harry demonstrated over and over again that data and statistical analysis could be applied to good purpose in many areas (see, for example, "Real World Total Quality Projects for Statistics" with Bateman and "Total Quality for Professors and Students" with Bateman). His clear exposition of applied data analysis and the associated datasets in his Data Analysis for Managers (1988 and 1991) are still treasured by teachers and practitioners of statistics.

Harry's vita is replete with many more examples of his advocacy as well as his other professional contributions. Beyond these accomplishments, though, he was generous to all and touched many lives. In my case, he was my teacher, mentor, colleague, and very dear friend. He had a profound impact on my life. I'll miss him and treasure the memories of my 40-year association with him.

George R. Bateman
Graduate School of Business
University of Chicago



"Harry teaching"

One of Harry's co-authors, Bob Ling, reflects on his association with Harry:

I designed and implemented the first version of IDA (Interactive Data Analysis) computing package in the summer of 1972, using HP Basic, on the GSB HP computer.

Harry, who had been busy writing and revising his Bayesian Statistics notes immediately took interest in both the development and pedagogical use of the IDA package to take a more applied and computer-oriented approach to Statistics at the GSB.

The early 70s were the days in which TSO (Time Share Option) on the IBM mainframe computers was such a horror that the package IDA immediately found many friends in other universities because of the "user friendly" approach I specifically designed into the package — "conversational — no manual is necessary"!

I had left Chicago in 1975 to join the Mathematical Sciences Department at Clemson University, under an NSF grant, to develop their applied program. For about 5 years, the most interesting part of my professional association with Harry was that we worked hours everyday jointly, via email, on both the development of the IDA software and statistical applications, and the textbook material that went with the courses we taught.

The University of Chicago provided the funds (from the sale of IDA to other universities) for my long-distance communication with Harry. I recall my prime "working hours" for many months were between midnight and 4 am, when the long-distance phone rate was low and data-transmission was fast.

Harry's book "Conversational Statistics" (1974) became "Conversational Statistics with IDA" (1982), by Roberts and Ling, because Harry did most of the writing. Simultaneously "IDA, a User's Guide ..." (1980, 1982) by Ling and Roberts became the companion book. The most unusual feature of the "computer manual" was what I stated in its Preface, "this manual is different from any other manual in one major respect: this Manual is dispensable" — as was proven by students who used the IDA package successfully for nearly 10 years WITHOUT any manual.

Those were the most productive years I had with Harry as colleague and co-author. Harry was the most prolific writer (not in terms of the number of publications, but in terms of his speed and efficiency in writing). He would regularly dashed off 4-page single-space classroom notes for a class in the time it would have taken me to write a paragraph or two.

One factoid not many people knew is that Harry and I had the same mentor in Bayesian Statistics, the late L. J. (Jimmie) Savage. Jimmie was my PhD advisor and director of my dissertation at Yale. He had shown me some of Harry's manuscripts on Bayesian Statistics which Jimmie marked black and blue on every line (as Jimmie did on my dissertation draft).

Both Savage and Harry played a vital role in my choice of the University of Chicago (GSB) as the place to start my statistics career in 1970.

Robert F. Ling



"Harry Roberts and Lucille Derrick upon the occasion of Harry being made a Chicago ASA Fellow in 1993"

The following reminiscences are from colleagues in the organization that Harry co-founded, Making Statistics More Effective in Schools and Business (MSMESB):

In my view, Harry was the core of the success of the PhD program at the GSB. His devotion to data/facts as a crucial element of the advancement of science was ingrained in several generations of students (including me).

Bill Schwert

William E. Simon Graduate School of Business Administration
University of Rochester

I can remember my first engagements with MSMESB, and how encouraging Harry was to me - and how clever at finding ways to engage me in MSMESB. Harry was a wonderful example of so much which is good.

Bill Parr

College of Business Administration
University of Tennessee

Harry Roberts was not simply a technician, but a scholar and a teacher and a gentleman in its true sense. I miss him greatly.

Hirokuni Tamura

University of Washington School of Business

Among many of my memories of Harry - while attending MSMESB at the University of Tennessee — a man running on the lawn near the hotel with the grace of a deer. A man who seemed humbled when I asked him to autograph his text at my home after the MSMESB Conference in Sacramento.

Bob Hopfe

College of Business Administration
California State University

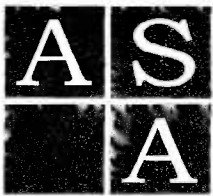
At the first MSMESB meeting I attended at NYU in 1987, I have the vivid memory of wandering into a session to see Brian Joiner. There was Harry moderating a session on quality with Ed Deming sitting in the front row. As usual, Deming was forever interrupting the speakers, but Harry was the only person I ever saw who, in his quiet voice, was actually able to get Deming to be quiet!

David Levine

Baruch College, City University of New York



"Warren Johnson of Peat Marwick and Harry Roberts jogging along the Chicago Lakefront in the mid 1980's"



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Remembering Harry Roberts...

He was an inspiration to us all. Since I took my first course from Harry and decided to make statistics my profession I have tried to model myself after him as a teacher and researcher. I wish that I could say that I even came close to that goal.

As you recall, Harry took most things in life quite seriously and tried to apply good statistical practice wherever uncertainty was involved. The result was that he sometimes seemed to me to need to "lighten up" a bit. He once told me, for example, that back in the 50's when he was working for a market research agency the president of the company had to give a speech the next day and he asked the staff to brief him on the new and exciting statistical technique known as "Regression Analysis". After listening attentively to a mini lecture on the subject, the boss merrily went on his way and the next day he wowed the luncheon guests with his talk in which he mentioned that new and exciting statistical technique, "Aggression Analysis."

Ben King

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PARAMETER provides a job listing service by publishing Positions Available and Positions Wanted, the latter being free to Chapter members. Contact the Editor for more information.

For additional information about Chicago Chapter ASA, please visit our World Wide Web site www.ChicagoASA.org. Also, visit the National ASA web site www.amstat.org.

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