

CONSUMER BEHAVIOR 45-836 A4
SPRING 2014, MINI-4

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Time:	Mondays and Wednesdays, 10:30am – 12:20pm
Location:	Posner Hall 145

COURSE DESCRIPTION

Marketing, in particular, begins and ends with the consumer – from determining consumer needs to ensuring customer satisfaction. In this course, we will explore the most recent scientific research in marketing, psychology, and behavioral economics on judgment and decision making. We will develop your ability to understand and influence what people want, how people decide what and when to buy, and whether people will be satisfied or dissatisfied with their decisions. These psychological insights are particularly useful for marketing strategy, brand positioning, and marketing communication decisions, but also yield insight into common biases in judgment and decision making, beyond marketing, to which you would otherwise fall prey. Why people are willing to drive across town to save \$5 on a tank of gasoline, for example, when they would not drive a minute to save \$5 on a refrigerator. We will discuss some of these applications in class. In addition, we will examine the methodology of market research (specific to consumer behavior) to build the tools you will need to interpret and base decisions on it. Readings will include primary empirical research articles (e.g., *Journal of Consumer Research* articles), business journal articles, and research reviews (e.g., *Harvard Business Review* articles). The course includes lecture, discussion, an exam, and a team term project.

COURSE MATERIALS

All course readings and assignments should be completed before class on the date on which they are due. There is no textbook for this course. All readings are available in a course packet, which you may purchase from the copy center in the basement of GSIA.

Late Assignment & Extension Policy

A late written proposal will be penalized a full letter grade per day. If you will miss the exam due to an interview or for other reasons, you must contact me at least **one week in advance** to arrange an alternative exam time.

Academic Honesty

You must be the sole author of work you submit in this course. **Plagiarism or cheating in an exam will result in a failing grade in the course and a referral to the Dean of Students' Office for further action.** Please note that you may not submit or present any assignment completed in this class for credit in another course. Doing so will result in a failing grade in this course.

GRADING CRITERIA

Percentage	Category	Criteria
25% (Individual)	Class Participation	Your active involvement in the class is important. Not only does it demonstrate that you are prepared for class, it helps identify what from the readings and topic you understand, and on which topics you require more guided instruction. Please use class time constructively when asking questions. What matters is the quality of your comments, not the quantity. If you feel hesitant to participate or that you do not have sufficient opportunity to participate, please let me know via email so I can facilitate your participation. You must actively participate in class and regularly attend to receive an A for participation.
20% (Individual)	Quizzes	A quiz will be administered at the beginning of six classes during the Mini. Each quiz will gauge your comprehension of the readings assigned for that class. I will drop your two lowest scores, so each quiz will be graded on a X/4 point basis. Please note that this is structured so that you can miss classes for interviews and emergencies without penalty. I will not administer make-up quizzes for students who miss class or are late.
25% (Team)	Team Presentation	In the last class, each team will give a presentation to the client of their solution to the client's marketing problem. Your presentation should start with a discussion of the problem, how you worked through the problem, and the logic of your proposed solution. You are free to use whichever presentation software you would like, but must submit a PDF and print out of your slides to me and to the client by the beginning of class the day of your presentation. A horse-race comparing the teams performance will be presented at the end of the class. The team winning the horse race is guaranteed an A on the project.
30% (Individual)	Final Exam	To assess your mastery of the course topics and materials, a three-hour comprehensive open book exam will be administered during finals period. It will be posted on blackboard at the appointed start time. You may take it in class, or at a remote location and email it to me by the scheduled end of the exam period if you are willing to assume the risk that I may not receive it (e.g., if you forget to send an attachment, etc.). If I do not receive your exam by the closing time, your grade will be zero on the exam. The final exam is May 3 from 11AM to 2PM

TEAM TERM PROJECT (25%)

Teamwork is integral to this course – both for class preparation and assignments. It helps in the development of specific skills that are crucial determinants of success in organizations. Teamwork is particularly good at developing the ability to work in teams, identification and achievement of common objectives and accommodating many points of view. Used well, your team can be an incredible resource. For this reason, it is a major component of your final grade.

- 1. Team size:** Past experience has shown that the ideal size for teams is between 4 and 6. Smaller and larger teams are not allowed.
- 2. Team composition:** Teams with more diversity are generally better than those with less i.e., if all team members have the same background, the learning will be less.
- 3. Team formation:** Please form your teams and submit the names of Team members by the beginning of class on March 25.
- 4. Team evaluation:** Team members should work towards a common goal. To help teams avoid problems of “free-riding,” each member is required to submit an “effort” rating (0%-100%) for all the members in his/her team. You may use the form on the next page.

These ratings are due the day after your presentation. The average rating across all members will be considered a reflection of the amount of effort put in by that individual, and his/her grade for teamwork will be adjusted accordingly (e.g., a team member that has been identified as a free rider by the majority of his or her teammates will receive a lower grade). This process is *not* intended to encourage competitiveness and by completing this you ensure sanctity of the honor code by discouraging free riding. It is certainly conceivable (and ideal) for all members to “give 100%.”

TEAM EVALUATION

TEAM # _____

MY NAME: _____

Please using the following scoring heuristic:

- 100% This team member contributed their full effort to the project
- 75% This team member contributed their partial effort to the project, but should not receive a lower grade than the team.
- 50% This team member contributed their partial effort to the project, and should receive a lower grade by one half letter than the team (e.g., A → A-).
- 25% This team member contributed minimal effort to the project, and should receive a lower grade by one full letter than the team (e.g., A → B).
- 0% This team member contributed no effort to the project, and should receive no credit (i.e., an "F") for the assignment.

Member 1: _____ (/100%)

Member 2: _____ (/100%)

Member 3: _____ (/100%)

Member 4: _____ (/100%)

Member 5: _____ (/100%)

Member 6: _____ (/100%)

COURSE SCHEDULE

Date	Topic	Assignments
March 19	Introduction/Methods of Consumer Research	Nisbett, R.E. & Wilson, T.D. (1977). Telling more than we know: Verbal reports on mental processes. <i>Psychological Review</i> , 84, 231-259.
March 24	Motivation, Ability, Opportunity	Listen: Simons, B. (10/20/2011). Interview with Ticketmaster CEO Nathan Hubbard. <i>The B.S. Report</i> . http://espn.go.com/espnradio/play?id=7126430 Baumeister, R. F., Vohs, K. D., & Tice, D. M. (2007). The strength model of self-control. <i>Current Directions in Psychological Science</i> , 16, 351-355. Pope, D., & Simonsohn, U. (2011). Round Numbers as Goals Evidence From Baseball, SAT Takers, and the Lab. <i>Psychological science</i> , 22, 71-79.
March 26	Attention and Perception	Alter, A. L., & Oppenheimer, D. M. (2006). Predicting short-term stock fluctuations by using processing fluency. <i>Proceedings of the National Academy of Sciences</i> , 103, 9369-9372. Lee, L., Frederick, S., & Ariely, D. (2006). Try it, you'll like it: The influence of expectation, consumption, and revelation on preferences for beer. <i>Psychological Science</i> , 17, 1054-1058.
March 31	Learning and Memory	Schacter, D. (1999). The seven sins of memory: Insights from psychology and cognitive neuroscience. <i>American Psychologist</i> , 54, 182-203. Morewedge, C. K. (2013). It was a most unusual time: How memory bias engenders nostalgic preferences. <i>Journal of Behavioral Decision Making</i> , 26(4), 319-326.
April 2	Knowledge and Understanding	Aaker, J. L. (1997). Dimensions of brand personality. <i>Journal of Marketing Research</i> , 34, 347-356. Fernbach, P. M., Sloman, S. A., St. Louis, R. & Shube, J. N. (2013). Explanation fiends and foes: How mechanistic detail determines understanding and preference. <i>Journal of Consumer Research</i> , 39, 1115-1131.
April 7	Low Effort Attitudes	Petty, R.E., Cacioppo, J.T., Schumann, D. (1983). Central and peripheral routes to advertising effectiveness: The moderating role of involvement. <i>Journal of Consumer Research</i> , 10, 135-146.
April 9	High Effort Attitudes	Olson, M. A., & Fazio, R. H. (2001). Implicit attitude formation through classical conditioning. <i>Psychological Science</i> , 12, 413-417. Rydell, R. J., McConnell, A. R., Mackie, D. M., & Strain, L. M. (2006). Of Two Minds Forming and Changing Valence-Inconsistent Implicit and Explicit Attitudes. <i>Psychological Science</i> , 17(11), 954-958.
April 14	Low Effort Decision Making	Thaler, R. H., & Sunstein, C. R. (2008). Biases and blunders. <i>Nudge</i> . New Haven, Yale University Press. Chapter 1, 17-39. Johnson, E. J., & Goldstein, D. (2003). Do defaults save lives? <i>Science</i> , 302, 1338-1339.
April 16	High Effort Decision Making	Kahneman, D. (2003) A perspective on judgment and choice: Mapping bounded rationality. <i>American Psychologist</i> , 58, 697-720. Dawes, R. M., Faust, D., & Meehl, P. E. (1989). Clinical versus actuarial judgment. <i>Science</i> , 243 (No. 4899), 1668-1674.

April 21	Constructing Preferences	<p>Ariely, D. (2008) The truth about relativity: Why everything is relative—even when it shouldn't be. <i>Predictably Irrational</i>. New York, Harper Collins. Chapter 1, 1-21.</p> <p>Hsee, C. K., Rottenstreich, Y., & Xiao, Z. (2005). When is more better? On the relationship between magnitude and subjective value. <i>Current Directions in Psychological Science</i>, 14, 234-237.</p>
April 23	Social Influence	<p>Cialdini, R. (2003). The science of persuasion. <i>Scientific American</i>, 70-77.</p> <p>Keinan, A., Avery, J., & Paharia, N. (2010). Capitalizing on the underdog effect. <i>Harvard Business Review (November)</i>, 32.</p> <p>Thaler, R. H., & Sunstein, C. R. (2008). Following the herd. <i>Nudge</i>. New Haven, Yale University Press. Chapter 3, 53-71.</p>
April 28	Team Presentations	Oral presentation is due. Attendance is required.
May 1	Team Presentations	Oral presentation is due. Attendance is required.