

Instructor:	Dr. Carey Morewedge Professor of Marketing, Everett W. Lord Distinguished Faculty Scholar Boston University, Questrom School of Business 595 Commonwealth Ave. Office 651 Boston, MA 02215 morewedg@bu.edu
Time:	Monday, 6:30pm – 9:15pm
Location:	595 Commonwealth Ave, HAR #412

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 consumers want, how consumers decide what and when to buy, and whether consumers 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 consumers are willing to drive across town for \$5 off 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 managerial decisions on it. Readings will include primary empirical research articles (e.g., *Journal of Consumer Research* articles), business journal articles, cases, and research reviews (e.g., *Harvard Business Review* articles). The course includes lecture, discussion, cases, experiments, and exams.

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. Handouts consisting of partial slide notes are provided to students shortly before each lecture.

Late Assignment & Extension Policy

I will not accept late assignments. They will receive a grade of zero. If you will miss the final exam due to an interview or for other reasons, you must contact me at least **two weeks 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.**

I will not give credit to any assignment submitted in this class for which you have received credit in another course.

Please familiarize yourself with Questrom's description of plagiarism if you are uncertain (p. 12): <http://www.bu.edu/academics/files/2011/08/AcademicConductCode.pdf>

GRADING CRITERIA

Share	Category	Criteria & Details
25%	Class Participation	<p>Your attendance and involvement in the class is important. The readings are dense and will need to be unpacked in class for you to understand them fully. Your participation not only demonstrates that you are prepared, it helps identify what from the readings and topic you understand, and on which topics you require more guided instruction.</p> <p>There are three ways you can earn credit toward participation.</p> <ol style="list-style-type: none"> 1. Attend class. I expect no student to miss class unless they have to travel for work or have a medical emergency. 2. Ask questions and engage in the class discussion. 3. Brief presentations of Consumer Insights "In the news." <p>To gain credit for "In the news," submit your article to me by Friday at 9am a recent news article related to the topic we discussed in that week. I will choose one of these articles to send to the class over the weekend. The submitter will briefly discuss the article and how it relates to what we discussed (no more than 5 minutes) at the beginning of class on Monday.</p> <p>I will post your current participation grade once after spring break, which will be revised again after the last class session.</p>
10%	Quizzes	<p>A short one-question quiz will be administered at the beginning ten classes to check that you did the reading for that day. If you have read the work, the answer will be obvious. Each quiz is worth 1% of your course grade. Make-up quizzes for students who are absent or late are not offered.</p>
35%	Case Write-Ups	<p>One question regarding the seven assigned cases will be distributed a week before each case is due to be discussed in class. You should write and submit (online) a one-page response before the class in which the case is discussed. Each write-up is worth 5% of your grade. If I do not receive your write-up by the beginning of class, your grade for the write-up will be zero (because you will have had access to the answers).</p>
30%	Final Exam	<p>The final exam covers all material in the course. It will be posted on blackboard at the appointed start time.</p> <p>It is open book, so 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 penalized one full letter grade for every 5 minutes that it is late (i.e., 0-5 minutes, 6-10 minutes...).</p>

READINGS

To save you several hundred dollars, course materials are located in three places:

1. I have inserted the hyperlink to all readings that are freely available to the public.
2. I have placed all readings available through the Boston University library on a course reserve. You can also access it by clicking [here](#).
3. Chapters and cases can be accessed through course pack, which you will need to pick up from the copy center.

COURSE SCHEDULE

Date	Topic	Assignments
Week 1 January 27 th	Consumer decisions, and journeys	<p>Trentman, F. (November 28, 2016). How humans became 'consumers': A history. <i>The Atlantic</i>. https://www.theatlantic.com/business/archive/2016/11/how-humans-became-consumers/508700/</p> <p>Court, D., Elzinga, D., Mulder, S., & Vetvik, O. J. (June, 2009). The consumer decision journey. <i>McKinsey Quarterly</i>. http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey</p> <p>Gupta, S. (2014). Creating Customer Value. Core Curriculum Readings Series. Boston: Harvard Business Publishing 8176, Pages 3-23. Course pack.</p>
Week 2 February 3 rd	Two ways we think	<p>Case: Carter Racing, Parts A, B. C. Delta Leadership. Write-up due before class begins.</p> <hr/> <p>Kahneman, D. (2003). A perspective on judgment and choice: mapping bounded rationality. <i>American Psychologist</i>, 58(9), 697-720. On reserve.</p> <p>Morewedge, C. K., & Kahneman, D. (2010). Associative processes in intuitive judgment. <i>Trends in Cognitive Sciences</i>, 14(10), 435-440. On reserve.</p> <p>McNeil, B. J., Pauker, S. G., Sox, J. H., & Tversky, A. (1982). On the elicitation of preferences for alternative therapies. <i>The New England Journal of Medicine</i>, 306(21), 1259-1262. On reserve.</p>
Week 3 February 10 th	Psychographics: Behavior, personality, and values	<p>Case: Saxonville Sausage (2007). HBS Brief Case #2085. Write-up due before class begins.</p> <hr/> <p>Goel, S., Hofman, J. M., Lahaie, S., Pennock, D. M., & Watts, D. J. (2010). Predicting consumer behavior with Web search. <i>Proceedings of the National Academy of Sciences</i>, 107(41), 17486-17490. On reserve.</p> <p>Matz, S. C., & Netzer, O. (2017). Using big data as a window into consumers' psychology. <i>Current Opinion in Behavioral Sciences</i>, 18, 7-12. On reserve.</p> <p>Gutman, J. (1982). A means-end chain model based on consumer categorization processes. <i>The Journal of Marketing</i>, 46(2), 60-72. On reserve.</p>

<p>Week 4 February 18th (Tuesday)</p>	<p>Search, Information, and Choice Architecture</p>	<p>Eysenbach, G., & Köhler, C. (2002). How do consumers search for and appraise health information on the world wide web? Qualitative study using focus groups, usability tests, and in-depth interviews. <i>BMJ</i>, 324(7337), 573-577. On reserve.</p> <p>Johnson, E. J., Shu, S. B., Dellaert, B. G., Fox, C., Goldstein, D. G., Häubl, G., ... & Wansink, B. (2012). Beyond nudges: Tools of a choice architecture. <i>Marketing Letters</i>, 23(2), 487-504. On reserve.</p> <p>Johnson, E. J., & Goldstein, D. (2003). Do Defaults Save Lives?. <i>Science</i>, 302(5649), 1338-1339. On reserve.</p> <p>Larrick, R. P., & Soll, J. B. (2008). The MPG Illusion. <i>Science</i>, 320(5883), 1593-1594. On reserve.</p>
<p>Week 5 February 24th</p>	<p>Changing Beliefs and Attitudes</p>	<p>Case: WoodBarn India: Trying to break a concrete mindset. HBS Case #W14783-PDF-ENG. Write-up due before class begins</p> <hr/> <p>Petty, R. E., Briñol, P., & Priester, J. R. (2009). Mass media attitude change: Implications of the Elaboration Likelihood Model of persuasion. In J. Bryant & M. B. Oliver (Eds.), <i>Media effects: Advances in theory and research</i> (3rd ed., pp. 125-164). New York: Routledge. Course pack</p>
<p>Week 6 March 2nd</p>	<p>Branding</p>	<p>Case: Mountain Man Brewing Company: Bringing the brand to light. HBS Brief Case #2069. Write-up due before class begins.</p> <hr/> <p>Sprott, D. E., & Liu, R. L. (2016). Research trends on branding in consumer psychology. <i>Current Opinion in Psychology</i>, 10, 124-128. On reserve.</p> <p>Deshpande, R., & Keinan, A. (2014). Brands and Brand Equity. Harvard Business Publishing #8140-PDF-ENG. Course pack.</p>

SPRING BREAK

<p>Week 7 March 16th</p>	<p>Advice: Algorithms, experts, social networks, and social norms</p>	<p>Case: <i>Burberry</i> HBS #504048. Write-up due before class begins</p> <hr/> <p>Schultz, P. W., Nolan, J. M., Cialdini, R. B., Goldstein, N. J., & Griskevicius, V. (2007). The constructive, destructive, and reconstructive power of social norms. <i>Psychological Science</i>, 18(5), 429-434. On reserve.</p> <p>De Langhe, B., Fernbach, P. M., & Lichtenstein, D. R. (2015). Navigating by the stars: Investigating the actual and perceived validity of online user ratings. <i>Journal of Consumer Research</i>, 42(6), 817-833. On reserve</p> <p>Dawes, R. M., Faust, D., & Meehl, P. E. (1989). Clinical versus actuarial judgment. <i>Science</i>, 243(4899), 1668-1674. On reserve.</p>
<p>Week 8 March 23rd</p>	<p>Identity Signaling</p>	<p>Case: <i>BMW Films</i>. HBS #502046. Write-up due before class begins.</p> <hr/> <p>Berger, J. (2010). Identity signaling, social influence, and social contagion. In M. J. Prinstein and K. A. Dodge (eds.) <i>Understanding peer influence in children and adolescents</i>. New York: Guilford Press (Chapter 9, pp. 181-199). Course pack.</p>
<p>Week 9 March 30th</p>	<p>Mental Accounting and the Endowment Effect</p>	<p>Zhang, C. Y., & Sussman, A. B. (2018). Perspectives on mental accounting: An exploration of budgeting and investing. <i>Financial Planning Review</i>, 1, 1-10. On reserve.</p> <hr/> <p>Morewedge, C. K., & Glibin, C. E. (2015). Explanations of the endowment effect: an integrative review. <i>Trends in Cognitive Sciences</i>, 19(6), 339-348. On reserve.</p>
<p>Week 10 April 6th</p>	<p>Prices, promotions, and value</p>	<p>Dholakia, U. M. (2016). A quick guide to value-based pricing. <i>Harvard Business Review</i>. https://hbr.org/2016/08/a-quick-guide-to-value-based-pricing</p> <p>Anderson, E., & Simester, D. (2003). Mind your pricing cues. <i>Harvard Business Review</i>, 81(9), 96-103. On reserve.</p> <p>Mohammed, R. (2018). The Good Better Best approach to pricing. <i>Harvard Business Review</i>, 96(5), 106-115. https://hbr.org/2018/09/the-good-better-best-approach-to-pricing</p> <p>Plassmann, H., O'Doherty, J., Shiv, B., & Rangel, A. (2008). Marketing actions can modulate neural representations of experienced pleasantness. <i>Proceedings of the National Academy of Sciences</i>, 105(3), 1050-1054. On reserve.</p>

<p>Week 11 April 13th</p>	<p>Customer experiences, satisfaction, and loyalty</p>	<p>Schneider, B., & Bowen, D. E. (1999). Understanding customer delight and outrage. <i>MIT Sloan Management Review</i>, 41(1), 35-45. On reserve.</p> <p>Keiningham, T., Gupta, S., Aksoy, L., & Buoye, A. (2014). The high price of customer satisfaction. <i>MIT Sloan Management Review</i>, 55(3), 37-46. On reserve.</p> <p>Nunes, J. C., & Drèze, X. (2006). Your loyalty program is betraying you. <i>Harvard business review</i>, 84(4), 124-134. https://hbr.org/2006/04/your-loyalty-program-is-betraying-you</p> <hr/> <p>Reichheld, F. F. (2003). The one number you need to grow. <i>Harvard business review</i>, 81(12), 46-55. https://hbr.org/2003/12/the-one-number-you-need-to-grow</p>
<p>Week 12 April 22nd (Wed)</p>	<p>Adopting new products, services, and technologies</p>	<p>Case: Selling CFLs at Wal-Mart. Columbia CaseWorks HBS# CU55-PDF-ENG Write-up due before class begins.</p> <hr/> <p>Gourville, J. T. (2006). Eager sellers & stony buyers. <i>Harvard Business Review</i>, 84(6), 98-106. https://hbr.org/2006/06/eager-sellers-and-stony-buyers-understanding-the-psychology-of-new-product-adoption</p> <p>Trudel, R. (2019). Sustainable consumer behavior. <i>Consumer psychology review</i>, 2(1), 85-96. On reserve.</p>
<p>Week 13 April 27th</p>	<p>Final exam review</p>	<p>I will do a short course review and then answer specific questions about the final exam.</p>
<p>Final TBA</p>	<p>Final exam</p>	<p>TBA</p>