

Consumer Behavior
Marketing 211
Spring Semester, 2006

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Course Overview

This course will review concepts, issues, and methods applicable to the study of consumer behavior. In general, the aim of this course is to gain a better understanding of how consumers make choices and how their choices ultimately affect their well-being. To achieve this end, students will read and discuss academic research from Psychology, Economics, and Marketing (and many shades in between). The issues we cover are not only of direct concern to marketing managers, but will be of further interest because in trying to understand consumers, we ultimately seek to understand ourselves.

This course will consist of lectures/discussions, class exercises, and a group research project. Although there is no “textbook” per se, we will read the enjoyable and useful book, *The Paradox of Choice* in full, portions of other relevant books, and academic papers. The assigned readings are MANDATORY and essential to following and engaging in class discussions.

Course Organization

After an introduction and review of research methods for consumer behavior, the course is organized into four substantive units: 1) Perception, Memory, and Judgment, 2) Choice, 3) Experience and Emotion, 4) Attitudes and Persuasion. These units will not be treated in isolation; rather concepts will reoccur throughout the course. The units merely provide a framework to organize topics. Each unit will also contain either a class exercise or other non-lecture activity.

Required Materials

1. *The Paradox of Choice* by Barry Schwartz
2. Bulk Pack of readings

Grading

Your course grade will be determined on the following basis. Each aspect of your grade is explained in greater detail on the following pages.

Individual Work

Class participation	20%
Exam 1	25%
Article Comments	10%
Exam 2	25%

Group Work

Group Pre-proposal	5%
Group Presentation	5%
Group Written Proposal	10%

Class participation-Your class participation score is based both on attendance and active participation in class discussion.

Attendance: Attendance signals your commitment to the course and includes the first few classes of the semester. Students who miss these crucial lectures find it difficult to follow later on.

Discussion: Each of you can improve the quality of the course by sharing your own insights from the readings and from observations in the real world. Class could be rather dull for all of us if it's just a lecture. I expect you to speak out *on a regular basis* but also to make your comments relevant. If class is quiet, I reserve the right to practice "cold-calling". This is simply to ensure that students are paying attention and keeping up with the readings. If engaging class discussion ensues, there will be no need for cold-calling.

Please be respectful of your classmates. Take care to allow others a turn to speak. Healthy debate is acceptable. Intimidating remarks and dominating the conversation are not acceptable.

You are strongly encouraged to bring in magazine and newspaper articles related to class concepts. This can boost your class participation grade, should it need boosting.

Finally, do your best to limit class distraction (i.e., arriving late, cell phone ringing, etc.)

Exams

The exams will be held in class and are closed book and notes. They consist of multiple-choice questions, short answer and short essays. The second exam is *non-cumulative*.

Article commentaries

Each student must write a two-page double-spaced (max) commentary on **2 articles** from the bulk pack. You get to choose one and I'll assign the second, in an effort to diversify. You can choose any article except for the Hoyle, Harris, and Judd chapter on experimental methods to be read for Week 2. Your commentaries are due by **Tuesday at the start of class** in the week for which the article is scheduled in the syllabus. Your commentary should NOT be a summary of the article. Rather, it should be a thoughtful reflection on the ideas presented in the article. Be prepared to share your thoughts with the class as well (I may or may not call on you to do so depending on time availability. You need not prepare a formal presentation (slides, etc.).

Group Project

A portion of your grade comes from the planning of a group consumer research project. The purpose of this project is to give you a sense of the processes involved in conducting consumer behavior research.

I will pass around a group sign-up sheet on March 2. You can self-select your groups (4-5 per group). Although you need not carry out the project for the assignment, your task is to develop a proposal for a study, based on the concepts and methods you learn in class. I have broken down this task into smaller, manageable chunks or phases, each due at a separate time during the second half of the term. Below is a brief description of each phase. I will provide suggestions and tips in class to help you prepare for each phase. Furthermore, you will receive feedback on the pre-proposal so that you can produce a refined final proposal.

Pre-proposal: Develop a *causal* hypothesis (how x affects y) based on one or multiple course concepts (i.e., loss aversion, framing, regret, adaptation, etc.). Make sure your hypothesis is not just x affects y, but also describes WHY. Your hypothesis should be *novel* but may very well be an extension of research that you have read about. Do some background reading on the concept (4-5 scholarly articles). Design an experiment to test your hypothesis. Write a short pre-proposal (2 pages double-spaced max) describing your hypothesis and how you plan to test it.

Pilot test: Although you need not carry out an entire experiment, you must collect some “pilot data”. This means running your experiment on a small sample of individuals (min. 5 per experimental condition). Please solicit your friends, teammates, neighbors to participate. *You cannot participate in your own experiment.*

Presentations: I will assign group presentation dates in the last 2 weeks of class. These should be short (10 minutes) with time for a few questions. You can nominate a group spokesperson or take turns.

Final Proposal: Your final report is due on the last day of class. It should be between 6-10 pages double-spaced, **including** any figures and tables from the pilot test. It should consist of a literature review of the topic (no more than 3 pages), and a refined description of the hypothesis, study methods, and pilot results.

Each of you will also submit a peer evaluation form at the end of the project. If necessary, I may adjust an individual's grad based on group members' assessments.

Timeline

Pre-Proposal due March 16

Pilot test due April 5 (*there is nothing to turn in here; Rather, this deadline is for you only to inhibit “the planner’s fallacy”.*)

Final Proposal due in last day of class (April 2)

Course Schedule and Readings

<u>Date</u>	<u>Topic</u>	<u>Readings</u>
1/10	Introduction	Schwartz Prologue-chapter 2 (p.1-44)
1/12	Consumer behavior methods	*Hoyle, Harris, and Judd Ch. 11 *Almquist and Wyner “Boost your marketing ROI with experimental design”
1/17	Continued	
Unit 1-Perception, Memory, Judgment		
1/19	Exercise 1	Retail Promotion pricing: when is a sale really a sale?
1/24	Basic Perception	Sheth and Mittal Ch. 4
1/26	Memory	*Hoyer & MacInnis Ch. 8
1/31	Heuristics	Schwartz, pg. 56-63,
2/2	Framing and mental accounting	*Thaler, R. (1985). “Mental Accounting and Consumer Choice” *Levin and Gaeth (1988) “How Consumers are Affected by the Framing of Attribute Information Before and After Consuming the Product”
2/7	Value	Schwartz Ch. 3 (p. 63-76) *Kahneman, Knetch, & Thaler (1991) “The Endowment effect, Loss Aversion, and Status Quo bias”
Unit 2-Choice		
2/9	Consumer comparisons	Schwartz, Ch. 7 (p. 147-166) Schwartz Ch.9 (p. 181-200)
2/14	Theories of choice	*Becker, G. “The Economic Approach to Human Behavior” Schwartz, Ch. 4 (p.77-98) Bettman, Luce, Payne “Constructive Consumer Choice Processes”
2/16	Automatic and deliberate choices	Schwartz Ch. 6 (p. 117-146) *Wilson and Schooler “Thinking too much: Introspection can reduce the quality of preferences and decisions”
2/21	Continued	
2/23	Exercise 2	To be handed out in class

2/28	Test 1	
Unit -Experience and Emotion		
3/2	Exercise 3	Xerox Corporation: The customer satisfaction program
3/14	Utility and satisfaction	Schwartz Ch 5 (p. 99-116), *Frank, R. <i>Luxury Fever</i> Ch. 4
3/16	Predicting utility and adapting to experiences	*Loewenstein and Schkade “Wouldn’t it be nice? Predicting future feelings” *Wirtz et al., “What to do on Spring Break? The Role of Predicted, On-Line, and Remembered Experience in Future Choice” Schwartz Ch 8 167-180
3/21	Impulse buying and consumer self control	Schelling (1984) “Self-Command in Practice, in Policy, and in a Theory of Rational Choice.” Baumeister (2002). “Yielding to temptation: Self-control failure, impulsive purchasing, and consumer behavior”
<i>Pre-proposal due</i>		
Unit 4-Attitudes and Persuasion		
3/23	Exercise 4	
3/28	Attitudes	*Zajonc & Markus “Affective and Cognitive Factors in Preferences” *Zaltman et al., “Implicit predictors of consumer behavior”
3/30	Persuasion	*Cialdini, “Harnessing the Science of Persuasion”
4/4	Continued	
4/6	Ethics	
4/11	Test review and project feedback	
4/13	Test II	
4/18	Brief presentations	
4/20	Brief presentations	<i>Final proposal due</i>