

Marketing 211: Consumer Behavior
Fall 2014 Syllabus
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1. What is Consumer Behavior?

The American economy is worth \$17 trillion, and consumers contribute about 70% of this total. While all of us are consumers, our intuitions about our own behavior as well as that of others are often inaccurate. In this course we will learn about fundamental theories and concepts in consumer psychology. Our main task is (a) to understand how people perceive, think, and feel (b) how and why they choose, use, and evaluate goods and services.

Learning Goals

This course provides an overview of consumer behavior and is based primarily on the discipline of social psychology. The course goals are:

- Learn key theories and research from the behavioral sciences (e.g., psychology, sociology, economics) that help us understand consumer behavior
- Apply buyer behavior concepts to decision-making at the managerial and social policy levels
- Develop analytical capability in using behavioral research

To these ends, we will use a variety of approaches: Material will be presented in lectures, scholarly articles, popular media readings, and case analyses. We will apply relevant theories and research to real world consumer behavior problems. In addition, you will conduct a consumer behavior project as part of a team that will require you to draw upon and apply the knowledge you gained during class to a specific area of consumer behavior.

Before you sign up:

- Prerequisite: MKTG 101. MKTG 211 may not be taken concurrently with 101.
- Make sure you can access Canvas.
- MKTG 211 may be taken as Pass/Fail.

2. Readings

a) **Textbook:** Hoyer, MacInnis, Pieters “Consumer Behavior” 6th edition.

ISBN-13: 978-1-133-56247-4

ISBN-10: 1-133-56247-7

Older editions of the book are OK. There will be no homework assigned directly from page xyz of the book. All assignments will be uploaded on Canvas. If it suits you, buy a previous edition, but follow closely what chapter we’re covering in class.

Finally, matching earlier editions to current coverage is your task, not your TA’s or mine.

b) **Harvard cases and readings:** There are three cases and readings from Harvard Publishing to accompany three modules, in your reading packet; and several popular media articles to accompany our discussions.

c) **Chapter notes:** Corresponding to chapters of your book, brief ppt presentations are uploaded on Canvas.

d) **Lectures:** Lectures are crucial for this class. In every lecture I will introduce experiments and studies about human psychology, decision-making or social interaction that do not appear in the book. Lectures will NOT merely repeat the textbook. Lectures and the textbook are complements, not substitutes.

As a general framework, think of the textbook as providing breadth, as it talks about almost all aspects of consumer behavior and introduces dozens of terminology. During lectures, we will briefly touch on the textbook and the popular media readings from your reading packet assigned for the chapter, answer your questions, and *move on* to discuss studies and experiments in psychology, economics, behavioral studies that enhance our understanding of human behavior.

e) **Recommended: Popular books:** The following books are recently published books that are widely available. They are fun to read and contain insights about human psychology both in everyday life and in the marketplace.

Robert Cialdini (2008), *Influence: The Psychology of Persuasion*.

Barry Schwartz (2004), *The Paradox of Choice: Why More Is Less*.

Dan Ariely: *Predictably Irrational* (2010); *The Upside of Irrationality* (2010); *The Honest Truth About Dishonesty* (2013)

Sheena Iyengar (2011). *The Art of Choosing*.

Richard Thaler and Cass Sunstein (2009). *Nudge*.
Dan Gilbert (2006). *Stumbling on Happiness*.
Daniel Kahneman (2010): *Thinking, Fast and Slow*

3. Grading:

This class requires your active involvement to achieve maximum learning. You will read, think, write and contribute. The workload might appear heavy but will be very much worth it by the end of the semester.

a. Homework	15% (6 homeworks, cumulative scoring)
b. Case write-ups (group project)	30% (3 cases, 10% each)
c. Free Responses	10% (13 Responses, 1% each)
d. Tests	45% (3 tests, 15% each)
Attendance	required

Your letter grade will be based on a curve. We will discuss the distribution of grades and what you can expect *before* you take the 3rd test. Moreover, I'll announce the average, and the maximum score after each exam.

3. a. Homework

There will be 6 assigned homework sets, each worth 30 points. Homework grades are cumulative. All work due at 9 am.

You have a possibility of getting $6 \cdot 30 = 180$ points in total.

Points ≥ 150 will give you full 15%.

Points < 150 will be prorated for percentage. (Ex: 136 points will equal to 13.6%).

Ex: In homeworks 1,2,3 and 4 you receive 25 points; hw5 is 20 points; hw 6 is 10 points. Your overall score is: 130 points; which translates as 13% of an available 15%. *Every question you solve counts, as long as it's submitted within the time limit.*

There is no possibility to submit homework late.

Alternative thinking: Even if you do have a medical excuse and are unable to complete the work, you will get 0. Since we effectively drop the lowest score, you will not have lost a grade. Think about the lowest score as your "exception" for when you are sick, or have an emergency.

This means: You are expected to complete all homework assignments. On the rare occasion that you cannot complete the assignment, you're allowed to miss homework without letting me know.

There are no make-ups for homework for any reason. Usual suspects don't apply here due to the already embedded flexibility in the system.

3.b. Case write-ups, 30% total, 10% each for 3 cases

- There are 3 modules in this course, and 3 HBS cases to correspond to the modules.
- We'll form groups of 3-4 individuals to work on case analysis.
- You may break and regroup between cases.
- Since we'll discuss the cases on the day they're due, it's not possible to submit the case late.
- For example, if you believe that your teammate was going to submit the case, and didn't, you'll still get zero (that's what it means to be a teammate). Any communication or lack thereof is the team's responsibility.
- All work due at 9 am on the day they're due.
- You will receive further instructions about expectations, page-limits, formatting and content, etc. during the semester. Each case will have guiding questions so you can formulate your analysis around those questions.

3.c. Free Responses:

These are small, 500-word assignments (think of this as 1 page, or 2-3 paragraphs).

There are 13 responses due times during the semester. Submit 10, and you'll get the full 10% from your Response grade. Simply putting your ideas on paper and submitting them will get you 1%. All work due at 9 am on the due date.

Responses are for free thinking; there is no right-wrong answer. Our class discussions, or the chapter reading you do, or the newspaper articles you glance at should evoke thoughts, emotions and observations. A response is a contemplation that is creative, free, and is not judged on a right-wrong dimension.

The aim is to engage you with your environment in a free, unstructured way. Observe yourself and your friends, peers, your environment. You may take the pov of a consumer or a marketer.

For example, if we discuss decoy pricing one day in class, you may write about a time when you were susceptible to such pricing at the grocery store (consumer pov), or how you'd price a product you're hoping to sell (a marketer's pov); or how music video pricing should change to improve revenues (a marketer's pov). You may also write about ANY idea you see fit.

A guiding question is not provided for Responses to encourage free thinking. A good rule of thumb, though, is to always start with 'observation.' That includes an inner reflection as well as observing your peers' & families' decision-making patters.

For your convenience, I have uploaded a "What is a Response?" document on Canvas, and a few initial ideas to get you started.

3. d. Tests:

There are 3 tests to be taken during class time. These are 60-minute tests, not cumulative.

Test 1: Thursday September 25

Test 2: Thursday October 23

Test 3: Thursday November 20

All tests have an equal weight of 15%.

Make-up policy for Tests:

The policy is different for Exams 1&2 and Exam 3.

For Exams 1&2: If you miss an exam *with a valid excuse (described in Section 7)*, the other 2 exams will be re-weighted at 22.5% each. If you miss Exam 3 with a valid excuse, you'll get a make-up Exam 3. If you miss any exam and you do not have a valid excuse, you'll get 0 for that exam.

In other words: If you have a valid excuse:

- a. You miss Exam 1: Exam 2 counts 22.5%,
Exam 3 counts 22.5%.
- b. You miss Exam 2: Exam 1 counts 22.5%
Exam 3 counts 22.5%.
- c. You miss Exam 3: Exam 1 counts 15%,
Exam 2 counts 15%,
Exam 3, counts 15% (you take the make-up)

If you do not have a valid excuse:

- d. You miss Exam 1: Exam 1 counts 15% (with your grade = 0)
Exam 2 counts 15%
Exam 3 counts 15%.
- e. You miss Exam 2: Exam 1 counts 15%
Exam 2 counts 15% (with your grade = 0)
Exam 3 counts 15%.
- f. You miss Exam 3: Exam 1 counts 15%
Exam 2 counts 15%
Exam 3 counts 15% (with your grade = 0).

3.e. Attendance:

Attendance and attention to class are required.

4. How to follow the class online; receive & submit assignments?

Attend all classes, and watch the lecture video when if a rare emergency prevents you from coming to class. Lectures are not substitutes to the book, and the video is a weak substitute. All assignments will be uploaded to Canvas with clear instructions on deliverables and due dates.

- All Homework should be submitted to ProfSaka211@gmail.com by 9 am on the due date. You will receive an “Answer Sheet” appended to the homework, which you’ll fill. All homework should be saved as LASTNAME_HW#.doc
- All Responses should be submitted to ProfSaka211@gmail.com by 9 am on the due date. All responses should be saved as LASTNAME_Response#.doc
- All Cases should be submitted to ProfSaka211@gmail.com by 9 am on the due date. Group member’s name should be written on the cover page of the case analysis (further instructions to follow). All cases should be saved as LASTNAME1_LASTNAME2_LASTNAME3_LASTNAME4_Case#.doc
- All Exams should be taken in class on the day specified on the syllabus. Exams should be taken on the session you registered; it is not possible to switch between 9 am and 10.30 am lectures.

5. How to study for Mktg 211:

- *Before class:* Readings should be done before class. Read with a critical eye. Read both the textbook and the assigned newspaper articles so you’ll have a “frame” that provides both theoretical and application avenues.
- *During class:* Lecture recordings are provided for your convenience. Still, you learn more efficiently if you attend classes. Chapter notes that correspond to book chapters will be provided. Once again, lectures will introduce new material. We will not be merely repeating the book.
- *After class:* re-read your notes within 24 hours to make sure you understood the lecture. Re-read the text briefly, but do not memorize. Answer homework questions.
- *Start observing yourself and your environment.* This class is truly interesting because it will show you your own weaknesses, biases, how you’re influenced, what you think makes you happy versus what actually makes you happy, and how marketers, with the help of psychologists & behaviorists exploit some of these weaknesses. Take notes about people’s behavior when they are ordering from a menu in a restaurant; when they’re in a store and trying to pick clothing; what the tiebreaker is when they decide to buy electronics. Write your ideas down. Discuss with friends. Be an active thinker. Don’t worry that your ideas would be ‘stolen’. If anything, ideas improve with cooperation.

6. Whom to Contact/ Additional resources

Contacting the wrong party will delay results.

- For **Canvas**: Go to <http://www.library.upenn.edu/courseware/> and click “Support for Students”
- For **make-up test #3** due to illness or family emergency, contact your TA. He will then place you on the official make-up list for the 3rd test. There is no make up for Tests 1 and 2; and no make-up for missed homeworks or presentations.
- For **additional concerns**: If you are not satisfied with your TA’s response, email the 211 Team: ProfSaka211@gmail.com. You will get a response within one business day.
- **Special needs/arrangements**: Reasonable accommodation will be made for those with special needs. Anyone eligible for special arrangements on examinations must make sure I get notification from the Student Disability Services (SDS).

7. Policies. This syllabus is a contract. Deviation from policy is not allowed.

- A. No late homework is accepted. No extra credit assignments will be provided for missed homework or tests at the end of the semester.

Make-up for Test 3 ONLY with valid excuses, as defined by the University.

- Observance of a university-recognized religious holiday.
- UPENN Business that takes you away from campus (for example, athletic events in which you are actively participating). In such cases, you need to make prior arrangements with your professor to take the exam at another time (preferably earlier than the schedule date).
- An illness/health emergency.
- A death in your family.
- Documented disabilities that allow you to take the exam under other circumstances.

Examples of reasons that are *not* valid for missing an exam are:

- job interviews/ internships
- beginning fall or spring break early or returning after a scheduled exam
- end of semester early flights
- any other reason you would prefer not to be at the university when the exam is scheduled
- Do not take an exam if you are ill and then expect to have an opportunity to retake the exam because you were ill the first time and did poorly.

All absences are notified through the CAR (Course Absence Report) system. The University keeps a long-term track of whether you have a tendency to get sick during exam times.

Students are responsible for making sure, at the beginning of the term, that they can attend the exams. Registering for a course means that you certify that you will be present for the exam/

If you are unexpectedly ill at the time of the exam and unable to reach the instructor ahead of time, then you can give notification and documentation of your illness as soon as you are able. Do not take an exam if you are ill and then expect to have an opportunity to retake the exam because you were ill the first time and did poorly.

B. Regrading requests

- Responses receive an automatic 1% and therefore are not graded or re-graded.
- Homework, tests or cases could be regarded with a valid request.
- Requests must be typed and made within 1 week after the assignment is returned.
- Regrade requests are honored only if there is an inconsistency between how your exam is graded and the guidelines presented in the answer key and the grading policy.
- We do not regrade due to your challenging views on the grading policy. Remember that the policy is fairly applied to everyone.
- All requests will be catalogued & archived.
- We will grade your entire assignment, so your score might go up or down.
- The University allows us to keep copies of tests for our records, to assure academic integrity. Any sign of academic dishonesty is pursued.

C. Fairness

Note that all exceptions are embedded in the system & fairly applied to everyone. Further exceptions are not allowed. Use your “free passes” smartly. A good rule of thumb is: Since you cannot plan for emergencies, your goal should be to submit every assignment on time. When a true emergency takes place, you can skip the assignment and not worry about Mktg 211. Otherwise, please don’t email me an excuse for not doing work. I expect a no-nonsense environment where we focus on substance.

D. Integrity. Penn has a clear Code of Academic Integrity. It’s your responsibility to familiarize yourself with the code, and to follow it to the letter:

http://www.upenn.edu/provost/PennBook/academic_integrity_code_of

In particular, you are expected to:

- Maintain a professional, respectful environment
- Be courteous to myself and your TAs
- Not disrupt class (be quiet if entering class late, turn off electronic devices, do not chat). You may keep your laptop on during lectures, only if you plan to follow the lecture handouts (PPTs). Other online activity is not permitted, because it’s disruptive to those around you.
- Never present work that’s not your own.

Weekly Class schedule:

Class is divided into 3 modules:

Module 1: Psychological Core: How consumers *perceive, think, feel*

Module 2: Decision-making: How consumers *choose*

Module 3: Social influences on consumer behavior: How consumers *interact*

	Date	Coverage/Readings	Work due
1	8/28	Syllabus, Introduction Ch 1: Defining and Understanding Consumer Behavior	

Module 1: Psychological Core

2	9/2	Lecture: The Fallacy of Supply and Demand	
3	9/4	Ch 2: Motivation, Ability, Opportunity Lecture: Influencing Taste	Response 1
4	9/9	Ch 3: Exposure, Attention and Perception Lecture: Taste Case: Introducing New Coke HBS 9-500-067	HW1 Response 2
5	9/11	Lecture: Alternatives, Abundance of Choice Ch 4: Knowledge	Response 3
6	9/16	Lecture: Expectations Ch 5: Attitudes based on High Effort	Response 4 Case write-up 1
7	9/18	Lecture: Price and Quality Ch 6: Attitudes based on Low Effort	Response 5
8	9/23	Lecture: Zero-Cost goods; Feelings and Price	HW 2
9	9/25	Test 1 covers the Psychological core	Test 1

Module 2: Decision-Making Processes

10	9/30	Lecture: Heuristics and Biases	
11	10/2	Ch 7: Information Search Lecture: Heuristics and Biases	HW 3 Response 6
12	10/7	Lecture: Inter-temporal decision-making	
13	10/14	HBS Case: Making StickK stick, Lecture: Self-control	Response 7
14	10/16	Ch 8: Judgment and Decision-Making based on High Effort Lecture: Endowment Effect, Price of Ownership; Loss Aversion	Case write-up 2
15	10/21	Lecture: Information processing	Response 8
16	10/23	Ch 9: Judgment and Decision-Making based on Low Effort	
17	10/28	Ch 10: Post decision processes: Regret; Lecture: Anxiety & Regret	HW 4 Response 9
18	10/30	Test 2 covers decision-making	Test 2

Module 3: Social influences on Consumer Behavior

19	11/4	Ch 12: Consumer Diversity; Lecture: Ultimatums & range of behavior	
20	11/6	Ch 13: Social Class and Household Influences; Lecture: Social Norms	Response 10
21	11/11	Ch 14: Values, Lifestyles	HW 5
22	11/13	Lecture: Compliance experiments;	Response 11
23	11/18	Ch 15: Social influences on behavior	Response 12
24	11/20	Lecture: Herd Behavior	Response 13
25	11/25	Flex day	
26	12/2	HBS Case: Ikea	HW 6
27	12/4	Test 3 covers Social	Test 3
28	12/9	Lecture: Concluding Remarks	Case write-up 3

Reading List (all in your Course Pack)**Module 1:****Readings to accompany the lectures:**

- Chase & Dasu (2001). Want to perfect your company's service? Use behavioral science. *Harvard Business Review*.
- Case: Introducing New Coke HBS 9-500-067
- K. Johnson, "Feeling Powerless in a World of Greater Choice," *New York Times*, 8/27/2000
- Jodi Kantor, "Entrees Reach \$40," *New York Times*, 10/21/2006
- Louis Uchitelle, "Lure of Great Wealth Affects Career Choices," *New York Times*, 11/27/2006
- Katie Hafner, "In the Web World, Rich Now Envy the Superrich," *New York Times*, 11/26/2006
- Margaret Talbot, "The Placebo Prescription," *New York Times*, 6/9/2000
- Sherly Stolberg, "Sham Surgery Returns as a Research Tool," *New York Times*, 4/25/1999
- Barry Schwartz, "Choose and Lose" *New York Times*, 1/5/2005
- Barry Schwarz, "Is freedom just another word for many things to buy?" *New York Times Magazine*, 2/26/2006
- John Tierney, "The advantages of closing a few doors," *New York Times*, 2/26/2008
- David Mehegan, "Dan Ariely: Learning to ward off bad decisions," *New York Times*, 03/19/2008

Readings to accompany book chapters:

Chapter 1:

- Can Twitter predict the future? *Economics*, 6/4/2011
- Adam Penenberg, "NeuroFocus uses neuromarketing to hack your brain," *Fast Company*, 8/8/2011
- Amber Haq, "This is your brain on advertising," *BusinessWeek Online*, 10/8/2007

Chapter 2:

- Amy Wallace, "You bring an idea, they'll do the rest," *New York Times*, 6/12/2011
- Jamie Levy Pessin, "Yogurt chains give power to the people," *WSJ*, 8/22/2011
- Liz Szabo, "Pink ribbon marketing brings mixed emotions," *USA Today*, 10/7/2011

Chapter 3:

- Amy Webb, “More consumers are ignoring ads, survey shows,” WSJ Europe, 6/18/2001
- Walter Nicholls, “The US is turned on to wine,” Washington Post, 1/2/2008
- Paul Ziobro, “Campbell thinks outside the can for soup packaging,” WSJ, 2/22/2012

Chapter 4:

- Dean Cruthfield, “Why the Apple won’t crumble,” Forbes, 3/13/2012
- Beth Kowitt, “Why McDonalds wins in any economy,” Fortune, 9/4/2011
- John Schwartz, “Seems like a no-brainer,” New York Times, 8/26/2011

Chapter 5:

- Jonathan Rockoff, “Trusting other patients’ drug advice,” WSJ, 2/25/2010
- Kevin Goldman, “Women endorsers more credible than men, a survey suggests,” WSJ, 10/22/1995
- Jeanne Whalen, “Foul taste is part of the cure,” WSJ, 11/5/2007

Chapter 6:

- Hiawatha Bray, “Advergaming’s spark concerns of kids being targeted,” Boston Globe, 7/30/2004
- Stuart Elliot, “Mr. Peanut’s new look? Old school,” New York Times, 11/7/2010
- Cyndee Miller, “We’ve been ‘Cosbyized,’” Marketing News, 4/16/1990

Module 2: Decision-Making Processes

Readings to accompany lectures:

- Case Study: Making Sticks Stick, HBS: 514-019
- John Tierney, “The voices in my head say “buy it!” why argue?” 1/16/2007
- Gizem Saka, “To prevent procrastination, watch your friends,” Psychology Today.com, 12/8/2010

Readings to accompany textbook chapters:

Chapter 7:

- Michael Barbaro, “Never mind what’s in them, bags are the fashion,” New York Times, 12/16/2007
- Heather Timmons, “For India’s airlines, passengers are plentiful but profits are scarce,” New York Times, 5/8/2007
- “Nigeria’s Mad Men,” Economist, 4/30/2011

Chapter 8:

- “Middle Kingdom meets Magic Kingdom,” Economist, 8/28/2010
- “Consumers are finding new ways to flaunt their status,” Economist 12/4/2010
- “Lego Bricks and Flicks,” Economist, 5/7/2011

Chapter 9:

- Hannah Sampson, “South Florida hotels discover scents make sense,” Miami Herald, 6/6/2011
- David Pitt, “Now that have gone digital, it’s hip to be frugal, executive says,” Boston Globe, 9/8/2011
- Sarah Nassauer, “A season (or 13) for shopping,” WSJ, 8/17/2011

Chapter 10:

- Randall Stross, “Consumer complaints made easy. Maybe too easy,” New York Times, 5/28/2011
- Bonnie Benwick, “Shop till you learn something new at the market,” Washington Post, 6/7/2011
- Dan Fost, “On the internet, everyone can hear your complaint,” New York Times, 2/25/2008

Module 3: Social Influences on Consumer Behavior

Readings to accompany lectures:

- Case: Ikea Invades America, HBS: 504094
- Lisa Boone, "Ikea launches share space for customers' project photos," LA Times, 8/18/2011
- Gizem Saka, "Is altruism making people dishonest," Psychologytoday.com, 1/12/2011
- Gizem Saka, "The downside of generosity," Psychology Today, 2/27/2011
- Matthew Forney, "How Nike figured out China", Time, 10/17/2004
- Eric Bellman, "In India, a retailer finds key to success in a clutter," WSJ, 8/8/2007

Readings to accompany textbook chapters:

Chapter 11:

- Susan Garland, "So glad you could come. Can I sell you anything?" New York Times, "12/19/2004
- Daniel Michaels, "For some grown-ups, playing with legos is a serious business," WSJ, 11/17/2011
- Kim, Lam and Tsai, "The Groupon Effect in China," Knowledge@Wharton, 1/3/2012

Chapter 12:

- Emma Jacobs, "Shopping sprees to marketing technique," Financial Times, 9/29/2011
- "Plus-sized clothing: Big business," Economist, 10/1/2011
- Clifford Klaus, "Women, hear them roar," New York Times, 7/25/2007

Chapter 13:

- "Pleased to be bourgeois," Economist, 5/14/2011
- Ben Steverman, "Conspicuous consumption is back," Businessweek, 1/27/2011
- Teri Agins, "Now, subliminal logos," WSJ, 7/20/2001

Chapter 14:

- Tiffany Hsu, "Diners to get more details to digest," LA Times, 10/26/2011
- "China's golden oldies," Economist, 2/26/2005
- Michael Wines, "Picking brand names in China is a business itself," New York Times, "11/12/2011