CONSUMER BEHAVIOUR II

Period: a.y. 2023/24 – I sem.

Class times: Thursdays 10.15-13.30   rooms 101 and 3-D3-SR01

Instructor:

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Course description

The main goal of this course is to extend the discussion of theories and topics in consumer research provided during the course Consumer Behaviour I. The weekly readings and class discussions are intended to provide a preliminary coverage of classic and current research related to judgment and decision-making (JDM) and other key topics in Marketing behavioural research. We will cover papers published at top journals in consumer behaviour, marketing, management, psychology, and economics. The course will challenge students to adopt a critical stance when reading papers.

Thus, the objectives of this course are to:

- Explore JDM research and understand key concepts and ideas.

- Improve the knowledge of topics studied by consumer behavior researchers.

- Develop a strong foundation for critical thinking in this area and in behavioral research overall.

- Build skills in understanding, conceptualizing, operationalizing, and developing research ideas.

- Develop skills for reviewing behavioral research.

Course Material

The course will consist six weekly seminars, focused around the assigned readings. Each of the readings will include classic papers as well as recent work and will be mostly empirical in nature. The seminars will consist of in-depth discussions of the assigned readings, and hence each student must read every article before the class in which it is to be discussed.

Tentative list of topics

See the list of assigned readings below.

- Session 1: Prospect Theory and Mental Accounting
- Session 2: Heuristics
- Session 3: The replicability crisis
- Session 4: Choice Architecture
- Session 5: Variety Seeking
- Session 6: User-machine interaction

Assessment Methods.

Students will be evaluated as follows:

- Class participation: 40%
- Discussion sheets: 10%
- Research paper: 50%

Class Participation. Individual participation will be evaluated based on your ability to **lead and contribute to an engaging and informative discussion during seminars**. There are two aspects of this class participation. First, for some readings, you will briefly introduce the article and then **lead the entire discussion of the article** (approximately 1 hour). Second, for all other readings, you will act as a discussant rather than leader. You should come to the seminar **prepared to present your perspective about the major ideas, contributions, and/or shortcomings of each article**. You must actively listen and think critically about the concepts and issues discussed, and **for each reading, you must be willing and able to present your analysis and viewpoint** to the class.

Discussion Sheets. It is vital to **arrive in class prepared for discussion**. To help you organize and clarify your thoughts about the readings, you must submit a *Discussion Sheet* for each assigned paper unless specified otherwise.

Discussion Sheets are brief summaries (1-2 pages, single-spaced) of the key aspects of the article, any questions that arise from the article, and any further thoughts that the article inspires. The summary is intended to assist you in introducing the article to the class and discussing it.

Do not use summaries that students wrote in previous years or generative AI platforms (e.g., ChatGPT); **writing the summaries yourself** is what will help you form clear thoughts about the papers.

Note: *Discussion Sheets must be handed in to the professor before each seminar starts in print or by email.*

Research Paper. Each student must write an individual research proposal formatted using the style guidelines from the *Journal of Consumer Research*. The paper should identify a research question within the broad domain of consumer research, including but not limited to the topics

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discussed in class. Ideally, it would be related to students' ongoing research, but this is not required.

The idea needs to be novel and make a clear contribution. Students need to propose ways in which the idea can be tested (i.e., discuss the procedure and measures of an experimental study testing the idea). The research proposal should be structured like a typical academic article, including an introduction/positioning, theoretical background (literature review), and methodology. The paper will not require data collection, only detailed research design.

A Note on Classroom Etiquette. Checking and/or using a mobile phone during class is disrespectful to others and is forbidden during our seminars. Failure to fully engage in the discussions at all times will be reflected in the class participation grade.

Faculty Bio.

Uri received his PhD in Marketing from the University of Pennsylvania. In his research is mostly uses experimental methods to study people's judgment and decision making, and consumers' processing of information.

Assigned Readings

1. <u>Prospect Theory and Mental Accounting</u>

Tversky, A., & Kahneman, D. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 263-291.

Kahneman, D., Knetsch, J. L., & Thaler, R. H. (1991). Anomalies: The endowment effect, loss aversion, and status quo bias. *Journal of Economic perspectives, 5*(1), 193-206.

Thaler, R. H. (1999). Mental accounting matters. *Journal of Behavioral Decision Making*, 12(3), 183-206.

Hsee, C. K., & Ruan, B. (2016). The Pandora effect: The power and peril of curiosity. *Psychological science, 27*(5), 659-666.

2. <u>Heuristics</u>

Tversky, A., & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and biases. *Science*, 185(4157), 1124-1131.

Gigerenzer, G., & Gaissmaier, W. (2011). Heuristic decision making. *Annual Review of Psychology*, 62, 451–482.

Chun, J. S., & Larrick, R. P. (2022). The power of rank information. Journal of *Personality and Social Psychology*, 122(6), 983.

Sevilla, J., Isaac, M. S., & Bagchi, R. (2018). Format neglect: how the use of numerical versus percentage rank claims influences consumer judgments. *Journal of Marketing*, 82(6), 150-164.

3. <u>The Replicability Crisis</u>

Simmons, J. P., Nelson, L. D., & Simonsohn, U. (2011). False-positive psychology: Undisclosed flexibility in data collection and analysis allows presenting anything as significant. *Psychological science*, 22(11), 1359-1366.

Pre-registration debate

- Pham, M. T., & Oh, T. T. (2021). Preregistration is neither sufficient nor necessary for good science. *Journal of Consumer Psychology*, 31(1), 163-176.

- Simmons, J. P., Nelson, L. D., & Simonsohn, U. (2021). Pre-registration is a Game Changer. But, Like Random Assignment, it is Neither Necessary Nor Sufficient for Credible Science. *Journal of Consumer Psychology*, 31(1), 177-180.

Failed replication example (read the 2020 paper)

- Shu, L. L., Mazar, N., Gino, F., Ariely, D., & Bazerman, M. H. (2012). Signing at the beginning makes ethics salient and decreases dishonest self-reports in comparison to signing at the end. *Proceedings of the National Academy of Sciences*, 109(38), 15197-15200.

- Kristal, A. S., Whillans, A. V., Bazerman, M. H., Gino, F., Shu, L. L., Mazar, N., & Ariely, D. (2020). Signing at the beginning versus at the end does not decrease dishonesty. *Proceedings of the National Academy of Sciences*, 117(13), 7103-7107.

Same data different results (focus on the concept and implications)

- Silberzahn, R., Uhlmann, E. L., Martin, D. P., Anselmi, P., Aust, F., Awtrey, E., ... & Carlsson, R. (2018). Many analysts, one data set: Making transparent how variations in analytic choices affect results. *Advances in Methods and Practices in Psychological Science, 1*(3), 337-356.

4. <u>Choice Architecture</u>

Simonson, I. (1989). Choice based on reasons: The case of attraction and compromise effects. *Journal of Consumer Research*, 16, 158-174.

Evangelidis, I., Levav, J., & Simonson, I. (2018). The asymmetric impact of context on advantaged versus disadvantaged options. *Journal of Marketing Research*, *55*(2), 239-253.

Johnson, E. J., Goldstein, D. G., (2003). Do defaults save lives? *Science*, 302, 1338–1339.

Mochon, D. (2013). Single-option aversion. *Journal of Consumer Research*, 40(3), 555-566.

5. <u>Variety seeking</u>

Read, D., & Loewenstein, G. (1995). Diversification bias: Explaining the discrepancy in variety seeking between combined and separated choices. *Journal of Experimental Psychology: Applied*, 1(1), 34.

Ratner, R. K., & Kahn, B. E. (2002). The impact of private versus public consumption on variety-seeking behavior. *Journal of Consumer Research*, 29(2), 246-257.

Drolet, A. (2002). Inherent rule variability in consumer choice: Changing rules for change's sake. *Journal of Consumer Research*, 29(3), 293-305.

Keinan, A., & Kivetz, R. (2011). Productivity orientation and the consumption of collectable experiences. *Journal of Consumer Research, 37*(6), 935-950.

6. <u>User-machine interaction</u>

Diehl, K., Zauberman, G., & Barasch, A. (2016). How taking photos increases enjoyment of experiences. *Journal of personality and social psychology, 111*(2), 119.

Etkin, J. (2016). The hidden cost of personal quantification. *Journal of Consumer Research, 42*(6), 967-984.

Henkel, L. A. (2014). Point-and-shoot memories: The influence of taking photos on memory for a museum tour. *Psychological science*, 25(2), 396-402.

Barasch, A., Diehl, K., Silverman, J., & Zauberman, G. (2017). Photographic memory: The effects of volitional photo taking on memory for visual and auditory aspects of an experience. *Psychological science*, 28(8), 1056-1066.