

Consumer Behavior (590032) – Syllabus for 2015-2016

Course instructor: Tony Evans, A.M.Evans@uvt.nl

Contact: The instructor can be contacted during the break or immediately after the lecture. Individual meetings are available by appointment.

Course Schedule

First lecture: Monday, 2 November
Last lecture: Tuesday, 15 December
Final Exam on Monday, 21 December

Course overview

This course provides an introduction to consumer behavior from a psychological perspective. The primary goal of the course is to investigate how consumers make their choices and respond to marketing campaigns and government policies. As we will discover, psychological processes sometimes lead consumers to make choices that appear to be irrational or biased. We will investigate *why* people are sometimes irrational, and what approaches can be used to *improve* consumer decision-making.

We will approach consumer behavior from an academic perspective, which means that the primary focus lies on understanding the scientific theories that explain why people behave in certain ways. We will also address how the psychological approach to understanding consumer behavior can be applied to develop more effective marketing campaigns and public policies, and to help individual consumers make better decisions.

Learning Goals

- To *recall* and *critically evaluate* current research in the field of consumer behavior.
- To apply psychological theories to improve marketing campaigns, public policies, and consumer decision-making.

Content and setup

We will read empirical journal articles from the top journals in the field of consumer behavior. The reading list includes seminal articles that have significantly influenced the field, and recent papers that reflect current trends and research topics. Consumer Behavior is an interdisciplinary field, and to reflect this we will read research conducted by psychologists and behavioral economists. To get the most out of this class, it is important to stay current with the readings and attend lectures.

Lectures 1-7 will focus on the individual decision-making processes that influence consumer behavior. These lectures will investigate how basic cognitive processes (e.g., attention, learning and memory, self-control, and emotions) shape consumer decision-making. These lectures will answer several overarching questions about the psychology of decision-making: When presented with a choice between different products, how do individuals assess the value of different alternatives? Are consumer preferences stable across time and situations, or do subtle contextual factors influence choices? Do consumers make rational (optimal) decisions, or are there systematic biases in the ways people make decisions?

Lecture 8-14 will emphasize the social processes that affect consumers. For example, these lectures will address how social groups, cultural differences, and recent developments in technology influence the way that consumers make decisions. We will also address the ways in which interactions with consumer brands are similar to (and different from) interactions with human agents. These lectures will incorporate different theoretical approaches, such as cross-cultural psychology, evolutionary psychology, and positive psychology. To conclude, we will discuss research on how our knowledge of consumer behavior can be used to improve public policies and individual well-being.

Lectures

Course lectures are designed to supplement the assigned readings. Lectures will review some of the important aspects of the readings, but additional research will also be discussed. During the lectures, students will have the option to participate in short surveys that will be used to illustrate some of the findings we will cover. Please note that participating in these surveys is optional.

Audio and video recordings during lectures are not permitted unless permission is given by the instructor ahead of time.

Grading

The grading for this course consists of two parts. The final grade will be a weighted average of a final exam (50%) and a group assignment completed during the Workgroups (50%).

Final exam

The final exam will take place on **Monday, 21 December**. The grade of this exam makes up 50% of the final grade. The exam will consist of both multiple choice and open-ended questions. Exam questions will be in English, and answers must be provided in English. The exam will be graded a mark between 0 and 10. The exam will test your understanding of both the lectures and the articles, and will cover all of the lectures.

Workgroups

There are five workgroup meetings scheduled for the course. During the workgroups, students will complete a group assignment, "Using Psychology to Improve Advertisements". Students will complete this assignment in groups of 4-5. Students will need to attend the workgroup meetings in order to complete the various stages of this assignment.

During Workgroup Meeting 5 (16-17 December), students will have the opportunity to work on and discuss practice questions for the final exam.

Final remarks

Students with a total average of 5.5 or higher pass the course.

Exam Resit

If you do not pass this course, a resit exam is scheduled on **Thursday, 24 March, 2016**. The score on the re-exam replaces the score on the final exam. Please note the date of the resit. There will be no alternative dates scheduled for students who are not able to attend this exam.

Workgroup Resit

There is also the opportunity to resit the Workgroup assignment. This resit must be an entirely new assignment. The deadline for submitting resit assignments is Thursday, March 24, 2015. Students must contact the instructor before beginning these assignments.

In case you do not pass the course, all grades will expire by the end of the academic year, which implies that you have to retake the full course next year.

Literature

The literature for this course is a selection of journal articles that can be retrieved from Blackboard. Below is the list of topics that will be covered during the lectures of this course, and the accompanying literature. Check Blackboard regularly for literature updates.

An asterisk (*) indicates that the paper is a primary reading and will be emphasized more on the final exam for the course.

Reading List

2-11 Lecture 1. Introduction to consumer behavior, 8:45-10:30 in CZ 010

- *Christian, B. (2012). The A/B test: Inside the technology that's changing the rules of business. *Wired*. Available online at http://www.wired.com/2012/04/ff_abtesting/
- *Fox, C. R., & Sitkin, S. B. (2015). Bridging the divide between behavioral science & policy. *Behavioral Science and Policy Association*. Available online at <https://behavioralpolicy.org/article/bridging-the-divide/>.

3-11 Lecture 2. Perception and unconscious thought, 12:45-14:30 in DZ 002

- Dijksterhuis, A., Smith, P. K., Van Baaren, R. B., & Wigboldus, D. H. (2005). The unconscious consumer: Effects of environment on consumer behavior. *Journal of Consumer Psychology*, 15, 193-202.
- *Strahan, E. J., Spencer, S. J., & Zanna, M. P. (2002). Subliminal priming and persuasion: Striking while the iron is hot. *Journal of Experimental Social Psychology*, 38, 556-568.
- *Williams, L. E., & Bargh, J. A. (2008). Experiencing physical warmth promotes interpersonal warmth. *Science*, 322, 606-607.

9-11 Lecture 3. Learning and memory, 8:45-10:30 in CZ 010

- *Van Osselaer, S. M. J., & Alba, J.W. (2000). Consumer learning and brand equity. *Journal of Consumer Research*, 27, 1-16.
- Serwe, S., & Frings, C. (2006). Who will win Wimbledon? The recognition heuristic in predicting sports events. *Journal of Behavioral Decision Making*, 19, 321-332.
- *Thoma, V., & Williams, A. (2013). The devil you know: The effect of brand recognition and product ratings on consumer choice. *Judgment and Decision Making*, 8, 34-44.

10-11 Lecture 4. The construction of preferences, 12:45-14:30 in DZ 002

- *Ariely, D., Loewenstein, G., & Prelec, D. (2006). Tom Sawyer and the construction of value. *Journal of Economic Behavior & Organization*, 60, 1-10.
- Norton, M. I., Mochon, D., & Ariely, D. (2012). The IKEA Effect: When labor leads to love. *Journal of Consumer Psychology*, 22, 453-460.
- *Simonson, I. (1989). Choice based on reasons: The case of attraction and compromise effects. *Journal of Consumer Research*, 16, 158-174.

16-11 Lecture 5. Prospect Theory and the Endowment Effect, 8:45-10:30 in CZ 010

- *Kahneman, D., & Tversky, A. (1984). Choices, values, and frames. *American Psychologist*, 39, 341-350.
- Morewedge, C. K., & Giblin, C. E. (2015). Explanations of the endowment effect: an integrative review. *Trends in Cognitive Sciences*, 20, 1-10.
- *Morewedge, C. K., Shu, L. L., Gilbert, D. T., & Wilson, T. D. (2009). Bad riddance or good rubbish? Ownership and not loss aversion causes the endowment effect. *Journal of Experimental Social Psychology*, 45, 947-951.

18-11 Lecture 6. Self-regulation, 8:45-10:30 in GZ 101

- *Hofmann, W., Baumeister, R. F., & Vohs, K. D. (2012). Everyday temptations: an experience sampling study of desire, conflict, and self-control. *Journal of Personality and Social Psychology*, 102, 1318-35.
- Kouchaki, M., & Smith, I. H. (2013). The morning morality effect: The influence of time of day on unethical behavior. *Psychological Science*, 0956797613498099.
- *Vohs, K. D., Baumeister, R. F., Schmeichel, B. J., Twenge, J. M., Nelson, N. M., & Tice, D. M. (2008). Making choices impairs subsequent self-control: a limited-resource account of decision making, self-regulation, and active initiative. *Journal of Personality and Social Psychology*, 94, 883-898.

23-11 Lecture 7. Affect and emotion, 8:45-10:30 in CZ 010

- Kausel, E. E., & Connolly, T. (2014). Do people have accurate beliefs about the behavioral consequences of incidental emotions? Evidence from trust games. *Journal of Economic Psychology*, 42, 96-111.
- *Lerner, J. S., Small, D. A., & Loewenstein, G. (2004). Heart strings and purse strings. Carryover effects of emotions on economic decisions. *Psychological Science*, 15, 337-341.
- *Simonson, I. (1992). The influence of anticipating regret and responsibility on purchase decisions. *Journal of Consumer Research*, 19, 105-118.

24-11 Lecture 8. Social influence, 12:45-14:30 in DZ 002

- *Ariely, D., & Levav, J. (2000). Sequential choice in group settings: Taking the road less travelled and less enjoyed. *Journal of Consumer Research*, 27, 279-290.
- Huh, Y. E., Vosgerau, J., & Morewedge, C. K. (2014). Social defaults: Observed choices become choice defaults. *Journal of Consumer Research*, 41, 746-760.
- *Mead, N. L., Baumeister, R. F., Stillman, T. F., Rawn, C. D., & Vohs, K. D. (2011). Social exclusion causes people to spend and consume strategically in the service of affiliation. *Journal of Consumer Research*, 37, 902-919.

30-11 Lecture 9. Consumer brands, 8:45-10:30 in CZ 010

- *Aaker, D. A., & Keller, K. L. (1990). Consumer evaluations of brand extensions. *Journal of Marketing*, 54, 27-41.
- Aaker, J., Vohs, K. D., & Mogilner, C. (2010). Nonprofits are seen as warm and for-profits as competent: Firm stereotypes matter. *Journal of Consumer Research*, 37, 224-237.
- *Kervyn, N., Fiske, S. T., & Malone, C. (2012). Brands as intentional agents framework: How perceived intentions and ability can map brand perception. *Journal of Consumer Psychology*, 22, 6-176.

2-12 Lecture 10. Culture, 10:45-12:30 in GZ 101

- *Han, S. P., & Shavitt, S. (1994). Persuasion and culture: Advertising appeals in individualistic and collectivistic societies. *Journal of Experimental Social Psychology*, 30, 326-350.
- Kim, H. S., & Drolet, A. (2003). Choice and self-expression: a cultural analysis of variety-seeking. *Journal of Personality and Social Psychology*, 85, 373.
- *Maddux, W. W., Yang, H., Falk, C., Adam, H., Adair, W., Endo, Y., ... & Heine, S. J. (2010). For whom is parting with possessions more painful? Cultural differences in the endowment effect. *Psychological Science*, 21, 1910-1917.

7-12 Lecture 11. Evolutionary psychology, 8:45-10:30 in CZ 010

- *Durante, K. M., Griskevicius, V., Hill, S. E., Perilloux, C., & Li, N. P. (2011). Ovulation, female competition, and product choice: Hormonal influences on consumer behavior. *Journal of Consumer Research*, 37, 921-934.
- *Griskevicius, V., Tybur, J. M., & Van den Bergh, B. (2010). Going green to be seen: Status, reputation, and conspicuous conservation. *Journal of Personality and Social Psychology*, 98, 392-404.
- Kenrick, D. T., Griskevicius, V., Neuberg, S. L., & Schaller, M. (2010). Renovating the pyramid of needs contemporary extensions built upon ancient foundations. *Perspectives on Psychological Science*, 5, 292-314.

8-12 Lecture 12. Technology and Nudges, 12:45-14:30 in DZ 002

- *Epley, N., Akalis, S., Waytz, A., & Cacioppo, J. T. (2008). Creating social connection through inferential reproduction loneliness and perceived agency in gadgets, gods, and greyhounds. *Psychological Science, 19*, 114-120.
- *McKenzie, C. R., Liersch, M. J., & Finkelstein, S. R. (2006). Recommendations implicit in policy defaults. *Psychological Science, 17*, 414-420.
- Yoeli, E., Hoffman, M., Rand, D. G., & Nowak, M. A. (2013). Powering up with indirect reciprocity in a large-scale field experiment. *Proceedings of the National Academy of Sciences, 110*, 10424-10429.

14-12 Lecture 13. Trust and betrayal, 8:45-10:30 in CZ 010

- *Aaker, J., Fournier, S., & Brasel, S. A. (2004). When good brands do bad. *Journal of Consumer Research, 31*, 1-16.
- *Koehler, J. J., & Gershoff, A. D. (2003). Betrayal aversion: When agents of protection become agents of harm. *Organizational Behavior and Human Decision Processes, 90*, 244-261.
- Righetti, F., & Finkenauer, C. (2011). If you are able to control yourself, I will trust you: the role of perceived self-control in interpersonal trust. *Journal of Personality and Social Psychology, 100*, 874-886.

15-12 Lecture 14. Happiness and final review, 12:45-14:30 in DZ 002

- *Aknin, L. B., Broesch, T., Hamlin, J. K., & Van de Vondervoort, J. W. (2015). Prosocial behavior leads to happiness in a small-scale rural society. *Journal of Experimental Psychology: General, 144*, 788-795.
- Iyengar, S. S., Wells, R. E., & Schwartz, B. (2006). Doing better but feeling worse: Looking for the "best" job undermines satisfaction. *Psychological Science, 17*, 143-150.
- *Sheldon, K. M., & Lyubomirsky, S. (2007). Is it possible to become happier? (And if so, how?). *Social and Personality Psychology Compass, 1*, 129-145.