

National University of Singapore
NUS Business School
Department of Marketing

MKT4417/MKT4714 Consumer Decision Making

Course Syllabus

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Office Hours: By appointment.

Required Text: *No required text. Handouts will be provided.*

References:

Phil Barden, Decoded: The Science behind Why We Buy,
Palgrave Macmillan (2012) [PB]

David Lewis, The Brain Sell: When Science Meets Shopping
Nicholas Brealey Publishing (2013) [DL]

Paco Underhill, Why We Buy: The Science of Shopping,
Simon and Schuster (2009) [PC]

Barry Schwartz, The Paradox of Choice: Why More is Less,
Harper Perennial (2005) [BA]

Daniel Kahneman, Thinking Fast and Slow,
Farrar, Strauss, Giroux (2013) [DK]

*Advanced
References:*

Thomas S. Robertson and Harold H. Kassirjian (Editors),
Handbook of Consumer Behavior, Prentice Hall (1991)

Daniel Kahneman and Amos Tversky (Editors)
Choices, Values, and Frames, Cambridge University Press (2000)

Overview and Objectives

Multitudes of research, spanning economics, psychology, sociology, among the various behavioral and decision sciences, and even neuroscience, have been done to understand why we shop the way we shop, why we choose the way we choose, and why we buy the way we buy.

The objective is to get behind the science of shopping, choosing and buying. Beginning with the foundation and framework of a standard consumer decision making process, we systematically examine the shopping, choice and purchase behaviors to uncover

- a. the components that are responsible for these behaviors and,
- b. the stimuli, environments and, contexts which influence these behaviors, resorting to psychology and neuroscience to understand their causes and consequences.

This course has theoretical, empirical and practical components. It exposes the students to the necessary theoretical background to evaluate the empirical phenomenon. Armed with theory and evidence, students take a step further to apply the knowledge to understand and make sense of actual shopping and purchase behaviors.

At the end of the course, a student will have a well-grounded understanding of consumer decision making, its short- and long-term implications, and be competent in applying this knowledge to promote better decision making.

Learning Outcomes

Students shall attain the following learning outcomes in order of difficulty:

1. Know **how** consumers make shopping and buying decisions,
2. Identify **what** differences and biases consumers might have and **why**,
3. Appreciate the implications of such differences and biases for business,
4. Design effective plan to mitigate biases and to cater to differences.

Prerequisite

The usual pre-requisites for an honors class apply – MKT2401 Asian Markets and Marketing Management and BSP1005 Managerial Economics. Non-marketing major students are advised to check with the instructor.

Course Materials and Approach

We will use research articles and cases as the teaching pedagogy. In addition, lecture notes and handouts will be made available throughout the semester. There are two types of readings for each session. The pre-class readings are generally meant to introduce concepts, principles and frameworks. The post-class readings provide for those who are interested to further their knowledge in the topics of the session.

Preparation for Class

A class schedule will be provided. The class schedule contains the topics that I will cover in this course. For each week, it lists the topic for the week and the pre-class readings. Some suggestions for a good preparation before class:

1. Read the essential course material assigned at the minimum. For the highly motivated, proceed to handouts given out in previous classes.
2. Note down the difficulty you encounter, doubts and questions that you have during the reading. Think carefully about how you want to ask the questions.
3. Go through the topics and materials that we cover in previous classes. Can you make a connection?

Assessment

This course has no final examination; it is 100% continuous assessment. Your final grade in the course will be based on four components. The evaluation is as follows:

A. Class Participation (individual)	20%
B. Assignments (individual)	30%
C. Essay (individual)	20%
D. Quizzes	30%

Please note that late assignments will be penalized at a rate of 20% per day. All written work is due at the beginning of class on the due date. The due dates for the assignments are listed on the course schedule and a more detailed outline of the evaluation procedure and requirements for items A through D is included below. Please read the assessment details carefully.

Assessment Details

A. Class Participation (30%)

Class participation adds to your own learning experience and benefits the class. Your participation allows me to gauge how much you have learned and helps me to determine what grade you deserve. I expect each of you to participate. To reinforce this expectation, I will “cold call” throughout the class (whether or not the class member’s hand is raised). How can you participate? There are four ways:

1. By asking questions. Asking questions help you to sharpen your understanding of an issue, a concept, a framework or a model. You should strive to ask good questions. The best way to field a good question is to prepare for class by going through at least the basic reading.
2. By giving comments. The comments you made will show the level of understanding you have of the concepts and issues discussed in class. It also shows how well you have

listened and understood the comments, solutions and experiences others have presented and shared.

3. By providing solutions. Providing solutions in class allow others to follow through your analysis in details. It allows you to verify your analysis and allows the class to learn from you.
4. By sharing experiences. Sharing your experiences gives the class a new perspective to an issue. It gives the class the opportunity to contrast and compare with other experiences they may have.

Keep in mind that your grade for class participation is not simply a function of the amount of "air-time" you take up. In general, I will evaluate you on how well you respond to questions and on how effectively you take into account the comments and analyses of your classmates.

B. Individual Assignments (30%)

There will be six individual assignments. The assignments are meant to test your understanding of the basic concepts. Due date for an assignment is one week later at the beginning of the next class session.

C. Essay (20%)

Pick one or more of the developing trends we covered in the first class, discuss how the trend(s) might be relevant to you and/or your family members. Specifically, discuss how your consumption and purchase behaviors might be affected, and explain/justify using the concepts and frameworks that you have learned in class. You can write about the impact on your behaviors in a specific category or in general.

Although you will have ample time before the essay is due, I strongly suggest you think about the topic you want to write from day 1. You are also strongly encouraged to talk to me about your topic before you embark on the writing.

Content for the essay: There are two parts to the essay as follows –

Part 1: Describe how the trends might affect the decision-making process for your consumption in a specific category or in general. You should start to describe your (and/or your family members) usual decision-making process in detail, following the frameworks we covered in class. Then explain which part(s) of the process would be affected and why.

Part 2: What would be the behavioral consequence(s)? What would likely be the outcomes of your satisfaction and welfare? Is there any economic or social implication? Is there any business opportunity to cater to affected consumers like yourself?

There is a strict upper limit of **four** single-spaced pages of text (assuming 12-point font size and one-inch margins) and, if there are, at most **two** pages of exhibits. If you submit a lengthier write-up, it will likely be counted against you. Keep in mind that exhibits should be tied to the report write-up in some meaningful ways.

Your essay is due at the beginning of the last class.

D. Quizzes (20%)

There will be 2 in-class one-hour quizzes. Each quiz is worth 10%.

ACADEMIC HONESTY & PLAGIARISM

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.

Additional guidance is available at:

<http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism:

<http://emodule.nus.edu.sg/ac/>

Class Schedule
Semester I, AY2020/2021

Session	Week	Topic	Reading & Assignment
1		Introduction	“Consumer Lifestyles in Asia Pacific”, Euromonitor International, Passport, 2018; PwC Global Consumer Insights Survey 2019 https://www.pwc.com/gx/en/industries/consumer-markets/consumer-insights-survey.html
2		Consumer Decision Making Process	PB Chapter 1
3		Buying Fast and Slow	DK Chapter 1 Due: Assignment 1
4		Activation -- Goal and Motivation	PB Chapter 5 Due: Assignment 2
5		Search -- Senses and Perception Part 1	PB Chapter 3; PC Chapter 12 Due: Assignment 3
6		Search -- Senses and Perception Part 2	Quiz 1
7		Evaluate -- Framing	PB Chapter 2; DL Chapter 7 Due: Assignment 4
8		Choice Part 1	PB Chapters 4 and 6; PC Chapter 2 Due: Assignment 5
9		Choice Part 2	Quiz 2
10		Purchase	SE “Scarcity” Chapter 1; BA Chapter 3 Due: Assignment 6
11		Habit	NE “Hooked” Chapter 1
12		Contagion	JB “Contagious” Introduction.
13		Taking Stock: The future of Marketing	Due: Essay

Student should read ahead of schedule by at least 1 week to maximize learning.

Key to Authors – BA: Barry Schwartz, DK: Daniel Kahneman, DL: David Lewis, JB: Jonah Berger, NE: Nir Eyal, PB: Phil Barden, PC: Paco Underhill, and SE: Sendhil Mullainathan and Eldar Shafir.