MKTG 530 Special Topics in Marketing: Judgment, Emotion, and Consumer Choice

Professor Neal Roese Spring Quarter, 2011 Time: Thursdays 9-12 Room: Leverone 488/491 Draft: 3-9-11

Format:

This course focuses on the theories relevant to understanding how people make choices in a variety of settings. The course is rooted to contemporary theory and methods of experimental social psychology, such as dual process conceptions, the elaboration likelihood model, implicit associations, and attribution theory. Topics include the role of emotion in choice, cognitive biases in choice, and how best to predict behavior from cognitive measures. Although the guiding framework centers on consumer choice, the course will be useful to those with backgrounds in behavioral economics, behavioral finance, communications, organizational behavior, public policy, psychology, and sociology.

Format:

Each class is a 3-hour seminar. A typical class will consist of a one or two 30-minute presentations by students, interspersed with group discussion. For each class, one or two students will be selected to lead the discussion. The discussion leader will try to offer comment and criticism so as to stimulate further discussion.

Thought Papers:

Each student will prepare four 2-page thought papers over the quarter, consisting of commentary, discussion, and critique relating to the week's readings. Students will be assigned particular weeks during which they will prepare the thought paper, which is due the night before the relevant seminar.

Presentation:

Each student will give an overview presentation on the week's topic. Aim for about 30 mins in length. The purpose of the presentation is to give *background context and perspective* on the week's topic. That is, the presenter *will review the history behind the topic, explore findings, theory, and nuanc*e not covered in the week's reading, summarize controversies that have appeared in print, and point to future directions. *Importantly, the presentation should not be a simple review of the week's reading: please assume that everyone in class is already very familiar with the readings.* Rather, a good presentation will be built on further reading beyond the core assigned readings. The "suggested" readings on the syllabus are intended to be a helpful *starting point* for this further reading.

Term Paper:

The term paper is a research proposal. Make a specific argument and then show how you will test it. The paper will be mainly conceptual development and literature review. Present your method section as per APA format, but keep it brief. You should have enough methodological detail for me to see how you are testing your idea. Please use APA format, throughout (and be sure to include an abstract, title page, references, and citations in author-year format. Your word limit is 4000.

Term Paper Presentation:

You will give a 10 minute presentation of your research proposal in week 9. The goal here is to convey the main ideas to the class, such that you can get feedback and helpful suggestions from both the class and the professor. Because the presentation is in week 9, this will afford you ample time to incorporate the feedback into your final term paper draft.

Participation:

You will be graded on your classroom participation. This seminar is designed to encourage discussion, argument, and debate. A good idea is to make notes based on your week's reading and bring these with you to class: you will then have a series of "talking points" in front of you to be drawn on when the classroom grows quiet. If you speak often in class, you will achieve full participation points very quickly.

Final Grade:

Thought Papers	10%
Presentation	20%
Term Paper	40%
Paper Presentation	20%
Participation	10%

Readings (by week)

Week 1) Heuristics and Biases

Mar 31

- Ariely, D.,& Norton, M.I. (2008). How actions create not just reveal preferences. *Trends in Cognitive Sciences*, *12*, 13-16.
- Gilovich, T., & Savitsky, K. (1996). Like goes with like: The role of representativeness in erroneous and pseudoscientific beliefs. *Skeptical Inquirer*, 20, 34-40.
- Karremans, J. C., Stroebe, W., & Claus, J. (2006). Beyond Vicary's fantasies: The impact of subliminal priming and brand choice. *Journal of Experimental Social Psychology* 42, 792-79.
- Shah, A. K., & Oppenheimer, D.M. (2008). Heuristics made easy: An effort-reduction framework. *Psychological Bulletin*, *134*, 207-222.
- Wansink, B., Kent, R. J., & Hoch, S. J. (1998). An anchoring and adjustment model of purchase quantity decisions. *Journal of Marketing Research*, 35, 71-81.

Optional:

- Simonson, I., & Drolet, A. (2004). Anchoring effects on consumers' willingness-to-pay and willingness-to-accept. *Journal of Consumer Research*, *31*, 681-690.
- Wegener et al. (2010). Elaboration and numerical anchoring: Implications of attitude theories for consumer judgment and decision making. *Journal of Consumer Psychology*, 20, 5-16.

Week 2) The Impact of Choice on Preference: The Long Shadow of Dissonance Theory

April 7

- Aronson, E. & Mills, J. (1959). The effect of severity of initiation on liking for a group. *Journal of Abnormal and Social Psychology*, *59*, 177-181.
- Gawronski, B., Bodenhausen, G. V., & Becker, A. P. (2007). I like it because I like myself: Associative self-anchoring and post-decisional change of implicit attitudes. *Journal of Experimental Social Psychology*, 43, 221-232.
- Gilbert, D. T., & Ebert, J. E. J. (2002). Decisions and revisions: the affective forecasting of changeable outcomes. *Journal of Personality and Social Psychology*, 82, 503-514.
- Risen, J. L. & Chen, M. K. (2010). How to study choice-induced attitude change: Strategies for fixing the free-choice paradigm. *Personality and Social Psychology Compass*, *4*, 1151-1164.

Optional:

- Elliot, A. J., & Devine, P. G. (1994). On the motivational nature of cognitive dissonance: Dissonance as psychological discomfort. *Journal of Personality and Social Psychology*, 67, 382-394.
- Festinger, L., & Carlsmith, J. M. (1959). Cognitive consequences of forced compliance". Journal of Abnormal and Social Psychology, 58, 203-211.

Week 3) Regret and Counterfactual Thinking April 14

- Carter, T., & Gilovich, T. (2010). The relative relativity of experiential and material purchases. *Journal of Personality and Social Psychology*, 98, 146-159.
- Ratner, R. K., & Herbst, K. C. (2005). When good decisions have bad outcomes: The impact of affect on switching behavior. *Organizational Behavior and Human Decision Processes*, 96, 23-37.
- Roese, N. J., & Summerville, A. (2005). What we regret most ... and why. *Personality and Social Psychology Bulletin*, 31, 1273-1285.
- Zeelenberg, M., & Pieters, R. (2007). A theory of regret regulation 1.0. *Journal of Consumer Psychology*, 17, 3-18.
- Zeelenberg, M & Van Putten, M. (2005). The dark side of discounts: How missing a discount may promote brand switching. *Psychology and Marketing*, 22, 611-622.

Optional:

- Epstude, K., & Roese, N. J. (2008). The functional theory of counterfactual thinking. *Personality and Social Psychology Review, 12*, 168-192.
- Kray, L. J., George, L. H., Liljenquist, K. A., Galinsky, A. D., Tetlock, P. E., & Roese, N. J. (2010). From what might have been to what must have been: Counterfactual thinking creates meaning. *Journal of Personality and Social Psychology*, 98, 106-118.
- Reb, J. (2008). Regret aversion and decision process quality: Effects of regret salience on decision process carefulness. *Organizational Behavior and Human Decision Processes*, 105, 169-182.
- Roese, N. J., & Summerville, A. (2005). What we regret most ... and why. *Personality and Social Psychology Bulletin*, 31, 1273-1285.

Week 4) Time

April 21

- Pennington, G. L., & Roese, N. J. (2003). Regulatory focus and temporal perspective. *Journal of Experimental Social Psychology*, 39, 563-576.
- Soman, D., G. Ainslie, S. Frederick, X. Li, J. Lynch, P. Moreau, A. Mitchell, D. Read, A. Sawyer, Y. Trope, K. Wertenbroch, G. Zauberman (2005). The psychology of intertemporal choice. *Marketing Letters*, *16*, 347-360.
- Trope, Y., Liberman, N., & Wakslak, C. (2007). Construal levels and psychological distance: Effects on representation, prediction, evaluation, and behavior. *Journal of Consumer Psychology*, 17, 83-95.
- Wilson, T. D. & Gilbert, D. T. (2005). Affective forecasting: Knowing what to want. *Current Directions in Psychological Science*, *14*, 131-134.

Optional:

- Burrus, J., & Roese, N. J. (2006). Long ago it was meant to be: The interplay between time, construal and fate beliefs. *Personality and Social Psychology Bulletin*, 32, 1050-1058.
- Ebert, J. E. J., Gilbert, D. T., & Wilson, T. D. (2009). Forecasting and backcasting: Predicting the impact of events on the future. *Journal of Consumer Research*, *36*, 353-366.

Week 5) Affective Influences on Choice and Judgment April 28

- Andrade, E. B., and Ariely, D. (2009). The enduring impact of transient emotions on decision making. *Organizational Behavior and Human Decision Processes*, 109, 1-8.
- Dhar, R., & Wertenbroch, K. (2000). Consumer choice between hedonic and utilitarian goods. *Journal of Marketing Research*, 37, 60-71.
- Garg, N., Wansink, B., & Inman, J. J. (2007). The influence of incidental affect on consumers' food intake. *Journal of Marketing*, 71, 194-206.

Lerner, J., & Keltner, D. (2001). Fear, anger and risk. *Journal of Personality and Social Psychology*, 81, 146-159.

Optional:

Lerner, J., Small, D. A., & Loewenstein, G. (2004). Heart strings and purse strings. *Psychological Science*, *15*, 337-341.

Week 6) Neuromarketing

Guest Seminar Leader: Professor Wil Cunningham, Dept of Psychology, Ohio State University

http://faculty.psy.ohio-state.edu/cunningham/

May 5

Readings are tentative (more will be added):

Banaji, M. (2010). Letter to a young social cognitionist. Social Cognition, 28, 667-674.

Knutson, B., Rick, S., Wimmer, G.E., Prelec, D., & Loewenstein, G. (2007). Neural predictors of purchases. *Neuron*, *53*, 147-156.

Vul, E. et al. (2010). Puzzlingly high correlations in fMRI studies of emotion, personality, and social cognition. *Perspectives on Psychological Science*, 4, 274-290.

Week 7) Choice II

May 12

- Ariely, D., & Lowenstein, G., & Prelec, D. (2006). Tom Sawyer and the construction of value. *Journal of Economic Behavior and Organization*, 60, 1-10.
- Berger, J., Draganska, M., & Simonson, I. (2007). The influence of product variety on brand perceptions, choice, and experience. *Marketing Science*, 26, 460-472.
- Soman, D. P., & Gourville, J. T. (2005). Overchoice: Why variety can backfire. *Rotman Magazine* (Fall, pp. 30-34).
- Shiv, B., Carmon, Z., & Ariely, D. (2005). Placebo effects of marketing actions: Consumers may get what they pay for. *Journal of Marketing Research*, 42, 383-393.

Optional:

- Hedgcok, W., & Rao, A. R. (2009). Trade-off aversion as an explanation for the attraction effect: A functional magnetic resonance imaging study. *Journal of Marketing Research*, 46, 1-13.
- Naylor, R. W., Raghunathan, R., & Ramanathan, R. (2006). Promotions spontaneously induce a positive evaluative response. *Journal of Consumer Psychology*, 16, 295-305.
- Iyengar, S. S., & Lepper, M. R. (2000). When choice is demotivating: Can one desire too much of a good thing? *Journal of Personality and Social Psychology*, 79, 995-1006.

- Chernev, A., Böckenholt, U., & Goodman, J. (2010). Choice overload: Is there anything to it. *Journal of Consumer Research*, *37*, 426-428.
- Scheibehenne, B., Greifeneder, R., & Todd, P. M. (2010). Can there ever be too many options? A meta-analytic review of choice overload. *Journal of Consumer Research*, *37*, 409-425.

Week 8) Personality and Market Segmentation

Guest Seminar Leader: Professor Brent Roberts, Dept of Psychology, University of Illinois at Urbana-Champaign

http://www.psychology.illinois.edu/people/bwrobrts

May 19

Readings To Be Announced

Week 9) Presentations of Research Proposals

May 26

-No readings this week.

Week 10) Innumeracy and Superstition

June 2

- Gigerenzer, G., Hertwig, R., van den Broek, E., Fasolo, B., & Katsikopoulos, K. V. (2005). "A 30% chance of rain tomorrow": How does the public understand probabilistic weather forecast? *Risk Analysis*, 25, 623-629.
- King, L. A., Burton, C. M., Hicks, J. A. & Drigotas, S. M. (2007). Ghosts, UFOs, and magic: Positive affect and the experiential system. *Journal of Personality and Social Psychology*, 92, 905-919.
- Kruger, J., Savitsky, K., & Gilovich, T. (1999). Superstition and the regression effect. *Skeptical Inquirer*, 23, 24-29.
- Risen, J. L. & Gilovich, T. (2008). Why people are reluctant to tempt fate. *Journal of Personality and Social Psychology*, 95, 293-307.

Suggested:

- Newman, L. S., & Baumeister, R. F. (1996). Toward an explanation of the UFO abduction phenomenon: Hypnotic elaboration, extraterrestrial sadomasochism, and spurious memories. *Psychological Inquiry* 7, 2 99-126.
- Rozin, P., Millman, L., & Nemeroff, C. (1986). Operation of the laws of sympathetic magic in disgust and other domains. *Journal of Personality and Social Psychology*, *50*, 703-712.