

MKT 3402C

CONSUMER BEHAVIOR/BEHAVIOUR

Tag code: CB

Department of Marketing, NUS Business School

Dr. Dan King (PhD, University of Florida)

Office: Biz 1, 08-30. You can leave a note on my glass mailbox (or place it through my door slit) outside my office if I am not there.

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***Please note that the midterm exam is on 5 March 2016 (4 pm to 6 pm) and the final exam is on 16 April 2016 (4 pm – 6 pm) for both sections. Because of a requirement on simultaneous exam taking (to ensure fairness and no leakage of exam information), there will be no makeup exams.**

***Please check your schedule in advance so that there is no scheduling conflict (no exams or lectures in other modules, etc). You would need to take an alternative CB class if you cannot make it to these dates/times.**

Introduction

Not too long ago, I was in your shoes. I took *Consumer Behavior* at the University of Chicago under Dr. Ramanathan. At around the same time, I took a number of courses that exposed me to the techniques of learning about the world and human biases (Decision Making by Dr. Richard Thaler). Taking these courses helped me to “learn how to learn” and distinguish between “good” statements from “bad” statements. For example, if you see the headline “Listening to music everyday increases lifespan by 5 years” on a newspaper, or the advertising claim

“Taking (insert brand here) fish oil reduces the incidence of heart attacks,” how can you evaluate if this statement is likely to be true, or not?

In this course, I will teach you not just different bodies of knowledge about Consumer Behavior (e.g., How consumers process advertising; How consumers make decisions), but also the scientific process behind these bodies of knowledge. Learning about the process of generating scientific knowledge is a very good way to make you a critical thinker---which is a skill that will help you not just in consumer behavior and marketing, but also in your life.

About me

I received my formal doctoral training (PhD) at the University of Florida, a university in Gainesville, Florida, which is about two hours of driving from the Amway Center (the home of the Orlando Magic), Disney World and Universal Studios. I taught two courses at the University of Florida, *Consumer Behavior* and *Marketing Management*. I have a very enjoyable classroom atmosphere, but enjoyable does not mean “easy.” Because you are expected to expend effort to learn, the classes are also very intense. If you are expecting an easy course, this is not the course to take. But if you want to learn skills for your career and your life in general, and do not mind expending effort, then you will have a really great time in this class.

I like travelling (I liked Rome, Vancouver, Paris, and London), snorkeling and playing basketball. When I graduated from high school, my vertical leap was measured at 42 inches (107 cm) at a machine in Orlando, Florida. Not sure if the machine was in error, because that would mean that I jump higher than Steph Curry of the Golden State Warriors (my favorite player, I followed him since 8 years ago at Davidson).

Interesting Trivia About Me

- Dr. Eugene Fama, recent Nobel Prize winner, was my prof at University of Chicago. He was kind to write me a generous recommendation letter, which led to my being accepted at PhD programs and my career now. Perhaps even more interesting, is the fact that I wrote a research paper in Finance, not Marketing. Today my interests are consumer phenomena, but my personal hobby is investing in companies and stock picking.
- I used to be a commercial model and also appeared in a Gwyneth Paltrow movie. Surprisingly, neither was as fun as I imagined (at least, not something you will want to do for a lifetime). A lot of waiting around, and standing under bright lights that can get very warm.
- I held the first-place record for shoulder press and curls for five consecutive weeks at a university strength / fitness competition.
- My sister is the first Asian American girl to break the racial and gender barrier at P&G USA to become a director (yay!).

Course Objectives

- (1) Learn how to learn (i.e., “What is the scientific process?”)
- (2) Learn how to distinguish “good” scientific claims from “bad” scientific claims (and bad non-scientific claims).
- (3) Learn how consumers process information.
- (4) Learn skills that will be useful for a career in brand management, marketing research, or management consulting (with a focus on marketing).

LEARNING OUTCOME FOR STUDENTS

After taking this course, you should have a basic understanding about how consumers process information, and you should be able to apply your understanding toward your job responsibilities in a marketing role. These include the following:

- ***Ability to predict how consumers will process your stimuli.*** Many of the marketing plans that you will implement are novel plans in which the outcome is uncertain (e.g., Will consumers like my new product? Will consumers like this ad that I am about to launch?). The theoretical frameworks that you will learn in this class will help you think in terms of processes, and this thinking approach will enable you to predict how consumers will process your stimuli. This does not mean your predictions will be 100% correct, but your predictions should become more accurate if you have a good understanding of consumer processing and behavior than if you do not.
- ***Ability to critically analyze data that comes to your desk.*** Many times, your partners (e.g., marketing research firms, advertising agencies) will give you spectacular-sounding claims. For example, an agency may push you to sign up LeBron James or another well-known celebrity to endorse your brand because “signing up LeBron has helped (another firm’s brand) increase their sales by (large numbers here).” Will signing James help your brand achieve similar numbers too? In this class, you will learn how to critically analyze data and make intelligent conclusions as to whether their success is caused by a confounding third variable (a variable that is unrelated to signing up LeBron James) or whether their success cannot transfer into your brand (because a two-way interaction was at work in this spectacular case).
- ***Ability to implement marketing plans based on consumer insights.*** With an understanding of consumer processing and behavior, you will be able to make concrete marketing-related recommendations to your brand manager or category manager (or your boss in general), or implement these recommendations on your own (when you eventually become brand manager or marketing manager). For example, you may direct the Product Supply Department or Research & Development Department to add a cooling agent to your lotion because consumers under certain conditions enjoy the experience of a cooling sensation. If you are an assistant brand manager for Nike™, you should be able to apply what you learn in

developing ads or marketing campaigns that will attract the desired market segment.

- ***Ability to analyze your own emotions and preferences as a consumer.*** In this class, you will learn some of the latest insights in neuroscience, and affective neuroscience (science of emotions at the neural level), and these insights, along with traditional psychology approaches in most consumer behavior courses, will help you understand yourself (or your family members and loved ones) as a consumer. For example, why do you seem to be addicted to certain foods but not others, even though they both taste good? With the latest insights from opioid mediation theories, you will learn scientists' best guesses as to how certain variables in certain stimuli that you consume can activate certain circuits in your brain, hence making you crave the food once plasma levels of certain chemicals have dipped below a threshold.

The above examples regarding consumer behavior in industry settings do not imply that the industry is the only route you can take. You can also apply your insights in consumer behavior in non-profit organizations (e.g., What emotional state should my readers be in when I try to solicit donations for children in underprivileged countries?). For those who are interested in academic research in consumer behavior, exceptional students in this course should eventually become competitive when they apply for a Ph.D. in Marketing at an excellent school such as New York University, Stanford, University of Chicago, or National University of Singapore, after having some research experience. The paper to be submitted as part of the course requirement will likely be one of the documents that Ph.D. programs will want to read to assess your potential.

If you are interested in looking up information regarding a research career in Marketing, you can Google "Who Went Where 2015" or click the link below, and the publicly available survey of our field will be available to guide you. Salary and other summary information begins on page 7 of the job market document:

<http://docsig.org/wp-content/uploads/2013/10/2015-WWW.pdf>

Note: I am on NUS' PhD selection committee, so if you are interested about the NUS PhD program, you can talk to me. If you are interested about other PhD programs, you can talk to me as well.

Textbook

Wayne Hoyer and Deborah MacInnis (2009 or later), Consumer Behavior, 5th or 6th edition, South-Western Cengage Learning.

Grading Scheme

Group Discussion (CB Theory)	20%
Group Presentation (CB Application)	20%
Class Participation and Attendance	20%
Midterm Exam*	20%
Final Exam*	20%

***Please note that if you cannot make the time and date for the final exam, please take one of the alternate sections taught by two other professors. This is because we do not allow students who have schedule clashes to take the exam at another time or day (to prevent leakage of quiz/exam information).**

Everyone takes the quiz/exam at the same time, regardless of section. This is to ensure fairness for everyone (past students have said that it is "difficult to turn down their friends who ask for information," and everyone agreed that it is better to make it impossible for a small group of students to ask for illegal information).

Expectations:

No use of laptop computers in class: We have had discussions with students in the past and students have said that it is a necessary sacrifice to have a “no laptop policy” so that everyone can focus during class. Students have mentioned that it is actually good for themselves as a self-handicapping measure (to prevent your own self from harming yourself), much like removing unhealthy food from your kitchen.

No use of mobile devices or tablets in class - All non course-related communication (SMS, Whatsapp, Line, Snapchat, Instagram, Kakao, Gchat, IM, Facebook, Twitter, Whisper, Secret, E-mail) should be turned off during class: All non course-related communication (SMS, Facebook, Twitter, Instant messaging, E-mail) tools should be turned off during class. Reading or typing messages is a big distraction (both to yourself and to your classmates), so all communication should be turned off, or logged off, before the class begins.

Class participation: On the last page of this syllabus, you will see a sheet that is designed for you to self-report your class participation for each class. Please make copies and bring one sheet each class (I will print for you if you don't have access to a printer, let me know. Alternatively, you can fb or email me the softcopy). At the end of each class, please tick on the appropriate box and submit to me, this will form the basis of your grading for class participation.

Punctuality: I expect you to be on time for classes. I understand that you may be late because of unexpected circumstances, but note that repeated tardiness will cost you points in attendance (my research assistant and I will be taking note of class participation and tardiness—this has to be done because tardiness really hurts the entire class by distracting the class discussion, so we want to discourage it).

Midterm and Final Exams

The midterm and final exams will consist of objective questions in multiple choice, essays and/or short answer format. Make-up midterm and/or final exams will be

given only to students who are sick and can provide a medical certificate showing that the student was sick on the exam day. Please note that there will be no make-up quizzes or exams for schedule clashes. The midterm and final exam dates are announced in Week 1, so if you have other activities that come up later, you would need to move *those* activities, not the midterm or final. This is necessary because everyone has to take the quiz/exam at the same time (to be fair to all students).

Group Discussion (CB Theory)

Students can form groups of around 3 per group. We will adjust because we would need a number of groups that correspond to the number of papers. Group Discussion format is flexible. The typical format is a PowerPoint presentation telling the class about the consumer researcher's story, the findings, and how it might impact marketers who sell consumer goods (please print out your slides and hand it to me before you present, so that I can take notes).

The format is flexible (to give you room for creativity), but if you really want some guidelines:

(1) Introduction (4-5 slides):

- a. What do we currently know in the scientific community?

What do the authors say we know about the topic to be discussed?

The authors will usually summarize the past findings from the last 10 to 30 years of consumer research and cognitive and social psychology research.

- b. What is the story of the consumer researcher(s) in the paper? You can make it more interesting by saying "Imagine..." For example, "Imagine that you are a brand manager for a new ice cream, and you are brainstorming with your brand assistants regarding what name to invent for your new product. One of your assistants suggests "Frish"

whereas the other assistant suggests “Frosh.” Which name might be better?”

(2) Experiments (10 slides): What did their experiments demonstrate? Have a few graphs so that the class can easily understand the findings of the paper.

(3) Implications (3 slides): What are the marketing implications? What are the conceptual implications? (what else should be true?) What are future experiments that can be run to enrich our understanding and generate new insights even more?

Length: Presentations should last about 30 minutes. In terms of the number of slides, aim for a total of about 18 slides (adjust upward or downward depending on the amount of content you have per slide). This is not a hard rule, but simply meant to give you an idea of how much material to plan for. Do a practice / test-run presentation with a stopwatch, so that you know how many slides will fill about 30 minutes.

Group Presentation (CB Application)

Students can form groups of around 3 per group. We will adjust because we would need 9 groups. The groups in “Group Presentation” can be different from the groups in “Group Discussion,” but they can also be the same.

Timing of presentation will be determined by random draw. Do not be afraid to present “too early”---the grading of presentations will take into account when the presentation occurs, and the amount of time to prepare for each presentation (e.g., grading will be more lenient for groups who present early).

Content: Each group will present an idea for a start-up (a consumer business that is not currently available in the market), with a very good logic and reasoning behind why the start-up has a good chance of succeeding (please print out your slides and hand it to me before you present, so that I can take notes).

Some examples of presentations that I would have loved to hear in the past (these start-ups already exist, but I am just giving these examples to give you an idea):

- (1) The Facebook (consumer phenomenon: people like to share information, and learn information, about other people)
- (2) Taskrabbit (consumer phenomenon: people cannot always do things that they want to do, but they are willing to pay someone else to do it)
- (3) Summly (consumer phenomenon: people don't have time to read everything, but still want to learn about their world)
- (4) Twitter (consumer phenomenon: people like to self-promote, or share information)
- (5) GPS for the Soul (consumer phenomenon of well-being: consumers get stressed and want objective measures for their stress levels)
- (6) Tinder (consumer phenomenon: people do not want to be embarrassed, but they want to socialize)

It can also have a social purpose: "Bus for the homeless"

<http://news.msn.com/us/bus-becomes-shower-for-homeless-in-san-francisco>

Although the idea can be not-for-profit, it is preferable if the idea can be a self-sustaining social enterprise (i.e., it has the same charitable goal, but you can prove that it can be financially self-sufficient and does not need outside funding).

Once again, the format is flexible (to give you room for creativity), but if you need some guidelines, you can plan for the following:

- (1) Introduction (2-3 slides telling your audience about a scenario. Put pictures, make it fun for the audience to learn about a consumer phenomenon).

For example: “My husband and I were getting ready to go out to dinner in Boston. We had already called a cab when we realized we were out of dog food for our 100-pound yellow lab, Kobe. How could we make our dinner reservation and still feed Kobe? As we sat at the kitchen table trying to come up with a plan for dog food, the idea for TaskRabbit was born. I thought, "Wouldn't it be nice if there was a place online where we could go, say we needed dog food delivered, and name the price we were willing to pay?" We were certain that someone, probably right in their own neighborhood, would be willing to help out. As we waited for the cab to pick them up, we bought the domain name RUNmyERRAND.com, the precursor to TaskRabbit. And the rest is, as they say, history!) <https://www.taskrabbit.com/about>

(2) Why would your consumer business work?

- Why would consumers need or want your product or service?
- Why would consumers need you (and not purchase the product or service from someone else?)

(3) Competing consumer offerings, and why your proposal is different

- How is your consumer offering better in terms of serving your consumer's unmet needs or wants?

(4) Elaborate on the details of your consumer business

Length: Presentations should last about 30 minutes. In terms of the number of slides, aim for a total of between 20 and 30 slides (adjust upward or downward depending on the amount of content you have per slide). This is not a hard rule, but simply meant to give you an idea of how much material to plan for. Do a practice / test-run presentation with a stopwatch, so that you know how many slides will fill about 30 minutes.

Definitions: A consumer phenomenon is an interesting or surprising consumer behavior that you observe. You would need to present a consumer phenomenon that has not been documented by the scientific community yet.

Phenomenon or Effect: An example of a consumer phenomenon (that has been documented) is the “mere exposure effect,” which is the phenomenon whereby things that are people are exposed to more often become more liked (e.g., the more times you see a brand name like “Adidas,” the more you like it, all other things being equal).

A second example of a phenomenon or effect is the mood effect, whereby consumers in a good mood judge brands and product performances to be better than they really are, and consumers in a bad mood judge brands and product performances to be worse than they really are. This phenomenon is also called the “Rose-colored Glasses Phenomenon.”

Theory: A “theory” is essentially a story about how one variable influences another variable through another variable. A theory is a more nuanced story that explains a phenomenon. For example, “Processing Fluency” is a theory that explains the “Mere Exposure” effect or phenomenon. The theory of Processing Fluency explains that the ease by which a perceptual system processes a stimulus (can be measured by response time, among other measures) is the variable that mediates the relationship between number of exposures and liking.

A second example of a theory is “Emotional Networks in Spreading Activation + Misattribution Theory.” This theory basically explains the mood effect---concepts in the mind are grouped together in “Positive Mood Circuits” and “Negative Mood Circuits,” so when a consumer is in a positive mood, he/she is more likely to (mis)judge an object as more positive than it really is. Likewise, when a consumer is in a negative mood, he/she is more likely to (mis)judge an object as more negative than it really is.

Paying Attention to Group Presentations: Random Draw Participation (In Addition to Voluntary Participation)

A group that is making a discussion, or presentation, in front of the class often faces the challenge of presenting to an audience with varying degrees of motivation and interest. That is, getting students who are not presenting, to pay attention to the group that is presenting. As you can imagine, it can be difficult to present to an audience if the audience is daydreaming about backpacking in Europe or South America or Asia.

To solve this problem, 2 numbers (representing students) will be generated by a random number generator at the end of the discussion/presentation. These two students would have to answer questions (or provide insights) regarding the group presentation. This ensures that the audience would be paying attention to the group presentation (Although in most cases, when the presentation is interesting, most students will be very attentive, so do not worry too much about this. This is just to prevent students from falling into a coma during the presentation, especially if it is a highly technical presentation).

Contacting me

I will reply to your e-mails as soon as possible. If I do not reply within 48 hours, please re-send the e-mail, because the e-mail may have been lost or accidentally filtered.

Class Participation and Attendance

Class participation is an important component of your grade. During the class, I will ask questions, and any good answers that you give (or sincere attempts to answer the question) will be rewarded as marks toward class participation. You will also be prompted for insights (e.g., “Does anyone have any idea regarding why consumers...”).

Note that you will also be rewarded for good questions that you ask. So feel free to ask questions.

Attendance will be taken at every class because, for students that struggle in other aspects of the class (e.g., exam, presentation, paper, participation), the attendance sheet is one way I can figure out whether the student is making some effort, or whether the student is not even attending the class.

Weeks 1 & 2: Please submit a photo of yourself (this is for participation marking--the IVLE images are often blurry and distorted) and basic information (name, major, internships so far, desired career, and why you are taking this class).

Academic Honesty & Plagiarism (Required paragraphs—these are standard in all NUS modules)

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/>

Semester 2 (“Winter/Spring”) 2016 SCHEDULE

Date	Topic
11 Jan 2016 (Week 1)	<p>*Please bring a name tag</p> <ul style="list-style-type: none"> - Introduction to Consumer Behavior - Getting to know the class - CB sampler: <ol style="list-style-type: none"> (1) Easterlin paradox (2) Rebuttal of the Easterlin paradox (3) Biological bases of consumption patterns (4) Biological bases of consumption patterns (e.g., Harlow monkey experiments) - Form groups - Ways of Acquiring Knowledge and Research Methods in Consumer Behavior (after class, you may read Hoyer and MacInnis Chapter 1, pages 2-26)
18 Jan 2016 (Week 2)	<p>*Please bring a name tag</p> <p>Ways of Acquiring Knowledge, Experimental Design and the Process of Determining Causation (before class, you may read Hoyer and MacInnis pages 27-41)</p> <ol style="list-style-type: none"> (1) Authority Method (2) Observation Method (3) Experience Method (4) Flaws of Authority, Observation, Experience Methods (5) Scientific Method (6) Experimentation and Hypothetico-Deductive Method <p>-Form groups</p>

	<p>Group Discussion (Group 1) on:</p> <p>Extended Self in a Digital World Russell W. Belk Journal of Consumer Research Oct 2013, 40 (3) 477-500</p> <p>Group Presentation (Group A)</p> <p>*Bring an information sheet containing your name, major, dream job, and fun things about you. Also attach a clear color photo of yourself (since facial recognition is important in grading participation).</p>
<p>25 Jan 2016 (Week 3)</p>	<p>*Please bring a name tag</p> <p>Experimental Design, Causation, and Two-Way Interactions</p> <p>-Group Discussion (Group 2) on: Scaraboto, Daiane (2015), "Selling, Sharing, and Everything In Between: The Hybrid Economies of Collaborative Networks," Journal of Consumer Research. June 2015, Vol. 42 Issue 1, p152-176</p> <p>Group Presentation (Group B)</p>
<p>1 February 2016 (Week 4)</p>	<p>Motivation, Ability and Opportunity in Consumers (before class, you may read Hoyer and MacInnis Chapter 3 and Chapter 4)</p> <p>-Group Discussion (Group 3) on:</p> <p>Hur, Julia, Minjung Koo, and Wilhelm Hofmann (2015), "When Temptations Come Alive: How Anthropomorphism Undermines Self-Control,"</p>

	<p><i>Journal of Consumer Research</i>. Aug2015, Vol. 42 Issue 2, p340-358.</p> <p>Group Presentation (Group C)</p>
8 February 2016 (Week 5)	Happy Chinese New Year! (No classes)
15 Feb 2016 (Week 6) (Happy Valentine's Day!)	<p>Exposure, Attention, and Perception in Consumers (before class, you may read Hoyer and MacInnis Chapter 3 and Chapter 4)</p> <p>-Group Discussion (Group 4) on:</p> <p>Kreuzbauer, Robert; King, Dan; Basu, Shankha (2015), "The Mind in the Object—Psychological Valuation of Materialized Human Expression," <i>Journal of Experimental Psychology: General</i>, Issue: Volume 144(4), August 2015, p 764–787</p> <p>Group Presentation (Group D)</p> <p>-Group Discussion (Group 5) on:</p> <p>Gangestad, Steven and Jeffrey Simpson (2003), "The evolution of human mating: Tradeoffs and strategic pluralism" <i>Behavioral and Brain Sciences</i>, (23) 573-644. (This is a classic paper on the consumption of romantic partners, especially chosen for Valentine's Day.)</p> <p>Group Presentation (Group E)</p>
22 February 2016	<p>Recess Week (no classes)</p> <p>I will be in Florida this week for a consumer behavior conference (Tradewinds Island Grand Hotel), but you can email or message me if you</p>

	need anything.
<p>5 March 2016 (Week 7) 4 pm to 6 pm Venue LT16</p> <p>(Because of the simultaneous test taking requirement, please note that both sections would need to take the exam at 4 pm on this date)</p>	<p>Midterm Exam at LT16 (Not the usual classroom) Most likely, it will be mostly in the form of multiple choice questions with 5 options. It may have a minimal number of essay questions, perhaps one or two.</p>
<p>7 Mar 2016 (Week 8)</p>	<p>Conceptual Influences on Perception</p> <ul style="list-style-type: none"> - Group 6 Discussion on: Richins, Marsha, and Lan Chaplin (2015), “Material Parenting: How the Use of Goods in Parenting Fosters Materialism in the Next Generation,” <hr/><i>Journal of Consumer Research</i>, Apr 2015, Vol. 41 Issue 6, p1333-1357. <p>Group Presentation (Group F)</p>
<p>14 Mar 2016 (Week 9)</p>	<p>Memory (before class, you may read Hoyer and MacInnis Chapter 7, pages 170-192)</p> <p>-Group 7 Discussion on:</p> <p>Tully, Stephanie, Hal Hershfield, and Tom Meyvis, (2015), “Seeking Lasting Enjoyment with Limited Money: Financial Constraints Increase Preference for Material Goods over Experiences,” <i>Journal</i></p>

	<p>of Consumer Research. Jun2015, Vol. 42 Issue 1, p59-75.</p> <hr/> <p>Group Presentation (Group G)</p>
<p>21 Mar 2016 (Week 10)</p>	<p>Blocking Effects - Emotional Programs in Consumers (before class, you may read Hoyer and MacInnis Chapter 5 and Chapter 6)</p> <p>-Group 8 Discussion on:</p> <p>Huh, HaengRyang (2011), "Digit ratios and preferences for aggressive content in entertainment," <i>Personality and Individual Differences</i>, Volume 51, Issue 4.</p> <p>Group Presentation (Group H)</p>
<p>28 Mar 2016 (Week 11)</p>	<p>Emotions as Functional Programs - Balance Theory (before class, you may read Hoyer and MacInnis Chapter 9)</p> <p>-Group 9 Discussion on:</p> <p>Ma, Jingjing and Neal Roese (2014), "The Maximizing Mind-Set," <i>Journal of Consumer Research</i>, Vol. 41 Issue 1, p71-92.</p> <p>Group Presentation (Group I)</p>
<p>4 Apr 2016 (Week 12)</p>	<p>Models of Consumer Choice (before class, you may read Hoyer and MacInnis Chapter 9/10/11)</p> <p>-Group 10 Discussion on:</p> <p>Bellezza, Silvia, Francesca Gino, Anat Keinan (2014), "The Red Sneakers Effect: Inferring</p>

	<p>Status and Competence from Signals of Nonconformity,” <i>Journal of Consumer Research</i>, June, Vol. 41 Issue 1, p35-54.</p> <p>Group Presentation (Group J)</p>
<p>16 Apr 2016 (4 pm – 6 pm) Venue: LT18 (Not the usual classroom) (Because of the simultaneous test taking requirement, please note that both sections would need to take the exam at 4 pm on this date) (Week 13)</p>	<p>Final Exam (LT18 and <u>not</u> the usual classroom)</p> <p>Most likely, it will be multiple choice questions with five options. It may have a minimal number of essay questions, perhaps one or two.</p>
18 Apr until forever	Good luck on your future careers!

*Please note that the schedule may be adjusted depending on the extent of class discussions and the amount of time needed to explain the concepts covered in a particular session. Also, the schedule can be revised depending on the number of groups that were formed (but we will try our best to have 9 groups so that there is symmetry). Revised schedules may be sent out from time to time.

EFFECTS/PHENOMENA WE WILL DISCUSS IN THIS MODULE:

I want to show that business modules are interesting and explain many phenomena that we can relate to even if undergraduates have not had any business experience or working experience. Here is a sampling of the more interesting, more “accessible” phenomena that we will discuss in class, and say “Ah... so that’s why it’s like that...”

1. Attraction Effects – Why are people more likely to fall in love when they are standing on a suspension bridge (Dutton and Aron 1974)? We will discuss misattribution mechanisms (Bescheid and Walster 1974), reinforcement (Kenrick and Cialdini 1977), and response facilitation mechanisms (Allen et al. 1989) that can explain such phenomena.
2. Order Effects – how the mere order by which information is presented (without changing the content) greatly influences the positivity or negativity of the overall evaluation of a consumer on a product, or another person. This phenomenon dates back to the classic experiment by Solomon Asch (Asch 1946).
3. Uncertainty Effects – how uncertainty can amplify positive feelings and negative feelings in surprising ways that cannot be explained by economic theory (Wilson et al. 2005).
4. Construal Effects – how we label things in our life can have a significant impact on how we enjoy life, and how accurate we are in evaluating our own decisions (Savani and King 2014 working paper, under review at *Management Science*).
5. Coolidge Effect – Two mechanisms here: Decrease in phasic production of dopamine toward the incumbent mate, and increase in phasic production of dopamine toward a novel mate.

Consumer and social phenomena that may be explained by the Coolidge effect: The seven-year itch (or infidelity in general---refer to the various articles in Straits Times about rising infidelity statistics), variety-seeking in product choice

Possible solutions: Role-playing, Cosplay, new contexts. Or, simply giving up the dimension (attraction, or the L-program in Panksepp's 1998 taxonomy of affective programs), and switching into a different dimension

(nurturing, or the C-program in Panksepp's 1998 taxonomy of affective programs). C-programs are more oxytocin mediated, whereas L-programs are more vasopressin and testosterone mediated.

6. Placebo Effects – Price Placebo, Brand Placebo, and other Placebos (Shiv, Carmon, Ariely 2005).
7. Partialism versus holistic processing – Can perceptual partialism spill over to decision making partialism? (working paper)
8. Opportunity cost consideration – Why consumers (including consumers of financial products) do not consider opportunity costs adequately, and this ends up costing them more in the long run (Spiller 2011).
9. Monsters, slugs, and squids – Consumer fascination with seemingly negative concepts. See Time Magazine article. Traditional wisdom is that people are attracted to the beautiful, because what is beautiful is fluent (Schwarz et al. 2004), and what is fluent is good for genes (Buss 2005). So why should consumers be attracted to monsters, slugs, and squids (and not even in the “horror movie” sense, see Andrade and Cohen 2007 in Journal of Consumer Research)? Can this be explained by associative conditioning? (working paper) Can this be explained by sensation-seeking (Zaleski 1984) or the BIS-BAS systems? (Gray 1987)
10. Many other effects and consumer phenomena (this is just a sampling).

*Usually, “effect” suggests one mechanism whereas “effects” suggest multiple mechanisms. But some scientists use the terms effect and effects interchangeably.

DISCUSSION GROUP (CB THEORY)

(TRY TO HAVE 3 MEMBERS FIRST, BECAUSE IT IS EASIER TO ADD ONE MEMBER THAN TO SUBTRACT A MEMBER)

1. _____

2. _____

3. _____

4. _____

Top 3 dates that you can make:

1. _____

2. _____

3. _____

PRESENTATION GROUP (CB APPLICATION)

(TRY TO HAVE 3 MEMBERS FIRST, BECAUSE IT IS EASIER TO ADD ONE MEMBER THAN TO SUBTRACT A MEMBER)

1. _____

2. _____

3. _____

4. _____

Top 3 dates that you can make:

1. _____

2. _____

3. _____

Information Sheet

Attach photo here

Name:

Age:

Birthday (We will try to greet everyone in class!):

Major:

Internships so far:

Desired career/dream job:

Why you are taking this course:

Interesting facts about yourself:

Class Participation Sheet (please put a check next to the description that applies to you for the day. You can check as many or as few boxes as possible):

Date Today: _____

#EpicFail / #Jialat. I used Facebook or was doing other things during class (such

as studying for a different module), sorry. (-1 or -2)



#QuietButEager. I was quiet today, but I paid full attention to the students presenting, and also to the prof. (neutral, maybe even +1 if nodding and smiling

furiously to help class morale)



#RockSolid. I paid full attention to the students presenting and prof, and participated at the usual quality that is expected of NUS students. (+2 or +3)



#EpicParticipation. I paid full attention to the students presenting and prof, and participated with at least one “gem of the week” (Above average to amazing insight that the prof and the class will remember for the rest of the week) (+4 or

+5)

