

National University of Singapore  
NUS Business School  
Department of Marketing

**MKT4417                      Consumer Decision Making**

**Course Syllabus**

*Instructor:*                      Chong Juin Kuan  
Office: BIZ 1, 8-31  
Email: [bizcj@nus.edu.sg](mailto:bizcj@nus.edu.sg)

*Office Hours:*                      Monday 11:00 a.m. – 2:00 p.m.

*Required Text:*                      Phil Barden,  
Decoded: The Science behind Why We buy, Palgrave Macmillan  
(2012)  
[PB]

*References:*

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

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

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

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

Sendhil Mullainathan and Eldar Shafir,  
Scarcity: Why Having Too Little Means So Much, Picardor (2013)  
[SE]

*Advanced References:*

Thomas S. Robertson and Harold H. Kassatjian (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, 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 of a rational consumer, we systematically examine the choice, purchase and shopping behaviors which deviate from standard rational predictions, and the circumstances/contexts of such deviations, to understand their causes and consequences.

We begin with an examination of choice, purchase and shopping behaviors in a generic context to understand the key elements involved. We then move to more specific contexts on financial, health and consumption decisions, where some elements have greater impact and influence than others.

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

It will also integrate and demonstrate the relevance of concepts learnt in several introductory courses including Economics and Analytics to consumer decision making.

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

## **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.

## Assessment

This course has no final examination; it is 100% continuous assessment. Your final grade in the course will be based on both individual and group work. The evaluation is as follows:

<b>A. Class Participation (individual)</b>	<b>30%</b>
<b>B. Issue Critique (individual)</b>	<b>30%</b>
<b>C. Field Reports (group project)</b>	<b>30%</b>
<b>D. Presentations (group project)</b>	<b>10%</b>

Please note that late reports and 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 item A through D is included below. Please read the assessment details carefully.

## 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. Scan the “basic readings” at the minimum. For the highly motivated, proceed to “further readings” and if you still want more, tackle the “advanced readings” section.
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 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. Asking for facts and information that can be found in the reading does not score points.
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.

Some class sessions in this course follow a case discussion format. The case method is one of the most effective means of sharpening your decision-making abilities, requiring you to be an active participant in resolving a decision problem. The assigned cases are intended to give you practice in identifying the important issues, assembling and analyzing data, and finally formulating a logical argument to support your chosen decision. Further, the case method provides a vehicle by which to apply the theories, concepts, and analytical devices discussed in a class or in the reading materials. Finally, the discussion forum provides an opportunity to argue your position and to learn from others by listening to their comments, experiences and criticisms.

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. Behavior Related Issue Critique (30%)

You are required to write a critique on a current issue-related behavior identified by the instructor at the beginning of the semester. Background information will be provided to ensure that the behavior and the context are sufficiently defined. You are required to write an essay on the behavior. The essay should show the depth and breadth of your understanding on the behavior, including the potential causes and consequences, as well as possible nudges.

Several intermediate reports are due throughout the semester culminating in a final essay. You are encouraged to discuss among yourselves in a group but the critique reports must be completed on your own. The purpose of the group discussion is to assist each person in developing his or her understanding of the concepts and frameworks. You are to do your own analysis. The discussion group is also a useful and informal forum to test your ideas.

There is a strict upper limit of **three** single-spaced pages of text (assuming 12-point font size and one inch margins) and 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 way.

In preparing your write-up, I suggest you use the following format:

1. Problems and Issues. Highlight the major problems and issues.
2. Analysis. Provide in-depth quantitative and qualitative analyses of the issues and problems.

3. Summary and Conclusion. State the manner in which each of the problems and issues you have highlighted should be resolved. Justify your solutions carefully.
4. Exhibits (if any).

Some general guidelines for preparing an effective write-up are:

1. Provide a coherent, well-organized analysis, not simply a set of notes pieced together. Redraft and proofread the report.
2. Be concise. Keep the Problem and Recommendations sections short, and provide a strong, logical flow in the Analysis section. Above all, do not spend time rehashing or paraphrasing the details of the case.
3. Focus your specific recommendations on the important issues. Make your assumptions explicit whenever necessary.
4. Recommendations should be practical, cost-effective, and appropriate to the timing (short-term or long-term) of the problem at hand. The supporting analysis should be thorough, carried out correctly, and should draw whenever relevant on material presented in class or assigned in readings.
5. Tie your exhibits (if any) to the text of the report. Any exhibit not referred to in the report will not be evaluated.

#### C & D. Project: Field Reports (30%) and Presentations (10%)

You are required to form a project group of 4 (four). ***Please submit a list of the persons comprising your group to me at the beginning of the third class session.*** The final group report with no more than *fifteen* pages is to be submitted at the end of last class. There will be a final presentation on the project in the last session of this course.

The project will entails data collection in the field. Intermediate filed reports and presentations will be organized to guide and ensure progresses in the project. More details of the nature of the project will be provided in the first class.

#### **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/>