

University of Southern California
Marshall School of Business
MKT 618: Consumer Behavior and Decision Making (Spring 2018)
Thursdays 10 a.m. – 1 p.m., HOH 706

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Course Description and Objectives

The field of judgment and decision making has grown rapidly in the past 50 years. It has had a significant impact on areas of business such as marketing, human resource management, accounting, finance, and organizational design, as well as other applied areas such as medicine, public policy and the law. Recently, experimental research on judgment and choice was said to be “psychology’s leading intellectual export to the social sciences as well as to a host of applied fields” (Tetlock 2002, *Psychological Review*).

The purpose of this course is to provide students with a solid foundation for critical thinking and research on the judgment, decision-making and choice aspects of consumer behavior, marketing, and business in general. This course is neither a comprehensive review of the seminal works in Judgment and Decision Making nor a thorough treatment of the field’s influence on marketing. Instead, it should be perceived as a survey of select works in behavioral decision making with their relevance and impact on marketing. The goal of the seminar is two-fold:

1. to foster a critical appreciation of some of the existing knowledge in behavioral decision research, and its implications for marketing
2. to explore research opportunities for adding to that knowledge.

An ancillary goal of the course is to provide students with an understanding of research methodology, which is fostered through the spectrum of methodologies contained in the readings. We will read articles not just for their conceptual content, but also as case studies of the decisions that a researcher makes in conceptualizing a research question, collecting and analyzing data, including designing both field and laboratory studies. Thus in students’ reading of empirical studies, they should pay attention to methodological details as well as to the results.

This course is intended to help prepare students for a research career in marketing. It is important that all marketing academic researchers have “cultural literacy” and knowledge of the existing tools in the area of judgment, decision-making and choice. For those of you with a particular interest in topics we cover, the course will also provide students with the opportunity to discover

areas of interest and help you enhance your expertise in these areas. For those whose interests lie elsewhere, the course will facilitate your understanding of the field and the breadth of topics and methodologies employed in our understanding of judgment and decision making in marketing.

This course will be conducted as a research seminar, which means that students will be expected to take an active role in each and every class session. Each week we will discuss three or more articles. The articles will be a mixture of “classics” or seminal pieces and more recent papers.

Assessment and Assignments

1. Class contribution (20%).

You are responsible for all of the readings that will be discussed in a seminar-format in class. Come to the seminar prepared to discuss each article in-depth and to present your ideas about the major ideas, contributions, and limitations of each article (see the guideline questions for reading articles below). In-class contribution will be assessed based on the quality and consistency of participation. The quality of our class discussions depends on how well-prepared you are and on your willingness to share the outcome of your preparation with the class. High quality contributions are those that reflect both depth and breadth of knowledge gained from the assigned readings, are clearly stated and effectively communicated, and are insightful and relevant to the issues under discussion. Further, high quality contributions are those that generate discussion by yielding a new perspective.

2. Assignments (10%)

Each week along with the readings you will be asked to complete a short assignment. The assignments range from identifying articles related to a particular topic to brief paper reviews. Assignments will typically be distributed in the previous class session and are due either in class or via email prior to the following class, as announced.

3. Final exam (35%, 4/18)

The questions on the final exam will ask you to reflect on and integrate the different concepts and research domains discussed in class. Details on the format of the exam will be discussed in class.

4. One major research idea (35%, presentation due 4/25 and paper due 5/2)

The major project in this class is to develop a full-length research paper. Your proposal should describe a new empirical study on any topic in the general area of consumer research that interests you. You may extend one of the research ideas developed in this class, or explore an entirely new area with this proposal. You cannot use projects you are already involved with (e.g. with a faculty member) or projects you have developed in other classes. You are required to go beyond reviewing the literature by proposing *original* hypotheses and designing a study to test one or more of these hypotheses. Specifically you will need to provide an in-depth review of the selected topic (going beyond the papers discussed in class), develop a conceptualization of the problem, develop measures, define the analyses, and outline the expected results. Note that you do not need to actually gather and analyze data. In other words, this proposal should look a lot like a publishable paper with the results section missing.

The research presentation should include:

1. Motivation
2. Lit Review
3. Contribution
4. Hypotheses
5. Methodology for at least one study

Although students are not required to conduct any empirical data collection or analyses for this project, they are required to develop a proposal that is detailed enough in terms of hypotheses to be tested. This includes the study design, method and procedure. Students should use style guidelines from either a major journal in the field (e.g. JCR) or an established organization (e.g. APA, University of Chicago) to format their paper prior to submission. The proposal should be no more than 25 pages of text, double spaced.

A proposal (description) of your major idea paper is due in week 12. This proposal should introduce your main idea and your predictions and should clearly specify the contribution you expect to make with your paper. In order to force you to become clearer writers and communicators, the proposal should be written in outline format. Essentially every idea that will become a paragraph in your paper later on should be represented by at least one bullet point in your outline. This way it will become quickly apparent to you (and us) where there are logical jumps and inconsistencies.

You will present your idea to us and the class on April 26th. Your final paper is due May 2nd.

Academic Integrity

USC seeks to maintain an optimal learning environment. Students are expected to submit original work. They have an obligation both to protect their own work from misuse and to avoid using another's work as their own. All students are expected to understand and abide by the principles of academic honesty outlined in the University Student Conduct Code (see University Governance, Section 11.00) of SCampus (www.usc.edu/scampus or <http://scampus.usc.edu>). The recommended sanctions for academic integrity violations can be found in Appendix A of the Student Conduct Code.

Students with Disabilities

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved

accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu

Support Systems:

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

<https://engemannshc.usc.edu/counseling/>

National Suicide Prevention Lifeline - 1-800-273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class.

<https://equity.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

Student Support & Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

Diversity at USC – <https://diversity.usc.edu/>

Tab for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

Emergency Preparations

This section is recommended but not a syllabus requirement. Here is some suggested language. “In case of an emergency if travel to campus is not feasible, the USC Emergency Information web site (<http://emergency.usc.edu/>) will provide relevant information, such as the electronic means the instructors might use to conduct their lectures through a combination of USC’s Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.”

Course Outline and Predicted Schedule

DATE	CLASS
January 11	Intro to Decision-making
January 18	Decision Strategies
January 25	Framing & Mental Accounting
February 1	Intertemporal Choice
February 5?	George Loewenstein
February 15	SCP
February 22	Asymmetric Dominance & Compromise
March 1	Anchoring and Adjustment
March 8	Expected, Experience and Retrospective Utility
March 15	Spring Break
March 22	Aesthetics and Taste
March 29	Authenticity & Autonomy
April 5	Assortment Perceptions and Variety Seeking
April 12	Signaling
April 19	Exam
April 26	Presentations

Background Readings

Classics you should be familiar with

An essential part of becoming a scholar in any area of study is to become familiar with the fundamental theories, concepts, and language of the field. Below is a list of classic papers that we will not specifically discuss in class, but that you should have read in order to have a fundamental understanding necessary for our class discussions. Since everybody comes to this class with different prior experiences you may already be familiar with these papers. But if not, you should have read them by week three.

Tversky, Amos and Daniel Kahneman (1974), "Judgment under Uncertainty: Heuristics and Biases," *Science*, 185, 1124-1131.

Kahneman, Daniel and Amos A. (1979), "Prospect theory: An Analysis of Decision Under Risk," *Econometrica*, 47, 263-291.

Kahneman, Daniel, Jack L. Knetsch, and Richard H. Thaler (1991) "The Endowment Effect, Loss Aversion, and the Status Quo Bias," *Journal of Economic Perspectives*, 5 (1), 193-206.

Recommended books

These books provide a good starting point for exploring many of the topics discussed in class. Particular if you are unfamiliar with a topic they may offer a quick summary of a theory or phenomenon.

The books by Plouse (1993) and Mlodinow (2009) are written for a general audience, the other books are edited volumes with chapters written by the eminent researchers in the field of decision making.

Plous, Scott (1993), *The Psychology of Judgment and Decision Making*, McGraw Hill, New York.
ISBN: 0877229139 Library: BF448.P56 1992

Mlodinow, Leonard (2009), *The Drunkard's Walk: How Randomness Rules Our Lives*, Random House: New York.
ISBN: 0307275175

Payne, John W., James.R. Bettman, and Eric.J. Johnson (1993), *The Adaptive Decision Maker*, Cambridge University Press.
ISBN: 0521415055 Library BF448.P39 1993

Kahneman, Daniel and Amos Tversky (Eds.), (2000), *Choice, Values, and Frames*, Cambridge University Press, New York. ISBN: 0521627494 (pbk.) Library: HD30.23.C469 2000

Kahneman, Daniel (2011), *Thinking, Fast and Slow*, Farrar, Straus and Giroux, NY. NY.
ISBN: 978-0374275631

Gilovich, Thomas, Dale Griffin, and Daniel Kahneman (Eds.), (2002), *Heuristics and Biases: The Psychology of Intuitive Judgment*, Cambridge University Press, New York
ISBN: 0521796792 (pbk.) Library: BF447.H48 2002

Loewenstein, George, Daniel Read, and Roy F. Baumeister (Eds), (2003), *Time and Decision: Economic and Psychological Perspectives on Intertemporal Choice*, Russell Sage Foundation Publications, New York
ISBN: 0871545497 Library: BF448.T55 2003

Relevant Annual Review chapters

[In general, Annual Review chapters are an excellent reference and provide solid review of a field.]

Bettman James R. (1986), Consumer Psychology, *Annual Review of Psychology*. Volume 37, Page 257-289.

Edwards, Ward (1961) Behavioral Decision Theory. *Annual Review of Psychology*. Volume 12, Page 473-498, Jan 1961

Hastie, Ried (2001). Problems for Judgment and Decision Making. *Annual Review of Psychology*. Volume 52, Page 653-683, Feb 2001

Mellers, Barbara. A., A. Schwartz, A. D. J. Cooke (1998). Judgment and Decision Making. *Annual Review of Psychology*. Volume 49, Page 447-477, Feb 1998.

Payne, John W., James R Bettman, and Eric J. Johnson (1992) Behavioral Decision Research: A Constructive Processing Perspective. *Annual Review of Psychology*. Volume 43, Page 87-131, Jan 1992

Shafir, Eldar and Robyn A. LeBoeuf (2002) Rationality. *Annual Review of Psychology*. Volume 53, Page 491-517, Feb 2002

Simonson, Itamar, Ziv Carmon, Ravi Dhar, Aimee Drolet, Stephen M. Nowlis (2001). Consumer Research: In Search of Identity. *Annual Review of Psychology*. Volume 52, Page 249-275, Feb 2001

Slovic, Paul, Baruch Fischhoff, and Sarah Lichtenstein (1977) Behavioral Decision Theory. *Annual Review of Psychology*. Volume 28, 1-39.

Seminar Readings

Please read the papers in the order listed. You should also answer the following questions when they apply, and be prepared to address the question in our discussion.

1. Do you find the paper interesting? Why or why not? If not, what would make it more interesting?
2. What is the contribution? In other words, why did the paper get published?
3. What is the theory? Are they offering a new theory, building on an existing theory or does the paper lack theory?
4. How are major concepts operationalized? Is the data analyzed the best data for the testing the theory? How could it be improved?
5. What are the marketing implications? Can you apply the concepts in the marketing context?

Further, you should be prepared to discuss research ideas, extensions, potential studies you thought about when reading the articles, etc.

Week 1: Introduction to Decision-Making

Kahneman, Daniel (1991), "Commentary: Judgment and Decision Making: A Personal View," *Psychological Science*, 2(3), 142-145.

Loewenstein, George (2001), "The Creative Destruction of Decision Research," *Journal of Consumer Research*, 28 (December), 499-505.

Schwartz, Barry (2015), "What Does it Mean to be a Rational Decision Maker?" *Journal of Marketing Behavior*, 1, 113-146.

Shafir, Eldar and LeBoeuf, Robin A. (2002), "Rationality," *Annual Review of Psychology*, 53, 491-517.

Simonson, Itamar (2015), "Mission (Largely) Accomplished: What's Next for Consumer BDT-JDM Researchers?" *Journal of Marketing Behavior*, 1, 9-35.

Assignment:

- Please bring an article from a marketing journal (*Journal of Consumer Research*, *Journal of Consumer Psychology*, *Journal of Marketing*, *Journal of Marketing Research*, *Marketing Science*) that you believe represents work in Judgment and Decision Making (JDM), Behavioral Decision Making (BDM) and/or Behavioral Decision Theory (BDT). Be prepared to summarize the article to the class and to explain why you picked it.
- Write a one-page summary describing what you believe defines JDM/BDT research and why you believe this paper is representative of this area of research. Please bring this summary to class.

Week 2: Decision Strategies

Bettman, James R., Mary Frances Luce, John W. Payne (1998). Constructive Consumer Choice Processes. *Journal of Consumer Research*, 25, 187-217.

Wilson, Timothy D., and Jonathan W. Schooler (1991), "Thinking too much: Introspection Can Reduce the Quality of Preferences and Decisions," *Journal of Personality and Social Psychology*, 60, 181-192.

Ariely, Dan, and Jonathan Levav (2000), "Sequential Choice in Group Settings: Taking The Road Less Traveled and Less Enjoyed," *Journal of Consumer Research*, 27(3), 279-290.

Watch Richard Thaler's Nobel Prize speech https://www.nobelprize.org/nobel_prizes/economic-sciences/laureates/2017/thaler-lecture.html

Benartzi, Shlomo and Richard H. Thaler (2013), "Behavioral Economics and the Retirement Savings Crisis," *Science*, March 8, Vol. 339, 1152–1153.

Rom Y. Schrift, Jeffrey R. Parker, Gal Zauberaman, Shalena Srna (forthcoming) Multistage Decision Processes: The Impact of Attribute Order on How Consumers Mentally Represent Their Choice, *Journal of Consumer Research*

Assignment: Identify and describe a decision rule, decision strategy, or rule of thumb that you believe people use in a consumer decision context and that has not been documented before. Alternatively, devise a strategy to "nudge" people's decisions towards a more optimal (normatively) decision process and/or outcome. How would you test these? Please provide a short write up of your idea and proposed test.

"A nudge is any aspect of the choice architecture that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic consequences. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates. Putting fruit at eye level [to attract attention and hence increase likelihood of getting chosen] counts as a nudge. Banning junk food does not."

Thaler, Richard and Cass Sunstein (2008). *Nudge: Improving Decisions about Health, Wealth, and Happiness*. USA: Penguin Books, p. 6

Week 3: Framing & Mental Accounting

Levin, Irwin P., Sandra L. Schneider, and Gary J. Gaeth (1998), "All Frames Are Not Created Equal: A Typology and Critical Analysis of Framing Effects," *Organizational Behavior and Human Decision Processes*, 76(2), 149-188.

Yang, Yang, Joachim Vosgerau, and George Loewenstein (2013), "Framing Influences Willingness to Pay but Not Willingness to Accept," *Journal of Marketing Research*, 50(6) 725-738.

Thaler, Richard H. (1999), "Mental Accounting Matters," *Journal of Behavioral Decision Making*, 12(3), 183-206.

Heath, Chip, and Jack B. Soll (1996), "Mental Budgeting and Consumer Decisions," *Journal of Consumer Research*, 40-52.

Sussman, Abigail B., and Adam L. Alter (2012) "The Exception is the Rule: Underestimating and Overspending on Exceptional Expenses," *Journal of Consumer Research*, 39(4): 800-814.

Savary, Jennifer, George Newman, and C Li (2017), "Exalted Purchases or Tainted Donations? The Effects of Product Incentives on Charitable Giving," Working Paper.

Assignment:

Please think about a situation outside the financial domain where people may use mental accounts. Then make at least two novel predictions about relationships in that domain and propose a 2 x 2 experiment (2 independent variables with 2 levels each) with at least one dependent variable.

Please email your write up prior to class and be prepared to pitch and explain your idea during our class discussion.

Week 4: Intertemporal Choice

Frederick, Shane, George F. Loewenstein, and Ted O'Donoghue (2002), "Time Discounting and Time Preference: A Critical Review," *Journal of Economic Literature*, 40 (2), 351-401.
For class: Read up to page 365

Thaler, Richard H. (1981), "Some Empirical Evidence on Dynamic Inconsistency," *Economics Letters*, 8, 201-207.

Zauberman, Gal and John Lynch (2005), "Resource Slack and Propensity to Discount Delayed Investments of Time versus Money." *Journal of Experimental Psychology: General*. 134 (1), 23-37.

Zauberman, Gal, B. Kyu Kim, Selin Malkoc, James R. Bettman, (2009), "Discounting Time and Time Discounting: Subjective Time Perception and Intertemporal Preferences," *Journal of Marketing Research*, 46(4), 543-556.

Stephen A. Atlas, Eric J. Johnson, and John W. Payne (2017) "Time Preferences and Mortgage Choice.," *Journal of Marketing Research*, 54(3), 415-429.

Assignment: TBD.

Week 5: Guest Scholar - George Loewenstein

TBD

Week 6: No class – SCP
NOTHING TO READ FOR THIS WEEK

Week 7: Asymmetric Dominance & Compromise

Huber, Joel, John W. Payne, and Christopher P. Puto, (1982), “Adding Asymmetrically Dominated Alternatives: Violations of Regularity and the Similarity Hypothesis,” *Journal of Consumer Research*, 9(1), 90–98.

Simonson, Itamar (1989), “Choice Based on Reasons: The Case of Attraction and Compromise Effects,” *Journal of Consumer Research*, 16(2), 158-174.

Wernerfelt, Birger (1995), “A Rational Reconstruction of the Compromise Effect: Using Market Data to Infer Utilities,” *Journal of Consumer Research*, 21 (4): 627–33.

Frederick, Shane, Leonard Lee, and Ernest Baskin (2014), “The Limits of Attraction,” *Journal of Marketing Research*, 51(4), 487-507.

Huber, Joel, John W. Payne, and Christopher P. Puto (2014) “Let's Be Honest About the Attraction Effect,” *Journal of Marketing Research*, 51(4), 520-525.

Polman, Evan and Sam J. Maglio, Sam, “Consuming an Option Less Because it was Nudged: A 9-month Longitudinal Field Study of the Compromise Effect,” *Working Paper*.

Assignment: Identify a choice set wherein you believe there exists a compromise effect, decoy effect or asymmetric dominance. What is it about this choice set that leads you to believe that psychologically, the options will lead to such an effect? What might moderate the effect? In other words, if choices create the conditions for one of the effects studied this week, what factor(s) can moderate such an effect? Explain.

Week 8: Anchoring and Adjustment

Mussweiler, Thomas (2003), “Comparison Processes in Social Judgment: Mechanisms and Consequences,” *Psychological Review*, 110(3), 472-489.

Nunes, Joseph C. and Peter Boatwright (2004), "Incidental Prices and their Effect on Willingness to Pay," *Journal of Marketing Research*, 41(4) 457-466.

Epley, Nicholas and Thomas Gilovich (2006), "The Anchoring-and-Adjustment Heuristic Why the Adjustments Are Insufficient," *Psychological Science*, 17(4), 311-318.

Mochon, Daniel, and Shane Frederick (2013) "Anchoring in Sequential Judgments," *Organizational Behavior and Human Decision Processes*, 122(1), 69-79.

Joshua Lewis, Celia Gaertig, and Joseph P. Simmons, "Extremeness Aversion: Why Adjustments Are Insufficient," *Working Paper*.

Simonsohn, Uri, Joseph P. Simmons, and Leif D. Nelson, "Anchoring Is Not a False - Positive: Maniadis, Tufano, and List's (2014) 'Failure -to-Replicate' Is Actually Entirely Consistent with the Original," *Working Paper*.

Assignment: Identify at least three factors that you would expect to affect the propensity of an anchoring effect to occur in a marketing, or business setting. Briefly explain why you would expect each of these factors to matter.

Week 9: Expected, Experience and Retrospective Utility

Ariely, Dan; Carmon, Ziv (2003) "The Sum Reflects Only Some of its Parts: A Critical Overview of Research about Summary Assessment of Experiences," In Loewenstein, George; Read, Daniel; Baumeister, Roy. *Time & Decision: Economic & Psychological Perspectives on Intertemporal Choice*. Russell Sage Press, 323–350. ISBN 0-87154-549-7.

Wirtz, Derrick, Justin Kruger, Christine Napa Scolton and Ed Diener (2009), "What to Do on Spring Break? The Role of Predicted, On-line, and Remembered Experience in Future Choice," *Psychological Science*, 14(5) 520-24.

Hsee, Christopher, Frank Yu, Jiao Zhang, and Yiheng Xi (2003), "Lay Rationalism and Inconsistency between Predicted Experience and Decision," *Journal of Behavioral Decision Making*, 16(4), 257-272.

Chun, Hae Eun, Kristin Diehl, and Deborah J. MacInnis (2017), "Making the Most of it: When and How Savoring the Future Enhances Retrospective Evaluations of Experiences," *Journal of Marketing*, May 2017, Vol. 81, No. 3, pp. 96-110.

Diehl, Kristin, Gal Zauberaman and Alixandra Barasch (2016), "How Taking Photos Increases the Enjoyment of Experiences," *Journal of Personality and Social Psychology*, Volume 111, Issue 2 (Aug), p. 119-140.

Assignment 1: Identify a novel situation in which different utilities (e.g. expected, predicted, experienced, decision, retrospective, etc.) would be in conflict (i.e. one is different from the

other). Explain why you think that would occur. What are the theoretical and/or substantive implications of this phenomenon? Design one study to test your predictions.

Week 10: No class - Spring Break

NOTHING TO READ FOR THIS WEEK

Week 11: Aesthetics and Taste

Holbrook, Morris B. and Robert M. Schindler (1989), "Some Exploratory Findings on the Development of Musical Tastes," *Journal of Consumer Research*, 16(1), 119-124.

Holbrook, Morris B. (2005), "The Role of Ordinary Evaluations in the Market for Popular Culture: Do Consumers Have "Good Taste"?" *Marketing Letters*, 16, 75-86.

Spiller, Stephen A. and Lena Belogolova (2017), "On Consumer Beliefs about Quality and Taste," *Journal of Consumer Research*, 43(6), 970-991.

Hoyer, Wayne D. and Nicola E. Stokburger-Sauer (2012), "The Role of Aesthetic Taste in Consumer Behavior," *Journal of the Academy of Marketing Science*, 40, 167-180.

Hagtvedt, Henrik and Vanessa M. Patrick (2008), "Art Infusion: The Influence of Visual Art on the Perception and Evaluation of Consumer Products," *Journal of Marketing Research*, 45(3), 379-389.

Salganik, Matthew J., Peter Sheridan Dodds and Duncan J. Watts (2006), "Experimental Study of Inequality and Unpredictability in an Artificial Cultural Market," *Science*, 311, 854-856.

Wu, Freeman, Adriana Samper, Andrea C. Morales and Gavan J. Fitzsimons (2017), "It's Too Pretty to Use! When and How Enhanced Product Aesthetics Discourage Usage and Lower Consumption Enjoyment," *Journal of Consumer Research*, 44(3), 651-672.

Assignment 1:

Research Proposal due!

Assignment 2: Identify a marketing domain in which tastes play a major role and one in which taste plays almost no role. How do these domains differ? Are there any abstractions you can draw regarding systematic differences in domains in which tastes are more or less important to the decision making process? What might some of those determinants be?

Week 12: Authenticity & Autonomy

Grayson, Kent and Radan Martinec (2004), "Consumer Perceptions of Iconicity and Indexicality and Their Influence on Assessments of Authentic Market Offerings," *Journal of Consumer Research*, 31(2), 296-312.

Leigh, Thomas W., Cara Peters, and Jeremy Shelton (2006), "The Consumer Quest for Authenticity: The Multiplicity of Meanings Within the MG Subculture of Consumption," *Journal of the Academy of Marketing Science*, 34(4), 481-493.

Newman, George E. and Ravi Dhar (2014), "Authenticity Is Contagious: Brand Essence and the Original Source of Production," *Journal of Marketing Research*, 51(3), 371-386.

Nunes, Joseph C., Andrea Ordanini and Francesca Valsesia (2015), "The Power of Repetition- Repetitive Lyrics in a Song Increase Processing Fluency and Drives Market Success," *Journal of Consumer Psychology*, 25(2), 187-199.

Warren, Caleb and Margaret C. Campbell (2014), "What Makes Things Cool? How Autonomy Influences Perceived Coolness," *Journal of Consumer Research*, 41(2), 543-563.

Bellezza, Silvia, Francesca Gino, and Anat Keinan (2014), "The Red Sneakers Effect: Inferring Status and Competence from Signals of Nonconformity," *Journal of Consumer Research*, 41 (June), 35-54.

Assignment: First, is there a construct of authenticity that can be well-defined? How would you define it? How might you test your definition? Second, how do Autonomy and Authenticity relate? Describe your answers in some detail.

Week 13: Assortment Perceptions and Variety Seeking

* Chernev, Alexander "Product Assortment and Consumer Choice: An Interdisciplinary Review", Working paper.

We won't discuss this in detail but it provides a good overview of what's out there. Skim.

Susan M. Broniarczyk, Wayne D. Hoyer, and Leigh M. McAlister. 1998. Consumer's Perceptions of the Assortment Offered in a Grocery Category: The Impact of Item Reduction. *Journal of Marketing Research* 35, 166-176.

Lamberton Poynor, Cait and Kristin Diehl (2013), "Retail Choice Architecture: The Effects of Benefit and Attribute-based Assortment Organization on Consumer Perceptions and Choice", *Journal of Consumer Research*, 40 (October), 393-411.

Townsend, Claudia and Barbara Kahn (2014) "The "Visual Preference Heuristic": The Influence of Visual versus Verbal Depiction on Assortment Processing, Perceived Variety, and Choice Overload", *Journal of Consumer Research*

Diehl, Kristin, Laura J. Kornish, and Lynch, John G. (2003), "Smart Agents: When Lower Search Costs for Quality Information Increase Price Sensitivity," *Journal of Consumer Research*, Vol. 30, 56-71.

Dellaert, Benedict, Tom Baker, and Eric Johnson, "Sorted Partitioned Sets as Personalized Choice Architecture," Working paper.

Assignment: Think about a situation in marketing or public policy where assortments, assortment organizations, or assortment perceptions are relevant. What novel predictions would you make? How would you test these? Please provide a short write up of your idea and proposed test and submit them to both of us via email.

Week 14: Signaling

Han, Young Jee, Joseph C. Nunes and Xavier Drèze (2010), "Signaling Status with Luxury Goods: The Role of Brand Prominence," *Journal of Marketing*, 74 (July) 15-30.

Bellezza, Silvia, Neeru Paharia, and Anat Keinan (2017), "Conspicuous Consumption of Time: When Busyness and Lack of Leisure Time Become a Status Symbol," *Journal of Consumer Research*, 44(1), 118-138.

Berger, Jonah and Chip Heath (2007), "Where Consumers Diverge from Others: Identity Signaling and Product Domains," *Journal of Consumer Research*, 34 (2), 121-134.

Wang, Yajin and Vlasdis Griskevicius (2014), "Conspicuous Consumption, Relationships, and Rivals: Women's Luxury Products as Signals to Other Women," *Journal of Consumer Research*, 40(5), 834-854.

Sundie Jill M., Douglas T. Kenrick, Vlasdis Griskevicius, Joshua M. Tybur, Kathleen D. Vohs and Daniel J. Beal (2011), "Peacocks, Porsches, and Thorstein Veblen: Conspicuous Consumption as a Sexual Signaling System," *Journal of Personality and Social Psychology*, 100(4), 664-680.

Valsesia, Francesca and Kristin Diehl, "See What I Did vs. See What I Have: Impression Management Using Experiences versus Material Goods," *working paper*.

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Assignment: Is consumer signaling always ultimately about mating and evolutionary in nature? Can you identify a form of signaling that consumer engage in that ultimately you believe does not have to do with mating (signaling that one would make a good partner)? What forms of

signaling that does not pertain to wealth and status might there be? Identify one or two examples and describe how they do not pertain to status, power or hierarchy.

Week 15: Exam

Week 16: Presentations

May 2nd: Submit final paper