

National University of Singapore
NUS Business School
Department of Marketing

MKT4417 Consumer Decision Making

Course Syllabus

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Office Hours: Thursday 2:30 p.m. – 4:30 p.m.

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

References:

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

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

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

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

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

Advanced References:

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

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

Overview and Objectives

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

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

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

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

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

Learning Outcomes

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

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

Prerequisite

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

Course Materials and Approach

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

Preparation for Class

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

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

Assessment

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

A. Class Participation (individual)	20%
B. Assignments (individual)	30%
C. Essay (individual)	20%
D. Lecture Summary (group)	10%
E. Buying Experience Analysis (group)	10%
F. Buying Experience Presentation (group)	10%

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 items A through F is included below. Please read the assessment details carefully.

Assessment Details

A. Class Participation (20%)

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

1. By asking questions. Asking questions help you to sharpen your understanding of an issue, a concept, a framework or a model. You should strive to ask good questions. The best way to field a good question is to prepare for class by going through at least the basic reading.

2. By giving comments. The comments you made will show the level of understanding you have of the concepts and issues discussed in class. It also shows how well you have listened and understood the comments, solutions and experiences others have presented and shared.
3. By providing solutions. Providing solutions in class allow others to follow through your analysis in details. It allows you to verify your analysis and allows the class to learn from you.
4. By sharing experiences. Sharing your experiences gives the class a new perspective to an issue. It gives the class the opportunity to contrast and compare with other experiences they may have.

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

B. Individual Assignments (30%)

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

C. Essay (20%)

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

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

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

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

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

There is a strict upper limit of **four** single-spaced pages of text (assuming 12-point font size and one inch margins) and, if there are, at most **two** pages of exhibits. If you

submit a lengthier write-up, it will likely be counted against you. Keep in mind that exhibits should be tied to the report write-up in some meaningful ways.

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

D. Lecture Summary (10%)

In each class starting from the fourth class, one team of students will be responsible for providing a summary of previous class. The sequence of the presenting teams will be determined at the beginning of the third class. Your team will email me the slides you will be presenting the summary by 2pm of the day you are presenting. You are allowed a maximum of 2 slides.

E. Buying Experience Analysis (10%)

Your team will pick a brand or a buying “site” to analyse. A “site” can be a physical or a virtual store or both. If you pick a site then I would suggest choosing the site that you frequently visit. If you are going with a brand, then I would suggest picking a new brand or a brand that has new initiatives. You should document the entire buying decision making process.

The analysis should first document the experience and issues arising.

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

1. Buying Behaviors: Describe your buying behavior at the site. Document how you interact with various aspects of the site.
2. Problems and Issues: Identify both positive and negative aspects of the site. Describe how the positive aspects enhance your buying experience and the negative aspects diminish it, and why (using what you learn in class).
3. Proposed Changes: Focus on changes that can be implemented easily. Explain why the proposal will work.
4. Summary and Conclusion: Make sure the conclusion(s) flow logically from previous sections.

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 slides.
2. Be concise. Keep it short, and provide a strong, logical flow.
3. Focus your specific conclusions on the important aspects. Make your assumptions explicit whenever necessary.
4. Any proposal should be practical, cost-effective, and appropriate to the timing (short-term or long-term).

5. Tie your exhibits (if any) to the text of the report. Any exhibit not referred to in the report will not be evaluated.

For the submission, there is a strict upper limit of **six** slides.

You will submit a **hardcopy** of the slides to me for feedback and grading two weeks before the presentation (which is scheduled to be the last session of the course). I will provide feedback one week before presentation.

E. Presentations (10%)

You will incorporate my feedback and revise the slides for presentation and final submission. You will have 20-25 minutes to present and about 10 minutes to answer questions from the floor.

Your team will email a soft copy of the presentation slides by 11am on the day of presentation. This will allow me to upload all presentations prior to class so that we do not eat into the class time. Your team's cooperation in the timely submission is very much appreciated. Also, your team will submit a hard copy of the slides to me in class prior to your presentation. Everyone in the team should present.

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/>

**Summary of Class Schedule
Semester I, AY2018/2019**

Session	Week	Topic	Reading & Assignment
1	16-Aug	Introduction	“Consumer Lifestyles in Asia Pacific”, Euromonitor International, Passport, 2018; Accenture Retail Consumer Research https://www.accenture.com/us-en/retail-research-2016-consumer-research
2	23-Aug	Consumer Decision Making Process	PB Chapter 1
3	30-Aug	Buying Fast and Slow	DK Chapter 1 Due: Assignment 1
4	06-Sep	Activation -- Goal and Motivation	PB Chapter 5 Due: Assignment 2
5	13-Sep	Search -- Senses and Perception	PB Chapter 3; PC Chapter 12 Due: Assignment 3
6	20-Sep	Evaluate -- Framing	PB Chapter 2; DL Chapter 7 Due: Assignment 4
7	04-Oct	Choice	SE “Scarcity” Chapter 1; BA Chapter 3. Due: Assignment 5
8	11-Oct	Purchase	PB Chapters 4 and 6; PC Chapter 2 Due: Assignment 6
9	18-Oct	Habit	NE “Hooked” Chapter 1 Due: Buying Experience Analysis Slides First Draft
10	25-Oct	Contagion	JB “Contagious” Introduction.
11	01-Nov	Presentation	Due: Buying Experience Presentation Final Slides
12	08-Nov	Presentation	
13	15-Nov	Taking Stock: The future of Marketing	Due: Individual Essay

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

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

**Summary of Class Schedule
Semester II, AY2015/2016**

Session	Week	Topic	Reading & Assignment
1	11-Jan	Overview of Consumer Decision Making Process	PB Chapter 1
2	18-Jan	[Due to schedule crash, this week's class will be rescheduled]	PB Chapter 2 1. Prepare Essay part 1 2. Form Project Team and discuss Project Topic
3	25-Jan	Understanding Purchase Decision: Benefit and Cost	PB Chapter 3 Due: Critique Essay part 1
4	01-Feb	Perception	PB Chapter 3
5	08-Feb	No Class [Chinese New Year]	Field Data Collection in progress
6	15-Feb	a. Discussion on Field Observations b. Managing Touchpoints	PB Chapter 4 Due: Field Report 1
7	29-Feb	Discussion on Critique Issue	Due: Critique Essay part 2
8	07-Mar	Motivations and Goals	PB Chapter 5
9	14-Mar	Discussion on Field Observations	Due: Field Report 2
10	21-Mar	Positioning	PB Chapter 6
11	28-Mar	Consumption and Health Decisions	
12	04-Apr	Time Allocation, Financial and Investment Decisions	Due: Final Critique Essay
13	11-Apr	Project Presentation	Due: Project Report