CONSUMER BEHAVIOR IN A DIGITAL WORLD

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Course Time and Location T / Th, 2:00-3:30pm, GSB 5.153
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★ALL INFORMATION IN THIS SYLLABUS IS SUBJECT TO CHANGE★
The syllabus will be updated to reflect any changes and all changes will be announced in class

COURSE DESCRIPTION

This course centers on perhaps the most complex aspect of marketing: the consumer.

Studying consumer behavior involves asking—and answering—the fundamental question of why people do the things they do. It enhances understanding of the cognitive, affective, and social mechanisms consumers bring to purchasing, usage, and disposition decisions—and what decisions they make.

In this course, you will gain an understanding of the foundations of consumer behavior. You will also explore how these foundational concepts apply to the “digital world” inhabited by modern consumers—one defined by the interaction of “new” technologies with “old” psychological processes and environments. The digital world is constantly evolving, and the ability to see the “old” behind the “new” will allow insight into consumer behavior no matter what technological innovations or societal shifts the future brings.

Because the study of consumer behavior is the study of human behavior, principles from this class are applicable to all aspects of the marketing process.

Finally, because you are (probably) human, principles from this class may also yield insight into your own beliefs, experiences, and decisions. Psychology, the core of consumer behavior, is unique among the sciences in that it is reflexive (that is, it refers to oneself). It urges us to dissect our own experiences and subject our beliefs to the scrutiny of science.
**COURSE OBJECTIVES**

This course is intended to give you the tools to understand, investigate, and influence consumer behavior “in the wild.” When you are finished with this class, you will take with you:

1. A knowledge base. You will know and understand existing marketing-relevant theory and data in consumer behavior, psychology, and other social sciences.
2. A skillset. You will be able to identify, analyze, interpret, and evaluate data related to consumer behavior.
3. A perspective. You will recognize how foundational concepts related to consumer behavior apply in various contexts (e.g., in the “digital world”)—and how your knowledge and skills can be used to ask novel questions and create novel solutions.

**READING MATERIALS**

You do not have to purchase any reading materials for this class.

Readings for each class period will be uploaded to Canvas no later than one week in advance of the relevant class. These readings include excerpts from consumer behavior textbooks, chapters from popular press books, news articles, and peer-reviewed research papers. This system minimizes irrelevant/redundant information (and cost!), while enabling exposure to a wide range of sources that may be useful for understanding consumer behavior both during this course and in the future.

You are expected to read all required materials prior to the start of the relevant class. You are not required to read any of the “optional readings;” these are provided for your own edification.

**ASSIGNMENTS AND EVALUATION**

Your grade in this course will be determined by the following factors:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Points</th>
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<tbody>
<tr>
<td>Individual Assignments</td>
<td>30</td>
</tr>
<tr>
<td>Group Project</td>
<td>25</td>
</tr>
<tr>
<td>Test One</td>
<td>15</td>
</tr>
<tr>
<td>Test Two</td>
<td>15</td>
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<tr>
<td>Quizzes and Contribution</td>
<td>15</td>
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<td><strong>Total</strong></td>
<td><strong>100</strong></td>
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Grade basis:

- A+ \_\_\_/\_\_/\_\_/\_\_/ 87-89%
- B+ 83-86%
- C+ 77-79%
- D+ 67-69%
- A 93-100%
- B 83-86%
- C 73-76%
- D 63-66%
- A- 90-92%
- B- 80-82%
- C- 70-72%
- D- 60-62%
- F Below 60%
OVERVIEW OF ASSIGNMENTS

Individual Assignments

Individual assignments must be submitted via Canvas before the beginning of the class period on the specified due date; late papers will receive a grade of 0.

You will complete three short homework assignments, each related to a different research technique used to analyze consumer behavior (Laddering, Conjoint Analysis, Experiments). Each assignment will be explained during class, and assignment materials will be posted to Canvas. You will write a 2-3 page paper for each assignment, and should be prepared to (informally) present the results of each assignment to the class on the specified due date.

For the first two assignments (Laddering, Conjoint), you will collect and analyze data.

For the third assignment (Experiments), you will write a research proposal related to a topic of your choice. During the first half of the course, you will work individually to identify and develop a research question related to consumer behavior. Your research question does not necessarily have to deal with the “digital world;” however, new and emerging technologies often offer the opportunity to ask questions that have not yet been answered. Most importantly, you should try to develop a personally interesting question—that is, one that you actually want to answer. Your research proposal should clearly outline the question you hope to answer, describe an experiment that might help answer this question (with specific detail), and interpret the possible results of this experiment. I encourage you to take advantage of office hours and discuss your questions with me.

Group Project

During the second half of the course, you will be assigned to a group of 3-4 people (depending on class size). Group membership will be determined by me, and will be influenced by the content of your individual research proposals.

Your group will work together to extract one research question from the ideas presented in each individual research proposal. This research question may be created by combining elements of several individual proposals, or may be adapted from just one proposal—in this course, as in business, the goal is to identify the most interesting, important, and tractable idea. Your group will write a 3-5 page group project proposal based on this idea.

After consulting with me, your group will collect and analyze the data necessary for completing your proposed research.

You will report the results of your research in two forms: a group project report, and a group presentation. The group project report may be adapted from the group project proposal, but should be updated to include details about the collection and analysis of data for your group project, as well as a treatment of the implications of these data—you should be making an argument, as opposed to asking a question. Your group’s report will be due
no later than the start of class on the first group project presentation day, even if your group is scheduled to present at a later date.

Each group presentation will be ~10 minutes long (including time for brief class discussion or comments/questions) and will include: an overview of your idea/question, how this question relates to consumer behavior, why this question is important, how the question might be answered, and what the implications might be. Unlike your proposal, your group presentation must include the collection and analysis of real-world data.

The group project is intended to encourage you to think about your own questions, the connections between different areas of personal interest within your group (e.g., psychological concepts, technologies, industries), and how foundational concepts from consumer behavior can be used to resolve real-world challenges, drive real-world innovation, and offer insight into a diverse set of real-world marketing problems.

A detailed grading rubric for the group project will be uploaded to Canvas when appropriate. Note that your individual grade for the group project will be determined by a combination of (1) a grade assigned to your group by the class, (2) a grade assigned to your group by me, and (3) a grade assigned to you individually by your fellow group members.

Some tips for a successful group project:

You are permitted to divide labor within the group any way you like, keeping in mind that your individual contribution to the group project will likely be reflected in the grade assigned to you by your fellow group members. Although part of the purpose of the project is to enhance presentation skills, it is up to your group to decide who will speak during the presentation; any or all of the members of the group may speak, and no individual will be forced to speak. Note that the group project proposal, report, and presentation afford ample opportunities for all group members to contribute equally.

Cite all prior work discussed in your presentation and/or report. Do not just say, for example, “research shows X” or “X causes Y.” Provide the full citation (author and year), and convey a sense of whether the point is generally accepted by experts or is up for debate. Innovative arguments can spring from contentious ideas—but it’s important to be honest about the foundations of your approach.

Resolve disputes within your group (if any) as early as possible. If you are unsatisfied with the direction the group is taking, make your voice heard. If you believe a member of the group is not contributing sufficiently, tell this person as soon as you can. Groups should try to resolve any disputes on their own if at all possible. I will intervene only if intra-group resolution efforts fail, and only if requested by one or more group members. I reserve the right to lower the individual grade of any group member who has not contributed a reasonable share to the group project.
Tests

There will be two tests: one before spring break and one on the last day of class. Test questions will focus on both the lecture and the required readings. Each test will include a mix of multiple choice and scenario-based short-answer questions. The second test will be comprehensive; however, there will be a heavier focus on newer course material (i.e., material covered after spring break). More information about the structure of each test will be provided prior to each test date.

Quizzes and Contribution

Short quizzes administered at the beginning of class will gauge your comprehension of the readings assigned for that day. Quizzes will not be announced beforehand (they will be “pop” quizzes). You will take 6-7 quizzes during the semester; only your top 5 quiz grades will count toward your grade. This “dropping” policy will allow you to miss class for interviews or other important reasons without penalty; I will not administer make-up quizzes for students who miss class or arrive late.

Contribution to the course will be evaluated based on the *quality of your contribution to the in-class learning environment*. Note that quality is not the same as quantity—but that it’s difficult to judge quality when quantity is exceedingly low.

Your contribution will be evaluated based on your presentation of individual assignments (if you are called on), participation in in-class mini-assignments, responses to warm-calling*), attendance, engagement, and demonstrated respect for your peers. Quiet students will not be penalized as long as they attend class and are respectful to other students. Everyone will be expected to engage with the class for the entire class period, and to refrain from interacting with their computers, phones, or any other electronics during class (unless explicitly asked to do so).

*)“Warm-calling” is differentiated from “cold-calling” by the fact that you should *expect* warm-calling. I will randomly select students to summarize course-related reading material, and you should be prepared to do so at any time. You should also be prepared to discuss in-class assignments when called on throughout the term.

Attendance policy:

Excused absences (e.g., for interviews) must be registered *prior* to the date of the absence. For all anticipated absences, email the course TA with (i) the date of the absence and (ii) the reason for the absence.

You will receive one “free” unexcused absence. All subsequent unexcused absences will result in a one-point deduction from your participation grade.
POlicies and Resources

Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, http://www.utexas.edu/diversity/ddce/ssd/.

Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Academic Integrity (University of Texas)

Each student in the course is expected to abide by the University of Texas Honor Code:

“As a student of The University of Texas at Austin, I shall abide by the core values of the University and uphold academic integrity.”

This means that work you produce on assignments, tests and exams is all your own work, unless it is assigned as group work. I will make it clear for each test, exam or assignment whether collaboration is encouraged or not.

Always cite your sources. If you use words or ideas that are not your own (or that you have used in previous class), you must make that clear otherwise you will be guilty of plagiarism and subject to academic disciplinary action, including failure of the course.

You are responsible for understanding UT’s Academic Honesty Policy, which can be found at the following web address: http://deanofstudents.utexas.edu/sjs/acint_student.php

Policy on Scholastic Dishonesty (McCombs School of Business)

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program’s Statement on Scholastic Dishonesty at http://www.mccombs.utexas.edu/BBA/Code-of-Ethics.aspx. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.
Campus Safety

Please note the following recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, [http://www.utexas.edu/safety](http://www.utexas.edu/safety):

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: [http://www.utexas.edu/emergency](http://www.utexas.edu/emergency).

University Resources for Students

**The Sanger Learning Center**

Did you know that more than one-third of UT undergraduate students use the Sanger Learning Center each year to improve their academic performance? All students are welcome to take advantage of Sanger Center’s classes and workshops, private learning specialist appointments, peer academic coaching, and tutoring for more than 70 courses in 15 different subject areas. For more information, please visit [http://www.utexas.edu/ugs/slc](http://www.utexas.edu/ugs/slc) or call 512-471-3614 (JES A332).

**The University Writing Center**

The University Writing Center offers free, individualized, expert help with writing for any UT student, by appointment or on a drop-in basis. Consultants help students develop strategies to improve their writing. The assistance we provide is intended to foster students’ resourcefulness and self-reliance. [http://uwc.utexas.edu/](http://uwc.utexas.edu/)

**Counseling and Mental Health Center**

The Counseling and Mental Health Center (CMHC) provides counseling, psychiatric, consultation, and prevention services that facilitate students’ academic and life goals and enhance their personal growth and well-being. [http://cmhc.utexas.edu/](http://cmhc.utexas.edu/)

**Student Emergency Services**

[http://deanofstudents.utexas.edu/emergency/](http://deanofstudents.utexas.edu/emergency/)

**ITS**


**Libraries**


**Canvas**

Canvas help is available 24/7 at [https://utexas.instructure.com/courses/633028/pages/student-tutorials](https://utexas.instructure.com/courses/633028/pages/student-tutorials)
# MKT 382: Consumer Behavior in a Digital World (MSM)

## Spring 2017

### SCHEDULE

* SCHEDULE IS SUBJECT TO CHANGE *

* TESTING AND ASSIGNMENT DUE DATES WILL NOT CHANGE *

## Why and how to investigate consumer behavior

<table>
<thead>
<tr>
<th>Class</th>
<th>Date</th>
<th>Topic</th>
<th>Assignments &amp; Readings (to be completed before class)</th>
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<tbody>
<tr>
<td>1</td>
<td>Tuesday, Jan 17</td>
<td>Introduction and Course Overview</td>
<td><strong>How We Know What Isn’t So</strong> (Gilovich, 1991)</td>
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<td></td>
<td>• Introduction</td>
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<td></td>
<td>• Chapter 11: Challenging dubious beliefs: The role of social science</td>
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<td>2</td>
<td>Research Methods in Consumer Behavior</td>
<td><strong>The Why Axis</strong> (Gneezy and List, 2013)</td>
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<td></td>
<td>Thursday, Jan 19</td>
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<td>• Chapter 11: Why is today’s business manager an endangered species? Creating a culture of experimentation at your business (pp. 212-239)</td>
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<td><strong>Optional Readings:</strong></td>
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<td>• “The fourfold path to figuring out what your customers really want” (Billington, <em>Harvard Management Update</em>, 1998)</td>
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<td>• “Big data is only half the data marketers need” (Rasmussen and Hansen, <em>Harvard Business Review</em>, 2015)</td>
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## Goal pursuit and limited resources

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<thead>
<tr>
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<th>Topic</th>
<th>Assignments &amp; Readings (to be completed before class)</th>
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<tr>
<td>3</td>
<td>Tuesday, Jan 24</td>
<td>Motivation, Ability, and Opportunity</td>
<td><strong>Consumer Behavior</strong> (Hoyer, MacInnis and Pieters, 2013)</td>
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<td>• Chapter 2: Motivation, ability, and opportunity (pp. 44-65)</td>
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<td>4</td>
<td>Thursday, Jan 26</td>
<td>Information Overload and Decision Fatigue</td>
<td><strong>The Smarter Screen</strong> (Benartzi and Lehrer, 2015)</td>
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<td>• Chapter 1: The mental screen (pp. 9-37)</td>
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<td><strong>Optional Readings:</strong></td>
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<td></td>
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<td>• “Ego depletion, motivation and attention: A new model of self-control” (McNerney, <em>BigThink</em>, 2012)</td>
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### Attention and perception

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<tbody>
<tr>
<td>6</td>
<td>Thursday, Feb 2</td>
<td>Attention and Perception, Part II</td>
<td>“Try it, you’ll like it” (Lee, Frederick and Ariely, <em>Psychological Science</em>, 2006)&lt;br&gt; “What placebo science shows about the importance of marketing” (Dooley, <em>Forbes</em>, 2014)&lt;br&gt; <strong>Optional Readings:</strong>&lt;br&gt; • <em>Predictably Irrational</em> (Ariely, 2008), Chapter 9: The effect of expectations (pp. 155-172)&lt;br&gt; • <em>Predictably Irrational</em> (Ariely, 2008), Chapter 10: The power of price (pp. 173-194)</td>
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### Learning and memory

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<th>Topic</th>
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<tr>
<td>7</td>
<td>Tuesday, Feb 7</td>
<td>Learning and Memory</td>
<td><em>The Smarter Screen</em> (Benartzi and Lehrer, 2015)&lt;br&gt; • Chapter 5: Desirable difficulty (pp. 117-137)&lt;br&gt; “The seven sins of memory: Insights from psychology and cognitive neuroscience” (Schacter, <em>American Psychologist</em>, 1999)&lt;br&gt; <strong>Optional Readings:</strong>&lt;br&gt; • <em>Thinking Fast and Slow</em> (Kahneman, 2011), Chapter 4: The associative machine (pp. 50-58)&lt;br&gt; • <em>Thinking Fast and Slow</em> (Kahneman, 2011), Chapter 5: Cognitive ease (pp. 59-70)</td>
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### Attitudes and persuasion

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| 9     | Tuesday, Feb 14 | Attitudes and Conjoint Analysis | *Consumer Behavior and Marketing Strategy* (Peter and Olson, 2010)  
  - Chapter 6: Attitudes and intentions (excerpt, pp. 126-145)  
  >>>> **Optional Readings:**  
| 10    | Thursday, Feb 16 | Persuasion                     | “Central and peripheral routes to advertising effectiveness” (Petty, Cacioppo and Schumann, *Journal of Consumer Research*, 1983)  
  “Making mobile ads that work” (Stephen, Bart and Sarvary, *Harvard Business Review*, 2013)  
  >>>> **Optional Readings:**  
  - “The potential implications of web-based marketing communications for consumers’ implicit and explicit brand attitudes” (Madhavaram and Appan, *Psychology and Marketing*, 2010) |
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| 11    | Tuesday, Feb 21  | Judgment and Decision-Making, Part I | **DUE:** Assignment 2: Conjoint Analysis Write-Up  
**NOTE:** Readings below cover Classes 10 and 11  
*Thinking Fast and Slow* (Kahneman, 2011)  
- Chapter 1: The characters of the story (pp. 19-30)  
- Chapter 2: Attention and effort (pp. 31-38)  
- Chapter 3: The lazy controller (pp. 39-49)  
“The brain in your pocket: Evidence that smartphones are used to supplant thinking” (Barr et al., *Computers in Human Behavior*, 2015)  
Optional Readings:  
- “Online decision making: What really drives customers to choose one option over another” (Margalit, *Forbes*, 2014)  
- *Predictably Irrational* (Ariely, 2008), Chapter 1: The truth about relativity (pp. 1-21) |
| 12    | Thursday, Feb 23 | Judgment and Decision-Making, Part II | (see above)                                                                                                                                                                                                                                                                  |
| 13    | Tuesday, Feb 28  | Test One Review          | **DUE:** Assignment 3: Research Proposal                                                                                                                                                                                                                                   |
| 14    | Thursday, March 2| TEST ONE                |                                                                                                                                                                                                                                                                           |
| 15    | Tuesday, March 7 | Mystery Day!             |                                                                                                                                                                                                                                                                           |
| 16    | Thursday, March 9| No Class: Extra Office Hours |                                                                                                                                                                                                                                                                         |
|       | March 14 - 16    | SPRING BREAK            |                                                                                                                                                                                                                                                                         |
CB in a Digital World, Part II:
Applied topics

**KEY DATES:**

Group project proposals due: Thursday, March 30
Group project reports due: Tuesday, April 25
Group presentations: Tuesday, April 25 and Thursday, April 27
Test Two: Thursday, May 4

**EXPECTED TOPICS:**

Connected consumption: engaging, sharing, and enjoyment
Demographics, psychographics, and targeting
Customer insights: crowdsourcing and data-driven product development
Viral content and social networks
A/B testing