

## CONSUMER PSYCHOLOGY

*Academic Year: 2016*

*Trimester | Semester: Spring*

*Instructor: Daniel von der Heyde Fernandes*

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### Course Facts

Course structure: Combination of plenary lectures and plenary case and paper discussions

Course schedule: Friday from 11:00 to 2:00

Grades: Exam (60%). Group work (40%). See below.

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### Course Description:

The purpose of the course is to examine key topics in consumer behavior research, based on an analysis and synthesis of classic and more recent consumer behavior publications. The goals are to familiarize you with these fundamental topics, relate them to each other and to theories in the basic social sciences, and based on that develop new research ideas.

In particular, we aim to generate in class the idea/design for at least one new study in the focal topic area. This is based on the preparations of the students and instructor before class and the discussion in class.

In session 5, students (in groups of 5) will meet with the professor to develop a research study. The outcome of this meeting will be an idea for a study that relates to the readings, e.g., a new study or studies designed to extend the material discussed in class or to integrate it. At the end of the course (about two weeks after the exam), the groups are responsible for delivering an approximately 5 to 10 (double-spaced) research report specifying the research question, why it is important, a brief overview of the proposed design (e.g., the independent and dependent variables), the hypotheses and the findings.

The goal of this course is to provide you with an introduction to topics in consumer behavior. As many of you are novices in the area of consumer research, the class will be organized in a way that allows you to (1) gain exposure to a breadth of consumer behavior topics and (2) gain depth in one area of your choice.

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### Course Content:

About three-fourths of the time will be spent on the presentation and discussion of theories, concepts, tools, and empirical findings through lecture and class discussion. Lectures and class discussions are often accompanied by assigned articles and notes. It is important that you read and study the materials. The readings contain materials that I and other scholars think it is important for students to read. But I honestly don't expect that you will be able to read all that in the two months period of the course. Therefore, I will assign obligatory and supplementary readings. It is important to note, however, that what I discuss in class is not just a summary of what's in the obligatory readings. The lectures contain a lot of information (and provide structure) that is in the supplementary readings. So it's important that you participate in class and that you read at least the obligatory the materials. All the readings are available online and the links provided below. The remaining fourth of the time will be devoted to analysis and discussion of a particular paper or case. This will help you prepare for the group work.

Each week we will discuss a new topic influenced by research from a social science discipline. The first 2 hours will be spent discussing background material. The remainder of the class session will be spent discussing 3-6 papers from the consumer research stream. The goal is to help you understand how (1) how basic social science research and consumer research differ, (2) how theories and concepts are applied, adapted, constrained, and combined when applied to consumer issues, and (3) how research streams evolve over time. Students will be asked to read one or two papers per week so that they can get a flavor for the type of research that is being conducted in an area.

List of topics: Introduction, Biases in Decision Making; Attention, Perception, Learning & Memory; Motivation & Emotion; Ideology & Social Factors.

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### Grading:

Evaluation of performance will be based on the group work (40%) and on the exam (60%).

### **EXAM**

The exam consists of a mix of multiple choice and open-ended questions. The best way to prepare for the exam is to participate in class.

### **GROUP WORK**

After the fourth class, each group (of 5 students) will discuss with the professor a research study to be conducted based on the classes and readings. In the remainder of the course, students will be required to conduct the proposed research. Evaluation will be based on the whole process of coming up with the idea, testing, and reporting it.

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## Bibliography:

### **Week, Classroom Topic, and Readings**

#### **First week: Introduction, Biases in Decision Making**

What rules consumers use to make decisions? Do consumers make different decisions under time pressure??? How does unconscious processing influence decisions? Are decisions just what one feels right?

Obligatory Reading: Kahneman, D., and Tversky, A. (1983). Choices, values, and frames. *American Psychologist*, 39, 341-350.

Supplementary Reading: Iyengar, S. S., and Lepper, M. (2000). When choice is demotivating: Can one desire too much of a good thing? *Journal of Personality and Social Psychology*, 79 (6), 995-1006.

Supplementary Reading: Danziger, S., Levav, J., and Avnaim-Pesso, L. (2011). Extraneous factors in judicial decisions. *Proceedings of the National Academy of Sciences*, 108, 6889-6892.

Supplementary Reading: Ordabayeva, N., and Chandon, P. (2011). Getting ahead of the Joneses: When equality increases conspicuous consumption among bottom-tier consumers. *Journal of Consumer Research*, 38 (1), 27-41.

Supplementary Reading: Fernandes, D. (2013). The 1/N rule revisited: Heterogeneity in the naïve diversification bias," *International Journal of Research in Marketing*, 30, 310-313.

Supplementary Reading: Simonson, I. (1990). The effect of purchase quantity and timing on variety-seeking behavior. *Journal of Marketing Research*, 27 (2), 150-162.

#### **Second Week: Attention, Perception, Learning & Memory**

Consumers search for cues in products to reduce uncertainty in what they buy. For that, they need attention. They assess and perceive the objective or subjective attributes of products, brands and assortments. They learn enduring associations between brands, products, services, stores and their attributes, benefits and values. We will learn about this. I forgot what I was about to say... Ah, memory. ☺ Implicit and explicit memory help consumers decide.

Obligatory Reading: Fernandes, D., Puntoni, S., van Osselaer, S. and Cowley, E. (2015). When and why we forget to buy. Catholic University of Portugal Working Paper.

Obligatory Reading: Sweldens, S., van Osselaer, S., and Janiszewski, C. (2010). Evaluative conditioning procedures and the resilience of conditioned brand attitudes. *Journal of Consumer Research*, 37 (3), 473-489.

Supplementary Reading: Shiv, B., Carmon, Z., and Ariely, D. (2005). Placebo effects of marketing actions: Consumers may get what they pay for. *Journal of Marketing Research*, 42, 383-393.

Supplementary Reading: Kahn, B. and Wansink, B. (2004). The influence of assortment structure on perceived variety and consumption quantity. *Journal of Consumer Research* 30, 4, 519-533.

Supplementary Reading: Schacter, D. (1999). The seven sins of memory: Insights from psychology and cognitive neuroscience. *American Psychologist* 54, 182-203.

Supplementary Reading: De Langhe, B., Puntoni, S., Fernandes, D. and van Osselaer, S. (2011). The anchor contraction effect in international marketing research. *Journal of Marketing Research*, 48 (2), 473-489.

### **Third week: Motivation & Emotion**

Motivation fuels our behaviors. It concerns our goals, needs, wants, desires, urges. It is why we do things. Motivation drives procrastination or completion of tasks. Emotion is information about how we feel. It is tied to goals.

Obligatory Reading: Louro, M. J., Pieters, R., and Zeelenberg, M. (2007). Dynamics of multiple goal pursuit. *Journal of Personality and Social Psychology*, 93, 174-193.

Supplementary Reading: Fernandes, D., and Lynch Jr., J. G. (2015). Mañana: Motivational effects of reminders on accelerating or delaying task completion. Catholic University of Portugal Working Paper.

Supplementary Readings: Kahan, D., Peters, E., Dawson, E., Slovic, P. (2015). Motivated numeracy and enlightened self-government. Yale Law School Working Paper.

Supplementary Readings: Kivetz, R., Urminsky, O., and Zheng, Y. (2006). The goal-gradient hypothesis resurrected: Purchase acceleration, illusory goal progress, and customer retention. *Journal of Marketing Research*, 43, 39-58.

Supplementary Readings: Xu, A. J., and Wyer Jr., R. (2008). The comparative mindset: From animal comparisons to increased purchase intent. *Psychological Science*, 19, 859-864.

Supplementary Readings: Xu, A. J., and Wyer Jr., R. (2012). The role of bolstering and counterarguing mind-set in persuasion. *Journal of Consumer Research*, 38, 920-932.

### **Fourth week: Ideology & Social Factors**

As social beings, all of our behavior is related to our social environment and to our political ideology.

Obligatory Reading: Fernandes, D. (2015). Fernandes, D., and Mandel, N. (2014). Political conservatism and variety-seeking. *Journal of Consumer Psychology*, 24 (1), 79-86.

Supplementary Reading: Ordabayeva, N., and Fernandes, D. (2015). Politics and status: How political ideology shapes status concerns and preferences. Catholic University of Portugal Working Paper.

Supplementary Reading: Berger, J., and Heath, C. (2007). When consumers diverge from others: Identity signaling and product domains. *Journal of Consumer Research*, 34, 121-133.

Supplementary Reading: Jost, J.T., Napier, J.L., Thorisdottir, H., Gosling, S.D., Palfai, T.P., & Ostafin, B. (2007). Are needs to manage uncertainty and threat associated with political conservatism or ideological extremity? *Personality and Social Psychology Bulletin*, 33, 989-1007.

**Fifth Week: No class. Individual meetings with the groups.**

**Sixth Week: Course revision.**

This class will not have new content. We will make a summary and closure of the course.

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### Biography:

Daniel Fernandes (1983) obtained his master's degree in 2008 in Business Administration at UFRGS in Brazil. During his bachelor and master's studies, he worked as a marketing researcher and consultant. In 2008, Daniel started his PhD research in Marketing at Erasmus University. Daniel's research interest centers on transformative consumer research and includes consumers' memory, planning, financial literacy, decision-making and self-regulation. In the financial domain, he investigates the role of financial knowledge on financial decision-making and the factors that explain this relationship. Outside of the financial domain, Daniel studies consumers' memory and when reminders help consumers to complete their tasks. He presented his research at various international conferences and published in the *Management Science*, the *Journal of Marketing Research*, the *International Journal of Research in Marketing*, and the *Journal of Consumer Psychology*. He was a visiting research scholar at the Colorado University in 2010. From September 2013, he serves as an Assistant Professor in Marketing at Católica-Lisbon School of Business and Economics.

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### Contact(s) and Office hours:

The best source of answers to many questions is in-class participation. However, if you still have doubts or if you didn't have the opportunity to clarify something, you should never hesitate to contact me. The best way to contact me is by email (daniel.fernandes@ucp.pt). My office hours are after class on Fridays from 2 to 3 pm. I do not use a Discussion Forum on moodle.