Instructor: Peter McGraw, Ph.D.
Class hours: Wednesday 2:00 pm – 4:45 pm
Classroom: Koelbel 355
Office: Koelbel 484
Office hours: Wednesdays 12:30 pm – 1:30 pm and by appointment
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UNIVERSITY COURSE DESCRIPTION

Examines judgment and decision making research pertinent to understanding how consumers and marketing managers make decisions. Uses economic models as a normative backdrop for examining research on decision heuristics, judgment and choice anomalies, and contingent decision behavior. Examines processes of causal judgment and inference and the influence of a variety of contextual factors (including time) on judgment and decision.

COURSE OBJECTIVES

This course, designed as a research seminar for doctoral students in marketing, examines selected research pertinent to consumer and managerial decision making. The framework used is based on research in judgment and decision making. The primary course objectives are to provide:

(1) a selective but intensive exposure to the growth points in judgment and decision making research, especially those relevant to consumer behavior and marketing management;
(2) a framework for understanding both the normative and descriptive principles that may govern consumer and managerial decision behavior
(3) a critical perspective that enables students to identify opportunities for substantive and methodological advances and relevant applications to research in judgment and decision making; and
(4) a framework for conceptualizing, designing and implementing original research on consumer and managerial decision making issues in marketing
(5) skill development for aspiring research faculty. Targeted skills include: critical thinking, research methods, writing, and presentations skills.
COURSE MECHANICS AND GRADING

There is no formal text for this course. Readings for class discussion are assigned in the syllabus. Students will coordinate with me to gain access to source material. Discussion leaders (see below) will be responsible for copying and distributing papers prior to class. Recommended readings are suggested for each topic along with additional material for independent reading.

Class meetings will be devoted to a mix of lecture, discussion, analysis and synthesis of the assigned readings. Each student is expected to come prepared to participate in these discussions and also to make presentations on specific assigned topics.

Weekly assignments (25%)
Unless a specific task is assigned, one-page single-spaced commentary is due for each class. You may discuss methodological flaws, highlight interesting implications or applications, pose questions, propose further research, or muse on the connections between the articles. The intention is for you to think carefully about the readings. Note: The approach to the class and assignments should be as constructive as it is critical. Assignments will be graded on a \( \sqrt{+} \), \( \sqrt{\cdot} \), \( \sqrt{-} \), or 0 scale.

Participation and presentations (25%)
All students are required to participate in class discussion. Unless a special topic is planned, each week, a “discussion leader” will guide class conversation about the readings. Each discussion leader will be responsible to lead the topics for two to three sessions over the course of the semester. Leaders are expected to delve more deeply into the recommended readings.

Final exam (25%)
An open book/notes final exam will be given at the end of the semester.

Final research proposal (25%)
Each student will meet with me to discuss the research proposal beforehand. A one-page preliminary proposal will be due several weeks before the paper is due. There is no page requirement for the final paper. As a guideline, such research proposals tend to be about 20 double spaced pages of text.
Tentative Schedule

8/24  (Week 1): Course Introductions – Utility theory: History and new directions
8/31  (Week 2): Prospect theory, loss aversion and mental accounting
9/7   (Week 3): Construction of preferences and Context effects
9/14  (Week 4): Heuristics and Biases
9/21  (Week 5): Process models of judgment and choice
9/28  (Week 6): Moods, emotions, and affect
10/5  (Week 7): Non-traditional approaches to judgment and decision making
10/12 (Week 8): Social and cultural influences on judgment and choice
10/19 (Week 9): Morally-motivated judgment and choice
10/26 (Week 10): Individual differences in judgment and choice
11/2  (Week 11): Intertemporal choice and psychological distance
11/9  (Week 12): Managerial and expert decision making
11/16 (Week 13): Well-being, happiness, consumption, and adaptation
11/23 (Week 14): Off (Fall break)
11/30 (Week 15): Behavioral economics and behavioral finance

Course Introduction – Utility theory: History and new directions

Required Reading


Recommended Reading


**Classic Readings**


**Light Reading**


**Prospect theory, loss aversion and mental accounting**

**Required Reading**


**Required Viewing**

Edge video #2

http://www.edge.org/3rd_culture/kahneman07/kahneman07_index.html

**Recommended Reading**

chen et al. (2006) show it in monkey’s decisions

Tom xxxx (xxxx). Neuro paper.


**Benartzi & Thaler --- relating loss aversion to risk aversion for mixed gambles**


**Construction of preferences and Context effects**
Required Reading


**Chris hsee’s overview on evaluability**

Recommended Reading


**Shiv: placebo effect paper**

Warren, McGraw, and Van Boven paper.

**Classic Readings**

**Goldstein and Johnson – defaults**

**Light reading**


**Heuristics and Biases**

**Required Reading**


**Recommended Reading**

Arkes 1991: Costs and benefits of judgment errors


**Light Reading**


**Process models of judgment and choice**

**Required reading**


**Payne et al (2008)Qualification of Dijksterhuis’ unconscious thought research:**

**Recommended reading**


Uleman & J. A. Bargh. (Eds.), *Unintended thought* (pp.212-252). New York: Guilford.


Review of lens model studies (i.e process tracing based on correlation between judgments and actual outcomes)
Juslin et al (2008): one of my favourite papers on exemplar-based versus rule-based judgment
Maybe include a paper where eye-tracking is used (e.g. Pieters et al.) Payne & Bishara – overview of process dissociation procedures to analyze implicit measures

**Classic Readings**


**Light reading**


**Moods, emotions, and affect**

**Required Reading**


Recommended Reading

Herr, Page, Pheiffer, and Davis. Affetive Influences on evaluative proceses. JCR


**Mauss and Robinson (2009). Measures of emotion: A review**

**Non-traditional approaches to judgment and decision making**

**Required Reading**


**Recommended Reading**


**Light Reading**

Social and cultural influences on judgment and choice

Required Reading


Recommended Reading


Ramanathan & mcgill: nice example of methodological sophistication


Soll & Larrick

Light Reading


**Morally-motivated judgment and choice**

**Required Reading**


**Recommended Reading**


**botti (2009). Difficult decisions in medical context:**

### Individual differences in judgment and choice

**Required Reading**


**Recommended Reading**


Sternberg on cognitive styles (1997)

**Light Reading**


**Intertemporal choice and psychological distance**

**Required Reading**


**Williams Paper**


**Recommended Readings**


**Classic Reading**


**Managerial and expert decision making**

**Required reading**


Klein, G. (1999), Sources of Power. (Chapters 1-3).


**Required viewing**

Edge video #1, 5, 6

[http://www.edge.org/3rd_culture/kahneman07/kahneman07_index.html](http://www.edge.org/3rd_culture/kahneman07/kahneman07_index.html)
Recommended Reading

**Astebro: heuristics and forecasting**


Classic Reading

**Blattberg & Hoch**

Light Reading


**Book Hogarth: educating intuition**

**Schwartz Practical Wisdom**

Well-being, happiness, consumption, and adaptation

Required Reading


Hsee, C. K., Yang, Y., Li, N. & Shen, L. (2009). Wealth, warmth and wellbeing: Whether happiness is relative or absolute depends on whether it is about money, acquisition, or consumption. *Journal of Marketing Research, 46*(3), 396-409.


**Required Viewing**


**Recommended Reading**


**Light reading**


**Tentative: Behavioral economics and behavioral finance**

**Required Reading**


**Required Viewing**

[http://www.edge.org/3rd_culture/thaler_sendhil08/thaler_sendhil_index.html](http://www.edge.org/3rd_culture/thaler_sendhil08/thaler_sendhil_index.html)

**Recommended Reading**


UNIVERSITY OF COLORADO HONOR CODE
The purpose of an Honor Code at the University of Colorado at Boulder is to secure an environment where academic integrity, and the resulting behavior, can flourish. The Honor Code recognizes the importance of honesty, trust, fairness, respect, and responsibility and wishes these principles to be a defining part of the CU-Boulder campus. The Honor Code allows all students to have responsibility for, and the ability to attain, appropriate recognition for their academic and personal achievements.

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion).

Other information on the Honor Code can be found at http://www.colorado.edu/policies/honor.html and at http://www.colorado.edu/academics/honorcode/

The Honor Code pledge: “On my honor, as a University of Colorado at Boulder student, I have neither given nor received unauthorized assistance on this work.”

ACCOMMODATIONS FOR DISABILITIES
If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322 www.Colorado.EDU/disabilityservices

RELIGIOUS OBSERVANCE
Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, please see me if you have a conflict, and I will work with you on a case-by-case basis. See full details of the policy at http://www.colorado.edu/policies/fac_relig.html

DISCRIMINATION AND HARASSMENT
The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH, the above referenced policies and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at http://www.colorado.edu/odh