PhD Seminar on
Consumer Behavior II: Judgment and Decision Making
B9610-15

Fall 2011

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Meeting times:  Thursday, 2:15-5:30PM
Classroom:  Uris Hall, Room 140

Course Objectives

The purpose of this course is to provide PhD students with a solid foundation for critical thinking and research on the judgment and decision making aspects of consumer behavior, marketing, and business in general, including organizational behavior. The course complements the Consumer Behavior I, which emphasizes information-processing, attitudes and persuasion aspects of consumer behavior. (The two Consumer Behavior PhD seminars can be taken in any sequence.) It also complements the “Bridging Behavioral Decision Research and Marketing Science” seminar (Prof. Ran Kivetz), with which overlaps should be minimal.

The literature on judgment and decision making is vast and remarkably interdisciplinary. It borrows from and contributes to various fields, including economics, statistics, psychology, medicine, law, organizational behavior, and marketing. As a result, we shall adopt a broad definition of judgment and decision making, and cover not just the “behavioral decision theory” (BDT) or “heuristics and biases” literature, but a wide range of behavioral research relevant to the study of judgment and decision making (JDM). Topics include basic utility theory, mental accounting, multi-attribute choice, affect and decision making, process tracing, “clinical” versus “statistical” decision making, context effects, vividness and salience effects, and (of course) judgment heuristics. The readings will consist of a mixture of “classics” (marked C) and recent articles, with a slight skew toward classics because of the foundation intent of the course.

Course Conduct

Each week, around 4-5 papers will be assigned. You are expected to read each article carefully and “pre-digest” it before class. A large part of your grade will be determined by your ability to thoughtfully discuss the readings in class. Finding flaws in the papers is not the primary goal. Instead, focus on: (1) the main ideas conveyed in the papers, (2) what they imply for various substantive domains (e.g., consumer behavior, marketing, organizational behavior), (3) how you would extend these ideas (e.g., new hypotheses, follow-up studies), only then think about (4) how you could improve the methodology.
Each time you come to class, I expect you to be able to do two things:

1. Be able to give us a 2-minute oral brief of what each paper is about. Your briefing should convey (a) the research question investigated, (b) the methodology used (e.g., the task and manipulations), (c) the main findings, and (d) what these findings mean theoretically. You should be able to give this briefing without notes (although having prepared some notes obviously helps). The point of this exercise is to get you into the habit of thinking of each paper as telling a “story.” As a future scholar, you should be able to retain and share the essence of these stories with others.

2. Propose at least one original hypothesis based on the set of readings assigned for that session, along with a proposed study (or set of studies) for testing this hypothesis. This hypothesis should have true theoretical meaning and be empirically testable. Expect to be called on in class to share your hypotheses and proposed studies. The point of this exercise is to get you to eventually be able to contribute to the literature, not just know it well. There’s no point in knowing the literature if one cannot add to it. Similarly, there’s no point in trying to add to the literature if you don’t know what is already out there.

Grading

50 % Participation. Your ability to deliver on the two points described above and to contribute meaningfully to class discussions (not just “talking”).

50 % Final Paper. You will select a topic related to individual decision making and write a mock JCR (or OBHDP) article. It should correspond to the style observed in empirical JCR (or OBHDP) articles. That is, you should go beyond reviewing the literature, propose original hypotheses, design a study to test these hypotheses, and for the first and last time of your career (except in similar assignments), you can “make up” the data. The paper is due on December 18 (10 days after our last class). No extension will be given. So, make sure that you start working on the paper early enough. Feel free to schedule a meeting with me to discuss your ideas.
Tentative Schedule

Session 1 (September 8)

Introduction to Consumer Decision Making & Economic Models of Decision Making and their Limitations


Session 2 (September 15)

Structural Models of Decision Making – Prospect Theory & Mental Accounting (I)


Session 3 (September 22)

Mental Accounting (II)


Session 4 (September 29)


Session 5 (Date TBC)

Decision Simplification: Consumer Search & Consideration


Manuscript History:

a. First submission file
b. First-round reviews
c. Revised submission
d. Revision notes
e. Second-round reviews

Session 6 (October 20)

Context Effects and Reason-based Choice


Session 7 (October 27)

Affect and Decision Making (I)


Session 8 (November 3)

Affect and Decision Making (II)


Session 9 (November 10)

Heuristics and Biases (I)

Classic Heuristics and Biases


Extensions of Availability Heuristic


Session 10 (November 17)

Heuristics and Biases (II)

Extension of Representativeness


Extension of Anchoring & Adjustment

Debate on Heuristics and Biases and Recap


Session 11 (December 1)

Different Perspectives of Consumer Judgment and Decision Making


Session 12 (December 8)

Final Paper Presentations