
Doctoral Seminar in Consumer Behavior II: Behavioral Economics, Judgment and Decision-Making

Marketing Division
Columbia Business School
Columbia University

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[Professor Eric Johnson](#)
eric.johnson@columbia.edu

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Class will meet in Kravis 620 on Tuesdays 8:30-11:45 am

Syllabus

Course Objectives:

One of the most productive and impactful developments in the social sciences in the last 50 years has been the introduction of behavioral concepts into the study of decision-making and economics. This course is a doctoral level introduction to those developments with a specific emphasis on applications consumer behavior. The readings will be a blend of classics, review papers, new developments in the literature and current working papers

Traditionally, marketing can be oversimplified as a tale of two approaches, one consisting of the quantitative analysis of markets and their participants, the other the application of theories from the behavioral sciences (primarily psychology, and to some extent sociology and anthropology) to the study of consumer behavior. These days are over: Increasingly, quantitative modelers are realizing the importance of behavioral constructs, and the study consumer behavior has become increasingly rigorous, addressing and in some cases questioning the assumptions made by quantitative modeling. Simply put, the goal of this course is to prepare you for a research career that can meaningfully combine both approaches.

To do this, the course should do two things:

- (1) Expose all participants, even those whose research interests will not primarily be in consumer behavior, behavioral economics, cognitive and social psychology to basic concepts in the area. This should provide them both with "cultural literacy" and the knowledge of the available concepts and tools in consumer research.
- (2) Provide the opportunity for you to discover areas of interest, and to become an expert in these areas.

An ancillary goal is to provide you with an understanding of behavioral research methodology. We will read articles not just for their conceptual content, but also as case studies of the decisions that a researcher makes in designing a study. Thus, your reading of empirical studies should pay

attention to methodological details, as well as to the results. Your understanding of the content of the articles will be tested during in-class discussion. Our goal is *constructive* criticism

Assignments:

For each week, I expect you to carefully read each of the assigned articles, marked as a primary reading. In addition, I expect one of you to 'volunteer' to become an expert on each of the articles and be prepared to present it to the class. My style in doctoral seminars is primarily Socratic. You should be prepared to work on your feet as we work together to get an active understanding of the material covered.

Each week, I expect each student to answer a quiz designed to make you think about the readings. These may also be good practice at learning how to think like a researcher and preparation in case you face a qualifying exam. I often will ask you to tell me what you find unclear in the quiz. Remember, there are no such things as stupid questions, and it will be your fault if there are unquestioned assumptions. I will grade these each week.

One way to help you sharpen your methodological and conceptual skills is to review articles. During the semester, I will assign you at least one previously published article, or publicly available working paper to review. You should produce professional-level reviews as if you had been given these articles as manuscripts by the editor of your favorite journal.

I will ask you to submit two research suggestions early in the semester to help you identify a topic/approach for your major paper.

Finally, I expect you, by the end of the course, to produce a major project.

Readings:

In general, I will use three types of articles: The first type of article will be a classic, usually empirical piece with significant conceptual content, that has changed the field. The second will be review articles laying out what we know about an area. The third will be more recent empirical pieces that illustrate applications of these ideas to consumer behavior.

I'll be happy to provide more literature about any area that interests you but will also show you how to use Web of Science and Google to learn a new area.

Finally, remember one thing: This is fun!

Background Resources

Books:

These are background books that should be useful as you try and identify topics.

Johnson, Eric J. (2021) *The Elements of Choice: Why How We Decide Matters*

Kahneman, D., & Tversky, A. (Eds.). (2000). *Choices, values, and frames*: New York, NY, US: Cambridge University Press.

Kahneman, D. (2012) *Thinking, Fast and Slow*.

Thaler, R. (2016) *Misbehaving: The Making of Behavioral Economics*

Weekly readings and assignments will be available on Canvas.

Grading

Grades will be assigned based on

1) **Class participation and preparation.** Questions and comments in class and responses to the questionnaires will account for 25 points toward the grade.

2) **Research Ideas:** These will be brief 1-2 page (double spaced) papers of ideas that you might do for your research papers. These will be 8 points each

3) **Journal article review.** This will be 9 points

3) **Research Papers:** At the end of the course, each student should submit one of the following three options: (50 points of the grade)

Option 1: A traditional research paper. This will be a well-researched paper applying concepts in this class. I expect a full research proposal outlining experiments, with hypothesized data and proposed analyses. It should also include, as an appendix, any questionnaire or other instruments in the appendix. I expect you to do a 20-minute presentation in the class.

Option 2: A conceptual replication. With Option 2, the major project in this class is to conduct empirical research of an important study. This provides a conceptual replication of an important or new finding we discussed this semester or another important finding in the area of judgment and decision making. You would turn in your write up and your data and code and give a 20-minutes presentation of your findings to the class.

The *Journal of Marketing Behavior* (JMB) has a section called Replication Corner where they publish online research that conceptually replicates prior work. See the following page of their website for more information:

<http://www.nowpublishers.com/Public-Content/ReplicationCorner.pdf>

If you pursue option 2, it should be done with the intent of submitting your work for review at *JMB*, if you are able to replicate an earlier finding. If you are not able to replicate the work, this is still fine for the class project and you can discuss why you think you were not able to replicate the effect in your write up and presentation. Since this option involves gathering data, you will need to first obtain IRB approval from the Columbia IRB.

Option 3: A conceptual reanalysis of existing data. For this option, I would like to develop an original conceptual idea that drives an analysis of existing secondary data. Given that much data from experiments is publicly posted, or can be requested, you can also use data from

another paper. The ideas should be yours, just the data is not gathered by you for this option. I intend you to do the analysis as well as provide a justification of your analysis. This can be an alternative explanation of someone else's data. You might simply be using that data to test another idea. This might require IRB exempt approval which is easy to obtain.

All three options are ambitious undertakings, and I encourage you to think about this early and use one or both of your research ideas papers to develop your initial thoughts. I'd be very happy to meet with you. Particularly ambitious ideas might be done in teams of two, but that would need to be approved in advance, and it would take some convincing.

Topics

Topic (tentative)	Dates
CB 1 Introduction to Consumer Research The Reproducibility Revolution	January 26
Judgment	
CB2 Attribute Substitution, Heuristics and Biases	February 2
CB 3 Hedonic Forecasting	February 9
Choice	
CB4 Reference Dependence and Loss Aversion	February 16
CB5 Memory and Choice	February 25
CB6 Decisions Over Time	March 3
CB7 Mental Accounting	March 23
Applications	
CB8 Consumer Financial DM	March 31
CB9 Choice Architecture	April 6
CB10 Game Theory from a Behavioral Perspective	April 13
CB11 Fake News (Tent.)	April 21

CB12 Behavioral Pricing (Tent.)	April 28
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I will usually introduce each topic with a short lecture