

Psychology 552: Principles of Consumer Psychology

Fall 2016

Course Instructor: Jorge A. Barraza, PhD

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Office Hours: Thursdays 2-4pm, by appointment after class

Course Schedule:

Meeting day, time: Thursdays 4-7:50pm

Location: VKC 207

Course Description:

This course reviews several core topics in the study of consumer behavior. Each class will contain a mixture of lecture, group presentations, case study discussion, group assignments/discussion, and guest speakers. Lectures are designed to provide an empirical and theoretical framework to apply to marketing and consumer research problems. However, the majority of in-class time requires significant student participation (student-led discussion, group activities and presentations). Understanding of consumer psychology will also be tied to the development of an effective marketing strategy. The course will enable students to get a clear understanding of the psychological factors involved in consumer behavior.

Learning Objectives:

1. Describe key theories, models, or findings from consumer science and related fields as they relate to consumer behavior.
2. Develop skills to critically evaluate and communicate scientific research.
3. Apply coursework to address business needs.
4. Effectively disseminate consumer science insights to a business audience.

Course Materials:

It is expected that you will read the selections before the class meeting so you are able to fully participate in class discussions. Readings will be provided in order to spark ideas and in-class discussion. Readings in bold on the schedule are required, other readings are recommended. Readings are accessible via the classroom Blackboard site.

Required:

Norton, M. I., Rucker, D. D., & Lambertson, C. (Eds.). (2015). *The Cambridge Handbook of Consumer Psychology*. Cambridge University Press.

-purchase or rent online

METHODS of EVALUATION

Class Participation (20%)

Class participation is critical for both student and course success. Participation grading will be evaluated via 1) engagement in class discussion (15%) and 2) participation during in-class assignments and activities (5%). Each class demands that students (even if not presenting) come prepared to engage in thoughtful discussion of the material.

Reaction and Application Papers (15%)

Students are expected to write a total of **FIVE** reaction and application papers. Each paper will cover **ONE** of the empirical articles during any topic week (NOT including group seminar week). The papers should be written as an executive summary of possible insights for a business audience (1.5-2pgs double-spaced). In other words, the point is not to summarize the content, but to describe the study, relate the findings to other material discussed in class, and recommend possible applications to marketing and business. These papers are intended to give students an opportunity to think in depth about a research study and its possible applications.

Group Seminar Presentations (20%)

Most class sessions will include seminars in which common readings will be discussed and critiqued (typically at the beginning of class). To facilitate these discussions, different seminar members (3-4) will work together in making a presentation of the readings (30-40min) as a springboard for class discussion. These presentations can take any form, but should be focused on the readings and the major points and criticisms. Groups should also prepare discussion questions to aid class discussion. Groups do not need to cover case studies.

In preparing presentations, seminar leaders should keep in mind that **it is not appropriate to simply recap the assigned readings**. The goals for the readings are to:

- 1) Understand the major concepts and perspectives presented
- 2) Relate articles to other course material
- 3) Identify possible applications in marketing and business

Midterm (15%)

A take home midterm will be provided on 8am on the day of the midterm and due on the same day before 8pm. This take home will require students to work individually to address a case study using materials and insights from the first half of the course. Further details will be provided during class.

Final Report and Presentation: Marketing Plan (30%)

This project is the culminating work of the course. Students will form in groups of 3 to develop a Marketing Plan. For this project your team will apply the concepts and ideas learned over the semester to a specific product, service, or cause selected by the group. Students will provide a plan that identifies target markets, branding elements, problems and opportunities, marketing strategy and tactics (e.g., pricing, positioning). At each step,

students should be able to demonstrate that they have grasped and can apply course material. The marketing plan will consist of:

- 1) **Written Report** (15 pg. max, double-spaced). Be creative! Remember, this and the oral presentation is meant to be presented to a business audience (e.g., potential clients). Charts and images are heavily encouraged; verbosity and heavy use of citations is not.
- 2) **Oral presentation** (20 min, +5min for questions). Like in the real world, you have little time and you've got to make it count! Use this as an opportunity to show that your team can use the insights from the course on the presentation itself, not just within the assignment.

Groups should discuss their marketing plan with the instructor at least two weeks in advance. Further details will be provided after the midterm.

Assignments should be submitted via Blackboard prior to the start of class. Late assignments will be accepted at the discretion of the instructor.

TENTATIVE COURSE SCHEDULE

Week	Topic	Readings/ Assignments
Wk1: 8/25	INTRODUCTION	none
Decision-Making		
Wk2: 9/1	Attitudes and Persuasion a. Attitudes b. Decision process models c. Normative & social influence	a. Ch2: Tormala- Attitude Change and Persuasion b. Reynolds (1988) . Laddering Theory, Method, Analysis, and Interpretation *seminar group should not cover Reynolds 1. Petty (1983). Central and peripheral routes to advertising effectiveness: The moderating role of involvement. 2. Mitchell (1981). Are product attribute beliefs the only mediator of advertising effects on brand attitude? Optional. Ch3: Morewedge- Consumer Prediction
Wk3: 9/8	Indirect Influence a. Heuristics & Biases b. Behavioral Economics c. Generics and placebos	a. Munscher (2015) . A review and taxonomy of choice architecture techniques. b. HBR : Want to perfect your company's service? Use behavioral science. c. Time : JCPenney reintroduces fake prices. 1. Gamliel (2010). Message framing of products causes a preference shift in consumers' choices. 2. Novemsky (2005). The boundaries of loss aversion. Optional. Thaler (2016). Behavioral Economics: Past, Present and Future.

Wk4: 9/15	Consumer Emotion a. Integral vs incidental emotion b. Affective forecasting c. "Sad"vertising	a. Ch4: Andrade - Consumer Emotions. b. Lerner (2015) . Emotion and Decision Making. c. Fast Company : The rise of sadvertising (http://bit.ly/RkVVGk) 1. Lerner (2004). Heart strings and purse strings: Carryover effects of emotions on economic decisions. 2. Agrawal (2007). Getting emotional about health.
Implicit Influence		
Wk5: 9/22	Implicit Processes a. Implicit attitudes and emotion b. Embodied cognition	a. Krishna (2014) . Sensory marketing, embodiment, and grounded cognition: A review and Introduction. b. Bargh (2002) . Losing consciousness: Automatic influences on consumer judgment, behavior, and motivation. 1. Ackerman (2010). Incidental haptic sensations influence social judgments and decisions. 2. Brasel (2014). Tablets, touchscreens, and touchpads: how varying touch interfaces trigger psychological ownership and endowment.
Wk6: 9/29	Implicit Process-2 a. The Environment b. Habits	a. Wansink (2004) . Environmental factors that increase the food intake and consumption volume of unknowing consumers. b. Verplanken (2006) . Interventions to break and create consumer habits. c. case study : Apple stores 1. Madzharov2015- The cool scent of power: Ambient scent on consumer preferences and choice behavior. 2. Wood (2009). The habitual consumer.
Wk7: 10/6	Consumer Neuroscience a. Implicit Preferences b. Price Signaling c. Neuromarketing speaker : Dr. Antoine Bechara, USC Prof of Psychology (Neuro) <i>*No group seminar</i>	a. Ch6: Plassman - Consumer Neuroscience b. Merchant Mechanics : The future of Neuromarketing c. case study : Campbell's Soup 1. Plassman (2008). Marketing actions can modulate neural representations of experienced pleasantness. 2. Falk (2012). From neural responses to population behavior neural focus group predicts population-level media effects.
Wk8: 10/13	Storytelling a. Narrative Science b. Brand origin stories activity : Empathy maps	a. Dal Cin (2004) . Narrative persuasion and overcoming resistance. b. Green (2004) . Understanding media enjoyment: The role of transportation into narrative worlds. c. Facebook : Science of social media advertising d. case study : How stories drive growth 1. Stern (1994) Classical and vignette television advertising dramas: Structural models, formal analysis, and consumer effects.

		2. Broman (2015). Immersed in virtual worlds and minds.
Wk9: 10/20	Take Home Midterm DUE at 8pm	
Self and Society		
Wk10: 10/27	Self and Identity a. Personality b. Theories of the self c. Segmentation (VALS survey) speaker: Chris Munshaw, Director of Customer Experience, Avtex Solutions activity: Review final project	a. Ch10: Gal- Identity Signaling Behavior b. Belk (1998). Possessions and the extended self. c. IBM: Oh behave! How behavioral analytics fuels more personalized marketing. 1. Möller (2013). Shaping retail brand personality perceptions by bodily experiences. 2. Sengupta (2013). The price had better be right: Women's reactions to sexual stimuli vary with market factors.
Wk11: 11/3	Power and Status a. Signaling through conspicuous consumption	a. Ch12: Rucker- Power and Consumer Behavior b. Ch13: Dubois- Social Hierarchy, Social Status, and Status Consumption 1. Ratner (2002). The impact of private versus public consumption on variety-seeking behavior. 2. Sundie (2011) Peacocks, Porsches, and Thorstein Veblen: Conspicuous consumption as a sexual signaling system.
Social Marketing		
Wk12: 11/10	Social Processes a. Interpersonal influences b. Social (viral) marketing c. Social identity theory	a. Ch14: Berger- Word of Mouth b. Ch16: Kristofferson- Interpersonal Influences c. Nielsen (2015): Social TV: A bellwether for TV audience engagement. 1. Brown (1987). Social ties and word-of-mouth referral behavior. 2. Bond (2012). A 61-million-person experiment in social influence and political mobilization.
Wk13: 11/17	Social Brands a. Warmth and competence b. Consumer-brand relationships c. Brand personality speaker: Dr. Laura Beavin, Senior Research Scientist, Coherency	a. Ch8: Avery- Consuming Brands b. Aaker (1997). Dimensions of brand personality c. case study: Zappos: Happiness in a box d. recommended: review Human Brand book 1. Aaker (2011). Cultivating admiration in brands: Warmth, competence, and landing in the 'Golden Quadrant'. 2. Reimann (2012). How we relate to brands: Psychological and neurophysiological insights into consumer–brand relationships.
Wk14: 11/26	THANKSGIVING	
Wk15:	Prosocial Consumption	a. Ch15: Ward- Gift Giving

12/1	a. Prosocial motivation b. Companies that "give"	b. Stukas (2008) . The social marketing of volunteerism. 1. Aaker (2010). Nonprofits are seen as warm and for-profits as competent: Firm stereotypes matter. 2. Small (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims.
12/5	Team Presentations	
12/8	Team Presentations: 4:30-6:30 Final Report Due (all)	

GRADING

Evaluation of student performance in this course will be based on **group seminar presentation (20%), class participation (20%), midterm (15%), reaction and application papers (20%), and Final report and presentation (30%)**. The following distribution will be used for assigning final letter grades. Any changes to the distribution will be announced in class, though cutoff points are not negotiable. Letter grades will be assigned at the end of the semester according to the following distribution:

A = 93% or above		A- = 90-92%
B+ = 86-89%	B = 83-85%	B- = 80-82%
C+ = 77-79%	C = 73-76%	C- = 70-72%
D+ = 67-69%	D = 63-66%	D- = 60-62%
F = <60%		

COURSE POLICIES

Attendance and Class Activities: You should attend every class and be on time, if not early, to class. Arriving late disrupts the attention of students and changed the mood of the class. Students are expected to attend all classes. Students who are unable to attend class must inform the instructor of the absence prior to class. If a student has to miss a class, he or she should arrange to get notes from a fellow student and is strongly encouraged to meet with the instructor.

Computer Use: To best demonstrate your involvement in the course and your consideration of your instructors, professional guests, and classmates, please do NOT use computers during class *unless it is part of a class activity*. Emailing, texting, and web surfing on personal matters are strictly forbidden. Per program policy, note taking on computers during professional guest speakers is not allowed.

Food in Class: We will take one 20-minute break approximately half way through the session. Please bring snacks to eat outside of the classroom on your break.

Communication: *The best way to get in touch with me is by email. I will respond to email within two business days.* The official mode of communication about this course is Blackboard and announcements will be posted there on a weekly basis. Blackboard will also email you most of my announcements. Please note that Blackboard will use your USC email address. There is a limit on messages for your USC mailbox. Please use another email address for personal correspondence so you have room for official program communications.

Late Policy: Unless otherwise noted, **written assignments are due by the start of class on the due date.** Points will be deducted for late submissions on all assignments. For the midterm and final project, late submissions will result in movement down one grade level (i.e., A becomes A-, A- becomes B+, etc.).

Attire: On guest speaker and presentation days, please dress “business casual,” which should feel more “dressed up” than typical student attire.

Statement for Students with Disabilities: Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to TA) as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. Website and contact information for DSP:
http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html, (213) 740-0776 (Phone), (213) 740-6948 (TDD only), (213) 740-8216 (FAX) ability@usc.edu.

Statement on Academic Integrity: USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one’s own academic work from misuse by others as well as to avoid using another’s work as one’s own. All students are expected to understand and abide by these principles. *SCampus*, the Student Guidebook, (www.usc.edu/scampus or <http://scampus.usc.edu>) contains the University Student Conduct Code (see University Governance, Section 11.00), while the recommended sanctions are located in Appendix A.

Emergency Preparedness/Course Continuity in a Crisis: In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.