Course Syllabus BUS234G

SOCIOLOGY AND PSYCHOLOGY OF MARKETING

Number of ECTS credits: 6

Contact Details for Professor

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Course Description

The focus of this course lies on the use of psychological and sociological insights in order to understand, predict and influence consumer behaviour. The course will start from a discussion of the standard economic model of choice making and its underlying assumptions on behaviour. As “human decisions systematically depart from those predicted by standard economic theory”, we will focus exactly on these deviations. In exploring how people behave in the real world, we will discuss more accurate descriptive models of human behaviour. Topics include: status quo bias, reference dependence, representativeness, overconfidence, prospect theory of Kahneman and Tversky, … .

Course Prerequisites

Business (BUS101P)

Learning Objectives

After this course, you should be able to
- apply economic reasoning to explain (consumer) behavior
- identify and analyze a problem within a behavioral economics framework
- search for academic literature on a specific topic
- critically evaluate existing normative models of behavior
- use economic models to predict the impact of policy changes
Course schedule

Part 1: Introduction into Behavioral Economics & Discussion of the Rational Choice Model
Part 2: Consumer Decisions
   - Transaction Utility and the effect on pricing
   - Mental Accounting
   - Status Quo Bias, Default Options & Loss aversion
Part 3: Information and Uncertainty
   - Choice Bracketing
   - Choice Heuristics
   - Confirmation and Overconfidence
   - Prospect Theory and Decision under Risk or Uncertainty
Part 4: Time Discounting
Part 5: Social Preferences

Course Materials

Compulsory Reading:

- Reader with the seminal articles on each topic
- Slide shows used during the course

Additional Reading:


Course Assessment

The students will be evaluated on the basis of their performance as follows

- In-class participation 10%
- Midterm examination 32.5%
In-class activity 15%
Oral presentation 10%
Final examination 32.5%
TOTAL 100%

Grading Scale of Vesalius College

Vesalius College grading policy, in line with the Flemish Educational norms, is now as stated follows:

<table>
<thead>
<tr>
<th>Letter grade</th>
<th>Scale of 20</th>
<th>Scale of 100</th>
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<tbody>
<tr>
<td>A</td>
<td>17.0-20.0</td>
<td>85-100</td>
</tr>
<tr>
<td>A-</td>
<td>16.1-16.9</td>
<td>81-84</td>
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<tr>
<td>B+</td>
<td>15.3-16.0</td>
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<tr>
<td>B</td>
<td>14.5-15.2</td>
<td>73-76</td>
</tr>
<tr>
<td>B-</td>
<td>13.7-14.4</td>
<td>69-72</td>
</tr>
<tr>
<td>C+</td>
<td>13.1-13.6</td>
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<tr>
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<tr>
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<td>50-53</td>
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<tr>
<td>F</td>
<td>0-9.9</td>
<td>0-49</td>
</tr>
</tbody>
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Further description of assessment activities and Grading Criteria

Since a significant part of the course time will be spent at discussion of concepts and ideas, active participation is encouraged! The course can only be of high quality if everybody actively participates. In order to obtain a high score on in-class participation, students must prepare the discussion questions after each chapter for the next course such that they are able to contribute to the in-class conversations.

The midterm examination will take the form of a multiple choice test. Each question will have 4 possible answers. A correct answer results in +1 while an incorrect answer results in -0.25. No answer gives a score of 0.

For the in-class activity, students will need to show they master the theoretical concepts from part 2 of the course by applying these concepts in a real-life case study. For this activity, the students will work in groups of 2 (max. 3 students). They choose an existing organization (e.g. Coca Cola, Microsoft, a youth football club, a local government agency, …) where they are supposed to be in charge of the marketing department. Their goal is to show how behavioral economic insights can be used in this organization. Each group needs to hand in a written
report on the case study as well as giving a short oral presentation in class. The written report should consist of a 4000 words (+/- 10%) and should be written in academic style. The following criteria will determine your grade:
- clear writing
- appropriate use and citation of relevant (academic) literature
- structure of argumentation
- originality/complexity of the case/research question
The presentation should not exceed 30 minutes and is accompanied by a PowerPoint presentation.

The final exam you can be asked to:
- explain a number of basic concepts/ideas discussed in the course
- to argue true or false statements
- to apply the ‘theoretical insights’ gained throughout the course by commenting on articles or by solving managerial decision making problems

**Additional Course Policies**

In this course no attendance policy will be used. It is however clear that students who rarely attend classes (with no legitimate reason), can not score high on the ‘in-class participation score’. Moreover, missing a lecture may impede your ability to understand fully the concepts and principles covered. All the material presented during the class lectures may be incorporated into exams, quizzes, or other forms of evaluating student performance.

The written assignments are due at the time of the class in which they pertain and at no other time. I only accept paper versions and no e-mail submission for any reason. Late papers are not accepted. All written work is to be printed with double-spaced type using Times New Roman 12 point font with 1-inch margins on all four sides and a separate cover page identifying the student and the course.

I will consider make up exams, quizzes, or other evaluative material only under extraordinary circumstances (e.g., validated personal or family illness, emergencies, etc.). Notification of such a circumstance and request for a make up exam should be made in writing.

**Academic Honesty Statement**

Academic dishonesty is NOT tolerated in this course.
Academic honesty is not only an ethical issue but also the foundation of scholarship. Cheating and plagiarism are therefore serious breaches of academic integrity. Following the College policy, cheating and plagiarism cases will be communicated in writing to the Associate Dean for Students and submitted to the Student Conduct Committee for disciplinary action. If you refer to someone else’s work, appropriate references and citations must be provided. Grammar, spelling and punctuation count, so use the tools necessary to correct before handing in assignments.