

**PRELIMINARY DRAFT****CONSUMER BEHAVIOR 15.847  
SPRING 2017**

<b>Professor:</b>	Dr. Tage S. Rai MIT Sloan School of Management E62-533 <a href="mailto:tage@mit.edu">tage@mit.edu</a> Office Hours: by appointment TA: Estefania de Sosa Cadete edesosa@mit.edu
<b>Time:</b>	Tuesday & Thursday 4:00 – 5:30PM H2
<b>Location:</b>	E51-325

**COURSE DESCRIPTION**

Every time you make a choice, you're in the realm of consumer behavior. Whether you're choosing between coke or pepsi, between swiping right or left on Tinder, or between feeling the Bern or voting for the Donald, someone is trying to sell you something and you're deciding whether to buy. In this course, we will explore the most recent scientific research in psychology, economics, and marketing to determine how and why people make the consumption choices they do. We'll talk about clothes, food, and electronics, but we'll also talk about sex, addiction, segregation, poverty, charity, voting, war, propaganda, conspiracies, and more. By the end, you should be able to understand and influence what consumers need and want, how consumers decide what and when to buy, and whether consumers will be satisfied or dissatisfied with their decisions. You may even be able to do some good (or evil) in the world, too.

**FORMAT**

Class will be 50% lecture, 50% cases. No laptops or electronics may be used during lecture. There will be a lot of reading and some homework.

**COURSE READINGS**

There is no textbook for this course. A coursepack will have the cases for the course. All other readings will be available to download on our class site or the web, or will be handed out in class. Readings will include empirical journal articles, pop articles, and selected chapters from books, including *Predictably irrational* (Ariely), *Freakonomics* (Levitt & Dubner), *Thinking: Fast and Slow* (Kahneman), *Scarcity* (Mullainathan & Shafir), *Why we buy* (Underhill), *Decoding the new consumer mind* (Yarrow), and *Nudge* (Thaler & Sunstein).

**LATE ASSIGNMENT AND EXTENSION POLICY**

I will not accept late assignments. They will receive a grade of zero. If you will miss the final exam due to an interview or for other official reasons, you must contact me at least **two weeks in advance** to arrange an alternative exam time.

**ACADEMIC HONESTY**

You must be the sole author of work you submit in this course. **Plagiarism or cheating in an exam will result in a failing grade in the course and a referral to the Dean of Students' Office for further action.**

I will not give credit to any assignment submitted in this class for which you have received credit in another course. Please familiarize yourself with Sloan's description of plagiarism if you are uncertain <https://integrity.mit.edu/handbook/what-plagiarism>

**GRADING CRITERIA**

Share	Category	Criteria & Details
13%	Attendance	There are thirteen class sessions. Each absence, for any reason, costs you 1% of your final grade. Don't be late, as its annoying to dock fractional points!
17%	Class Participation	Your active involvement in the class is important. What matters is quality, not quantity. In order to achieve quality, you will need to do the readings and prepare sufficiently for the cases. If you feel hesitant to participate or that you do not have sufficient opportunity to participate, please let me know via email so I can facilitate your participation.
10%	Weekly Response papers	You will turn in a weekly response paper the night before lecture starting in Week 2 based on the readings for that week. It doesn't need to be very long, nor must it touch on all readings, although integrating readings helps. What's important is to convey not just that you read, but that you learned something, and if you can ask a good question, even better. Maybe it will even improve the lecture. One page limit, preferably less.
25%	Midterm Exam	The midterm will be a take-home exam. It will assess your mastery of the course topics and materials through the first half of the course. It will draw on lectures, readings, and cases.
35%	Final Exam	The final exam is a comprehensive exam that will assess your mastery of the course topics and materials. Although it will focus on material in the second half of the course, you will still need to draw on material from the first half, which is why it is weighted more than the midterm.

**COURSE SCHEDULE**

Date	Topic	Date	Topic
April 4	Lecture 1: What do you desire?	April 6	Case 1
April 11	Lecture 2: Emotions, Motives, and Irrationality	April 13	Case 2
April 18	PATRIOTS DAY!!! NO SCHOOL!!!	April 20	Lecture 3: Preference Construction (Midterm due)
April 25	Case 3	April 27	Lecture 4: Biases and Heuristics
May 2	Case 4	May 4	Lecture 5: Consumption, Satisfaction, and Crisis
May 9	Case 5	May 11	Lecture 6: Collective decisions, culture, and policy
May 16	Case 6	May 18	IN CLASS FINAL EXAM