

Course Outline

Course Code	RSM 450 H1 F
Course Name	Marketing and Behavioural Economics
Term, Year	Fall, 2022
Course Schedule	Fri 9-11 – WO 25
Web page URL	https://q.utoronto.ca/courses/280862

Instructor Details

Name	Email and Zoom link	Phone	Office Hours	Office Link
Ned Welch	Ned.Welch@rotman.utoronto.ca	416-880-9666 (cell)	Wednesday 12pm-3pm or by appointment	RSM 8001 or Zoom https://utoronto.zoom.us/j/81545572161

Course Scope, Mission and Learning Outcomes

This course is relevant to students with interest in marketing, general management, strategy, product/service/policy design, and finance.

Behavioural economics is about how people economic decisions (and also many non-economic decisions). That process turns out to be quite different from what classical economics assumes – in the real world, people rarely have enough, time, information, or processing capacity to make so-called “rational” decisions. So what do people do? And how can we structure decisions to make better decisions easier to make?

Our focus therefore is understanding key principles of how real decision-making takes place. Because complexity is so common, these principles are relevant to a wide range of applications. Most famously, BE has been used to “nudge” desired behavioral outcomes in marketing and public policy. Its relevance is in fact even broader. Every organization cares about the choices made by its stakeholders, whether they be consumers, citizens, or other businesses. BE tells us how, when, and why people are likely to make counter-intuitive choices, with important implications for applications as varied as marketing, product development, customer experience management, pricing, strategy, and public policy.

Core topics include: the role of emotion and self-control in decision-making, surprising ways people think about time, money and uncertainty; and the importance of context in framing decisions. We also develop an understanding of choice architecture – the idea that even complex decisions can often be influenced using relatively simple variables such as the sequencing and timing of experiences, and the range of options presented.

The course’s goal is to make behavioural economics accessible to students as a tool for solving management problems. Students completing the course should:

- Have a working understanding of key principles of behavioural economics
- Be able to articulate the relevance and implications of these principles for common business and policy problems

- Know how to use these principles to develop behaviourally informed insights and tactics
- Have enough foundational knowledge to be sophisticated consumers of behavioural insights, analyses, and principles they encounter in the future.

Course Prerequisites

Prerequisite: Completion of 9.0 credits. Exclusion: RSM418H1 (Special Topics in Management: Integrative Thinking - Psychology and Markets),

Course Materials

Required Readings

- 1) Readings denoted “Quercus” on the course schedule will be available via links posted to the Quercus course page.

Electronic Course Materials

This course will be using the following electronic course materials:

- 2) BE-101 short videos produced by our *Behavioural Research in Action at Rotman research center (BEAR)*; links posted to Quercus course page
- 3) Coursepack available for purchase from Ivey Publishing using the link below:

<https://www.iveypublishing.ca/s/ivey-coursepack/a1R5c00000E8rZbEAJ>

These materials will cost a total of \$21.15. The use of these materials complies with all University of Toronto policies which govern fees for course materials.

Evaluation and Grades

Grades are a measure of the knowledge and skills developed by a student within individual courses. Each student will receive a grade on the basis of how well they have command of the course materials, skills and learning objectives of the course.

Work	Percentage of grade	Due Date
Class Participation/Attendance	15%	Ongoing
Short assignments (N=3)	30%	See course schedule
Mid-Term Exam	15%	Oct 28, 2022
Final group project presentation	10%	Dec 2, 2022
Final group project playbook	30%	Dec 5, 2022

Course Format and Expectations

This course is structured as a combination of lectures, class discussions, individual written assignments and group work.

Writing Assignments or Presentations

Except for the mid-term, which follows a multiple-choice format, all course deliverables involve some degree of written or oral presentation of ideas. How well you communicate your ideas will be considered in the evaluation of these assignments. In your written assignments, you should aim for clarity, strong organization, concision, professionalism, and correct grammar. Your presentations should reflect strong planning and organization, clarity of speech, and an

engaging demeanour. Sources, whether in written or presentation assignments, should always be correctly attributed.

Support is available through the RC Centre for Professional Skills (CPS) for students who would like help or feedback on their writing or speaking (presentations). CPS offers both individual and group appointments with trained writing instructors and presentation coaches who are familiar with the RC program and common types of business assignments. You can also access your college Writing Centres for help with written assignments.

You can [book an appointment with a writing or presentation coach](#) through the RC Centre for Professional Skills Writing Centre. For more information about writing centres, student supports, and study resources, see the [Writing and Presentation Coaching academic support page](#).

Team or Group Assignments

The final project (aka “Nudge Challenge”) requires students to work in teams of about six people. Learning to work together in teams is a crucial transferrable skill you will use not only in your coursework, but also in your future careers. Support is available if you encounter common teamwork challenges such as:

- Team members feeling left out of the team.
- Team members not responding in a timely manner to communication.
- Division or quality of work among team members being unequal or unfair.

Consult the [Centre for Professional Skills Teamwork Resources page](#) for tips, strategies, and best practices. You can also [book an appointment with a teamwork mentor](#) through the RC Centre for Professional Skills Writing Centre. Teamwork mentors can help you resolve or mitigate conflict, strategize on planning, or improve team communication.

If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, consult with your Accessibility Advisor about the teamwork in this course.

Class Participation

Students are expected to prepare thoroughly and make every effort to attend every class. In addition to in-class discussions, I also count participation via on-line discussions via Quercus discussion threads that may arise. I may occasionally add ungraded “practice quiz” questions about course readings to session modules on Quercus. Although these aren’t graded, their completion does count toward participation.

Class participation will be evaluated on the following dimensions:

- Thoughtful contributions to in-class/on-line discussions
- Demonstrated understanding and analysis of topics
- Idea generation
- Promoting further discussion

Missed Tests and Assignments (including mid-term and final projects)

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may request special consideration.

In such cases, students must:

1. Notify the instructor AND the Rotman Commerce Program Office **on the date** of the missed course deliverable, e.g. missed test, final assessments, assignment or class (in the case of participation marks).
2. Complete a [Request for Special Consideration Form](#) and submit it along with your Absence Declaration on [ACORN](#) (please read the instructions on how to use the

Absence Declaration in ACORN) within **2 business days** of the originally scheduled course deliverable.

Students who do not provide this information will be given a grade of 0 (zero) for the missed course deliverable. When these steps are followed, students will have an opportunity to make up an exam or submit an assignment late. Late submissions are strongly preferred to re-weighting other deliverables, but the instructor may consider that option in the case of prolonged serious absence.

Late Assignments

Assignments are due on the date and at the time specified in Quercus. Unexcused late submissions will be penalized by 2% per day.

However, given that “life happens,” I afford every student one penalty-free late day requiring no formal extension or excuse that can be applied to one homework assignment during the term.

Beyond this “life happens day,” extensions for cause will be considered when events beyond a student’s control make timely submission impossible. You must obtain prior approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and assignments.

Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another’s differences. U of T does not condone discrimination or harassment against any persons or communities.

Commitment to Accessibility

The University is committed to inclusivity and accessibility, and strives to provide support for, and facilitate the accommodation of, individuals with disabilities so that all may share the same level of access to opportunities and activities offered at the University.

If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please [email Accessibility Services](#) or [visit the Accessibility Services website for more information](#) as soon as possible. Obtaining your accommodation letter may take up to several weeks, so get in touch with them as soon as possible. If you have general questions or concerns about the accessibility of this course, you are encouraged to reach out to your instructor, course coordinator, or Accessibility Services.

Original

Students will be required to submit their course essays to the University’s plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool’s reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University’s use of this tool are described on the [University’s Plagiarism Detection Tool FAQ](#) page from Centre for Teaching Support & Innovation.

Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the U of T degree that you earn will continue to be valued

and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

[The University of Toronto's Code of Behaviour on Academic Matters](#) outlines the behaviours that constitute academic misconduct, the process for addressing academic offences and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers.
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to) medical notes.

All suspected cases of academic dishonesty will be investigated by the procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other U of T or RC resources such as the RC Centre for Professional Skills, the College Writing Centres or the Academic Success Centre.

Email

At times, the course instructor may decide to communicate important course information by email. As such, all U of T students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up and properly entered on ACORN. For more information visit the [Information Commons Help Desk](#).

Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit

permission, and may not do so unless permission is granted. Students who have been previously granted permission to record lectures as an accommodation for a disability are excepted. This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission for recording is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

Weekly Schedule

Session	Date	Topic	Readings
1	Sept 9, 2022	Behavioural Economics and Choice Architecture	BE101 Week 1.2-1.3 Introducing BE (Quercus) 10201 What is BE? 10203 Nudging and Behaviour Change 10301 Rational Choice 10303 The Axioms of Rational Choice A Marketer's Guide to Behavioral Economics, McKinsey Quarterly, February 2010 (Quercus)
2	Sept 16, 2022	Intertemporal Choice and Self-Control	BE101 Week 2.3 Self-control (Quercus) 20301 Ulysses, SS and LL 20303 Self control strategies 20305 Key ideas BE101 Week 1.4 – Decision points (Quercus) 10401 A theory of decision points 10403 Using decision points as a nudge Soman et al: Decision Points (Quercus) Clocky: The Runaway Alarm Clock (Coursepack)
Homework 1 due Monday, September 19 by 11:59pm			
3	Sept 23, 2022	Money and Time	BE101 Week 2.1 – Mental accounting (Quercus) 20101 Mental Accounting 20103 Decoupling 20401 Uncash Excerpt from Milkman (2021). <i>How to Change</i> (Quercus)
4	Sept 30, 2022	Choice Processes and the Role of Context	BE101 Week 2.2 – Choice overload (Quercus) 20201 Choice overload 20203 Consequences and solutions Soman: Option Overload (Quercus) Ariely et al.: Tom Sawyer and the Construction of Value (Quercus) Glossary of Behavioural Concepts (Quercus) (Skim only for class; Use as reference.)
Homework 2 due by Monday, Oct 3 by 11:59pm			
5	Oct 7, 2022	Intuition, Deliberation, and Emotion	Milkman et al.: Intuition vs. Deliberation (Quercus) Buell & Norton: Labour Illusion (Quercus) Reading TBA (Quercus)

6	Oct 14, 2022	Data big and Small: Experimentation, Insight and Impact	BE101 Week 3.1 – Basics of Experiments 30101 The behavioural lab 30103 The building blocks of experiments 30105 Types of designs BE101 Week 3.2 – Analysis of Experiments 30201 Analysis of experimental data 30202 Regression analysis 30204 ANOVA BE101 Week 3.3 Lab and Field Experiments 30301 Credit cards and spending – part 1 30302 Credit cards and spending – part 2 30304 Taxonomy of experiments
Homework 3 due by Monday, Oct 17 by 11:59pm			
7	Oct 21, 2022	Behavioural Finance and Experimenting in Organizations	Note on Behavioural Finance (Coursepack) Save More Tomorrow (Quercus) Commonwealth Bank of Australia (Coursepack)
8	Oct 28, 2022	In-class Midterm Exam	
	Nov 4, 2022	Creating Nudges (with intro to final project)	BE101 videos 40103 The experimental organization 50105 Nudging: Getting started 50203 Debiasing and rebiasing 50301 Nudging: An organizing framework BEAR Guide to Nudging (Quercus) Goldstein, Johnson et al. (2008) Nudge your customers toward better choices (Quercus)
No class	Nov 11, 2022	Reading week Nov 7-11	
10	Nov 18, 2022	Choice Architecture Workshop 1	
11	Nov 25, 2022	Choice Architecture Workshop 2	
12	Dec 2, 2022	Group Presentations and Course Wrap-Up	
Final Group Project Due Monday, December 5, 2022 by 11:59pm			

Please note that the last day you can drop this course without academic penalty is November 16, 2022.

Other Useful Links

- [Become a volunteer note taker](#)
- [Accessibility Services Note Taking Support](#)
- [Credit / No-Credit in RSM courses](#)
- [Rotman Commerce Academic Support](#)

URL links for print

- Book an appointment with a writing or presentation coach: <http://uoft.me/writingcentres>
- Writing and Presentation Coaching academic support page: <https://rotmancommerce.utoronto.ca/current-students/academic-support/writing-and-presentation-coaching/>
- Centre for Professional Skills Teamwork Resources page: <https://rotmancommerce.utoronto.ca/teamwork-resources>
- Book an appointment with a Teamwork Mentor: <http://uoft.me/writingcentres>
- Request for Special Consideration Form: <https://rotmancommerce.utoronto.ca/current-students/forms-requests-and-appeals/forms/>
- ACORN: <http://www.acorn.utoronto.ca/>
- Email Accessibility Services: accessibility.services@utoronto.ca
- Accessibility Services website: <http://studentlife.utoronto.ca/as>
- University's Plagiarism Detection Tool FAQ: <https://uoft.me/pdt-faq>
- The University of Toronto's Code of Behaviour on Academic Matters: <http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>
- Information Commons Help Desk: <http://help.ic.utoronto.ca/category/3/utmail.html>
- Become a volunteer note taker: <https://studentlife.utoronto.ca/program/volunteer-note-taking/>
- Accessibility Services Note Taking Support: <https://studentlife.utoronto.ca/service/note-taking-support/>
- Credit / No-Credit in RSM courses: <https://rotmancommerce.utoronto.ca/current-students/degree-requirements/credit-no-credit-option/>
- Rotman Commerce Academic Support: <https://rotmancommerce.utoronto.ca/current-students/academic-support/>