

Course Outline

Course Code	RSM 450H1 S
Course Name	Marketing and Behavioural Economics
Term, Year	Winter, 2024
Course Meets	Friday 11-1, WO
Web page URL	https://q.utoronto.ca/courses/334706

Instructor Details

Name	Email	Phone	Office Hours	Virtual Office Link
Dilip Soman	dilip.soman@rotman.utoronto.ca	416-946-0195	Thursdays 1:00 – 2:30 PM; Fridays 1:15 – 2:45 PM or by appointment	Available on request

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 (BE) is the science of how people make 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 create interventions (often called choice architecture, or Nudge) that steer people to desired outcomes in marketing, consumer welfare 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 choices and highlights 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, the psychology of time, money and uncertainty; and the importance of context in 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)

Required Readings

Several required articles drawn from Rotman Magazine and other sources have been posted to the course Quercus page.

Electronic Course Materials

This course will be using the following electronic course materials (three case studies from Ivey Publishing: 1) Clocky: The Runaway Alarm Clock, 2) tweeter etc. and 3) Unbanklike Experimentation).

These materials will cost a total of \$16.20. The use of these materials complies with all University of Toronto policies which govern fees for course materials.

Optional and Recommended Reading

The following book is **optional**. It will be particularly useful for those of you looking to use behavioural economics in your career or future educational endeavours.

Item	Title	Required?	Location
Textbook	The Last Mile: Creating Social and Economic Value from Behavioural Insights; University of Toronto Press: 2015	Optional	Purchase from Amazon or other popular bookstores

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	10%	Ongoing
Mid-term test	35%	16 February, 2024, in-class
Individual paper (Market for Self-Control)	20%	22 March, 2024, 11:59 PM
Group Paper (Behaviour Change Challenge)	35%	8 April, 2024, 11:59 PM

Course Format and Expectations

This course is structured as a combination of lectures, class and online discussions, an individual written assignment and a group assignment.

Writing Assignments or Presentations

Except for the mid-term test which follows a multiple-choice format, all course deliverables are intended to help you develop your communication skills. How well you communicate your ideas, in writing will be considered in the evaluation of the assignment. 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.

Detailed guidelines for the individual assignment (the Market for Self-Control) will be posted under the “Assignments” tab on the course Quercus page.

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 (the “Behaviour Change Challenge”) requires students to work in teams of about five or six people. Detailed guidelines for the group assignment will be posted under the “Assignments” tab on the course Quercus page.

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

This component of the course grade is awarded for your active contributions (not merely for your presence in class) to the class and to the learning experience of all of your colleagues. Students could contribute either in class, or on the Quercus discussion boards in a number of ways – by asking questions that clarify or amplify course concepts, providing examples, engaging in debate and discussion, or summarizing, commenting on, or critiquing points of views expressed in the course materials. You are encouraged to be active users of discussion boards – a) the discussion there is recorded and visible to all for the duration of the course, so it is easier to generate more engagement. b) In addition to posting text, you could also post audio, short video, sketches, or links to extant content to illustrate your point.

Your instructor will keep notes on your class contributions (on both the Quercus discussion boards and on any in-class) throughout the course. These notes will naturally reflect your cumulative and time-varying performance in both the digital and synchronous components of the course. Your performance on this course component will be assessed based both on quality and quantity of your comments. There are three criteria used to assess quality.

The first has to do with the ***independent quality of each contribution***. I will read / hear every single contribution and make several judgments about it. Is it belief base or evidence based? How thoughtful is it? Does it merely echo opinions or build on arguments to add nuance? Does it amplify points of view, or does it also synthesize and reconcile opinions? These judgements allow me to score each contribution on a 4 point scale (1=A basic contribution, 2 and 3=Amplifies or Exemplifies, 4=Fundamentally changed nature of discussion).

The second component is ***consistency across units and time***. In this regard, I will look at how well distributed your comments were across the different units (topics) as well as over time. Consistent contributors – those with sustained levels of contributions – will be valued more highly than sporadic ones, all else held constant.

The third component relates to ***your ability to spawn off*** new discussion and new ways of thinking (this also related somewhat to one of the criteria within the first component). I will look

at how many new discussions you started, and in how many instances your comments caused “a new way of thinking.” I also look for closure – for instance starting off a new chain of thoughts and returning to the question and making some synthesis type remarks is valued more than simply starting off a new thread and letting others respond.

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

Students who miss a test or assignment for reasons entirely beyond their control (e.g., illness) may request special consideration **within 2 business days** of the missed midterm/test/assignment due date.

In such cases, students must:

1. Complete the Request for Special Consideration form: <https://uoft.me/RSMConsideration>
2. Provide documentation to support the request, e.g., Absence Declaration from [ACORN](#), medical note etc.

Please note: As of September 2023, students may use the Absence Declaration on ACORN ***one time per term*** to report an absence and request consideration. **Any subsequent absence will require a [Verification of Illness form](#) or other similar relevant documentation.**

Students who do not submit their requests and documentation within 2 days may receive a grade of 0 (zero) on the missed course deliverable.

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

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.

Generative AI / ChatGPT

Many of you will have access to AI (ChatGPT, Image Generation tools) and may want to use them in preparing your assignment.

Given that both written assessments for this course are “open book,” you may want to use generative AI tools to aid in preparing your responses. However, I would encourage you to be sensitive to the problems with generative AI like ChatGPT.

- 1) If you provide minimal efforts in using these tools, you will get low quality results. Getting high quality results requires thought and effort.
- 2) ChatGPT is capable of generating plausible text, but not necessarily accurate text. Do not trust every fact (numerical or otherwise) that it may generate.
- 3) AI is a tool. Where the use of tools is permitted (not in this course), please acknowledge its use, and also articulate what inputs you used to generate results. Failure to disclose this might violate academic honesty policies.
- 4) The tool might be more appropriate in some situations and not in others. Be thoughtful about when you use it in your academic journeys.
- 5) Given the way in which these technologies work, they may end up (re)producing work that has been done by others, hence resulting in unintended plagiarism. Therefore, should you use these tools, do take the extra effort to ensure that unintentional plagiarism does not occur.

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 questions 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 (read cases prior to class)
1	12 January	Introduction: Behavioural Economics, Behaviour Change and Choice Architecture	The Last Mile: Using Behavioural Insights to Create Value (Rotman Magazine Fall 2015)
2	19 January	Money and Time	The Waiting Game (Rotman Magazine Spring 2013) Mental Accounting Matters (Thaler, 1999)
3	26 January	Choice over Time and The Market For Self-Control	The Growing Market for Self-Control (Rotman Magazine 2018) Decision Points: A Theory Emerges (Rotman Magazine 2010) Case: Clocky – The Runaway Alarm Clock
4	2 February	Experiment Design and Evidence-Based Decision Making	Test, Learn, Adapt (UK Cabinet Office 2012)
5	9 February	Choice Processes and the Role of Context	Option Overload (Rotman Magazine 2010) Consumer Behaviour Online: A Playbook Emerges (Rotman Magazine 2018) Sludge: A Very Short Introduction (BEAR 2020)
6	16 February	<i>In-Class Midterm Exam</i>	
7	1 March	Workshop in Choice Architecture	
8	8 March	Behavioural Science in Banks: Case Discussion	Case: Unbanklike Experimentation
9	15 March	Behavioural Science in Retail: Case Discussion	Case: Tweeter etc.
10	22 March	Setting up Behavioural Teams in Organizations: Case Discussion and Guest Speaker	Case: Banking on Behavioural Science: Commonwealth Bank of Australia The Between Times of Applied Behavioural Science (the BE Guide, 2023)
11	5 April	Behavioural Science in Government and for Social Welfare: Guest Panel	Managing Mental Health: A Behavioural Approach (Rotman Magazine 2021)
12	8 April	Wrap Up Session (Optional)	

Please note that the last day you can drop this course without academic penalty is March 11, 2024.

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

- 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/>
- 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>