

MGMT 754/ PSYC 554: BEHAVIORAL DECISION MAKING: JUDGMENT**Yale School of Management
Fall 2023**

Instructors:	Ravi Dhar Room 5502	Nathan Novemsky Room 5508
Office Hours:	By appointment	
Schedule:	Tuesday, 4:10-7:10pm Room 1556 Evans Hall	

OVERVIEW

The purpose of this seminar is to provide Ph.D.-level coverage of the psychology of judgment. Although the normative issue of how judgments should be made is relevant, the descriptive issue of how judgments *are* made is the main focus of the course. In addition to examining prior research, the goal of this seminar is to improve your ability to identify interesting research questions and develop effective experiments for testing them. In each session there will be three or four articles that will be examined in detail. In addition, for each session there may be some additional background readings, which we will cover briefly (and which you may want to read more carefully later). The discussion articles and the additional readings assigned for each class appear on the following pages. Some changes might be made during the term.

Class sessions will involve different components. Students will be in charge of leading the discussion on the assigned articles (the articles will be assigned to the students during the prior week). The discussion includes a 1-page write up of the assigned paper with a discussion around key ideas and hypotheses, tests, potential confounds, alternative explanations, limitations, and ideas for future research. Do not feel any need to cover everything in each paper. You will find these summaries very useful long after you have taken the course. Students will also identify research ideas that build on the issues raised by the articles. Each student will also submit a comment on the Discussions section of the Canvas website for each paper by **10 pm on Monday**, the day before that paper is discussed. This comment can be a criticism, extension, or other idea related to the paper.

Each student will be expected to prepare a research proposal presenting an original research idea, a brief literature review, hypotheses, and a preliminary research design. The paper will be due by **December 19th**. The final grade will be based on class participation, including forums and summaries (50%), and the research proposal (50%).

Introduction (9/5)- Zoom

Week 1 (9/12): Predicting Preferences and Utility

1. Wilson Timothy D., Thalia Wheatley, Jonathan M. Meyers, Daniel T. Gilbert, and Danny Axsom (2000), "Focalism: A Source of Durability Bias in Affective Forecasting," *Journal of Personality and Social Psychology*, 78 (May), 821-836.
2. Wilson, Timothy D., David B. Centerbar, Deborah A. Kermer, & Daniel T. Gilbert (2005), "The Pleasures of Uncertainty: Prolonging Positive Moods in Ways People Do Not Anticipate," *Journal of Personality and Social Psychology*, 88 (July), 5-21.
3. Novemsky, Nathan and Rebecca K. Ratner (2003), "The Time Course and Impact of Consumers' Erroneous Beliefs about Hedonic Contrast Effects," *Journal of Consumer Research*, 29 (March), 507-516.

Optional Readings:

4. Kahneman, Daniel (1994), "New Challenges to the Rationality Assumption," *Journal of Institutional and Theoretical Economics*, 150/1, 18-36.
6. Morewedge, C. K. (In press). Utility: Anticipated, Experienced, and Remembered. In G. Keren and G. Wu (Eds.), *Blackwell Handbook of Judgment and Decision Making*, 2nd Edition. Malden, MA: Blackwell Press.
7. Wirtz, Derrick, Justin Kruger, Christie Napa Scollon, and Ed Diener (2003), "What To Do on Spring Break? The Role of Predicted, Online, and Remembered Experience in Future Choice," *Psychological Science*, 14 (September), 520-524.
8. Schkade, David A. and Daniel Kahneman (1998), "Does Living in California Make People Happy? A Focusing Illusion in Judgments of Life Satisfaction," *Psychological Science*, 9 (September), 340-346.

Week 2 (9/19): Effects of Memory on Predictions of Utility

1. Tom Meyvis, Rebecca Ratner, and Jonathan Levav (2010), "Why Don't We Learn to Accurately Forecast Feelings? How Misremembering Our Predictions Blinds Us to Past Forecasting Errors," *Journal of Experimental Psychology: General*, 129 (4), 579-589.
2. Pocheptsova, A., & Novemsky, N. (2009). When do incidental mood effects last? Lay beliefs versus actual effects. *Journal of Consumer Research*, 36(6), 992-1001.
3. Jeff Galak and Tom Meyvis (2011), "The Pain was Greater if it Will Happen Again: The Effect of Anticipated Continuation on Retrospective Discomfort," *Journal of Experimental Psychology: General*, 140 (Feb), 63-75.

Week 3 (9/26): Experienced vs. Remembered Utility

1. Kahneman, Daniel, Barbara L. Fredrickson, Charles A. Schreiber, and Donald A. Redelmeier (1993), "When More Pain is Preferred to Less: Adding a Better End," *Psychological Science*, 4 (November), 401-405.
2. Zauberman, G., Ratner, R. K., & Kim, B. K. (2009). Memories as assets: Strategic memory protection in choice over time. *Journal of Consumer Research*, 35(5), 715-728.
3. Diehl, K., Zauberman, G., & Barasch, A. (2016). How taking photos increases enjoyment of experiences. *Journal of personality and social psychology*, 111(2), 119.

Optional Readings:

4. Morewedge, C. K. (2015). Utility: Anticipated, experienced, and remembered. *Wiley Blackwell Handbook of Judgment and Decision Making*, 295-330.
5. Buechel, E. C., Zhang, J., & Morewedge, C. K. (2017). Impact bias or underestimation? Outcome specifications predict the direction of affective forecasting errors. *Journal of Experimental Psychology: General*, 146(5), 746.

Week 4 (10/3): Expectations and Experience

1. Wang, J, Novemsky, N. and Newman, G. Experiences Require Appraisal to Overcome Expectations. Working Paper.
2. Expectation, Consumption, and Revelation on Preferences for Beer," *Psychological Science*, 17(December), 1054-1058.
3. Voichok, G., & Novemsky, N. (2021). Asymmetric Hedonic Contrast: Pain Is More Contrast Dependent Than Pleasure. *Psychological Science*, 0956797621991140.

Optional Readings:

4. Plassmann, H., O'Doherty, J., Shiv, B., & Rangel, A. (2008). Marketing actions can modulate neural representations of experienced pleasantness. *Proceedings of the National Academy of Sciences*, 105(3), 1050-1054.
5. Baba Shiv, Ziv Carmon, and Dan Ariely (2005), "Placebo Effects of Marketing Actions: Consumers May Get What they Paid For," *Journal of Marketing Research*, 42 (4), 383-393.

Week 5 (10/10): The Psychology of Adaptation

1. Wang, Jing, Nathan Novemsky, and Ravi Dhar (2009), "Anticipating Adaptation to Products," *Journal of Consumer Research*, 36 (August), 149-159.
2. Galak, Jeff, Joseph P. Redden, Justin Kruger, Variety Amnesia: Recalling Past Variety Can Accelerate Recovery from Satiation, *Journal of Consumer Research*, Volume 36, Issue 4, December 2009, Pages 575-584.
3. Nelson Leif D., Tom Meyvis, and Jeff Galak (2009), "Enhancing the Television-Viewing Experience through Commercial Interruptions," *Journal of Consumer Research*, 36 (August), 160-172.

Optional Readings:

4. Riis, Jason, George Loewenstein, Jonathan Baron, Christopher Jepson, Angela Fagerlin, and Peter A. Ubel (2005), "Ignorance of Hedonic Adaptation to Hemodialysis: A Study Using Ecological Momentary Assessment," *Journal of Experimental Psychology: General*, 34 (1), 3-9.
5. Lucas, Richard E., Andrew E. Clark, Yannis Georgellis, and Ed Diener (2003), "Reexamining Adaptation and the Set Point Model of Happiness: Reactions to Changes in Marital Status," *Journal of Personality and Social Psychology*, 84 (March), 527-539.
6. Gilbert, Daniel T., and Jane E. J. Ebert (2002), "Decisions and Revisions: The Affective Forecasting of Changeable Outcomes," *Journal of Personality and Social Psychology*, 82 (April), 503-514.
7. Kahneman, Daniel and Jackie Snell (1992), "Predicting a Changing Taste," *Journal of Behavioral Decision Making*, 5 (3), 187-200.
8. Frederick, S., & Loewenstein, G. (1999). Hedonic adaptation. in D. Kahneman, E. Diener, and N. Schwarz [eds]. *Scientific Perspectives on Enjoyment, Suffering, and Well-Being*. New York. Russell Sage.

Week 6 (10/24): Representativeness and Availability Heuristics

1. Tversky, Amos and Daniel Kahneman (1973), "Availability: A Heuristic for Judging Frequency and Probability," *Cognitive Psychology*, 5 (September), 207 - 232.
2. Kahneman, D. and Frederick, S. 2005. "A model of heuristic judgment" in K.J. Holyoak & R.G. Morrison [eds.] *The Cambridge Handbook of Thinking and Reasoning*. Cambridge University Press. 267-293.
3. Schwarz, Norbert, Herbert Bless, Fritz Strack, Gisela Klumpp, Helga Schatka-Rittenauer, and Annette Simons (1991), "Ease of Retrieval as Information: Another Look at the Availability Heuristic," *Journal of Personality and Social Psychology*, 61 (August), 195-202.

Optional Readings:

4. Tversky, Amos and Daniel Kahneman (1983), "Extensional vs. Intuitive Reasoning: The Conjunction Fallacy in Probability Judgment," *Psychological Review*, 91, 293-315.
5. Gilovich, Thomas, Robert Vallone, and Amos Tversky (1985), "The Hot Hand in Basketball: On the Misperception of Random Sequences," *Cognitive Psychology*, 17 (July), 295-314.
6. Kahneman, Daniel and Amos Tversky (1973), "On the Psychology of Prediction," *Psychological Review*, 80 (July), 237-251.

Week 7 (10/31): Feelings as Information

1. Schwarz, Norbert, and Gerald L. Clore (1983), "Mood, Misattribution, and Judgments of Wellbeing: Informative and Directive Functions of Affective States," *Journal of Personality and Social Psychology*, 45, 513-523.
2. Busse, M. R., Pope, D. G., Pope, J. C., & Silva-Risso, J. (2015). The psychological effect of weather on car purchases. *The Quarterly Journal of Economics*, 130(1), 371-414.
3. Rottenstreich, Y., & Hsee, C. K. (2001). Money, kisses, and electric shocks: On the affective psychology of risk. *Psychological science*, 12(3), 185-190.

Optional Readings:

4. Finucane, Melissa L., Ali Alhakami, Paul Slovic, and Stephen M. Johnson (2000), "The Affect Heuristic in Judgments of Risks and Benefits," *Journal of Behavioral Decision Making*, 13, 1-17
5. Lerner, Jennifer S. and Dacher Keltner (2000), "Beyond Valence: A Model of Emotion-Specific Influences on Judgment and Choice," *Cognition and Emotion*, 14, 473-493.
6. Schwarz, N., & Clore, G. L. (2003). Mood as information: 20 years later. *Psychological Inquiry*, 14(3-4), 296-303.

Week 8 (11/7): Anchoring

1. Jacowitz, K. E., & Kahneman, D. (1995). Measures of anchoring in estimation tasks. *Personality and Social Psychology Bulletin*, 21(11), 1161-1166.
2. Simmons, J. P., LeBoeuf, R. A., & Nelson, L. D. (2010). The effect of accuracy motivation on anchoring and adjustment: Do people adjust from provided anchors?. *Journal of personality and social psychology*, 99(6), 917.
3. Frederick, S. W., & Mochon, D. (2012). A scale distortion theory of anchoring. *Journal of Experimental Psychology: General*, 141(1), 124.

Optional Readings:

4. Gilbert, Daniel (2002), "Inferential Correction," in *Heuristics and Biases: The Psychology of Intuitive Judgment*, Thomas Gilovich, Dale Griffin, and Daniel Kahneman (Eds.), Cambridge, England: Cambridge University Press, 167-184.
5. Cain, Daylian M., George Loewenstein, and Don A. Moore (2005), "The Dirt on Coming Clean: Perverse Effects of Disclosing Conflicts of Interest," *Journal of Legal Studies*, 24 (January), 1-25.

6. Simonson, Itamar and Aimee Drolet (2004), "Anchoring Effects on Consumers Willingness-to-Pay and Willingness-to-Accept," *Journal of Consumer Research*, 31 (December), 681-690.
7. Mochon, D., & Frederick, S. (2013). Anchoring in sequential judgments. *Organizational Behavior and Human Decision Processes*, 122(1), 69-79.

Week 9 (11/14): Reactions to Decisions by Algorithms

1. Dietvorst, B. J., Simmons, J. P., & Massey, C. (2015). Algorithm aversion: People erroneously avoid algorithms after seeing them err. *Journal of Experimental Psychology: General*, 144(1), 114.
2. Dietvorst, B. J., Simmons, J. P., & Massey, C. (2018). Overcoming algorithm aversion: People will use imperfect algorithms if they can (even slightly) modify them. *Management Science*, 64(3), 1155-1170.
3. Longoni, C., Bonezzi, A., & Morewedge, C. K. (2019). Resistance to medical artificial intelligence. *Journal of Consumer Research*, 46(4), 629-650.

Week 10 (11/28): Context Effects on Judgment

1. Smith, R., Newman, G. and Dhar, R. , Closer to the Creator: Temporal Contagion Explains the Preference for Earlier Serial Numbers, *Journal of Consumer Research*, Volume 42, Issue 5, February 2016, Pages 653–668.
2. John, L. K., Acquisti, A., & Loewenstein, G. (2011). Strangers on a plane: Context-dependent willingness to divulge sensitive information. *Journal of consumer research*, 37(5), 858-873.
3. Voichek, G, and Novemsky, N. Positive Contrast Scope Insensitivity. Working Paper.

Week 11 (12/5): Emotions and Decision Making

1. Martel, C., Pennycook, G. & Rand, D.G. Reliance on emotion promotes belief in fake news. *Cogn. Research* 5, 47.
2. Chang, H. H., & Pham, M. T. (2012). Affect as a decision-making system of the present. *Journal of Consumer Research*.
3. Avnet, T, Pham, M and Stephens (2012), A Consumers' Trust in Feelings as Information, *Journal of Consumer Research*, Volume 39, Issue 4, 1, 720–735.

Optional Readings:

4. Loewenstein, G., & Lerner, J. S. (2003). The role of affect in decision making. *Handbook of affective science*, 619(642), 3.
5. Lerner, J. S., & Keltner, D. (2001). Fear, anger, and risk. *Journal of personality and social psychology*, 81(1), 146.
6. Angie, A. D., Connelly, S., Waples, E. P., & Klugyte, V. (2011). The influence of discrete emotions on judgment and decision-making: A meta-analytic review. *Cognition & Emotion*, 25(8), 1393-1422.

Week 12 (12/12): Immediate Vs. Distant Judgments

1. Yaacov Trope and Nira Liberman (2010), "Construal-Level Theory of Psychological Distance," *Psychological Review*, 117 (April), 440-463.
2. Baskin, E., Wakslak, C. J., Trope, Y., & Novemsky, N. (2014). Why feasibility matters more to gift receivers than to givers: a construal-level approach to gift giving. *Journal of Consumer Research*, 41(1), 169-182.
3. Zauberman, Gal and John G. Lynch, Jr. (2005), "Resource Slack and Propensity to Discount Delayed Investments of Time Versus Money," *Journal of Experimental Psychology: General*, 134 (1), 23-37.

Hot/Wistful regret, overconfidence as test approaches current emotions seem more intense than previous

emotions.

Optional Readings:

4. Gilovich, Thomas, Margaret Kerr, and Victoria Husted Medvec (1993), "Effect of Temporal Perspective on Subjective Confidence," *Journal of Personality and Social Psychology*, 64 (4), 552-560.
5. Van Boven, Leaf, Katherine White, and Michaela Huber (2009), "Immediacy Bias in Emotion Perception: Current Emotions Seem More Intense Than Previous Emotions," *Journal of Experimental Psychology: General*, 138 (3), 368-382.