Columbia Business School

REVISED SYLLABUS – January 20, 2018

# B8607-001 Strategic Consumer Insight
# Professor Pham
# Spring 2018


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| Professor: | Michel T. Pham | TA: | Ms. Youjung Jun |
| Office: | 515 Uris Hall | E-mail: | YJun20@gsb.columbia.edu |
| Phone: | 212-854-3472 | | |
| Fax: | 212-854-7647 | | |
| Class times: | Wednesdays 2:15-5:30PM (Uris 331) | | |
| Office Hours: | Mondays 1:00-2:00PM or by appointment | | |


Short video introduction of the course
Short video example of recent company project with Wyndham

**Course Objectives**

For most companies, business success requires the ability to uncover genuine insights about their customers. Which product is going to be a "hit"; which one is going to "flop"? Which aging brand can be revived; which one is doomed to die? Which product positioning will resonate best in the marketplace? Is a new market trend just a fad or is it going to last? How much will consumers be willing to pay for X? These are a few examples of the many important business questions that companies face every day and require customer insight.

This course focuses on the generation of sustainable customer insight for B2C companies, hence the title "Strategic Consumer Insight."[1] As will be amply demonstrated in this course, personal intuition about consumers is *not* consumer insight and not a substitute for it. The purpose of the course is therefore to equip students with the concepts and tools to become disciplined and astute discoverers of strategic customer insights for consumer-oriented (B2C) businesses.

This full-term course will be action-learning-oriented: combining lectures/discussions with many in-class workshops in which students will practice with and apply proprietary customer insight planning tools that the professor has developed through his many years of executive teaching, corporate training, and consulting. Importantly, students will have the opportunity to work on a real-life consumer insight project submitted by a client company. This real-life project provides a unique hands-on opportunity to design and execute a complete consumer insight engagement for a real client to help them address specific business issues (e.g., changing customer demographics, new competition, loss of brand relevance, market development, etc.). Previous clients include Coca-Cola, Macy's, Novartis, Best Buy, Rolodex, ESPN, Men's Health, Wrigley, Ann Taylor, Verizon, Wyndham hotels, and Home Depot. The Spring 2018 client will be Harman

[1] Although the course focuses on consumer insights for B2C companies, many of the concepts and tools covered apply as well to the generation of customer insights for B2B companies.

International, now a division of Samsung, a leading maker of audio and connected car systems with brands such as Harman/Kardon and JBL.

This course builds on and extends the marketing core course in the MBA/EMBA program by fleshing out the customer insight dimension of the strategic market planning process. Topics covered in this course include: (1) how consumers make decisions; (2) how consumers shop in retail environments; (3) how to uncover consumers' true motives, needs, and wants; (4) the role of feelings and emotions in consumer behavior; (5) an introduction to qualitative market research for consumer insight; (6) analyzing consumer experiences; and (7) social and cultural determinants of consumer behavior.

**Deliverables and Grading**

Final grades will be determined as follows**:**

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| Class Participation (including in-class exercises) | 20% (Individual) |
| Online Surveys | 20% (Individual) |
| Group Assignments | 20% (Group) |
| Company Field Project | 40% (Group – with possible adjustment for individual contribution) |

*Class Participation.* In line with the action-learning orientation of the course, a substantial portion of the grade will be based on each student's engagement and quality of participation in the course's learning activities. Solid participation requires (a) a strong attendance record (excessive absences may result in a failing grade); (b) thorough preparation of any assigned materials; (c) positive contributions to class discussions, including through insightful questions that benefit the entire class; and (d) active and constructive involvement in the various in-class exercises. Punctuality and avoidance of distraction will also be reflected in the overall participation grade. Therefore, please remember to put your electronics (e.g., phone, laptop) away during class sessions. Unauthorized use of electronics during class sessions will result in automatic reductions of participation grades.

*Online Surveys*. To facilitate in-class discussions, including of cases, students will be asked to complete a series of short online surveys pertaining to materials to be discussed in class. All surveys should be completed individually on Canvas by 10pm the evening before each class. Responses to the survey questions do not need to be lengthy (typically 2-3 sentences per question will suffice). However, responses have to be thoughtful to receive full credit. Entries submitted after the designated survey deadlines will not be credited.

*Group Assignments.* Various in-class exercises and project-focused workshops will be conducted throughout the term. Some of these will be the subject of written assignments to be submitted as a group. Their due dates are marked on the course schedule.

*Company Field Project.* The field project is a hands-on opportunity to analyze and address specific issues about consumers that are of particular interest to an existing company. Early in the semester (during the third class), the client company will describe its projects. Students will work in groups of **four to five** on their projects throughout the semester. The groups should be formed with project chosen by **Class 4 (Feb. 14)**. Responsibility for forming the groups is left to the students. A project proposal based on the first workshop is due on **March 2**. A **progress report**, to be reviewed by the client, should be submitted by **Class 7 (Mar. 21)**. The project should go beyond standard library research and involve the collection and analysis of primary data (e.g., in-depth interviews, focus groups, online surveys). When making recommendations, students should engage in "big-picture" yet analytically sound thinking, taking into account both the pros and cons of alternative solutions, as well as short-term and long-term implications of the proposed recommendations. At the end of the course, each group will summarize its investigation, findings, and recommendations in a report to be presented in the final class on **Apr. 25** with the clients in attendance. Final written reports are to be submitted to the professor and the clients on **Tuesday, May 1 at 9:00AM** (to ensure a timely evaluation and submission of the overall course grades).

Field projects will be evaluated based on (a) the breadth and depth of the research, (b) appropriate application of consumer behavior tools and concepts, (c) logical development of conclusions and implications, (d) originality of consumer insights, (e) quality of business recommendation; and (f) quality of the written report and oral presentation. (Input from the client company will be incorporated into these evaluations.) More details on the project will be provided later in the term.

*Note: Groups are responsible for managing their own dynamics and ensuring that every team member contributes positively to the project and carries their fair share of the work. At the end of the term, all students will be asked to assess the relative contribution of each of their teammates to the overall project, and, if necessary, individual grades for the company project may be adjusted accordingly.*

**Course Materials**

- *Lecture Notes.* As lecture notes, hardcopies of most of the slides will be distributed at the beginning of each session. Use these lecture notes as a support for your own note taking, not as a substitute for it. If you are unable to attend a session, please have a classmate collect a set for you. While the lecture notes will be posted on Canvas after each session, they will not be sent individually.

- *Readings.* All required readings will be distributed electronically via Canvas. Short surveys to be completed every evening before the following day's class will relate to some of the readings and cases.

*Suggested Additional Readings.* Students who are interested in additional background on consumer behavior or wish to go deeper into certain topics may also find the following books useful:

1. *Consumer Behavior* (5th Edition) by Wayne D. Hoyer and Deborah J. MacInnis, South-Western, 2008. This is an excellent, if somewhat encyclopedic, text on consumer behavior. It covers many of the topics and concepts that will be covered in class. Several copies are available on reserve in the Business School's Watson Library in Uris.

2. *Influence: The Psychology of Persuasion* (Revised Edition) by Robert B. Cialdini, Collins Business, 2006. This is a short but classic reference on the science of persuasion. It was named by the *Journal of Marketing Research* one the most important books written for marketers.

3. *Why We Buy: The Science of Shopping* (Revised Edition) by Paco Underhill, Simon & Schuster, 2008. This is another classic that includes a range of insights on shopping behavior.

4. *Consumer Insights: Findings from Behavioral Research*, Edited by Joseph W. Alba, Marketing Science Institute, 2011. A recent compilation of major findings in academic consumer research with their implication for marketing.

**Contact**

Whenever possible, I prefer real-time, in person communication over e-mail (to which I may not be able to respond promptly). If you have any questions regarding the class, please come to speak to me after class, or drop by my office (515 Uris) or call me (212-854-3472) during my office hours. If you can't visit or call during these hours, please schedule an appointment.

**Canvas**

Course-relevant materials and additional important information (about readings, assignments, etc.) will be posted on the school's Canvas system. Because some of the readings are provided by an external site, please use Mozilla's *Firefox* to access the course materials on Canvas, as Microsoft's *Internet Explorer* tends to create problems when accessing external sites. Please consult the course's site regularly (at least twice a week) because important announcements may be posted. It will be assumed that any announcement that has been posted at least 24 hours prior to a class (e.g., on Sunday night) has been read prior to that class (on Wednesday).

**Classroom Norm Reminders**

- Please help us ensure that classes start and finish on time by being punctual, as time is a very precious commodity for all of us.
- Please remember to put away your laptops, cell phones, and other mobile devices when the class is in session, as a courtesy for everybody and to avoid distraction (of yourself, your neighbors, and the instructor).
- Unexcused late arrivals or early departure, and unauthorized use of electronics during class sessions will result in automatic participation point reductions.
- Please always have your name card in front of you, so that I can remember who is who and address you properly. (If you forget to bring it, just make a temporary one.) In addition to facilitating classroom discussions, having your name in front of you will ensure that your class participation is recorded properly.

**Preparation for the First Class**

- Fill out  Survey 1 (regarding Segway case) by Tuesday, Jan 25 at 10:00PM,
- Complete the readings
- Remember to bring your name card

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| Strategic Consumer Insight<br>Course Schedule | | | |
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| Session | Topics & *Cases/Activities* | Assignments | Readings (Subject to Updates on Canvas) |
| 1<br>Jan. 24 | ▪ Introduction to Strategic Consumer Insight & Five-Step Framework for Customer Insight<br>▪ Workshop 1: DMU Analysis | ▪ Review Syllabus & Project Brief<br>▪ Complete Survey 1 by Tuesday, 01/23, 10PM | ▪ "Stories That Deliver Business Insights"<br>▪ How do they Know their Customers so Well? |
| 2<br>Jan. 31 | ▪ Consumer Need Analysis (I)<br>▪ Workshop 2: Need Landscape Analysis | ▪ Complete Survey 2 by Tuesday, 01/30, 10PM | ▪ A Theory of Human Motivation |
| 3<br>Feb. 7 | ▪ **New Coke Case**<br>▪ Client Company Presentation of Project. **Guest Speaker: John Livanos**, VP of Brand Strategy and Consumer Insights at Harman International | ▪ Submit G1-Need Landscape Analysis (4 pts) by Tuesday, Feb. 6 at 10:00PM<br>▪ Re-read Project Brief<br>▪ Prepare New Coke Case & Complete Survey 3 | ▪ Introducing New Coke Case |
| 4<br>Feb. 14 | ▪ Consumer Need Analysis (II)<br>▪ Workshop 3: Hierarchical Value Mapping | ▪ Complete Survey 4 by Tuesday, Feb. 13 at 10:00PM<br>▪ Submit Group Composition by Friday, Feb. 16 at 8:00PM | ▪ Laddering Theory, Method, Analysis, and Interpretation<br>▪ Excerpts from Dichter's Handbook of Consumer Motivation |
| 5<br>Feb. 21 | ▪ Qualitative Market Research for Consumer Insight<br>▪ **Guest Speaker: Niels Schillewaert**, Managing Partner USA and co-founder at InSites Consulting - President ESOMAR | ▪ Submit G2-Hierarchical Value Mapping (6 pts) by Tuesday, Feb. 20 at 10:00PM<br>▪ Complete Survey 5 by Tuesday, Feb. 20 at 10:00PM | ▪ The Research Process<br>▪ Developing and Using Information about Consumer Behavior |
| 6<br>Feb. 28 | ▪ **Guest Speaker: Hayes Roth**, H.A. Roth Consulting, former CMO of Landor<br>▪ Workshop 4: Project Research Planning | ▪ Complete Survey 6 by Tuesday, Feb. 20 at 10:00PM<br>▪ Submit Project Proposal by Friday, March 2 at 8:00PM | ▪ |

| Study Day & Exam Week (No class on March 7 & 14) | | | |
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| Schedule (cont'd) | | | |
| Session | Topics & *Cases/Activities* | Assignments | Readings (Subject to Updates on Canvas) |
| 7<br>Mar. 21 | ▪ Consumer Value Analysis<br>▪ *Workshop 5: Multiattribute Modeling* | ▪ Complete Survey 7 by Tuesday, March 20 at 10:00PM<br>▪ Submit Progress Report on Field Project by Tuesday, March 20 at 10PM | ▪ TBA |
| 8<br>Mar. 28 | ▪ Buying Process Analysis<br>▪ *Workshop 6: Stimulating Need Recognition, Search, and Consideration* | ▪ Complete Survey 8 by Tuesday, March 27 at 10:00PM | ▪ The Consumer Decision Making Process |
| 9<br>Apr. 4 | ▪ Shopping Behavior Analysis<br>▪ Cross-Cultural Customer Insights: **Guest Speaker: Saul Gitlin**, Principal Gitlin Consulting | ▪ Complete Survey 9 by Tuesday, April 3 at 10:00PM<br>▪ Submit G3-Buying Process Insight (5 pts) by Tuesday, April 3 at 10PM | ▪ The Science of Shopping<br>▪ Values and Culture |
| 10<br>Apr. 11 | ▪ **Guest Speaker: Robert Tomei**, President, Consumer & Shopper Marketing, IRI<br>▪ Customer Experience Analysis & Workshop 7: Total Experience Analysis | ▪ Complete Survey 10 by Tuesday, April 10 at 10:00PM | ▪ TBA |
| 11<br>Apr. 18 | ▪ Understanding the Role of Feelings & Emotions in Consumer Behavior<br>▪ Workshop 7: Integration of Company Project Insights<br>▪ Course Conclusion | ▪ Complete Survey 11 by Tuesday, April 17 at 10:00PM<br>▪ Submit G4-Total Experience Analysis (5 pts) by Tuesday, April 17 at 10PM | ▪ Emotional Cues that Work Magic on Customers<br>▪ The New Science of Customer Emotions |
| 12<br>Apr. 25 | ▪ *Project Presentations to Client* | ▪ Upload Presenta-tions by 11:00AM | |
| Tuesday, May 2: Submit Final Reports for Field Project by 9:00AM | | | |

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**Michel Tuan Pham**
KRAVIS PROFESSOR OF BUSINESS
COLUMBIA BUSINESS SCHOOL

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Michel Tuan Pham is the Kravis Professor of Business in Marketing at Columbia Business School, whose faculty he joined more than 20 years ago. At Columbia he teaches in the MBA, EMBA, Ph.D., and Executive Education programs. He is also the Research Director of the Columbia Center on Global Brand Leadership and Co-Director of Columbia's *Brand Leadership* program for executives. Professor Pham has a Licenciate degree in Applied Economics from the Catholic University of Louvain-Mons, Belgium and M.A. and Ph.D. degrees in Business-Administration/Marketing from the University of Florida. He has held visiting professorships at various international institutions, including the University of Chicago, where he was the Ford Foundation Visiting Professor of Marketing, the Catholic University of Leuven in Belgium, the China Europe International Business School in Shanghai, the Hong Kong University of Science and Technology, Singapore Management University, and the Institut d'Administration des Entreprises (IAE) of the University of Paris I - Sorbonne.

Professor Pham's business expertise and consulting activities are in the areas of marketing strategy and management, branding strategy, consumer psychology, trademark psychology, and the psychology of decision making. He has worked on these issues with companies from a variety of industries. An acclaimed executive teacher, he has also taught these subjects to executives and companies around the world. Recent training and consulting clients include Bayer Healthcare, Adidas, Brighton Collectibles, The Walt Disney Company, Bath & Body Works, Federal Home Loan Bank of New York, Nike, Converse, Coca-Cola, DNAinfo, Gucci, Singapore Airlines, KIND Snacks, and Lonza. His comments on current business issues have been widely publicized, including in the New York Times, Forbes, Wall Street Journal, AdWeek, BBC's World Business Report, and CNN's Headline News.

His current research focuses on the role of affect (moods, feelings, and emotions) in judgment and decision-making and consumer self-regulation. His numerous scientific articles are widely cited, have received several awards and have appeared in many leading academic journals in marketing, management, and psychology, including the *Journal of Consumer Research*, *Journal of Marketing Research*, *Psychological Science, Organizational Behavior and Human Decision Processes, Journal of Consumer Psychology, Review of General Psychology, Personality and Social Psychological Review, Psychology and Marketing, Marketing Letters, Journal of Economic Psychology, and Recherche et Application en Marketing.* He is a scientific advisor for numerous academic journals, and serves or has served on the Editorial Boards of *Journal of Consumer Research, Journal of Marketing Research, Journal of Consumer Psychology, International Journal of Research in Marketing,* and *Recherche et Application en Marketing.* He is a past President of the *Society for Consumer Psychology*, the leading professional organization for the advancement of the psychological science of the consumer. In 2015 he was inducted as a lifetime Fellow of the Society for "Outstanding Contributions to the Field of Consumer Psychology."

On the personal front, Professor Pham is an avid traveler, curious reader, happy eater, foreign movie admirer, former judo competitor, and wine lover (not necessarily in that order). He is a Belgian citizen of Vietnamese descent, permanent resident of the US, who was born in Congo. He lives in Manhattan, with his wife, a Taiwanese citizen (whom he married in Spain), and their two children, both US citizens.

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# Spring 2018 Client Project on Consumer Insight
# HARMAN International

<table>
<tr><td colspan="4">Car Audio – Listen Up Millennials</td></tr>
<tr><td>Sponsoring Company / Division / Brand</td><td>HARMAN International/ Lifestyle Car Audio</td><td>Contact Person<br>Title<br>Email<br>Phone number</td><td>John Livanos<br>V.P., Consumer Insights, Marketing<br>john.livanos@harman.com<br>(203) 353-4736</td></tr>
<tr><td>Project Background</td><td colspan="3">Harman is the market leader in premium/branded car audio with a large portfolio of mainstream and luxury audio brands. With the automotive industry forecasted to grow by single digits, and our desire as a company to grow by double digits, we need to outpace industry growth by increasing Automotive Manufacturer ‘take rates’ (e.g., the % of vehicles sold that contain a HARMAN branded audio system, such as JBL, Harman/Kardon, etc.).<br><br>In order to accomplish this, HARMAN is particularly interested in targeting Millennials – as they currently under-index on branded audio. Yet Millennials do not have the same relationship with cars as prior generations. Young Millennials delay getting a driver’s license. Technology allows them to share and connect with friends virtually rather than physically. Also, the sharing economy offers younger and older Millennials easy access to alternative methods of transportation.<br><br>Whether a Millennial buys a vehicle (or not) is out of HARMAN’s control – as the job of growing new vehicle sales belongs to the automotive industry. However, HARMAN can influence the number of cars sold that contain premium/branded audio. And with the way vehicles are being purchased shifting to online channels/formats, understanding Millennials and their use of digital is especially critical at this juncture.<br><br>We recognize that Millennials are leading the digital transformation in car buying. More and more it is (will be?) the case that vehicle buyers will exclusively browse, select, and purchase online – physically traveling to the dealership to pick up their purchase or, at most, take it for a test drive to re-assure the purchase decision. With the dealership and salesperson (HARMAN’s two biggest marketing “channels”/levers today) becoming less relevant (maybe even obsolete), what new marketing strategies and tactics must HARMAN adopt to stay relevant with Millennials in the digital economy?</td></tr>
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| Project Description | Millennials & Digital:<br><br>At this stage, we have information and insights at a total market level regarding the branded car audio path-to-purchase (P2P). We now seek to close the gap on our understanding of Millennials and their related digital 'touch point' opportunities at each stage of their branded car audio P2P.<br><br>Research Project 'Thought Starter': Qualitative research (possibly supplemented with quantitative research) with Millennials (possibly younger vs. older Millennials) who either:<br>- Have recently purchased/leased a new vehicle<br>- Are in the process of purchasing/leasing a new vehicle<br><br>Deliverable: A ret of robust consumer insights about Millennials that can provide the basis for a digital consumer marketing plan. |
| Questions of Particular Interest (from macro to micro level) | 1. How does the branded audio P2P differ for Millennials vs. gen pop when they purchase/lease a new vehicle?<br>2. How do we make branded audio more relevant for Millennials when they purchase/lease a new vehicle?<br>3. On their branded car audio P2P, what works well for Millennials and what are their 'pain points'/gaps (e.g., it is difficult to make direct audio comparisons on car configuration sites for different vehicle makes/models on their 'short list')?<br>4. What role can Harman play (vs. OEMs) when it comes to improving the branded audio P2P/experience for Millennials (with a focus on digital)?<br>5. What digital marketing strategies and tactics should HARMAN employ at each P2P stage (perhaps in partnership with OEMs) to get more Millennials to opt for branded audio when they purchase/lease a new vehicle? Example: How can we leverage digital in order to make branded audio more 'top of mind' for Millennials during the initial 'investigation' stage? |
| Available Research | 1.) Market Sizing Data<br>2.) Branded Audio Path-To-Purchase Research (a custom HARMAN project from 2014)<br>a.) Executive Summary (quantitative & qualitative)<br>b.) Playbook<br>c.) In-Depth Qualitative Summary (including 24 webcam interviews; half of which are with Millennials) |