

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

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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

The success of many companies and nonprofit organizations—whether they be Coca-Cola, Procter & Gamble, Samsung, BMW, Apple, Disney, or the Metropolitan Opera—lies in genuine insights into the minds, hearts, and behaviors of consumers. Which product is going to be a “hit”, and which one is going to “flop”? Which aging brand can be revived, and which one is doomed to die? Which product positioning is going to work? What price will consumers be willing to pay? What’s the next big market trend? How does a business become more relevant to consumers? These are just a few of the many questions that businesses constantly face and that require genuine consumer insights. While it is tempting to rely on intuition to answer these questions—after all, aren’t we all consumers?—history has taught us that intuitions about consumers are often ill-informed.

This course is designed to empower students to become disciplined and astute discoverers of strategic consumer insights. It is targeted at intellectually motivated students interested in pursuing careers in general management, consulting, marketing, entrepreneurship, media and advertising, or consumer-oriented nonprofit organizations.

The course provides a rigorous coverage of a broad range of theories, frameworks, concepts, and tools to truly get into the hearts and minds of consumers and uncover insights that are relevant for business and policy. Topics include: (1) how consumers make decisions; (2) why and how consumers shop; (3) how to uncover consumers’ true motivations, needs, and wants; (4) unconscious drivers on consumer behavior (e.g., cultural archetypes and evolutionary forces); (5) feelings and emotions in consumer behavior; (6) an introduction to qualitative market research for consumer insight; (7) how consumers’ minds work (e.g., how to attract their attention, how consumers perceive things, how to influence their memory); and (8) social and cultural determinants of consumer behavior.

An important part of the course is a real-life, consumer insight project for a client company. Past clients include Coca-Cola, Macy’s, Novartis, Best Buy, Rolodex, ESPN, Men’s Health, Wrigley, Ann Taylor, Perry Ellis/Original Penguin, Verizon, Wyndham hotels, and Home Depot. **The**

Spring 2018 client will be Harman International (a Samsung Company), a leading maker of audio and connected car systems with brands such as Harman/Kardon and JBL.

The course also includes a variety of in-class and out-of-class exercises, in addition to standard lectures, readings, and case analyses.

Deliverables and Grading

Final grades will be determined as follows:

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. Because each of us brings to the classroom a unique set of knowledge and experiences about consumers, a significant part of the learning will come from tapping into this collective knowledge and experience. We will devote a significant portion of class time to discussions, analyzing cases, and various in-class exercises. It is therefore essential that you come fully prepared for case discussions and participate actively to the discussions and various in-class exercises and activities. This means that you need to have read the assigned material (e.g., cases) before the class session. Effective participation includes: (1) sharing relevant experiences; (2) being on point and moving the discussion forward; (3) being able to clearly articulate and justify particular points of view; (4) asking insightful questions that help clarify concepts and benefit the rest of the class; and (5) relating examples and experiences to course concepts and case discussions, including those covered in earlier classes.

Class attendance will of course be reflected in the overall participation grade given that one cannot participate if one is not present. (Excessive absences may result in an overall failing grade for the entire course.) Punctuality will be also reflected in the class participation grade. Finally, to minimize class distraction, 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 participation point reductions.

Online Surveys. To facilitate in-class discussions, especially of cases, students will be asked to complete a series of short online surveys pertaining to the cases and other session materials to be discussed in class. All surveys should be completed individually on Canvas. To receive full credit, responses to the survey questions do not need to be lengthy—typically 2-3 sentences per questions will suffice. However, the responses have to be thoughtful to receive full credit. Completing a survey can help compensate for necessary class absences. However, in order to receive full credit, a survey entry must be submitted by 8:00 AM on the day of the session (so that survey answers can be reviewed in preparation for the class discussion). Entries submitted after that will receive no credit.

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 the Friday following the respective in-class exercise or project workshop. 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 **Feb 23**. 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.

Required Readings. Two types of readings will be made available: a series of business cases focused on consumers, and a variety consumer-behavior-related articles and reports. All readings will be distributed electronically via Canvas. Students are expected to prepare every business case and complete a short survey about each case before the class discussion. Thorough preparation of these cases will be reflected in the class participation grade. Although students will not be explicitly quizzed on the other readings, in-class lectures and discussions will generally assume that these readings were completed.

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 of 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

- Download and prepare the Segway case. (See discussion questions on Canvas.)
- Fill out Survey 1 (regarding Segway case) by 8:00AM
- Complete the readings
- Remember to bring your name card

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Strategic Consumer Insight			
Course Schedule			
Session	Topics & Cases/Activities	Assignments	Readings (Subject to Updates on Canvas)
1 Jan. 24	<ul style="list-style-type: none"> ▪ Introduction to Strategic Consumer Insight: What Is Consumer Insight? ▪ <i>Case 1: Segway</i> 	<ul style="list-style-type: none"> ▪ Review Syllabus & Project Brief ▪ Complete Survey 1 	<ul style="list-style-type: none"> ▪ What is Consumer Behavior? ▪ "Stories That Deliver Business Insights"
2 Jan. 31	<ul style="list-style-type: none"> ▪ How Consumers Make Decisions (I) ▪ <i>In-class Exercise: Need Landscape Analysis</i> 	<ul style="list-style-type: none"> ▪ Submit G1-Need Landscape Analysis (4 pts) by Friday, Feb. 3 at 8:00PM 	<ul style="list-style-type: none"> ▪ The Consumer Decision Making Process ▪ Are You Ignoring Trends that Could Shake Up Your Business?
3 Feb. 7	<ul style="list-style-type: none"> ▪ How Consumers Make Decisions (II) ▪ <i>Client Company Presentations of Projects. Guest Speaker: John Livanos, VP of Brand Strategy and Consumer Insights at Harman International</i> 	<ul style="list-style-type: none"> ▪ Re-read Project Brief & Complete Survey 2 	
4 Feb. 14	<ul style="list-style-type: none"> ▪ How Consumers Make Decisions (III) ▪ <i>Guest Speaker: Hayes Roth, H.A. Roth Consulting, former CMO of Landor</i> ▪ <i>In class Exercise: Buying Process Analysis</i> 	<ul style="list-style-type: none"> ▪ Submit G2-Buying Process Analysis (4 pts) by Friday, Feb. 17 at 8:00PM ▪ Submit Group Composition and Project Choice by Friday, Feb. 17 at 8:00PM 	<ul style="list-style-type: none"> ▪ Get Closer to Your Customers by Understanding How they Make Choices
5 Feb. 21	<ul style="list-style-type: none"> ▪ Qualitative Market Research for Consumer Insight ▪ <i>Project Planning Workshop 1</i> 	<ul style="list-style-type: none"> ▪ Submit Project Proposal by Friday Feb 24 at 8:00PM 	<ul style="list-style-type: none"> ▪ The Research Process ▪ Developing and Using Information about Consumer Behavior
6 Feb. 28	<ul style="list-style-type: none"> ▪ Understanding the Role of Feelings & Emotions in Consumer Behavior ▪ <i>Case 2: Introducing New Coke</i> 	<ul style="list-style-type: none"> ▪ Complete Survey 3 	<ul style="list-style-type: none"> ▪ Emotional Cues that Work Magic on Customers ▪ Product Emotions ▪ The New Science of Customer Emotions
Study Day & Exam Week (No class on March 7 & 14)			

Schedule (cont'd)			
Session	Topics & Cases/Activities	Assignments	Readings (Subject to Updates on Canvas)
7 Mar. 21	<ul style="list-style-type: none"> ▪ Understanding Shopping Behavior ▪ <i>Guest Speaker: Robert Tomei, President, Consumer & Shopper Marketing, IRI</i> 	<ul style="list-style-type: none"> ▪ Submit Progress Report on Field Project 	<ul style="list-style-type: none"> ▪ Why Do People Shop ▪ The Science of Shopping
8 Mar. 28	<ul style="list-style-type: none"> ▪ Understanding and Analyzing Consumer Motivations (I) ▪ <i>Case 3: Saxonville Sausage</i> 	<ul style="list-style-type: none"> ▪ Complete Survey 4 	<ul style="list-style-type: none"> ▪ A Theory of Human Motivation ▪ Laddering Theory, Method, Analysis, and Interpretation ▪ Individual Differences: Tools for Theory Testing and ...
9 Apr. 4	<ul style="list-style-type: none"> ▪ Understanding and Analyzing Consumer Motivations (II) ▪ <i>Case 4: Diamonds are Forever</i> ▪ <i>Project Planning & Customer Insight Workshop 2</i> 	<ul style="list-style-type: none"> ▪ Complete Survey 5 ▪ Submit G3-Motivational Analysis (7 pts) by Friday, Apr. 7 at 8:00PM 	<ul style="list-style-type: none"> ▪ Excerpts from Dichter's Handbook of Consumer Motivation
10 Apr. 11	<ul style="list-style-type: none"> ▪ <i>Total Experience Analysis</i> ▪ Cross-Cultural Customer Insights: <i>Guest Speaker: Saul Gitlin</i> 	<ul style="list-style-type: none"> ▪ Submit G4-Total Experience Analysis (5 pts) by Friday, Apr. 14 at 8:00PM 	<ul style="list-style-type: none"> ▪ The Globalization of Markets ▪ Values and Culture
11 Apr. 18	<ul style="list-style-type: none"> ▪ More on Consumer Culture: Evolutionary Drivers of Consumer Behavior ▪ <i>Project Customer Insight Workshop 4</i> ▪ Course Conclusion 	<ul style="list-style-type: none"> ▪ Complete Survey 6 	<ul style="list-style-type: none"> ▪ Consumers Born and Made
12 Apr. 25	<ul style="list-style-type: none"> ▪ <i>Project Presentations to Client</i> 	<ul style="list-style-type: none"> ▪ Upload Presentations by 11:00AM 	
Tuesday, May 2: Submit Final Reports for Field Project by 9:00AM			

Michel Tuan Pham
KRAVIS PROFESSOR OF BUSINESS
COLUMBIA BUSINESS SCHOOL

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 Licenciante 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, 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.

Spring 2018 Client Project on Consumer Insight
HARMAN International

Car Audio – Listen Up Millennials			
Sponsoring Company / Division / Brand	HARMAN International/ Lifestyle Car Audio	Contact Person Title Email Phone number	John Livanos V.P., Consumer Insights, Marketing john.livanos@harman.com (203) 353-4736
Project Background	<p>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.).</p> <p>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.</p> <p>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.</p> <p>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?</p>		

<p>Project Description</p>	<p>Millennials & Digital:</p> <p>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.</p> <p>Research Project ‘Thought Starter’: Qualitative research (possibly supplemented with quantitative research) with Millennials (possibly younger vs. older Millennials) who either:</p> <ul style="list-style-type: none"> - Have recently purchased/leased a new vehicle - Are in the process of purchasing/leasing a new vehicle <p>Deliverable: A set of robust consumer insights about Millennials that can provide the basis for a digital consumer marketing plan.</p>
<p>Questions of Particular Interest (from macro to micro level)</p>	<ol style="list-style-type: none"> 1. How does the branded audio P2P differ for Millennials vs. gen pop when they purchase/lease a new vehicle? 2. How do we make branded audio more relevant for Millennials when they purchase/lease a new vehicle? 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’)? 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)? 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?
<p>Available Research</p>	<ol style="list-style-type: none"> 1.) Market Sizing Data 2.) Branded Audio Path-To-Purchase Research (a custom HARMAN project from 2014) <ol style="list-style-type: none"> a.) Executive Summary (quantitative & qualitative) b.) Playbook c.) In-Depth Qualitative Summary (including 24 webcam interviews; half of which are with Millennials)