B8607-001 Strategic Consumer Insight  
Professor Pham  
Spring 2019

Professor: Michel T. Pham  
Office: 515 Uris Hall  
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  

TA: Jennifer Sun  
E-mail: JSun22@gsb.columbia.edu

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.” 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 2019 client will be LG, seeking consumer insight for the smartphone category.

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.
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:

- **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 points.

**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 **five to six (max)** on their projects throughout the semester. The groups should be formed by **Class 4** (Feb. 20). Responsibility for forming the groups is left to the students. A project proposal based on the first workshop is due on **March 8.** A **progress report,** to be reviewed by the client, should be submitted by **Class 7** (Mar. 27). 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 **May 1** with the clients in attendance. Final written reports are to be submitted to the professor and the clients on **Tuesday, May 7 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.

**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**

- Complete Survey 1 by Tuesday, Jan 29 at 10:00PM
- Complete the readings
- Remember to bring your name card
<table>
<thead>
<tr>
<th>Session</th>
<th>Topics &amp; Cases/Activities</th>
<th>Assignments</th>
<th>Readings (Subject to Updates on Canvas)</th>
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| 1 Jan. 30 | - Introduction to Strategic Consumer Insight & Five-Step Framework for Customer Insight  
- Workshop 1: DMU Analysis | - Review Syllabus & Project Brief  
- Complete Survey 1 by Tuesday, 01/29, 10PM | - "Stories That Deliver Business Insights"  
- How do they Know their Customers so Well? |
| 2 Feb. 06 | - Consumer Need Analysis (I) & Segway Case  
- Workshop 2: Need Landscape Analysis | - Prepare Segway case  
- Complete Survey 2 by Tuesday, 02/05, 10PM | - Case: “Segway: More than a Cool Invention?” |
| 3 Feb. 13 | - Consumer Need Analysis (II)  
- Client Company Presentation of Project. **Guest Speakers:** Carol Edelman, Senior Manager, Consumer Insights; & Douglas Loretucci, Director of Consumer Insight, LG Electronics | - Submit G1-Need Landscape Analysis (4 pts) by Tuesday, Feb. 12 at 10:00PM  
- Re-read Project Brief  
- Complete Survey 3 by Tuesday, 02/12, 10PM | - A Theory of Human Motivation |
| 4 Feb. 20 | - Consumer Need Analysis (III)  
- Workshop 3: Hierarchical Value Mapping | - Complete Survey 4 by Tuesday, Feb. 19 at 10:00PM  
- Submit Group Composition by Friday, Feb. 22 at 8:00PM | - Laddering Theory, Method, Analysis, and Interpretation  
- Excerpts from Dichter’s Handbook of Consumer Motivation |
| 5 Feb. 27 | - Buying Process Analysis (I)  
- **Guest Speaker: Hayes Roth**, H.A. Roth Consulting, former CMO of Landor | - Submit G2-Hierarchical Value Mapping (6 pts) by Tuesday, Feb. 26 at 10:00PM  
- Complete Survey 5 by Tuesday, Feb. 26 at 10:00PM | - The Consumer Decision Making Process |
| 6 Mar. 06 | - Qualitative Market Research for Consumer Insight  
- Workshop 4: Project Research Planning | - Complete Survey 6 by Tuesday, Mar. 05 at 10:00PM  
- Submit Project Proposal by Friday, March 08 at 8:00PM | - The Research Process  
- Developing and Using Information about Consumer Behavior |

**Study Days & Exam Week (No class on March 13 & 20)**
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<tr>
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<tr>
<td>7</td>
<td>▪ Buying Process Analysis (II)</td>
<td>▪ Complete Survey 7 by Tuesday, March 26 at 10:00PM</td>
<td>▪ TBA</td>
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<td>▪ <strong>Guest Speaker: Thomas Troch</strong>, Director at InSites Consulting</td>
<td>▪ Submit Progress Report on Field Project by Tuesday, March 26 at 10PM</td>
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<td>8</td>
<td>▪ Consumer Value Analysis</td>
<td>▪ Complete Survey 8 by Tuesday, Apr. 2 at 10:00PM</td>
<td>▪ TBA</td>
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<td>▪ Workshop 5: Multiattribute Modeling</td>
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<td>9</td>
<td>▪ Feelings and Emotions in Consumer Behavior</td>
<td>▪ Complete Survey 9 by Tuesday, April 9 at 10:00PM</td>
<td>▪ Emotional Cues that Work Magic on Customers</td>
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<td></td>
<td>▪ <strong>Guest Speaker: Saul Gitlin</strong>, Principal Gitlin Consulting</td>
<td>▪ Submit G3-Buying Process Insight (5 pts) by Tuesday, April 9 at 10PM</td>
<td>▪ The New Science of Customer Emotions</td>
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<td>[In case this guest speaker needs to reschedule, we will discuss the New Coke Case, instead]</td>
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<td>▪ Values and Culture</td>
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<td>▪ <strong>Guest Speaker: Robert Tomei</strong>, President, Consumer &amp; Shopper Marketing, IRI</td>
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<td>▪ Introducing New Coke [in case of rescheduling of guest speaker]</td>
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<td>10</td>
<td>▪ Customer Experience Analysis &amp; Workshop 7: Total Experience Analysis</td>
<td>▪ Complete Survey 10 by Tuesday, April 16 at 10:00PM</td>
<td>▪ TBA</td>
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<tr>
<td>11</td>
<td>▪ Shopping Behavior Analysis</td>
<td>▪ Complete Survey 11 by Tuesday, April 23 at 10:00PM</td>
<td>▪ The Science of Shopping</td>
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<td>▪ <strong>Workshop 7: Integration of Company Project Insights</strong></td>
<td>▪ Submit G4-Total Experience Analysis (5 pts) by Tuesday, April 23 at 10PM</td>
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<td>▪ Course Conclusion</td>
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<td>12</td>
<td>▪ <strong>Project Presentations to Client</strong></td>
<td>▪ Upload Presentations by 11:00AM</td>
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Tuesday, May 7: 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 almost 25 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.
## LG Smartphones – Disrupting the Category

| **Sponsoring Company:** | LG Electronics USA/Mobile Communications | **Contact Person:** Carol Edelman  
Consumer Insights Senior Manager  
carol.edelman@lge.com  
201-816-2076 |
|-------------------------|----------------------------------------|------------------------------------------------------------|

### Project Background

The smartphone category is broadly segmented into premium $600+ flagship devices (e.g. Apple iPhone, Samsung Galaxy, LG G and V-Series, Google Pixel) and mass tier devices. Premium flagship devices drive the majority of dollar sales and profit within the category, and are the focus for marketing efforts and media spending.

LG is a distant #3 brand within the premium flagship segment. Consumer awareness, consideration & market share is dominated by Apple & Samsung. LG is perceived as a relatively undifferentiated brand and sales skew to older consumers who are less brand sensitive and buying the device on heavy price discounts.

Meanwhile Apple & Samsung have been driving the “premiumization” of the category with new flagship devices increasing in price (breaking the $1,000 FRP barrier). Both brands have also developed a fairly extensive portfolio across price tier segments by selling previous generation devices at lower price points.

Loyalty & repeat purchase rates are very high, especially for Apple. Most premium flagship device shoppers already know which brand they intend to buy at the beginning of their journey and it’s often the newest device from their existing brand. LG is rarely considered within this shoppers’ decision making process.

LG invests heavily in marketing new device launches, but the amount of spending in the category is extremely high giving LG a relatively small share of voice. LG is unable to compete by outspending the market leaders.

### Project Objectives

Uncover robust consumer insights to enable LG to disrupt current consumer patterns and make it more likely that consumers consider and purchase LG smartphones (in addition if not instead of Apple and Samsung phones). In addition to uncovering these insights, provide recommendations on how to reach and influence premium flagship shoppers to purchase an LG smartphone.
## Questions of Particular Interest (in order of importance)

- How can LG disrupt the repeat purchase inertia of premium flagship smartphone buyers?
- How can LG enter shoppers’ consideration set?
- How can LG increase shopper visibility with a flat/limited marketing budget?
- What are shoppers’ perceptions of LG relative to Samsung & Apple?
- What are the drivers of repeat Apple/Samsung purchase & barriers to switching?
- What are the critical needs and aspirations consumers have for their smartphone?

## Available Research

- Market Share data: trended category share by price tier; brand share by price tier (illustrative, not actual)
- Brand Health: Funnel & Perceptions
- Profile of LG buyer vs. Flagship buyer: older, lower price point
- Flagship P2P: high loyalty rates, shoppers know what they want before they start, key touchpoints in the journey
- SOV & examples of recent advertising