

B8601 Strategic Consumer Insight
Professor Pham
Fall 2011

(Updated September 5, 2011)

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Class times: Tuesdays 2:15-5:30PM (Uris 331)
Office Hours: Mondays/Wednesdays 12:00-1:00PM

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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? Which one is going to “flop”? Which aging brand can be revived? 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—aren’t we all consumers, after all?—history has taught us that intuitions about consumers are often mistaken.

The purpose of this course is therefore to help students become disciplined and astute discoverers of strategic consumer insights. 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 to uncover consumers’ true motivations, needs, and wants; (2) how consumers search for information and learn about the marketplace; (3) how to attract their attention and influence their memory; (4) the role of consumers’ feelings and emotions; (5) consumer decision-making processes; (6) shopping behavior; (7) unconscious determinants of consumption; (8) addictive consumption; and (9) social and cultural determinants of consumer behavior.

The course is targeted at intellectually motivated students interested in pursuing careers in general management, consulting, marketing, entrepreneurship, media and advertising, or consumer-oriented nonprofit organizations. An important part of the course is a real-life consumer insight project for a client company. Past clients include Johnson & Johnson, Publicis, Novartis, and Men’s Health. The likely clients for this term are Coca-Cola and Newell-Rubbermaid (to be confirmed). 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	30% (Individual)
Consumer Insight Briefs	20% (Individual)
Company Field Project	50% (Group)

Class Participation: Because much of the learning will take place during our regular classroom meetings, 30 percent of the grade will be based on how much students contributed to their *own* personal learning and the learning of *others*, through their classroom involvement. Class participation implies attendance (of course) and requires more than sheer “air time.” Only comments and questions that have the following characteristics will count as class participation: (a) directly relevant to the ongoing discussion, (b) really insightful, (c) clear and concise, and importantly (d) move the discussion forward rather than backward. (In other words, the *quality* of the comments and questions matters at least as much as their quantity.)

Consumer Insights Briefs: To help students develop a keen sense of consumer observation and deep analysis, each student will be asked to submit a total of four Consumer Insights Briefs over the duration of the course. These briefs should pertain to *consumer behavior in particular* (not to marketing or business in general) and articulate an *original* insight about consumer behavior. These insights may be based either on careful personal observation (beyond mere anecdotes) or on articles that students have read (in which case the original article should be attached to the submitted brief). Each brief should be no longer than 2 pages (12-pt font, double-spaced). The briefs (worth 5 points each) will be evaluated based on (a) their relevance to consumer behavior, (b) their originality and insightfulness, (c) the importance of the consumer insight uncovered, and (d) the clarity and conciseness of the reporting. The briefs should be turned in *at the beginning of the class* on the due dates noted on the course schedule (see pp. 6-7 of this syllabus). Late submissions will result in a 50-percent reduction of the brief’s grade.

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 second class), a series of projects submitted by various client companies will be offered to students to choose from. Students will work in groups of **four or five** on their projects throughout the course of the semester. The groups should be formed by Class 3 (September 20, 2011) and relative preferences for the projects expressed at the same time. Responsibility for forming the groups is left to the students. Any issue of group functioning that arises should be resolved by the group itself. By Class 4 (September 27, 2011), projects will be assigned based on (a) each group’s expressed preference and (b) the need to balance client projects across groups. After the groups and projects are finalized, a short outline of the proposed investigation is to be submitted by Class 6 (October 11, 2011). A progress report, to be reviewed by the client, should be submitted by Class 8 (November 1, 2011). 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 December 6, 2011 with the clients in attendance (provided that their schedules allow). Final

written reports are to be submitted to the professor and the client on December 10, 2011 (to ensure a timely evaluation and submission of the overall course grades).

Field projects will be evaluated based on (a) the 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, and (e) 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.

Course Materials

Lecture Notes. As lecture notes, hardcopies of most of the slides will be distributed at the beginning 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 Angel after each session, they will not be sent individually.

Required Readings. Instead of the traditional reading packet, the readings will be posted online on Angel at least one week before they are to be read. Two types of readings will be posted. The first are a variety of consumer-focused business cases, which students are expected to prepare prior to the relevant sessions. Thorough preparation of these cases (or lack of thereof) will be reflected in the class participation grade. The second type of readings are various consumer-behavior-related articles culled from various sources including industry reports, academic journals, business news, and popular press. Although students will not be explicitly quizzed on these latter 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.

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 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.

Angel

Course-relevant materials and additional important information (about readings, assignments, etc.) will be posted on ANGEL. 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 Tuesday).

Logistics and Course Conduct

- Time is a very precious commodity for all of us. Please help us ensure that classes start and finish on time by being punctual. In addition, as a courtesy for everybody, please turn off and put away laptops, cell phones, and other mobile devices before class. (Although I don't expect this to be issue, late arrivals and unauthorized uses of devices in the middle of class would negatively impact students' participation grades.)
- So that I can remember who is who and address you properly, please always have your name card in front of you. (If you forget to bring it, just hand-make one.) In addition to facilitating classroom discussions, having your name in front of you will ensure that your class participation is recorded properly.
- As part of the learning experience, I will be conducting small interactive polls in almost every session. Therefore, please bring your personal TurningPoint clicker with you for every class. Those of you (e.g., cross-registrants) who do not already have one will be loaned one by ITG for the duration of the course. (Please return them after the term is over.)

Preparation for the First Class

- Download and prepare the Segway case. (See discussion questions on Angel.)
- Complete the readings
- Remember to bring your name card and clicker

COURSE SCHEDULE			
Session	Topics	Cases & Assignments	Readings (subject to updates on Angel)
1 09/06/11	<ul style="list-style-type: none"> Introduction to Strategic Consumer Insight: What Is Consumer Behavior? 	<ul style="list-style-type: none"> C1: Segway 	<ul style="list-style-type: none"> What is Consumer Behavior? Study of Consumer Behavior Are You Ignoring Trends that Could Shake Up Your Business?
2 09/13/11	<ul style="list-style-type: none"> The Mechanical Core of Consumer Behavior: Consumer Information Processing – I Attention, Perception, & Categorization <i>Field Project Introductions (Guest Speakers from Client Companies)</i> 	<ul style="list-style-type: none"> Review project briefs C2: Introducing New Coke 	<ul style="list-style-type: none"> Developing and Using Information about Consumer Behavior Atmospheric Effects on Shopping Analyzing Consumer Perception
3 09/20/11	<ul style="list-style-type: none"> The Mechanical Core of Consumer Behavior: Consumer Information Processing – II Comprehension, Learning, & Memory 	<ul style="list-style-type: none"> CI Brief 1 due Submit Group Composition & Preferences for Field Project C3: adidas v. Payless 	<ul style="list-style-type: none"> Memory Factors in Consumer Choice
4 09/27/11	<ul style="list-style-type: none"> The Mechanical Core of Consumer Behavior: Consumer Information Processing – III Judgment & Decision Making (A) <i>Guest Speaker: Tim Teran, SVP, Consumer Insights & Strategy, Macy's</i> 	(Field Project Assignments Finalized)	<ul style="list-style-type: none"> The Consumer Decision Making Process Hidden Agendas in Consumer Purchase Decisions Get Closer to Your Customers by Understanding How they Make Choices
5 10/04/11	<ul style="list-style-type: none"> Research Methods for Consumer Insight <i>Guest Speaker: Oded Netzer, Philip Geier Associate Professor of Marketing, Columbia Business School:</i> 	<ul style="list-style-type: none"> CI Brief 2 due 	<ul style="list-style-type: none"> The Research Process Spark innovation Through Empathetic Design Focus on the Benefits
6 10/11/11	<ul style="list-style-type: none"> The Mechanical Core of Consumer Behavior: Consumer Information Processing – IV Judgment & Decision Making (B) & Shopping Behavior 	<ul style="list-style-type: none"> C4: IKEA America Submit Proposed Outline for Field Project 	<ul style="list-style-type: none"> Why Do People Shop The Science of Shopping (A) Harnessing the Science of Persuasion

COURSE SCHEDULE			
Session	Topic	Case & Assignment	Readings (subject to updates on Angel)
7 10/25/11	<ul style="list-style-type: none"> ▪ The Affective Dimension of Consumer Behavior 	<ul style="list-style-type: none"> ▪ CI Brief 3 due ▪ C5: Sony AIBO 	<ul style="list-style-type: none"> ▪ A Case for Brand Loyalty ▪ Welcome to the Experience Economy ▪ Customer Rage: Triggers, Tipping...
8 11/01/11	<ul style="list-style-type: none"> ▪ Motivational Drivers of Consumer Behavior I: Goals, Needs, and Wants & Fundamentals of Motivations 	<ul style="list-style-type: none"> ▪ Submit Field Project Progress Report ▪ C6: Diamonds are Forever (mini case) 	<ul style="list-style-type: none"> ▪ A Theory of Human Motivation ▪ Laddering Theory, Method, Analysis, and Interpretation Individual Differences: Tools for Theory Testing and ... ▪ Promotion & Prevention
9 11/15/11	<ul style="list-style-type: none"> ▪ Motivational Drivers of Consumer Behavior II: Consumers' Deeper Motives 	<ul style="list-style-type: none"> ▪ CI Brief 4 due 	<ul style="list-style-type: none"> ▪ Does the Smell of Coffee Remind you of your Mother ▪ The Culture Code ▪ The Hero and the Outlaw
10 11/22/11	<ul style="list-style-type: none"> ▪ Social, Cultural, and Evolutionary Drivers of Consumer Behavior I 	<ul style="list-style-type: none"> ▪ C7:Nascar/McDonald's ▪ Complete VALS survey 	<ul style="list-style-type: none"> ▪ The Coolhunt ▪ The Hidden (in Plain Sight) Persuaders ▪ Consumers Born and Made ▪ The Evolution of Cultures
11 11/29/11	<ul style="list-style-type: none"> ▪ Social, Cultural, and Evolutionary Drivers of Consumer Behavior II & Course Summary 	<ul style="list-style-type: none"> ▪ C8: De Beers-Diamonds are for Asia 	<ul style="list-style-type: none"> ▪ The Globalization of Markets ▪ Consumer Behavior Across Cultures ▪ Cross-Cultural Issues in Consumer Behavior
12 12/06/11	<ul style="list-style-type: none"> ▪ Field Project Presentations 		
12/10/11		<ul style="list-style-type: none"> ▪ Submit Field Project Final Reports 	

Michel Tuan Pham
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Michel Tuan Pham is the Kravis Professor of Business in Marketing at Columbia Business School, whose faculty he joined 17 years ago. At Columbia he teaches in the MBA, EMBA, Ph.D., and Executive Education programs. He is also the Faculty Director of Columbia's flagship *Strategic Marketing Management* program for executives. Professor Pham has a Licence degree in Applied Economics from the Catholic University of 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, 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. His comments on current business issues have been widely publicized, including in the New York Times, Forbes, 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 the President-elect of the *Society for Consumer Psychology*, the leading professional organization for the advancement of the psychological science of the consumer.

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 young children, both US citizens.