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—are 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 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.

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 Coca-Cola, Macy’s, Novartis, Best Buy, Rolodex, ESPN, Men’s Health, Wrigley, and Ann Taylor. (The client for this term will be confirmed in the next few weeks.) 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:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Class Participation (including in-class exercises)</td>
<td>25% (Individual)</td>
</tr>
<tr>
<td>Individual Assignments &amp; Case Briefs</td>
<td>25% (Individual)</td>
</tr>
<tr>
<td>Company Field Project</td>
<td>50% (Group)</td>
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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. (Note that while class attendance is not mandatory, it will be reflected in the overall participation grade since, obviously, one cannot participate if one is not there.)

Individual Assignments & Case Briefs: Four consumer insight exercises and two case briefs will be due throughout the course. Their due dates are marked on the course schedule and reproduced below, along with their respective point allocation. Detailed instructions will be provided later in the term.

- A1. New Coke Case Brief (Class 4, Sep. 12) (3 pt.)
- A2. Emotional Planning Exercise (Class 5, Oct. 20) (5 pt.)
- A3. Shopping Behavior Observation (Class 8, Oct. 23) (5 pt.)
- A4. Motivation Analysis (Class 9, Dec. 3) (5 pt.)
- A5. Harley Davidson Case Brief (Class 10, Dec. 4) (3 pt.)
- A6. Personal Reflections on Main Learnings (Class 12, Dec. 6) (4 pt.)

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, the client company, the apparel company Perry Ellis, will describe the project. Students will work in groups of four to five on their projects throughout the course of the semester. The groups should be formed by Class 3 (Sep. 12). Responsibility for forming the groups is left to the students. Any issue of group functioning that arises should be resolved by the group itself. A short outline of the proposed investigation is to be submitted by Sep. 19. A progress report, to be reviewed by the client, should be submitted by Oct. 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 class 11 on Dec. 6 with the clients in attendance. Final written reports are to be submitted to the professor and the client on December 13 (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, 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 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. The first are a variety of consumer-focused business cases, which students are expected to prepare prior to the relevant sessions. These cases will be distributed as a packet in hardcopy. Thorough preparation of these cases will be reflected in the class participation grade. In addition, students are required to submit briefs for 2 of the cases (New Coke and Harley Davidson). 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. These will be posted (in electronic form) on Canvas. 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 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. If you have any questions regarding the class, please come to speak to me after class or 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 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.

- 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 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.)
- Review the syllabus carefully
- Read the client company's project brief and think of any questions that you might have about the scope, nature, and deliverables for the project
- Complete the readings
- Remember to bring your name card
# COURSE SCHEDULE (TENTATIVE)

## Class Week 1

<table>
<thead>
<tr>
<th>Session</th>
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<th>Assignments</th>
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| 1 T-Sep. 9 | - Introduction to Strategic Consumer Insight: What Is Consumer Insight?  
- **Case 1: Segway**  
- **Field Project Introduction by Guest speaker Jenifer Bollinger, VP of Marketing, Perry Ellis International** | - Review syllabus  
- Review project brief | - What is Consumer Behavior?  
- Study of Consumer Behavior  
- The Seven Sins of Consumer Psychology  
- Are You Ignoring Trends that Could Shake Up Your Business? |
| 2 W-Sep. 10 | - How Consumers Make Decisions (I)  
- Consumer Behavior & Marketing in the Apparel & Fashion Industry--Case 2: Burberry | | - The Consumer Decision Making Process |
| 3 R-Sep. 11 | - How Consumers Make Decisions (II)  
- Women Consumers  
- **Case 3: Dove—Evolution of a Brand** | - Submit Group Composition | - Get Closer to Your Customers by Understanding How they Make Choices  
- Why She Buys  
- The Female Economy |
| 4 F-Sep. 12 | - How Consumers Make Decisions (III): The Role of Feelings & Emotions  
- **Case 4: Introducing New Coke** | - A1: Submit New Coke Case Brief | - Welcome to the Experience Economy  
- Product Emotions  
- Harnessing the Science of Persuasion |

F-Sep. 19: Submit Proposed Outline for Field Project

## Class Week 2 (in Sao Paulo, Brazil)

<table>
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| 5 M-Oct. 20 | - Shopping Behavior  
- Shopping Behavior Analysis Exercise (TBC) | - A2: Submit Emotional Planning Exercise | - Why Do People Shop  
- The Science of Shopping  
- How Digital Influences How We Shop Around the World |
| 6 T-Oct. 21 | - Motivational Drivers of Consumer Behavior I: Goals, Needs, and Wants  
- **Case 5: Saxonville Sausage** | - Submit Progress Report on Field Project | - A Theory of Human Motivation  
- Promotion & Prevention |
| 7 W-Oct. 22 | - Qualitative Market Research for Consumer Insight  
- **Field Project Planning Workshop** | | - The Research Process  
- Developing and Using Information about Consumer Behavior |
| 8 R-Oct. 23 | - Motivational Drivers of Consumer Behavior II: Consumers’ Deeper Motives  
- **Case 6: De Beers--A Diamond is Forever** | - A3. Submit Report on Shopping Observation Exercise | - Excerpts from Dichter’s Handbook of Consumer Motivation  
- Does the Smell of Coffee Remind you of your Mother  
- The Culture Code  
- The Hero and the Outlaw |
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| 9 W-Dec. 3 | How Consumers’ Minds Work (I)  
Case 7: Adidas vs. Payless | A4: Submit Motivation Analysis Exercise | Analyzing Consumer Perception  
Articles on the 2012 Netflix Fiasco |
| 10 R-Dec. 4 | How Consumers’ Minds Work (II) & Socio-Cultural Drivers of Consumer Behavior  
Case 8: Harley Davidson Brand Community | A5: Submit Harley Davidson Case Brief | The Coolhunt  
The Hidden (in Plain Sight) Persuaders  
Why Things Catch On  
Getting Brand Communities Right |
| 11 F-Dec. 5 | Cross-Cultural Drivers of Consumer Behavior  
Field Project Presentations | Upload presentations by 11:00AM | The Globalization of Markets  
Values and Culture |
| 12 S-Dec. 6 | Evolutionary Drivers of Consumer Behavior & Course Conclusion | A6: Submit Personal Reflections on Main Learnings | Consumers Born and Made |
| Dec. 13 | Final Report Submission | Submit Final Reports for Field Project by 5:00PM |  
Michel Tuan Pham is the Kravis Professor of Business in Marketing at Columbia Business School, whose faculty he joined 20 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, 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. His research and comments on current business issues have been widely publicized, including in the New York Times, Forbes, Wall Street Journal, the Economist, 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.

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.