



Sofaer Global MBA

1238.3402.01 – Consumer Insight and Strategic Marketing

Prerequisites: None

Module 4 – 2018/19

Course Section Details

Day	Hour
Wednesday, 1 May	15:45-18:30
Wednesday, 8 May	15:45-18:30
Wednesday, 15 May	15:45-18:30
Wednesday, 22 May	15:45-18:30
Wednesday, 29 May	15:45-18:30
Wednesday, 5 June	15:45-18:30
Wednesday, 12 June	15:45-18:30

** I may invite guest speakers. Will notify you at the beginning of the course.

Lecturer: Prof. Shai Danziger, shaid@tau.ac.il, shdanziger@gmail.com

Linkedin (ask me to be friends): <https://www.linkedin.com/in/shai-danziger-41736544>

Teaching Assistant (TA): Oded Noi: oded2010@gmail.com

Office Hours (Recanati room 333): **By appointment**

Course Description

The course setting: Companies MUST understand their target consumers to create value and succeed. This realization has culminated in the customer-centric marketing approach. To develop an effective marketing strategy (Segmentation, Targeting and Positioning; STP) and to implement effective marketing techniques (The famous P's) companies must understand what drives consumers, how consumers feel, think, evaluate, choose, consume offerings,

talk about them and form relationships with them. While we are all consumers, our intuitions about our own behavior and especially that of others, is often inaccurate, and may at times, be misleading. Therefore, a systematic approach is needed to generate value for consumers.

The course goal: The main goal of this course is to help you become an insightful investigator and strategic shaper of consumer behavior. This involves examining and analyzing consumer behavior critically, and uncovering findings that can steer managerial action.

How? To achieve the course goal, I have designed the course so it provides you with a broad coverage of frameworks, concepts, tools, and techniques to understand the minds of consumers, with an emphasis on uncovering, generating, and interpreting business-relevant consumer insights. We will discuss relevant theories and research in behavioral sciences with the overarching goal of understanding, predicting and influencing consumer behavior. Topics include consumer need analysis, motivation, involvement and engagement, consumer representation of knowledge, evaluation and consumer choice. The course format is action-learning-oriented with in-class participation, assignments and exercises.

Course Objectives

1. Upon completion of the course, you will be able to:
2. Prepare a mission positioning statement
3. Understand the consumer information processing model and be able to relate it to the marketing funnel
4. Conduct a consumer journey exercise
5. Design an offering
6. Strategically influence consumer choices

Assessment and Grade Distribution

Grade weight	Assignment	Requirements
20%	Consumer Journey	3-4 members per group. Description at the end of the syllabus
20%	Shaping the offering	3-4 members per group. Description at the end of the syllabus
15%	Class participation	Read mandatory articles for class, participate in in-class exercises and discussions. Complete short assignments in and out of class.
45%	Quiz	Closed book on the course materials

Course Assignments

Assignment notes: You will complete assignments in self-selected groups of 3-4 individuals. You will submit the assignment no later than the **1st of July**. The instructions for the assignments appear at the end of this document.

You should use Qualtrics to collect data for the shaping the offering assignment:

<https://www.qualtrics.com/login/>

username: socialnetworksworkshop2017@gmail.com

password: coller2018

Folder: Global MBA

Attendance: Each person brings a unique set of experiences, a unique perspective and knowledge to the classroom, and I would like all class participants to tap into this diverse pool of resources and benefit from it. Therefore, we will have in-class discussions. Constructive contribution to the class discussions and active listening are important elements of this course. It is therefore essential that you be fully prepared to participate actively in class. This means you must read the assigned material prior to the class session. Effective participation includes: (1) providing insightful questions and comments on concepts from lectures and readings; (2) sharing your experience or point of view with the class; (3) building on points raised by others; (4) clarifying issues; and (5) relating ongoing topics to previous class discussions. Please keep in mind that I will base your score on the quality of your comments and not their quantity.

Should a student become unable to complete an assignment or course requirement, s/he must notify the TA of the course in advance via email

Grading Policy

As of the 2008/9 academic year the Faculty has implemented a grading policy for all graduate level courses. This policy applies to all graduate courses in the Faculty, and will be reflected in the final course grade. Accordingly, the final average of the class for this course (which is a core course) will fall between 82-87%. Additional information regarding this policy can be found on the Faculty website.

Evaluation of the Course by Student

Following completion of the course students will participate in a teaching survey in order to evaluate the instructor and the course for the benefit of the students and the university.

Course Site (Moodle)

The course Moodle site will be the primary tool used to communicate messages and material to students. It is, therefore recommended to periodically check the course site in general, periodically, before each lesson, at end of the course as well. (For example: exam details and updates regarding assignments)

Course slides will be available on the course site.

Please note that topics which are not covered in the slides, but are discussed in class are considered an integral part of the course material and may be tested in examinations.

Course Outline*

Meeting 1 (1 May): Marketing strategy and customer centricity

Meeting 2 (8 May): Consumer information processing and consumer research

Meeting 3 (15 May): Making consumer tick (value, motivation, ability and opportunity)

Meeting 4 (22 May): Making consumer tick, part 2 (value, motivation, ability and opportunity)

Bring to class a product you own that irritates you and for which you have a solution that would make the product better. Be prepared to speak for a **maximum of two minutes** on exactly why this is, and submit a write-up (max two paragraphs, and include a photograph of the offending product)

Reading: The MPG illusion

Meeting 5 (29 May): Consumer beliefs & attitudes

Reading: Signing at the beginning makes ethics salient and decreases dishonest self-reports in comparison to signing at the end

Meeting 6 (5 June): Consumer beliefs & attitudes, part 2

Reading: Female hurricanes are deadlier than male hurricanes

Meeting 7 (12 June): Consumer preference and choice

Reading: Extraneous factors in judicial decisions

The two assignments will be submitted no later than July 1st

**** note the coverage of these topics may change slightly.**

Required Reading

(1) Power-point presentations in PDF format that accompany the course will be available on Moodle. Please bring the notes to class.

(2) Four short articles

A: The MPG illusion (Science)

B: Signing at the beginning makes ethics salient and decreases dishonest self-reports in comparison to signing at the end (PNAS)

C: Female Hurricanes Are Deadlier Than Male Hurricanes (PNAS)

D: Extraneous factors in judicial decisions (PNAS)

Videos we will be watching

1) <https://youtu.be/flKcN2x50rw>

2) <https://www.youtube.com/watch?v=ykumbLhta5U&feature=youtu.be>

3) <https://www.youtube.com/watch?v=P5lty34oaQ&feature=youtu.be>

4) <http://www.pbs.org/wgbh/pages/frontline/video/flv/generic.html?s=frol02s49eq74&continuous=1>

5) <https://www.nytimes.com/video/us/100000004818677/snacks-and-punishment.html>

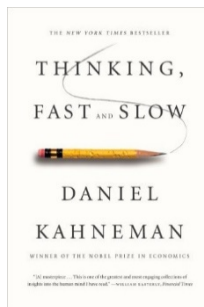
Recommended Reading

1) Textbook: Consumer Behavior (4th-6th Edition) by Wayne D. Hoyer, Deborah J. MacInnis, and Rik Pieters, South-Western, 2012. This is an excellent book that provides a relatively encyclopedic reference to consumer behavior concepts, many of which we will discuss in class.

2) Academic journals: Journal of Consumer Research, Journal of Consumer Psychology, Journal of Marketing Research, Journal of Marketing, Psychological Science,

<http://www.myscp.org/pdf/SCP%20Consumer%20Psychology%20Syllabus%202014.pdf>

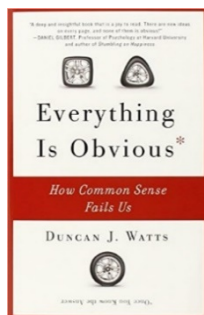
3) Popular Science Books: Note that with some of these books, you get the idea after reading about half the book.



https://www.amazon.com/Thinking-Fast-Slow-Daniel-Kahneman/dp/0374533555/ref=sr_1_1?ie=UTF8&qid=1466498639&sr=8-1&keywords=thinking+fast+and+slow+by+daniel+kahneman

Excellent, expansive book dealing with the entirety of human thought. Very detailed and long. There are also summary versions.

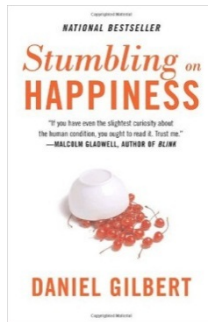
Great Youtube video on the book: <https://www.youtube.com/watch?v=qzJxAmJm8w>



https://www.amazon.com/Everything-Obvious-Common-Sense-Fails/dp/0307951790/ref=sr_1_1?s=books&ie=UTF8&qid=1466498734&sr=1-1&keywords=everything+is+obvious

A great book on understanding research in the social sciences.

Short promo for the book: <https://www.youtube.com/watch?v=D9XF0QOzWMO>



https://www.amazon.com/Stumbling-Happiness-Daniel-Gilbert/dp/1400077427/ref=sr_1_1?s=books&ie=UTF8&qid=1466498839&sr=1-1&keywords=stumbling+on+happiness

This book is about affective forecasting – how people make forecasts about what will make them happy in the future. I liked the book a lot.

Video: <https://www.youtube.com/watch?v=2Eiv4-ClclS>

There are many other good popular science books that span social science thinking, going from psychology to sociology to psychology. To mention a few, you can read the books by **Malcolm Gladwell**. Tipping point, in particular was good. It is about diffusion of information. Those of you interested in behavioral finance can look up one of the books written by **Richard Thaler** (https://www.amazon.com/s/ref=nb_sb_noss_2?url=search-alias%3Dstripbooks&field-keywords=richard+thaler). Also, there are the books written by **Dan Ariely** on acting irrationally and on unethical behavior (https://www.amazon.com/s/ref=nb_sb_noss_1?url=search-alias%3Dstripbooks&field-keywords=dan+ariely&rh=n%3A283155%2Ck%3Adan+ariely). **Barry Schwartz** has a book about “The paradox of choice: Why more is less”. (https://www.ted.com/talks/barry_schwartz_on_the_paradox_of_choice).

If you want to read books about Motivation and willpower then you should read Baumeister’s book titled Willpower (https://www.amazon.com/Willpower-Rediscovering-Greatest-Human-Strength/dp/0143122231/ref=sr_1_1?ie=UTF8&qid=1466499484&sr=8-1&keywords=willpower). If you want read about how to use incentives then you can read the book by Uri Gneezy and John List - The Why Axis (https://www.amazon.com/Why-Axis-Undiscovered-Economics-Everyday/dp/1610393112/ref=sr_1_sc_1?s=books&ie=UTF8&qid=1466501792&sr=1-1-spell&keywords=they+why+axis+gneezy).

Assignment 1: Consumer journey map

Length: Main map should be no more than 2 pages

3-4 Students per group

Purpose?

A consumer journey map describes in detail a consumer interaction with a product, service, or event. For example, it can concern the interaction a consumer has before they can achieve a particular goal, such as buying insurance, installing and setting up a printer, preparing a meal, purchasing a deodorant, finding a date for tonight, ordering a taxi, finding parking, going to the movies, doing a degree, etc. Firms can differentiate themselves by optimizing their touchpoints with the consumer along the consumer journey (think of how Amazon optimized online shopping). **In this exercise, you will create a consumer journey map that conveys the thoughts and emotional states consumers have at critical parts of the journey.** Choose a journey you find interesting and one you believe can be improved. Much behavioral research shows people remember some parts of experiences more than others (for example, the low and high points, and the peak end rule-

https://en.wikipedia.org/wiki/Peak%E2%80%93end_rule). For this reason, your journey map should emphasize the BEST (successes) and the WORST (failures) parts of the experience (the worst part of repairing my car is my uncertainty about how much the repair will cost, so providing a price upfront may deal with this concern). Think hard on what characterizes the experience and where you can improve it. Can the journey begin earlier, can it end later, how can you increase consumer engagement by using the digital environment to your advantage?

How?

Step 1: Choose a consumer journey (experience) you want to focus on.

Choose smart. Choose an experience that (1) you find interesting, (2) you will be able to find people to interview about, and (3) you believe can be improved by some clever intervention.

Step 2: Collect data.

Interview users: Each group member should unpack the emotional state of 3 consumers. Aim to interview each consumer about 15 minutes. Hopefully, you will learn a lot from them and their experience. Try to understand what they feel, what they care about, and what that implies. Sample different types of interviewing techniques.

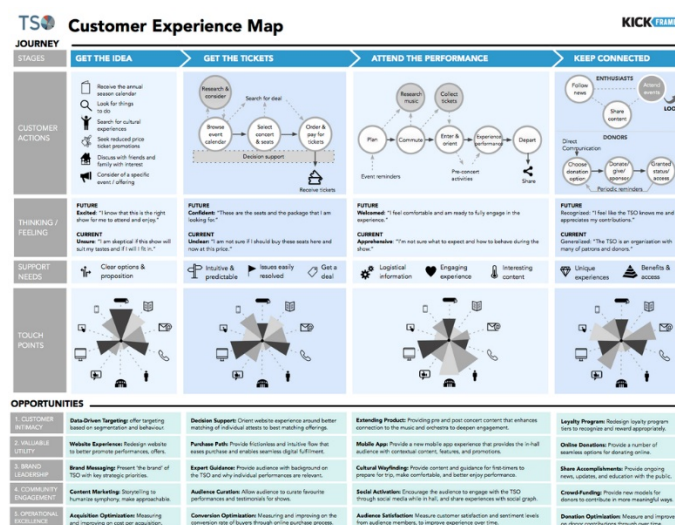
Put us in their shoes: Using photos, artifacts, or vivid descriptions, communicate what the consumers went through.

You can experiment in terms of how to form your experience map. You might start with asking consumers in a free form fashion to tell you what parts of the experience

they remember (not even telling them where to start from). After they tell you about what they remember, you can do a more systematic dive into the experience based on what you and your colleagues think are the key event experiences. Note that the technique of first using an unstructured question and then a structured one typical in market research. After mapping the experience, you might solicit ideas from the user about how a company could improve the experience or how a process can be improved. You will find the mandatory readings on customer experiences insightful. They will give you an appreciation of the importance of understanding customer experience and controlling consumer touch-points.

Step 3: Visualize and summarize what you have learned on 1-2 pages. Consider using PPT

Plot the most important points within the experience – moments where the products touchpoints influence the consumer’s emotional state. The most successful experience maps will communicate creatively, demonstrate emotional insights, and clearly identify where lapses can be prevented or repaired by providing consumers with a good solution. Give **some viable intervention recommendations** for management based on your analysis. Below, is a great example of an experience map for attending shows at the Toronto Symphony Orchestra.



Step 4: Recommended format for your submission

- 1) Consider preparing in power-point.
- 2) Main Title – Brand name/Process – and maybe tag line, or main insight
- 3) Possible sections – (1) A visual of the experience map with symbols depicting critical events that you later on describe (maybe use pictures); (2) Interventions points / recommendations;

Required readings for completing this assignment:

1. Discovering new points of differentiation. Ian C. MacMillan & Rita G. McGrath, Harvard Business Review, July-August 1997, 133-145
 2. <https://hbr.org/2015/11/competing-on-customer-journeys>
 3. <https://hbr.org/2010/11/using-customer-journey-maps-to/>
- Also take a look at <http://www.sungevity.com/> which is featured in the HBR article
- A nice link that was provided in this online piece - <http://www.servicedesigntools.org/>
- Other useful information:
<http://www.kickframe.com/blog/2015/7/29/orchestrating-the-toronto-symphony-experience>
<http://adaptivepath.org/ideas/the-anatomy-of-an-experience-map/>

Assignment 2: Shaping the offering

Length: 2-3 pages

3-4 Students groups

Purpose?

This assignment consists of two tasks:

(1) To identify the attributes/benefits/features (and their relative weights) that influence purchase in your chosen product/service category and to determine how your product/services matches against its 2 major competitors on these attributes/benefits.

(2) Based on your analysis to section (1) offer 2 specific recommendations as to how by introducing a new attribute/benefit or changing how consumers perceive your offering on an existing attribute/benefit you can improve consumers' attitudes towards your offering and hopefully market share and profitability. Note that this does not always mean making your product objectively better. Sometimes this can be done by getting rid of features you thought consumers' values but they in fact don't.

Services and products are multi-dimensional. They are characterized by many features/attributes/benefits. For example, a bottle of wine can be characterized by the type of grapes used to make it, where the grapes come from (terroir), it's price, whether it is made of one type of grape or is a blend, whether it is best served chilled or at room temperature, whether it is a limited edition, whether it can be bought only at specialized stores, bottle size, bottle shape, the material from which the bottle is made, etc. All of these product characteristics jointly influence (each with its own weight) consumers' perception of the quality of the wine, it's perceived price, it's perceived value for money, attitude towards the wine, purchase intentions, satisfaction with the wine, etc. Wines also have competing wines made by other manufacturers that provide slightly different feature combinations and values on each feature.

Similarly, Tnuva's Emek cheese has many characteristics including fat content, packaging, coloring, price. In Emek's case, Noam is the main competitor (manufactured by Tara). Several years ago Tara introduced Noam as a cheese without preservatives. This was a new attribute in the category. Noam took a bite out of Emek's very large market share. Some consumers apparently valued the "without preservative" attribute because it presumably provided a health benefit, or at least made other types of cheese, including Emek, be perceived as less healthy. This is the battlefield of many product categories. Each competitor tries to persuade consumers which attributes/benefits are the most important in the category, and that their offerings are better than their competitors on the various attributes.

In the following table you can see the results of Market research that identified the key characteristics of tires and how various brands scored on these attributes. Your first task is to produce a table like this:

Table 1:

Attribute	Attribute importance	Brand A	Brand B	Brand C
Traction	35	4	8	9
Handling	30	3	3	2
Affordability	15	8	4	3
Warranty	20	7	5	5

How?

Step 1: Choose a product/service you want to focus on. Choose smart. Choose one that you will be able to (1) find people to interview about and (2) that you find interesting.

Step 2: Collect data. (1) Exploratory phase: Talk to at least 6 potential consumers (more is better) to figure out what attributes/benefits drive purchase decisions in your selected category. Note that you can conduct the interviews individually or in small focus groups (Your choice). You can mix and match methods. The attributes that are consistently mentioned are most probably the attributes that drive consumer purchase decisions in the category (assuming they are aware of how they make their choices and are willing to share this information with you). (2) Survey phase: Use a survey to ask potential consumers (best to have over 20) to either rate how important each attribute/benefit is, or alternatively have them allocate 100 points between the attributes so the points reflect attribute importance (like in Table 1). (3) Each of the consumers should then rate your product/service and its two main competitors on each of the attributes/benefits (your group can decide who the competitors are but it is worth corroborating with the consumers completing your survey). Specific question may look like.... I believe the brand A has good tractions (Strongly disagree 1 2 3 4 5 6 7 Strongly agree). (4) Ask each of the potential consumers to provide their attitude towards your product and the competitors and ask them which brand they would choose if they had to choose only one of the three offerings. (5) Finally, it may be worthwhile asking consumers if there is any particular reason why they prefer not to purchase your product or any of the competitors (this can be done in an open ended question). **To see what relevant materials look like take a look at the slides beginning with the multi-attribute model in the presentation on beliefs, attitudes and preferences.**

Step 3: Come up with two recommendations about how to improve your offering based on the results of your analysis in Step 2.

As mentioned above there are several things you can do:

(1) Change the importance/desirability of attributes. This usually means emphasizing in your marketing materials the importance of an attribute on which your brand rates well, deemphasizing an attribute on which your brand rates particularly low, or both.

(2) Changing brand beliefs. For example, using advertising to show consumers that your brand is better on a certain attribute than they believe (An HMO claiming that its wait-times are shorter). Or maybe changing the actual product characteristics so that in fact the brand beliefs improve.

(3) Adding a new attribute. This can include making consumers aware of an attribute they had not previously considered when making a purchase decision, and/or adding a feature to your brand that competing brands don't have (Tara introducing Noam)

