הפקולטה לניהול
ע"ש קולר
אוניברסיטת תל אביב

Coller School of Management
Tel Aviv University

Sofaer Global MBA

1238.3402.01 – **Consumer Insight and Strategic Marketing**

Prerequisites: None

Module 4 – 2017/18

Course Section Details

Day	Hour
Wednesday, 9 May	18:45-21:30
Wednesday, 16 May	18:45-21:30
Wednesday, 23 May	18:45-21:30
Wednesday, 30 May	18:45-21:30
Wednesday, 6 June	18:45-21:30
Wednesday, 13 June	18:45-21:30

** 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 your friend): https://www.linkedin.com/in/shai-danziger-41736544
Teaching Assistant (TA): Oded Noi
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) and to design effective marketing techniques (The famous P's) companies must understand consumer motivations, 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.
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

Upon completion of the course, you will be able to:

1. Understand the consumer information processing model
2. Conduct a consumer journey exercise
3. Conceptually understand experimental design
4. Measure consumer attitudes
5. Strategically influence consumer choices

Assessment and Grade Distribution

Grade weight	Assignment	Requirements
30%	**Consumer Journey**	3-4 members per group. Description at the end of the syllabus
25%	**Image-Identity gap analysis**	3-4 members per group. Description at the end of the syllabus
25%	**Drivers of consumer purchase**	3-4 members per group. Will be handed in the first lecture.
20%	**Class participation**	Read 4 mandatory articles for class, participate in in-class exercises and discussions. Complete short assignments in and out of class.

Course Assignments

<u>Assignment notes:</u> You will complete assignments in self-selected groups of 3-5 individuals. You will submit the assignment no later than the **<u>1st of June</u>**. The first two assignment appear at the end of this document.

<u>Attendance:</u> 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 (9 May): Marketing strategy and customer centricity

Meeting 2 (16 May): Consumer information processing and consumer research

Meeting 3 (23 May): Making consumer tick (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)

Meeting 4 (30 May): Making consumer tick (value, motivation, ability and opportunity)

Reading: The MPG illusion

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

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

Reading: Female hurricanes are deadlier than male hurricanes

Meeting 6 (13 June): Consumer preference and choice

Reading: Extraneous factors in judicial decisions

The three 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

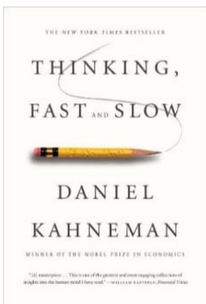
Recommended Reading

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=qzJxAmJmj8w

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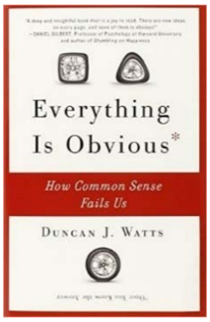
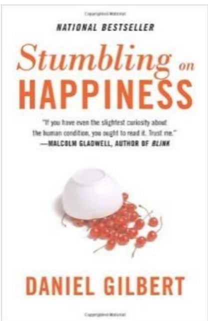


https://www.amazon.com/Everything-Obvious-Common-Sense-Fails/dp/0307951790/ref=sr_1_1?s=books&ie=UTF8&qid=1466498734&sr=1-1&keywords=everything+is+obvious

A great book on understanding research in the social sciences.

Short promo for the book: https://www.youtube.com/watch?v=D9XF0QOzWM0



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-ClcIs

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 Uri Gneezy an John Lists book, 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).

Assignment1: 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 refer to the interaction a consumer has before they can achieve a particular goal, such as buying insurance (think of how Wobi differentiated itself in this regard), 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, etc. Firms can differentiate themselves by optimizing their touchpoints with the consumer along the way (think of how Amazon optimized online shopping). **In this exercise, you will create a 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). 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 you find interesting, an experience that you will be able to find people to interview about, and that you believe can be improved by some clever intervention.

Step 2: **Collect data.**

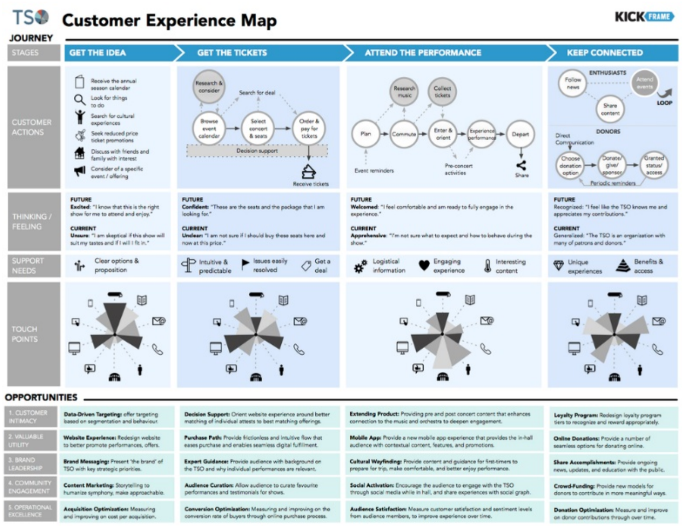
Interview Users: Each group member should try and unpack 3 user's emotional state throughout the experience. Aim to interview each consumer about 15 minutes. Hopefully, you will learn a lot from them and their experience. Try to understand what they feel, what they care about, and what that implies.

Put Us In Their Shoes: Using photos, artifacts, or vivid descriptions, communicate what your user went through.

You can experiment in terms of how to form your experience map. You might start with asking individuals 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 thought are the key event experiences. Note that the strategy of first using an unstructured question and then a structured one is how things are typically done 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 touchpoint affect the user'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, maybe 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
Also take a look at http://www.sungevity.com/ which is featured in the HBR article
3. https://hbr.org/2010/11/using-customer-journey-maps-to/
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: Image-Identity gap analysis

Length: 2-3 pages

3-4 Students groups

Purpose?

To effectively build and sustain a company or a brand you must be intimately in touch with what your stakeholders (external: consumers, investors) and you (internal: your organization, your employees) think about your brand. Marketers define Brand image as the set of (actual) associations stakeholders have for a brand, and they define brand identity as a set of associations the organization (brand manager) wants to have for its brand. Your task is to perform an image-identity gap analysis by capturing the brand associations from these two perspectives (both internal and external).

How?

Step 1: Choose a brand or an organization you want to focus on. Choose smart. Choose a brand that you will be able to find people to interview about and that you find interesting.

Step 2: Collect data. Each group member should talk to a minimum of 3 'internal' individuals and 3 'external' individuals (or more if you have access to them- If you don't, rely on secondary materials, but this should be your last resort!). Before you go talk to people you can get some brand information by looking at the brands website, and most importantly, reading their positioning/mission statement. This will inform you on what their ideal positioning point is. For international brands you can also learn more about the brand by checking BAVs brand asset evaluator tool (http://bavconsulting.com/apps/). If you don't find a positioning statement anywhere, it will be interesting to see whether internal people that are supposed to represent the brand have a clear image of it.

I encourage you to experiment in terms of how to collect data☺ You might start with asking individuals for brand associations (i.e., What 5-10 words come to mind when you think of the brand? – note that once you have these words you should try and cluster them in a meaningful way), then you can ask them to complete a positioning statement for the brand (a bit more structured than free association), and maybe, last, ask them about specific brand elements that you or they think are important for the brand. You can also ask them to rank particular brand personality elements if you want to get at brand personality (you can get relevant info on this from the class notes). The mandatory readings on Laddering/means-ends analysis will help you understand how to uncover interesting consumer insights! You might also want to check this out:

http://www.qualtrics.com/university/researchsuite/research-resources/survey-types/market-surveys/brand-management-surveys/

Aim to interview each person 5-15 minutes. Hopefully, you will learn a lot from them about their perceptions and experiences with the brand. The key is to uncover what they think the brand's essence is (the brand DNA).

Step 3: Visualize and summarize what you have learned on 2 pages max. Limit yourself to a maximum of 600 words. Briefly address the topic, your process and your findings. Come up with one viable recommendation for management based on your analysis.

Step 4: Recommended format for your submission

1) Consider preparing in power-point.
2) Big Title – Brand name – and maybe tag line, or main insight
3) Possible sections – (1) process (how you approached the task – enough so that someone else can replicate your process);   (2) Main findings (Patterns + Surprises in your own words); (3) Recommendation (4) Cool visuals= image/graph that tells the story of your analysis (maybe from www.wordle.net)

Last, but not least, Readings for completing this assignment:

1. Using Laddering to understand and Leverage a Brand's Equity. Brian Wansink, *Qualitative Market Research*, 2003, 6:2, 111-118.
2. Means ends analysis exercise

Assignment 3: Shaping the offering

Length: 2-3 pages

Due: No later than June 1st

3-4 Students groups

Purpose?

In this assignment you have two tasks:
(1) To identify the attributes/benefits (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 things that you though consumers values but they in fact don't… AB test your two suggestions to determine which is better

All services and products are multi-dimensional. They are characterized by many features/attributes/benefits. For example, a Golan Winery wine can be characterized by the type of grapes it is made of, 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. Most Golan wines have competing wines made by other manufacturers that provide slightly different compositions of features.

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). A while back, 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 natural 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 find people to interview about and 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 even 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 that the points reflect the importance of the attribute (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 people completing your survey). Specific question tend to 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 the consumer 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. Test a group of consumers to see which of these recommendations improves your product/services evaluations more. You can use the same consumers that participated in the survey.

As mentioned above there are several things you can do:

(1) Change the importance/desirability of attributes. This usually means emphasizing in 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 – Zvika Hadar for Meuhedet/ note that this can also change the weight of the attribute). Or maybe changing the actual product characteristics so that in fact the brand beliefs improve.

(3) Adding a new attribute. This can including 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)