Course Objectives

Customer insights may be divided into methods that emphasize understanding “the customer” and methods that emphasize understanding “the market.” This course (15.821) deals with the customer and emphasizes qualitative methods (voice-of-the-customer interviews, ethnography, focus groups, and metaphor elicitation). The methods covered in 15.821 are often used in the “front-end” of a customer insight project. They are particularly suited to entrepreneurs, although used extensively by firms of all sizes. Sometimes the methods stand alone; other times they greatly enhance quantitative surveys and data mining.

The course is designed for the non-specialist, e.g., someone planning a career in product or project management, marketing, or entrepreneurship.

The heart of the course is the team project, which has two parts: (1) a qualitative voice-of-the-customer ‘front-end,’ which generates a structured inventory of issues relevant to the idea that your team is exploring, and (2) an articulation of a specific new concept or new solution, based on this front-end customer insights.

This is not a traditional customer insights class. Our philosophy is that numbers (and especially large samples) are over-rated in customer insight; a deep understanding from a small number of knowledgeable and intellectually engaged individuals may tell you more than questionnaires (or data analysis) used to collect broad insights from a hundred or a thousand customers. We focus on methods that:

- can be relatively quickly and inexpensively (and, if necessary, done directly by you)
- obtain rich, high quality information from a small number of customers,
• add creativity, challenge, and excitement to the customer insight process.

This course has three complementary objectives, namely, to:

• provide a concise “user’s guide” to the most valuable and common qualitative customer insight methods
• teach key skills for “do-it-yourself” customer insights (and gain skills in managing and using customer insights)
• teach all basic steps for a voice-of-the-customer analysis (course project)

Course Materials

1. **Readings (available on Canvas):** The course packet contains cases and readings that are copyright-protected (and some that are not). All readings are required except for Session 9 (optional technical articles) and Session 10 (example reports).

2. **PowerPoint Slides:** PowerPoint slides for the lecture/discussion sessions will be updated and posted on Canvas at least 24 hours before class. Slides used in the case session will not be posted; we want everyone to think together in class.


4. **Software:** Explain Everything (Online whiteboard: MIT has a site license). Download the mobile app for your iPad or Android tablet or visit explaineverything.com and register using your @mit.edu email address to activate your account. Video tutorials available.

Evaluation

The course helps you learn marketing through five interrelated activities. Percentages are guidelines.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Interview write-up</td>
<td>10%</td>
</tr>
<tr>
<td>Boston Beer Case question:</td>
<td>15%</td>
</tr>
<tr>
<td>Class participation:</td>
<td>25%</td>
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<tr>
<td>Final project presentation:</td>
<td>15%</td>
</tr>
<tr>
<td>Final report:</td>
<td>35%</td>
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</tbody>
</table>

Listening to the Customer, Customer Insights (Group) Project

Listening to the customer well is difficult to learn by simply reading a textbook. A major element of the course is a group project. The project consists of seven tasks, which are roughly coordinated with the seven weeks of the course:

1. Selecting a topic and formulating a customer insights plan
2. Preparing for customer interviews
3. Conducting and taping interviews
4. Transcribing the interviews and identify customer statements or “voices”
5. Interpreting or “scrubbing” the voices, and organizing into a hierarchy
6. Proposing a new concept or solution based on the voices
7. Writing the customer insights report

A typical problem involves understanding the customers’ perspective in a new market. Choose the problem that you find most interesting, as long as it helps you learn and use qualitative listening methods.

**Special Assignments**

In addition to the group project, you will be asked to complete short special assignments. Details are provided at the end of this syllabus and on Canvas.

1. Practice interviews with a classmate (or another customer). 1 page write up.
2. Collecting visual images and metaphors about MIT. Collect 3-4 images.
3. Case question for Boston Beer Company. 1 question at most 1 page.

**Class participation**

**Attendance:** You learn by attending classes and your peers learn from your participation. However, emergencies do happen. Absence due to serious illness, childbirth, military service, or bereavement is excused. By MIT Sloan policy, absence due to job interviews or attendance at co-curricular events is not excused.

Class participation is an opportunity to ask questions to enhance your understanding of the material and to suggest examples that demonstrate such understanding. Comments and questions should be relevant to the material being discussed and build upon the discussion that is developing. Please try to avoid lengthy discourses of extraneous materials and repetition of issues already discussed.

**Forming teams**

To get the most out of this course, you should form teams as early as possible. The target size is three to five people. Teams of more than five people are not allowed. Teams of fewer than three people are allowed, but strongly discouraged. Please form your team using the tools provided on Canvas.

**Getting Help from the Professor and the TA**

You may have various questions about the course or marketing innovation in general. The professor will try to stay after class to answer any questions. You can also email the instructor and/or your TA to set up appointments. There is a discussion forum on Canvas that enables you to get help from your peers and the teaching team.

You are encouraged to get to know your TA as soon as possible. We have requested your TA to offer at least two optional meetings with each team in the semester. The TA will arrange a time and place that is mutually convenient. These meetings may be on Zoom.

**MIT Sloan Values**

**Ethics:** An important concern in any discipline is the ethics of its practitioners. This is certainly true when listening to and acting on the voice of the customer.
**Academic integrity:** For a student to sign his/her name to a team assignment, the student will have done a substantial amount of work. It is not, for example, acceptable to rotate the work across assignments. Violation of this guideline hurts you, your team, and your colleagues. When in doubt, please follow the guidelines in MIT’s Handbook for Students on Academic Integrity:

[http://web.mit.edu/academicintegrity](http://web.mit.edu/academicintegrity)

**Values @ MIT Sloan:** Please arrive on time for class with uninterrupted attendance for the duration of the class. The professor will endeavor to begin and end class on time.

Please maintain a professional atmosphere in class. This includes, but is not limited to, using respectful comments and humor, employing appropriate manners and decorum, refraining from web-browsing, emailing, and texting, and avoiding distracting or disrespectful activities (e.g., side conversations via Slack or other means). A complete description of the Values @ MIT Sloan professional standards is available at:

[https://mysloan.mit.edu/offices/deans/values/Pages/default.aspx](https://mysloan.mit.edu/offices/deans/values/Pages/default.aspx)

**Diversity and Inclusion**

MIT Sloan is committed to Diversity and Inclusion at MIT Sloan.

[https://mysloan.mit.edu/offices/deans/diversity/Pages/default.aspx](https://mysloan.mit.edu/offices/deans/diversity/Pages/default.aspx)

**Academic Accommodations for Students with Disabilities**

MIT Sloan values an inclusive environment. If you need any accommodation to access this course, please communicate with us early in the semester. We encourage you to do so early in the term to allow sufficient time for implementation of services and/or accommodations that you may need.
<table>
<thead>
<tr>
<th>CLASS</th>
<th>DAY</th>
<th>DATE</th>
<th>TOPIC</th>
<th>READINGS &amp; ASSIGNMENTS</th>
<th>PROJECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tue</td>
<td>Feb 1</td>
<td>Customer needs</td>
<td>(\mathcal{R}): (1) What is a customer need?, (2) Are you really innovating around your customers?</td>
<td>Form teams on Canvas</td>
</tr>
<tr>
<td>2</td>
<td>Thur</td>
<td>Feb 3</td>
<td>Experiential interviews</td>
<td>(\mathcal{R}): (1) Are you really listening? (2) Focus groups. (\mathcal{V}): What makes a good interview? (\mathcal{A}): Consumer interview assignment.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Tue</td>
<td>Feb 8</td>
<td>Gerry Katz, Voice of the Customer</td>
<td>(\mathcal{A}): Collect MIT images (\mathcal{V}): Insights from customer interviews (optional).</td>
<td>Select topic.</td>
</tr>
<tr>
<td>4</td>
<td>Thur</td>
<td>Feb 10</td>
<td>Boston Beer Company: Light Beer Decision</td>
<td>(\mathcal{R}): (1) Boston Beer Company Case, (2) ZMET research process. (\mathcal{A}): Case question assignment</td>
<td>Interview guide due Feb 10, before class (\mathcal{V}|\mathcal{C}): Step 4</td>
</tr>
<tr>
<td>5</td>
<td>Tue</td>
<td>Feb 15</td>
<td>Ethnographic observation.</td>
<td>(\mathcal{R}): Stories that deliver business insights.</td>
<td>Conduct experiential interviews.</td>
</tr>
<tr>
<td>6</td>
<td>Thur</td>
<td>Feb 17</td>
<td>Jim Ferry, From the customer to ideas.</td>
<td>(\mathcal{V}): Consulting to Oyster Farming</td>
<td>(\mathcal{V}|\mathcal{C}): Steps 10 &amp; 12.</td>
</tr>
<tr>
<td>7</td>
<td>Tue</td>
<td>Feb 22</td>
<td>Monday schedule, no class</td>
<td></td>
<td>Identify customer needs (\mathcal{V}|\mathcal{C}): Steps R15 or T15</td>
</tr>
<tr>
<td>8</td>
<td>Thur</td>
<td>Feb 24</td>
<td>Emma Gilding, Applying ethnography</td>
<td>(\mathcal{R}): From identifying needs to generating opportunities.</td>
<td>Transcripts due Fri, Feb 25, 5:00 PM.</td>
</tr>
<tr>
<td>9</td>
<td>Thur</td>
<td>Mar 1</td>
<td>Scrubbing and structuring</td>
<td>(\mathcal{R}): From identifying needs to generating opportunities.</td>
<td>Scrub customer needs</td>
</tr>
<tr>
<td>10</td>
<td>Tue</td>
<td>Mar 3</td>
<td>Visual and verbal insights from big data</td>
<td>Optional: Background readings (1) Visual elicitation (online ZMET) (2) Visual listening in (3) Customer needs from UGC</td>
<td>(\mathcal{V}|\mathcal{C}): Steps R16 or T16 (\mathcal{V}|\mathcal{C}): Steps R17 Finish affinity diagram.</td>
</tr>
<tr>
<td>11</td>
<td>Thur</td>
<td>Mar 8</td>
<td>Presentations</td>
<td>Optional: Example reports.</td>
<td>Written report due Mar 8, before class.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mar 10</td>
<td>Presentations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(\mathcal{A}\): Short written assignment \(\mathcal{R}\): Required reading. \(\mathcal{V}\): Watch short video \(\mathcal{V}\|\mathcal{C}\): Voices into Choices text.
Detailed Readings, Videos, and Assignments

February 1 (Tuesday)

Read: Mitchel JC (2016) What is a customer need? *Pragmatic Marketing*, Fall

Project: Form teams using Canvas.

February 3 (Thursday)

      Calder BJ (1977) Focus groups and the nature of qualitative marketing research. *Journal of Marketing Research* 14:353-364. This is the classic and most-cited article on focus groups. It remains a must-read for those who use focus groups.
      Skim material on the philosophy of science and clinical focus groups. Many terms in those sections have a scientific meaning that differs from the everyday definition of the terms. We are most interested in phenomenological focus groups, an earlier word for experiential focus groups.
      For practical advice, see also *focus groups for UX research*. The basic concepts generalize beyond user-experience research (link also posted on Canvas).

Video: What makes a good interview? (This link is also posted on Canvas)

Assignment: Conduct a one-on-one interview, as described in Consumer Interview Exercise (A-F). There are six versions posted on Canvas. Complete the assignment that corresponds to your birthday month: Jan/Feb (A), March/April (B), May/June (C), July/Aug (D), Sept/Oct (E), Nov/Dec (F). The exercise will give you a chance to practice interviewing before you do it for the project, and give you a feel for typical content that might be explored in an interview.

In class we will discuss what you have learned in the interviews.

Written deliverable, about one page length (submit on Canvas by 10:00AM February 3):

- Identify the product or service, and your relationship to the person interviewed (e.g., student, spouse, roommate...).
- Briefly summarize what you have learned from the interview.
- What, if anything, was surprising or unexpected?
- If you were to conduct another interview, what would you do differently?

February 8

Guest Lecture: Gerry Katz, Vice Chairman (retired), Applied Marketing Science, Inc.
Applied Marketing Science is a leading customer insights company (Applied Marketing Science, Inc.). Gerry, an MIT Sloan graduate, will discuss his experience in class. Gerry has a rich experience. Feel free to ask him about that experience.

We have permission to view a webinar on conducting the voice of the customer (without registering). The video is optional, but valuable. The link is also posted on Canvas.

Assignment: Complete an Explain Everything whiteboard consisting of at least 3-4 images that in some way evoke your thoughts or feelings about MIT. Please place each image on the whiteboard where you feel it is most appropriate, and size each image any way you wish. You may use any Explain Everything tools to enhance the images. The pictures can come from any source (iPhone, web, magazine...), but they cannot refer to or contain images that explicitly show the MIT campus, the MIT name, or the campuses and names of other universities. Export your whiteboard to a PDF file and submit the PDF file on Canvas. (If you prefer another whiteboard app that can export to a PDF file, you are welcome to use that app instead.)

February 10

Read: Boston Beer Company: Light Beer Decision. We will focus primarily on the results of the ZMET study and what it implied for the light beer decision by the Boston Beer Company. We will not focus on the quantitative aspects of the case. You can skim the quantitative aspects for background.

The images in the case are from the time of the case. For example, at the time of the case, the USA Women’s Hockey Team had just won the gold medal. Metaphors evolve. You might want to discuss how an image at the time might have a very different meaning in 2022.


Discussion questions (prepared to discuss these issues in class)

• What should Boston Beer Company do with the Lightship brand?
• How useful were the customer insights?
• Are you confident in their interpretations?
• Is “Lightship” a good name? How would you find out?

Assignment: An interesting phenomenon in the branding of reduced calorie beverages is that soft drink names usually have the form “Diet ______,” for example, Diet Coke, Diet Pepsi, while beers have the form “_____ Lite,” for example Miller Lite, Bud Light. In fact, one of first low calorie beers was explicitly marketed as “Diet ____” but the concept did not work.

Written deliverable, about one page length (submit on Canvas by 10:00AM February 10):
In one page or less, discuss what you think explains this difference in branding (diet vs. light/lite). Draw on the customer insights presented in the Boston Beer case, supplemented by your own introspection.

Project: The interview guide for the experiential interviews is due prior to class on Thursday, February 10 (1 interview guide per team). In preparing your interview guide, you can take a look at interview guides in the course packet submitted by former students.

February 15


Project: You should conduct the experiential interviews this week.

February 17

Guest Lecture: Jim Ferry, President, Boston Innovation Group.

Jim Ferry is one of the leading practitioners of exploratory customer insights in the Boston area and was also a professional focus group moderator. He spent more than 30 years at large firms and eventually ran his own business, the Boston Innovation Group, advising clients such as Absolut, Sony, and Timberland about how to improve their businesses. We will do several creativity exercises in class.

As preparation for the class, please think of a problem or opportunity, meeting the following conditions:

- It should be real.
- You should be responsible for implementing the solution.
- It should require a creative approach, i.e., not a decision between two known alternatives.
- You should be comfortable talking about it in class.

Video: The short Wall Street Journal video about Jim’s other passion (oysters) provides a nice introduction to Jim. This link is also posted on Canvas.

February 22

No class. Monday classes meet on this day.

February 24

Guest Lecture: Emma Gilding, former Executive Strategy Director at Wunderman Thompson, now SVP Brand Strategy at Klick.

Ms. Gilding is a cultural anthropologist, with extensive experience in ethnographic methods. Previously, she was president of the consulting firm in:site, and a founding partner of luxury market consultancies L-Group and G23, focused on communicating to women. She was named as one of Time Magazine’s Top 100 Business Innovators.
**Project:** Two transcribed interviews per team member. Given the pandemic, you may wish to complete your interviews via Zoom. As a bonus, Zoom provides an automatic transcription (*.vtt file). Be sure to set Zoom to record and be sure to get permission from the person you interview. If you complete the interviews in person, you can record the interviews with your smartphone after obtaining permission to do so. The transcripts are due by 5 PM Friday February 25. We posted example transcripts on Canvas.

**March 1**

**Read:** Vila J, Camps X (2018) From identifying needs to generating opportunities: Discovery before solutions. *IESE Insight Review* 37:14-22

**Project:** After reviewing how to articulate and structure customer needs, we will spend the remainder of the class translating customer voices into requirements. Each team member should come to class with their voices on “Sticky Notes.” Your team can choose to use real sticky notes or electronic sticky notes created in Explain Everything (or another whiteboard app), but try not to mix and match formats within a team.

**March 3**

**Optional readings.** We will discuss recent advances, led by MIT Sloan and former students of MIT Sloan, using machine learning to gain visual and verbal insights from big data. When feasible, these methods supplement qualitative methods such as ZMET and experiential interviews. But they require substantial investment in machine learning and the availability of relevant visual or verbal corpora. The readings are posted on Canvas.


**March 8 and 10**

**Project:** Final presentations will be made in class. You may use PowerPoint or other visuals, including video. Please send files to the instructor the night before so that they might be loaded on the classroom drive.

The written project is due before class on Tuesday, March 8. Please see the detailed instructions, “15.821 Project: Customer Insights Report.”

We posted example reports on Canvas (three former student reports and two professional reports—the latter in different formats from the assignment).