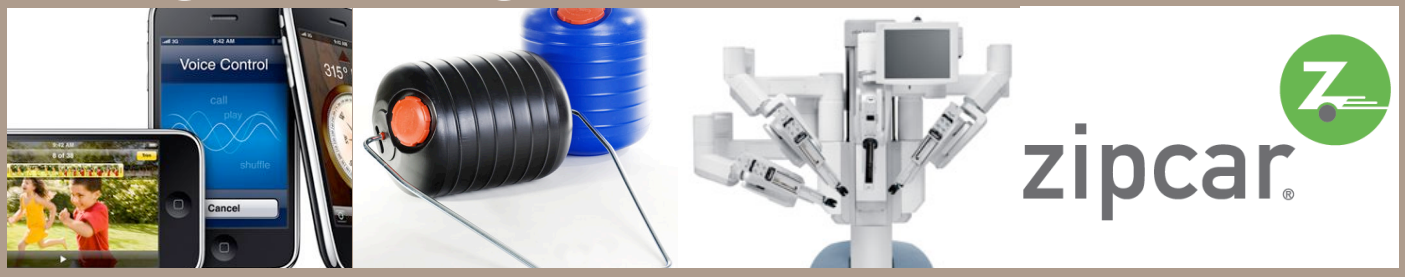
McCOMBS SCHOOL OF BUSINESS

Customer Insights & Experiences

Design Thinking for Business Innovation



Fall 2013

Welcome to Customer Insights & Experiences!

Ultimately, this course is about the challenge of innovation in an ever-increasing competitive environment and in response to ever-increasing customer expectations. While our more traditional marketing research and product/service design approaches serve us well when we are interested in evolving our offerings over time, we must consider a different set of approaches and tools to design truly innovative experiences. This course will focus on concepts essential to gaining deeper insights into our customers' behaviors, decision points and actions, translating insights into understandable and usable conclusions, defining key customer problems, generating ideas and prototypes to solve customer problems, and designing experiences that truly respond to a customer-driven world.

The total customer experience ...

has become paramount in an economy where only those companies that react to and anticipate their customers' deeper needs and desires will survive and thrive. The right tools, processes, and philosophies are essential to the development of holistic marketing analysis, design, and implementation. Ultimately, creativity and innovation need to be explored and unleashed to generate new ideas and concepts to address customer needs in a way that cultivates meaningful relationships and creates true value.

A human-centered approach to design...

presents the opportunity to create products, services, and completely new business models that can have a significant impact on our communities and can meet the needs of people across the developing world. We will strive to recognize that the tools and skills we use to create profitable enterprises can also create real social change and positively benefit our customers' lives.

Course Details, Objectives, & Approach

Course, Time	MKT 372-05105; MW 2:00 - 3:15	
Classroom	GSB 5.142A	
Office, Hours	GSB 4.126K; Tuesdays 1:00 - 2:30 & Wednesdays 10:00 - 11:30	
Instructor & TA	Stephen Walls, Ph.D.	
e-mail	stephen.walls@mccombs.utexas.edu	
Phone	m: 512.422.1918 o: 512.232.5985	

Primary Course Objectives

•Understand the current challenges of business model sustainability faced by entrepreneurial and larger organizations and their need to innovate or reinvent their business model.
•Understand the concepts & general paradigms of customer insights & experiences within the role of the marketing function & the organization.
•Understand how a human-centered design philosophy can be integrated into our efforts to gain insights and create valuable experiences for customers.
•Analyze the business model in a structured format & understand opportunities for innovation within the various business activities.
•Consider how we make our communities & society better through our work
•Improve presentation and writing skills

Course Approach

To start with, it is important for you to understand customer insights, experiences, & design terminology, concepts, & activities.

- The first step will be for you to read the assigned readings by the dates outlined in the schedule.
- In addition, our class discussions and activities will reinforce key concepts.

Reading the articles & chapters and attending class are, however, only the first step. To really understand this material, you must also apply it. To accomplish this, we will also have:

- A semester-long group project with an actual client to apply all the principles we cover in class
- Class discussions & activities
- Writing assignments to reflect on deeper connections between course concepts and the world-at-large

Class Resources

1. Designing for Growth (available at the UT Co-op or at online book retailers)
2. Course Readings & Links (available on Blackboard)
3. Lecture Slides & Course Assignments (available on Blackboard)
4. Optional Book: Business Model Generation

A few of my thoughts on teaching...

My goal is to provide tools and create an environment for learning. I believe my responsibility as an instructor is to ensure that this class contributes to the overall return on your investment by providing a worthwhile set of tools and resources and doing my best to demonstrate how interesting and important this topic can be to you and the world-at-large.

Since you all learn in different ways, your responsibility is to take advantage of all the resources provided in all the ways that are best for you. I expect you to be very active in your learning, rather than sitting on the sidelines as a passive observer. I have created a fairly specific structure to this course, but will maintain flexibility so that we can adapt to the needs and desires of those participating.

Throughout this course I am trying to encourage you to read the material from the resources provided, critically think about how they apply to a variety of marketing circumstances, make connections to concepts larger than marketing, and consider how you will make the world a better place through your work.

Class Participation

In the business world, you must be able to communicate your thoughts clearly and intelligently. Therefore, I am hoping that each of you will practice your communication skills and contribute greatly to the knowledge built in this class by sharing your thoughts. Come prepared to engage in the discussions, whether you actually speak out loud or not, by reading the required cases and chapters and by also forming opinions and questions about the material presented. I will call upon you from time to time, but these will not be attempts to harass or embarrass you, I promise. I simply want to give everyone more experience in being prepared to speak on the spot about various topics. You can read details below of how class participation will be evaluated.

Communication

To further emphasize the importance of communication as a key skill for anyone involved in any aspect of marketing, not to mention almost every other aspect of business, your assignments will be evaluated based on your ability to communicate effectively, in addition to your effort and content. This will apply to both written and oral presentations of your work. Communicating effectively includes the ability to organize your thoughts coherently and use language accurately so that the story is told in the best way possible.

Contacting Me

There is just no substitute for attending class to get all of the information you need - I do not send every instruction via email.

Please use email VERY sparingly - just talk to me before or after class or during office hours. Do not email assignments to me unless you've checked with me first, as they tend to get lost in the shuffle of my inbox. Never use email to discuss grades, express concerns, launch into passionate diatribes, or anything similar. Instead, set up time with me to discuss these things in person.

Also, I am really bad about checking my office voicemail, so if you have a true emergency, it is definitely best to call or text my mobile phone (notice the word "emergency" there).

Grading & Assignments

Blog + Mini-Assignments (5 highest graded entries; 0-4 points each)	*20 points*
Current Topic Extended Outline	*10 points*
Current Topic Final Report	*20 points*
Experience Audit & Prototype Updates (4; 5 points each)	*20 points*
Experience Audit & Prototype Final Presentation	*20 points*
Attendance & Class Participation	*10 points*
Total	***100 points***

Grades will follow plus/minus system with the following cut-offs. 100-93=A, 92-90=A-, 89-87=B+, 86-83=B, 82-80=B-, 79-77=C+, 76-73=C, 72-70=C-, 69-67=D+, 66-63=D, 62-60=D-, and 59 or lower=F. Note: I will not round up - an 89.99 (as close as it is to 90) will still be a B+. I assume all assignments will be turned in on time and will penalize late assignments at my discretion (i.e. I will consider valid, documented reasons, but I will significantly penalize your grade if the lateness is unwarranted, including computer, printer, relationship, and transportation issues, just to name a few).

Customer Insights & Experiences Blog

Goal: Explore your own personal awareness, attitudes, and feelings towards customer experiences so that you may better understand and articulate other people's awareness, attitudes, and feelings.

At the beginning of the session, you will create a blog site and email the url to the TA to add to our class blog site. For the early entries, I will assign topics for you to consider in your blog. These topics will come in the form of discussion questions, mini-assignments, or something similar. At times, I may ask you to pick out those things in the "world of customer insights and experiences" that grab you – an ad that captures your attention, an article that is insightful, a product or service that is wildly innovative, an encounter that reinforces (or doesn't) a brand identity, etc.. Use your blog to write your comments on why it captures your attention and any thoughts that you have about it. In addition, you can provide pictures or links so that we can get a better sense of what you are talking about.

The total number of blog entries is **6 entries**. Generally, the entries will be due a week from the date they are assigned (typically by the time class begins on the day they are due). The presentation of this assignment should reflect your style while facilitating your ability to document those things I've described above. In addition to what I've provided above, some criteria I use in determining effort are length of the entry (somewhere around 1.5 pages, single-spaced typed in a Word document using Times New Roman, 12-point font is a good minimum guideline), use of class concepts & discussions, comparisons (convergent & divergent) to in-class or reading examples, and creativity (your own personal examples). Above all, demonstrate your ability to synthesize all of this stuff and express your opinion!

Typically, the scoring for each entry will work like this:

- 0 points - Did not even attempt the assignment or made an extremely weak and insignificant attempt
- 1 point - Attempted the assignment with at least an acceptable amount of effort
- 2 points - Reached the minimum required length (see above) and appropriately addressed the topic
- 3rd & 4th points - Either included connections to class concepts (1 point) and/or provided personal examples or exhibited some other creativity in thought (1 point)

Customer Experience Audit & Prototype

Goal: Work with a team on an insight and experience project, utilizing and exploring concepts discussed in class.

As a team, you should assume that you are a consulting team that has been hired by an organization needing your expertise. You will be tasked with identifying the next opportunity and developing a completely new set of products and/or services that are part of an overall larger experience, which is ultimately designed to create value for a specific, targeted set of people. Additionally, you should consider how your ideas will make the world a better place (at least for your target customers) and will not just be more "stuff" for them to purchase and consume.

Throughout the project, your presentations should be thorough and professional, utilizing the various concepts we are covering in the course. More details will be made available on the Assignments section of our Blackboard site as we approach each phase.

For each of the first four phases of the project, you are required to develop a 5-page maximum slide presentation and discuss your progress with me during individual team meetings the week that updates are due.

Phase 1 - Empathize - Part 1 (Assumptions of Customer Persona & Current Experience)
Describe the persona that has been selected for your team. Keep in mind that the description should be as detailed as possible, showing a deep understanding of who they are as people or organizations. Understand that your target customer persona may also evolve over the project. Using available data as a secondary research tool, provide a detail description of how this persona currently experiences the context under consideration for this project, but be sure to push beyond the boundaries of this context to understand their broader life experiences.

Phase 2 – Empathize - Part 2 (Design Research & Gain Insights)
Using generative/ethnographic techniques discussed in class, gather insights about your persona and the experiences associated with your context. By this point, you should have developed ideas or theories about your persona and their underlying needs or desires. Your data collection should help validate, refine, and guide the next steps of your project. As soon as your research design is approved, you should immediately dive into the gaining insights phase of the project.

Phase 3 – Define (Evaluate Insights & Identify the Problem Statement)
Using a framework of your choice or design, conduct an in-depth analysis of the insights you gathered. Basically, you'll be attempting to organize all of your findings. The evaluation should focus on interesting findings and clearly articulate conclusions you have begun to make. Ultimately, you will need to create a problem statement that will be the guiding force behind the development of your solution ideas.

Phase 4 – Ideate & Prototype (Create Rough Prototypes & Describe the Business Model Impact)
Identify several potential solution ideas and create rough, rapid prototypes to visually represent each. You will take your rapid prototypes back out to your research participants to gather their feedback and refine your ideas. You will also need to map out the impact these solutions will have on the business model.

Phase 5 – Test & Present (Final Product/Service & Prototype Presentation)
Based on the feedback you receive from your persona, refine your solution ideas and develop a set of refined prototypes that visually represent your idea. Make the prototypes as realistic as possible, considering the various forms and modes of interaction You should also fully develop the business model so that all important aspects can be considered. In presenting the model and prototypes, you should consider and include information that is relevant from the previous phases of your project as well as any additional information that will help sell us on your ideas. For the final phase of the project, you are required to consolidate your earlier presentation into one coherent and cohesive final presentation, including the addition of information associated with your final product or service prototype development.

Note: While this is a group grade, peer reviews can significantly affect your final individual score on this project.

Current Topic Report

Goal: Explore a customer insight issue or case study in which you have a strong interest so that the course topics become more personally relevant.

You all come to this class with different backgrounds, interests, and expectations. It is important that you get something you really want to learn out of this class, so this contracted paper/project is your opportunity to tailor the class to your interests. You can write a case study, using the topics and concepts discussed in class to analyze the current situation and make recommendations about interventions. Alternatively, you can identify an area of research related to customer insights or experiences that seems particularly important for your professional use and write an analysis paper summarizing the available literature (academic and trade/industry) and making predictions or recommendations for the future.

The final product of this activity will be a **9-11 page paper** (double-spaced, one-inch margins). It will be evaluated on the basis of thoroughness, originality or insightfulness, and clarity of writing.

You will be required to submit a **3-4 page extended outline** (single-spaced, one-inch margins), including citations & resources, earlier in the semester to assist your progress.

Class Participation & Attendance

Answer questions, pose questions, provide insightful observations. Keep in mind that quality is an important component of this. Periodic cold calls also count here. Reading and considering the assigned chapters and articles are the best way to prepare for the discussion.

Each class, you will receive a participation score from 0-3, based on the quality of your participation during that class. One point will be awarded for attending class that day. The second and third point will be awarded based on your quality of contribution that day. At the end of the session, the participation scores will be averaged across the entire class. If your total score is equal to or greater than the 75th percentile, then you will receive 10 points (or 10% of your total class grade). If your total score is below the 75th percentile, then you will receive between 0-9 points, based on the distribution of points across the class participation scores below the class average.

Note that if you arrive more than 10 minutes late to class or leave more than 10 minutes early, you will not receive the 1 point for attendance. Additionally, if tardiness becomes a chronic problem (e.g., consistently showing up 3-5 minutes late for class), then I will consider more penalties because of the disruption.

Academic Integrity

Don't cheat. Integrity is important in the "real world" and the classroom alike. The bottom line is that I will not be tolerant of any unethical behavior in any way shape or form and will seek out the maximum penalties for any student violating the University's policies. Please read the "University Policies" section below for more details and links to the official policy.

Students are often confused about academic dishonesty when it comes to projects/papers. The most common confusion is with plagiarism. If you are confused, here is a great tutorial: http://www.lib.utexas.edu/services/instruction/learningmodules/plagiarism/. The basic rule to avoid plagiarism is to simply cite your sources: If it is not your idea, then cite the source. You can use APA style (or any other style) to cite references as long as you are consistent. Try this link for details about APA style: http://www.lib.utexas.edu/students/citing/online/apa.html

Plagiarism. n 1: a piece of writing that has been copied from someone else and is presented as being your own work 2: the act of plagiarizing; taking someone's words or ideas as if they were your own, WordNet 2.0 (2003), Princeton University, from www.dictionary.com.

University Policies

"The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at http://www.mccombs.utexas.edu/BBA/Code-of-Ethics.aspx. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty."

Password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html.

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Communicty Engagement, Services for Students with Disabilities, 512-471-6259, http://www.utexas.edu/diversity/ddce/ssd/.

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Tentative Course Schedule

Session	Date	Day	Topic	Readings/Deadlines
1	28-Aug	Wed	Course Overview	"You Call That Innovation?" WSJ
	2-Sep	Mon	Labor Day Holiday - No Class	
2	4-Sep	Wed	Impact of Insights	"Customers at the Core" "Insights Into Customer Insights" "The Most Important Man in Music" Forbes "Adele Saved Music" Spin "Apple v. Google v. Facebook v. Amazon" WSJ "Why Best Buy is Going Out of Business... Gradually" Forbes
3	9-Sep	Mon	Developing a Customer Persona	The Persona Lifecycle, Pruitt & Adlin Cohorts Vignettes ***Teams Formed***
4 Blog 1	11-Sep	Wed	Impact of Design + Designing for Impact	Designing for Growth: Chapter 1 & 2 "IDEO HCD Toolkit" IDEO "The 6 Pillars of Steve Jobs' Design Philosophy" Fast Company "Get Creative" BusinessWeek "The Engineer of Everyday Objects" WSJ
5	16-Sep	Mon	Customer Journeys & Experiences	"True Colors" Gladwell "A Framework for Managing Customer Experiences" Schmitt "Gaming the Gamers" Kellogg
6	18-Sep	Wed	Project Work Session Persona & Current Experience	
7	23-Sep	Mon	Understanding the Market Using Secondary Data & Social Media	Groundswell - Chapter 2, Li & Bernoff "Decoding Our Twitter Chatter" WSJ "Facebook Sells Your Friends" Stone "Marketers Watch as Friends Interact Online" Steel
8	25-Sep	Wed	Behavioral Economics & Limitations of Data Gaining Insights Using Generative Research Design	"Peer Pressure and Other Pitches" WSJ Predictably Irrational - "The Effects of Expectations" Ariely "Thoughtless Acts? Observations on Intuitive Design" Suri + IDEO Blink - "Kenna's Dilemma..." Gladwell "Turn Customer Input Into Innovation" Ulwick ***Submit Persona & Current Experience Update via Bb by 11:59 p.m.*** ***Team Meetings Next Week for Updates***
9 Blog 2	30-Sep	Mon	Gaining Insights Using Generative Research Design	"Better Customer Insight in Real Time" HBS "Metaphorically Speaking" Zaltman "Microsoft Office: Gaining Insight into the Life of a College Student (B)" Kellogg

Session	Date	Day	Topic	Readings/Deadlines
10	2-Oct	Wed	Project Work Session Research Design	***Team Meetings Next Week for Updates***
11	7-Oct	Mon	Deconstructing & Building the Business Model - Discussion	Business Model Generation - Sections 1 & 2 "Pandora's Problem: The More It Sells, The More It Loses" WSJ
12 Blog 3	9-Oct	Wed	Deconstructing & Building the Business Model - Exercise	"Pivoting Pays Off for Entrepreneurs" WSJ
13	14-Oct	Mon	Evaluating Insights: Pulling Disparate Data Together to Develop the Problem Statement	"Get the Job Done" Wunker
14	16-Oct	Wed	Evaluating Insights: Pulling Disparate Data Together to Develop the Problem Statement	***Submit Research Design Update via Bb by 11:59 p.m***
15	21-Oct	Mon	Visualizing Insights to Create Meaning & Shared Understanding	"Firms Push Visual Note Taking..." WSJ
16 Blog 4	23-Oct	Wed	Improving Idea Generation of Individuals & Teams	"How to Be Creative" WSJ "The New, Faster Face of Innovation" Brynjolfsson & Schrage "The Genius of the Tinkerer" Johonson "Brainstorming Doesn't Work" New Yorker "The Rise of the New Groupthink" NYT "The Dynamics of Creative Work" Accidental Creative
17	28-Oct	Mon	Prototyping Within the Innovation Process	"Prototyping is the Shorthand of Design" Kelley ***Extended Outlines Due as Paper Copy in Class by 11:00 am***
18	30-Oct	Wed	Prototyping Exercise	
19	4-Nov	Mon	Prototyping Exercise	***All Problem Statement Updates Due via Bb by 11:59 pm***
20	6-Nov	Wed	Project Work Session Prototyping	***Team Meetings Next Week for Updates***

Session	Date	Day	Topic	Readings/Deadlines
21	11-Nov	Mon	Business Model Generation Part 2	"Business Model Generation Preview" "The Global Innovation 1000: How the Top Innovators Keep Winning" Jaruzelski & Dehoff ***All Prototypes Due in Class or via Bb by 11:59 pm***
22	13-Nov	Wed	Ethics of Insights	"They Know What You're Shopping For" WSJ "Bionic Mannequins Spy on Shoppers to Boost Luxury Sales" Bloomberg "The Economics of Surveillance" WSJ
23 Blog 5	18-Nov	Mon	Using Social Media to Create & Enhance Experiences	Groundswell - Chapter 3, Li & Bernoff "AT&T Empowers Employees for B2B Social Engagement" eMarketer "How 3 Companies Built their Twitter Strategies" WSJ "For Brands on Facebook, Fan Quality Trumps Quantity" Fast Company "A Visit with Facebook's VP of Product..." Fast Company "Walmart Seeks Boost from Tech with Labs" AdAge "Off=On" trendwatching.com "Gatorade's Mission: Sell More Drinks" Bauerlein "Twitter Tries to Widen Appeal" WSJ
24	20-Nov	Wed	Leveraging the Entire Organization to Gain Insights & Deliver Valuable Experiences	"Customer Voice Program" Forrester Research
25	25-Nov	Tue	Presentations	***All Presentations (Bb), Digital Artifacts (Bb), and Physical Artifacts (class) by 11:00 am***
	27-Nov	Wed	Independent Workday - No Class	
26	2-Dec	Mon	Presentations	
27 Blog 6	4-Dec	Wed	Wrap-Up & Final Thoughts	***Final Papers Due via Bb SafeAssign by 11:59 pm on 7-Dec***

Syllabus Acknowledgement

Customer Insights & Experiences - Fall 2013

By signing below, I, _____, acknowledge that I have received the syllabus for the course indicated above and fully understand its contents. Specifically, I understand the objectives for this course and how my performance will be evaluated. I also understand the policies associated with class resources, grade distribution across assignments, determination of the final letter grade, individual assignments, team project assignments, class attendance & participation, and academic integrity. I also understand that I should contact the professor or teaching assistant as soon as possible with any questions or issues regarding course contents or procedures.

_____ _____

Signature Date