

How Companies Learn Your Secrets *By Charles Duhigg*

<http://www.youtube.com/watch?v=RC5HNTj3Dag>

1. Why are *new parents* considered the 'holy grail' of retail marketing? Summarize the marketer's theory of habits/purchasing and why there are some times in a person's life when old habits 'fall apart' and purchasing routines are in 'flux' and can be changed. Give other examples of times in your life that this phenomenon happens. Make sure you refer to the explanation later in the article of the study done by UCLA in the 1980's.
2. How does Target obtain information about its customers and link it to their 'guest ID'? Explain how this works and give examples of the types of demographic and behavior statistics that Target (and other retailers) can obtain and link to your ID.
3. Explain the research that has been done over the last two decades concerning habit formation.
4. What were the conclusions made by the brain-and-cognitive-sciences department of the Massachusetts Institute of Technology concerning habit formation? Explain the experiment and the findings that led them to their conclusions. What can we infer from this information about *human* purchasing habits?
5. Explain what *chunking* means. How does the chocolate-seeking rat experiment help us understand what chunking means? What can we infer from this information about *human* purchasing habits?
6. Explain what 'habits aren't destiny' means. How can we change a habit? (hint: find new cues and rewards) In your own words tell the author's personal story of the habit that he changed. Why he changed it. How he changed it. And what was the result.
7. In your own words tell the story of *Proctor & Gamble* (P & G) and their product *Febreze* as related in the article. How does this relate to the article and the identification and formation of habits? What research did P & G do to study the ad campaigns of *Febreze*? Who did they hire? What were the findings of the study? How did P & G use this to change their marketing of *Febreze*? What were the results?
8. How did Andrew Pole determine how Target could identify pregnant women without those women 'telling' Target that they are expecting? Explain the process. Explain his findings.
9. Once identified Target wished to 'cash in' on the fact that pregnant women are approaching that window of opportunity for retailers to change the buying habits of this specific group. What exactly was that 'time frame' that they were shooting for? What was their dilemma concerning the targeting of this group? How did they use the information without offending the sensibilities of the pregnant women? In your own words relate the story of the 'irate father'. What/where did it happen? What was the final outcome? What does this say about Target's marketing plan?
10. What do you think about Target's 'official' statements to Mr. Duhigg? What happened when Mr. Duhigg went to Target's corporate headquarters? Why do you think Mr. Pole later refused to speak with Mr. Duhigg? Why do you think Target did not want to speak with Mr. Duhigg about his article?