

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

MKTG 308
Customer Relationship
Management (CRM)

First Semester, 2010

Department of Business

**MACQUARIE UNIVERSITY
DIVISION OF BUSINESS
UNIT OUTLINE**

Year and Semester: 2010 Semester 1

Lecturers: Ross Smith and John Turnbull

Convenor: Lawrence Ang

Prerequisites: MKTG202 or MKTG203 or MKTG208 or BBA203 or BBA213 (not to count for credit with BBA303). You MUST pass any one of these units in order to do this course.

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

- Conventional marketing theory and corporate mission statements lead us to believe that today's organisations should understand and serve customers well. The reality of our experiences as customers is often quite different; conflicting goals, the interests of stakeholders and even traditional management theory all conspire to ensure that customers are left wondering why they "can't get no satisfaction" (Mick Jagger, 1965).
- Customer Relationship Management (CRM) has grown in fertile soil over the last two decades. Even though the term was first coined in 1991, organisations still wrestle with CRM programs, and in many cases the returns have not justified the investment.
- In this unit we explore what CRM is really about, and present a proven, managerially-relevant approach to succeeding with CRM programs. CRM normally requires software implementation, but more importantly it involves the alignment of strategy, people, processes and information technology with a strategic focus on customers in order to succeed.
- Key topics include customer strategies, customer value, loyalty, experience, lifecycle management, sales force automation, marketing automation, service automation, customer profitability, benchmarking and program implementation.
- Understanding this unit will help consolidate and apply your learning in Marketing Strategy (MKTG303), Marketing Research (MKTG202) and Consumer Behaviour (MKTG203).
- The project in this unit allows you to conduct some simple research based on your own experience as a customer of various organisations.
- This unit is worth 3 credit points

TEACHING STAFF

- Convenor: Lawrence Ang (Lawrence.ang@mq.edu.au; tel: 9850-9135)
- Lecturer: Ross Smith (ross.smith@mq.edu.au). Ross is Services Director at Customer Connect Australia, organisation that specialises in Customer Management & CRM programs. Ross also lectures at UTS in Project Management.

- Lecturer: John Turnbull (john.turnbull@mq.edu.au). John is Managing Director of Customer Connect Australia. John also lectures at MGSM in CRM and Consumer Behaviour, and is conducting PhD research on customer value and experience.

Ross and John are both available for consultation on the nights they are lecturing, 30 mins before and 30 mins after each lecture

CLASSES

- Number and length of classes: 3 hours face-to-face teaching per week
- Each class involves lecture time, and one or more of the following: Guest speakers from industry, videos, case studies (preparation and presentation) and project work.
- The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>
- Once the groups are formed, students cannot change groups.
- Students have to attend at least 80% of classes to get a passing grade. Attendance will be taken in class.
- You must obtain a pass in the final exam in order to obtain a pass or higher in this unit. Students who fail the exam but receive adequate marks in other areas of assessment may be awarded a conceded pass, at the discretion of the lecturers.
- Medical certificates must be provided if you are not able to attend a class without incurring a penalty.

Timetable:

Lectures will be held on Tuesday and Thursday evenings of the weeks commencing as per the following tabl.

No	Week commencing	Title	Lecturer	Class Activity	Text Ch.
1.	22 Feb	CRM overview and models	Turnbull	Project preparation <i>Harley Davidson video</i>	1
2.	1 Mar	Organisation structures and strategies for CRM	Turnbull	Guest speaker 1 <i>WaMu videos</i>	17
3.	8 Mar	Customer intimacy, segmentation and portfolio management	Turnbull	Guest speaker 2 <i>Class segmentation</i>	4, 5
4.	15 Mar	Customer value and value propositions	Turnbull	Project / case work <i>Motorola Video</i>	7
5.	22 Mar	Relationships, satisfaction and loyalty	Turnbull	Guest speaker 3	2
6.	29 Mar	Customer Experience Management	Turnbull	Project check point Mid Semester Exam	6
7.	19 Apr	Customer lifecycle mgmt (CLM) - acquisition	Smith	Project / case work	8

8.	26 Apr	CLM - retention and development	Smith	Case preparation	9
9.	3 May	Information technology, multi-channel and marketing	Smith	Case presentations groups 1 and 2	13, 15
10.	10 May	Sales and service automation	Smith	Case presentations groups 3 and 4	14, 16
11.	17 May	Cost to Serve, customer profitability and lifetime value	Smith	Case presentations groups 5 and 6	(5)
12.	24 May	CRM benchmarking, planning, implementation and measurement	Smith	Case presentations groups 7 and 8	3
13.	31 May	Revision and preparation for exam	Smith & Turnbull	Preparation for exam	

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Prescribed Text – Required Reading

Buttle, F. (2009). Customer Relationship Management: Concepts and Technologies. Oxford: Elsevier Butterworth-Heinemann.

Other Readings and Sources

Magazines/Journals

You'll find the following magazines and journals particularly helpful.

- Harvard Business Review
- Management Today
- Customer Relationship Management

Online communities and knowledge bases

<http://www.mycustomer.com>

<http://www.customerthink.com>

<http://www.crm2day.com>

<http://www.intelligententerprise.com>

<http://www.gccrm.com>

<http://www.knowledgestorm.com>

<http://www.contactcenterworld.com>

<http://www.customerservicemanager.com>

<http://www.crmdirectory.com>

<http://crm.tmcnet.com>

<http://www.online-crm.com>

<http://searchcrm.techtarget.com/>

Analyst websites

<http://www.forrester.com/rb/cxp>

<http://www.gartner.com/lnit>

All aspects of the **prescribed textbook** will be EXAMINABLE.

All **lecture notes** will be EXAMINABLE.

All **readings** will be EXAMINABLE

Part of these notes will be provided as PowerPoint slides on the class website.

Students must attend the lectures to get the full version of the unit content.

UNIT WEB PAGE

The web page for this unit can be found at: Blackboard <https://learn.mq.edu.au>

LEARNING OBJECTIVES AND OUTCOMES

The learning objectives for this unit are as follows:

- Students will be able to communicate with others in a knowledgeable way concerning Customer Relationship Management.
- Students will understand the misconceptions and challenges associated with CRM and its implementation in organisations.
- Students will be in a position to participate in and contribute to successful CRM initiatives in organisations

The learning outcomes for this unit are:

- The need to consider CRM as an enterprise wide strategic program that requires management of organisational culture and competencies, business processes and technology.
- The critical need to place the customer and their experience with the organisation at the centre of an organisations focus when implementing CRM
- The relationship between core marketing disciplines and customer relationship management principles
- The enabling role that technology plays in supporting customer management initiatives

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. One of the aims of this unit is that students develop their skills in the following:

- Self-awareness and interpersonal skills;
- Communication skills;
- Critical analysis skills;
- Problem-solving skills;
- Creative thinking skills.

TEACHING AND LEARNING STRATEGY

- The unit is taught by lectures, workshops, guest speakers, case studies and class discussions.
- A mini research project will provide students with the opportunity to study customer relationship management, and specifically the customer experience, first hand.
- Two lecturers will be involved in teaching the unit, to give a broad perspective of real world experience combined with academic grounding in specialised areas.
- What is expected from students? Read widely; follow current developments in the market place; be able to apply the lessons of the lectures (reflected in the lecture notes); respond to questions raised during lectures; demonstrate enthusiasm for the subject; challenge the lecturer's assumptions during lectures and explore opposing points of view.

LECTURES ETIQUETTE

Students must arrive at lectures on time, certainly not later than five minutes past the first hour, and not to depart until the session ends. If you have a recurring problem that makes you late, or forces you to leave early, please discuss this with your lecturer.

Mobiles must be turned OFF during lectures, not simply set to “silent”.
All laptops must be turned OFF in class.

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

The assessment of the course has 4 components:

Within Semester Exam (individual)	5%	Multiple choice	The duration of the exam is 45 mins, closed book. Held in week 5
Case study (group)	20%	Each group will review and present their recommendations on a case study related to CRM.	Students are expected to make the presentation as interesting by as possible and focus on the key aspects of the case that relate to CRM. Power point presentations are due immediately after the presentation.
Project (group)	25%	Each group will study around 20 customer experience episodes including face-to-face, telephone and web.	Students will collect data relating to their customer experiences, analyse this data as a group, and present a report on the findings that relate to CRM and CEM.
Exam (individual)	50%	Five short essay questions.	The duration of the exam is 3 hours, closed book. Please check the exam timetable for location and time.
TOTAL	100%		

CASE STUDY (group activity, 20% in total, comprising 15% for report and 5% for presentation)

Each group will be allocated one of four cases studies. Groups will be required to analyse the case and develop a report that includes:

1. A review of the case from several perspectives
2. A definition of the central issue or problem(s) presented in the case
3. The formulation of alternate approaches to address the problem
4. Analysing and comparing alternative courses of action
5. Recommending a solution

The results of your case analysis are to be submitted in the form of a written report, no longer than 5 A4 pages 12 point 1.5 spaced, and a short (20 min) presentation to the class followed by open discussion.

The four cases will be advised and assigned to each group during the first lecture.

Presentations will be assessed on factors such as

- Ability to attract and sustain attention
- Clarity
- 'Homing in' on critical issue of the case
- Presentation of evidence to support argument
- Generation of new insights
- Quality of response to class questions
- Time keeping

Not all group members are expected to present, but they must contribute to making the presentation and report successful. This includes turning up for meetings, research, providing new ideas, putting the power-points and report together, and so forth. The default position is for all marks to be allocated equally to all members.

A peer assessment form is provided below, to allow group feedback in the event that one or more members do not contribute adequately to the group activities. This form may be completed and submitted at the discretion of individual group members.

PEER ASSESSMENT FORM

Name: _____

Group Number: _____

Assessable Work (Project, Case Study) _____

Name	<i>Allocation</i>

Instructions:

1. Give all members of your syndicate **including yourself**, an allocation between 1 and 10.
2. Allocations:
 - 0 = Never or hardly turned up. Didn't contribute.
 - 5 = Average performer - did what was required no more, no less
 - 10 = Brilliant, natural leader, had all the answers, worked above and beyond the call of duty.
3. Your allocation can be based on each member's contribution to group activities.
4. If needed, please submit this form before week 13.

WITHIN SEMESTER EXAMINATIONS (5% OF MARKS)

One examination will be held during lectures in Week 5 (29 Mar – 1 April).

Each examination will consist of 20 multiple choice questions within 45 minutes duration.

It is important that you come to the tutorial class in which you are formally enrolled. Failure to do so may lead to forfeiture of marks obtained in the within semester tests.

PROJECT - Customer Experience Management; group activity, 30% of marks

The purpose of this project is to study the experiences that you, as customers, have across several market sectors and channel categories.

You will be the customer in these episodes.

Examples of Market Sectors

1. Entertainment; e.g movies / theatre
2. Transport eg airlines, buses, trains
3. Consumer durables eg buying and using a camera / washing machine
4. Consumer packaged goods eg detergent / breakfast cereal
5. Financial services eg banking / insurance
6. Personal services; e.g hairdressing / massage / wellbeing
7. Hospitality; e.g hotels / restaurants / coffee shop
8. Telecommunications; e.g mobile phones / broadband
9. Not-for-profit / charities

Examples of Channel categories:

1. Face-to-face (technology-free)
2. Telephone (technology-mediated)
3. Web (self-service)

Research Questions (RQ):

RQ1: How do people react to a customer experience; thoughts, feelings, behaviours?

RQ2: What causes different types of experiences?

RQ3: What are the post-experience outcomes?

Method:

Each group will study approximately twenty customer experiences; three or more experiences per group member.

Experiences are to be recorded in a diary or journal *as they occur or immediately afterwards*, so that the record of each experience is as close as possible to the actual lived experience of the customer (you!) It is also important that each episode is recorded before any discussion takes place with other group members. Discussion and analysis will take place later.

You may, however, want to discuss and agree the *types* of experiences that you are going to focus on up front with other group members, to make it easier to find patterns later.

Sample layouts for your journals / diaries will be provided in class.

Customer experiences may include (but not be limited to)

- price and product inquiries,
- discussions with sales people,
- purchase transactions,
- obtaining quotes or orders
- commencing membership
- using or receiving a service
- consuming or using a purchased product
- attending or participating in a purchased experience or event
- registration / warranties,

- lodging complaints,
- seeking service information, returns or cancellations.

Each episode will be assessed by students in terms of the customer experience. **Critical Incident Technique (CIT)** will be used; this is a qualitative method of research that is particularly suited to customer experiences (Gremler 2004; Johnson and Gustafsson 2000). It provides a method for evaluating narratives and descriptions known as *content analysis*, as well as a degree of *quantitative analysis*.

Details of the CIT method will be discussed in class. In general, the approach is as follows:

1. Record a given experience using a written description of what happened, how you felt at the time, anything of importance that occurred before the experience and any outcomes or conclusions from the experience once it was finished.

It is important to record your *thoughts and feelings* during the experience – *don't just write an account of what physically happened*. A large part of the experience takes place in your head – so write it all down! You might find it helpful to think in terms of “what do I like or dislike about this experience?”

2. Swap data collection sheets with others in your group, once all group members have finished recording experiences. Analyse the content of another person's experience descriptions; highlight key words - strong emotions and reactions, significant causes and important outcomes.
 - a. Example of a **cause**: “I was in a bad mood to start with...”
 - b. Experience of a strong **reaction**: “I felt really angry...”
 - c. Example of an **outcome**: “I will never go there again!...”

Note that **causes** are in place before the experience takes place, **reactions** occur during the experience and **outcomes** take place once the experience is finished.

3. Review all twenty experiences as a group, and pool similar experiences based on the type of experience (eg, this was essentially a “frustrating” experience, or a “surprisingly pleasant” experience, etc – try to avoid just “good” and “bad”).
4. Look for patterns; for example are there any common causes for negative experiences? Are there any common outcomes from pleasant experiences?
5. Perform quantitative analysis; what percentage of experiences fall into each category? How often is a given cause, reaction or outcome described in each category? What is the ratio of positive to negative experiences for a given sector?
6. Write up a report of your findings.

It is understood that there will not be sufficient episodes in a given group to achieve statistically validity. Qualitative research such as this seeks to achieve broad understanding rather than a single mathematical “truth”. The point of the project is to provide students with a means of researching the customer experience, and to develop insights by group members as to the causes, reactions and outcomes of customer experiences.

The customer experience descriptions that you write up provide valuable information that Macquarie University may wish to use in subsequent research into the customer experience. *If you would not like your descriptions to be used in subsequent research you may indicate this on the data collection sheet by writing “not to be used in subsequent research”. In the event that your descriptions are used in subsequent research, your identity will of course remain confidential.*

Project Report

Groups will submit a written report, in the following form:

Executive Summary

One-page or less, summary of the project, including your most important findings / recommendations / conclusions.

Background

A description of the research, including overview of episodes studied

Analysis

Analysis of the experiences, guided by the research questions

RQ1: How do people react to a customer experience; thoughts, feelings, behaviours?

RQ2: What causes different types of experiences?

RQ3: What are the post-experience outcomes?

Your analysis should include qualitative and quantitative techniques.

Qualitative: Descriptions of common themes, connections, relationships, and patterns in the descriptions of customer experiences. Provide quotations to support your case.

Quantitative: Graphs and tables describing how often key words arise, in what circumstances.

Findings

Findings as to how customers perceive and react to experiences, what causes certain types of experiences, and potential outcomes of different types of experiences.

Findings concerning the relevance of the research questions and CIT method.

Recommendations

If this work had been commissioned by an organisation to improve the customer experience, what would your recommendations be to that organisation?

Conclusion

Your conclusions relating to the research questions and the implications for organisations

Bibliography

Appendices

- Summary table of customer experiences
- Data collection sheets (handwritten or typed)

The report should be no longer than 20 x 1½ spaced 12 point typed pages, excluding appendices. It should include standard elements such as references. A hard copy should be handed in at Macquarie and a soft copy of the report should be emailed by the due date. The due date is 30th April 2010. Late assignments will be penalised depending on circumstances.

FINAL EXAMINATION – 50%

The University Examination period in First Half Year 2010 is from 9th June 2010.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at

<http://www.reg.mq.edu.au/Forms/APSCon.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. (Individual Faculties may wish to signal when the Faculties' Supplementary Exams are normally scheduled.)

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official examination period.

The format of the exam will be closed book, 3 hour duration. It will include two sections:

- In section 1 you will be required to answer three out of five short essay questions.
- In section 2 you will answer two questions on an article or case study that will be provided in advance.

The exam must be passed in order to pass the unit. Students who do not pass the exam, but achieve sufficient marks in other areas to exceed 50%, may receive a conceded pass. Sample exam questions will be provided in class.

PLAGIARISM

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

DETERMINATION OF OVERALL GRADE

Please refer to pages 43 and 91 of the 2009 Handbook of Undergraduate Studies.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>

Graduate capabilities	Learning Outcomes	Within Semester Exam	Case Study	Project	Final Exam
Foundation skills of literacy, numeracy and information technology	<i>The need to consider CRM as an enterprise wide strategic program that requires management of organisational culture and competencies, business processes and technology.</i>	Yes	Yes		Yes
	<i>The critical need to place the customer and their experience with the organisation at the centre of an organisations focus when implementing CRM</i>	Yes	Yes	Yes	Yes
	<i>The relationship between core marketing disciplines and customer relationship management principles</i>		Yes		Yes
	<i>The enabling role that technology plays in supporting customer management initiatives</i>		Yes	Yes	Yes
Critical Analysis Skills	<i>The need to consider CRM as an enterprise wide strategic program that requires management of organisational culture and competencies, business processes and technology.</i>	Yes	Yes	Yes	Yes
	<i>The critical need to place the customer and their experience with the organisation at the centre of an organisations focus when implementing CRM</i>	Yes	Yes	Yes	Yes
	<i>The relationship between core marketing disciplines and customer relationship management principles</i>	Yes	Yes	Yes	Yes
	<i>The enabling role that technology plays in supporting customer management initiatives</i>		Yes		
Problem Solving Skills	<i>The need to consider CRM as an enterprise wide strategic program that requires management of organisational culture and competencies, business processes and technology.</i>		Yes	Yes	Yes
	<i>The critical need to place the customer and their experience with the organisation at the centre of an organisations focus when implementing CRM</i>	Yes	Yes	Yes	Yes
	<i>The relationship between core marketing disciplines and customer relationship management principles</i>	Yes	Yes	Yes	Yes
	<i>The enabling role that technology plays in supporting customer management initiatives</i>		Yes	Yes	Yes