

MACQUARIE  
UNIVERSITY



FACULTY OF  
BUSINESS AND ECONOMICS

**MKTG308**  
**Customer Relationship**  
**Management (CRM)**

**Semester 1, 2011**

*Department of Marketing and Management*

**MACQUARIE UNIVERSITY  
FACULTY OF BUSINESS AND ECONOMICS  
UNIT GUIDE**

**Year and Semester:** 2011, Semester 1

**Lecturers:** Ross Smith, Karen Ganschow

**Unit 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.
- The unit also reviews contemporary variants of CRM and related themes such as customer experience management (CEM) and customer value management (CVM).
- 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](mailto:lawrence.ang@mq.edu.au) ; tel: 9850-9135 )
- Lecturer: Ross Smith ([ross.smith@mq.edu.au](mailto:ross.smith@mq.edu.au))
- Lecturer: Karen Ganschow ([Karen.ganschow@mq.edu.au](mailto:Karen.ganschow@mq.edu.au)).
- Tutor: Joe Damrongphiwa (Joe.Damrongphiwa@mq.edu.au)
- Tutor: Monica Barbuio (Monica. [Barbuio@mq.edu.au](mailto:Barbuio@mq.edu.au))

## CONSULTATION TIMES

- Ross and Karen are available for consultation on the nights they are lecturing, 30 mins before and 30 mins after each lecture
- Consultation time with tutors: during tutorials or by appointment at Consultation Room at E4B-104.
- You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct any consultations by email. You may, however, phone staff during their consultation hours.
- Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

## CLASSES

- Number and length of classes: 3 hours face-to-face teaching per week, consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial.
- The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>
- Once the tutorial groups are formed, students cannot change their classes.
- Once groups for the Project have been formed, students cannot change their group.
- Attendance will be taken in the tutorials.
- **Warning:** You must attend at least 10 of the 12 tutorials – failure to do so will lead to major deduction from your group-work contribution.
- Medical certificates must be provided if you are not able to attend a class without incurring a penalty.
- Students are expected to arrive on time, and not to leave until the class ends.

- If you have a recurring problem that makes you late, or forces you to leave early, have the courtesy to discuss this with your lecturer/tutor.
- Students must be quiet during classes, unless of course when class participation is required.
- Mobile phone must be turned OFF and not simply set to 'silent'.
- All laptops must be turned OFF in class.
- Students who disturb or disrupt in lectures and tutorial class will be asked to leave.
- All students have to complete a peer assessments for the Customer Experience Research Project..
- The lecturer has the final say in the adjustment of group-work marks taking into account peer assessment ratings.
- Each class involves lecture time, and one or more of the following: Guest speakers from industry, videos, and project work.
- You must obtain a pass in the final exam in order to obtain a pass or higher in this unit.

#### PRIZES

- None

#### REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

##### **Prescribed Text – Required Reading**

Buttle, F. (2011). Customer Relationship Management: Concepts and Technologies. 2<sup>nd</sup> Edition. 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 except chapters 11 & 12.

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.

### **TECHNOLOGY USED AND REQUIRED**

- Students are required to learn how to use appropriate business applications such as word processing, spreadsheets, etc to support the conduct of the project and preparation of the project report. Students must be able to use Blackboard.

### **UNIT WEB PAGE**

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

### **LEARNING OUTCOMES**

The learning objectives for this unit are as follows:

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

## GRADUATE CAPABILITIES

Marketing graduates are expected to know the following 6 discipline specific knowledge and skills upon graduation. This unit contributes to this learning by helping student develop capability number 5 & 6 below (italicised).

1. Learn to apply marketing principles and tactics in local and global markets for organisations (for-profit or non-profit) and governments in order to achieve commercial outcomes (e.g., profit) or solve social problems (e.g., public health and environmental issues).
2. Understand how and why consumers make decisions to purchase, use and eventually dispose of products and services resulting in a better understanding of consumerism issues in both for-profit and non-profit sectors.
3. Learn to define a problem consistent with business decisions, determine the information need, and then gather and process data to aid those decisions.
4. Learn how to structure a marketing message in order to achieve cut-through and position a brand through the creative and efficient use of various communication tools.
5. *Understand the key concepts of customer acquisition, retention and development and the delivering of value to targeted segments at a profit by integrating internal processes, enabled by information technology.*
6. *Learn marketing strategy models, tools and analytical techniques to aid the assessment of marketing programs in order to maximise a company's chances of achieving a sustainable competitive advantage.*

In addition to the discipline based learning objectives above, Macquarie University also seek to develop the following 8 generic capabilities in our graduates in order to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this learning by helping student develop generic skills number 1, 2 and 4 below (italicised).

1. *Critical, Analytical and Integrative Thinking*
2. *Problem Solving and Research Capability*
3. Creative and Innovative
4. *Effective Communication*
5. Engaged and Ethical Local and Global citizens
6. Socially and Environmentally Active and Responsible
7. Capable of Professional and Personal Judgement and Initiative
8. Commitment to Continuous Learning

## TEACHING AND LEARNING STRATEGY

- The unit is taught by lectures and tutorial discussions.
- A mini research project will provide students with the opportunity to study customer relationship management, and specifically the customer experience, first hand.

- 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 will be held on Wednesday and Thursday evenings (6-8pm) of the weeks commencing as per the following table.

No	Week commencing	Title	Tutorial Activity	Text Ch.
1.	21 Feb	CRM overview and models ( <i>Harley Davidson video</i> )	Project preparation	1
2.	28 Feb	Organisation structures and strategies for CRM ( <i>WaMu videos</i> )	Project work Quiz	17
3.	7 Mar	Customer intimacy, segmentation and portfolio management	Project work Quiz	4, 5
4.	14 Mar	Customer value and value propositions ( <i>Motorola Video</i> )	Project work Quiz	7
5.	21 Mar	Relationships, satisfaction and loyalty	Project work	2
6.	28 Mar	Customer Experience Management	Project work Quiz	6
7.	4 Apr	Customer lifecycle mgmt (CLM) - acquisition	Project work	8
8.	25 Apr	CLM - retention and development	No Tutorials	9
9.	2 May	Information technology, multi-channel and marketing	<b>Project Due</b>	13, 15
10.	9 May	Sales and service automation	Quiz	14, 16
11.	16 May	Cost to Serve, customer profitability and lifetime value		(5)
12.	23 May	CRM benchmarking, planning, implementation and measurement	Quiz	3
13.	30 May	Revision and preparation for exam	Preparation for exam	

**Table 1 – Lecture Schedule**

### RESEARCH AND PRACTICE

- This unit uses the following PhD research:  

“Customer Value in Experience”, Macquarie University 2010. Researcher; John Turnbull, supervisor; Francis Buttle.
- This unit gives you practice in applying research findings in your assignments
- This unit gives you opportunities to conduct your own research

**RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES**

The assessment of the course has the following components:

	<b>Within Semester Tutorial Quizzes (20%)</b>	<b>CEM Project (30%)</b>	<b>Final exam (50%)</b>	<b>Total</b>
Description	<p>Duration for each quiz is 20 mins held during tutorials, closed book.</p> <p>The quiz will comprise 10 multiple choice questions + 1 short answer question based on the previous lectures since the last quiz.</p>	<p>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. Each group will study around 25 customer experience episodes including face-to-face, telephone and web.</p>	<p>The duration of the exam is 3 hour plus 10 minutes held during the exam period.</p> <p>20 multiple choice questions (20%), plus 10 short essay questions (30%).</p>	
Due date	<p>Quizzes will be conducted in each of tutorials as shown in Table 1 – Lecture Schedule above</p>	<p>The final report must be submitted in your assigned lecture night in Week 9</p>	<p>Please check the exam timetable for location and time.</p>	
Marking criteria/standards & expectations	<p>n/a</p>	<p>The assessment of the reports will be based on the depth of coverage across each of the sections of the report as described below. The synthesis of concepts ideas and insights as applied to the research conducted will be assessed.</p>	<p>n/a</p>	



	<b>Within Semester Tutorial Quizzes (20%)</b>	<b>CEM Project (30%)</b>	<b>Final exam (50%)</b>	<b>Total</b>
		See a document called "Assessment criteria" on unit website for more details.		
Submission method	In class to tutor	In class to tutor	n/a	
Feedback	Marked quizzes will be returned in the next tutorial. Verbal feedback will be given at the same time.	Written feedback will be given before the final examination.	n/a	
Estimated student workload (hours)	12 hours	50 hours	30 hours	92 hours
<b>Learning outcomes assessed:</b>				
1. Understand the need to consider CRM as an enterprise wide strategic program that requires management of organisational culture and competencies, business processes and technology.	5	5	20	30%
2. Understand the critical need to place the customer and their experience with the organisation at the	5	10	10	20%

	<b>Within Semester Tutorial Quizzes (20%)</b>	<b>CEM Project (30%)</b>	<b>Final exam (50%)</b>	<b>Total</b>
centre of an organisations focus when implementing CRM				
3. Understand, reconcile and integrate core marketing disciplines and customer relationship management principles	5		10	15%
4. Understand the enabling role that technology plays in supporting customer management initiatives.	5		10	15%
<b>Graduate capabilities assessed:</b>				
1. Critical, Analytical and Integrative Thinking		5		5%
2. Problem Solving & research capability		5		5%
3. Effective communications		5		5%
<b>Total</b>	20%	30%	50%	100%

- Students must attend at least 10 of the 12 tutorials – failure to do so will lead to major deduction of group-work contribution.
- Students may only sit for the test once in your enrolled tutorial class. Failure to sit for this test will result in a zero grade. Students will only be given special consideration for non-attendance under exceptional circumstances, supported by documentary proof (e.g., medical certificates).
- Students who failed their mid-term quiz will be counselled as an early warning that they have to work harder.
- Late submissions (up to 24 hours) will be penalised at 50% of the grade.

### **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 e.g. airlines, buses, trains
3. Consumer durables e.g. buying and using a camera / washing machine
4. Consumer packaged goods e.g. detergent / breakfast cereal
5. Financial services e.g. 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 project is due in class in week 9. Late assignments will be penalised depending on circumstances.

**PEER ASSESSMENT FORM**

**Name:** \_\_\_\_\_

**Group Number:** \_\_\_\_\_

**Assessable Work** \_\_\_\_\_

<b>Name</b>	<b>Allocation</b>

**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.

## Examinations

A final examination is included as an assessment task for this unit to provide assurance that:

- i) the product belongs to the student and
- ii) the student has attained the knowledge and skills tested in the exam.

A 3-hour final examination for this unit will be held during the University Examination period.

Successful completion of the unit is conditional on a satisfactory assessment in the final exam.

The University Examination period in First Half Year 2011 is from 6 to 24 June.

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 Divisions may wish to signal when the Division's Supplementaries are normally scheduled.)

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at:

<http://www.mq.edu.au/policy/docs/examination/policy.htm>

## ACADEMIC HONESTY

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way



- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at:

[http://www.mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://www.mq.edu.au/policy/docs/academic_honesty/policy.html)

## **GRADES**

Macquarie University uses the following grades in coursework units of study:

HD - High Distinction

D - Distinction

CR - Credit

P - Pass

F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

<http://www.mq.edu.au/policy/docs/grading/policy.html>

## **GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING**

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

[http://www.businessandconomics.mq.edu.au/new\\_and\\_current\\_students/undergraduate/how\\_do\\_i/grade\\_appeals](http://www.businessandconomics.mq.edu.au/new_and_current_students/undergraduate/how_do_i/grade_appeals)

## **SPECIAL CONSIDERATION**

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at:

[http://www.mq.edu.au/policy/docs/special\\_consideration/procedure.html](http://www.mq.edu.au/policy/docs/special_consideration/procedure.html)

## **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>

## IT CONDITIONS OF USE

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when utilising University IT facilities. The following regulations apply to the use of computing facilities and online services:

- Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved unit is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.