

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

MKTG814
Managing Customer Relationships

Semester 1, 2010

Department of Business

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

Year and Semester:	2010, Semester 1
Unit convenor:	Paul Benning
[Prerequisites / Corequisites:]	None

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

This unit will develop students' understanding of the concept of Customer Relationship Management (CRM); promote a deeper understanding of the process of CRM; and encourage students to become sensitive to the value of developing deep relationships with customers and the value of these relationships in the long-term success of any business. Students will analyze domestic and international case studies and will develop their own CRM strategy as part of a final assignment.

MKTG814: Managing Customer Relationships is a 4 credit point subject, offered in Semesters 1 and 2, 2010.

TEACHING STAFF

Convenor:	Paul Benning
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Telephone:	+61-2-9850-8526
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Consultation hours:	Every Friday (2pm-5pm) prior to the weekend class
Blackboard:	Paul is contactable in your online (Blackboard) classroom

CLASSES

- The unit consists of 6 days of class, where each class is 6 hours duration, held on a Saturday or Sunday, commencing at 10am and finishing at 5pm.
- The dates for the classes will be:
 - Day 1: Saturday 6th March (Room E7B100)
 - Day 2: Saturday 20th March (Room E6A102)
 - Day 3: Sunday 21st March (Room E6A102)
 - Day 4: Saturday 1st May (Room E7B100)
 - Day 5: Saturday 15th May (Room E7B100)
 - Day 6: Saturday 5th June (Room E5A116)
- The timetable for classes can be found on the University web site at:
<http://www.timetables.mq.edu.au/>

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Prescribed Textbook:

- Buttle, Francis., Customer Relationship Management: Concepts and Technologies, 2nd Edition (Butterworth-Heinemann, 2008) ISBN: 978-1-85617-522-7

Beyond the designated text, it is strongly recommended that students refer to the following books:

- Managing the Customer Experience - Shaun Smith & Joe Wheeler (FT Prentice Hall 2002)
- Customer Experience Management: A revolutionary approach to connecting with your customers – Bernd H. Schmitt
- Texts from Don Peppers and Martha Rogers:
 - The One to One Manager: Real-World Lessons in Customer Relationship Management
 - The One to One Fieldbook
 - The One to One Future
 - Managing Customer Relationships: A Strategic Framework

Other recommended texts include:

- The Loyalty Effect: The Hidden Force behind Growth, Profits, and Lasting Value – Frederick F. Reichheld
- Managing Customer Value: Creating Quality & Service that Customers Can See - Bradley T. Gale
- The Only Thing That Matters: Bringing the Power of the Customer into the Center of Your Business – Karl Albrecht
- Market-Based Management: Strategies for Growing Customer Value and Profitability – Roger J. Best

In addition, a number of articles have been reserved for students:

- Zero Defects – Alan W. H. Grant and Leonard A. Schlesinger
 - Harvard Business Review Sept-Oct 1990
- Realise Your Customers' Full Profit Potential – Alan Grant & Leonard Schlesinger
 - Harvard Business Review Sept-Oct 1995
- Business Marketing: Understand What Customers Value – James C. Anderson & James A. Narus
 - Harvard Business Review Nov-Dec 1998
- Co-opting Customer Competence – C.K. Prahalad & Venkatram Ramaswamy
 - Harvard Business Review Jan-Feb 2000
- Spend a Day in the Life of Your Customers – Francis J. Gouillart and Frederick D. Sturdivant
 - Harvard Business Review January-February 1994

UNIT WEB PAGE

- The web page for this unit can be found at: <https://learn.mq.edu.au/>
- Students log into Blackboard using their Student ID Number and myMQ Portal Password
 - Click on MKTG814 to access this unit's resources
- Available on the unit web page will be:
 - Lecture presentations
 - Articles
 - Case studies
 - Examples of individual assignments
 - Examples of group presentations
 - Examples of group reports
 - Past semester's final examinations for the unit

LEARNING OBJECTIVES AND OUTCOMES

The learning objectives of this unit are to explore the concepts, theories and current issues pertaining to CRM, specifically:

- Introduce the main concepts and theories of CRM
- Obtain competence in understanding the role of CRM, in the framework of how public and private organisations utilise CRM in their operations
- Explore the global trends and developments that are occurring in CRM
- Gain sufficient knowledge to be able to practically apply CRM strategies to organisations

In addition to the discipline-based learning objectives, all academic programs at Macquarie University 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:

- Foundation skills of literacy, numeracy and information technology
- Self-awareness and interpersonal skills
- Communication skills
- Critical analysis skills
- Problem-solving skills
- Creative thinking skills

TEACHING AND LEARNING STRATEGY

- The unit is taught in a seminar style format
- The unit consists of 6 days of class, where each class is 6 hours duration, held on a Saturday or Sunday, commencing at 10am and finishing at 5pm.
- Specifically, classes will comprise:
- Available on the unit web page will be:
 - Lecture presentations
 - Articles
 - Case studies
 - Examples of individual assignments
 - Examples of group presentations
 - Examples of group reports
 - Past semester's final examinations for the unit

In order to optimize the value of learning, it is strongly advised to prepare before each class, enthusiastically participate in each class and then reflect on each class. The amount of time spent out of class will vary for each individual, depending on competencies and proficiency in any area. An approximation is between 80-120 hours per unit, which is an average of 8-12 hours per class. Effective learning requires interaction between you, your lecturer and your peers. The better prepared you are before each class the greater the learning value from more focused questions and discussions. In addition, reflecting on what you have learned is an important process for you to confidently apply your newly learned skills. Therefore, in order to gain the most learning value from the synergistic relationship between your support materials and your specific unit material it is highly recommended you follow these steps for each class:

Before Each Class

1. Read the chapters of the prescribed text and any other materials that the lecturer has advised
2. Pre-read the lecture presentation that will be available for download on the unit web page, which can be found at: <https://learn.mq.edu.au/>
3. Complete any group work that is required for the class

During Each Class

1. Contribute to each session with focused questions and discussions
2. Identify clearly what you learnt and what you may be unsure of from the class
3. Ask your lecturer about any questions or problems from this or any other class
4. Ensure that you understand what is required of you for the next class

After Each Class

1. Review the content covered in the class
2. Identify clearly what you learnt and what you may be unsure of from the class and try to resolve anything that you are unsure of
3. Prepare for the next class, such as reading the relevant chapters from the prescribed text, or any other materials such as articles or case studies
4. Try to work on assessment tasks after the class, when concepts, theories and current issues from the class are fresh in your mind

A summary of the topics covered in each class is provided in the table below.

LECTURE	READING	TOPIC
Day 1 (6 th Mar)	Ch: 1, 2	Introduction to CRM; Role of CRM in Organisations; Evolution of CRM; CRM Value Chain Model: Overview
Day 2 (20 th Mar)	Ch: 5, 6, 7, 8, 9, 10	CRM Value Chain Model: Primary Stages
Day 3 (21 st Mar)	Ch: 11, 12, 13, 14, 15, 16, 17	CRM Value Chain Model: Primary Stages; CRM Value Chain Model: Supporting Conditions; Recent Concepts and Theories in CRM
Day 4 (1 st May)	Lecture Presentation; Case Study pdf	Global Trends and Developments in CRM; Industry Best Practice; Case Study (HSBC); Case Study (Toyota)
Day 5 (15 th May)	Lecture Presentation	Group Presentations; Guest Presentation; Revision of the course
Day 6 (5 th June)		Final Examination

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

The assessment for this unit has been designed to help students learn and apply the concepts, theories and current issues pertaining to CRM.

The purpose of the assessment is to assess:

1. The extent to which the concepts, theories and ideas introduced are understood
2. The ability to apply these concepts, theories and ideas to public and private organisations
3. The ability to develop critical analysis, problem solving and creative thinking skills related to the area of CRM through common forms of business communication

A summary of the assessment, due dates and the marks for each is provided in the table below.

ASSESSMENT	MARK (%)	DUE DATE
Individual Assignment	30%	22 nd May
Group Report	20%	15 th May
Group Presentation	10%	15 th May
Final Exam	40%	5 th June

Should an extension be required regarding the submission of an assessment item, the lecturer must be advised before the due date, by email, with a full explanation of the reason that the extension is sought.

Assessment items that are submitted late without having been granted an extension by the lecturer will be subject to a daily penalty of 10% of the overall grade.

Detailed information pertaining to each piece of assessment is provided on the following pages.

Individual Assignment (30%)

Students will have a choice between three options, these being:

1. Industry Report

- Select an industry to base your report on, such as banking, airlines, telecommunications, etc and perhaps limit to a specific geography, such as Australia, Thailand, France, Asia Pacific, Europe etc
- Identify the key organisations in the industry and detail the divergent CRM strategies that are used by the key organisations
- Provide insight as to which CRM strategies appear to be the most successful in the industry
- Provide insight as to what changes in the organisations CRM strategies may occur in this industry over the next 3 year period

2. Benchmark Report

- Select two competing organisations to base your report on, such as Virgin Blue and Jetstar
- Compare their CRM strategies in detail
- Identify strengths and weaknesses of each organisation's CRM strategy
- Provide insight as to what are the best aspects of each organisations CRM strategy
- Provide insight as to which organisation's CRM strategy will be the most successful over the next 3 year period

3. Article

- Write an article suitable for a business publication based on CRM, the article could be similar to those appearing in:
 - BRW, CFO Asia, Advertising Age, New World Marketing etc
- The scope of the article could have a broad perspective of CRM, or could focus on a specific area
- Possible topics could include:
 - How CRM could be successfully applied to a specific industry
 - The future of CRM in consideration of developments in IT

In terms of the submission and format of the individual assignment:

- The due date is 22nd May
- The assignment must be submitted by email to the lecturer
- There is no word limit, whatever is necessary to communicate all areas of the report or article
- The industry and benchmarking reports must be prepared as a formal business report, written from the perspective of yourself being a consultant
- The article is expected to comprise less words than the industry or benchmarking reports, prepared similarly to those appearing in leading business publications
- All referencing must conform to the *Journal of Marketing* reference standards, details of which are provided within this unit outline
- Examples of reports and articles are available on the unit web page, which can be found at: <https://learn.mq.edu.au>

Group Written Report (20%)

Each group is to select an appropriate organisation, to investigate the current Customer Relationship Management (CRM) strategy being undertaken and to provide insight as to how it may be modified over the next 3 years.

The report should address the following major areas in detail, in addition to any other areas that are considered relevant to the organisation:

- The type of CRM strategy the organisation currently has in operation and what its objectives appear to be
- If the current CRM strategy employed by the organisation is successful, if so why, if not why not
- What concepts, theories, trends and developments may be suitable for the organisation to utilise
- Forecasting over the next 3 years to provide advice to the organisation concerning what changes if any, should be made to their CRM strategy

In addressing these areas, the report should draw on all relevant areas covered in the course, such as:

- Why is a CRM strategy required by the organisation?
- What is the level of importance for the organisations CRM strategy?
- What are the organisations competitors doing in terms of CRM initiatives?
- What resources are required?
- What are the budget implications and ROI?
- How can the CRM strategy be implemented, improved or managed over time?

Group Presentation (10%)

To accompany the submission of the group report, each group must present a brief presentation, highlighting the key areas of their report, where:

- The presentation is to be no longer than 15 minutes, with an additional 5 minutes allocated for class discussion relating to the presentation
- Presentations will occur in class on the 15th May

In terms of the format and submission of the report and presentation:

- The due date is 15th May for both the group report and presentation
- The group report must be submitted by email to the lecturer
- The report must be prepared as a formal business report, written from the perspective of your group being consultants to the organisation
- For the report, there is no word limit, whatever is necessary to communicate your work
- All referencing must conform to the *Journal of Marketing* reference standards, details of which are provided within this unit outline
- Examples of reports and presentations are available on the unit web page, which can be found at: <https://learn.mq.edu.au>

Final Examination (40%)

A 2 hour final examination worth 40% of the grade for the unit will be held on Saturday 5th June in Room E5A116. The exam will commence at 11am and will finish at 1pm.

Details of the final examination include:

- 2 hour, open book examination
- All of the topics covered in the course will be examinable
- Held on Saturday 5th June, commencing at 11am and finishing at 1pm
- The final examination will be in Room E5A116

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.

Determination of Overall Grade

The overall grade for the unit is calculated by adding the raw marks for the 3 assessment tasks and the final examination, to obtain an overall raw mark out of 100. This overall raw mark out of 100 reflects the grade given, for example an overall raw mark of 72/100 would receive a Credit (Cr) as the final grade.

Macquarie University's Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardized numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG that you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the University, so that units with the same past performances of their students should achieve similar results. It is important that you realize that the policy does not require that a minimum number of students are to be failed in any unit. The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.

Grade Definitions

ABBREVIATION	GRADE NAME	Mark %	DESCRIPTION
HD	High Distinction	85-100%	Denotes performance that meets all unit objectives in such an exceptional way and with such marked excellence that it deserves the highest level of recognition.
D	Distinction	75-84%	Denotes performance that clearly deserves a very high level of recognition as an excellent achievement in the unit.
Cr	Credit	65-74%	Denotes performance that is substantially better than would normally be expected of competent students in the unit.
P	Pass	50-64%	Denotes performance that satisfies unit objectives.
PC	Pass Conceded	45-49%	Denotes performance that meets unit objectives only marginally.
F	Fail	0-44%	Denotes that a candidate has failed to complete a unit satisfactorily
FA	Fail Absent	0-44%	Denotes that a candidate has failed to complete a unit satisfactorily and was absent from a compulsory final examination
W	Withdrawn		No grade as student withdrew with permission prior to final examination
I	Incomplete		Incomplete Grade yet to be determined as all assessment tasks have not yet been completed
IS	Incomplete Supplementary		Supplementary examination approved and yet to be completed.

Referencing

All sources of information used in the individual assignment, group report and presentation such as books, articles, papers and websites must be consistently referenced conforming to the *Journal of Marketing* reference standards (see below).

Book Reference:

<<Body of Assignment>>

“Lifetime value is an important theme in CRM. The LTV measures a customer’s profit-generation for a company.” (Buttle, 2004, 127)

<<References Section>>

Buttle, Francis (2004), *Customer Relationship Management Concepts and Tools*, Elsevier Butterworth-Heinemann, Oxford UK

Journal/Article Reference:

<<Body of Assignment>>

“There appears to have developed a resistance from consumers towards maintaining their participation in loyalty programs when they have not seen any tangible sign of reward after 4-6 subsequent purchases with the organisation.” (Noon, 2007, 72)

<<References Section (at end of paper)>>

Noon, Edward (2007), “Customer Retention Strategies for Fast Moving Consumer Goods”, *Journal of Consumer Research*, Vol 12, No 4, 62-73

Website/Online Referencing:

Use the electronic source-referencing standard as outlined for *Journal of Marketing* citation standards:

<<Body of Assignment>>

(Advertising Age, 2009)

<<References Section (at end of paper)>>

Advertising Age (2009), "Vodafone Launches its new CRM initiative", <http://adage.com>, Accessed: 12 February

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.

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>