MKTG308
Customer Relationship Management (CRM)

Semester 1, 2012

Department of Marketing and Management
MACQUARIE UNIVERSITY
DIVISION OF BUSINESS AND ECONOMICS
UNIT GUIDE

Year and Semester: 2012, Semester 1
Lecturer: Con Korkofingas
Convenor: Con Korkofingas
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 report 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: Con Korkofingas (con.korkofingas@mq.edu.au; tel: 9850-8545)
- Lecturer: Con Korkofingas (con.korkofingas@mq.edu.au; tel: 9850-8545)
- Tutors: TBA

CONSULTATION TIMES

- Consultation time for Con Korkofingas: Thursday 4-6 pm
- Consultation time with tutors: during tutorials or by appointment
- 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.
- 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. Note: Tutorials will commence in week 3 and there is no tutorial in week 13.
- 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 Report have been formed, students cannot change groups or the composition of their group unless in extreme circumstances.
- Attendance will be taken in the tutorials.
- Warning: You must attend at least 7 of the 10 tutorials – failure to do so will lead to you not receiving the mark awarded to your group for your group-work assignment.
- Professional authority forms (which may include medical certificates) must be provided if you are not able to attend the minimum number of 7 classes. These forms must detail the nature of the reason for your absence with clear information provided by the professional signing the form. They are available from the student centre or online at: http://www.mq.edu.au/policy/docs/special_consideration/procedure.html
• 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 and other digital devices such as i-phones and i-pads must be turned OFF in class unless the student is using the laptop or digital devices to access lecture or tutorial materials. During classes, internet surfing and browsing sites that are not directly related to the unit materials is not allowed.

• Students who disturb or disrupt in lectures and tutorial class will be asked to leave.

• All students will have to complete a peer assessment for the Customer Experience Research Report.

• The lecturer has the final say in the adjustment of Report 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 Report work.

**PRIZES**

• None

**REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS**

**Prescribed Text – Required Reading**


**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/Init

- All aspects of the prescribed textbook will be EXAMINABLE except chapters 11&12.

- All lecture notes will be EXAMINABLE

- All readings will be EXAMINABLE

- The lecture notes will be provided as PowerPoint slides on the class website.

- However, there will be some content discussed at lectures that will not be provided as PowerPoint slides. Students are advised to 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 Report and preparation of the Report.

UNIT WEB PAGE

The web page for this unit can be found at: https://ilearn.mq.edu.au. If you are having trouble logging in to the ilearn facility or other ilearn related difficulties please use request assistance using the provided links on the iLearn webpage.
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 organisation's 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 directly to this learning by helping students develop all of the generic skills listed below but in particular the generic skills numbered 1, 2 and 4 (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 Report will provide students with the opportunity to study customer relationship management, and specifically the customer experience, first hand.
- What is expected from students in this unit?

You are expected to:

- Read widely in the areas of customer relationship management and customer satisfaction.
- Follow current developments in the market place and relate these to customer relationship management issues
- Contribute your personal customer experiences over a wide range of sectors and product types in group discussion
- Analyse personal customer experiences and assess their impact not only on customers but also on the organisation
- Be able to apply the lessons of the lectures (reflected in the lecture notes) and 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 Thursday evenings (6-8pm) on the dates indicated in the Class Schedule below:
### Class Schedule 2012

<table>
<thead>
<tr>
<th>No.</th>
<th>Week commencing</th>
<th>Title</th>
<th>Tutorial Activity</th>
<th>Text Ch.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1 Mar</td>
<td>CRM overview and models</td>
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<td>1</td>
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<tr>
<td>2.</td>
<td>8 Mar</td>
<td>Organisation structures and strategies for CRM</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>3.</td>
<td>15 Mar</td>
<td>Customer intimacy, segmentation and portfolio management</td>
<td>Report work</td>
<td>4, 5</td>
</tr>
<tr>
<td>4.</td>
<td>22 Mar</td>
<td>Customer value and value propositions</td>
<td>Report work Quiz 1 (Covers Lectures 1-3)</td>
<td>7</td>
</tr>
<tr>
<td>5.</td>
<td>29 Mar</td>
<td>Relationships, satisfaction and loyalty</td>
<td>Report work</td>
<td>2</td>
</tr>
<tr>
<td>6.</td>
<td>5 Apr</td>
<td>Customer Experience Management</td>
<td>Report work Quiz 2 (Covers Lectures 4-5)</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>MID SEMESTER BREAK</strong></td>
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<tr>
<td>7.</td>
<td>26 Apr</td>
<td>Customer lifecycle mgmt (CLM) - acquisition</td>
<td>Report work</td>
<td>8</td>
</tr>
<tr>
<td>8.</td>
<td>3 May</td>
<td>CLM - retention and development</td>
<td>Report work Quiz 3 (Covers Lectures 6-7)</td>
<td>9</td>
</tr>
<tr>
<td>9.</td>
<td>10 May</td>
<td>Information technology, multi-channel and marketing</td>
<td>Report work</td>
<td>13, 15</td>
</tr>
<tr>
<td>10.</td>
<td>17 May</td>
<td>Sales and service automation</td>
<td>Report work Quiz 4 (Covers lectures 8 - 9)</td>
<td>14, 16</td>
</tr>
<tr>
<td>11.</td>
<td>24 May</td>
<td>Cost to Serve, customer profitability and lifetime value</td>
<td>Report work</td>
<td>(5)</td>
</tr>
<tr>
<td>12.</td>
<td>31 May</td>
<td>CRM benchmarking, planning, implementation and measurement</td>
<td>Report Due in tutorial class</td>
<td>3</td>
</tr>
<tr>
<td>13.</td>
<td>7 Jun</td>
<td>Revision and preparation for exam</td>
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</table>

**Research and Practice**

- This unit gives you practice in applying research findings in the areas of customer relationship management, customer experience and customer satisfaction in your assignments.

- This unit gives you opportunities to conduct your own research.
## Relationship Between Assessment and Learning Outcomes

<table>
<thead>
<tr>
<th>Description</th>
<th>Class Tests (20%)</th>
<th>CEM Report (30%)</th>
<th>Final exam (50%)</th>
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</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>4 class tests over the course of the semester.</td>
<td>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.</td>
<td>The duration of the exam is 3 hours plus 10 minutes held during the exam period.</td>
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<td></td>
<td>Duration for each class test is 20 mins held during tutorials, closed book.</td>
<td>Each group will study customer experience episodes including face-to-face, telephone and web.</td>
<td>30 multiple choice questions (20%), plus 5 short essay questions (30%).</td>
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<tr>
<td></td>
<td>Each class tests will comprise 10 multiple choice questions + 2 short answer questions</td>
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<td>All materials in the unit including lectures, tutorials and assessments are examinable.</td>
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<td>Questions will be based on the lectures indicated in the class schedule above</td>
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<td></td>
<td>Students must attend the tutorial in which they are enrolled. Failure to do so will lead to loss of marks for that class test.</td>
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<tr>
<td><strong>Due date</strong></td>
<td>Class tests will be conducted in each of tutorials as shown in the Lecture Schedule above</td>
<td>The final report must be submitted in your assigned tutorial in Week 12</td>
<td>Please check the exam timetable for location and time.</td>
</tr>
<tr>
<td><strong>Marking criteria/standards &amp; expectations</strong></td>
<td>n/a</td>
<td>The assessment of the reports will be based on the depth of coverage across each of the sections of the report as described below.</td>
<td>n/a</td>
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<td>The synthesis of concepts ideas and insights as applied to the research conducted will be assessed.</td>
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<td></td>
<td>See a document called “Assessment criteria” on unit</td>
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<tr>
<td>Submission method</td>
<td>In class to tutor</td>
<td>In class to tutor</td>
<td>n/a</td>
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<tr>
<td>Feedback</td>
<td>Marked class tests will be returned in the next tutorial.</td>
<td>Written feedback will be given before the final examination.</td>
<td>n/a</td>
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<td>Verbal feedback will be given at the same time.</td>
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<tr>
<td>Estimated student workload (hours)</td>
<td>12 hours</td>
<td>50 hours</td>
<td>30 hours</td>
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**Learning outcomes assessed:**

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

2. Understand the critical need to place the customer and their experience at the centre of an organisations focus when implementing CRM  
   - 5  
   - 10  
   - 10

3. Understand, reconcile and integrate core marketing disciplines and customer relationship management principles  
   - 5  
   - 10

4. Understand the enabling role of technology in supporting customer management initiatives.  
   - 5  
   - 10

**Graduate**
<table>
<thead>
<tr>
<th>capabilities assessed:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1. Critical, Analytical and Integrative Thinking</td>
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<td>5</td>
</tr>
<tr>
<td>2. Problem Solving &amp; research capability</td>
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<td>5</td>
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<tr>
<td>3. Effective communications</td>
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<td>5</td>
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<tr>
<td><strong>Total</strong></td>
<td>20%</td>
<td>30%</td>
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</table>
CLASS TESTS - 20% of Total Assessment Marks

There are 4 class tests in the weeks indicated in the class schedule. These class tests will be of 20 minutes duration and will consist of 10 multiple choice questions and 2 short answer questions. Each of the class tests will be worth 5% of the total marks in this unit.

Students may sit for each of the class tests only once in their enrolled tutorial class in the weeks when class tests are being administered. Failure to sit for any of the class tests at these times will result in a zero grade for that class test. Students will only be given special consideration for non-attendance under exceptional circumstances. Special consideration must be supported by documentary proof and submitted to BESS using the University professional authority form.

Students who consistently underperform in the tutorial class tests will be identified and advised and appropriately counselled during the early part of the semester as an early warning.

REPORT - Customer Experience Management; Group activity, 30% of marks

Aim: This Report seeks to understand the characteristics of customer experiences across several market sectors and/or channel categories. The objective of the Report is to analyse these customer experiences to ascertain if there are specific differences in customer experiences and subsequent outcomes across experience type, industry sector and/or respondents. Further the study seeks to indentify the main reasons these potential differences may exist.

Due:

The group assignment is due in week 12 in your tutorial class. Assignments handed in at later tutorials on the day due will be penalized 20% of the potential marks for the assignment. For every further day late a further 20% penalty will apply for each day late. A cover sheet must be attached with the names and SIDs of all participating students in the group.

General Approach:

Students will undertake research into real customer experiences across different sectors and/or product types. Data will be obtained from surveys, observations and/or diaries. Each group member will collect a small amount of data and the combined data for the group will be analysed both qualitatively and quantitatively. From this analysis each group is expected to submit a written report outlining the research findings and conclusions. Some detail on the general nature of the report is provided below but more specific detail on the nature of the research and the submission of the report will be given by week 3 of the semester.
Group Formation and Rules:

Students will form groups of 5 within their enrolled tutorial group. It will not be possible to form groups containing members from different tutorials. Group formation will be take place in week 3 and 4 in your enrolled tutorial. You must register your group with your tutor by the end of week 4. You will also need to register a group leader including the contact details of the group leader with your tutor. Groups must be finalised by the end of week 4 and no changes to groups will be allowed after this time except in extreme circumstances. After week 4 your group will be allocated a group number.

A peer assessment form needs to be completed by every member of the group (a peer assessment form is attached to this outline). All of the peer assessment forms for the group need to be attached to the group assignment submission on the pages following the cover sheet. It is the responsibility of the group leader to ensure that all completed peer assessment forms are included in the group assignment submission. The peer assessment forms for the group will be considered when allocating marks for the group assignment to individual group members.

Apart from where directed, any intra-group allocation of tasks must be sorted within the group. Working with other groups on this Report can be beneficial, however students should ensure that all work reported is the work of the group. There will be heavy penalties for plagiarism (zero marks for this assessment component at a minimum).

Report Submission:

General details regarding submission of the Report are indicated below:

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

- **Executive Summary**
  One-page or less, summary of the Report, including your most important findings / recommendations / conclusions.

- **Background**
  A description of the research, including overview of episodes studied

- **Analysis**
  You should conduct analysis (guided by the research questions) of the customer experiences. 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 and other statistics which provide evidence for answering the research questions.

- **Findings**
  You should include findings regarding how customers perceive and react to experiences, what causes certain types of experiences and potential outcomes for the different types of customer experiences. There should also be findings pertaining to the research questions.

- **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 to your tutor in the relevant tutorial class. The Report is due in class in week 12. Late submissions of the group assignment will be penalised at 20% of the potential grade per day late.
PEER ASSESSMENT FORM

Name: ________________________ Signature: ________________________

SID: ________________________

Group Number: ________________

<table>
<thead>
<tr>
<th>Name</th>
<th>Allocation</th>
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</table>

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.
   - 5-7 Average performer - did what was required no more, no less
   - 9-10 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.
### FINAL EXAMINATION- 50% of Total Assessment Marks

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

The University Examination period in First Half Year 2012 is from 12 to 29 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://exams.mq.edu.au/](http://exams.mq.edu.au/)

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

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](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)
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:

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.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals

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

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

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.