MARK-567 Customer Relationships Management
Winter 2013/2014
Wednesdays 6:00 – 9:00 PM

Catalog Description

Prerequisites: MARK 460; MARK 468 recommended.

This course develops an understanding of how CRM has evolved into a business philosophy and involves not only the traditional focus of acquiring new customers but maintaining a relationship with existing profitable customers.

Outcome: Students apply key CRM concepts to an analysis and critique of a firm's CRM strategy.

Course Overview

Customers are the most valuable assets of many firms. This particular view has triggered an increasing interest in fields such as direct marketing, service quality, relationship marketing, and database marketing. The customer equity concept complements these literature streams by confining itself to two well-defined objectives:

1. The economic measurement of customer-firm relationships; and
2. The identification of strategies that build profitable relationships.

In order to generate future cash-flows, firms should manage customers for profits. First, firms need to segment customers and understand their different needs. Second, they need to develop products that appeal to their target and manage the product adoption process. Third, they should go to market by acquiring the “right” customers the “right” way. That is, by acquiring customers with the highest expected lifetime value while at the same time minimizing the costs of acquisition. Finally, firms should increase customer retention, by managing customer satisfaction, building switching costs,
predicting customer churn, and intercepting those customers that are more likely to defect. The course is especially relevant for students seeking to work in the following firms:

- Relationship businesses in which customer transactions are registered in a database.
- Businesses in which the cost of acquiring and/or retaining customers is high.
- Businesses for which the distribution of customer profitability is skewed (i.e., some customers being very profitable while some others very unprofitable). Examples include financial services (e.g., banks, insurance companies, credit cards), airlines, hotel chains, catalogue retailers, internet firms, non-profit firms raising money from the general public, supermarket chains using loyalty cards, car manufacturers, and most B2B firms.

Course Objectives and Learning Outcomes

The objectives of this course are:

- To familiarize students with the concepts of customer profitability, customer lifetime value, loyalty management, customer experience management, financial customer measures, database marketing and customer insight, and analytical CRM, as well as customer measures such as customer lifetime value, Net Promoter Score, and Return on Customer and how management will adapt to the availability of these metrics.
- To introduce students to the fundamentals of Customer Relationship Management: the discipline of getting, keeping and growing profitable customers. Students will explore the relevance of CRM to creating a successful organization. The course will examine methods to initiate, develop, implement, and evaluate CRM initiatives.

The goals of the course are to increase student competency levels in:

1. Understanding of CRM’s role and relevance in an organization
2. Knowledge of different CRM approaches and methods to evaluate CRM initiatives
3. Preparation and presentation skills through a semester-long project analyzing an organization’s CRM approach and class presentations
4. Sustaining meaningful conversations in the class
5. Content expertise through readings and discussion of CRM concepts

Required Materials

*Textbook:* Managing Customer Relationships: A Strategic Framework, 2nd Edition, Don Peppers and Martha Rogers, John Wiley & Sons, 2011. Available in the Bookstore. Other materials such as case studies will be used as well and the information will be provided during the semester.
Course Requirements and Grading Criteria

The final grade will be comprised of the following:
1. Case Studies (2 @ 10% each) 20%
2. Active Participation 15%
3. Online Article/Concept Presentation 10%
4. Midterm 20%
5. White Papers (35% of your grade, as follows):
   - Final Draft 25%
   - Final presentation 10%
Total: 100%

- Extra credit opportunities are available for presenting current case study analysis from the media. This will amount to 10%.
- I have no specifics as to the length of paper, space, font, etc. However, I expect students in the graduate school of business to be articulate, state the problem and/or objectives and make the case for it. Also, there are no excuses for typos, so please use spellcheck.
- As I will be notifying you with plenty of time regarding each assignment, there is no excuse of late or missed work. Plan your time and your workload.
- Academic integrity will be enforced and dishonesty will not be treated lightly, therefore, site your sources and use original thinking. Please read full policy in the next pages.
- There will be group projects. You choose the people in your group, and it is your responsibility to make sure the work is completed and submitted as a group. We will discuss in class how to avoid miscommunication in a group setting and how to plan and implement these steps.
- For each group project there will be a peer evaluation form.

Course Grading Scale

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Loyola University Grading Scale and Weights

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Quinlan School of Business Policies:

Attendance

Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. The student is responsible for any assignments or requirements missed during an absence.

If you must miss a class, please let me know by email.

Make-Up Examinations

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period.

There will be no Make-up examinations. Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

Academic Integrity

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood...Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website: http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf
Class by Class/Week by Week Course Outline

Class Number & Date  Topic & Assignment/Readings (due on the this date)

November 6, 2013  Ch. 1: Evolution of Relationships with Customers
                 Ch. 2: thinking behind Customer Relationships
November 13, 2013  Ch. 3: Relationships: Basic Building Blocks of IDIC
November 20, 2013  Ch. 4: Identifying Customers
                 Ch. 5: Differentiating Customers: Some Customers Are
                 Worth More than Others

November 27, 2013  No class – Thanksgiving Break

December 4, 2013  Ch. 6: Differentiating Customers by Their Needs
December 11, 2013  Ch. 7: Interacting with Customers: Customers
                 Collaboration Strategy
January 15, 2014  Ch. 8  Customer insight: Dialogue, and Social Media
                 Ch. 9: Privacy and Customer Feedback
January 22, 2014  Ch. 10: The Payoff of IDIC: using Mass Customization to
                 Build Learning Relationships
January 29, 2014  Ch. 11: Optimizing around the Customer: You Don’t Yet
                 Have
                 Ch. 12: Using Customer Analytics to Build the Success of
                 the Customer-Strategy Enterprise
February 5, 2014  Ch. 13: Organizing and Managing the Profitable Customer
                 Strategy Enterprise: Part 1
February 12, 2014  Ch. 14: Organizing and Managing the Profitable Customer
                 Strategy Enterprise: Part 2

Any Special Requests, Circumstances, or Instructor Policies

➢ To minimize distractions, laptops must be closed during class
➢ No food or drink is permitted in the classroom
➢ A cell phone that rings during class must be relinquished to the instructor for the
  remainder of the class period
➢ No private conversations during class

Final Exam Month/Day  TBD

Please note: This class may occasionally deviate from the course outline above.
The instructor reserves the right to make changes as needed to the course syllabus