

Number of ECTS credits : 3

Course language : English

Course leader : POHARDY Olivier

Faculty : BENHAMOU Zineb , PARTHASARATHY Aparajit

≡ COURSE DESCRIPTION

This course teaches you the important aspects of Relationship Marketing that is often ignored by managers:

- How does it work?
- How does it accomplish what businesses seek?
- What is customer lifetime value?
- How do you calculate it?
- What happens if customers switch between brands, or buy and then come back a few periods later?
- What is customer equity and how is it determined?
- How is the customer database used?
- What is customer retention and how is it achieved?
- When should a firm know that a customer is not coming back?
- What is loyalty, how is it determined and are customers really loyal?

≡ COURSE OBJECTIVES

This course emphasizes the importance of customer relationships. It aims to teach the basic principles involved in managing customer relationships. The specific objectives are outlined below: 1. The ideas behind customer equity and its components – brand equity, value equity and relationship equity 2. Different types of marketing channels - direct, indirect, electronic, - and customer touch points 3. The costs of customers and costs of serving customers in the different channels 4. Identification and Selection of customers (for both consumer and business markets). 5. Economics of scale: Customer Life Time Value, Customer Life Cycle Analysis 6. Dealing with unprofitable customers and recovering from crises. Finally, the course aims to enable participants to design a one to one customer relationship-marketing program.

≡ LEARNING GOALS

≡ TACKLED CONCEPTS

Customer relationship. Marketing channels. Customer Life Time Value. Customer Life Cycle Analysis.

≡ LEARNING METHODS

The project for this course will be to design a Relationship Marketing Program for a company of your choice. It will be graded based on how well it incorporates the constructs that have been covered in the course. The readings from the course will also prove useful in formulating your ideas and concepts on the topic you intend to study

The group project report should be limited to a maximum of 10 pages (not including attachments and appendices). Finally, each group will also present the findings and analysis from their study in class towards the end of the course. ALL submissions are due by the last day of class (i.e. the last lecture). No exceptions

Examples of topics include:

- (i) improving relationship marketing at car dealerships
- (ii) setup and implementation of a relationship marketing project at a Sacramento non-profit
- (iii) improving reach and co-ordination among suppliers for a food manufacturing firm
- (iv) developing a better customer targeting program for a major online beauty products retailer etc.

≡ ASSIGNMENTS

See above.

≡ BIBLIOGRAPHY

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≡ EVALUATION METHODS

≡ SESSIONS

1

LECTURE : 06h00

- Introduction to CRM & its Fundamentals

Readings: Rethinking Marketing – Rust, Moorman & Bhalla Transforming Strategy One Customer at a Time – Harrington & Tjan

- Developing Customer Intelligence and a CRM Strategy

Readings: EMC2 : Delivering Customer Centricity – Steenburgh & Avery Bancaja: Developing Customer Intelligence (A) and (B) – Martinez-Jerez & Miller

2

LECTURE : 06h00

- Calculating Customer Lifetime Value

Readings: Marketing Analysis Toolkit – Steenburgh & Avery Customer Profitability and Lifetime Value – Elie Ofek

- Using Customer Lifetime Value to Make Marketing Decisions

Readings: Rosewood Hotels & Resorts: Branding to Increase Customer Profitability and Lifetime Value – Dev & Stroock How valuable is Word of Mouth? – Kumar, Petersen & Leone

3

LECTURE : 06h00

- Using Customer Value in Other Fields

Readings: Harrah's Entertainment Inc.: Real-Time CRM in a Service Supply Chain – Lee, Whang, Ahsan, Gordon, Faragalla, Jain, Mohsin, Guangyu & Shi Netflix, Inc., 2007 – Conroy & Pfeiffer

- Managing Unprofitable Customers

Readings: The Right Way to Manage Unprofitable Customers –Mittal, Sarkees & Murshed Pandora Radio: Fire Unprofitable Customers? – Shih & Tecco

4

LECTURE : 06h00

- Learning about your customers in Emerging Markets

Readings: Unilever in India: Hindustan Lever's Project Shakti – Marketing FMCG to the Rural Consumer – Rangan & Rajan Mobile Banking for the Unbanked – Rangan & Lee

- Group Project Presentations

Written test
