Customer Relationship Management or CRM has become a marketing “mantra” of businesses over the past decade. This year over eleven billion dollars will be spent on CRM software and systems alone. The adoption and implementation of CRM systems represents a transformation of the firm from product-centric to a more customer-centric focus. The objective of businesses is no longer to just acquire customers and battle competition in making customers switch, but the objective is one of acquisition followed by development and retention, especially of those customers a business deems “best”. Much has been written about CRM from a strategic and operational viewpoint in the popular press and in academic literature.

Beyond the hype surrounding CRM, there has also been widespread disillusionment with the results achieved. Investments of millions of dollars in CRM systems have, in many cases, yielded results of little value. According to Forrester Research’s 2010 CRM report, this disappointment stems from a lack of focus on understanding how to improve the business and utilize the power of CRM systems to increase revenue and cut costs. Managers acknowledge that their main weakness lies in failing to understand how to harness its power, through refined customer analytics and customer strategy, to improve marketing. This course, aims to cut through the hype and get to the crux of the issues that affect a customer-firm relationship and a successful CRM implementation.

This course teaches you the important aspects of CRM often ignored by managers– How does CRM 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? The objective of the course is to examine the strategic and analytical aspects of CRM so that students will have a deeper understanding of the power of CRM, and how to put it to work effectively.

TENTATIVE SYLLABUS
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 CRM: Customer Life Time Value (LTV), Customer Life Cycle Analysis
6. The notion of customer loyalty and customer development

This course will discuss the various options for software available in the market place, however we will not cover any of them in detail. Finally, the course aims to enable participants to design a one to one customer relationship marketing program.

Class Format

Each class is organized in the following way:

1. In class lectures
2. In class discussions
3. Group Case Presentations and Group Case Analysis

Course Material

Text Pak (Required)
Customer Relationship Management Text Pak, consisting of readings included in the lectures.

Course Requirement and Grading

The course requirements and their contribution to the overall grade is as follows:

1. Group Article Presentation 20%
2. Individual Case Write-ups 30%
3. Mid-Term 25%
4. Final 25%

TENTATIVE SYLLABUS
Individual Work

*Individual Case Write-ups*

Each student is expected to write up two readings for a grade. Case write ups should be in the form of an executive summary. The write ups should highlight the interesting points of the case and must contain some original insight based upon your analysis of the case. This original insight may be supported by including attachments that highlight your analyses. This can form the appendix of the paper. They should be double spaced; size 12 fonts and the write up should not exceed two pages (not including appendices). ALL case write-ups are due by the last day of class (i.e. the last lecture).

*Mid-Term:*

There will be one mid-term on a date that will be announced in the class. The exam will be based on portion reviewed in class.

*Final:*

The final exam will be held at the scheduled time and date (as per the academic calendar).

Group Work

At the beginning of the course students will form groups that work together for the entire period of the course. Please note that all group work will be subject to a peer assessment at the end. Individuals who do not contribute their fair share to the group (as determined by the group) will be penalized.

*Group Article Presentation*

Each group will also present the readings that are to be discussed in class. The presentation should be no longer than 15 minutes and should provide a good overview of the case to be discussed and a well thought out critique. This will then lead to a review of the insights and criticisms of the case by the whole class. The articles will be assigned to the individual groups around the beginning of the course.
TextPak Readings and Tentative Schedule:

**Class 1**  
**Introduction to CRM**  
Readings:  
HBR: Dabbawallahs of Mumbai – Menor & Ramasastry  
HBR: Avoid the Four Perils of CRM – Rigby, Reichheld and Schefter  
HBR: Is Your Company Ready for 1-to-1 Marketing? – Peppers, Rogers & Dorf

**Class 2**  
**Fundamentals of a CRM Strategy**  
Readings:  
HBR: Rethinking Marketing – Rust, Moorman & Bhalla  
HBR: Customer Relationship Management: Get Inside the lives of your Customers –Seybold  
HBR: Transforming Strategy One Customer at a Time – Harrington & Tjan

**Class 3**  
**Customer Lifetime Value I**  
Readings:  
HBR: Customer Profitability and Lifetime Value – Elie Ofek  
IVEY: Conroy’s ACURA: Customer Lifetime Value and Return on Marketing – Moffat & Murray

**Class 4**  
**Customer Lifetime Value II**  
Readings:  
HBR: Rosewood Hotels & Resorts: Branding to Increase Customer Profitability and Lifetime Value – Dev & Stroock  
HBR: How valuable is Word of Mouth? – Kumar, Petersen & Leone

**Class 5 (Tentative date for Mid-Term)**  
**Customer Lifetime Value III – In Practice**  
Readings:  
Journal of Marketing Research: Valuing Customers – Gupta, Lehmann and Stuart  

**Class 6**  
**Customer Equity and its Opportunities**  
Readings:  
HBR: What is a free customer worth? – Gupta & Mela  
HBR: Getting the Most out of All Your Customers – Thomas, Reinartz & Kumar  
HBR: Customer Centered Brand Management – Rust, Zeithaml & Lemon

TENTATIVE SYLLABUS
Class 7
CRM in Retailing
Readings:
HBR: Customer Relationship Management: The Old Pillars of New Retailing – Berry
HBR: Eddie Bauer, Inc. – Bell and Leamon

Class 8
Loyalty? Where art thou?
Readings:
The Loyalty Effect: Essay #5 – The Satisfaction Trap- Reichheld
HBR: E-Loyalty – Reichheld & Schefter

Class 9
Anger Management:
Readings:
HBR: The Customer’s Revenge – Ariely
HBR: The Right Way to Manage Unprofitable Customers –Mittal, Sarkees & Feisal Murshed

Note: One of our class days will be used for an external speaker.

The final exam will be held on the scheduled day.