

Managing Customer Relationships Through Direct Marketing – MKTG 550 EVENING- Autumn 2014
Professor Elizabeth Stearns
SYLLABUS
Pre Term Readings

- “CRM: Profiting from Understanding Customer Needs”
- “Zero Defections”
- “The Customer has Escaped”
- “What was Privacy”

Textbooks:

Direct Marketing Management by Roberts & Berger. This can be found ‘used’ on amazon.com.

The Customer Differential by Melinda Nykamp also found at amazon ~ because it is out of print, there are 12 copies on reserve in the library.

SESSION	TOPICS	REQUIRED READINGS & CASES	ASSIGNMENTS DUE	RECOMMENDED RESOURCES
1 9/24	Welcome/Intro DM Fundamentals Privacy Classic DM: Offers	Pre-Readings Chapters 1 and 3 - <u>Direct Marketing Management</u> , R & B	Bring DM Sample to Class 3 Articles Analysis DUE “Profiting from Understanding Customer Needs/ Customer Has Escaped/Zero Defections/”	Best Case/Worst Case Format
2 10/1	Classic DM: Testing Case History~ Gevalia Kaffe In Class Exercise Classic DM: Lists/RFM/Gains Analysis	Chapter 10 (R &B), White Paper «Testing»(in Resource Pak) Chapters 2 & 9 (R & B)	“Riding Marketing Info Wave” BEST/WORST Case DUE (W) (In teams of 2 people)	Skim Chapter 15 (R&B) Shepard Chapters 12, 17 & 18 (Resource Course Pak) Claritas Prizm NE http://www.claritas.com/MyBestSegments/Default.jsp NAICS ~ Firmographics
3 10/8	Guest Speaker , Ryan Cassidy, Porch.com formerly amazon Fire Phone: Testing in the real world. HELP presentations	“Customer Profitability & LTV” “The Right Way to Manage Unprofitable Customers”	HELP Case Questions DUE (W/O) (In large teams)	“Rediscovering Market Segmentation” “Experimental Design... Taguchi”

4 10/15	<p>Guest Speaker, Scott Fasser: Hacker Group. The role of email and websites, development and testing</p> <p>Classic DM: Catalogues</p>	<p>VinConnect Case (review site)</p> <p>GrapesWines.com(review site)</p> <p>“IBM Cross Channel” (handout)</p>		VinConnect excel spreadsheet
5 10/22	<p>Websites Review Presentations</p> <p>Relationship Marketing & CRM Introduction</p>	<p>Chapter 13 (R & B)</p> <p>Chapter 6 (R & B)</p> <p>Chapters 1, 3-5 (Nykamp)</p>	<p>Social/Mobile/Websites/Catalogues/Stores (In large teams)</p> <p>Is it an On Line Store or Catalogue and Use of Social/Mobile Media</p>	
6 10/29	<p>B2B/Complex Sale Case History~ Andersen Consulting</p> <p>DM Creative: Strategy & Execution</p>	<p>Chapter 11 (R & B)</p> <p>“Customer Profitability and Customer Relationship Management at RBC Financial Group”</p> <p>“To Keep your Customers, Keep it Simple”</p>	<p>“RBC” Discussion Questions DUE (ppt format/O) (In large teams)</p> <p>“ING Direct”: Review</p>	<p>IBM Case Handout B2B</p> <p>“Using Customer Profitability Analytics to Execute a Client-Centric Strategy</p>
7 11/1 <u>Saturday</u> <u>8:30-12:30</u>	<p>Guest Speaker, Scott Fasser SEO/SEM</p> <p>The Hacker Group Key Creative and Account Execs Mobile/Social</p>	<p>“Social Media, the new hybrid”</p> <p>“How to Market to Generation M(obile)”</p>	<p>Prepare Answers to VinConnect Questions for discussion(no hand in)</p> <p>“Sephora” (Read)</p>	<p>http://www.christine.net/2006/11/top_mobile_mark.html</p>
8 11/5	<p>Financials & Budgeting</p> <p>Guest Speaker : Rory McLeod, UW MBA 2004 and Senior Finance Mgr ecommerce amazon</p> <p>Database, Targeting & Predictive Modeling</p>	<p>Ruth Owades Case & CD</p> <p>Chapters 5 & 8 (R & B)</p> <p>Chapter 4 (R & B)</p>	<p>Ruth Owades Objectives & Customer Target Discussion ~</p> <p>1 page summary per team due in writing: (in large teams)</p> <p>*Identify Objectives</p> <p>*Target Audience(s) ID and rich description</p>	<p>Shepard Chapters 19 & 20 (Resource Course Pak)</p> <p>Chapters 12, 14-17 (R & B)</p>

9 11/12	Ruth Owades Presentations Cash Flow Analysis Testing for Response Inventory Management LTV	Ruth Owades Case & CD Chapters 1, 3-5 (Nykamp)	Ruth Owades Questions & Recommendations DUE (W/O) (In large teams) All spread sheets must be reproduced in their entirety to be able to see explicitly each month and all detail. Be sure your formatting is readable and appropriate for an executive.	Hughes Chapter 10 (Resource Course Pak) http://hbsp.harvard.edu/multimedia/flashtools/cltv/index.html
10 11/19	CRM Continued: The Yang of RM Customer Experience Management Customer Interaction Maps Intro	“Interactive Technologies & RM Strategies” “Understanding the Customer Experience” “The Customers’ Revenge”		“The Case of the Complaining Customer” Customer Differential: Nykamp
11/26	<u>No Class</u>			
11 12/3	King Size CIM Presentations	“Avoiding the Four Perils of CRM” “When Every Customer is a New Customer”	“King Size” Questions & Customer Interaction Maps DUE (ppt format/O) (In large teams)	
	“Future Trends: Creating Competitive Advantage with Direct Marketing” <u>Course Wrap UP</u>	“CRM Done Right” Review: “Preventing the Premature Death of Relationship Marketing”	Peer Evaluations Due	

Key: **W** = Written; **W/O** = Written & Oral; **ppt/O** = Power Point format for hand in, **R&B** = Roberts & Berger, **N** = Nykamp

TEAM ORAL PRESENTATION ASSIGNMENTS

	<u>Team 1</u>	<u>Team 2</u>	<u>Team 3</u>	<u>Team 4</u>
H.E.L.P.	A	A	B	B
WEBSITES	All	All	All	All
Ruth	R1	R2	R3	R3
RBC	All	All	All	All
King Size	All	All	All	All

The specific requirements for these oral presentations are designated as follows:

H.E.L.P.	A	Questions 1-4
H.E.L.P.	B	Questions 5-7
Ruth	R1	<ul style="list-style-type: none"> • Assumptions • Sensitivity Analysis • Cash Flow 1 • Improved Response Rate & Avg Order Size • LTV
Ruth	R2	<ul style="list-style-type: none"> • Assumptions • Cash Flow 1 • Cash Flow 2 • Inventory Analysis • LTV
Ruth	R3	<ul style="list-style-type: none"> • Assumptions • Cash Flow 1 • Cash Flow 3 • LTV
RBC	All	Questions 1 - 4
King Size CIM	All	Questions and Customer Interaction Map(s)

Evaluation of Student Work

Your work will be evaluated on several dimensions. **Class Participation** is important and either counts for or against your final assessment depending on the richness and quality of your individual contribution to the overall learning experience. You are responsible for all reading, even if it is not explicitly covered in class.

Individual and Small Group:		
Three Articles Review (Ind.)	10%	25%
Best Case/Worst Case (small group of 2)	15%	
Group Case Assignments (teams of 5)		
HELP! Case Questions Provided - (W/O)	10%	75%
WEBSITES Review (ppt/O)	10%	
Ruth Owades (W/O) Case & CD Questions	25%	
RBC Case Questions Provided (ppt/O)	15 %	
“King Size” (ppt/O) Questions & CIM	15%	
TOTAL:		100%

Team Presentations will be chosen randomly after teams are determined.

Honor Code

The policies and procedures espoused by the Foster School of Business Honor Code to maintain academic integrity are used in the course.

<http://www.foster.washington.edu/academic/mba/currentstudents/Documents/Honor%20Code/Honor%20Code%20Booklet%202011-12.pdf>

In addition to the UW Foster School Honor Code, the following rules apply to this class:

- All cases are to be prepared by group members only. This applies to both Large Group & Mini Team Assignments.
- The cases are not to be discussed with any out-of-group members or use any external resource unless explicitly approved or required.
- Discussion articles cases may be prepared in your own group. This is often a good way to prepare for class.

To ensure equal participation in group projects, team members are requested to evaluate each other's performance using this Peer Evaluation Form. This is to be submitted the last day of class.

Managing Customer Relationships through Direct Marketing

Peer Evaluation Form

One of the great opportunities people have is working with genius, whether it is strategic or creative or leadership or something else. We all in our professional lives know those who will go on to much bigger things, and we get to reflect on how much we valued our experience with that person. From time to time, we work with others who we know did not fulfill their commitments. Sadly and fortunately, these 2 situations do not occur that frequently.

Please allocate 100 points to all the group members, **including yourself**, in accordance with their contribution. Please include any comments you may like to share regarding your group. The form should be submitted at the beginning of the last class session.

1. Willingness of the individual to carry out tasks assigned
2. Ability of the individual to meet deadlines
3. Quality of individual's work
4. Individual's overall contribution to discussion, analysis and completion of the group projects

	Name of Group Member	Points
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Comments: _____

Signature of the Evaluator

CUSTOMER TARGET MATRIX

Archetype	Lisa	Nancy	Mr. Roop	Dr. Goldstein	Susan	Randy
Represents	Child	Parents	Educator	Orthodontist, Therapist	Childless Family Friend	Childless Relatives
Size (thousands)	33,000 (Case)	17,000 (Census)	175 (Encarta)	>10 (CDC)	17,000 (Assumption)	51,000 (Assumption)
What do they value?	Novelty, Fun, Peer Approval	Safety, Convenience, Educational	Educational value, "Cool Factor"	Please Parents, Entertainment, "Cool Factor"	Please Lisa	Fun, Appropriateness
What are they buying	"A toy"	Recommended Educational Toy	Learning Aid	Placator and Thank You	What Lisa Wants	A Worthwhile Toy
Where they shop	Follows Nancy, Toys - FAO, KB, Toys-R-Us	Malls, Catalogs, Boutiques	Catalogs, Education supply store	Toys-R-Us, Catalogs	Specialty Stores, Street Fairs, Catalog	Catalog, Mall, Boutique, Vacation
Annual Toy Spend	50	900	200	750	250	150
Annual Spend Influenced by Lisa	800 overall	600	0	0	175	75
Years as PFL Toy Buyer	3	4	20	15	5	3
Ways to Reach	TV, catalog, friends, peers, classroom	Magazines, PTA, Friends, TV, Radio	Trade Publications, Parents	Office Sales Call, Trade Publications, Catalogs	Lisa, Friends, Nancy	Lisa, Nancy
Receptiveness	High	Medium	V. Low	Med	Med	Low
Expense to Reach	High	High	High	Med	Med	High
Gross Toy Lifetime Spend	150/2400	3600	4000	11,250	1250	450
Discounted Toy Spend (16%)	1827	2569	1251	4385	838	342