

Winter Semester 2014

MBA 619-1 – Customer Relationship Management: Building Customer Loyalty

MW 3:30-4:45 – W118 TNRB

rev 10/7/2013 – PRELIMINARY (subject to change)

Instructor:

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Office Hours: Monday & Wednesday, by appointment, office 422-9226

See course website for announcements and updates.

About the course:

“Customer relationship management (CRM) is a widely-implemented strategy for managing a company’s interactions with customers, clients and sales prospects.” (Wikipedia)

CRM is “A business strategy that maximizes profitability, revenue and customer satisfaction by organizing around customer segments, fostering behavior that satisfies customers, and implementing customer-centric processes.” (Gartner Group, text p. 4)

This course covers methods and principles for effective management of customer relationships and interactions. We will learn how to analyze customer-interactive processes and how to facilitate customer roles in the supply chain pertaining to cost, quality, and workflow. One aspect of CRM is technology (“CRM Systems”). The course will include reviewing ways to use customer service technology for strategic advantage.

Course learning objectives:

Be prepared to lead CRM improvement efforts in your future organizations. This includes...

1. Learn important concepts pertaining to CRM design and implementation.
2. Be able to synthesize and integrate principles that guide successful CRM.
3. Be able to explain principles of CRM to managers and others.
4. Be able to apply CRM principles to real organizations.

Textbooks and readings:

Customer Relationship Management, Second Edition, by Francis Buttle (2008, Butterworth-Neineman). Available in the bookstore. (called “Buttle book”)

Essentials of Service Design, Second Edition, by Scott Sampson (2012). (“ESD book”)

Additional course readings, listed in Appendix B, are available from the BYU library website or the course website. On request, a printed packet can be provided through the BYU Packet Office for whatever they charge (including permission fees).

Course Components

There are five components of the semester evaluation, which will be described below.

Grade Component	Percent	Relates to objective
A. Class participation and contribution.	20%	#2 (synthesize/integrate)
B. Buttle reading quizzes (5@4%, drop extras).	20%	#1 (learn concepts)
C. Team Article presentation.	20%	#3 (explain/apply)
D. Team process analysis exercises (2@10% each)	20%	#4 (apply principles)
E. Final exam	20%	#1 (learn concepts)
Total	100%	

According to Marriott School policy, the target GPA for this course is 3.5. See <http://marriottschool.byu.edu/students/classroompolicies>

Specifics:

A. Class participation is assessed by student attendance and quality contributions to class discussions (and name cards up). Any student can miss class two times without grade penalty, but that does not count missing quizzes (described above). With instructor permission, you can video Skype into class as long as you identify a classmate with a computer to host your visit.

B. Quizzes will be on Buttle textbook reading, and will usually occur on the scheduled day of chapter reading (see Appendix B), but may be on a subsequent day if necessary. Any quizzes more than 5 quizzes will be dropped, such as in case of missing class due to an excused absence. If multiple excused absences are anticipated, see me as soon as possible to discuss. If you Skype into class (recruiting a classmate to be your host) you can take the quiz.

My quizzes are non-trivial. Although it is reasonable to get a passing grade by just reading the chapters, getting the highest grade will require studying the chapters. See me if you need an explanation of what the difference is ☺.

C. Team Article presentations will help the students practice communicating non-trivial CRM principles to others. The potential for CRM principles to change organizations is largely a function of gaining organizational buy-in and commitment by effectively communicating the concepts to upper management and others.

Presentations are 20 to 25 minutes long, with grade penalty for going outside of that time, and should (1) review the chosen principles from the assigned reading, (2) demonstrate how the principle can be applied in a business situation of interest to the team and the class (different from the examples given in the reading), and (3) summarize managerial insights that come from applying the principles. Student teams are expected to teach important concepts from the article in a compelling way (see Appendix A), and do *not* need to cover every concept in the reading.

At the start of each presentation, the presenting students should provide each class member (and the instructor) with a half-page to one-page outline of major issues and observations from the article. These handouts can be in outline form, and should be single-spaced using a 12-point font with usual one-inch margins. Bold font can be used to highlight the most important points. The top of the handout should list the article reference, the presentation date, and the name(s) of the presenters.

Also, at the start of the presentation day, the team is to give the instructor printouts of 1) miniature presentation slides **with visible slide numbers**, and 2) a sheet of **six** reasonable (easy for those who have read the article or taken good notes for the presentation, hard for those who have not) questions about the article (3 multiple-choice, 3 short-answer, with answers), for possible inclusion on the final exam. These questions should not be given to other students in the presentation or otherwise, but the answer concepts should be included in the presentation, and each question on the instructor's sheet should include a correct answer and the page number from the article the answer comes from. These items must also be uploaded as a Word file to sampsonclass@gmail.com by the day of the presentation, with a subject line of "MBA619 presentation questions for team X"

You are free to use video, PowerPoint, or demonstrations. No games or class exercises are allowed. Your presentation should be insightful and informative. A key to success is **rehearsing** your presentation sufficiently before the assigned day. It is inevitably a painful experience for both the team and the class to have the first run-through of a presentation be in front of the class. The instructor would be happy to do a free preview of your presentation one week before the presentation day, and will tell things that may be keeping it from earning an "A" grade. Instructions for preparing for a preview are posted on the course website.

It is best, but not essential, that all team members participate in delivering the presentation. Certainly every team member **MUST** participate in preparing the presentation. The entire team must be at the front of the class at the end of the presentation to answer any questions from the class (not counted in presentation time), with questions particularly being targeted at any who did not participate in delivering the presentation.

D. Team process analysis exercises will allow students to apply course principles to a real business situation chosen by the team. Exercise #1 begins session 9 and is due at the start of class on session 14 (see course schedule, and plan now to meet with your team during that time). Instructions are in the posted file: PCN-Data-Exercise-showing-airline-example.pptx

Exercise #2 is due the last day of class, and is to be completed according to the instructions in the posted file: PCN-Analysis-Exercise-with-airline-example.pptx

Complete parts 1-6 (parts 5 and 6 are NOT optional). Innovation will be discussed in session 18. Sensory elements will be discussed in session 22. Service failure and recovery will be discussed in sessions 24-26.

Team process analysis exercises will be reviewed and discussed in class by the instructor (unless the team has a pre-approved exemption of confidentiality with the instructor). They will be

evaluated according to insightfulness, clarity and organization, and quality of analysis, which is similar to the criteria outlined in Appendix A (even though teams will not present exercises).

E. Final exam will in class on Monday, April 22 from 2:30-5:30pm. The final exam will be comprehensive, covering all articles, assigned ESD book chapters, and class discussions. The final exam will NOT cover the Buttle book reading, which is the subject of quizzes. Also, the final exam will NOT cover ESD book chapters that are not assigned and not discussed in class.

Citizenship

Please don't eat in class, unless you bring some for everyone. Please do not talk or text on your cell phone in class, unless you let everyone talk or text. This course complies with Marriott School classroom policies that are at: <http://marriottschool.byu.edu/students/classroompolicies>
Highlights include:

- Do not cheat and do not allow others to cheat. We must preserve the integrity of BYU.
- If you encounter unlawful sexual harassment or discrimination, please talk to me or contact the campus harassment hotline (367-5689) or the Honor Code Office (422-2847).
- “Each Professor will establish the times when using laptops in class to take notes or work on class projects is allowed.... professionalism.”

See the instructor if you have any concerns about classroom policies or class activities.

Stewardship

Do your best – we owe it to the Lord and to the tithe payers who fund BYU operations. Also, Marriott School graduates are *stewards of business*—try to figure out what that means.

Appendix A: Presentation Evaluation Criteria

In evaluating the team presentations, I will look at three things:

- (1) Insightfulness: Did the presentation provide value-adding insights about how to apply important concepts from the article? (i.e., provide more than just regurgitation of the article)
- (2) Presentation quality: Was the presentation interesting, clearly organized, and well-rehearsed?
- (3) Information quality: Were the information and answers clear and accurate?

These three criteria will also be applied to the ½ to one-page article summary provided by the presenting team.

Here is a rubric (including two hypothetical response dimensions)...

Dimension	A	A-	B+	B or lower
Insightfulness	Application of article concepts is compelling, insightful, and impactful.	Application of article concepts is solid and somewhat insightful.	Application of article concepts is okay, but not particularly insightful.	Application of article concepts is confusing.
Presentation quality	Presentation is very interesting, clearly organized, and obviously well rehearsed.	Presentation is sufficiently interesting, moderately organized, and/or possibly rehearsed.	Presentation is marginally interesting, less than organized, and/or probably not rehearsed.	Presentation is uninteresting, unorganized and/or unrehearsed.
Information quality	Information presented is clear as glass, accurate, and to the point.	Information presented is quite understandable and mostly accurate	Information presented is marginally understandable and somewhat accurate.	Information presented is clear as mud and/or inaccurate.
Instructor's emotional response	"Wow, that presentation rocks!"	"Well, that was quite interesting!"	"That was okay, but could have been better."	"Hmmm. Bring in the oxygen."
Typical student response	"That presentation was brilliant. I am enlightened!"	"Okay, that makes sense and clarifies things. Thanks!"	"That pretty much just confirmed what I got from reading."	"I think I know less as a result of the presentation."

I do not post presentation grades, but interested team members can see me after the presentation.

Appendix B: Semester Schedule and Readings

Any necessary changes will be announced in class and posted on the course website.

ESD column is the advised ESD readings for those desiring to take the optional Service Design exam.

Date	#	Class Topic	Assigned Readings and presentations	ESD
M Jan 6	1	CRM in MBA 619	syllabus (read and bring questions)	
W Jan 8	2	Dimensions of C-R-M	Buttle ch. 1: Introduction to CRM	
M Jan 13	3	C: What is a Customer?	ESD ch. 9: Customer Roles	ch 9
W Jan 15	4	<i>MBA recruiting break</i>		
M Jan 20		<i>Martin Luther King Jr. holiday</i>		
W Jan 21	5	R:What is a Customer Relationship?	Buttle ch. 2: Understanding relationships	
M Jan 27	6	Why relationships?	(Reichheld and Sasser 1990)	
W Jan 19	7	How relationships?	(Dasu and Chase 2010)	
M Feb 2	8	M: What is CR Management?	Buttle ch. 3: ...CRM projects	
W Feb 5	9	Visualizing Customer Relationships	ESD chs. 2-3	2-3
M Feb 10	10	Designing a Customer Relationship	ESD chs. 4-5	4-5
W Feb 11	11	Managing Customer Data	Buttle ch. 4: (CRM) databases	
M Feb 17		<i>President's Day Holiday</i>		
T Feb 18	12	Guest speaker (TBA)	<i>(plan to work on Team Exercise #1)</i>	
W Feb 19	13	Customer portfolio management	Buttle ch. 5: Customer portfolio mgt	
M Feb 24	14	Review of team process analyses	Team Process Analysis Exercise #1 due	
W Feb 26	15	Designing a customer experience	Buttle ch. 6: CRM & customer experience	
M Mar 3	16	Front-line job design	ESD ch. 8: Job Design	6,8
W Mar 5	17	Improving value via Lean Services	ESD ch. 10: Lean Services	10,11
M Mar 10	18	Service innovation and networks	(Normann and Ramirez 1993)	12,13
W Mar 12	19	Service-profit chain	(Heskett, <i>et al.</i> 1994)	
M Mar 17	20	HIP nature of customer experience?	(Sampson 2013) or (Vargo and Lusch 2004)	
W Mar 19	21	Creating value	Buttle ch. 7: Creating value for customers	
M Mar 24	22	Value from physical evidence	(Bitner 1992)	
W Mar 26	23	Managing value tradeoffs	(Frei 2006)	
M Mar 31	24	Gap model for service quality	(Parasuraman, Zeithaml and Berry 1985)	
W Apr 2	25	Service recovery programs	(Hart, Heskett and Sasser Jr 1990)	7
M Apr 7	26	Service guarantees	(Hart 1988)	
W Apr 9	27	Customer feedback management	(Sampson 1999)	
M Apr 14	28	Review of team process analyses	Team Process Analysis Exercise #2 due	
Final exam in class on Wednesday, April 23, 3:00-6:00pm.				

This schedule is subject to change if some great opportunity comes up, such as guest speakers. If you ever need to miss class be sure and check with your teammates about any class announcements.

Article References

- Bitner, M. J. (1992). Servicescapes: The impact of physical surroundings on customers and employees. *Journal of Marketing*, 56(2), 57.
- Dasu, S., and Chase, R. B. (2010). Designing the Soft Side of Customer Service. *Sloan Management Review*, 52(1), 33-39.
- Frei, F. X. (2006). Breaking the trade-off between efficiency and service. *Harvard Business Review*, 84(11), 93-101.
- Hart, C. W. L. (1988). The Power of Unconditional Service Guarantees. *Harvard Business Review*, 66(4), 54-63.
- Hart, C. W. L., Heskett, J. L., and Sasser Jr, W. E. (1990). The Profitable Art of Service Recovery. *Harvard Business Review*, 68(4), 148-156.
- Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, W. E. J., and Schlesinger, L. A. (1994). Putting the Service-Profit Chain to Work. *Harvard Business Review*, 72(2), 164-174.
- Normann, R., and Ramírez, R. (1993). From value chain to value constellation: Designing interactive strategy. *Harvard Business Review*, 71(4), 65-77.
- Parasuraman, A., Zeithaml, V. A., and Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41-50.
- Reichheld, F. F., and Sasser, W. E., Jr. (1990). Zero Defections: Quality Comes to Services. *Harvard Business Review*, 68(5), 105-111.
- Sampson, S. E. (1999). An Empirically Defined Framework for Designing Customer Feedback Systems. *Quality Management Journal*, 6(3), 64-80.
- Vargo, S. L., and Lusch, R. F. (2004). The Four Service Marketing Myths: Remnants of a Goods-Based, Manufacturing Model. *Journal of Service Research*, 6(4), 324-435.
- Sampson, S. E., and Snow, D. C. (2013). What are Services? Distinctiveness of Service Operations and Service Products. forthcoming.