Customer Relationship Management (BUSML 4212)

Fisher College of Business
The Ohio State University
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Office hours: Wed 1PM – 3PM (or by appointment)
Course website: https://carmen.osu.edu/

CLASS SCHEDULE AND LOCATION
TuTh   11:10AM - 12:30PM   8/23/2016 - 10/10/2016: Mason 405, Lab sessions: SB 219

COURSE MATERIALS
1. Kumar and Reinartz, 2012, "Customer Relationship Management: Concept, Strategy and Tools", 2nd edition, Springer
   ISBN-10: 3642201091, ISBN-13: 978-3642201097
2. Harvard Business Review Articles (http://cb.hbsp.harvard.edu/cbmp/access/51454001)
   A. Pilgrim Bank (A)
   B. Nunes, Joseph C. and Xavier Dreze (2006), "Your Loyalty Program is Betraying You," HBR Reprint R0604H.
   C. Rigby, Darrell K., Frederick F. Reichheld and Phil Shefter (2002), "Avoid Four Perils of CRM," HBR Reprint R0202J.
3. Other course materials will be uploaded on CARMEN (https://carmen.osu.edu/)

COURSE OBJECTIVES
Recently, the unit of analysis in marketing activities has been shifted to individual customers. Key drivers to this phenomenon are: i) markets became mature, so firms cannot expect that traditional mass marketing works for customers' differentiated needs and wants, and ii) information and data technologies have been significantly developed, so marketing managers are able to take advantage of individual level transaction data at lower costs.

Therefore, in order to maximize marketing performance by improving customer experience and focusing on profitable customers, firms are required to identify different types of customers especially in terms of their tastes and financial values and develop specific strategies to interact with individual customers. Customer values can be quantified by such measure as elapsed time between purchases, purchase frequency within a given time period, and the net amount spent at each time of purchase.

This class mainly focuses on the strategic applications of Customer Relationship Management to managerial decision problems. First, we need to understand the importance of change from traditional Marketing concept toward *customer centric concept*. Then, we will discuss empirical

methods and applications that evaluate customer lifetime value and customer equity to maximize firms' profitability.

In modern marketing decision-making, customer orientation and consequent empirical methodology are critical, because they enable firms to achieve better per person ROI, acquisition and retention of profitable customers, and reactivation of dormant customers, which will eventually contribute to market performance of a firm.

The main sections of this course include the following: customer-centric concept, customer lifetime value, customer equity and operational CRM.

Having successfully passed this class, students should be capable of
- explaining the need for customer centricity
- understanding the role of CRM in managerial decision making
- performing empirical analysis of customer values using SPSS and/or Excel
- interpreting the results to apply to strategic decision making in real world problems
- understanding the ways for firms to create and enhance the sources of customer values

COURSE FORMAT

The course will cover various aspects of customer relationship management. It will involve lectures, class discussions, computer classes, and tests. You will be involved in both individual and team assignments and projects. You are expected to read the designated chapter(s) in the textbook and HBR case(s) before attending class session. This will assist your learning, and help you contribute to class discussions and score well on the tests.

COURSE REQUIREMENT AND GRADING

Final grades consist of the following components:

Final Exam		40%
Final Project – Pilgrim Case	In teams	20%
HBR Case Assignments	In pairs	15%
Lab Assignments	In pairs	15%
Class Participation	Includes attendance and in-class discussion	10%

FINAL EXAM

The final exam is designed to test students' understanding of the conceptual and analytic material presented in class. There will be one exam in the week of final exams. Exams will include all contents from the textbook (indicated chapters only), classroom discussion, slides or other supplemental materials provided in class. These exams are multiple-choice questions. Basically, lectures and discussions in class **complement, NOT substitute,** reading the chapters and cases. Therefore contents in the textbook that are not explicitly discussed in class may be included in the exams.

FINAL TEAM ASSIGNMENT

This project is a practice to the real world case. You are required to replicate the analysis in Pilgrim Bank case. Assume that you conduct a CRM project for a brand/firm. To achieve your goal, you need to first understand your problem and analyze and evaluate your customers. Therefore, you need to thoroughly understand and summarize the case, and present your own analysis given the customer data set.

HBR CASE ASSIGNMENTS

In addition to the final assignment, several case study materials will be assigned. They will be discussed in class, so you are required to summarize assigned case studies in one page before class. They are real world examples relevant to the corresponding textbook chapters. When you summarize the cases, you need to understand them first and critically think why they are important and how you can apply the knowledge to other cases.

This will be 15% of your grade. Downloading guide will be distributed in class.

CLASS PARTICIPATION AND LAB ASSIGNMENTS

10% of your grade is set aside for class participation. Regular attendance is expected and you will be tested on the material covered in class. Participation in discussion is encouraged.
There will be a few lab assignments to hand in after lab sessions. Lab assignments will help you apply your knowledge to real data sets. This will be another 15% of your grade.

OFFICE HOURS

Your instructor is here to help you. Please do not hesitate to ask any questions.
The best way to contact me outside class is via email. If you come to see me during my office hours, you do not have to make an appointment. If you need to see me at another time, please ask for an appointment via email.
I might use Carmen to contact you. Please make sure that you receive emails sent by the Carmen system. You should also check your email frequently in case other group members or I need to contact you.

BE A PROFESSIONAL IN CLASS

A part of your grade will be determined by your contribution to class. Along with actively participating in class discussions, it will not hurt you to be "a professional" in class. For instance, come to class on time, do not engage in side conversations during class, and turn off cell phones or other communication devices. Inappropriate behavior, such as being rude or disruptive, may result in a lower grade for the class participation component.

CLASS ABSENCE

You are responsible for your own success. This means that it is your responsibility to attend, participate and absorb the materials. I count on your responsibility; therefore you may miss up to four classes for any reason (no need to present or even invent excuses). If you miss more than 4 times, there will be a proportional participation grade deduction – unless you can present

evidence of valid excuses ("my internet did not work" or "my computer did not work" are NOT valid excuses). As for the labs with assignment (marked LAB – Assignment), you have to attend if there is no valid excuse.

TENTATIVE SCHEDULE

Important dates are in bold. The schedule is subject to change.

#	Day	Date	Topic	Reading/Assignments
1	Tue	23-Aug	Welcome, Course Overview, Introduction	Ch. 1
2	Thu	25-Aug	Starting with a Big Picture: Operational CRM – Marketing Channels	Ch. 12
3	Tue	30-Aug	Conceptual Foundations of CRM	Ch. 2
4	Thu	1-Sep	Customer Centric Metrics, Acquisition, Retention	Ch. 5
5	Tue	6-Sep	Opportunities in Practice: Customer Lifetime Value - to be presented by Mike McCaslin (Nationwide, Customer Analytics Department)	
6	Thu	8-Sep	Customer Equity 1 – RFM Analysis	Ch. 6
7	Tue	13-Sep	Lab 1 (SB 219) – RFM Analysis	
8	Thu	15-Sep	Customer Equity 2 – LTV and Other Strategic Customer-Based Metrics	Ch. 6
9	Tue	20-Sep	Lab 2 (SB 219) – LTV	
10	Thu	22-Sep	Customer Equity 3 – Logistic Regression	Ch. 6
11	Tue	27-Sep	Lab 3 (SB 219) – Logistic Regression	
12	Thu	29-Sep	Pilgrim case (A) – Customer Profitability	Ch. 5, Ch. 6 Due: Pilgrim Bank (A) Summary
13	Tue	4-Oct	Implementation of CRM: Campaign Management Limitation of CRM	Ch. 11 Due: Rigby, Reichheld and Phil Shefter Summary
14	Thu	6-Oct	Loyalty Programs – Case Discussion	Ch. 10 Due: Nunes and Dreze Summary
TBD			**Final Exam**	*No Exceptions*

SPSS

You can download the software on the OCIO Licensed Software Downloads website, at
https://ocio.osu.edu/software. Windows and Mac OS X versions are available.

For additional information regarding this process and system requirements, you can visit the IT
Service Desk (Phone: 614-688-4357 or Email: 8help@osu.edu). The IT service desks are located
in *025 Central Classrooms* and *60A Thompson Library*.

DROP

Fisher College of Business strongly enforces University attendance policies. As per University
rule 3335-8-33, any student may be disenrolled from a course for failure to attend by the first
Friday of the term, or by the 3rd instructional day of the term, or by the second class
meeting, *whichever occurs first.*
http://trustees.osu.edu/rules/university-rules/rules8/ru8-33.html

HONOR CODE

Academic integrity is essential to maintaining an environment that fosters excellence in teaching,
research, and other educational and scholarly activities. Thus, The Ohio State University and the
Committee on Academic Misconduct (COAM) expect that all students have read and understand
the University's Code of Student Conduct and that all students will complete all academic and
scholarly assignments with fairness and honesty. Students must recognize that failure to follow
the rules and guidelines established in the University's Code of Student Conduct and this
syllabus may constitute "Academic Misconduct."
The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic
misconduct as: "Any activity that tends to compromise the academic integrity of the University,
or subvert the educational process." Examples of academic misconduct include (but are not
limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another
student, and possession of unauthorized materials during an examination. Ignorance of the
University's Code of Student Conduct is never considered an "excuse" for academic misconduct,
so I recommend that you review the Code of Student Conduct, specifically, the sections dealing
with academic misconduct.
If I suspect that a student has committed academic misconduct in this course, I am obligated by
University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM
determines that you have violated the University's Code of Student Conduct (i.e., committed
academic misconduct), the sanctions for the misconduct could include a failing grade in this
course and suspension or dismissal from the University.
In this course, it is also expected that each student will behave in a manner that is consistent with
the Fisher Honor Statement, which reads as follows:
 *"As a member of the Fisher College of Business Community, I am personally committed to the
highest standards of behavior. Honesty and integrity are the foundations from which I will
measure my actions. I will hold myself accountable to adhere to these standards. As a future
leader in the community and business environment, I pledge to live by these principles and
celebrate those who share these ideals."*
If you have any questions about the above policy or what constitutes academic misconduct in
this course, please contact me.

STUDENTS WITH DISABILITIES

Any student who feels she/he may need an accommodation based on the impact of a disability should contact me privately to discuss specific needs. Please contact the Office for Disability Services at 614-292-3307 in room 150 Pomerene Hall to coordinate reasonable accommodations for students with documented disabilities. It is your responsibility to discuss this with me well in advance of an assignment due date or an exam.

ADDITIONAL MATERIALS (not required, look at it based on interest)

If you want to learn more about SPSS and multivariate data analysis, the following textbook provides an excellent and very easy-to-understand guide, which is also perfect for independent study. The book has proven to be a life-saver for students writing empirical theses in various disciplines.

Field, "Discovering Statistics Using SPSS", 3rd Edition, Sage Pub, 2009