

Unit 11: Relationship Marketing

Learner Name:		
Start date: w/c 5 March 2012	Initial Briefing: w/c 5 March 2012	Review Dates: Various - see below
All FINAL work for the assignment must be handed in by: Thursday 24 May 2012		

Purpose:

The relationship marketing concept grew from a customer service ethos which has proved successful for those organisations with reputations for delivering good service.

As competition increases, and organisations realise that what customers value, is not always just lower prices, but also aspects such as delivery, image and brand associations, the link with customers becomes increasingly important. Information gathered through communication with customers can enable organisations to develop a marketing mix that is more likely to create customer satisfaction. The ultimate aim of a relationship marketing approach is for the customer to become a 'partner' of the organisation, by contributing to marketing decisions through a one-to-one relationship.

The unit aims to develop learners' appreciation of customer relationship management, not simply as a 'front-of-house' presence, but as an integral part of the quality system within an organisation.

Relationship marketing has existed for some time in business-to-business (B2B) marketing but technological developments have meant that companies can now build closer relationships, more easily and cost-effectively, with individual consumers. The unit reflects the increasing awareness of factors which generate brand loyalty among consumers and customers.

Learning outcomes

On completion of this unit a learner should:

- 1 Understand the development and application of relationship marketing
- 2, Know the different methods of attracting and keeping customers
- 3, Be able to investigate quality issues

4, Understand the role of customer relationship management (CRM) systems

SPECIFIC INFORMATION ON THE COMPLETION OF THIS ASSIGNMENT

For each task, you will have the opportunity to improve your work to meet the performance criteria. Class verbal feedback will be available and tasks submitted to deadlines will provide you with written formative assessment.

Task No	To achieve the criteria the evidence must show that the learner is able to:	BTEC Criteria ref	Assessment Method	Deadline for submission of written work
1	P1- Describe the development of relationship marketing	P1	Moodle Multiple Choice Test In-class Assessment	w/c 12 March 2012
2	P2- Explain how relationship marketing can be applied to a selected business.	P2	In-class Assessment (Test completion)	w/c 19 March 2012
3	M1- Analyse the ways in which relationship marketing activities can be used to support achievement of the strategic aims and objectives of a given organisation.	M1	Table	w/c 26 March 2012
4	D1- Evaluate the contribution of relationship marketing activities to the effectiveness of the	D1	Interview with Assessor. Backed up with preparation	w/c 16 April 2012

	marketing function in a selected organisation.		notes, evidence pack & observation record	
5	P3- Describe different methods used to attract and retain customers for a selected service/product.	P3	Evidence pack for organisation, e.g. online screenshots, leaflets and literature- with accompanying basic description.	w/c 23 April 2012
6	M2-Analyse the effectiveness of methods used to retain customers in a selected organisation.	M2	Memo analysing effectiveness of methods used	w/c 23 April 2012
7	P5- Explain how a customer relationship management system is used in a selected organisation	P5	Factsheet	w/c 30 April 2012
8A	P4- Use different techniques to identify perceived quality gaps for a selected service/product.	P4	Presentation - (4 techniques to identify perceived quality gaps).	w/c 7 May/ 14 May 2012
8B	M3- Explain the options open to a selected organisation for closing a perceived quality gap	M3	Presentation- Closing the Gap - from perceived quality gap analysis investigation	w/c 7 May/ 14 May 2012
8C	D2- Make justified recommendations for improving a selected organisation's relationship with a group of customers.	D2	Presentation- Justified recommendations - improving organisation's relationship with consumers	w/c 7 May/14 May 2012

BTEC National Business

LEARNER INSTRUCTIONS

Unit No: 11

*Unit Title: Relationship Marketing
Assignment*

**Prepared July 2011
Alan Garofall**

Unit Assessment

There are two assignments covering the grading criteria for this unit. When the assignments have been completed, the unit will be graded as follows:

Grading criteria:

To gain a Pass in this unit, all Pass criteria must be achieved.

To gain a Merit in this unit, all Pass and all Merit criteria must be achieved.

To gain a Distinction, this unit, all Pass, all Merit and all Distinction criteria must be achieved.

ASSESSMENT TASK 1

<i>Title</i>	<i>Describe the development of relationship marketing</i>
Deadline	w/c: 12 March 2012 - In Class assessment- Moodle Multiple Choice Test addressing sections (a-d)

TASK 1 -

A, Consider the definition of Relationship Marketing.

B, Describe initial theories on Relationship Marketing, e.g. professor Adrian Payne in the early 1990s; (e.g. long-term relationship, extension of customer service).

C, Describe the importance of the concepts of customer retention and customer loyalty.

D, Describe why relationship marketing has developed

Tips

- Investigate the materials available on blackboard, e.g. Tutor 2 U, LearnMarketing, Xtranormal clip, links to Marketing Week & Brand Republic etc.
- Consider examples of effective relationship marketing in the build up to the test.

This task provides evidence for P1

ASSESSMENT TASK 2

Title Explain how relationship marketing can be applied to a selected business

Deadline: w/c: 19 March 2012 - Open-book test- In-class Assessment

Task 2 -

Show how relationship marketing has been applied to one of the following businesses:

- Tesco
- Sainsbury's
- Boots
- Halfords
- or the business of your choice

Describe how your business builds its relationships with customers, and describe why customer service is so important for your selected business.

Tips 2A

- Identify the difference between transactional marketing and relationship marketing.
- Consider why relationship marketing ties in with your business' aims and objectives .
- Consider the value of customers to your business over the long-term.
- Describe in full the customer service function within your business.
- Identify the role of more sophisticated direct marketing and internet marketing to your business.
- Apply the 3 Service Ps of the extended marketing mix to your selected business. (People, Physical Environment, Processes)
- Identify the total product concept and how this can lead to a fuller relationship between your business and its customers

Tips 2B

- For your selected business, identify all opportunities when the business can come into contact with a customer:
(e.g in-store, deliveries, telephone, on-line, post, e-mail, website)

This task provides evidence for M1

ASSESSMENT TASK 4

Title *Evaluate the contribution of relationship marketing activities to the effectiveness of the marketing function in a selected organisation.*

Deadline: **w/c: 16 April 2012 - Interview with Assessor- (preparation notes and evidence pack, plus observation record acting as support materials)**

TASK 4 -

Analyse the ways in which relationship marketing activities can be used to support the achievement of strategic aims and objectives of a given organisation.

Tips

With this task you need to stick with the organisation you have chosen for P2 and M1.

You will need to build on the concepts in P1, P2 and M1 & apply these concepts to your selected organisation.

Consider what the role of the marketing department actually is. How does relationship marketing contribute towards the overall success of the marketing effort?

Is relationship marketing centrally important to the marketing function?
Does the philosophy of relationship marketing tie in to the key marketing principles of effective communication with customers, putting the customer at the centre of what the organisation is doing, staying ahead of the competition, and making use of the latest technology? Etc.

This task provides evidence for D1

Specification:

D1- Learners need to develop this analysis (M1) into an evaluation of the contribution of relationship marketing activities to the effectiveness of the marketing function in a selected business. Learners should demonstrate higher-level skills such as clarifying how effectiveness could be measured, researching for data to support a judgement, distinguishing between reliable and unreliable sources of data and drawing conclusions based on the evidence available.

ASSESSMENT TASK 5

Title *Describe different methods used to attract and retain customers for a selected service/product*

Deadline: w/c: 23 April 2012- Evidence pack for organisation, e.g. online screenshots, leaflets and literature- with accompanying basic description.

TASK 5 -

With reference to **one** selected product/service:

A, describe the role of customer service functions within your business and say how these help to attract and retain customers for your selected product/service

B, describe the different methods used to attract and retain customers for your selected product/service.

You may choose from the following list of products/services:

- Boots Opticians
- Cathay Pacific Airline travel
- Nat West Retail Banking
- Dyson's vacuums
- Toyota Prius
- Avis Car Rental
- Virgin Media
- Sky TV

- *Boots opticians (e.g. use of Advantage card, special service of the opticians, together with retinal scans, advice on fitting & styles of glasses, and centralised appointment system).*
- *Virgin Media (supply of broadband, cable TV, landline & mobile to homes).*
- *Avis Car rental, (e.g. major car rental service from Heathrow airport branch).*
- *Toyota Prius (experienced product recall on third generation Prius in early 2010).*
- *Sky TV (always looking to innovate in terms of the customer experience e.g. 3D TV).*
- *Cathay Pacific offer incentives for frequent flyers, there are also clubs e.g. Marco Polo for priority booking etc.*
- *Nat West Bank (customer charter a key element of their marketing communications)*

Tips 5A

Consider the following:

- Setting standards for customer service e.g. customer charters
- Customer service training
- Pre-transaction, transaction & post-transaction elements
- The ladder of customer loyalty: (prospect, customer, client, supporter, advocate- Payne)
- The difficulty of attracting new customers
- Considering (& Ranking) the lifetime value of customers
- Loyalty schemes
- Building a customer database
- Database marketing and the 3Rs (response, relationship, revolution)
- Different levels of relationship (e.g. key account management from B2B)

Tips 5B

Methods may include the following:

- Loyalty schemes
- 'Club' membership (used by airlines e.g. Marco Polo club- Cathay Pacific)
- Discounts
- Promotional offers
- Trade-in arrangements
- Use of internet marketing

- Valued customer bookings (e.g. exclusive events & invites)
- Competitions, free gifts and offers

This task provides evidence for P3

Unit Specification:

To achieve P3 learners need to describe the different methods used to attract and retain customers for a selected service or product. This should include aspects of customer service as well as methods, such as loyalty schemes, use of databases, personalised recommendations, where they apply to the selected product.

ASSESSMENT TASK 6

Title Analyse the effectiveness of methods used to retain customers in a selected organisation

Deadline: w/c: 23 April 2012 - Memo analysing effectiveness of methods used

TASK 6 -

Here you will need to refer to the material which you have researched and assessed for the previous task. You must now carefully consider and explain the effectiveness of the given methods to retain customers.

Tips

The better you have researched your specific product or service from your given organisation the easier this task will be.

Make sure that you have referred to and analysed each of the following points:

- Methods used to retain customers
- How effective are these methods?
- Are the particular methods successfully employed?
- Why are the particular methods successful?
- Consider the methods with particular reference to customers and their needs and the actions of competitors in this area.

This task provides evidence for M2

Specification:

For M2 learners should develop P3 work into an analysis of the effectiveness of the methods used to retain customers. Care should be taken over the choice of the organisation.

ASSESSMENT TASK 7

Title Explain how a customer relationship management system is used in a selected organisation

Deadline: w/c: 30 April 2012 - Factsheet

TASK 7 -

Staying with the organisation behind your selected product or service in Task 5, describe how a customer relationship management system is used in your organisation.

The following points may help:

Customer relationship management systems

- Software systems to assist with management of relationships with customers (Business Link material is useful here)
- Need for holistic approach to support use of software
- Functions (managing direct contacts with customers)
- Managing indirect contacts such as billing
- Analysis of customer data
- Triggering sales promotion activities

Use in review and planning of marketing activities

- Analysis of customer behaviour in response to marketing activities or external changes
- Analysis of customers into different target groups
- Sharing intelligence between different departments within the organisation

You may also consider the following points:

What CRM systems exist to effectively deal with customer complaints & queries (e.g. telephone systems & special software)?
Is customer relationship management outsourced to an outside specialist?
What is the role of customer relationship management (CRM) systems within your business?

Think carefully about how these methods ensure a quality experience for the customer.

When we talk about CRM systems these can be manual processes 'the way something is handled' involving actions, interactions, discussions, and recording of actions, whilst people follow laid down procedures and guidance. CRM systems can also involve the use of technology where the process can be partially or fully automated, or where the system can make it easier for the customer service agent to interact with the customer and provide them with an effective service.

This task provides evidence for P5

ASSESSMENT TASK 8A

Title Use different techniques to identify perceived quality gaps for a selected service/product.

Deadline: w/c: 7 May/14 May 2012 - Presentation - (4 techniques to identify perceived quality gaps).

Task 8A-

Here you must use/apply 4 techniques to identify perceived quality gaps for a selected product or service. You must choose 4 techniques from the following list and then apply these to the organisation which you selected in Task 5:

- Gap analysis
- Quality circles
- Benchmarking
- Value chain
- Alignment of value chains
- Fishbone (Ishikawa) analysis

When completing this task, choose the same service/product that you chose in task 5, i.e.

- Boots Opticians
- Nat West Retail Banking
- Dyson's vacuums
- Toyota Prius
- Avis Car Rental
- Virgin Media
- Cathay Pacific Airline travel
- Sky TV

It might be worth considering the different methods used to track and evaluate customer satisfaction, and the quality systems which are in place to track customer satisfaction.

For your selected business think about how it uses:

- Database marketing to retain customers.
- Direct marketing and internet marketing to retain customers
- Analysis of lost customers to improve in the future
- A transparent complaints handling system
- Suggestion schemes, field visits and mystery shoppers
- Gap analysis- i.e. difference between expectations (perceived level of service e.g. promised from marketing communications) & actual customer experience (actual level of service)
- Benchmarking
- Service delivery systems eg. Using fishbone (Ishikawa) analysis

This task provides evidence for P4

ASSESSMENT TASK 8B

Title Explain the options open to a selected organisation for closing a perceived quality gap

Deadline: w/c: 7 May/14 May 2012 - Presentation-closing the gap from perceived quality gap investigation

TASK 8B -

Here you need to use your analysis to develop and explain the options for closing the perceived quality gap. Here three options would be sufficient evidence.

ASSESSMENT TASK 8C

Title Make justified recommendations for improving a selected organisation's relationship with a group of customers.

Deadline: w/c: 7 May/14 May 2012 - Presentation- closing the gap from perceived quality gap investigation

TASK 8C -

This is the final part of your presentation. Here your work is developed further into justified recommendations for improving the selected organisation's relationship with a group of customers. To achieve at this level learners should demonstrate the ability to look at the situation from different points of view.

You need to weigh up the evidence and then propose logical, workable and practical recommendations. Make sure that key customer expectations will be met through the implementation of our proposed ideas.

What are the critical success factors/key performance indicators regarding developing a successful long term relationship with consumers

Have the key concerns of customers now been addressed?

Will your proposals lead to a competitive advantage?

Have you fully considered the role of technology within your proposals?

