MARK 7377 – Customer Relationship Management & Database Marketing

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The syllabus is a general plan for the course; changes announced to the class by the instructor may be necessary. You are responsible for keeping up with any adjustments.

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Office: 385D Melcher Hall	Phone: 713.743.9277
Day/Time: Thu 6 – 9 PM	Format: Synchronous Online
Zoom Meeting ID: 976 2823 8471	Zoom Meeting Passcode: mark7377

Office Hours: By appointment on Zoom (the same ID and Passcode)

Course Materials:

1. Required coursepack – https://hbsp.harvard.edu/import/761408 ($39.24 for 10 items)

2. Supplementary readings, datasets, slides, notes, etc. available @ Blackboard & Microsoft Teams; slides for each class will be posted **AFTER** the class, along with the Zoom recording @ Microsoft Teams / Stream

3. Check your UH email on a regular basis for class announcements

4. Recommended reading – "Competing on Analytics: The New Science of Winning," by Thomas H. Davenport and Jeanne G. Harris, available @ amazon.com

Software:

BlueSky Statistics Open Source Edition (Build 7.10), downloadable @ https://www.blueskystatistics.com, is a fully featured analytical workbench.

- It is free and for PC only; for Mac, before installation, need to use Boot Camp Assistant https://support.apple.com/en-us/HT201468 (or VirtualBox https://www.virtualbox.org/) to create a Windows 10 virtual machine.
- An intuitive graphical user interface, attractive interactive output for hundreds of frequently used exploratory analysis, data preparation, visualization, basic and advanced modeling techniques including model scoring.
- Automatic R syntax generation for hundreds of frequently used exploratory analysis, data preparation, visualization and modeling techniques. R syntax editor that allows you to write and execute R code and see richly formatted output. Save and share output in PDF, HTML.

Course Background:

Customer Relationship Management (CRM) represents Marketing's return to its pre-industrial revolution origins of doing business through one-to-one relationships, using the new technological advances brought up by the information revolution. Traditionally, marketers have grown accustomed to focusing on the acquisition of new customers through mass advertising and price-oriented promotions, accepting as a fact of life that these customers would eventually switch to competitors. As more and more markets reach saturation, customer acquisition comes mostly at the expense of competitors, leading to a frontal battle for "switchers." As a result, the focus of marketing has been shifting from customer acquisition to development and retention, particularly for the firm's "best" customers.

This shift from customer acquisition to development and retention requires a change of mindset from product-centric, transactional marketing to customer-centric, relational marketing, and a new set of analytical tools for understanding and predicting customer behavior. Since the customer base is now treated as one of the most valuable assets of the organization, the customer database becomes the focus of analysis and the platform for developing and implementing marketing strategies and tactics.

This course addresses two broad themes: 1) customer-centric value-based marketing, and 2) customer data analytics. The first theme explores what customer relationship management and customer equity mean. The customer lifecycle is introduced as an integrating framework. The importance of customer profitability and lifetime value as a criterion in CRM decisions is emphasized. The second theme emphasizes the analysis of customer database, with a particular focus on different types of predictive models (e.g., whether a customer will respond to a marketing offer, whether a customer will churn, or which products a customer would be most likely to buy next).

This course also introduces issues, techniques and terminologies associated with database marketing and data mining. Specific topics include, for example, RFM analysis, lift and gains charts, predictive analytics, logistic regression, lead scoring, decision trees, k-nearest neighbors, cluster analysis and segmentation, association rules/market basket analysis, share of wallet imputation, multivariable testing, etc. The focus will be on intuition and real-life applications in the context of CRM (as opposed to the technical details behind them).

Learning Objectives:

- To build your knowledge of customer-centric marketing;
- To emphasize the importance of the customer lifecycle and customer valuation in CRM decisions;
- To emphasize how customer analytics can help accomplish strategic marketing initiatives and improve firm profitability;
- To expose you to various commonly used modeling techniques and analytical tools for database marketing.

Class Format:

The primary teaching philosophy of this course will be *learning by doing*. We will use a variety of tools to help understand the basic concepts of CRM, and learn the tools for its implementation with direct hands-on experience:

- Lectures
- Case analyses and in-class case discussions
- In-class data analytics demonstration
- Data-intensive exercises and database marketing contest

Class Participation:

Quality contributions that are relevant to in-class discussions will improve your participation grade. I will cold call on students at random to open case and assignment discussions. Your class participation grade will be significantly hurt if you are called upon to offer your analysis on a case or assignment question and you are not prepared. If you have an emergency and thus cannot attend a particular session, let me know by email in advance.

Individual and Group Exercises:

Much of the learning during the course will take place with the help of individual and group exercises. If an exercise is labeled "individual" you are not allowed to work with other students – it should reflect your own work only. If an exercise is labeled "group" you should work on it in groups, 3 students per group, and only submit one group write-up. Groups should remain constant for all group exercises. It will be a violation of academic integrity if you base your assignments on solutions you have found on the Internet or which you have obtained from others inside or outside of UH. If you are uncertain about the nature of any assignment or resource, please ask me.

Every group member is expected to participate actively in all aspects of the group exercises. Group participation grade will be determined by the average of peer evaluations. Specifically, each group member will evaluate, at the end of the course, the contribution made by the other group members on a 100-point scale, which in turn will determine the proportion of your group's grades that you will get credit for.

UH Student Honor Code and Classroom Etiquette:

All academic work must meet the standards in "A Culture of Honesty," and you are expected to comply with the UH Student Honor Code. All students are responsible for informing themselves about those standards before performing any academic work. Our online classroom shall have a professional environment. In keeping with such an environment I ask the following of you:

- Please do not enter or leave the room while class is in session
- Please turn on your video camera and mute your microphone when you are not speaking

Grading:

Assignments and activities will contribute to the final grade according to the distribution shown in the table below. **All group assignments are due at the beginning of class**.

Grading Element	Weight
In-class discussion participation (**individual**)	10%
Grupo IUSACELL case write-up (**group**)	10%
Harrah's Entertainment case write-up (**group**)	10%
Pilgrim Bank case write-up (**group**)	10%
King-Size Co. case write-up (**group**)	10%
Customer Churn at QWE case write-up (**group**)	10%
Essay on course takeaways (**individual, due at the start of Session 14**)	5%
Database marketing contest (**individual**)	35%

Grading Distribution

92-100   A (there is no A+)
91,90,89,88 A-
87,86,85,84 B+
83,82,81,80 B
79,78,77,76 B-
75,74,73,72 C+
71,70,69,68 C
67,66,65,64 C-
63,62,61,60 D
59-0   F

Class attendance

Attendance is mandatory for all class sessions. If you have an emergency and thus cannot attend, let me know by **emailing** me in advance. **1% will be deducted from the final grade for each unexcused absence**.

Summary of Class Sessions (ALL Synchronous Online):

This a general schedule for the course; minor adjustments may be necessary.

Session	Date	Topics	Coursepack Materials
1	1/21	Course Overview Customer Lifecycle	
2	1/28	Customer Lifetime Value	Customer Profitability and Lifetime Value Grupo IUSACELL
3	2/4	Customer Equity Customer Centricity	The Loyalty Economy Harrah's Entertainment, Inc.
4	2/11	Database Marketing I	Pilgrim Bank (A): Customer Profitability
5	2/18	Database Marketing II	Pilgrim Bank (B): Customer Retention Pilgrim Bank (C): Electronic Billpay
6	2/25	Database Marketing III	
7	3/4	Customer Acquisition I	The King-Size Company
8	3/11	Customer Acquisition II	
3/15 – 3/20 Spring Break			
9	3/25	Customer Development I	Size and Share of Customer Wallet
10	4/1	Customer Development II	
11	4/8	Customer Retention	Predicting Customer Churn at QWE Inc.
12	4/15	Customer Intelligence	Progressive Insurance: Multivariable Testing
13		Database Marketing Contest 4/22 4PM–10PM (tentative)	
14	4/29	Database Marketing Contest Debrief Course Review	

University of Houston Syllabus Guideline: Spring 2021

Excused Absence Policy

Regular class attendance, participation, and engagement in coursework are important contributors to student success. Absences may be excused as provided in the University of Houston Undergraduate Excused Absence Policy and Graduate Excused Absence Policy for reasons including: medical illness of student or close relative, death of a close family member, legal or government proceeding that a student is obligated to attend, recognized professional and educational activities where the student is presenting, and University-sponsored activity or athletic competition. Under these policies, students with excused absences will be provided with an opportunity to make up any quiz, exam or other work that contributes to the course grade or a satisfactory alternative. Please read the full policy for details regarding reasons for excused absences, the approval process, and extended absences. Additional policies address absences related to military service, religious holy days, pregnancy and related conditions, and disability.

Recording of Class

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the Center for Students with DisABILITIES. If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor's recordings for their own studying and notetaking. Instructor's recordings are not authorized to be shared with *anyone* without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

Syllabus Changes

Due to the changing nature of the COVID-19 pandemic, please note that the instructor may need to make modifications to the course syllabus and may do so at any time. Notice of such changes will be announced as quickly as possible through UH email.

Resources for Online Learning

The University of Houston is committed to student success, and provides information to optimize the online learning experience through our Power-On website. Please visit this website for a comprehensive set of resources, tools, and tips including: obtaining access to the internet, AccessUH, and Blackboard; requesting a laptop through the Laptop Loaner Program; using your smartphone as a webcam; and downloading Microsoft Office 365 at no cost. For questions or assistance contact UHOnline@uh.edu.

<u>UH Email</u>

Email communications related to this course will be sent to your [Exchange email account](#) which each University of Houston student receives. The Exchange mail server can be accessed via Outlook, which provides a single location for organizing and managing day-to-day information, from email and calendars to contacts and task lists. Exchange email accounts can be accessed by logging into Office 365 with your Cougarnet credentials or through Access UH. Additional assistance can be found at the [Get Help](#) page.

<u>Course Delivery Formats and Final Exams</u>

Synchronous Online Courses: This course is being offered in the Synchronous Online format. Synchronous online class meetings will take place according to the class schedule. There is no face-to-face component to this course. In between synchronous class meetings, there may also be asynchronous activities to complete (e.g., discussion forums and assignments). This course will have a final exam per the [University schedule](#). The exam will be delivered in the synchronous online format, and the specified date and time will be announced during the course. Prior to the exam, descriptive information, such as the number and types of exam questions, resources and collaborations that are allowed and disallowed in the process of completing the exam, and procedures to follow if connectivity or other resource obstacles are encountered during the exam period, may be provided.

Helpful Information

COVID-19 Updates: https://uh.edu/covid-19/

Coogs Care: https://www.uh.edu/dsaes/coogscare/

Laptop Checkout Requests: https://www.uh.edu/infotech/about/planning/off-campus/index.php#do-you-need-a-laptop

Health FAQs: https://uh.edu/covid-19/faq/health-wellness-prevention-faqs/

Student Health Center: https://uh.edu/class/english/lcc/current-students/student-health-center/index.php