FEEDBACK TUTORIAL LETTER

2ND SEMESTER 2019

Assignment 1

Customer Care & Relationship Marketing
CRM812S
Assignment 1

Question 1

Differentiate between customer service, customer satisfaction, customer relationship management and relationship marketing.

**Customer service** is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met.

**Customer satisfaction** indicates the fulfillment that customers derive from doing business with a firm. In other words, it’s how happy the customers are with their transaction and overall experience with the company.

**Customer relationship management (CRM)** is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth.

**Customer relationship marketing (CRM)** is a business process in which client relationships, customer loyalty and brand value are built through marketing strategies and activities. CRM allows businesses to develop long-term relationships with established and new customers while helping streamline corporate performance.

Question 2

Discuss customer acquisition and customer retention under the following headings:

2.1 **Customer acquisition and retention.**

To put it simply, customer acquisition refers to attracting new customers. When it comes to increasing revenues, bringing in new clients is one of the most obvious ways to go about it. While, Customer retention refers to the percentage of customers that companies are able to hold on to, and ensure they make repeat purchases.

While customer acquisition is an important aspect in growing your business, customer retention is just as important, if not more so. Your retention rate can be seen as a measure of how well your company is performing, and how effective your customer support services are. The cost of retaining customers vs. new customers is much lower; in fact, it costs nearly seven times as much to acquire new customers than it does to retain ones you already have.

2.2 **The pitfalls of using acquisition and retention rates as a measure of performance.**

It is often considered three pitfalls namely:
i. Considering the customer acquisition rate and customer retention rate as principal metrics of marketing performance.

ii. Focusing too much on the current cost of customer acquisition and retention and not enough on a customer’s long-term value.

iii. Treating acquisition and retention as independent activities and attempting to maximize both rates.

**Question 3**

Communication is the lifeblood of an organization. Misunderstanding and misinterpretation can cost a company dearly. Based on the statement given, answer the following questions:

3.1 Discuss the three aspects on which the communication power of channels are based.

i. **The degree of interactivity** - what degree does the communication from someone else received a direct or delayed response or no response whatsoever? Who must go to whom in order to achieve contact? Who dedicates the speed at which the information is transferred (pacing)?

ii. **The degree of personality** - this one is about one to many. Is there a face to face contact in a medium used to reach a large target group? It’s possible to make a channel more ‘personalised’ by using a personality medium to allow the viewer or listener to experience a sort of parasocial conversation in which he or she participates.

iii. **The number of senses stimulated by a channel** - this one is about to what extent is the medium capable of proving an accurate representation of objects, events or people correspond to reality? The possibilities to imitate reality are becoming increasingly available. This referred to as immersion that is the degree to which a virtual environment is created which concides with the user’s experience in reality.

3.2 Discuss the benefits of interweaving channels as part of communication in an organization.

**Integration with mass medium such as television: interact television**

Interactive television involves television and employing the underlying cable network in the use of the internet.

**Integration of mobile telephone and internet: WAP (Wireless Application Protocol)**

This is a standard used to receive information via one’s mobile telephone. The mobile phone can be used as an internet browser. Nowadays of course successor, GPRS is becoming popular. Furthermore, sms or texting messaging has been widely acceptable and continues to grow.

**Integration of fax, telephone, SMS, email and Internet thanks to the contact centre**

Important developments in the contact centre relate to the integration of voice technology, fax, SMs, email, web IP technology services. This ‘one-stop shop’ all-in-one solutions make it possible to manage the call flow within the call or contact centre for the whole organization (with
one or more locations). This necessitates an extensive management of information made available to call centres managers and capacity utilisation.

**Fax messages sent to e-mail address**

In the USA, a service-free application which is offered by eFax.com enable users to receive fax messages via one’s e-mail address. Users surf the sign-up page, fill in the required information. Thereafter they receive a free ‘e-fax’ number.