Relational Marketing

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### Course Description

Concepts such as ‘Relational Marketing’ or ‘Customer Relationship Management’ (CRM) emerged in the mid 80s (and were further developed during the 90s) in the context of Business to Business marketing and with the help of information technology. Although CRM was originally used to automate a company’s sales force, the idea of managing one’s customers is too broad a concept to be defined by a technology, some processes, the idea of automation, or even the centralized management of communication and promotion strategies.

Indeed; CRM is a strategic approach that seeks to maximize the value of customer relationships by relying on fundamental marketing principles and making an efficient use of technology. This approach is characterized by a deep knowledge of individual customers (or small segments of customers), their behaviour, and their preferences. Understanding the customers’ behaviour and preferences leads to new opportunities not only in terms of creating value for the customer but also in terms of co-creating value **with** the customer. Value co-creation is a central piece in the marketing vision that prevails nowadays, and it requires the integration of an organization’s functions, processes and individuals in order to be achieved.

With the rise of social networks and the Internet phenomenon, communication occurs not only between companies (B2B) or between customers and companies (B2C), but also exclusively between customers who, on their own, share opinions, talk about their own experiences and place more trust on other customers than on the messages sent by companies and their brands. Therefore, value co-creation, customer relationships and the notion of networks are the fundamental pillars that uphold a good customer management strategy.

### Objectives

The main objective of the course is to understand the strategic paradigm of CRM in the contexts of B2C and B2B. This involves an understanding of:

- Integrated customer management plans that use the tools and strategies found in relational marketing.
- Segmentation variables and processes. Dynamic segmentation and granularity; toward individual segments.
- Metrics: customer lifetime value, churn rate...
- Implementation of CRM strategies in B2B and B2C; implementation of coverage plans and sales force management.
- Current tools to implement CRM strategies: computer systems, use of social networks, advanced marketing automation tools, and customer data analysis.
- Challenges to implement strategies and processes of Relational Marketing. Best Practices. How to use the information provided by CRM systems and integrate it into the company?
- Loyalty plans: how to make consumers loyal to your brand? Cross-selling and up-selling.

**Methodology**

The course aims to mix intellectual rigour with a more practical approach focused on understanding how companies actually work. To that effect, several methodologies will be used:

- Case studies and practical exercises (five in total). Will have to be read in advance and will be discussed in class.
- In-class activities about topics announced at that moment. Will be done in small groups.
- Explanations about theoretical models and frameworks such as the one proposed by Payne and Frow (see below)
- Assigned readings
- Sharing comments and experiences about business best practices.


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**Bio of Professor**

CRM Project Manager at HP Inc. Holds an MBA from ESADE, a Supply Chain Masters Degree from Stanford University, and a Telecommunications Engineering Degree from Universidad Politécnica of Madrid.

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