

Question 1: Using one or more relevant theoretical framework, explain how relation marketing can help the organisation retains its customers.

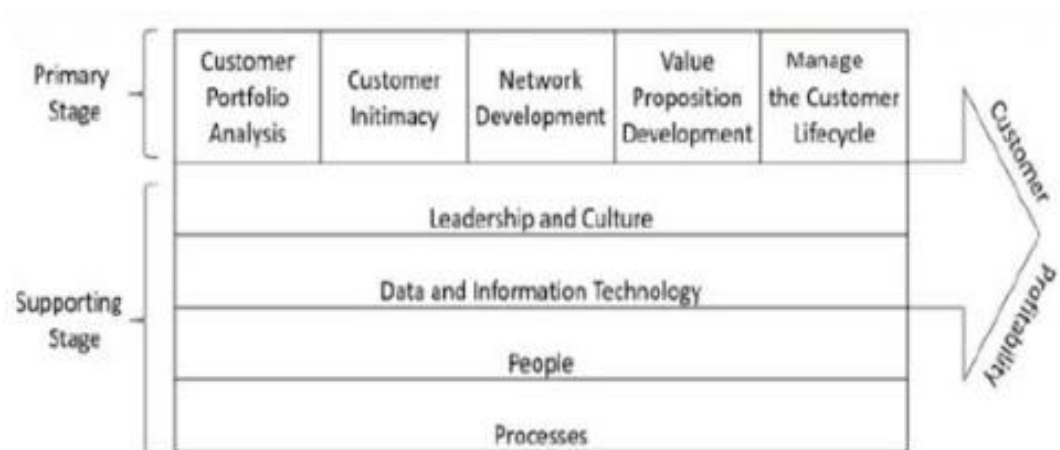
1.1 Introduction of relationship marketing

Relationship marketing is the fundamental to develop long-term customer engagement; it is also an important element of improving the effectiveness of customer relationship management (CRM). For the past decades, relationship marketing has become the influence in blurring marketing boundaries; shorten product life cycles, consumer buying behaviour changing rapidly, and more intelligent consumer (Wong & Sohal, 2002). In additional, organisations that emphasize on relationship marketing orientation are growing the service economy as well as raising the competitive in the current market. The purpose of relationship marketing targeting at establishing a strong relationship with customers from the beginning to satisfy and retain existing customers; in contrast, transaction marketing is focusing on individual sales and developing in a new range of customer (Zineldin & Philipson, 2014).

To communicate with the public, the primary step is to build up a relationship with customer satisfaction, trust, commitment and loyalty. To illustrate, trust is an important investment in building a solid relationship. A mutual trust is able to encourage both parties' works together at the same time influence and motivate both parties to make an investment based on trust. Trust can defined in another way is "as a willingness to rely on an exchange partner in whom one has confidence" (Wong & Sohal, 2002). Without trust in relationship marketing, various kinds of conflict, misunderstanding arises, whilst cooperation falls.

1.2 Customer value chain

According to Francis Buttle's s model, CRM value chain involves five primary stages and four supporting condition leading the whole organisation towards the final objective of improved in customer profitability. The primary stage which enhancing customer value, supporting in stakeholder of the firm are including customer portfolio analysis, customer intimacy, network development, value proposition development and manage the customer lifecycle. To ensure the CRM perform effectively, there are four important elements, which are the leadership and culture, data and information technology, people and processes.



1.2.1 Primary Stage:

1.2.1 Customer portfolio analysis is a framework to analyse the relationship in between supplier and customer in order to assist managers assign the shortage of resources at the same time retaining a long-term customer relationship and profitable (Eng, 2004). This concept enhanced the analysis needs and want of supplies before a decision making to commit of resources to be delivered. For Morrisons to identify and develop the consumer profile, marketing segmentation is one of the tools that able to find out who are the potential consumers. For instance, the buying power of the family, frequency scale of buying habits, loyalty customer, shopping addicts, and variety seeker which consumer who love to shop for things that is now launching, and the social class. Each characteristic of customers are have different needs and even specialty product.

1.2.3 Customer intimacy can be defined as "making customers feel good whenever makes customer keep contact with the organisation" (Waal & Heijden, 2016). It is also can be identified as establishing relationship instead of transactions exchange (Kai-Uwe & Zhou, 2012). The first milestone to achieve for most of the organization is to provide an excellent service to serve customers as good as possible. To fulfil the company goals, employees of the organisation need have the awareness of emphasize customer service. A research found that the organisation that emphasized on improving customer loyalty experienced double-digits profit from customers are tend to purchase extra from them; in additional, customer would stick with their favourite organisations and most likely recommend to others more

clearly identify who and what are the loyal customer means, so that it helps Morrisons to measure and manage in order to retain the customer.

1.2.4 Network development – Buttle has defined the network development is “A network is a coalition of organisations that works collectively and sometimes collaboratively, to create value for the customer of a focal organisation”. Business network is important from a strategic CRM prospective. Network provides services such as advertising, logistics and distribution, financial services. The SCOPE of CRM is an important theory to build up the organisation, SCOPE theory including suppliers, customer, owners/ investor, partners and employee. Network development, suppliers are acting an important part in the accomplishment of CRM. To fulfil the value for both organisation and Morrison’s customer, Morrisons has collaborate and synchronized with supplier and customer to maximize in the contribution. To ensure the operation is running smoothly, Morrisons are working closely with their own suppliers with running some activity such as product development, supplier authorization and process arrangement.

1.2.5 Value proposition development – A successful service provider is always has a clear intention of enhancing customer value, increasing customer satisfaction, in order to generate customer loyalty. From consumer perspective, consumer tend to emphasize on the overall service, product quality, shopping experience, and this would be the ultimate reason that consumer makes a final decision for purchasing. In additional, customer value proposition are focusing on increasing consumer benefits at the same time reducing dissonance. From the organizational perspective, it is to utilize the current resources to keep Morrisons be more competencies among its competitors in order are being identified the different from competition. A proper strategy in developing value propositions of Morrisons, would be able to retain customer and point of view of the organisation in order to create value and increase the competitive advantage.

1.2.6 Manage the customer lifecycle – Managing the customer lifecycle is a set of guideline for Morrisons to implement the suitable strategies to improve the service quality and buying process. Customer lifecycle involve in four stages, which are brand and product awareness, requirement, acquisition and retirement (Ayanso & Lertwachara, 2015).

Stages	Objective	Description
Awareness	Increase public awareness of the brand and product.	To reach targeted potential customer through online platform, social media, TV ads and newspaper that helps to raise product offering and brand awareness.
Requirement	Create demand and establish requirement from customer. Assisting customer in specific product's attributes.	Based on the information to establish the requirement and needs of the consumer. Consumer would be able to find out what they want including product details, functionality, quality and review.
Acquisition	To ensure the product deliver to customer place in effective and efficient way.	There are many ways for consumers to receive the product. Online platform is helping the consumer to process online orders, paying, tracking and deliver the product.
Retirement	Replace and return service to ensure the product is dispose in proper way.	Some organisation is helping the customer to dispose, return or resell the product. In additional, they might provide another product that has been use or beyond repair.

1.3 Supporting Stage

1.3.1 Leadership and culture - An announcement from Morrisons stated that they are increasing the female leader from one person to eight persons. Not only that, Morrisons has restructured the management team of individual stores and 490 more supermarkets have been providing a direction to improve the overall operation (Morrisons, 2018).

1.3.2 Data and information technology - To have a better understanding of customer profile and buying behaviour, Morrisons loyalty card "Match & More" helps to have a better insight on improving the shopping and target its local offer.

1.3.3 People- Human resource is one of the important assets in the whole organisation. To maintain high customer satisfaction and loyalty, Morrisons provides good qualities to the customer. A research shows that Morrisons will always-listening, feedback from customers, response and improving the shopping experience (Rigby, 2018).

1.3.4 Processes -To retain existing customer and the profitability, Morrisons has implemented the first phase strategy to reinforce customer focus with a new multi-channel CRM capability in cooperation with Capgemini UK (Ippoliti, 2013). The newly channel has empower Morrisons to have a better understanding and fulfil the individual preference and shopping habit. The new system has involve in several integration between the digital applications.

1.4 Evaluation relationship marketing strategies

The intention of a relationship marketing strategy is aimed to improve customer satisfaction, increase loyalty level, and continuous business by developing of interpersonal that links with the organisation (Ketchompu & Ussahawanitchakit, 2015).

1.4.1 Customer experience management

Management of goods and services are different, this is because of the significant characteristic of service level such as the intangibility, heterogeneity, simultaneity of manufacture and usage and profitability (Rust & Tuck, 2006). To establish a better brand loyalty, Morrisons could focus on improving in customer interaction, which means to understand customer-shopping experience. For instance, Morrisons could conduct online reviews to communicate with customers that Morrisons value their feedback.

1.4.2 Sending greeting and reminder on special event

To enhanced consumer experience, send a greeting and reminder on a special event to customer via direct mail and social media platform. The purpose for Morrisons to deliver the message that the company is caring for their consumer. Social media has provided a public platform for the organisation and consumer to interact. By posting and holding an event for stakeholders to build relationship. The event could be sharing the topic that customer care and interested about.

1.4.3 Market development

One of the useful components of Ansoff's theories, marketing development is referring to an organisation trying to adapt its current product line into new market segmentation also known as segment expansion (Shaw, 2012). Fundamentally is the company increase revenue by attracting new segment of customers.

Market development	
Strategy	Purpose
Convenience store	To increase the market share, and store visibility in specific area. In additional, it is more convenient for consumers to purchase and it is convenient compare to drop by the supermarket.

Question 2: Identify opportunities for using marketing automation to enhance the "Match and more" loyalty programme offered at Morrisons.

2.1 Introduction of marketing automation

Customer relationship marketing (CRM) can be defined in different prospective. Francis Buttle has brought the latest point of view of CRM in 2004. According to Buttle's theories, CRM is a core business strategy approach that emphasizes in creating stakeholder value through appropriate relationships with key customer. In additional, the I.T and relationship marketing has delivered value targeted customer and the marketing strategies has brought in the revenue. CRM delivers and enhance the opportunities to use the info to understand and implement better marketing strategies (Buttle & Maklan, 2015). Operation CRM includes three levels of automation sector that is marketing automation, sales automation and service automation.

Marketing automation (MA) aims to make daily tasks easier, and expedites the workload at the same time marketers are able to invent more creative and taxing projects. MA is the technology that simplify, automate, and measure marketing tasks and workflows so they can increase the efficiency, growing revenue rapidly, and achieving the organisation objective. The features of MA are including email marketing, campaign management, lead generation, social marketing, and marketing analytics. The key elements of marketing automation are hardware devices and software solution. Hardware devices that involving in MA including desktop computer, mobile phone and tablet. In additional, to enhance the marketing process, designed software solution and integrated solution that provides the functionality are able to optimize the marketing process.

2.2 Benefits of marketing automation

As above discussed, MA aims to make the marketing team to be more productive. Additionally, MA is able to deliver different benefits for the Marrisons loyalty card programme. To illustrate, there are several benefits of marketing automation that would help the organisation to increase the productivity, revenue, and tracking and monitoring of marketing campaigns (Sedrati, 2015).

Marketer could analyse consumer profile from the big data, and send an offers and promotion newsletter at the right offer to the right consumer at the appropriate time. Refer from the case study; shoppers have to fill in an online form by giving the

details for Morrisons to record down in their database. For instance, to create a personalized plan for individual customer and send a gentle reminder to customer at appropriate time especially before the major event. By understanding of shoppers, needs and want would create a strong loyalty sense with Morrisons when they are experiencing a direct communication with the firm.

Secondly, marketing automation is enhancing the responsiveness of the team. Decade years ago, without marketing automation system, marketers would need a plan and create a marketing plans in couples months ahead. In contrast, with marketing automation system, marketer could respond any opportunity especially responding a specific opportunity. To illustrate the whole idea, when new shoppers signing up for membership loyalty card, marketers might drop them an email notification with attached the details and the benefit of shopping in Morrisons.

Thirdly, marketing automation helps to improve the marketing productivity of the organisation. According to Kh (2017) stated that they're more than 51% of current company are using automation tools, and the number is still increasing. This is because marketing automation focuses on retain customer and it is the save cost to keep existing instead of investing more capital to attract new segment customer. In additional, with marketing automation system turn the big data into actionable information. For example, marketers can analyse the data and come out with a promotional idea to benefit shoppers.

2.3 Marketing software application

To increase the revenue and engage with customers, Morrison's needs strategic plans that are able to adapt the marketing activity and campaigns. Therefore, there are many marketing software applications to be use by the organisation to retain the potential customer. The table below is shows three kinds of marketing software applications that able to enhance in marketing automation.

2.3.1 Marketing campaign

The purpose of running a marketing campaign is to raise the awareness and stimulate the buying behaviour of the product. Research from Rouse (2017) shows that marketing campaign management has become more complex especially the global users are actively on social media platform. In additional, the intelligence of the software application is capable to handling complicated tasks automated, creating personalized marketing message.

For Morrisons to run a successful marketing campaign should include the process of automate marketing process, segmentation and targeting, campaign management. To operate an advance execution for Morrisons with the loyalty card programme direct mail campaign, event base management, and marketing optimization.

Firstly, direct marketing is a form a direct communication with existing customer via direct email, telemarketing and SMS. To engage with existing customers, Morrisons could generate a monthly newsletter and drop an email notification to those shoppers who subscribed the newsletter. Below are the examples of consumer behaviour that trigger by direct marketing:

A clean, tidy, high quality with creative Morrisons advertising may catch the eyes of consumer. Typical and heavily rely on smart device users prefer to receive information from the supplier. Secondly, event base management also known as event marketing happens whereby an event activates a communication between the organiser and consumer. According to Zarantonello & Schitt (2013), there are different kinds of event form such as product launching, product sampling, road shows, charity fundraisers etc. In additional, street event and pop-up store has become a trend of unconventional communication.

Below are some examples events for Morrison to triggers a communication with the shoppers:

- New sign up credit card users within three months are entitled to get 10% off for the first purchase.
- Loyalty card for consumers who spend \$2000 and above will have a chance to participate the year-end lucky draw.
- A customer's birthday triggers the automated system to send a greeting with customized offer.

2.3.2 Online and digital marketing

Digital marketing is the platform for each person to create value by establishing and maintaining the relationship online (Buttle & Maklan, 2015). Over the past decades, the usage of internet has become one of the most widely used over the worlds.

Digital marketing is not only a transaction tool, it is also an evolvement of business model that theoretically and practically turn into high demand (Saura, et al., 2017).

By managing an online content, creating a social median platform, content management, keyword marketing, search engine marketing and optimization and



digital marketing. Below elaborate will explore how the digital marketing has influenced Morrisons with implementation of digital marketing.

2.3.3 Content Management

Content management is a process that allows marketers to manage digital content such as creating, editing, approval, organising, updating, publishing and achieve. (Rouse, 2017). An effective content management would be able to help marketer in different environments. For instant, marketer could implement in advertising, website, social media and even print materials. Morrisons could grab this opportunity to improve in content management in order to reach a wider range of customer.

2.3.4 Social media marketing

Social media provides a platform for global users to share and discuss any content by using web interface or mobile device. Research from Demers (2014) stated that social media marketing could increase the brand recognition, increase in brand loyalty, an open opportunity for consumers to switch product, high conversion chance. Social media marketing is important because it provides a space for Morrison to access a new range of customer and familiarity for existing customer. Quarterly review of consumer feedback from social media platform and makes necessary improvement simultaneously. In additional, Morrisons should grab the advantage of the social media tools to engage with the customer at the same time monitoring the loyalty rate of consumption. Not only that, a strong social media strategy would be able to build a stronger brand image. Consumer would be able to interact with any post, image and video that share out by Morrison.

2.3.5 Support and marketing management

Integrated marketing management offer a useful function to support the extensive associations. The primary part of IMM solution is to assist marketer to manage the marketing ecosystem so they can turn out to be more efficient (Buttle & Makian, 2015).

2.3.6 Loyalty Management

Customer loyalty can be defined as a held responsibility regarding re-purchase or re-disparage a favoured item reliably in the future (Ou, et al 2011). The intention of loyal customer tends to have higher levels of recommendation to repurchase the item.

Marketing loyalty could be design in a very simple way when Morrisons could give away the gift card. To enhance loyalty level of customer and satisfaction, Morrisons could conduct a gift card programme and lottery programme for customer who spends specific amount. A straightforward and effective loyalty program may induce customer acceptance and interaction between Morrisons and customer. Hence, the higher rating of Morrison loyalty programmes the higher level of trust.

2.3.7 Market segmentation

Marketing segmentation provides a fundamental to the choice of target markets (Jobber & Ellis-chadwick, 2016). The objective to segment the market is because of the company has decided to serve the targeted segment. Market segmentation is grouping up the consumer, which has similar characteristics, and the end result will be affected by implementing a different kind of marketing strategies.

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