



Department of Education
SCHOOLS DIVISION OF CITY OF MEYCAUAYAN
Pag-asa St., Malhacan, City of Meycauayan, Bulacan



Senior High School

12

Activity Sheet in Principles of Marketing

**Quarter 1 – Week 3 to 5:
Relationship Marketing
(ABM_PM11-Icd-5)**



GOVERNMENT PROPERTY
NOT FOR SALE

Relationship Marketing



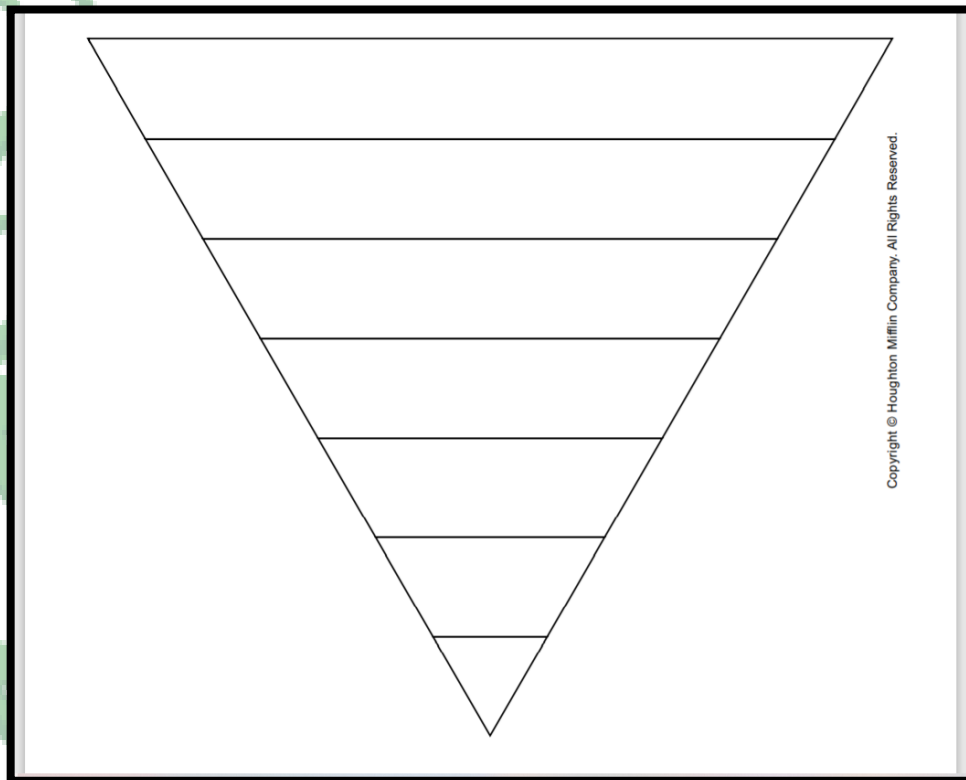
LET US KNOW

Beyond profit gained by the business our goal is to attain customer satisfaction. In business, we cannot deny the fact that a good relationship, especially with our customers is the foundation of a stable market share. In this activity sheet, we will put emphasis on the significance of relationship marketing and how it was practiced in the field of business. At the end of this lesson we are expected to develop a program for customer service and exhibit business ethics in dealing with them.



LET US REVIEW

Utilize the inverted triangle and discuss our last lesson about understanding Principles of Marketing, goals and approaches. Begin with its general concept to a specific lesson learned in the topic.





LET US STUDY

Relationship Marketing

It is a development and maintenance of long-term, cost effective relationship with individual customers, suppliers, employees, and other partners for mutual benefits (Kurtz,2013). We have our old belief that when we talk about relationship marketing, we only value the satisfaction of our customers .We maintain good relationship with them to attain brand engagement. In our previous lesson, we explained brand engagement is a marketing goal , that when a loyal customer switch to another brand they feel unsatisfied. However, relationship marketing is no longer about just keeping our customers . Modern marketing acknowledged that relationship also involves relationship with our suppliers , employees, and other partners for mutual benefit. From transactional-based marketing which focus on short-term , one-time exchanges, to customer- focused relationship marketing . Companies believed that they cannot prosper simply by identifying and attracting new customers; to succeed, they must build loyal and mutually beneficial relationship with both new and existing customers, suppliers, distributors, and employees.



<https://pixabay.com/illustrations/handshake-regard-cooperate-connect-2009195/>

Retaining customer is cost less than acquiring new one. It is vital to keep loyal customers as change in need become inevitable and competition arises as new entrants penetrate the market. The relationship marketing values retaining their current customers while the transactional -based marketing focus on acquiring new . Relationship marketing is based on promise of low prices, promise of high quality, prompt delivery, the promise of superior service attained also with a best employees, valued suppliers, distributors, and other external network.

Transaction Marketing	Relationship Marketing
<ul style="list-style-type: none"> • Short-term • Emphasizes making sale • Limited communication <p>Example Real estate sales , the primary goal of the agent is to make a sale and collect commissions.</p>	<ul style="list-style-type: none"> • Long-term • Retaining customers • Rank customer service as high priority. • Encourage frequent customer contact. • Fosters customer commitment with the firm. • Bases customer interactions on cooperation and trust. • Commits all employees to provide high quality products. <p>Example Events Coordination – An events business practice relationship marketing wherein a coordinator offers all the services needed in all kinds of event such as wedding , baptismal and birthdays. A one-stop shop that values coordination of suppliers of need from events place, catering, on the day coordination, ushers, lights and sound, master of ceremony cocktail and photography. Coordinator offers various packages that suit the budget of their client and prioritize details requested by their client.</p>

Four basic elements of building relationship marketing

1. **Internal marketing** is a managerial action that help all the members of the organization, understand , accept , and fulfill their respective roles in implementing a marketing strategy.
2. **Internal customers** are employees or departments within organization that depend on the work of another employee or department to perform tasks.
3. **External customers** are people or organizations that buy or use firms good or services.
4. **Employee satisfaction** employees' level of satisfaction is his or her company and the extent to which loyalty or lack thereof is communicated to external customers.

Enhancing Customer Satisfaction

Customer satisfaction is an extent to which customers are satisfied with their purchases.

1. Understanding customer needs knowledge of customer wants , need and expectation . It is a vital first step in setting-up a system to measure customer satisfaction.
2. Obtaining customer feedback and ensuring satisfaction compiling feedback from customers regarding present performance .

How Marketer Keep Customers

Maintaining an old customer is far more profitable than losing them. It costs five times as much to acquire a new customer as it does to keep a loyal one.

Customer Churn , turnover in the company's customer base.

Frequency Marketing is a strategy for frequent-buyer or user marketing program that reward customers with cash rebates, merchandise or other premium.

Examples

- ✚ Credit Card users earn cash rebates every time they will use their card in purchasing .
- ✚ Loyal customers of Starbucks Coffee collect stickers and redeem a yearly Starbucks journal
- ✚ Reward points to a buyer who purchase items or avail services Examples SM advantage , suki card of Mercury Drugs, and Shakey's super card.

Co-branding /Affinity Marketing is a marketing effort sponsored by an organization that solicits responses from individuals who share common interests and activities. Affinity marketing is to market your brand through partnerships that can drive sales. It creates an extra value for members and encourage stronger relationship.

Examples



The Doritos Locos Tacos. (Photo by Joshua Blanchard/Getty Images for Taco Bell)

Database Marketing use of software to analyze marketing information identifying and targeting messages toward specific groups of potential customers.

Interactive Television is a television service package that includes a return path for viewers to interact with programs or commercials by clicking their remote control.

Examples

- ✦ Pinoy Big Brother
- ✦ American Idol
- ✦ Will to win segment wherein the Willy Revilame call their viewers to win a prize,

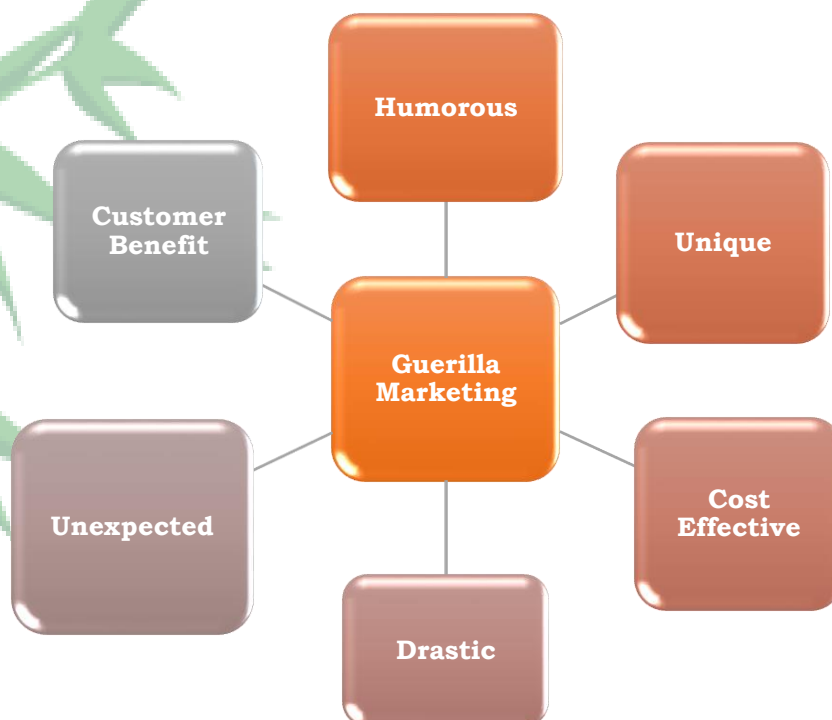
Grassroots Marketing effort that connect directly with existing and potential customers through non mainstream channel. A grassroot marketing target specific audience or demographic that purposefully targeting a highly niche group of people to persuade that group to then propagate your message organically.

Ideas using the grassroot marketing

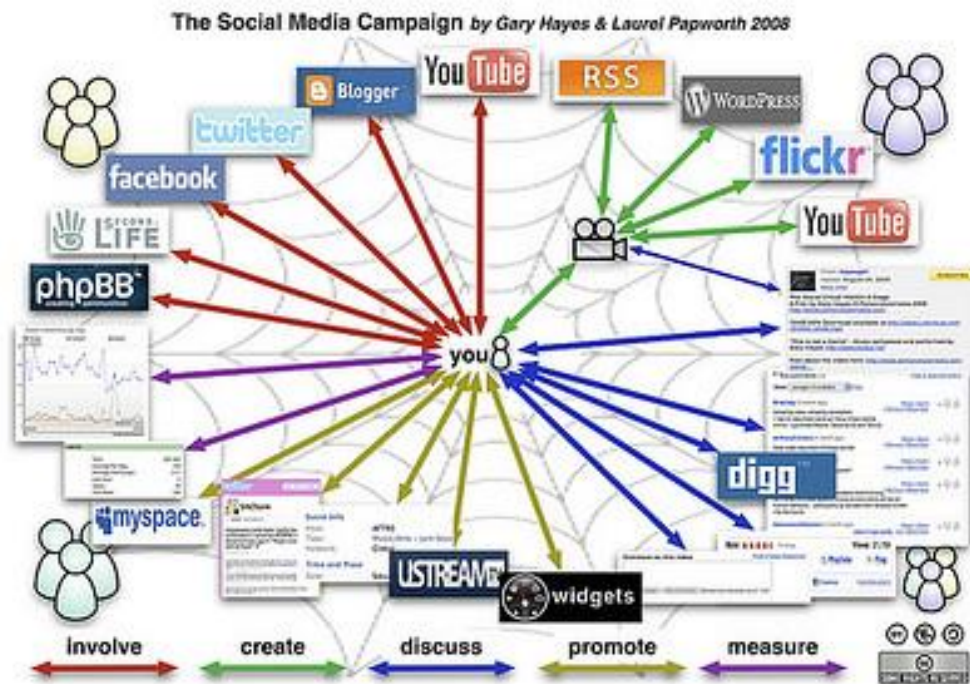
- ✦ Use emotional trigger to spread the word (exploiting your audience emotion).
- ✦ Create buzz with a PR stunt.
- ✦ Be ready to capitalize upon trending topics
- ✦ Get creative ambient ads.
- ✦ Used tear-off flyers
- ✦ Flirt with controversy on social media.
- ✦ Support a Good Cause

(Source :<https://www.wordstream.com/blog/ws/2016/12/08/grassroots-marketing>)

Guerilla Marketing is an unconventional ,innovative and low cost marketing techniques design to get consumers' attention unusual ways.



Viral Marketing is an efforts that allow satisfied customers to spread the word about product and services to other consumers



https://www.flickr.com/photos/raphaelle_ridarch/3997803960

Buzz Marketing its gathers volunteers to try products and then relies on them to talk about their experiences with their friends and colleagues.



<https://www.needpix.com/photo/download/17838/chat-discussion-meeting-talk-conversation-speaking-communication-icon-bubble>

Benefits in developing and implementing customer relationship

1. Consistent customer experience
2. Customer Feedback
3. Customer Profitability
4. Customer advocate
5. Innovation



LET US PRACTICE

Answer the following review questions below. Write your answer on a separate sheet of paper

1. Describe the benefits of relationship marketing. How does database technology help a firm's build-up relationship with customers ?

Answer

2. Do you think that in this time of pandemic affinity marketing program will work to survive in the disruptive global market?

Answer

3. Distinguish among grassroots marketing, guerilla marketing, viral marketing, and buzz marketing. Use the matrix below.

Grassroots Marketing	Guerilla Marketing	Viral Marketing	Buzz Marketing

4. If you are hired as a marketing consultant in a firm, what advise you can give to client who has a clothing store to win back its lost customers.?

Answer



LET US REMEMBER

- **Transaction-based marketing** refers to buyer-seller exchanges characterized by limited communication and little or no ongoing relationship between the parties.
- **Relationship marketing** is the development and maintenance of long term, cost effective relationship with individual customers, suppliers, employees, and other partners for mutual benefit.

Four basic elements of building relationship marketing

- **Internal marketing** is a managerial action that help all the members of the organization, understand, accept, and fulfill their respective roles in implementing a marketing strategy.
- **Internal customers** are employees or departments within organization that depend on the work of another employee or department to perform tasks.
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Benefits in developing and implementing customer relationship

- Consistent customer experience
- Customer Feedback
- Customer Profitability
- Customer advocate
- Innovating



LET US APPRECIATE

Choose a partner or form a group , select a business you are familiar with and design a frequency marketing program for the firm . Then design a grassroots, guerrilla, viral marketing , or buzz marketing campaign for the company you selected. Present your campaign to the class in a digital platform.

	(10points)	(15 points)	(20points)	Points Earned
Creativity	Campaign was too plain and did not highlight product effectivity.	Campaign was interesting yet there is missing part that should highlight the product.	The campaign idea is original and effectively delivered. The concepts asked is creatively delivered.	
Quality of work	Campaign did not follow the guidelines. It did not get promotional message to its intended market	Campaign followed most of the guidelines. However, the plot was common due to lack of innovation and fresh ideas.	Campaign followed all the guidelines. The campaign had a strong promotional message and the concept of grassroot, viral and buzz marketing is delivered and clearly executed	
Explanation of purpose	The message is explained, but no reasons are given to support the strategy choices	The message is explained, and reasons are given to support the strategy choices	The message is explained, and several specific, valid reasons are given for each of the strategy techniques use	
Total points earned				



LET US PRACTICE MORE

Read and analyze following scenario in the company. Identify the practice, whether it is transaction-based marketing or a relationship marketing. Write your answer on a separate sheet of paper.

1. An account executive in the company develops a product that meets the consumer needs.
2. A manager visits table of their customer after a meal and ask for their feedback about their food and service experienced.
3. A marketing officer constantly visit their retail distributors and asked for their inventories and problem encountered in the store.
4. Anita purchased medicine and the pharmacist who attends to her needs delivers all the medicine prescribed by the physician on time.
5. Employees were sent to a customer service training and customer handling skills.
6. A yearly Christmas token was given to all suppliers as an appreciation of their continued support in the business.
7. Every time a customer leaves a fast food chain after meal, dining crew and the cashier will say "Thank you, see us again" or "Balik PO kayo!"
8. A patient calls a physician to get a recommendation.
9. The coffee shop management coverts all loyalty points into cash rebates.
10. After the sales of real estate, the client did not hear anything from the sales agent.



EVALUATION

Write T if the statement is True and F if the statement is False. Modify the term or statement highlighted to correct the false statement. Write your answer on separate sheet of paper. Two (2) points each for correct answer.

1. _____ **Guerilla Marketing** is an unconventional ,innovative and low cost marketing techniques design to get consumers' attention unusual ways.
2. _____ A **grassroot marketing** target specific audience or demographic that purposefully targeting a highly niche group of people to persuade that group to then propagate your message organically.
3. _____ A strategy for frequent-buyer or user marketing program that reward customers with cash rebates, merchandise or another premium is **guerilla marketing**.
4. _____ **Viral marketing** gathers volunteers to try products and then relies on them to talk about their experiences with their friends and colleagues while **Buzz marketing is an** effort that connect directly with existing and potential customers through non mainstream channel.
5. _____ **Customer satisfaction** is an extent to which customers are satisfied with their purchases



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ACKNOWLEDGEMENT

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