

<b>Title</b>	<b>Develop a customer loyalty strategy for direct marketing</b>		
<b>Level</b>	<b>5</b>	<b>Credits</b>	<b>5</b>

<b>Purpose</b>	<p>This unit standard is for people who seek to offer, or provide advice on, direct marketing services.</p> <p>People credited with this unit standard are able to establish customer loyalty objectives, and develop a customer retention strategy, for a particular direct marketing situation.</p>
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<b>Classification</b>	Marketing > Direct Marketing
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<b>Available grade</b>	Achieved
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**Guidance Information**

- 1 Performance of outcomes of this unit standard will require adherence to the New Zealand Marketing Association Codes of Practice, or equivalent codes: <http://www.marketing.org.nz/>.
- 2 Assessment guidance  
Assessment can be based on a case study of a product. The product chosen may be either an existing product or one of the candidate's own design.
- 3 Definitions  
*Relationship marketing* refers to methods of building customer loyalty, and developing partnerships that have mutual benefits for customers and the enterprise.  
*Lifetime value* refers to building and retaining customer loyalty over a sustained period, and maximising customer value to the enterprise over the period of the relationship.  
*Up-selling* refers to increasing customer order values.  
*Cross-selling* refers to introducing additional products or services to customers outside the expected product range.
- 4 References  
Kotler, P. & Armstrong, G. *Principles of Marketing*. Prentice Hall: Various international editions.  
Lamb, C.W., Hair, J.F., McDaniel, C., Summers, J., & Gardiner M. (2009) *MKTG*, (1st Asia Pacific Ed.). Cengage Learning: Australia.
- 5 Legislation relevant to this unit standard includes but is not limited to the:  
Commerce Act 1986  
Consumer Guarantees Act 1993  
Fair Trading Act 1986  
Privacy Act 1993

Sale of Goods Act 1908  
Unsolicited Electronic Messages Act 2007.

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## Outcomes and performance criteria

### Outcome 1

Establish customer loyalty objectives for a particular direct marketing situation.

#### Performance criteria

- 1.1 Objectives address the need for ongoing long-term customer partnerships.
- 1.2 Objectives are specific, measurable, achievable, realistic, time-bound (SMART).
- 1.3 Objectives reflect organisational and marketing goals.
- 1.4 Objectives include customer service strategies.

Range customer service strategies may include but are not limited to – call centre operations, customer feedback procedures, customer satisfaction monitoring, customer relationship management (CRM).

### Outcome 2

Develop a customer retention strategy for a particular direct marketing situation.

#### Performance criteria

- 2.1 Factors that influence customer loyalty are identified in terms of their potential contribution to the achievement of relationship marketing objectives in the particular direct marketing situation.
- 2.2 Strategy addresses the concept of lifetime value and how to maximise customer value.
- 2.3 SMART objectives are established for customer retention.
- 2.4 Customer buying behaviour is analysed to identify opportunities for up-selling and cross-selling.
- 2.5 Customer analysis is completed and a programme is developed for customer renewals for lapsed and inactive customers.
- 2.6 Communication channels are developed and adapted for target groups to optimise customer contact and to reinforce the benefits of repeat purchasing.

Range one communication channel for each of the two target groups.

- 2.7 Strategy includes programme testing and evaluation activities in relation to the target customer groups.

Range activities may include but are not limited to – timing, frequency, offer, creative treatment.

**This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.**

#### Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	24 September 1997	31 December 2016
Revision	2	16 January 2001	31 December 2016
Review	3	19 November 2010	31 December 2016
Rollover and Revision	4	16 April 2015	31 December 2022
Review	5	12 December 2019	31 December 2022

#### Consent and Moderation Requirements (CMR) reference

0113

This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.