

Title	Develop a customer loyalty strategy for direct marketing		
Level	5	Credits	5

Purpose	<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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Classification	Marketing > Direct Marketing
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Available grade	Achieved
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Explanatory notes

- 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.

Outcomes and evidence requirements

Outcome 1

Establish customer loyalty objectives for a particular direct marketing situation.

Evidence requirements

- 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.

Evidence requirements

- 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.

Planned review date	31 December 2019
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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	N/A

Consent and Moderation Requirements (CMR) reference	0113
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Please note

Providers must be granted consent to assess against standards (accredited) by NZQA, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be granted consent to assess against standards by NZQA before they can register credits from assessment against unit standards.

Providers and Industry Training Organisations, which have been granted consent and which are assessing against unit standards must engage with the moderation system that applies to those standards.

Requirements for consent to assess and an outline of the moderation system that applies to this standard are outlined in the Consent and Moderation Requirements (CMR). The CMR also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.