

Article summaries the right way to manage unprofitable

[Business](#), [Marketing](#)



This article was ed by Mittal et al. and in this article the author states that there are certain customers that do not profit the organization and rather make them experience losses (Mittal 1). The author states that the proper way to deal with them is not to end relationship with such customers and instead follow a five step procedure to deal with them and incur profits from them. First an organization needs to identify the reason due to which the customer was causing losses and assess their overall relationship with the organization. Next the organization needs to provide more information to the customers and teach them how to use the organization's goods and services properly and this will decrease the cost of dealing with them. If the problem is not solved then the organization should change the way the organizations charges money from the customer. If the problem continues then the organization should try to cut its cost by changing their channel of distribution for the customer. If nothing works, the organization should resort to end their relationship.

Marketing When Customer Equity Matters
This article has been authored by Hanssens et al. and in this article the author states that it is quite difficult for organizations to measure how effectively their investments in their marketing function have proven to be (Hanssens 1). For this purpose the authors develop a model for measuring the effectiveness of their investments in marketing. The purpose of developing the model was to provide marketers in making decisions regarding the selection of their products marketing mix with the aim of enhancing customer equity. The outcome of developing the model was that the researchers were able to develop equations that helped identifying how different investment factors resulted in different outcomes. For example: the

researchers identified an equation which helped them in identifying the impact of increasing television based advertising on the aim of acquiring customers.

Works Cited

Hanssens, D. M, D Thorpe, and C Finkbeiner. " Marketing When Customer Equity Matters." Harvard Business Review. 86. 5 (2008): 117-123. Print.

Mittal, V, M Sarkees, and F Murshed. " The Right Way to Manage Unprofitable Customers." Harvard Business Review. 86. 4 (2008): 94-103. Print.