

M.B.A. DEGREE EXAMINATIONS: JANUARY – 2009

Fifth Trimester

P07BA531: CUSTOMER RELATIONSHIP MANAGEMENT

Time: Three Hours

Maximum Marks: 100

Answer All Questions:-

PART A (1 x 20 = 20 Marks)

1. Micropix India Limited provides software solutions to small and medium companies. Since the dotcom burst, it suffered from unprecedented competition, increased customer sophistication, saturated markets, product commoditization and shrinking margins, forcing it to rethink its business strategy. The challenge was to look for new ways to win new business and retain existing customer loyalty. However, Micropix did not have a lot of resources to purchase an end-to-end CRM software. Hence it decided on a piecemeal approach, i.e. it would purchase some software and use in-house capability to develop the rest.

The key requirement for their CRM program was the ability to capture critical customer information, including buying habits and preferences, all of which could be accessible to a front office team via a central database. Real-time information access to valuable customer data would pave the way for highly responsive, cost-effective and long-lasting customer interactions.

They needed a CRM solution that would allow the company to:

- Conduct interactive, more informative and meaningful dialogues with customer and prospects through personalized applications.
- Streamline communications and personalize information for unique customer needs.
- Empower customers to serve and support themselves with secure access to information resources contained in corporate databases (eg account status, customer support knowledge base etc.)
- Facilitate interactive collaboration between selling and service teams.
- Deliver timely, critical information and content to employees, business partners and customers – where, when and how they need it to maximize business objectives.
- Create targeted marketing campaigns that increase the probability of sales efficiency
- Provide a single source of accountability to streamline costs and improve operational efficiency

Their solution was a mixture of their own in-house software in conjunction with a software package developed for medium-scale business.

Their retrofitted software:

- Ensured the flow of vital, new real-time information to all the critical customer touch points from front office CRM applications to back office data stored in accounting, finance, manufacturing, inventory management, human resources and payroll systems
- Enabled customer data to promote customer-specific treatment and insight into customer behaviour and needs
- Extended the reach of customer support, improving responsiveness to inquiries
- Captured customer information at every interaction, enhancing the quality of customer-focused data through the business cycle
- Allowed them to retain more than 75% of their customers
- Increased margins of the company by 25%.

Question:

Is there a common methodology for tackling CRM initiatives?

PART B (10 x 2 = Marks)

2. Distinguish transaction marketing approach from relationship marketing approach.
3. Mention the approaches to CRM.
4. What are the dimensions of service quality?
5. Define zero customer defections.
6. Define Activity Based Costing in CRM context.
7. Who are market defectors?
8. Define life time value of customers.
9. What is the role of customer contact centre in building relationships?
10. List the tools and techniques used for data mining.
11. List four ERP vendors dealing with CRM.

PART C (4x15 = 60 Marks)

12. (a) (i) Discuss the factors that enabled the growth of CRM across the globe.
(ii) Elucidate the reasons why businesses should adopt CRM practices.

(OR)

12. (b) (i) Elucidate the evolution of marketing of practices.
(ii) Compare and contrast the diverse school of thoughts on CRM.

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13. (a) Discuss the various possible Customer Attraction and Retention strategies that could be adopted by a Multi Speciality hospital targeted at the middle class people.

(OR)

13. (b) Assuming that you have taken charge as the Customer Relationship Manager of a recently amalgamated IT Company. Propose a road map to reacquire the lapsed customer of pre merger period and to manage Customer Attrition and Customer Defection in future.

14. (a) Discuss how the CRM approach varies in product and service markets with suitable examples.

(OR)

14. (b) A Market leader and a renowned brand organization of dairy products has involved itself in a Business Process Reengineering initiative to establish itself as a single largest manufacturer and supplier of dairy products through its chain of stores. Discuss the various phenomenal characteristics that the organization should accede to evolve itself as a learning organization to achieve its mission.

15. (a) Suppose if your institution is planning to promote a series of distance education programs in the diverse areas of Management across the country during the next three years. You have been assigned the task of appointing a Call centre/Contact centre franchisees for liaisoning with the prospective students. As a CRM manager draft out a operational and technical profile of a professional Call Centre/Contact centre that could match to the requirements of your institution.

(OR)

15. (b) An international Logistics company, as a strategic measure to combat competition and to increase its Competitive Advantage wants to integrate their traditional CRM with a reliable eCRM module. As a CRM manager brief the management about the advantages of procuring an eCRM module and how it could be an able differentiator to handle complex technical and marketing functions.
