

UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration (Level I – Semester IV) Examination 2016

MKT 1201 – Customer Relationship Management

Two (02) Hours

Answer Four (04) Questions only

1. Customer relationship management (CRM) is a process of carefully managing detailed information about individual customers and customer touch points to maximize loyalty.

i. State the factors that have necessitated the adoption of CRM by many organizations today? (5 marks)

ii. What benefits a marketer can expect by adopting CRM? (5 marks)

iii. Discuss the CRM practices of an organization by quoting the key examples discussed in the class. (10 marks)

(Total 20 Marks)

2. The key determinant of successful CRM can be considered as information. Thus CRM involves storing the data of the customer and retrieving the information when required.

i. Identify the importance of data warehousing and mining in CRM with examples.

(5 marks)

ii. What are the issues that a relationship manager may experience with data ?

(5 marks)

iii. Explain the forms of CRM, strategic analytical and operations with an example.

(10 marks)

(Total 20 Marks)

3. CRM is concerned about the most profitable customers. Thus the way CRM is practiced vary depending on the target audience.

- i. Explain the above statement with examples by referring to customer profitability tires. (10 marks)
- ii. Selecting a services organization familiar to you explain what you would do to promote customers in different profitability tires. (10 marks)

(Total 20 Marks)

4. Complaint handling is an important aspect to assure customer satisfaction. Depending on the manner in which a complaint is solved customer may develop a positive impression on the company gain.

- i. Explain this statement with justice theory. (10 marks)
- ii. What are the key factors to design an effective complaint handling system? (10 marks)

(Total 20 Marks)

5. Providing a quality customer service/experience is one of the key goals of CRM. There are two quality models that can be used by an organizations namely the gaps model and the SERVQUAL model.

- i. Explain the gaps model and identify how an organization could overcome these gaps. (20 Marks)

OR

- ii. Explain the SERVQUAL model and identify how you can measure each dimension.

(20 Marks)

6. Retaining profitable customers is one of the key expectations of adopting CRM. Organisations have three key strategies to retain the existing customers such as creating loyalty bonds, building switching barriers and reducing customer churn.

- i. Explain the main loyalty bonds with examples. (10 marks)
- ii. Explain the two key switching barriers with examples. (10 marks)

(Total 20 Marks)

7. Write short notes on any **Five (5)** of the following

- i. Customer touch points
- ii. Moments of truth
- iii. Boundary spanners
- iv. Service encounters
- v. Metaphor of a marriage
- vi. Customer loyalty ladder

(Total 20 Marks)
