



**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE**

**DEPARTMENT OF MARKETING**

**CUSTOMER RELATIONSHIP MANAGEMENT**

**CBU 2202**

**Second semester examination paper**

**April 2015**

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This examination paper consists of 6 pages

**Time allowed: 3 hours**

**Total Marks: 100**

**INSTRUCTIONS TO CANDIDATES**

Answer **All** questions in **Section A** and any other **three** questions in section B.

**INFORMATION TO CANDIDATES**

- (i) **Section A** carries **25 marks**.
- (ii) Questions may be answered in any order.
- (iii) As much as possible, use relevant examples.
- (iv) This paper contains **seven** questions.

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**MARK ALLOCATION**

<b>Question</b>	<b>Mark Allocation</b>
<b>Section A</b>	<b>25</b>
<b>1</b>	<b>25</b>
<b>2</b>	<b>25</b>
<b>3</b>	<b>25</b>
<b>4</b>	<b>25</b>
<b>5</b>	<b>25</b>
<b>6</b>	<b>25</b>
<b>Total (for four questions)</b>	<b>100</b>

**SECTION A (Compulsory)**

1. Which of the following is an element of an organizations internal-environment?
  - a) Wholesalers
  - b) Retailers
  - c) Employees
  - d) Competitors
  
2. Operational customer relationship management supports which of the following function?
  - a) Front Office
  - b) Customer campaigns
  - c) Effective interaction
  - d) Data mining
  
3. CRM is-----
  - a) To save company
  - b) To maintain relationship
  - c) To terminate relationship
  - d) All of the above
  
4. CRM is known as-----
  - a) Business philosophy
  - b) Business methods
  - c) Technology
  - d) Physical tool
  
5. Maintaining records of customers is an example of-----
  - a) Training methods
  - b) CRM
  - c) Supply chain
  - d) Sales records
  
6. Companies have to get value from their marketing by going beyond the transaction to build----
  - a) Records
  - b) Relationship
  - c) Performance
  - d) All of the above
  
7. The purpose CRM is-----
  - a) To save cost
  - b) Improve relationship
  - c) Retain customers
  - d) All of the above
  
8. Steps in CRM are known as-----
  - a) Planning

- b) Implementing
- c) Owning
- d) All of above

9. Providing customer support is an example of-----

- a) CRM
- b) Sales
- c) HRM area
- d) Financial management

10. CRM adoption is an effort between CRM and all stakeholders including-----

- a) Employees
- b) Employers
- c) Customers
- d) All of the above

11. The purpose of retention is-----

- a) To retain customers
- b) To retain employees
- c) To retain vendors
- d) All of the above

12. Customer Churn refers to -----

- a) Customer mix
- b) Customer anxiety
- c) Customer Defection
- d) Customer loyalty

13. Speaking pleasantly is part of-----

- a) Courtesy system
- b) Extraordinary service
- c) Life time value
- d) All of above

14. The four marketing activities within customer relationship management include customer selection, customer acquisition, customer retention and-----

- a) Customer referrals
- b) Customer up-sell
- c) Customer cross-sell
- d) Customer extension

15. Customer loyalty is rewarded as-----

- a) Discount
- b) Gifts
- c) Trials
- d) All of above

16. Which of the following is NOT a dimension of service quality?

- a) Empathy
- b) Assurance
- c) Reliability
- d) Competence

17. Promoters are those customers who -----

- a) Use product occasionally
- b) Use product when required
- c) Recommend a company to others
- d) Use product continuously

18. -----is a key e-CRM technique to follow- up a customer when they abandon a shopping cart to encourage them to buy.

- a) Retention
- b) Reactivation
- c) Personalisation
- d) Referral, recommendation or advocacy

19. RACE is a practical framework to help marketers manage and improve the commercial value gained from digital marketing. The term stands for Reach, Act, C and Engage. What does C refer to?

- a) Convert
- b) Consolidate
- c) Collect
- d) Collaborate

20. What is prospecting?

- a) The activity by which you target a segment of the market to identify potential buyers of your product or service.
- b) A numbers game requiring you to contact large numbers of cold contacts.
- c) A sales activity where you sell to people you don't know.
- d) Planning your day, researching a company and getting ready.

21. The 80-20 rule states-----

- a) The top 80 percent of customers generate 20 percent of the company's profits.
- b) The bottom 80 percent of customers generate 80 percent of the company's profits while the bottom 20 percent of the customers generate 20 percent of the company's profits.
- c) The top 20 percent of customers generate 80 percent of the company's profits.
- d) The bottom 20 percent of customers generate 80 percent of the company's profits.

22. CRM process begins -----

- a) After sales
- b) After sales and before sales
- c) After purchase

d) Before sales

23. The type of website that engages consumers in interactions that will move them closer to a direct purchase is known as a/an----- website.

- a) Customer service
- b) Interactive
- c) Corporate
- d) Marketing

24. Delivering what customers want with hassle-free service and superior value is called-----.

- a) Service excellence
- b) Operational excellence
- c) Continuous excellence
- d) Improve goodwill

25. \_\_\_\_\_ is the act of modifying a product or service to fit user requirements

- a) Specialization
- b) Targeting
- c) Customization
- d) Tuning

## **SECTION B**

### **Question 1**

‘The importance of Customer Relationship Management has grown over the years.’ Evaluate the factors that contribute to the adoption of CRM in organizations.

**(25 Marks)**

### **Question 2**

Explain the various reasons for customer defection highlighting strategies that companies could use to recover lapsed customers.

**(25 Marks)**

### **Question 3**

‘The Customer Expectations Model is a useful tool in assessing customer satisfaction.’ Discuss.

**(25 Marks)**

**Question 4**

‘For organizations to serve customers efficiently and effectively, the **five** key dimensions of quality play a pivotal role.’ Validate this statement. **(25 Marks)**

**Question 5**

Discuss challenges that organizations encounter when implementing CRM and suggest possible solutions to these challenges. **(25 Marks)**

**Question 6**

Suppose a discontent customer comes into your organization and starts shouting at all the employees at the top of his/ her voice. As a CRM manager, how would you handle such a customer? **(25 Marks)**

**END OF EXAMINATION**