



**CII Institute of Logistics**  
PGDSCM & Certificate Programs  
Semester-end Examination – June 2009

**Customer Relationship Management**

Time : Three Hours

Marks : 100

Part A

Answer all questions (20 x 1 = 20 Marks)

1. Co-branding and affiliate partnering are retention strategies suitable for
  - a) B2B Markets
  - b) Mass Markets
  - c) Niche Markets
  - d) Distributors
2. This type of CRM involves integration of internal business processes.
  - a) Analytical CRM
  - b) Operational CRM
  - c) Relationship Marketing
  - d) Collaborative CRM
3. Using discount programs to retain customers is a part of
  - a) Affinity Marketing Strategy
  - b) Continuity Marketing Strategy
  - c) Co-Marketing Strategy
  - d) One-to-one Marketing Strategy
4. An ideal CRM process framework begins from \_\_\_\_\_
  - a) Program development
  - b) Partner identification
  - c) Purpose statement
  - d) Evaluation & Measurement
5. Personalisation is a retention strategy commonly used by
  - a) Mass Marketers
  - b) Niche Marketers
  - c) Direct Marketers
  - d) On-line Marketers
6. Facilitating e-mail and other medium for optimizing CRM process is a part of
  - a) Analytical CRM
  - b) Operational CRM
  - c) Collaborative CRM
  - d) Cross-functional CRM
7. Understanding the length, depth and width of relationship is essentially a strategy for building
  - a) Strategic Relationship
  - b) Affiliate Partnership
  - c) Tactical Relationship
  - d) Strategic Partnership.
8. This data mining operation focuses on discovering the most significant changes in the data from previously measured, expected or normative values.
  - a) Link Analysis
  - b) Segmentation
  - c) Deviation Detection
  - d) Classification
9. The concept of \_\_\_\_\_ deals with targeting the same segment of population to promote the other products of the same company.
  - a) Up-selling
  - b) Cross-selling
  - c) Mass Marketing
  - d) Direct Marketing
10. Two brands merge to create a new brand to enjoy mutual benefits. This concept is
  - a) Affinity Partnering
  - b) Co-branding
  - c) Cross-selling
  - d) Co-operative Marketing
11. The purchase decision of the customer is motivated by
  - a) Reach Strategies
  - b) Acquisition Strategies
  - c) Conversion Strategies
  - d) Retention Strategies
12. Classification of data into finite set of classes by considering one variable at a time and dividing the entire data based on it is done using
  - a) Decision Trees
  - b) CBR Technique
  - c) Link Analysis
  - d) Clustering Technique
13. Decisions regarding role specification, planning process, employee motivation etc are done in
  - a) Management & Governance Stage
  - b) Process Formation Stage
  - c) Performance Measurement Stage
  - d) Project Evaluation Stage

14. Grouping the data in such a way that inter-group variance is higher than the intra-group variance is done through

- a) Correlation Analysis
- b) Factor Analysis
- c) Regression Analysis
- d) Cluster Analysis

15. The customer movement out of the customer life-cycle post the “use” stage is called

- a) Customer Losses
- b) Re-entry
- c) Customer Attrition
- d) Customer Defection

16. Rule induction is a technique commonly used for

- a) Understanding Relationships
- b) Predicting a behavior
- c) Understanding specific patterns
- d) Forecasting a trend

17. \_\_\_\_\_ uses a set of examples to approximate a classification model, by relating to the closest example in terms of certain set parameters

- a) Neural Algorithm
- b) Visualization Technique
- c) Nearest Neighbour Technique
- d) Clustering Algorithms

18. Learning, Consideration and Evaluation by the customer are motivated during the

- a) Reach Stage
- b) Acquisition Stage
- c) Conversion Stage
- d) Retention Stage

19. This data mining solution matches the current examples with an `example available in the repository and enables decision-making.

- a) Visualization Technique
- b) CBR Technique
- c) Nearest neighbor Technique
- d) Inductive Logic Programming

20. The technique that enables general relationship between two variables but not the exact nature of relationship is called

- a) CBR Technique
- b) Association Technique
- c) Regression Analysis
- d) Nearest Neighbour Technique

## Part B

Answer any FOUR

Marks: 4 x 10 =40

1. Explain the three types of CRM with examples.
2. What are the various steps in planning CRM
3. Write a note on hosted CRM with examples.
4. What is eCRM? Explain the evolution of eCRM.
5. Explain the concept of Relationship Marketing with respect to service firms.
6. What is CLC? Examine a generic model of CLC.

## Part C

### Case Study

While it's always been important for companies to value the customer, never before has it been so critical as it is now. Enhancing customer experiences and service is extremely crucial to beat the economic slump, advice consulting firms.

“Especially in difficult times such as this, when there is less money on hand, it is important to do a better job for the customer. The customer is impacted by every job in the organisation. The tough times have done nothing to customer expectations. Customers still expect quality of service; so increasing customer-centricity is important,” says Mr M.D. Ramaswami, Founder and CEO, Celytcs, a firm that advises and delivers on customer experience management.

Agrees Mr Chandramouli, Director - Advisory Services, Zinnov Management Consulting, “Understanding the customer pulse and aligning their service innovation to resonate value is the key theme for companies to emerge out of the slump. It is important for companies to attract repeat business from existing customers as the cost of sale can be significantly lower. Increased customer satisfaction will lead to voluntary/involuntary referrals within their business network, thus improving the possibility of new business.”

### Questioning demand

In the current scenario where companies are slashing budgets as the cost factor is a major concern, it makes sense to understand and question consumer demand — an effort that will help reduce costs by 20 per cent, says Mr Ramaswami.

Celytcs uses a method called Skyline, which assists companies to question consumer demand. “By questioning demand, we help determine certain demands that can be eliminated from the system and retain only those demands that are necessary,” says Mr Ramaswami.

For example, a consumer calls a contact centre with a query regarding wrong billing. This is a demand that can be eliminated by enhancing customer experience at the billing end. That is, by improving the efficiency of the billing department where the fault actually lies, billing related queries can be totally avoided.

A company, thus, need not deploy so many people at the call centre to handle queries relating to billing.

Ultimately, by reducing the number of people, the company can cut costs. And instead these people can be redeployed at the billing end where the fault actually lies.

Companies are increasingly realising the importance of this. While some years ago, they were busy growing, the economic slump today has forced organisations to literally apply the brakes and invest time and energy on enhancing customer experiences, says Mr Ramaswami.

Answer all FOUR

Marks: 4 x 10 =40

1. What are the various ways to enhance customer experience in service firms?
2. "Increased Customer satisfaction will lead to voluntary /involuntary referrals within their business network" - Critically examine.
3. What are the various CRM strategies that companies can use during slump to improve efficiency?
4. Explain the concept of "customer centricity" and examine how being customer centric can enhance customer value

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