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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2018/2019**

COURSE NAME	:	CUSTOMER RELATIONSHIP MANAGEMENT
COURSE CODE	:	BIT 30603
PROGRAMME CODE	:	BIT
EXAMINATION DATE	:	JUNE/ JULY 2019
DURATION	:	3 HOURS
INSTRUCTION	:	ANSWER ALL QUESTIONS.

THIS QUESTION PAPER CONSISTS OF NINE (9) PAGES

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SECTION A**Choose the BEST answer.**

- Q1** The evolution of customer relationship marketing has progress from _____.
- A. mass, target, customer, to one-to-one marketing
 - B. one-to-one, mass, target, to customer marketing
 - C. mass, target, one-to-one, to customer marketing
 - D. customer relationship marketing has always existed
- (2 marks)
- Q2** A method of interaction with a customer, such as telephone or customer service desk is called a _____.
- A. client channel
 - B. point of presence
 - C. sales point
 - D. touch point
- (2 marks)
- Q3** The measurement of the number of customers who stop using or purchasing products or services from a company is called _____.
- A. switching costs
 - B. customer lifetime value
 - C. switch rate
 - D. churn rate
- (2 marks)
- Q4** Customer Relationship Management (CRM) applications dealing with the analysis of customer data to provide information for improving business performance best describes _____ applications.
- A. analytical sales force automation
 - B. operational CRM
 - C. operational sales force automation
 - D. analytical CRM
- (2 marks)

Q5 Which of the following is **NOT** the reason that CRM systems may fail?

- A. Customers react negatively to the system.
- B. The project was IT-driven and the focus on technology is too strong.
- C. It was unclear what the company hoped to achieve with the CRM project.
- D. Organizational culture that is customer-focused.

(2 marks)

Q6 Operational CRM applications include tools for all of the following **EXCEPT**:

- A. call center support.
- B. marketing automation.
- C. customer service support.
- D. calculating customer lifetime value

(2 marks)

Q7 Which of the following customer question is answered by a company's value proposition?

- A. Why should I buy your brand rather than a competitor's?
- B. What is your company's estimated customer equity?
- C. What are the costs involved in the production of your brand?
- D. What is the financial stability of your company?

(2 marks)

Q8 What is customer value?

- A. The relationship between goods and services.
- B. When expensive products deliver satisfaction.
- C. The relationship between benefits and the sacrifice necessary to obtain those benefits.
- D. When an individual becomes attached to a marketing campaign.

(2 marks)

Q9 Which of the data sources is **NOT** an internal data source to enrich customer profile?

- A. Social networks.
- B. The contact database.
- C. The sales information system.
- D. The product database.

(2 marks)

Q10 A clearly defined CRM vision helps management to _____.

- A. prevent departmental conflict
- B. evaluate available market opportunities and avoid those that are inconsistent
- C. plan and implement touchpoint functional conflicts
- D. define the competition

(2 marks)

Q11 A good CRM may answer these questions below, **EXCEPT**:

- A. What is the value of a particular customer to the firm over his or her lifetime?
- B. Who are our most loyal customers?
- C. Who are our most valuable competitors?
- D. What do these profitable customers want to buy?

(2 marks)

Q12 Which metric is based on the relationship between the revenue produced by a specific customer, the expenses incurred in acquiring and servicing that customer, and the expected life of the relationship between the customer and the company?

- A. Churn rate
- B. Customer lifetime value
- C. Cost per lead
- D. Cost per sale

(2 marks)

Q13 How can a business construct a market profile for its target market?

- A. By using demographic data from the analytical CRM
- B. By getting the information from the CEO
- C. By using business intelligence from its operational CRM
- D. By adding more call centers to the CRM

(2 marks)

Q14 Which of the following **BEST** describes the purpose of CRM software for companies?

- A. Sell the most units at the highest price.
- B. Predict sales patterns for upcoming quarters.
- C. Determine potential new customers.
- D. Track customer interactions, identify preferences, and develop strategies to satisfy customer needs.

(2 marks)

Q15 Explain what 'winning a new customer' means.

- A. It is aided by technology and CRM software.
- B. It is the same cost as keeping a new customer.
- C. It is more expensive than keeping a customer.
- D. It is cheaper than maintaining a relationship with a customer.

(2 marks)

Q16 Which of the statement below describe customer satisfaction?

- A. When customers feel they are getting a lot of value.
- B. It is the end result of an effective marketing orientation and occurs when the good or service has met the customer's needs and expectations.
- C. When a customer purchases an item but is not happy about their purchase.
- D. When a customer sells an item online for a lower price than they bought it for.

(2 marks)

Q17 Using the Internet for relationship management involves integrating the customer database with websites to make relationship targeted and personalized. Through doing this there are many benefits to be gained but which of the following is **NOT** an advantage?

- A. Targeting more effectively.
- B. Lower cost.
- C. Minimizes breadth, depth and nature of relationship.
- D. Achieve mass customization of the marketing messages.

(2 marks)

Q18 Which of the following is an example of CRM?

- A. A barista adding whipped cream to a customer's drink around holiday time as a nice gesture.
- B. When someone makes a purchase at a boutique, the next morning at ten o'clock, they get an automated, personalized email.
- C. Making sure your company is well-known for your return and exchange policy.
- D. Free chips and salsa at a Mexican food restaurant.

(2 marks)

Q19 An example of a cross-functional business process is _____.

- A. identifying customers
- B. transporting the product
- C. creating a new product
- D. assembling a product

(2 marks)

Q20 Instead of studying individual customer data, ABC Bank is interested in analyzing groups of customers. Members of a group should be similar and markedly different from other customer groups. Which of the following CRM activities should be used to prepare ABC Bank's customer data for analysis?

- A. Regression.
- B. Clustering.
- C. Estimation.
- D. Prediction.

(2 marks)

SECTION B**Q21** Question 21 will be based on **Figure Q21**.

You have been hired by Sunshine Clinic to consult about installing a CRM system for the clinic. The clinic business processes are all manual, paper-based processes. It has two doctors with five nurses and around 200 patients.

Figure Q21

- (a) As a consultant, analyze **THREE (3)** applications and benefits of CRM systems to be presented to the management of Sunshine clinic.

(9 marks)

- (b) Suggest **TWO (2)** ways how systems help the clinic achieve customer intimacy with its patients.

(5 marks)

Q22 The traditional shopkeeper who still maintains personal contact with their customers is considered to have more knowledge of their customers than the CRM manager with expensive software and databases at their disposal. Discuss whether you agree or disagree with this statement.

(6 marks)

Q23 Relationship data is used to identify a customer and form part of the infrastructure of the company.

- (a) Differentiate with examples, the two types of relationship data.

(6 marks)

- (b) Explain the reason customer data is considered to fall under the infrastructure of a company.

(3 marks)

- (c) Analyze the consequences of maintaining a central customer database to the quality of the customer data. (5 marks)

Q24 Questions Q24(a) – Q24(b) will be based on **Figure Q24**.

SharpLook is a boutique for women clothing owned by Vivian. The boutique offers ready made and custom made clothes. Vivian noticed that she had regular customers who either bought ready made or custom made clothes. She has difficulty in distinguishing each of her customer preferences and how to give personalized services for them. She wants to manage her customers better by giving rewards to loyal customers. She also wants to expand her business online. As an IT consultant, you have been approached by her for advice.

Figure Q24

- (a) Propose **TWO (2)** CRM applications which will benefit SharpLook clothing business. (6 marks)
- (b) Explain **THREE (3)** value disciplines SharpLook should consider in developing a CRM strategy. (6 marks)

Q25 Questions Q25(a) – Q25(b) will be based on **Figure Q25**.

Malik is the owner of Excel Sport Equipment in Batu Pahat. He calculates that his customer churn rate is 20%. He has gross margin(m) per customer lifespan of RM100. The rate of discount(i) is given at 10%.

Figure Q25

- (a) Given $LTV = m \left(\frac{r}{1+i-r} \right)$, calculate the following:
- (i) Customer retention rate (r). (2 marks)
- (ii) Average customer tenure. (2 marks)

(iii) Lifetime value of the customer (*LTV*).

(5 marks)

(b) Analyze how can Malik use the answer in **Q25(a)(iii)** to improve his business.

(6 marks)

- END OF QUESTIONS -