UTHM
Universiti Tun Hussein Onn Malaysia

UNIVERSITI TUN HUSSEIN ONN MALAYSIA

FINAL EXAMINATION
SEMESTER I
SESSION 2018/2019

COURSE NAME	:	CUSTOMER RELATIONSHIP MANAGEMENT
COURSE CODE	:	BIT 30603
PROGRAMME CODE	:	BIT
EXAMINATION DATE	:	DECEMBER 2018 / JANUARY 2019
DURATION	:	3 HOURS
INSTRUCTION	:	ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **NINE (9)** PAGES

TERBUKA

SECTION A

Instruction: Choose the BEST answer for each of the following questions.

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   Which of the following is an example of a sales touchpoint?

   A.   Production operations
   B.   Call centres
   C.   Demand forecasting
   D.   Opportunity

(2 marks)

Q3   Sales force automation system performs the following tasks **EXCEPT** _____.

   A.   contact management
   B.   sales lead tracking
   C.   demand forecasting
   D.   opportunity

(2 marks)

Q4   Which of the following refers to a set of benefits that a company promises to deliver to customers to satisfy their needs?

   A.   Customer lock-in.
   B.   Marketing mix.
   C.   Value proposition.
   D.   Market segmentation.

(2 marks)

2

Q5 Which of the following is **NOT** the reason that Customer Relationship Management (CRM) systems may fail?

    A.   Limited or no input from the customers.
    B.   Thinking that technology is the solution.
    C.   Strategies are too broad.
    D.   Organizational culture that is customer-focused.

<div align="right">(2 marks)</div>

Q6 What is essentially the financial value of the customer relationship to the firm?

    A.   Stock value.
    B.   Customer lifetime value.
    C.   Relationship value.
    D.   Supply chain management value.

<div align="right">(2 marks)</div>

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?

<div align="right">(2 marks)</div>

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.

<div align="right">(2 marks)</div>

CONFIDENTIAL

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   Software that automates sales tasks such as order processing and tracking is known as _____.

    A.   sales force automation software
    B.   marketing automation software
    C.   case management software
    D.   supply chain management software

(2 marks)

Q12   Which of the following is **NOT** the CRM advantages?

    A.   Customer acquisition.
    B.   Customer retention.
    C.   Customer survey.
    D.   Customer win-back.

(2 marks)

CONFIDENTIAL

Q13 Which of the following is a type of business record that a firm can use to track its customers' buying habits?

    A.   Invoice.
    B.   Forecast.
    C.   Marketing budget.
    D.   Annual report.

(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 Analyze what customer satisfaction is.

    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)

CONFIDENTIAL

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)

CONFIDENTIAL

SECTION B

Instruction: Answer ALL questions.

Q21 (a) Describe a close customer-relationship and indicate how this differs from transactional relationship.

(6 marks)

(b) What is the relationship between trust and commitment? Give an example to explain your answer.

(4 marks)

Q22 (a) Describe **THREE (3)** levels of CRM Analytic.

(6 marks)

(b) Why there is a need to use data mining techniques for analysis of customer data?

(4 marks)

Q23 (a) Differentiate between explicit knowledge and tacit knowledge.

(6 marks)

(b) Explain how an organization benefits through the integration of customer knowledge.

(4 marks)

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

> LaModa is a boutique for women clothing owned by Rohana. The boutique offers ready made and custom made clothes. Rohana 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 buy 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) List **FIVE (5)** phases of CRM implementation.

(5 marks)

(b) Suggest **TWO (2)** CRM applications which will benefit LaModa clothing business.

(4 marks)

(c) Describe **THREE (3)** value disciplines LaModa should consider in developing a CRM strategy.

(6 marks)

CONFIDENTIAL

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 25%. He has gross margin(m) per customer lifespan of RM1000. 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)   Explain **THREE (3)** advantages of computing a customer lifetime value.

(6 marks)

- END OF QUESTION -

CONFIDENTIAL