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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2019/2020**

COURSE NAME : CUSTOMER RELATIONSHIP
MANAGEMENT
COURSE CODE : BIT 30603
PROGRAMME CODE : BIT
EXAMINATION DATE : DECEMBER 2019 / JANUARY 2020
DURATION : 3 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS

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THIS QUESTION PAPER CONSISTS OF EIGHT (8) PAGES

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SECTION A

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

Q1 Instead of studying individual customer data, ZETA 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 Customer Relationship Management (CRM) activities should be used to prepare ZETA Bank's customer data for analysis?

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

(2 marks)

Q2 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 transaction database.

(2 marks)

Q3 Which of the following is an example of a sales touchpoint?

- A. Production operations.
- B. Call centres.
- 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)

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- Q5** 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 Chief Executive Officer (CEO).
 - C. By using business intelligence form its operational CRM.
 - D. By adding more call centers to the CRM.
- (2 marks)
- Q6** Which of the following is **NOT** the reason that 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.
- (2 marks)
- Q7** Sally recently purchased Brand X lotion. In comparing her perception of how the lotion made her skin feel and look to her expectations about Brand X lotion, Sally was measuring her level of _____.
- A. share of customer
 - B. customer satisfaction
 - C. customer equity
 - D. customer-perceived value
- (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)

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Q9 Sales force automation system performs the following tasks **EXCEPT** _____.

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

(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 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)

Q12 Which of the following statements is **TRUE** about creating customer loyalty and retention?

- A. Losing a customer means losing the entire stream of purchases that the customer would make over a lifetime of patronage.
- B. Customer delight creates a rational preference and not an emotional relationship with the brand.
- C. The aim of customer relationship management is to focus solely on customer delight.
- D. Losing a customer hardly makes a difference to a company's sales.

(2 marks)

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Q13 Which of the following is **NOT** the CRM advantages?

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

(2 marks)

Q14 In which of the following situations has a company most actively embraced customer-managed relationships?

- A. American Airlines awards frequent flyer points to returning customers.
- B. Paige Premium Denim jeans provide a superior quality and a perfect fit.
- C. iRobot invites enthusiastic Roomba owners to develop and share their own uses for the company's robotic vacuum cleaner.
- D. Best Buy distinguishes between its best customers and its less profitable customers, stocking merchandise to appeal to each group.

(2 marks)

Q15 What is a primary focus of a CRM system?

- A. Preparing financial statements.
- B. Controlling a business's costs.
- C. Managing customer relationships in an organized way.
- D. Attracting the best employees to apply for jobs.

(2 marks)

Q16 At Gina's retail stores, the posted policy reads, "Without our customers, we don't exist." Gina and her staff aim to delight each customer, and they are quick to offer discounts or extra services whenever a customer is anything less than satisfied. Gina and her staff strive to make every customer a repeat customer. It is most accurate to say that instead of focusing on each individual transaction, Gina and her staff put a priority on _____.

- A. managing partner relationships
- B. capturing customer lifetime value
- C. selling new products
- D. attracting new customer

(2 marks)

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Q17 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)

Q18 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)

Q19 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)

Q20 FedEx offers its customers fast and reliable package delivery. When FedEx customers weigh these benefits against the monetary cost of using FedEx along with any other costs of using the service, they are acting upon _____.

- A. brand loyalty
- B. customer equity
- C. customer-perceived value
- D. a societal marketing campaign

(2 marks)

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SECTION B**Instruction: Answer ALL questions.**

- Q21** (a) Discuss the term “relationships”. (6 marks)
- (b) Describe calculus-based trust using an example. (4 marks)
- Q22** (a) Differentiate between production-oriented businesses with customer-centric oriented business. (6 marks)
- (b) Describe how banks uses Customer Relationships Management (CRM) in their business. (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** (a) List **FIVE (5)** phases of CRM strategy. (5 marks)
- (b) Differentiate between offensive strategy and defensive strategy with an example. (5 marks)

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- Q25** (a) Why data mining techniques are needed for the analysis of customer data?
(4 marks)
- (b) Differentiate between multiple communication technology channel and multiple organizational touchpoint.
(6 marks)

Q26 Questions **Q26(a)** – **Q26(b)** will be based on **Figure Q26**.

Syafiq is the owner of Syafiq Fishing Equipment in Johor Bahru. He calculates that his customer churn rate is 20%. He has gross margin(m) per customer lifespan of RM800. The rate of discount(i) is given at 10%.

FIGURE Q26

- (a) Calculate lifetime value of the customer (LTV) where $LTV = m \left(\frac{r}{1+i-r} \right)$, and r is retention rate.
(6 marks)
- (b) Explain **TWO (2)** advantages of computing a customer lifetime value.
(4 marks)

- END OF QUESTIONS -

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