

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA SEMESTER-4- EXAMINATION – SUMMER 2020

Subject Code: 4549297

Date:06/11/2020

Subject Name: Customer Relationship Management (CRM)

Time: 10:30 AM TO 1.30 PM

Total Marks: 70

Instructions:

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**

Answer the following questions with suitable examples.

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Q.1

- Commitment
- Strategic CRM
- Moments of truth
- Customization
- SVOC
- Data mart
- e-CRM

Q.2 (A) Define CRM. Discuss significance of CRM in today's scenario. 7

Q.2 (B) Explain CLV. Compare transaction and relationship marketing with example. 7

OR

Q.2 (B) "Companies always do not want relationship with customers and vice versa." 7
Justify the statement with examples.

Q.3 (A) Elaborate churn rate. Discuss various avoidable and unavoidable reasons 7
behind churn.

Q.3 (B) "Customer make various sacrifices to experience benefits received from the 7
brands." Elaborate such various sacrifices.

OR

Q.3 (A) Distinguish CXM and CRM. Discuss features of CRM applications which 7
enhance CXM.

Q.3 (B) "According to Fred Reichheld, a 5% increase in customer retention results in 7
a 25% to 95% increase in profits." Discuss methods of measuring customer
satisfaction in light with the above statement.

Q.4 (A) Define operational CRM. Also elaborate various components of operational 7
CRM.

Q.4 (B) "Developing a customer related database is a step by step process." Explain 7
these steps.

OR

Q.4 (A) Explain the concept, approaches and techniques of data mining. 7

Q.4 (B) "Implementation is as important as planning". Elaborate steps to implement 7
CRM.

Q.5 Analyse the following case and solve the questions given below.

COVID-19 has a far reaching and deep impact on our economy and banking sector is not out of it. A fundamental shift in customer behaviour is expected in the banking sector- a decrease in the physical branch visits is certain with an immediate increase in online transactions, peer to peer payments, wallet usages, etc. It's up to the banks now to step up their game to convert more of these experiences into positive stories for long-term digital adoption but it is not easy in countries like India where people distrust and avoid digital banking. Banks have to dig deeper and find ways to stay connected with consumers, reduce churn rates and enhanced CRM. Banking is a crucial service that needs to be available for people, especially in a crisis but the CRM practices adopted earlier and found successful, suddenly seem out of context.

Digital and social media platforms are being used by banks as tools of CRM and for better, timely and accurate communication. Push notifications are being used to the hilt. They are evolving their communication according to the needs of the consumers and putting in efforts to stay relevant and sensitive to the situation. The initiatives coming up are unique and heavy on attempts at social media engagement and digital solutions. Several banks have simplified the ways in which people can stay in touch and access online facilities and WhatsApp bots is one of the ways.

On the other hand, it is also important that banks inform their customers about the safety-related precautions such as: hygiene steps taken to sanitize the branches, ATMs, employee-hygiene measures like daily temperature check, usage of sanitizers and protective equipment, steps that need to be taken for customers who have no other option than visiting the branch, special provisions for the old and vulnerable sections, possibilities of COVID-related phishing emails, unauthorized KYC requests, etc.

This has also brought about challenges as virtual communication about money is always tricky due to a heightened sense of awareness and vulnerabilities. However, it is interesting how banks have found ways to stay useful in the lives of their consumer, extending help with innovative initiatives. But this is not enough and the banking sector needs to be ready for long term changes in CRM practices.

- A. Suggest some of the CRM practices Indian banks can adopt during and post Covid-19. 7
- B. Recommend strategies to banks, which are digitally not advanced, to reduce customer defection rate. 7

OR

- A. Estimate challenges you think are there to keep customers engaged with your brand in such situation and how to deal with it. 7
- B. Explain role of E-CRM in such scenario. 7