

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: CRM MKTG 3001

Semester: V

Programme: BBA - FAS

Time: 03 hrs.

Max. Marks: 100

Instructions:

1. *This is CLOSED BOOK and CLOSED NOTES exam.*
2. *While answering the questions, please be precise. Merely filling the pages will not get any credit*
3. *Allocated marks are indicated for each of the questions. Please plan your time to answer the questions accordingly.*

1.	Attempt all parts. All parts carry equal marks.	Marks	CO
(i)	CRM is a business strategy to select & manage customers to optimize? a) Long Term Value b) Core Value c) Property Value d) Bank Balance	[2]	CO1
(ii)	Customer Relationship Management is a) Targeting, Acquisition, Retention, Expansion b) Targeting, Aquarium, Remainder, Exposure c) Acquisition, Cultivation, Retention, Recovery d) Suspecting, Prospecting, Lead Closure, Lead Cultivation	[2]	CO1
(iii)	When you sell bigger variant / size of an item or a product to your customer it is called as a) Cross Sell b) Next Sell c) Jump Sell d) Up Sell	[2]	CO2
(iv)	Theory of Guanxi talks about a) Relationship, Transaction b) Transaction, Relationship c) Acquisition, Expansion d) Relationship, Transmission	[2]	CO1
(v)	When you sell different item or product of your company to your existing customer it is called as a) Cross Sell b) Next Sell c) Jump Sell d) Up Sell	[2]	CO2
(vi)	Who propounded the theory of Value Discipline Model after studying successful companies a) Tracey & Wiersema b) A.R. Rehman c) Gurucharan Das d) Charles Darwin	[2]	CO3
(vii)	American Express (Bank) is an example of which strategy a) Product leadership b) Customer Intimacy c) Operational Excellence d) Customer Conundrum	[2]	CO3

(viii)	Cluster analyses is to a) form a segment b) describe a segment c) destroy a segment d) copy right a segment	[2]	CO3
(ix)	Operational CRM deals with a) Implementation of strategy b) Strategy formulation c) Strategy Conception d) Data Mining	[2]	CO4
(x)	Place where the message traffic is managed and handled as it passes through different channels a) Call centre b) Distributor c) Examination Cell d) Curator Office	[2]	CO4
SECTION B (Attempt any Four Questions)			
2.	Indicate how a marketer would be able to improve the relationship for each phase in the relationship life cycle. Explain your answer.	[5]	CO2
3.	Devise a CRM strategy for a leading university which is facing challenge with the launch of foreign university in its neighborhood.	[5]	CO2
4.	For predictive analytics, which datamining tool/software you would use if your company deals in confectionary business and why?	[5]	CO3
5.	Is calculating lifetime value a correct measurement of business success and an effective CRM strategy? Explain your point.	[5]	CO3
6.	Do you consider a call centre belonging to a company that implements a CRM strategy to be more of a cost centre than a profit centre? Explain your answer.	[5]	CO4
SECTION C (Attempt any Three Questions)			
7.	How may traffic to a website be generated? Select a particular supplier and study the methods it employs to achieve this.	[10]	CO4
8.	The traditional shopkeeper who still maintains personal contact with his customers is considered to have more (implicit) knowledge of his customers than the CRM manager with expensive software and databases at his disposal. a. Do you agree with this statement? Substantiate your answer. b. Why is it that the CRM manager appears to lag behind the classic shopkeeper	[10]	CO3
9.	Cross selling and retention analyses are two of the important tools adopted by the companies to foster business and register organic growth. Explain citing an example of food company.	[10]	CO2
10.	The quality of capacity planning is a direct influence on the call centers' availability. What are your recommendations to a call center manager who is unable to make an accurate prediction of the size and composition of the in- and outbound message traffic via the telephone and the internet.	[10]	CO4
SECTION D (Caselet – Mandatory)			
11.	During The late 1990s, companies invested millions in customer relationship management (CRM) systems such as sales force automation, campaign management and call centre systems. Given the importance to any business of establishing and building relationships with customers, this is not surprising. But despite this rush, many companies have been disappointed by the low return on investment from CRM. Being able to handle more calls per agent or run more marketing campaigns has been of limited value. The real returns come when business intelligence software	[30]	CO2, CO3, CO4

is used to drive these operational systems. This software opens up opportunities such as up or cross selling in the call centre, targeting campaigns at specific customer segments and increasing the relevance of the offer made and its value to the customer, thereby increasing response rates. The ultimate aim is to combine CRM with business intelligence to produce a closed loop system in which business intelligence analyses customer behaviour and produces a list of targets for a specific product or service. The campaign is managed using the CRM software and the business intelligence systems then assess the results to produce a more refined campaign.

However, few organisations have reached this level of sophistication. As Sonia Kapoor, vice president of a customer analytics at SPSS, a supplier of predictive analytics software, says: “Most companies have dealt with their customer’s en masse.” According to Ms. Sonia Kapoor business intelligence software is ideal for assessing the profitability of individual customers by matching the cost of serving each one against the revenue he or she generates. The organisation can then develop marketing campaigns that target its more profitable customers. At the same time, unprofitable customers can be diverted towards lowest cost channels, such as automated voice systems or a website. “You need to identify the small percentage of very high value customers that are generating 80 to 90 per cent of value in the company, he says. You are also interested in the trends such as customers who are dropping out of the top to become less valuable and take their business elsewhere.

The final stage of the process is to use data mining software to protect how individual customers behave. This software uses advanced mathematical algorithms to reveal hidden patterns and relationships in sales data. The results can be used in a number of ways: to group customers into different segments according to similar behaviour and characteristics; to determine which products or services a customer is likely to buy; to identify which customers are most likely to defect to another company; or to assess how much of a credit risk a potential customer poses. Ramesh Natrajan, a senior analyst at ovum, explains that such assessments once required advanced mathematical knowledge to build and run data mining models. You still need people with expertise to set up business intelligence systems, he says, but business users are increasingly being trained to build, analyse and exploits segments. You are “handing over the toys” to the business people to do the analysis themselves. Vodafone, the mobile network operator, has a single contact number for its call centre and routes each caller to the appropriate team of agents for his or her segment. According to Vikram Negi, India development manager: “Business intelligence enables our touch points to target the right groups of customers, to understand them to have a close relationship with them. HDFC Life, a life insurer, has a growth strategy based on expanding sales to its existing customer base, rather than on acquiring new clients. It uses SPSS real time predictive software to suggest cross sell opportunities to agents in its inbound call centre, which handles 1Million calls a year from 1.6 Million customers. To avoid pestering them, its agents gathered enough information in just 180000 calls to develop a targeted recommendation. In a third of these calls, the agent determined that the customer was receptive enough to make the offer and of these, a further 22000 were converted into sales worth \$30m.

Business Intelligence reporting is also ideal for managing performance in contact centres. It can help set and track targets and spot trends and it can provide management dashboards that display key performance indicators such as how many calls agents are handling and how many are closed within agreed service levels. The use of Business Intelligence is becoming increasingly important in face of new legislation introduced to guard against unwanted email and to allow individuals to bar cold telephone calling. Ms. Sonia points out that with fewer opportunities for outbound marketing, organisations must take advantage of cross selling at service call centres.

As Mr Ramesh Natrajan explains: “You may only have one chance of approaching a customer. This is pushing people into micro segmentation of their customers. Rather than having five or six major segments, they may have many thousands, each with 100 or 1000 customers. You analyse the behaviour of the micro segments so that you know what they want to buy, how they want to buy it and how to approach them.’ ‘the problem with the business intelligence vendors’ he adds, is that they have targeted the technical experts, they haven’t yet really got to the point where business people are able to use their marketing analytics. They are trying to do better, but (CRM vendors e.g. Prism Corporation, Daffodil Services) have targeted people who actually do the marketing.’ It is clear that business intelligence is needed to drive CRM activities. However, the trick is to create a closed loop system that combines customer profitability with data mining. Only then will an organisation be able to concentrate on giving profitable customers the best and most relevant products and services.

Questions :

1. What is the difference between business intelligence (BI) and (analytical) CRM?
2. Do you agree with the following statement in the text: ‘The ultimate aim is to combine CRM with business intelligence’? Give detailed arguments why you do or do not agree.