

MBMM 4004/RM 4004

M.B.A. DEGREE EXAMINATION,
DECEMBER 2014/JANUARY 2015.

Fourth Semester

Marketing

CUSTOMER RELATIONSHIP MANAGEMENT

(2012 – 2013 Batch onwards)

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of Eight questions.

All questions carry equal marks.

1. What do you mean by the term customer acquisition? What are the economies of CRM?
2. What is Target marketing? List the steps involved in Target marketing.
3. How does Relationship marketing benefit customers? Companies?
4. What are the challenges in acquiring and retaining customers?

5. What are the components of CRM solutions?
6. Write a note on CRM strategy and planning process.
7. Identify the bottlenecks in implementing CRM.
8. Explain the various decision phases in the supply chain.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight questions.

All questions carry equal marks.

9. What is Service level Agreements? Explain how to create and manage Service level Agreements.
10. Differentiate between customer loyalty and customer retention.
11. Discuss various customer satisfaction models.
12. Differentiate between Partner Relationship Management and Customer Relationship Management. What is the necessity of CRM? Discuss.
13. Write about the emergence of E-Commerce, its concepts, benefits and challenges in customer relationships.

- (b) How can Customer Relationship Management (CRM) be an enabling factor to derive full benefits of mass customization?

14. Explain the role of data warehousing and data mining in CRM.
15. Explain how to measure Customer satisfaction.
16. Discuss the CRM implementation issues.

PART C — (1 × 20 = 20 marks)

Compulsory.

17. Case Study :

Mass customization is best defined as a delivery process through which mass-market goods and services are individualized to satisfy a very specific customer need, at an affordable price. Based on the public's growing desire for product personalization, it serves as the ultimate combination of "custom-made" and "mass production". And it is rapidly emerging as the organizing business principle of the 21st century.

Simply stated, mass customization is about choice; about giving consumers a unique end product when, where and how they want it. During the last 15 years, choice has become an important ingredient of consumer purchasing decisions. During this period, the number of automobile

models has increased from 140 to 260; the selection of soft drinks from 20 to 90. Today, the U.S. market alone offers consumers 3,000 brands of beer, 50 brands of bottled water, 340 kinds of breakfast cereals, 70 styles of Levi's jeans and 31 types of bicycles.

With choice playing such a critical role in consumer buying habits, mass customization is becoming increasingly evident in day-to-day life. For example, internet-based e-commerce now makes it possible for anyone to order a computer designed to his or her exact needs and specifications. Or compile music CDs containing any combination of songs. Or obtain customized home mortgages. Or design a one-of-a-kind friend of Barbie®, complete with unique name, clothing and personality.

Unlike mass production, which produces some variety of an item in high volumes, mass customization is characterized by small volumes - in many cases, lot sizes of one. It is also characterized by competitive cost, timely deliveries and a move away from centralized manufacturing to more distributed production. Consequently,

when combined with the very latest digital technology, such as e-commerce and robotics, mass customization not only benefits the consumer, it offers the manufacturer significant benefits as well: a high degree of product/service flexibility, reduced inventory risk, and a competitive edge in the marketplace.

In agile product development, product development teams must concurrently develop flexible processes that are so agile that companies can quickly develop a broad portfolio of niche market products, build products to order, mass customize individual products at mass-production speed and efficiency, and rapidly introduce a steady succession of "new" products that are really planned "variations on a theme" based on common parts and modular product architecture.

Questions:

- (a) Explain, with appropriate example, how a global computer manufacturing company can practice mass customization and create competitive advantage.