

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM (G/S/M)**  
**FIFTH TRIMESTER (Batch 2019-21)**  
**END TERM EXAMINATIONS, JANUARY 2021**

**Set-A**

Course Name	Customer Relationship Management	Course Code	MKT 505
Max. Time	2 hours	Max. Marks	40 MM

**Set-A**

**INSTRUCTIONS: *All questions are compulsory.***

- All questions are mandatory
- Questions shall be administered sequentially with a time limit of 30 minutes each
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- Permitted plagiarism is 10% for each question.

1. A travel service provider/travel agent wishes to understand the leisure travelers so as to be able to offer personalized service and create a better consumer experience for them. Develop a consumer persona for a typical leisure traveler and create a customer journey map highlighting the key touchpoints before, during and after the trip. **10 marks**
  
2. Assume that you are the marketing manager for a large hotel chain. You've been asked to put together a CRM program for the hotel's major customers (which are mainly businesses and corporate executives). Identify and explain a few CRM initiatives that would form the basis of your program. How successful do you think your program will be in enhancing customer loyalty? **10 marks**
  
3. "The first two tasks – identifying customers and differentiating them – are steps that a company can take in the privacy of its own IT department. Your company has a database of individual customer records, you track the transactions of individual customers in order to better understand both their value and their needs, and yet the customer herself never really has to participate in the process. The customer, in fact, may not even be aware of the process. By contrast, the third step – interaction – demands the customer's personal attention and participation. You can't interact unless there's someone else on the other end of the interaction, right? And the fourth step, customizing your behavior in some way to a particular customer, also involves the individual customer directly, as the "recipient" of this behavior."

(Source: <https://www.linkedin.com/pulse/20140103113441-17102372-building-customer-relationships-in-four-steps/>).

Explain how you would utilize the IDIC framework to develop relationships with the existing customers of a large retail chain? **10 marks**

4. Please read the case provided below and answer the following questions: **(5+5) 10 marks**
  - a. Discuss the issues and challenges in CRM implementation for Federal Bank.

b. How can Federal Bank deploy eCRM to mitigate some of the challenges highlighted in the Case?

### **Federal Bank Leverages CRM**

The scope and responsibility of a Customer Relationship Management (CRM) solution has spread out beyond retaining customers to acquiring them, trying to come up with new solutions from the feedback provided by customers and much more. Federal Bank's IT maturity growth plan saw the inclusion of a CRM solution. There were many challenges and reasons involved that led the bank to zero in on CRM. The bank needed the solution to look at customer acquisition and retention. Rajagopalan Nair, Head- IT, Federal Bank, commented, "We were looking for process changes and we needed an IT solution to support that." Apart from the customer relationship front, the bank relied on several disparate solutions. These standalone solutions catered to bank's business needs only and working in standalone mode they were unable to supplement business needs in the right mode. Federal Bank was looking for an integrated solution for handling customer satisfaction, retention and service.

After acquiring a customer, managing the relationship is always a challenge. Earlier, this was taken care of by branch managers at the branch level. However, after centralization, it was found that branch managers were unable to focus on customers. On the other hand, the bank was increasingly going in for SMB and retail lending. This is a murky area and, if customers are retained and guided in time, they do not default. Therefore, an organized system was required for collection. It was time to evaluate CRM solutions.

Deciding on CDC Pivotal CRM was an easy choice for the bank. Three to four solutions were evaluated and CDC Pivotal CRM was found to be apt and aligned to Federal Bank's needs. It fitted with bank's other needs as well including integration with the bank's core system. Other solutions that were evaluated were Microsoft, CRMnext, as well as a few freeware solutions. The bank even conducted a trial run of Sugar CRM for a couple of months but it required a lot of effort in terms of customization and implementation.

Nair of Federal Bank said, "For other solutions, support in India would have been a problem. If support was not a problem then the API would not integrate with our core system. Although, CDC aligned really well, a certain level of customization was required on the collection mode." On the collection side, the bank wanted an integral solution wherein a list of defaulters or likely defaulters could be sent out. The collection forecast needed to be prepared and there needed to be a proper workflow to send these numbers to the call center so that calls could be managed by an external agency. A workflow that was suitable for the bank's working environment was arrived at with the aid of customization.

CDC was involved in the implementation. The implementation was not without roadblocks as this sort of concept was new to the bank and, for this reason, there was a plethora of challenges to be handled. The bank was making the transition from a branch-centric to a centralized environment. In spite of having implemented CBS five years back, most of the business activities were conducted at the branch level. Internally, the bank lacked a lead management system when it started with the implementation. Process changes inevitably meant changes in mindset as well. Federal Bank's Nair commented, "Till we implemented the solution, branch managers or branches were the only people who were getting in touch with the customers. The customer had to be approached with a single view across channels. That needed process change and availability across the system."

The bank had to be able to answer the customer in the same language as if he were approaching a branch officer. Secondly, prioritization was needed, particularly on the retail side. Segmentation was another issue for which the right type of data was required and there were

data security issues. In case a customer was to change the residence phone number, this would seldom be updated in the bank's record. They had to start several campaigns to get this data collected. Even currently, a campaign is going on for insurance policies so that, in this way, the majority of customer data can be collected.

The CDC Pivotal CRM solution is being run on Intel servers. The bank went live with the solution in September 2011. The collection module went live in January 2012. The data center is near Kochi while the DR center is located at Bangalore. There are four different types of storage and there is redundancy for all of the storage systems. The bank has a virtualized environment. It has taken an enterprise license with CDC Pivotal CRM. Currently, there are around 8,000 employees and all of them have access to the solution. However, all modules cannot be accessed by everyone. The implementation was done stage wise. Firstly, they implemented the solution as it was so that they could compare it with real business needs in the branches. A dedicated team worked on the gap analysis. The base solution and the model that Federal Bank wanted to roll out was analyzed and gaps were found. It was fine tuned accordingly. The pilot implementation was done on test servers. Although, a modular approach is not recommended for a CRM rollout, Nair said that customer collection and acquisition did not have any direct bearing on the other functions and so a modular approach worked for the bank. With any new implementation an organization has to go through a change management process and Federal Bank was no exception. It conducted employee training for CRM usage.

The bank has witnessed some tangible benefits post implementation. To begin with, the incidence of defaults on the collection side has come down. A lot of discipline has been created. With an SMB customer, the bank is able to activate the account in two to three hours and with a normal customer in two to three days along with bringing them on board.

Dishing out advice on best practices before implementing CRM, Federal Bank's Nair said, "CRM largely depends on data cleanliness. For integration you need an internal system that is integrated with your core platform because the customer expects the same language from all the business units." Whatever internal decision has been made about anything, it needs to be communicated to all channels and all systems. A customer calling the call center should have the same answer that he would get if he were calling the branch office.

Federal Bank has already charted out plans for the next stage which would be to have a BI layer in the CRM. From the collection as well as acquisition side, a lot of valuable customer data is gathered and BI could help utilize it in an optimal manner. Nair concluded, "The customer has certain expectations from banks and these organizations should be prepared to cater to such demands." Another item on the agenda is Social CRM. Going this way, the bank could stumble upon immense business opportunities. Apart from that it is also looking at having a self service portal.

(Source: <https://www.expresscomputer.in/archive/case-study/federal-bank-leverages-crm/23/>)

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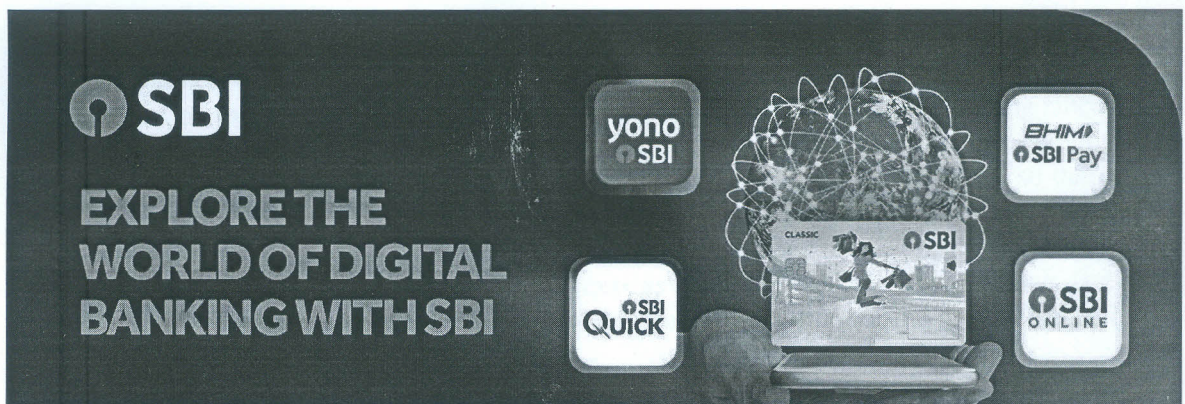
**Set-B**

Course Name	<b>Customer Relationship Management</b>	Course Code	<b>MKT 505</b>
Max. Time	<b>2 hours</b>	Max. Marks	<b>40 MM</b>

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1. Evaluate the advantages of eCRM in the context of the recent advertisement rolled out by SBI.



(Covid-19: SBI unveils voice-enabled interactive ad to promote banking from home, Read more at: <https://brandequity.economictimes.indiatimes.com/news/marketing/covid-19-sbi-unveils-voice-enabled-interactive-ad-to-promote-banking-from-home/75550577>) **10 marks**

2. "A study by IHL Group in June 2018 revealed that retailers are losing \$1 trillion in sales when customer journeys are interrupted by out-of-stock products, making it a pressing need in not just consumer retail, but across all streams of commerce. Understanding the significant touchpoints where customers experience dissatisfaction is key to building omnichannel solutions. In a typical case, when a customer visits a retail store to buy a shirt, and finds that his preferred size is unavailable, an omnichannel platform would ensure that an order for a shirt of his preferred size can be ordered right at the store, and delivered to his home." (https://retail.economictimes.indiatimes.com/news/industry/mapping-customer-journeys-for-business-success/66985905)

Develop a consumer persona for a typical consumer of a large omnichannel retailer and create a customer journey map highlighting the key touchpoints.

3. The banking environment in India has seen major changes with the arrival of new competitors (foreign banks and insurance companies), the development of information and communication technologies and the volatility of better informed, more mature and more demanding customers. In this increasingly competitive environment, it is imperative to adopt strategies aimed at obtaining an advantage. The management of complaints is one of these strategies. It is believed that banks can further increase their customer base in a competitive environment through the adequate management of complaints. The question of the management of complaints is integrated within the theoretical framework of relationship marketing and of customer relationship management. Examine some initiatives taken by Indian Banks in the context of Complaint management processes and systems. **10 marks**
4. Please read the following case carefully and answer the questions given at the end.

### **Ra-Retail**

Ra-Retail a grocery shop by Rakesh Singh, a small shopkeeper started selling groceries in a locality. The personal service that he provided to his customers was impeccable. He took personal interests in their affairs and he understood his customers needs through their past purchase patterns and since he was himself involved in serving them this was very easy for him to do.

The Ra-Retail had all that his target audience required, moreover he was also helping them in home delivery if they required. Customers too were very happy to visit his shop most of the times as he was able to engage with them at a personal level.

The customer base kept on growing. Rakesh today has almost 2000 customers visiting him regularly who on an average buy Rs. 5000 worth of goods per month. His fears are that he may lose out on them in terms of giving them the service that they have been getting since the number of customers are increasing steadily. Moreover, the customers from the neighboring localities also visit his shop and they want him to open up a shop in their locality so that it is really convenient for them.

Rakesh is also interested in expanding his business as that would increase his revenue. But he is also concerned about how would he manage the same level of personal touch that he has been managing at the first outlet.

### **QUESTIONS**

**(5+5) 10 marks**

- a. Do you suggest that he should expand or he should remain with one shop that he has? Justify your answers.
- b. Suppose he decides to expand, what Customer Relationship Management strategies should he employ so that the philosophy of relationship is maintained at both the shops that he operates?