JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2021-23)
END TERM EXAMINATION, FEBRUARY 2023

Course Name	Customer Relationship Management	Course Code	20127
Max. Time	**2 hours**	Max. Marks	**40 MM**

INSTRUCTIONS:
a. Please answer all questions and all sub parts.
b. Please write in point form where ever possible
c. Calculators are allowed

Q1. Read the following situation with data carefully and **solve** the following problems:

Month	Revenue	Cost of goods	Total orders	Number of unique customers
Jan	$9000	$7000	47	37
Feb	$11300	$8200	55	35
Mar	$9400	$7300	44	38
April	$12500	$8500	58	46
May	$9500	$7400	45	32
Jun	$10700	$7900	51	38

You are the Marketing manager with a distributor of Apple smart phones in New York and have been asked to report the average CLV based on first 6 months of sales data for 2022

a) What is the Average Order Value?   **(3 Marks)**
b) What is the Average Purchase Frequency?   **(3 Marks)**
c) If the churn rate per month is 5%, calculate the Average Customer Lifespan   **(3 Marks)**
d) If the average gross margin is 25%, what is the average CLV?   **(3 Marks)**

Q2. Read the following caselet carefully and answer the following questions:

Flying Returns (FR) is Air India's frequent flyer programme, and the airline positions it as one of the most rewarding programmes in the region. As a member, you can avail privileges and earn FR points each time you fly on a qualifying fare on any class or sector on the extensive network of Air India or 26 Star Alliance member airline operating more than 19,000 flights every day to 1300 airports in 195 countries. On higher fares, such as business/First Class, you earn bonus FR points, and clock FR points faster. However Air India is steadily losing market share to other airlines in this fiercely competitive industry. You have been appointed as the Customer defection program manager to solve this problem

a) What is a customer defection program? Why is it important?   **(2+2 marks)**

b) If you were to **construct** a customer defection program for Air India from scratch, explain in brief what key capabilities you would ensure w.r.t the following aspects

i) Customer data and analytics   **(4 marks)**

ii) Employees   **(4 marks)**

iii) Communication channels with customers   **(4 marks)**

Q3. Your company McDonald's conducts a survey to measure its Net Promoter System (NPS) and receives responses from 100 customers, with the following scores: 20 customers score 9 or 10, 50 customers score 7 or 8, and 30 customers score 0 to 6.

a) What are the benefits of using the Net Promoter System for McDonald's?   **(6 Marks)**

b) **Solve** this McDonald's problem by calculating the NPS score   **(6 Marks)**