

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2023-25)
END TERM EXAMINATIONS, JANUARY 2025
MAIN EXAM

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

INSTRUCTIONS:

- Please answer all the sub parts of every question.
- While answering, do ensure that you are entering the answer in the correct question and sub part column, in the given Excel template.
- Please do not leave any unnecessary spacing within the text of your answers

Q1)) Read this case and answer the following questions When it comes to pizza, Pizza Hut holds the biggest slice of the market-share pie. It now controls 22% of the \$25 billion pizza market compared to 11% for Domino's, 7% for Little Caesars' and 5% for PapaJohn's. As Competition among the top four and the thousands of mom-and-pop operations continues to heat up, Pizza Hut is struggling to hold on to their market share. The number of Little Caesar's outlets doubled, as did the company's revenues. On the other hand, revenues and the number of Domino's units remained flat, and sales at Pizza Hut dropped off. A measure of Little Caesar's success can be attributed to takeout and to promotions. It sold cheaper pizzas, becoming the low-price value leader. It also sunk big money into a catchy, award-winning "Pizza! Pizza!" ad campaign offering two pizzas for the price of one in an attempt to build a strong brand name synonymous with value. The strategy did not work. Little Caesar's is struggling to just stay afloat. They have had to close hundreds of unprofitable stores. Meanwhile, Pizza Hut, which focuses on dine-in, could not rest. A new upstart, Papa John's was taking the nation by storm, opening over 400 restaurants a year. From obscurity, Papa John's has risen to fourth place and will soon pass Little Caesars. Alarmed by their rapid growth, Pizza Hut took aim at Papa John's advertising campaign, "Better Ingredients. Better Pizza." After years of court battles, Papa John's was told to discontinue the ad and pay Pizza Hut almost \$500 million. Now Papa John's has sued that the slogan used by Pizza Hut, "Best Pizzas Under One Roof" is misleading and should be stopped. With Papa John's aggressive growth campaign, with Domino's and Little Caesars banging on their door, and with the thousands of mom-and-pop pizza operations in business, Pizza Hut must work hard to maintain their customer base. Nine years out of the last ten, Pizza Hut has been voted the "Best Pizza Chain" in Restaurant and Institution's Consumer Choice Awards. The disturbing news for Pizza Hut is that despite being voted the best for nine out of the last ten years, its market share continues to shrink.

(Source: Mariel Garza, "Pizza Wars," Reason 32)

a) **Develop** a customer defections program for Pizza Hut, briefly discussing how each of the following objectives will be achieved. **(4*5=20 Marks)**

- Understand reasons for Customer Defections
- Enhance Delivery Channels
- Achieve Continuous Improvement in service delivery
- Personalize Engagement of customers

b) Briefly explain 5 ways by which Pizza Hut can develop brand loyalty and repeat purchase behavior among its customers? (5*2=10 Marks)

Q2a) **Solve** the following numerical, visualizing yourself to be Adobe's Customer Relationship Manager.

(5 Marks)

- Adobe's average annual revenue per customer is \$2,000 per annum
 - Average lifespan of a customer is = 5 years
 - Average costs to acquire a new customer are \$1,000
- Calculate customer lifetime value (CLV)

Q2b) Briefly explain 2 factors responsible for the growing interest in CLV

(5 Marks)