

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FIFTH TRIMESTER (Batch 2024-26)
END TERM EXAMINATIONS, JANUARY 2026

SET-2

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

INSTRUCTIONS:

- a. All Questions are Mandatory
- b. This is a closed book exam to be attempted in pen and paper
- c. DO NOT copy any part of the case study into your answer-sheet. This may result in negative marks
- d. Marks shall be awarded for student's own examples, where applicable.
- e. Referencing relevant additional knowledge shall reflect student's self-study undertaken
- f. Negative marks shall be awarded for adding theory to any answer

Read the following Case and answer the question that follows.

Caselet: IndiGo's Meltdown - The December 2025 Cancellation Crisis

In December 2025, IndiGo Airlines, India's largest carrier with 65% domestic market share, faced its worst crisis since COVID. A sudden system glitch crippled booking and check-in systems across 100+ airports, cancelling 180 flights over three days (Dec 20-22). Stranded passengers' families, business travelers, wedding parties—faced chaos at Delhi, Mumbai, and Bengaluru terminals. No food vouchers, scant updates, and call centers jammed for 8+ hours left 50,000+ customers furious. Social media erupted with #IndiGoBlackout trending, viral videos of sleeping passengers, and lawsuits filed under DGCA rules. CEO Pieter Elbers apologized via X, but damage mounted: ₹200 crore revenue loss, 15% stock dip, and NPS plummeting from 45 to 22.

CRM Head Neha Rao (name changed) watched helplessly from Gurugram HQ. IndiGo's complaint system—centralized IVR, WhatsApp bot, email ticketing—buckled under 2 lakh complaints. Historical flaws traced back: Post-2023 expansion, they adopted a cost-cutting Zendesk hybrid over Salesforce (deemed pricey), prioritizing volume over personalization. Agents followed rigid SOPs: "Standard refund in 7 days," ignoring emotional distress like missed international connections. No real-time sentiment tracking; frontline staff untrained in de-escalation amid cultural nuances (e.g., Hindi-speaking Tier-2 passengers). All due to, Siloed IT-CRM teams delaying glitch alerts; generic templates alienating loyal flyers; absent empathy training despite 40% repeat customers.

Competitors like Air India Express offered hotel stays, poaching IndiGo's base. By Jan 2026, churn hit 25%, eroding ₹500 crore loyalty revenue. Neha pitched fixes: Empathy scripts? AI sentiment tools? Or revert to human-first call centers? With DGCA probes looming, IndiGo risked its "on-time king" crown.

Q1. Design an improved complaint management system, post-crisis that would help Indigo cope with a flood of complaints. (10 Marks)

Q2. List 5 priority metrics that the Complaints Team at Indigo should follow, till the complaint backlog subsides. (10 Marks)

Customer Lifetime Value

The Retention Dilemma at Vista Retail

Priya Desai, CRM Manager at Vista Retail—a Gurugram-based fashion chain with 50 outlets across North India—faced a tough call. In January 2026, budget cuts demanded prioritizing retention efforts amid 15% churn. Two customers stood out from the database:

Older Customer: Mrs. Sunita Rao

- 58-year-old loyal patron from Delhi; shopping since 2018.
- Annual spend: ₹45,000 (steady, low margins on ethnic wear).
- 12 visits/year; RFM score: High Recency/Frequency, Medium Monetary.
- Recent NPS: 8/10; refers 2-3 friends annually via WhatsApp.
- CLTV estimate: ₹2.5 lakh over 5 years (discounted at 12%).

Newly Acquired Customer: Rohan Kapoor

- 28-year-old techie from Noida; joined via Instagram ad in Dec 2025.
- First-month spend : ₹25,000 (high-margin trendy apparel).
- 4 visits already; RFM: High Monetary, Low Frequency/Recency.
- NPS: 9/10; potential influencer (10k followers).
- CLTV projection: ₹6 lakh over 5 years (with 70% retention probability).

Targeting Sunita risked losing her to loyal Myntra rewards, but Rohan might churn to Zara without nurturing.

Q3. Does CLTV justify chasing new revenue potential over stable loyalty? Using the concept of Customer Lifetime Value (CLTV), **compare** the lucrativeness of retaining Mrs. Rao versus Rohan Kapoor, justifying with CRM principles. (20 Marks)