

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM / PGDM (M) / PGDM (SM)**  
**FIFTH TRIMESTER (Batch 2017-19)**  
**END TERM EXAMINATIONS, Dec 2018-Jan 2019**

<b>Course Name</b>	<b>Customer Relationship Management in Retail</b>	<b>Course Code</b>	<b>MKTSM509</b>
<b>Max. Time</b>	<b>2 hours</b>	<b>Max. Marks</b>	<b>40 MM</b>

**INSTRUCTIONS:**

- a) All questions are compulsory.
- b) Answer your questions with examples.

- Q1. Develop a CRM program for a local store that sells apparels and gifts with your college's logo. What type of information would you collect about your customers, and how would you use this information to increase the sales and profits of the store?  
(10)

Read the Caselet given below and answer the questions mentioned at the end of the Caselet.

**EBAY COMES OF AGE**

Founded in 1995 by 28-year-old Pierre Omidyar, eBay has become one of the Internet's most iconic brands. The name derives from Omidyar's consultancy firm Echo Bay Technology Group where the entrepreneur had already made his name developing e-commerce solutions. The story that eBay was set up to allow Omidyar's fiancée to trade Pez sweet dispensers with fellow collectors has since been denied, but what is indisputable is the company's growth since then. In 2005 the BBC's Money Programme reported that eBay boasted over 100 million users, in over 30 countries including the USA, UK, Germany, India, Australia, Mexico and China. Although many of these countries had their own branded sites, allowing users to trade with each other in local currencies, international trading between individuals in different countries became commonplace. eBay was floated on the stock market in 1998 making Omidyar a multimillionaire-a 2007 profile in Get Inspired estimated his wealth as \$8.5bn.

eBay makes its money by charging users a listing fee and then a small percentage of the selling price when the product is sold. The company also owns the PayPal secure payment system, which can charge fees of its own. The site overcomes issues of trust between buyers and sellers by operating a rating system whereby users can view the transaction history of a buyer or seller and add their own rating according to their experience. Virtually anything can be traded over eBay although the company will not allow the sale of weapons, human body parts, drugs, or bootlegged items, amongst other things. Some of the more unusual things bought over eBay include Britney Spear's chewed gum (£140), the original Hollywood sign (\$450,400) and a Volkswagen Gold previously owned by Joseph Cardinal Ratzinger before he was elected Pope Benedict XVI (\$277,171).



Despite safeguards, eBay has been hit by concerns over security. In 2007, a report in the Sunday Times described how conmen were targeting the UK's 20 million eBay users by using stolen identities and fake secure payment sites. The company was reported to be 'working tirelessly' to detect and prevent such scams. Another potential issue was identified in a BBC news report, claiming that in the UK alone nearly 10,000 people earned all or some of their living from trading on eBay. The report highlighted the grey area between those who were buying and selling privately and those who were doing it professionally to supplement their income. The report concluded that the Inland Revenue would look at ways in which it could tax this income, by taxing eBay-a move which could well cause eBay to increase its fees to users.

Answer the following questions Q2 & Q3 after reading "Ebay comes of Age"

- Q2. To what extent has eBay created a market where none existed before? (10)  
Q3. Outline the advantages and disadvantages of C2C relationships as exemplified by eBay. (10)

4 Answer the question Q4 after reading "NIEMAN MARCUS"

### NIEMAN MARCUS

All Neiman Marcus credit card customers are enrolled in the Neiman Marcus InCircle program and receive rewards, services, and special gifts. Customers whose higher spending levels place them in the President's or "Chairman's" category receive additional rewards and services. The median household income of the over 500,000 InCircle is \$8,77,000, and they spend an average of over \$10,000 per year at Neiman Marcus.

Like other frequent-shopper programs, customers earn points for each dollar charged on their Neiman Marcus credit cards. However, these points are redeemed for truly unique rewards such as limited-edition Emilio Pucci silk scarf, an eight-night excursion through India, or a complete Sony home movie theatre. Reward options are refined and expanded annually, but the options are always designed to enhance Neiman's exclusive image and reputation for uniqueness.

In Circle members receive frequent communications from Neiman Marcus throughout the year, including emails and the quarterly InCircle Entrée magazine, a quality publication produced by Time, Inc. publishers.

Customer relationships are also nurtured at the store level. Neiman's sales associates can tap into information about customers' past purchases and shopping behaviors and are encouraged to contact these customers personally. Sales associates have the freedom to be creative in helping InCircle customers shop in multiple departments and use the various services from in-store gift wrapping to travel services through InCircle Access.

- Q4. Recognizing the value of these preferred customers, Neiman invites InCircle members to participate in various surveys and provide feedback and suggestions on how Neiman can improve its customers' shopping experience. (10)