



UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2023/2024**

- COURSE NAME : CUSTOMER RELATIONSHIP
MANAGEMENT
- COURSE CODE : BIT 30603
- PROGRAMME CODE : BIT
- EXAMINATION DATE : JULY 2024
- DURATION : 3 HOURS
- INSTRUCTIONS :
1. ANSWER ALL QUESTIONS
 2. THIS FINAL EXAMINATION IS CONDUCTED VIA
 Open book
 Closed book
 3. STUDENTS ARE **PROHIBITED** TO CONSULT THEIR OWN MATERIAL OR ANY EXTERNAL RESOURCES DURING THE EXAMINATION CONDUCTED VIA CLOSED BOOK

THIS QUESTION PAPER CONSISTS OF **THIRTEEN (13)** PAGES.

TERBUKA

PART A

Choose the **BEST** answer for each of the following questions.

Q1 Which of the following is **NOT** a core attribute of high-quality relationships in Customer Relationship Management (CRM)?

- (a) Trust.
- (b) Commitment.
- (c) Relationship satisfaction.
- (d) Mutual goal.

(1 mark)

Q2 How do intangible objects differ from tangible objects in the context of social exchanges?

- (a) Intangible objects hinder communication, while tangible objects facilitate it.
- (b) Intangible objects are symbolic, while tangible objects are physical.
- (c) Intangible objects lead to conflicts, while tangible objects promote cooperation.
- (d) Intangible objects create dependency, while tangible objects foster independence.

(1 mark)

Q3 What are the five processes in CRM according to Payne's model?

- (a) Identify, Differentiate, Interact, Customize, Evaluate.
- (b) Attract, Retain, Engage, Analyse, Reward.
- (c) Acquire, Convert, Retain, Extend, Collaborate.
- (d) None of the above.

(1 mark)

Q4 What is the significance of customer retention in CRM?

- (a) It refers to the system's ability to retain data without crashes.
- (b) It is about keeping existing customers engaged and continuing to do business with the company.
- (c) It only applies to customers who have complaints.
- (d) It is a legal term related to customer contracts.

(1 mark)

- Q5** What is the primary focus of CRM implementation?
- (a) Building long-term, profitable customer relationships.
 - (b) Increasing product quality.
 - (c) Reducing operational costs.
 - (d) Expanding the company's market share.
- (1 mark)
- Q6** What is a common strategy to address resistance to change during CRM projects?
- (a) Ignoring employee concerns.
 - (b) Implementing a robust change management plan.
 - (c) Excluding employees from the planning process.
 - (d) Avoiding communication with stakeholders.
- (1 mark)
- Q7** How can Oculus Bank prepare its customer data for analysis by focusing on groups of customers with similar characteristics, distinct from other customer groups, rather than studying individual customer data?
- (a) Regression.
 - (b) Prediction.
 - (c) Estimation.
 - (d) Clustering.
- (1 mark)
- Q8** After receiving prompt assistance and personalized recommendations from the knowledgeable staff, Sarah left the boutique with a sense of _____, confident that she had found the perfect outfit for her upcoming event.
- (a) share of customer
 - (b) customer equity
 - (c) customer satisfaction
 - (d) customer-perceived value
- (1 mark)

- Q9** What are the two major challenges of multi-channel CRM?
- (a) Single communication channel and limited organizational touchpoints.
 - (b) Multiple communication channels and limited organizational touchpoints.
 - (c) Single communication channel and extensive organizational touchpoints.
 - (d) Multiple communication channels and extensive organizational touchpoints.
- (1 mark)
- Q10** Which of the following is **NOT** a CRM application?
- (a) Campaign Management.
 - (b) Customer Service and Support Automation.
 - (c) Inventory Management.
 - (d) Contact Management.
- (1 mark)
- Q11** What does effective CRM architecture aim to provide in terms of customer interaction?
- (a) A fragmented view of the customer.
 - (b) A single view of the customer across all customer-facing departments.
 - (c) Limited access to customer data for salespeople.
 - (d) An isolated system for each department without integration.
- (1 mark)
- Q12** Which type of knowledge focuses on customer insights gained through experience and interactions?
- (a) Explicit knowledge.
 - (b) Tacit knowledge.
 - (c) Individual knowledge.
 - (d) Collective knowledge.
- (1 mark)

Q13 What is the role of customer knowledge in customer retention?

- (a) To build long-term relationships and loyalty.
- (b) To avoid customer feedback.
- (c) To minimize customer interactions.
- (d) To alienate customers.

(1 mark)

Q14 Which of the data sources is **NOT** an internal data source to enrich customer profile?

- (a) The contact database.
- (b) The sales information system.
- (c) The transaction database.
- (d) Social networks.

(1 mark)

Q15 How can a business construct a market profile for its target market?

- (a) By using demographic data from the analytical CRM.
- (b) By getting the information from the Chief Executive Officer (CEO).
- (c) By using business intelligence form its operational CRM.
- (d) By adding more call centres to the CRM.

(1 mark)

Q16 What is customer value?

- (a) The relationship between goods and services.
- (b) When expensive products deliver satisfaction.
- (c) The relationship between benefits and the sacrifice necessary to obtain those benefits.
- (d) When an individual becomes attached to a marketing campaign.

(1 marks)

Q17 Which of the following is **NOT** the CRM advantages?

- (a) Customer acquisition.
- (b) Customer retention.
- (c) Customer survey.
- (d) Customer win-back.

(1 mark)

Q18 In which of the following situations has a company most actively embraced customer-managed relationships?

- (a) iRobot invites enthusiastic Roomba owners to develop and share their own uses for the company's robotic vacuum cleaner.
- (b) American Airlines awards frequent flyer points to returning customers.
- (c) Paige Premium Denim jeans provide superior quality and a perfect fit.
- (d) Best Buy distinguishes between its best customers and its less profitable customers, stocking merchandise to appeal to each group.

(1 mark)

Q19 At Melly's shops, the message is straightforward: "No customers, no business." If a customer isn't happy, Melly and her team are ready to give discounts or extra services to make them feel important. Their main aim is to turn every shopper into a loyal customer, focusing on keeping customers happy for the long term rather than just one purchase. The most accurate way to express it is that Melly and her team prioritize _____ over individual transactions.

- (a) managing partner relationships
- (b) capturing customer lifetime value
- (c) selling new products
- (d) attracting new customer

(1 mark)

Q20 Which of the following is a type of business record that a firm can use to track its customers' buying habits?

- (a) Invoice.
- (b) Forecast.
- (c) Marketing budget.
- (d) Annual report.

(1 mark)

PART B

Answer **ALL** questions.

Q21 Answer the following questions.

- (a) Discuss the different types of trust that can exist in a customer-supplier relationship.

(6 marks)

Answer:

- (b) How do the types of trust mentioned in **Q21(a)** evolve over time in a customer-supplier relationship?

(4 marks)

Answer:

Q22 Answer the following questions.

- (a) Differentiate CRM application service providers (ASPs) from traditional CRM software vendors?

(6 marks)

Answer:

- (b) Outline the advantages and disadvantages of CRM application service providers (ASPs) and traditional CRM software vendors.

(4 marks)

Answer:

Q23 Answer the following questions.

- (a) Discuss **TWO (2)** potential risks associated with CRM projects implementation and its mitigation plan.

(6 marks)

Answer:

- (b) Explain how organizations measure the success of their CRM technology implementation and ensure ongoing improvement.

(4 marks)

Answer:

Q24 Answer the following questions.

- (a) Outline **THREE (3)** ways on how CRM technology helps in improving efficiency and automating business processes.

(6 marks)

Answer:

- (b) Discuss **TWO (2)** potential conflicts that may arise among different channels, such as phone, internet, and direct sales, in the absence of a CRM system.

(4 marks)

Answer:

Q25 Based on **Figure Q25.1**, answer **Q25(a)** and **Q25(b)**.

LuxeStyle, a renowned luxury fashion brand, embarked on a digital transformation journey to leverage customer knowledge and deliver personalized shopping experiences to its discerning clientele. By integrating advanced CRM technologies and data analytics tools, LuxeStyle aimed to gain deeper insights into customer preferences, style choices, and purchasing behaviour. Through the implementation of a comprehensive customer knowledge management system, LuxeStyle could track individual customer interactions across online platforms, in-store visits, and social media channels, creating a unified view of each customer's journey. By harnessing this rich customer knowledge, LuxeStyle tailored its product recommendations, curated exclusive collections, and offered personalized styling advice, enhancing customer engagement and loyalty in the competitive fashion industry landscape.

As part of its customer-centric strategy, LuxeStyle launched a loyalty program that rewarded customers for sharing feedback, participating in style quizzes, and engaging with personalized content. By incentivizing customers to provide valuable insights and preferences, LuxeStyle could further enrich its customer knowledge database and refine its marketing strategies. Through targeted email campaigns, social media promotions, and personalized offers, LuxeStyle nurtured long-term relationships with its customers, driving repeat purchases, brand advocacy, and a heightened sense of exclusivity and personalized service in the luxury fashion market.

Figure Q25.1

- (a) Discuss how LuxeStyle uses customer knowledge to stand out in the luxury fashion market and create personalized shopping experiences.

(4 marks)

Answer:



- (b) Discuss how LuxeStyle encourages customers to provide feedback, take style quizzes, and interact with personalized content to enhance its customer knowledge database.

(6 marks)

Answer:

Q26 Based on **Figure Q26.1**, answer **Q26(a)** and **Q26(b)**.

AutoElite is a prominent automotive company known for its luxury vehicles and premium services. The company aims to assess the long-term value of its customers and optimize its marketing and customer retention strategies by calculating the Customer Lifetime Value (LTV). AutoElite has collected the following data for analysis:

Average profit per customer per year (m): RM500

Discount rate (i): 0.08 or 8%

Churn rate: 0.20 or 20%

Calculating the Customer Lifetime Value (LTV) can provide AutoElite valuable insights into the long-term profitability of their customer relationships. LTV helps companies optimize their marketing efforts, customer retention strategies, and resource allocation to maximize customer value over time.

Figure Q26.1

- (a) Calculate lifetime value of the customer (*LTV*) where $LTV = m \left(\frac{r}{1+i-r} \right)$, and r is retention rate. (Show your works)

(6 marks)

Answer:

- (b) Discuss **TWO (2)** benefits AutoElite gains from calculating Customer Lifetime Value.

(4 marks)

Answer:

- END OF QUESTIONS -