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**UNIVERSITY OF PETROLEUM &  
ENERGY STUDIES**

**End Term Examination – May, 2017**



**Program/course: BBA (Auto marketing)**  
**Subject: Customer Relationship management**  
**Code : BBCM 154**  
**No. of page/s: 3**

**Semester – 4th**  
**Max. Marks : 100**  
**Duration : 3 Hrs**

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**Section A: Attempt all the Questions.**

**Q1. True & False [10x2 = 20]**

- i. Customer relationship management systems cannot help you acquire new customers.
- ii. Customer relationship management should be completely based upon software—there are no other components to consider.
- iii. A CRM system only interfaces with front office systems in order to better serve the customer.
- iv. Information for customer relationship management (CRM) is captured from all customer touch-points, such as telephone, fax, e-mail, the company's website, retail stores, and personal contact.
- v. According to the text, it is easier than ever for customers to comparison shop and, with a click of the mouse, to switch companies. As a result, customer relationships have become a company's least valued asset.
- vi. Online retailing today is dominated by the themes of superior customer experience, personalization, and customer relationship management.
- vii. It is important that e-tailers provide a larger variety of products online. It is not necessary that e-tailers understand why consumers shop online and how the experience can be made satisfying.
- viii. The focus of the marketing concept is not the customer.
- ix. Market research can help determine customers' needs and wants.
- x. It can cost up to six times as much to acquire a new customer, as it is to keep an old customer.

**Section B: Attempt all Questions [4x5 = 20 Marks]**

Q2. Name two reasons why the implementation of a campaign management system can fail. Substantiate your answer.

Q3. For an organization implementing a customer intimacy value discipline, what are the most important performance indicators on a website?

Q4. Banks have very few customers who end the relationship. People are generally not quick to close a current account. Does this mean that a retention analysis for a bank is of little use?

Q5. What differences in segmentation arise between the business and the consumer markets?  
Explain your answer.

**Section C: Attempt any 2 Questions [out of 3] [2x15 = 30 Marks]**

Q6. Why do so many CRM projects fail? Name ten reasons and explain your answer.

Q7. If too many companies send unsolicited e-mails to companies and consumers, this effective communication tool can gain an unfavorable reputation and its efficiency can suffer as a result. What can you do as a commercial company to prevent this from occurring with your customers? Illustrate your answer.

Q8. For an organization of your choice, describe how they can involve consumers in the marketing of products or services during different phases of the relationship.

(a) Describe in what way co-creation can take form during the orientation, selection, buying and after sales phase.

(b) Also show how organizations can reward relations for their contribution.

**Section D: Analytical / Situational / Case based:**

**Q9. Attempt all the questions [3x10 = 30 Marks]**

**CASE: CARGLASS WINS CRM AWARD**

Carglass won the Dutch CRM Award 2009 for a way of working that has been in place for many years at the company. 'With our company, CRM is not a programme that the marketing department is executing; it's a mentality that has become an integral part of the DNA of our organisation' (Hulsebos and Van Beek, 2010). Carglass is a dominant player in the European market for car windscreen repair and replacement. It's a low-interest service that an average customer might require only once every five years. To ensure that the customer chooses Carglass again after five years, the company has developed its entire business model around the goal of achieving 100 per cent customer satisfaction.

Carglass's strategy to distinguish itself from the competition in a very crowded marketplace is 'superior service'. Because windscreen repairs are generally a moment of discomfort, Carglass tries their best to resolve the problem quickly and efficiently. Striving for 100 per cent customer satisfaction has been translated back to every part of the organisation. Customer satisfaction is used to direct efforts to improve in every area, from top management to the repairmen and office assistants.

Carglass makes a considerable effort to ensure that all their employees focus on the needs of the customer. It starts at the door, in the recruitment policy. The most important aspect is attitude. The service orientation is crucial, according to Hulsebos. It is also an important aspect in all training programmes. But the most tangible element to direct efforts is the customer feedback system. All employee bonuses are linked to the degree to which the customers are satisfied and would recommend the company to others.

On a yearly basis, Carglass assists some 500,000 people with windscreen repairs, ranging from chips and cracks to broken windscreens. Some 60 per cent of those people are willing to leave an e-mail address to be approached the following day for a customer satisfaction survey over the web. Some 55 per cent of these actually do fill out the questionnaire, leading to some 125,000 customers responding on a yearly basis, just over 2,400 per week on average. Hulsebos: 'Filling out the questionnaire takes some seven minutes, so it's not just getting feedback, we also have over 1 million minutes of free advertising/attention during the year.' Because of the amount of feedback received, not only can Carglass

measure the averages for customer satisfaction nationwide, but also by location, mechanic and contact agent. 'We gain insight into customer friendliness on an employee level . . . ' The reports are generated in real-time, as soon as the customer finishes a questionnaire. 'If a customer is dissatisfied, the manager at that location can get back to them the same day, as well as giving feedback to the employee. Incidentally, they also do this when the customer is really satisfied. And we keep a keen eye on which best scoring locations are doing better than the rest. It's part of our goal to get the rest to the best', says Hulsebos. The questionnaire consists of closed questions and one open question: Are there any remarks or observations and suggestions you could make to us in order to improve our service? 'The tips you get on that level are sometimes remarkably easy to deploy and effective.'

The information obtained by Carglass is also shared with business partners, mostly the insurance companies, who can get access to their own customers' satisfaction reports and download the feedback. The business part of the relationship that Carglass needs to cater to is the trust that car hire and insurance companies have in the care that is taken over their customers when they 'direct' them to a Carglass location. They often pick up the bill for the repairs. One could say that reducing such costs is key to the business partners, but Carglass has managed to achieve a level of mutual understanding where benefits are shared: Carglass' efficient operations are cost-effective, while the investment made in customer satisfaction means that customers feel well-assisted, both by the insurer or car hire company and by Carglass. Relevant feedback is shared and partners can opt to have specific questions included in the surveys directed towards their customers. The business partners may even propose commercial offerings to their own customers during the contact with Carglass, meaning the contact is no longer a cost factor, but a commercial contact point. Investing in customer enthusiasm pays off, that much is clear from this example. By raising the bar every time and making no concessions to the quality of the job to be done, Carglass has been able to increase the lead on the competition in this cutthroat market. Both profits and customer satisfaction have increased significantly over recent years.

### **Questions**

- i. What convinces you most that CRM is more than just a well-managed measuring and improvement system at Carglass?
- ii. Name the advantages and possible downsides of the way in which Carglass is collecting customer feedback, analyzing it and using it in their efforts to improve customer focus in the organization.
- iii. What elements would drive the business case for Carglass? Give an outline of the way customer focus improves Carglass' financial performance. Illustrate your answer.