**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**FIFTH TRIMESTER (Batch 2020-22)**

**END TERM EXAMINATION, JAN-2022**

|  |  |  |  |
| --- | --- | --- | --- |
| Course Name | **Customer Relationship Management (CRM)** | Course Code | **MKT402** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS:** All the questions are compulsory

1. The table below has details of the two stores- Lifestyle and Shoppers Stop at Indore.

|  |  |  |
| --- | --- | --- |
| Particulars | Lifestyle (Amount spent) | Shopperstop (Amount Spent) |
| Advertisement expenses for acquiring customers | 3500 | 5000 |
| Cost of goods sold | 1500 | 1600 |
| Cost of servicing each customer | 350 | 400 |
| Average Revenue per customer | 4500 | 5500 |
| Retention Rate | 75% | 80% |

1. Apply the customer lifetime value concept for the above two scenarios and state which store is doing better in Indore. **(5 Marks)**  (**Note: The calculation steps must be depicted.**)
2. The manager of Lifestyle once pointed out that he was not able to segregate customers into high cost to serve and low cost to serve customers. As a student of CRM what would be your suggestion to the manager so that he can differentiate between low cost to serve and high cost to serve customers. **(5 Marks)**
3. Suggest the strategies to be followed to cater to different customer categories i.e. high vs. low cost to serve customers and contributing low vs. high margins for the company **(5 Marks)**

**(Please do not miss out on making the matrix of these types of customers while suggesting strategies)**

1. The general manager of Marriott Hotels was approached by Zoho.com sales representatives for a demonstration of what zoho.com (a CRM software) could do to improve the business of the hotel. The general manager was not very keen on procuring this CRM software. If you were one of the members of the sales team how would you handle the following doubts/questions of the general manager:
   1. Hotel industry does not require a CRM software like zoho.com **(3 Marks)**
   2. I do not understand the role of operational, analytical and collaborative CRM in hotel industry

**(4 Marks)**

* 1. What could be the possible bottlenecks in successful implementation of the CRM software.

**(3 Marks)**

1. A Chinese restaurant entrepreneur developed an informal but effective system for differentiating his customers. It intrigued him why some would return again and again, but others less frequently – and often the style and spend of their visits was inconsistent with previous visits. As a way of encouraging business he would try to remember details about his customers – children, what sort of car they drove, jobs, holidays etc. As his business expanded this became more difficult. Instead he transferred the information to card indexes and encouraged staff to do the same. He then began to add to this information the days of their visits, average spend, meal and wine preferences. As the system evolved he was also able to note preferences for tables and seating, dining times, and even preferred waiters and waitresses. Staff would often note down exact details, such as favourite flavourings and special requests.
   1. Discuss how IDIC model can help the entrepreneur in customer relationship management.

**(4 Marks)**

* 1. If you were in place of the Chinese entrepreneur what strategies would you follow such that you can acquire and service customers better and also get them to spread positive word of mouth (You can assume that the customer searches for the best Chinese restaurant to dine using google search). **(6 Marks)**

1. Out of a total of 500 customers surveyed by Indigo and 600 customers surveyed by Spice Jet, following ratings were received:

|  |  |  |
| --- | --- | --- |
| Rating | Indigo | Spice Jet |
| 10 | 54 | 89 |
| 9 | 167 | 156 |
| 8 | 49 | 184 |
| 7 | 17 | 28 |
| 6 | 20 | 35 |
| 5 | 76 | 16 |
| 4 | 55 | 12 |
| 3 | 12 | 45 |
| 2 | 25 | 15 |
| 1 | 15 | 12 |
| 0 | 10 | 8 |
| **Total** | **500** | **600** |

1. Calculate the Net Promoter Score for both the airlines. **(3 Marks)**
2. Discuss which airline is better according to you and suggest some strategy to the other airline for improving their NPS. **(2 Marks)**