**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

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

**END TERM EXAMINATION, JAN-2022**

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

**INSTRUCTIONS:** All the questions are compulsory.

1. The store manager of Reliance Trends was looking at the data presented to him for the financial year 2020-21. Reliance Trends had spent Rs. 100000 on hoardings and Rs. 40000 on digital platform in order to attract the customers. There were 2000 new customers who came as a result of this promotion. During the financial year and each customer spent on an average Rs. 4500/- during the year. The additional cost of serving each customer was Rs. 1500/-. It has been generally observed that the churn rate in retail is around 50%. The store manager has no clue what to interpret from this data.
2. If you were the store manager how would you calculate the customer lifetime value . **(5 Marks)**  (**Note: The calculation steps must be depicted.**)
3. There were a total of 7500 customers. 1230 customers rated Reliance trend as 9 out of 10, 1250 rated it as 10 out of 10, 1700 rated the company as 8 out of 10, 650 rated it as 7 out of 10, remaining had rated it in between 0 to 6. What interpretation can you draw out of this data while calculating net Promoter Score (NPS)  **(5 Marks)**
4. Discuss various CRM strategies deployed by **ANY TWO** of the below mentioned sectors

 **(5+5 Marks)**

* 1. Hotel Industry
	2. Retail Industry
	3. Banking Sector
1. The Tesco Clubcard is Tesco’s way of rewarding its most loyal customers. For every pound you spend online or in-store, you’ll get a point. These points, when accumulated, can be traded in for Tesco Clubcard ‘vouchers’ (for instance, 150 points gets you a £1.50 voucher). A voucher can then be traded in for rewards, such as an afternoon at Cineworld with the kids (a timeless experience), or an evening at Pizza Express. Clubcard holders can also collect points at [Tesco fuel](https://www.expertmarket.co.uk/fuel-cards/tesco-fuel-cards) stations and by filling out feedback surveys online.
	1. Discuss how a retail giant like Tesco apply IDIC model for customer relationship management. **(4 Marks)**
	2. What type of customer bonds is Tesco trying to establish by providing reward points. How strong are such bonds when compared to other types of bonds **(2+3 Marks)**
	3. Discuss the implication of having an understanding of low cost to serve customers versus high cost to serve customers in designing strategies for customer relationship management. **(6 Marks)**
2. Operational, analytical and collaborative CRM can help organization succeed. Taking an example of Reliance Trends (dealing primarily in retail of apparel) discuss the functionalities of these three dimensions of CRM. **(5 Marks)**