☑ **MF-202 V19, general information**

Grade	Description	General, qualitative description of valuation
A	Outstanding	An excellent performance, clearly outstanding. The candidate demonstrates excellent judgment and a high degree of independence.
B	Very good	Very good performance. The candidate demonstrates excellent assessment and independence.
C	Good	A good performance which is satisfactory in most areas. The candidate demonstrates excellent assessment and independent thinking in the most important areas
D	Satisfactory	An acceptable performance with some significant shortcomings. The candidate demonstrates some degree of assessment and independence.
E	Sufficient	The performance meets the minimum criteria, but no more. The candidate shows little assessment and independence
F	Fail	A performance that does not meet the minimum academic requirements. The candidate demonstrates an absence of both assessment and independent thinking

Course code: MF-202

Course name: Customer Relationship Management (CRM)

Date: May 6th 2019

Duration: 3 hours

Resources allowed:

Paper-based bilingual Dictionaries English-Mother Tongue/Mother Tongue-English (e.g. English- Norwegian, Norwegian-English)

Writing material such as pens, pencils, highlighters, etc.

Notes:

The set-up of the examination is as follows:

Section I - Multiple Choice

(suggested approximate time used by student = 45 minutes)

30 questions with ONLY 1 correct answer

Total = 30 points

+

Section II - Short Answers

(suggested approximate time used by student = 45 minutes)

5 questions with 6 points each

Total = 30 points

+

Section III - Case Study

(suggested approximate time used by student = 75 minutes)

Essay style answer with knowledge of theory and application of theory

Total = 40 points

+

student check of the exam
(suggested approximate time used by student = 15 minutes)
Total = 100 points (total time 180 minutes)

* Read the questions in FULL to answer in the best possible way.
** Remember to set aside time to check your answer(s) in each section.

GOOD LUCK!

On occasion, professors ask for examination answers to be used for teaching purposes, but in order for this to take place, the university needs your consent.

Do you grant the University of Agder permision such permission?

Select one alternative

○ Yes

○ No

¹ Section I - Questions 1-5 - Multiple Choice

Section I - Multiple Choice

(suggested approximate time used by student = <u>45 minutes</u>)

30 questions with <u>ONLY 1 correct answer</u>

You receive <u>one point for each correct answer</u>

Total = 30 points

Question 1

CRM is:

Select one alternative

- ○ an information industry term for methodologies, software and usually Internet capabilities that help an enterprise manage customer relationships in an organized way.

- ○ the process of managing all aspects of interaction a company has with its customer, including prospecting, sales and service.

- ○ an integrated approach to identifying, acquiring and retaining customers.

- ○ an integrated information system that is used to plan, schedule and control the pre-sales and post-sales activities in an organization.

- ○ A business strategy that maximizes profitability, revenue and customer satisfaction by organizing around customer segments, fostering behavior that satisfies customers, and implementing customer-centric processes.

- ○ All of the above.

- ○ None of the above.

Question 2

True or False?
Analytical CRM builds on the foundation of customer-related information.

Select one alternative

- ○ True

- ○ False

Question 3

What are Recency, Frequency and Monetary variables used for?

Select one alternative

○ Calculating satisfaction

○ Calculating behavioral loyalty

○ Calculating attitudinal loyalty

○ All of the above

○ None of the above

Question 4

_____ is the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives.

Select one alternative

○ Perceived usefulness

○ Failure avoidance rate

○ Customer perceived value

○ Competitors market share rate

○ None of the above

Question 5

Which of the following is NOT a phase of relationship development for a seller and a buyer?

Select one alternative

○ Exploration

○ Commitment

○ Attraction

○ Expansion

² Section I - Questions 6-10 - Multiple Choice

Section I - Multiple Choice

(suggested approximate time used by student = <u>45 minutes</u>)

30 questions with <u>ONLY 1 correct answer</u>

You receive <u>one point for each correct answer</u>

Total = 30 points

Question 6

The _____ consists of the whole cluster of benefits the company promises to deliver; it is more than the core positioning of the offering.

Select one alternative

- ○ Customer promise

- ○ Mission statement

- ○ Corporate perceived value

- ○ Value proposition

- ○ None of the above

Question 7

The customer life cycle is a model for

Select one alternative

- ○ How to acquire customers

- ○ How to retain customers

- ○ How to develop customer relationships

- ○ All of the above

- ○ None of the above

Question 8

Which question is NOT a key customer acquisition question?

Select one alternative

- Which prospects will be targeted?

- Who is responsible for finding prospects?

- How will these prospects be approached?

- What offer will be made?

Question 9

True or False?
Big data extends beyond structured data, including unstructured data of all varieties: text, audio, video, click streams log files and more.

Select one alternative

- True

- False

Question 10

Another term for high customer _____ is customer churn.

Select one alternative

- Retention

- Defection

- Value

- Perception

- None of the above

³ Section I - Questions 11-15 - Multiple Choice Questions 1-5

Section I - Multiple Choice
(suggested approximate time used by student = <u>45 minutes</u>)
30 questions with <u>ONLY 1 correct answer</u>
You receive <u>one point for each correct answer</u>
Total = 30 points

Question 11

Many firms claim they are customer focused and hence believe they adopt a customer-centric business culture. What accurately describes a customer-centric business?

Select one alternative

- A business that believes that customers choose products with the best quality, performance and design.

- A business that focuses on operational excellence, and seek to offer the customers best value for money, time and effort.

- A business that believes customers respond best to intense advertising and sales and promotion.

- A business that believes in collecting, dissemination and using customer information to develop better value propositions for the customer.

Question 12

One key to customer retention is _____ . It would be wise for a company to measure this factor frequently.

Select one alternative

- Heavy promotion

- Deep discounts for intermediaries

- To have an ethics officer

- Customer satisfaction

- None of the above

Question 13

Benevolence, honesty and competence, are all types of

Select one alternative

- ○ Feelings
- ○ Trust
- ○ Relationships
- ○ Attributes
- ○ None of the above

Question 14

_____ applies technology to marketing processes.

Select one alternative

- ○ Sales Force Automation
- ○ Customer segmentation
- ○ Marketing Automation
- ○ Real-time marketing
- ○ All of the above
- ○ None of the above

Question 15

True or False?
A customer portfolio is the collection of mutually non-exclusive customer groups that comprise a business's entire customer base.

Select one alternative

- ○ True
- ○ False

⁴ Section I - Questions 16-20 - Multiple Choice Questions 1-5

Section I - Multiple Choice

(suggested approximate time used by student = <u>45 minutes</u>)

30 questions with <u>ONLY 1 correct answer</u>

You receive <u>one point for each correct answer</u>

Total = 30 points

Question 16

Core customer management strategy:

Select one alternative

- ○ Protect the relationship

- ○ Re-engineer the relationship

- ○ Grow the relationship

- ○ Harvest the relationship

- ○ End the relationship

- ○ Win-back the relationship

- ○ Start a relationship

- ○ None of the above

- ○ All of the above

Question 17

Whether the buyer is satisfied after purchase depends on the offer's performance in relation to the _____ .

Select one alternative

○ Buyer's reactions

○ Buyer's expectations

○ Seller's expectations

○ BOTH the buyer's and seller's demands

○ None of the above

Question 18

The ability of a company to meet each customer's requirements – to prepare on a mass basis individually designed products, services, programs and communications, is referred to as:

Select one alternative

○ Individualization

○ Mass customization

○ Competitive advantage

○ Target market customization

○ None of the above

Question 19

True or False?
Product-oriented businesses believe that customers choose products with the best quality, performance, design or features.

Select one alternative

○ True

○ False

Question 20

The explicit or implicit promise made by a company to its customers that it will deliver a particular bundle of value-creating benefits.

Select one alternative

- ○ Value proposition

- ○ Product development

- ○ Customization

- ○ All of the above

- ○ None of the above

⁵ Section I - Questions 21-25 - Multiple Choice Questions 1-5

Section I - Multiple Choice
(suggested approximate time used by student = <u>45 minutes</u>)
30 questions with <u>ONLY 1 correct answer</u>
You receive <u>one point for each correct answer</u>
Total = 30 points

Question 21

What can analytical CRM modeling tools discover?

Select one alternative

○ Identify opportunities for expanding customer relationships

○ Identify opportunities for cross-selling

○ Identify opportunities for up-selling

○ All of the above

○ None of the above

Question 22

Data mining is the application of descriptive and predictive analytics to large datasets to support the marketing, sales and service functions. Two approaches to data mining are:

Select one alternative

○ Directed and undirected data mining

○ Focused and unfocused data mining

Question 23

True or False?
Value is the customer's perception of the balance between benefits received from a product or service and the sacrifices made to experience those benefits.

Select one alternative

○ True

○ False

Question 24

What is the first step for CRM best practice?

Select one alternative

○ Define information, needs and flows

○ Build a database with an integrated view of the customer

○ Define the overall aim of the CRM strategy

○ Implement new technology

○ All of the above

○ None of the above

Question 25

A cruise ship with American passengers is visiting Kristiansand for the day. One of these passengers, Trish, decides to take a stroll into Kristiansand's city center to find a coffee shop other than Starbucks. She wants to try some local pastries. Trish walks by Dampbageriet, where she purchases a cup of coffee and several almond cakes. How would you describe this episode:

Select one alternative

○ A simple transaction between customer and supplier

○ A simple relationship between customer and supplier

○ A highly developed relationship between customer and supplier

○ None of the above

6 Section I - Questions 26-30 - Multiple Choice Questions 1-5

Section I - Multiple Choice

(suggested approximate time used by student = <u>45 minutes</u>)

30 questions with <u>ONLY 1 correct answer</u>

You receive <u>one point for each correct answer</u>

Total = 30 points

Question 26

True or False?
Perceived risk is not a consideration in assessing psychic cost.
Select one alternative

○ True

○ False

Question 27

What does the IDIC model of CRM developed by Don Peppers and Martha Rogers stand for?

Select one alternative

○ Identification, data, income and customer

○ Identity, data, information and creativity

○ Identify, differentiate interact and customize

○ Identifiable, data, interact and customer

○ None of the above

Question 28

_____ are disruptive technologies that are responsible for significant and pervasive changes to communications between organizations, communities and individuals.

Select one alternative

○ Email campaigns

○ Social Media

○ Web Analytics

○ None of the above

Question 29

True or False?
Production-oriented businesses seek to offer the customers the best value for money, time and/or effort.

Select one alternative

○ True

○ False

Question 30

_____ is the customer's fulfilment response to a customer experience, or some part thereof.

Select one alternative:

○ Customer Lifetime Value

○ Customer Satisfaction

○ Customer Complaints

○ None of the above

○ Customer Loyalty

7 **Section II - Short Answers**

Section II - Short Answers

(suggested approximate time used by student = <u>45 minutes</u>)

<u>5 questions with 6 points each</u>

Total = 30 points

Hint: Read and answer the <u>ENTIRE</u> question in each section

Question I

Identify the <u>three different types of CRM</u>. Thereafter, <u>briefly explain</u> each one by <u>highlighting the differences</u> between them.

(6 points)

Enter text here

Question II

What are the 3V's that characterize big data? What do they mean?

(6 points)

Enter text here

Question III

How is CRM misunderstood? **Name and explain** 5 misunderstandings within the field of CRM.
(6 points)

Enter text here

Question IV

The 'R' of CRM stands for 'relationship'. <u>Define</u> (in your own words) the term 'relationship'. Thereafter, <u>identify</u> the five hierarchical levels of relationship.
(6 points)

Enter text here

Question V

In your own words, <u>define</u> Customer Lifetime Value. Thereafter, mention <u>5 factors</u> that you deem important concerning Customer Lifetime Value, including calculations, advantages and disadvantages.
(6 points)

Fill in your answer here

⁸ Section III - Case Study

Section III - Case Study

(suggested approximate time used by student = <u>75 minutes</u>)

Essay style answer with <u>knowledge of theory</u> and <u>application of theory</u>

Total = 40 points

HINT: Do not waste time trying to 'draw' a framework. Mention it, explain its layout briefly and then go on to showing your knowledge of it and application of it.

Zappos is a US online clothing retailer often referred to as a pioneer in online marketing. Zappos' primary product category is shoes, which accounts for about 80 per cent of its business. There are currently more than 50,000 varieties of shoes sold in the Zappos store, from brands like Nike, Ugg boots, ALDO Shoes and Steve Madden. They also serve the niche shoe markets, including narrow and wide widths, hard-to-find sizes, American-made shoes and vegan shoes.

Tony Hsieh, CEO of Zappos, puts the company's success down to a customer-centric approach. He says simply 'We pay more attention to our customers'. He explains: 'People may not remember exactly what you did or what you said, but they will always remember how you made them feel.' Tony's summary of the evolution of the Zappos brand has seen it go from simply having a strong customer focus to being really passionate about how they make their customers feel.
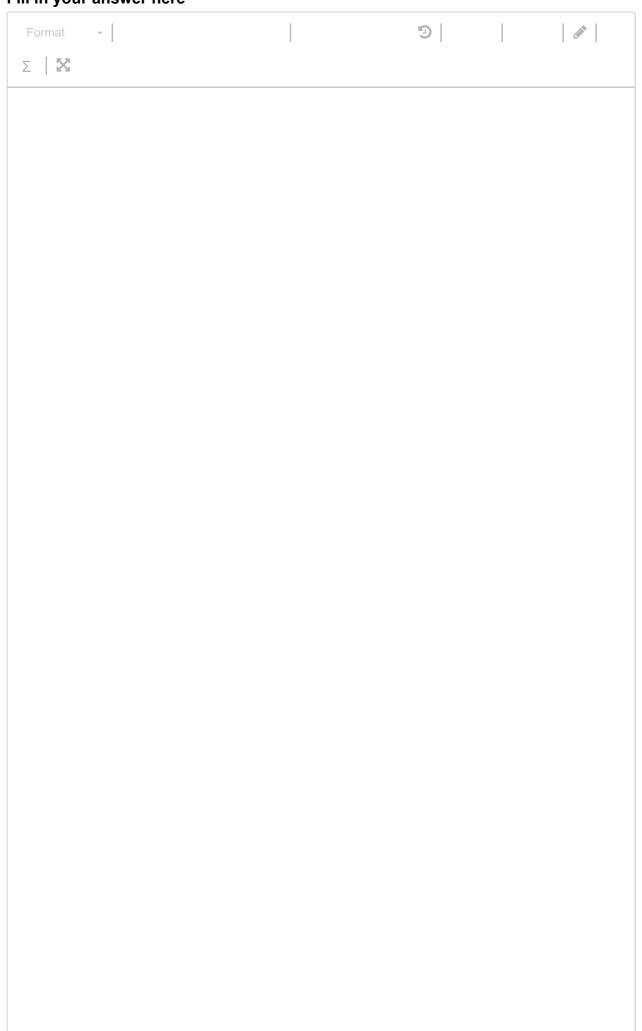
Recently, Zappos expanded its inventory to include clothing, handbags, eyewear, watches and kids' merchandise. Zappos expects that clothing and accessories will bring in an additional US$1 billion worth of yearly revenue in the years to come, as the clothing market is four times the size of the footwear market.

Question:

Explain the difference between immediate and latent benefits from implementing CRM. How could Zappos use these benefits to build their business case for implementing CRM in their expanding business?

NOTE: the student is free to make assumptions or present prior knowledge in answering the question.

Fill in your answer here

Format

Σ

Words: 0