

(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 270226

Roll No.

--	--	--	--	--	--	--	--	--	--

MBA

(SEM. II) THEORY EXAMINATION 2013-14

CUSTOMER RELATIONSHIP MANAGEMENT

Time : 3 Hours

Total Marks : 100

Note :- (1) Attempt **all** questions.

(2) The figures on the right indicate the marks.

SECTION-I

1. Attempt any **four** of the following : **(5×4=20)**

- (a) What do you mean by CRM value chain ?
- (b) "Superior customer service would be the only differentiator in the coming days". Comment.
- (c) Can customer satisfaction be linked to increased profitability ? Comment.
- (d) What is SERVPERF Scale ? Discuss.
- (e) What do you mean by 'service quality' as a concept ?
- (f) What are the major components of customer satisfaction ? Explain.

Questions :

- (a) Shopper's Stop was the first among the organized retail players to initiate CRM practices. What do you find from the above case study to substantiate this view ?
- (b) If you were in the place of incharge of relationship management practices, what innovations would you have done ?

SECTION-III (12.5×4=50)

3. What do you understand by CRM ? Discuss in detail.

OR

What are the prominent methods of assessing customer satisfaction ? Explain.

4. "Higher customer expectation leads to a greater chance of customer dissatisfaction". Comment.

OR

How would you develop a service quality measurement scale for hospitality industry ?

5. Employee Relationship Management (ERM) is a new buzzword after Customer Relationship Management (CRM). Comment.

OR

"Customer Relationship Management is also called customer Retention Management". Elucidate.

maintain its No. 1 position in the Indian market in the Department store category. Being at the helm of a customer centric business, there is a strong emphasis on customer satisfaction which, in turn, translates into taking all aspects of the business very seriously.

CRM Practices :

The retail chain major is eyeing 50% sales growth from its CRM initiatives. The company has also lined up an aggressive expansion plan targeting smaller towns and cities in the country. According to MD and CEO of the company, it has given a new direction to its CRM initiatives after acquiring a business intelligence software called "Business Solutions".

The new software helps generate intelligent data form Shopper's Stop customer base of about 2,30,000. The company then collects this data and touches base with customers via direct mailers informing them of all new promotions that are currently on and also updates them about the upcoming events. The company claims that it has taken its CRM initiatives to new heights and now calls its Loyalty Programmes.

CEM Initiatives :

Overanalysing of the company's sales trends and patterns helped realize that most of the sales were coming from the old customers primarily through repeat purchases it thought of

focusing on those customers. The company tried to leverage data by providing information so that the customers may be available with the information and the company may ultimately be benefited. Under the CEM programme, the members are called "First Citizens". At Shopper's Stop, the First Citizens are given the following exclusive benefits and privileges :

- Reward points every time they shop
- Exclusive offers
- Updates on what one can look forward to shop for
- Exclusive benefits and privileges
- Exclusive cash counters so that they can spend more time shopping rather than waiting in a line.

There are three membership categories :

- (i) Classic moments
- (ii) Silver edge
- (iii) Golden glow.

The company believes in providing the best experiences possible, including the best benefits and privileges. The programme gets as rewarding as one makes it since it depends on the membership status which is upgraded when one qualifies with the necessary purchases during the membership period.

Co-branded CRM initiatives : Shopper's Stop has been launching several schemes to benefit its profitable customers

and has been coming up in partnership with several leading players who matter for retailing industry. One such programme partner is Citibank.

First Citizen Citibank Credit Card : The First Citizen Citibank credit card-India's only co-branded store card combines the benefits of Shopper's Stop Loyalty programme, First citizen and the advantages of a Citibank credit card. This entitles customers to the benefit of :

- Earn double reward points
- 0% EMI scheme

First Citizen Citibank Debit Card : The first citizen ATM/Debit card is India's first co-branded ATM/Debit card in the retail sector. While this card can be used as a regular debit card and at an ATM to withdraw cash, it also helps a customer collect reward points every time he purchases merchandise at any Shopper's Stop Outlet. This also provides automatic membership to First Citizen Shopper's Stop Loyalty Programme for those who are not first citizen members yet. The company had also gone in for massive IT initiatives to support the customer support it had planned for. It chose software tools for facilitating the analysis of the customer data. They have been using a combination of business objects and the Statistical Analysis System (SAS) solutions for trend analysis, promotion management, consumer behaviour, segmentation, buying basket analysis, profitability and lifecycle analysis.

SECTION-II

(30)

2. **Customer Relationship Management in Shopper's Stop :**

The foundation of Shopper's Stop was laid on 27 October 1991 by K. Raheja Corp. Group of Companies. Being amongst India's biggest hospitality and real estate players, the group sets another milestone with their lifestyle ventures. The objective was to create a fashion and lifestyle store for the entire brands for the same. It tried to bridge the gap between the unprofessionally managed, and poorly stocked merchandise and ill-mannered staff, and the growing urban upper middle class who had money to spend but were asking for a quality environment.

From its inception, Shopper's Stop has progressed from being a single brand shop to becoming a leading fashion and lifestyle store for the family. A pioneer of organized retailing in India, today, it has become the highest benchmark for the Indian retail industry. Its stores are present across various Indian cities such as Bangalore, Hyderabad, Jaipur, Delhi, Mumbai. It has a national presence over 6,00,000 sq.ft. of retail space, stocking over 250 brands of garments and accessories.

In fact, the company's continuing expansion plans aim to help it meet the challenges of the retail industry in an even better manner than it does today. Its vision is to be a global retailer in India and

6. "Recalling products is another important dimension of modern marketing, but requires a thoughtful process by the marketers". Critically analyse the statement.

OR

What are the essentials and advantages of service recovery management with special reference to retailing ?