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QUESTION BANK

Title of the Paper

CUSTOMER RELATIONSHIP MANAGEMENT

Course: II M.Com.,
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Prepared by



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ELECTIVE COURSE - IV

CUSTOMER RELATIONSHIP MANAGEMENT

UNIT – I

Introduction and Significance - CRM Emerging Concepts; Need for CRM; CRM Applications; CRM Decisions; The Myth of Customer Satisfaction; CRM Model; Understanding Principles of Customer Relationship; Relationship Building Strategies; Building Customer Relationship Management by Customer Retention; Stages of Retention; Sequences in Retention Process; Understanding Strategies to Prevent Defection and Recover Customers.

UNIT – II

CRM Process: Introduction and Objectives - an Insight into CRM and e-CRM/ online CRM; The CRM cycle - Assessment Phase; Planning Phase; The Executive Phase; Modules in CRM, 4C's of CRM Process; CRM Process for Marketing Organization; CRM Affiliation in Retailing Sector; Key e-CRM features.

UNIT – III

CRM Architecture: IT Tools in CRM; Data Warehousing - Integrating Data from different phases with Data Warehousing Technology; Data Mining: - Learning from Information Using Data Mining Technology like OLAP etc.; Understanding of Data Mining Process; Use of Modeling Tools; Benefits of CRM Architecture in Sales & Productivity; Relationship Marketing and Customer Care, CRM Over Internet.

UNIT – IV

CRM Implementation: Choosing the right CRM Solution; Framework for Implementing CRM: a Step-by-Step Process: Five Phases of CRM Projects

UNIT – V

Development of Customizations; Beta Test and Data Import; Train and Retain; Roll out and System Hand-off; Support, System Optimization and Follow-up; Client/Server CRM Model; Use of CRM in Call Centers using Computer Telephony Integration (CTI); CTI Functionality; Integration of CRM with ERP System. Case Studies

UNIT – I

CHOOSE THE CORRECT ANSWER

1. Customer Relationship Management is about
 - a) Acquiring the right customer
 - b) Instituting the best processes
 - c) Motivating employees
 - d) All of the above
2. Building and sustaining long term business with customers is the aim of:
 - a) Customer management
 - b) Customer acquisition
 - c) Electronic customer relationship management
 - d) Customer relationship management
3. A person or company that yields a revenue more than incurred costs of selling and serving is called
 - a) Dissatisfaction
 - b) Superior value
 - c) Profitable customers
 - d) Satisfied customers
4. Customers lifetime purchases that generate net present value of future profit streams is called
 - a) Customer lifetime value
 - b) Customer purchases value
 - c) Customer cost incurred
 - d) Customer relationships
5. 'Total customer benefits' includes
 - a) Product benefits
 - b) Services benefit
 - c) Image benefit
 - d) All of above
6. Number of customers or potential customers who will help in company's growth is classified as
 - a) Customer base
 - b) Retailer base
 - c) Distributor's base
 - d) Marketer's base
7. Any occasion on which brand or product is encountered by end customers is called
 - a) Customer touch point
 - b) Company touch point
 - c) Retailers touch point
 - d) Relationship touch point

8. Advantage of CRM
 - a) Cost of the Software
 - b) Improve overall relationship with customer
 - c) Customization of the Business
 - d) All of the above
9. The main drawback of CRM is
 - a) Implementing CRM before creating a customer strategy
 - b) Rolling out CRM before changing the organization to match
 - c) Stalking, not wooing, customers
 - d) All of the above
10. Record which is based on business customers past purchases, sales price and volumes is classified as
 - a) Business database
 - b) Customer database
 - c) Databases marketing
 - d) Company marketing

Answer: 1.(d) 2.(d) 3.(c) 4.(a) 5.(d) 6.(a) 7.(a) 8.(b) 9.(d) 10.(a)

SHORT QUESTIONS (TWO MARKS)

11. Define CRM?
12. What is meant by relationship management?
13. Who is called as a customer?
14. Define consumer.
15. What are the benefits of CRM
16. How organizations lose their customers?
17. What is CRM application?
18. What are the importance of CRM?
19. What is called customer relations?
20. What are the various limitations of CRM?

PARAGRAPH QUESTIONS (FIVE MARKS)

21. State the significance of CRM.
22. What are the objectives of CRM?
23. How does Relationship marketing benefit to customers?
24. What are the components of CRM?
25. What are the barriers to good CRM?
26. What are the steps in customer retention process?
27. Explain segmentation of customers as per profitability.
28. What are the various relationship development strategies through CRM?
29. List out the strategies for customer retention in detail?
30. What are the challenges in acquiring and retaining customers?

ESSAY QUESTIONS (TEN MARKS)

31. Write a note on Transactional approach Vs. Relationship approach.
32. What is CRM model? Explain.
33. What are the principles of Customer Relationship Management?
34. How does CRM help customer retention?
35. What is customer retention? And why is it so important?
36. Explain the need and importance of CRM.
37. What are the different stages in the development of a customer relationship?
38. What are the ethics to be followed in managing customer relations?
39. Explain the various kinds of customer relationship management.
40. Explain the advantages and disadvantages of customer relationship management.

UNIT – II

CHOOSE THE CORRECT ANSWER

1. Customized products and services for customers and interaction to individual customers are part of
 - a) Retailer's management
 - b) Customer relationship management
 - c) Company relationship management
 - d) Supplier management
2. Company's monetary, time and energy cost, all are included in
 - a) Total customer cost
 - b) Psychological cost
 - c) Personal benefits
 - d) Image benefits
3. First step in analysis of customer value is to
 - a) Identify customers value attributes
 - b) Assessing attributes importance
 - c) Assessing company's performance
 - d) Assessing competitor's performance
4. Difference between customers evaluation including all costs incurred and benefits is called
 - a) Customer perceived value
 - b) Company market value
 - c) Customer affordability
 - d) Customer reliability
5. The marketing messages committed to customers wishes is a part of
 - a) Permission marketing
 - b) Activity marketing
 - c) Supplier marketing
 - d) None of the above

6. The method used to assess real cost providing services to an individual customer is
 - a) Cost based accounting
 - b) Activity based accounting
 - c) Turnover based accounting
 - d) Price based accounting
7. _____ is any occasion on which the brand or product is used by end customers.
 - a) Customer touch point
 - b) Retailers touch point
 - c) Company touch point
 - d) None of the above
8. _____ is the study of how individuals, groups and organizations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants.
 - a) Consumer behavior
 - b) Product cycle
 - c) Purchase behavior
 - d) None of the above
9. This is the processing of data about customers and their relationship with the enterprise in order to improve the enterprise's future sales and service and lower cost.
 - a) Database marketing
 - b) Customer relationship management
 - c) CRM analytics
 - d) B2C
10. CRM stands for
 - a) Customer relationship management
 - b) Customer relations management
 - c) All the above
 - d) None of the above

Answer: 1.(b) 2.(a) 3.(a) 4.(a) 5.(a) 6.(b) 7.(a) 8.(a) 9.(c) 10.(a)

SHORT QUESTIONS (TWO MARKS)

11. What is customer Life Cycle?
12. What is a role of CRM?
13. What are the key CRM challenges
14. What is the main function of a CRM system?
15. What is cross selling and up selling?
16. What are the methods to improve customer retention?
17. What are the techniques to handle customers?
18. Define CRM strategy cycle.
19. What is the significance of knowledge management in CRM
20. What is collaborative filtering?

PARAGRAPH QUESTIONS (FIVE MARKS)

21. Write a short note on customer relationship management process.
22. Explain the customer relationship management business cycle.
23. Write a short note on e-CRM.
24. What are the features of e-CRM?
25. What are the main ingredients of CRM? Explain.
26. State and explain various types of e-CRM.
27. What are the most important modules in CRM?
28. What are the components of e-CRM?
29. What are the five stages of customer life cycle?
30. How to improve customer service with Customer Relationship Management (CRM)?

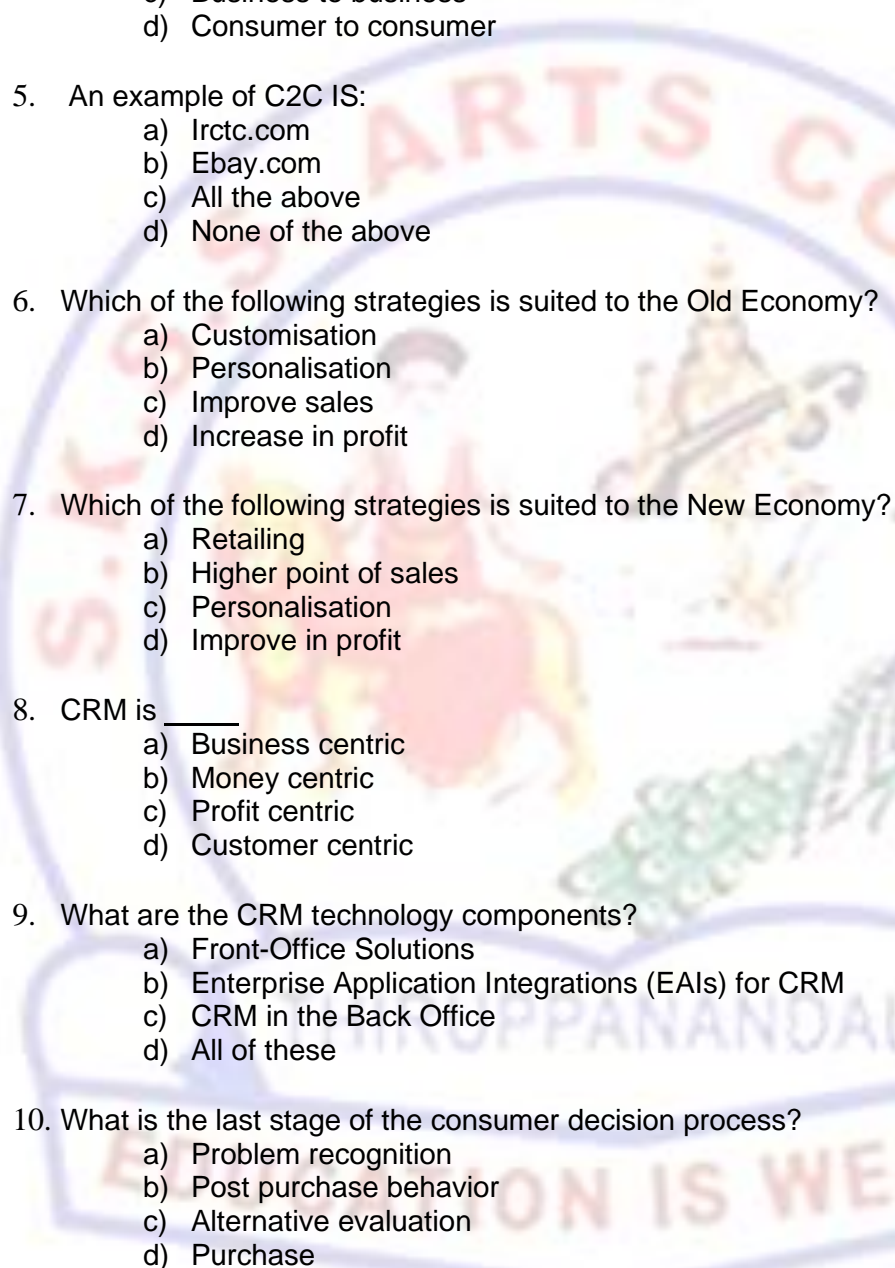
ESSAY QUESTIONS (TEN MARKS)

31. Explain the merits and demerits of e-CRM.
32. What is the CRM process? Explain.
33. What are the main objectives of CRM? Explain.
34. Differentiate between CRM and e-CRM.
35. What are the significant features of e-CRM?
36. What are the different stages of evolution of customer relationships?
37. How to integrate a CRM system in the retail marketing?
38. Explain the tools and techniques of e-CRM.
39. Why is CRM important? What are the benefits of using CRM?
40. Explain customer and customer life cycle?

UNIT – III

CHOOSE CORRECT THE CORRECT ANSWER

1. B2B stands for
 - a) Business to Government
 - b) Business to Business
 - c) Business to Consumer
 - d) All the above
2. B2C stands for
 - a) Business to Government
 - b) Business to Consumer
 - c) Business to Business
 - d) All the above
3. B2G stands for
 - a) Business to government
 - b) Business to consumer
 - c) Business to business
 - d) All the above

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4. C2C stands for
- Business to government
 - Business to consumer
 - Business to business
 - Consumer to consumer
5. An example of C2C IS:
- Irctc.com
 - Ebay.com
 - All the above
 - None of the above
6. Which of the following strategies is suited to the Old Economy?
- Customisation
 - Personalisation
 - Improve sales
 - Increase in profit
7. Which of the following strategies is suited to the New Economy?
- Retailing
 - Higher point of sales
 - Personalisation
 - Improve in profit
8. CRM is _____
- Business centric
 - Money centric
 - Profit centric
 - Customer centric
9. What are the CRM technology components?
- Front-Office Solutions
 - Enterprise Application Integrations (EAI)s for CRM
 - CRM in the Back Office
 - All of these
10. What is the last stage of the consumer decision process?
- Problem recognition
 - Post purchase behavior
 - Alternative evaluation
 - Purchase

Answer: 1.(b) 2.(b) 3.(a) 4.(d) 5.(b) 6.(a) 7.(c) 8.(d) 9.(d) 10.(b)

SHORT QUESTIONS (TWO MARKS)

11. What is customer database?
12. Define data mining?
13. What is data management?
14. What are the types of data analysis tools?
15. What is collaborative filtering and what are the types?
16. What is meant by E-business?
17. What are the types of CRM technology?
18. How CRM technology helps to business?
19. What are the CRM technology components?
20. What is customer knowledge?

PARAGRAPH QUESTIONS (FIVE MARKS)

21. Write a short note on data warehousing.
22. Explain the role of customer relationship management in service recovery?
23. Distinguish data warehousing and CRM.
24. What are the characteristic of data mining?
25. What are the different stages in the development of a customer relationship?
27. Explain the e-CRM architecture.
28. What are the various channels of customer interaction?
29. What are the applications of e-CRM?
30. What is the role of technology in CRM?

ESSAY QUESTIONS (TEN MARKS)

31. Explain the data warehousing architecture.
32. Explain the tools and techniques of data mining.
33. Explain how sale force automation works in customer relationship management.
34. What are the applications of data extraction?
35. What are the data mining implementation process? Explain.
36. Explain data mining applications and its usage.
37. 'Internet and its effect on CRM' – Discuss.
38. In which way internet enable customer relationship management – Discuss.
39. What are the main areas of CRM solution?
40. Discuss the relationship policy to improve size, quality and relationship with the customer base.

UNIT – IV

CHOOSE THE CORRECT ANSWER

1. CRM technology can help in
 - a) Designing direct marketing efforts
 - b) Developing new pricing models
 - c) Processing transactions faster
 - d) All of the above

2. A _____ is an organized collection of detailed information about individual customers or prospects that is accessible, actionable and current for marketing purposes such as lead generation and others.
 - a) Customer database
 - b) Customer mailing list
 - c) Business database
 - d) None of the above

3. _____ uses sophisticated mathematical and statistical techniques such as neural networking and cluster analysis.
 - a) Data mining
 - b) Data survey
 - c) CRM
 - d) None of the above

4. The main drawback of CRM is
 - a) Implementing CRM before creating a customer strategy
 - b) Rolling out CRM before changing the organization to match
 - c) Stalking, not wooing, customers
 - d) All of the above

5. In buyer decision process, percentage of potential customers in a given target market is called
 - a) Customer funnel
 - b) Company funnel
 - c) Marketing funnel
 - d) Retailers funnel

6. This is a central point in an enterprise from which all customer contacts are managed.
 - a) Contact center
 - b) Help system
 - c) Multichannel marketing
 - d) Call center Help desk

7. This is the practice of dividing a customer base into groups of individuals that are similar in specific ways relevant to marketing, such as age, gender, interests, spending habits, and soon.
 - a) Customer managed relationship
 - b) Customer life cycle
 - c) Customer segmentation
 - d) Change management
8. CRM technology can help in
 - a) Designing direct marketing efforts
 - b) Developing new pricing models
 - c) Processing transactions faster
 - d) All of the above
9. The type of website that engages consumers in interactions that will move them closer to a direct purchase is known as a _____ website.
 - a) Customer service
 - b) Interactive
 - c) Corporate
 - d) Marketing
10. When preparing a website, designers should ensure that the site enables user-to-user communication. This design feature is known as _____.
 - a) Commerce
 - b) Context
 - c) Community
 - d) Connection

Answer: 1.(d) 2.(a) 3.(a) 4.(d) 5.(c) 6.(a) 7.(c) 8.(d) 9.(b) 10.(b)

SHORT QUESTIONS (TWO MARKS)

11. What is customer learning relationship?
12. Who are said to be internal and external customers of an organization?
13. How customer life time value for a product is determined?
14. What are components of CRM solutions?
15. List out the phases of CRM.
16. What is a CRM strategy?
17. Is CRM expensive?
18. What is interactive website?
19. What is intranets?
20. Identify the bottlenecks in implementing CRM?

PARAGRAPH QUESTIONS: (FIVE MARKS)

21. Discuss the CRM implementation issues.
22. Discuss the HR issues in implementation.
23. Write short notes on Customer Value Analysis.
24. How do you implement CRM effectively?
25. How can planning and implementation of CRM help in successful business?
26. What are the steps involved in CRM implementation?
27. How to choose right CRM solution?
28. How to develop the CRM strategy?
29. What is the process of employee engagement in CRM project? Explain.
30. Describe about the traffic building with the CRM network.


ESSAY QUESTIONS (TEN MARKS)

31. State the various phases involved in CRM implementation.
32. What is the role of CRM manager in planning and implementation?
33. What are the steps involved in analytical CRM process?
34. Differentiate Analytical CRM with Operational CRM?
35. Explain in detail the CRM Measurement frameworks.
36. What are the attributes of a different CRM Measurement Framework?
37. Discuss and differentiate how CRM process is carried out in B2B and B2C industries.
38. How to implement the CRM project?
39. What are the major support and challenges of the organization in implementing CRM system?
40. What are the caveats of CRM implementation? Discuss pre-implementation, and Rollout and System Hand off.

UNIT – V

CHOOSE THE CORRECT ANSWER

1. This is a broad category of applications and technologies for gathering, storing, analyzing, and providing access to data to help enterprise users make better business decisions.
 - a) Data mart
 - b) Business information warehouse
 - c) Business intelligence
 - d) Business warehouse
2. This is a systematic approach to the gathering, consolidation, and processing of consumer data (both for customers and potential customers) that is maintained in a company's databases.
 - a) Database marketing
 - b) Marketing encyclopedia
 - c) Application integration
 - d) Service oriented integration

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3. A well-built e-business infrastructure is a combination of.
- Structure and Stability
 - Safeguards information
 - Understands customer priorities
 - All of the above
4. E-business stands for
- Electronic business
 - Electron business
 - Electric business
 - All of the above
5. Customers being able to buy products and services on the Internet is a result of _____
- E-business
 - E-marketing
 - E-purchasing
 - E-commerce
6. One of the major problem for e-business growth is
- Lack of markets
 - Lack of sellers
 - Lack of proper infrastructure
 - None of the above
7. E-commerce involves the application of _____
- Knowledge Management systems
 - Product Management systems
 - Services Management systems
 - All of the above
8. Internet is used in Business to _____
- Earn more money
 - Use latest technology
 - Speed up business process
 - To get updated
9. CRM process begins _____
- After sales
 - After sales and before sales
 - After purchase
 - Before sales.
10. _____ is networks that connect people within a company to each other and to the company network
- Intranets
 - Extranets
 - Bit streams
 - Internets

Answer: 1.(c) 2.(a) 3.(d) 4.(a) 5.(a) 6.(c) 7.(a) 8.(c) 9.(b) 10.(a)

SHORT QUESTIONS (TWO MARKS)

11. What are the attributes of ERP?
12. Expand the Following: (i) CTI (ii) ACD
13. Define call center.
14. Define Customization.
15. Why do we need beta testing?
16. What are the advantages of customization?
17. How can we import the data to the CRM system?
18. How customer expectation analysis carried out?
19. What are the four types of training?
20. Define System Optimization.

PARAGRAPH QUESTIONS (FIVE MARKS)

21. What are the ethics to be followed in managing customer relations?
22. States the role of CRM manager.
23. What is beta testing in new product development?
24. How will CRM help to ensure continuous growth and success?
25. What are the factors involved in development of customizations?
26. What is Business Intelligence?
27. Explain the importance of training.
28. How is logging and monitoring carried out?
29. Explain the term Rollout in CRM.
30. What are the features of rollout?

ESSAY QUESTIONS (TEN MARKS)

31. Explain in detail the integration of CRM with ERP system and its approaches.
32. Explain the various components of call center.
33. What are the various monitoring technologies?
34. Why do we need customization? Explain how the customization can improve the customer relation with the organization.
35. Explain about the importance of power user beta testing and define problems with data import.
36. What are the four folds of CRM training programme?
37. Write in detail about the roll out and system hand off phase.
38. How to create a Market Intelligent Organisation?
39. "CRM is possible only by understanding the customer behavior" – Discuss.
40. Explain the role of CRM in Indian Retail Market.
