

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: CUSTOMER RELATIONSHIP MANAGEMENT**

**(IOBM – D215)**

**Date: Wednesday, 25th November 2020**

**Time Allocated: 3 Hours (13:30 – 16:30 Hours)**

**INSTRUCTIONS TO CANDIDATES**

1 This paper consists of **TWO** Sections, A and B.

2 Section A consists of 4 questions, each question carries 15 marks.

Answer **ALL** questions.

3 Section B consists of 4 questions, each question carries 20 marks. Answer **ANY TWO** questions.

4 You will be allowed **10 minutes** to go through the paper before the start of the examination, you may write on this paper but not in the answer book.

5 Begin each answer on a new page.

6 **Please write your examination number on each answer book used. Answer books without examination numbers will not be marked.**

7 All persons writing examinations without payment will risk expulsion from the Institute.

8 If you are caught cheating, you will be automatically disqualified in all subjects seated this semester.

9 DO NOT open this question paper until instructed to do so.

**PSECTION A (60 MARKS)**

Answer **ALL** questions from this section.

**QUESTION 1**

1. Explain any **five** common barriers to customer relationship management in the banking sector in Malawi.

1. The internet
2. Internal intellectual barrier
3. Cultural barriers
4. Organizational structures
5. Unrealistic expectations. *(5 marks)*
6. Evaluate the key determinants of service quality. *(10 marks)*

**(Total 15 marks)**

**QUESTION 2**

A newly established micro-finance institution in Malawi is planning to develop a database for its customers as a way of enhancing its marketing effectiveness. As a Customer Relationship Manager for the institution, you have been asked by your board of Directors to send a report that:

1. Explains the **five** ethical elements relating to personal data that financial institutions should consider when developing a database of their customers.

*(10 marks)*

1. Outlines **five** reasons why customer retention is important to the bank. *(5 marks)*

**(Total 15 marks)**

**QUESTION 3**

Customer relationships and company profitability are linked closely to product and service quality. Write a memorandum to all members of staff that:

1. Distinguishes between performance quality and conformance quality. *(5 marks)*
2. Explains **five** main principles of Total Quality Management (TQM). *(10 marks)*

**(Total 15 marks)**

**QUESTION 4**

Customer adoption patterns are important to understanding how to market new products and services. You are the Product Manager for Loyalty Bank Ltd, which is the market leader in the banking sector in Malawi.

**Required**

1. Describe the main adopter categories for a new idea or product. Illustrate your answer with examples. *(10 marks)*
2. Briefly explain any **five** factors that influence the speed at which new ideas and product innovation will spread or be diffused through the market place.

*(5 marks)*

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer **ANY TWO** questions from this section.

**QUESTION 5**

Stakeholder management is a key element in customer relationship management. You are the Account Relationship Manager for a bank of your choice in Malawi.

**Required**

1. Evaluate any **five** key stakeholders in the Six Markets model and demonstrate how each can be used by the bank to enhance its customer relationship management performance.  *(15 marks)*
2. Outline why it is important for managers in the financial sector in Malawi to keep up to date with technology. *(5 marks)*

**(Total 20 marks)**

**QUESTION 6**

1. The banking industry in Malawi is highly competitive. Using Michael Treacy and Fred Wiersema’s value disciplines, explain how a bank of your choice can grow its market share and achieve sustainable competitive advantage. *(15 marks)*
2. Explain with examples **five** possible reasons why the implementation of “service workers enfranchisement is a challenge in banking. *(5 marks)* **(Total 20 marks)**

**QUESTION 7**

1. As a Relationship Marketing Manager of a bank of your choice develop an integrated marketing mix to demonstrate how each element of the mix may be relevant to your bank in its efforts to retain its customers.  **(Total 20 marks)**

**QUESTION 8**

Integration of various functions within a bank to operate as a single unit is a key element in Customer Relationship Management. Evaluate the role that each of the following functions play in effective Customer Relationship Management.

1. IT Department *(5 marks)*
2. Sales *(5 marks)*
3. Marketing *(5 marks)*
4. Customer service support *(5 marks)*

**(Total 20 marks)**

**END OF THE EXAMINATION PAPER**