

**INSTITUTE OF BANKERS IN MALAWI**

**ADVANCED DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: CUSTOMER RELATIONSHIP MANAGEMENT (IOBM-D215)**

**Date: Wednesday, 7th May, 2014**

**Time Allocated: 3 hours (13:30 pm - 16:30 pm)**

**INSTRUCTIONS TO CANDIDATES**

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

2 Section A consists of 20 multiple choice questions, each question carries 2

marks. Answer **ALL** questions.

3 Section B consists of 5 questions, each question carries 20 marks. Answer **ANY THREE** questions.

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

5 Begin each answer on a new page in Section B.

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

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

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

**SECTION (60 Marks)**

Answer **ALL** questions from this section

**QUESTION 1**

(a) Briefly explain the following winning strategies that a bank can follow;

(i) Overall cost leadership *(3 marks)*

(ii) Differentiation *(3 marks)*

(iii) Focus *(3 marks)*

(b) Give **two** strategies that market leading banks can pursue. *(6 marks)*

**(Total 15 marks)**

**QUESTION 2**

1. Write short notes on the following terms as they relate to customer relationship management:

(i) Suggestion involvement *(3 marks)*

(ii) Job involvement *(3 marks)*

(iii) High involvement *(3 marks)*

(b) Outline **any three** challenges associated with enfranchisement. *(6 marks)*

**(Total 15 marks)**

**QUESTION 3**

(a) Define consumerism. *(3 marks)*

(b) Briefly describe ethical responsibilities and social responsibilities that a bank can undertake in its target market. *(12 marks)*

**(Total 15 marks)**

**QUESTION 4**

Effective competent and acceptable customer service through the internet is a combination of several factors.

Briefly describe any **five** of these factors

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer any **TWO** questions from this section

**QUESTION 5**

CRM recognizes that customer - bank relationship evolve over time. These customers do not have the same needs, and as their relationships with the bank change, so do their expectations and behaviour.

As the bank’s CRM expert, you are required to provide a framework for understanding and managing those differences to management through a customer life cycle so that the bank tailor makes its marketing efforts.

**(Total 20 marks)**

**QUESTION 6**

Describe, giving examples where possible, the common customer relationship management obstacles that banks face in their effort to create and sustain a long lasting and profitable relationship with their customers

**(Total 20 marks)**

**QUESTION 7**

Make a critical assessment of any **five** determinants of service quality that ABC Commercial Bank of Malawi must consider for them to remain competitive in the current ever changing business environment.

**(Total 20 marks)**

**QUESTION 8**

You are the Customer Relationship Manager of one of the Commercial Banks in Malawi. You have recruited new staff in your department and you want to induct (teach) them on how to handle complaints from customers.

Briefly outline the actions that you would want them to take when faced with a complaint.

**(Total 20 marks)**

**END OF EXAMINATION PAPER**