

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: CUSTOMER RELATIONSHIP MANAGEMENT**

**(IOBM – D215)**

**Date: Wednesday, 6th May 2015**

**Time Allocated: 13:30 – 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.

6 **Please write your examination number on each answer book used. Answer sheets 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.

**SECTION A (60 MARKS)**

Answer ALL questions from this section.

**QUESTION 1**

In order to build and sustain real customer value it is important to realize that relationship must be built with a number of important constituencies called the six markets model.

**Required:**

Identify any **five** of the six markets model and demonstrate how each can be used in an organization to improve its performance. **(Total 15 marks)**

**QUESTION 2**

Your bank is planning to offer effective, competent and acceptable customer service through the internet.

**Required:**

As a Marketing Manager, advise management of the combination of any **five** factors that have to be taken into consideration when designing the website.

**(Total 15 marks)**

**QUESTION 3**

Briefly describe at least **five** of the following terms as they related to CRM:

1. Electronic customer relationship management [e-CRM]
2. Business-to-Business transactions [B2B]
3. Data mining [DM]
4. Lifetime value [LTV]
5. Quality circles [QCs]
6. Just in time [JIT]
7. Continuous improvement [CI]

**(Total 15 marks)**

**QUESTION 4**

Discuss **five** aspects through which the internet technology has impacted upon the manner that customer relations management is conducted within the banking environment.  **(Total 15 marks)**

**SECTION B (40 MARKS)**

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

**QUESTION 5**

The Executive Management of a certain conservative bank is not yet convinced that E-Commerce is the way to go in order to attain competitive advantage over the competition.

**Required:**

Write an analytical report to management discussing the advantages and disadvantages of adopting E-Commence as a bank.  **(Total 20 marks)**

**QUESTION 6**

Transaction marketing, as part of traditional banking, is concerned with the exchange between a bank and its customers; with emphasis being on satisfying a customer’s needs. However, through loyalty and relationships, banks are moving into creating lifetime value for their customers.

**Required:**

Compare and contrast ‘transaction marketing’ to ‘relationship marketing’, giving at least **five** aspects.

**(Total 20 marks)**

**QUESTION 7**

A leading bank in the country is losing market share due to customers that are leaving the bank to join other banks. The bank is concerned with this situation and it hires you as a marketing consultant to reverse the situation by using a new marketing mix for customer retention.

**Required:**

As a marketing consultant prepare a brief report on how the bank should respond using the New Marketing Mix for Customer Retention. **(Total 20 marks)**

**QUESTION 8**

As part of effective customer relationship management the need for enfranchising service or frontline employees is increasingly important in modern banks.

1. Briefly define the concept of "service workers enfranchisement" . *(5 marks)*
2. Briefly explain **five** possible reasons why the implementation of “service workers enfranchisement is a challenge in banking.  *(15 marks)*

**(Total 20 marks)**

**END OF THE EXAMINATION PAPER**