

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: CUSTOMER RELATIONSHIP MANAGEMENT**

**(IOBM – D215)**

**Date: Wednesday, 14th November 2018**

**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.

**SECTION A (60 MARKS)**

Answer **ALL** questions from this section

**QUESTION 1**

Today most organisations are using CRM widely to manage the company’s interaction with customers in a more efficient and profitable manner.

**Required**

1. Using examples, explain the key categories of CRM**.** *(5 marks)*
2. Given its recent emergence, it isn’t surprising that there are a number of common misunderstandings about the nature of CRM. Explain any **five** misunderstandings about CRM. *(10 marks)*  **(Total 15 marks)**

**QUESTION 2**

The Marketing Manager of ABC Bank is worried about service quality.

**Required**

1. Explain the criteria that affects customers’ perceptions on service. *(5 marks)*

1. Discuss the role of internal marketing in the banking sector. *(10 marks)* **(Total 15 marks)**

**QUESTION 3**

Total Quality Management is amanagement culture that puts quality and customer care at the heart of the organization. This is particularly apparent in the banking sphere.

**Required**

Explain any **five** guiding principles of Total Quality Management in an organization.

**(Total 15 marks)**

**QUESTION 4**

Axix Bank is a new bank on the Malawian market and has developed its service strategy based on characteristics of services that are of great importance to any service industry.

**Required**

Describe **five** particular characteristics of services that Axix Bank may use to gain competitive advantage in in the banking industry.

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer ANY **TWO** questions from this section

**QUESTION 5**

For organizations to have successful customer care programmes they need to ensure that a number of elements are in place relating to staff, the programme itself and management.

**Required**

1. Explain the elements of customer care. *(10 marks)*

1. Briefly highlight the benefits of customer care programmes in the banking industry.*(10 marks)*

**(Total 20 marks)**

**QUESTION 6**

In the Social Web and Relationships with Customers, what stakeholders (shareholders, customers, suppliers, staff and the community) think and say can impact positively or negatively on an organisation. Organisations, therefore, need to listen very carefully and take note of what is said.

**Required**

1. Explain **five** activities in which organisations can exploit the power of social media.*(10 marks)*
2. Illustrate the advantages and disadvantages social media can pose to an organisation. *(10 marks)* **(Total 20 marks)**

**QUESTION 7**

Recently commercial banks were mandated to implement the ‘Know your customer’ requirement by the Regulator.

**Required**

1. In your opinion what could have triggered this mandate? *(10 marks)*

1. How is this beneficial to banks in line with customer relationship management?

*(10 marks)*

**(Total 20 marks)**

**QUESTION 8**

You are the Marketing Manager working for a Commercial Bank that currently uses traditional promotional and distributive methods. Your Managing Director is interested in moving to online banking strategy to improve efficiency.

**Required**

You are asked to produce a report showing the advantages and disadvantages of the online banking strategy and make recommendations.

**(Total 20 marks)**

**END OF EXAMINATION PAPER**