

**INSTITUTE OF BANKERS IN MALAWI**

**CERTIFICATE IN BANKING EXAMINATION**

**SUBJECT: CUSTOMER RELATIONSHIP MANAGEMENT**

**(IOBM – D215)**

**Date: Wednesday, 11th May 2016**

**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**

Customers define their loyalty to an organization according to their total experience with it. Similarly, they define loyalty by the sum of their experiences with the organization, across all touch points and across all experiential elements. This means that Customer Relationship Management initiatives whose goal is to improve loyalty must view the Total Customer Experience from a holistic perspective.

1. Explain the concept ‘total customer experience’. *(6 marks)*
2. Discuss the **three** factors that influence customers’ total experience*. (9 marks)*

**(Total 15 marks)**

**QUESTION 2**

In relation to customer Relationship Management, briefly explain any five points on the significance of corporate values in ensuring consistent high levels of customer satisfaction. **(Total 15 marks)**

**QUESTION 3**

Banking is predominantly a customer-oriented business and good customer service is the key to the banks’ growth and stability. A bank is only as good as its people and therefore, the quality of its human capital will be the single most important defining factor in shaping the future of banks in Malawi. As a Marketing Manager of a leading commercial bank in Malawi:

1. Describe any **two** ways how the bank can achieve employee empowerment in order to foster above average standards of customer service. *(6 marks)*
2. Explain **three** major challenges to the implementation of service workers’ enfranchisement. *(9 marks)*

**(Total 15 marks)**

**QUESTION 4**

Electronic commerce (e-commerce) is forcing changes for organizations including banks.

1. Explain any **three** key ways how the Internet is having an impact on customer relationships.  *(9 marks)*
2. Identify any **three** benefits of e-commerce to consumers. *(6 marks)*

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer **ANY TWO** questions from this section

**QUESTION 5**

Zokoma Bank has just lost 20% of its market share as at December 2015. Your CEO is concerned with this development and has asked you as the bank’s Marketing Manager to write a report to:

1. Discuss how Porters growth strategies that can be used by the bank to grow its market share.  *(10 marks)*
2. Describe an appropriate marketing mix which can be used by the bank to develop stronger bonds with its customers.  *(10 marks)*

**(Total 20 marks)**

**QUESTION 6**

One of the most valuable services a bank can provide is the ability to protect its customers’ privacy. You have been hired as a marketing consultant by Zaithwa Bank Inc. Write a report to the bank.

1. In your report, explain the **five** key elements of privacy and justify why each is important. *(15 marks)*
2. Identify the significance of privacy to the bank in this digital banking age.

*(5 marks)*

**(Total 20 marks)**

**QUESTION 7**

You have been hired as a Customer Relationship Manager for Zakwathu Bank and you have noticed that the bank does not have any customer database. Write a memo to the Head of Marketing to:

1. Explain how a customer database could be used to build relationships with customers. *(12 marks)*
2. Outline the key methods that Zakwathu Bank can use to collect data about its customers.  *(8 marks)*

**(Total 20 marks)**

**QUESTION 8**

It is said that effective market segmentation is a key to successful customer relationship management. Explain the whole process of market segmentation using any bank of your choice.

**(Total 20 marks)**

**END OF THE EXAMINATION PAPER**