

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: CUSTOER RELATIONSHIP MANAGEMENT (IOBM – D215)**

**Date: Wednesday, 15th May 2019**

**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**

Successful customer relationship management (CRM) is about competing in the relationship dimension, not as an alternative to having a competitive product or reasonable price but as a differentiator.

1. Outline **six** key elements of CRM.  *(6 marks)*
2. Discuss any **three** objectives or significance of using CRM methods. *(9 marks)*

**(Total 15 marks)**

**QUESTION 2**

Customer loyalty is viewed as the strength of the relationship between an individual’s relative attitude and repeat patronage. The relationship is seen as mediated by social norms and situational factors.

**Required**

Explain any **five** ways an organization can use to build customer loyalty

**(Total 15 marks)**

**QUESTION 3**

Write brief notes on the following concepts in relation to customer relationship management:

1. E-CRM  *(3 marks)*
2. Social CRM *(3 marks)*
3. Customer Profiling *(3 marks)*
4. Consumerism *(3 marks)*
5. Privacy *(3 marks)*

**(Total 15 marks)**

**QUESTION 4**

Phindu Commercial Bank plc is one of the oldest banks in the country but of late the bank is fast losing its customers in all the segments to competition. It is therefore imperative for the bank to utilize markets model to implement relationship marketing so to retain existing customers and attract new ones.

**Required**

As a customer sales and service manager for Phindu Commercial Bank plc, submit a report to the CEO to:

1. Outline **three** major reasons why customers defect from a bank. *(3 marks)*
2. Explain how the bank would utilize the six markets model to implement relationship marketing within the bank so as to attract and retain customers. *(12 marks)*

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer ANY **TWO** questions from this section

**QUESTION 5**

In continuously growing competitive market, it is very important for an organization to have a CRM strategy as the backbone for its growth and sustainability.

**Required**

1. Briefly explain **three** types of CRM strategy. *(6 points)*
2. Discuss steps of how an effective CRM strategy can be developed.

*(14 points)*

**(Total 20 marks)**

**QUESTION 6**

Total Quality Management is a market-driven idea that stresses customer satisfaction as crucial to the success of a business in a highly competitive, modern business world. The concept is the enhanced version of the marketing mix in marketing.

**Required**

1. Discuss necessary steps for creating an effective Total Quality Management System. *(12 marks)*
2. Briefly explain **four** advantages of Total Quality Management in addressing the issues of poor customer service at the bank. *(8 marks)*

**(Total 20 marks)**

**QUESTION 7**

Credit card is a fairly new product in the Malawi and almost all commercial banks are in the course of introducing the product on the market. You have been hired as a consultant by a local bank to advise the senior management of the bank on how best to roll out credit card and other innovative products that the bank is considering.

**Required**

Explain with examples the stages a new product is likely to go through and recommend strategies for each stage.  **(Total 20 marks)**

**QUESTION 8**

Customer relationship management demands attention to customer privacy issues now that the internet has evolved into a medium of commerce.

**Required**

Discuss the significance of customer privacy in CRM in general and with reference to e-commence.

**(Total 20 marks)**

**END OF EXAMINATION PAPER**