

**INSTITUTE OF BANKERS IN MALAWI**

**CERTIFICATE IN BANKING EXAMINATION**

**SUBJECT: CUSTOMER SERVICE (IOBM – C102)**

**Date: Monday, 12th 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 20 multiple 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. All answer books without examination number 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 (40 MARKS)**

Answer **ALL** questions from this section by circling the right answers in the answer sheet provided.

1. According to Michael Porter’s Value Chain Model, a customer withdrawing cash over the counter is an example of which of the following:
2. Out bound logistics
3. In bound logistics
4. Operations
5. Marketing and Sales
6. After visiting one of the big banks banking halls, you came across these words pasted on the wall: **Account opening (20 minutes), Funds transfer (same day), Cash withdraws (5 minutes), Loan disbursement (48 hours),** etc. This is an example of:
7. Service Charter
8. Service Level Agreement
9. Turn Around Time
10. Customer Information Poster
11. In Customer Service definition, what are the **three** points of contact between the customer and the organization at each point of the transaction process:
12. Complaint Handling, Chatting and Customer Visits
13. Telephone Service, Customer Visits & Process alignment
14. Complaint Handling, Customer Visits and Telephone Service
15. Complaint Handling, Chatting and Telephone Service
16. The following are essential components of service delivery processes **except**:
17. Processing People
18. Processing possessions
19. Information processing
20. System processing
21. What is the **first step** when developing a customer care program for the organization?
22. Introducing the program to employees
23. Engender ownership
24. Establishing a steering group
25. Pilot scheme
26. Customer Equity is the total of the discounted lifetime values of all the firms’ customers. According to Rust, Zeithaml and Lemon, the customer tendency to stick with the brand above and beyond objective is an example of:
27. Relationship equity
28. Brand equity
29. Value equity
30. Subjective equity
31. Cultural Change is one of the key factors in improving customer service in an organization. However, it has proved to be difficult to practically implement the change disciplines. Which of the following is the **least** factor to be involved in the cultural change practice?
32. Breaking down barriers. i.e Mixing staff from different levels of hierarchy at training sessions
33. Getting on board new employees with positive attitude to replace all those who appear to resist change
34. Improving internal communication
35. Overcoming inflexible attitudes and behavior
36. Job shadowing simply means:
37. Review call tracking system information
38. Give praise to other support groups in a call Centre set up
39. Communicate all appropriate information in a timely manner
40. Working side by side with another person in excellent benefits to both the help desk and support groups.
41. Which key value of customer service displays skills and knowledge?
42. Competence
43. Reliability
44. Credibility
45. Responsiveness
46. No matter how beautiful a shop or a banking hall is, customers will always expect the following:
47. Speed of delivery
48. To see the product with the price tag
49. Kindliness of the people offering the service
50. Product to be defect free
51. Cleanliness of the branch
52. I, II and III
53. I, II and IV
54. I, III and IV
55. I, IV and V
56. Team members begin to take ownership for the team’s performance and to have confidence in the team’s abilities. They then begin to feel sense of Camaraderie and exhibit team spirit. Which stage is this during team formation?
57. Forming
58. Storming
59. Norming
60. Preforming
61. Which of the following statement is **true** about loyal customers?
62. They adversely affect the profitability of the company
63. They advocate for the company
64. They are too familiar with the company
65. They buy less of the same item or less expensive items
66. “Time for bricks and mortar banking is slowly coming to an end even here in Malawi”. What evidence is there to support this statement?
67. The coming in of so many banks in Malawi opening branches in the unbanked areas
68. Many banks embracing the use of digital banking
69. Many banks embracing the use of Cheque books
70. The merger of some banks recently experienced in Malawi
71. What is the advantage of an Automated Call Handling (ACH) and Interactive Voice Response (IVR) systems?
72. It helps to resolve the customer complaint 24 hours
73. Customers can speak to the service provider without being charged. It’s a toll free service
74. Customers do not have the frustration of unanswered calls
75. Customers are always happy with this service
76. “Your system is too slow, your tellers don’t care, during lunch time only few tellers, why?” To a bank, this is an example of?
77. Feedback
78. Complaining customer
79. An angry customer statement
80. Responsible customer
81. CRM is used for?
82. Collecting ideas and Customer Satisfaction surveys
83. Complaints management and sales management
84. Complaints management and Collecting ideas
85. Sells management and collecting ideas
86. The following are the statements under the Servqual Model, **except**
87. Identify the gap between competitors and other service providers
88. Identify the gap between perceived service and expected service
89. Identify the gap between consumer expectation and management perception
90. Identify the gap between service delivery and external communications
91. Differentiate between a product and a service
92. A product can be bought while a service cannot be bought
93. A service mostly is intangible in nature and does not result in ownership of anything while a product is physical in nature and mostly result in ownership
94. A product is not offered in places like hotels and banks but can only be offered in manufacturing industries
95. There is no different between a product and a service. All are enjoyed by the customer.
96. It is good to encourage customers to log their complaints through the company. Any complaint process must be made clear to the company. What is the danger of **not** getting customer’s complaint in the organization?
97. Customers log their complaints through social media
98. There is no danger it means the organization is doing well on customer service
99. Customers quietly leave the organization and revenues are lost eventually
100. Angry customers will just be shouting behind the companies back
101. Having a service, for instance, a help desk, provided by an outside supplier (Service agents), instead of providing them in-house is called?
102. Partnering
103. Supporting
104. Joint arrangement
105. Outsourcing

**SECTION B (60 MARKS)**

Answer **ANY THREE** questions from this section

**QUESTION 2**

You have just graduated from the Institute of Bankers in Malawi (IOBM). A lot of Banks are looking for your services knowing that you are well trained in customer service. The Head of Customer Service from Chiphuza Commercial Bank has written you a letter. She wants you to assist her in addressing customer service issues at Chiphuza Commercial Bank.

1. She has noted that most of Chiphuza Banks branches experience long queues. This is increasing the number of complaints from customers that they are taking long to be assisted.
2. She has also noted poor customer service with the frontline staff when assisting customers. This is an area of concern to the bank’s management and are wondering on how to address this.

**Required**

Respond to the Head of Customer Service letter by addressing the above **two** issues**.** In your response, include how ICT can be of help in this scenario and also include any Customer Service Model that might be applicable.  *(20 marks)*

**(Total 20 marks)**

**QUESTION 3**

“Chilenje Commercial Bank has been recognized as the best customer service bank for the second year in a row. This is a clear testimony that we take very good care of our customers, our help desk has assisted so much this year”. This is the statement from your boss after you met her in the corridor. However, she poses and tell you, “I am going into a meeting to brief my boss on this good news but I know he will be curious to know more, so help me address these two questions:”

**Required**

1. Describe **six** benefits of Quality Customer Support. *(12 marks)*
2. List and explain **four** components of a successful Help desk. *(8 marks)*

**(Total 20 marks)**

**QUESTION 4**

1. Explain **four** benefits of customer feedback that you know. *(8 marks)*
2. According to Ted Johns in Perfect Customer Care, explain **six** guidelines that might encourage the customers to log a complaint with the organization. *(12 marks)*

**(Total 20 marks)**

**QUESTION 5**

Today, most of the banks offer similar products. The differentiating factor has always been service and how they blend the products to fit the needs of a customer.

**Required**

1. Define the term Customer segmentation *(3 marks)*
2. Mention and explain **three** factors that influence customer segmentation in a banking industry. *(9 marks)*
3. Explain the **four** benefits of customer segmentation to a bank? *(8 marks)*

**(Total 20 marks)**

**QUESTION 6**

Of late we have seen the growth in technology which has seen the increase in number of individuals using technology for chatting and even formal communication. The banks have also embraced this trend, using it for disseminating information to its clients.

**Required**

1. What might be the **four** advantages of Internet in relation to customer service on the banks perspective? *(8 marks)*
2. Explain **four** disadvantages of using internet in relation to customer service on the banks perspective? *(8 marks)*
3. Mention **two** uses of Customer Relationship Management (CRM) tool. *(4 marks)*

**(Total 20 marks)**

**END OF THE EXAMINATION PAPER**