

Code: 14E00309

MBA III Semester Regular &amp; Supplementary Examinations November/December 2017

**CUSTOMER RELATIONSHIP MANAGEMENT**

(For students admitted in 2014, 2015 &amp; 2016 only)

Time: 3 hours

Max. Marks: 60

**PART – A**

(Answer the following: (05 X 10 = 50 Marks))

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- 1 Describes the how does the factors affecting customer Loyalty. Explain.

**OR**

- 2 How does motivates companies to adopt CRM strategies? Describe the types of CRM.

- 3 Why should the retention model developed for active customers be different from that or passive customer?

**OR**

- 4 What is e-CRM? State six E's of e-CRM.

- 5 How do you learn the various experience based relationship building models? Explain.

**OR**

- 6 Do you consider a call centre belonging to a company that implements a CRM strategy to be more of a cost centre thing a profit centre?

- 7 How may an organization ensure that more visitor will ultimate make purchases both on-and offline?

**OR**

- 8 State five reasons, why the implementation of a campaign management system can fail. Substantiate your answer.

- 9 Where will the focus within CRM lie in next several years? Explain.

**OR**

- 10 Is there a privacy on your website? Do you have a separate privacy policy? Elaborate on it.

**PART – B**

(Compulsory question, 01 X 10 = 10 Marks)

**11 Case Study:**

Headquartered in London, the London Paris Banking Corporation (LPBC) is one of the largest banking and financial services organization in the world. LPBC's international network comprises over 10,000 offices in 83 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. LPBC's private banking is about delivering sophisticated solutions to complex financial problems, seeing customer's affairs in totality and offering individual advice and tailored solutions. The Uniform Customs and Practice for Documentary Credits (UCP) are the most successful private rules for trade ever developed. Bankers, traders, lawyers, transporters, academics and all who deal with letter of credit (LC) transactions worldwide, including LPBC will refer to UCP 600. Foreign banks are likely to succeed in their niche markets and be the innovators in terms of technology introduction in the Indian domestic market scenario.

Contd. in page 2

Code: 14E00309

The outlook for the private sector banks indeed looks to be more promising vis-à-vis other banks. While their focused operations lower but more productive employee force etc. will stand them good, possible acquisitions of PSU banks will definitely give them the much needed scale of operations and access to lower cost of funds. These banks will continue to be the early technology adopters in the industry, thus increasing their efficiencies. Also, they have been amongst the first movers in the lucrative insurance segment. Already, banks such as ICICI Bank and HDFC Bank have forged alliances with Prudential Life and Standard Life respectively. This is one segment that is likely to witness a greater deal of action in the future. In the near term, the low interest rate scenario is likely to affect the spreads of majors. This is likely to result in a greater focus on better asset-liability management procedures. Consequently, only banks that strive hard to increase their share of fee-based revenues are likely to do better in the future.

LPBC bank is also part of stiff competition for luring Indian customers. It has estimated properly the growing Indian banking market and made its entry to Indian banking market at the proper time. It opened its branches at all the major Indian cities like Mumbai, Pune, Nagpur, Kolkata, Delhi, Hyderabad, Bangalore, Chennai etc. LPBC camp branch is a very dynamic, proactive branch since beginning. Its presence is felt by all leading banks in Pune city which lost heavily their customer base to LPBC in the last financial year.

Mr. Prakash Kumar –Branch Manager LPBC bank, Camp branch, Pune, was approached by their client Mr.Suresh Chandra with a request to open an Import LC. The LC was sanctioned by an appropriate authority and the importer Mr. Suresh Chandra required some time to comply with the sanction conditions like depositing of margin money etc. The importer Mr. Suresh Chandra requested Mr.Prakash Kumar –Branch Manager LPBC bank, Pune Camp branch that though the bank cannot open LC until sanction terms are complied with , the bank should send a pre-advice of LC by SWIFT message as under:-

“Opened LC No.185/2008 on 24th April, 2008 for US\$ 500000.00

Applicant: Sharmila Enterprises Pvt. Ltd.

Beneficiary: Clarisa INC, New York, USA

Covering: Titanium Plates

However, LPBC bank, camp branch Pune modified the pre-advice by incorporating the words “Details to Follow” so that pre-advice does not become LC under UCP 600. In the absence of words “Details to follow”, beneficiary can treat pre-advice as LC and can present documents to the bank for negotiations and subsequent reimbursement. Although the importer Mr. Suresh Chandra was little unhappy for modification of preadvice, Mr. Prakash Kumar the Branch Manager-LPBC bank convinced him the importance and adhering to standard working practices under Uniform Customs and Practices (UCP600).

**Questions:**

- Why Mr. Prakash Kumar accepted immediately first request of Mr. Suresh Chandra for opening of Letter of Credit?
- What was the sanction condition for opening of Letter of Credit?
- What was the second request made by Mr. Suresh Chandra?
- What was the reason for modification of pre advice by incorporating the words “Details to follow”?

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