Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means.** In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	**50**

SECTION – A

A1. How can a company establish what Peppers and Rogers called a 'Learning Relationship' with its customers?

A2. On-line e-tailers like Flipkart can use CLTV analysis to offer benefits like 'free shipping' to high value customers. Comment.

A3. In your opinion do the benefits of win-back programs outweigh the costs? Why?

A4. Mass marketing techniques worked well for nearly three quarters of a century. What caused current companies to shift focus to CRM?

A5. Every human being is a buyer all through his life. Describe a buying situation in which you were successfully 'cross sold'. Why do you think the company was able to cross sell to you?.

SECTION – B

B1. Some exchanges are merely discrete while others are continuous. Explain the 'Buyer-seller Exchange Continuum in light of the above statement with the help of examples.

B2. Sales Force Automation is undertaken to increase sales efficiency. How does SFA help sales representative

B3. A traditional shopkeeper who still maintains personal contact with his customers is considered to have more knowledge of his customers than a CRM Manager with expensive software and database at his disposal. Do you agree? Give reasons.

TURN OVER

The foundation of Shopper's Stop Ltd. Was laid on 27 October, 1991 by K. Raheja Corp. Group of companies. Being amongst India's biggest hospitality and real estate players, the Group sets another milestone with their lifestyle venture.

(From its inception, Shopper's Stop has progressed from being a single brand shop to becoming a leading fashion & lifestyle store for the family. A pioneer of organised retailing in India, today, it has become the highest benchmark for the Indian retail industry. Its stores are present across various Indian cities such as Bangalore, Hyderabad, Jaipur, Delhi, Chennai, Mumbai, Pune, Gurgaon, and Kolkata. It has a national presence of over 6,00,000 square feet of retail space, stocking over 250 brands of garments and accessories.

In fact, the company's continuing expansion plans aim to help it meet the challenges of the retail industry in an even better manner than it does today. Its vision is to be a global retailer in India and maintain its No. 1 position in the Indian market in the Department Store category. Being at the helm of a customer-centric business, there is a strong emphasis on customer satisfaction which, in turn, translates into taking all aspects of the business very seriously.

CRM Practices

The retail chain major is eyeing 50% sales growth from its CRM initiatives. The company has also lined up an aggressive expansion plan targeting smaller towns and cities in the country. According to B.S. Nagesh, Managing Director and CEO of the company, it has given a new direction to it CRM initiatives after acquiring a business intelligence software called "Business Solutions".

The new software helps generate intelligent data from Shopper's Stop customer base of about 2,30,000. The company then collects this data and touches base with customers via direct mailers informing them of all new promotions that are currently on and also updates them about the upcoming events. A company release says: "Last year, about 50% of our sales came from repeat customers and this year too we are expecting this number to grow." The company claims that it has taken its CRM initiatives to a new height and now calls its Loyalty Programmes.

CEM Initiatives

Overanalysing of the company's sales trends and patterns helped realise that most of the sales were coming from the old customers primarily through repeat purchases it thought of focusing on those customers. The company tried to leverage data by providing information so that the customers may be available with the information and the company may ultimately be benefited. As, if a customer had bought a pair of trousers, it tells him about a new range of shirts that it has just brought into the store.

Under the CEM programme, the members are called "First Citizens".

At Shopper's Stop, the First Citizens are given the following exclusive benefits and privileges:

- Reward points every time they shop
- Exclusive offers
- Updates on what one can look forward to shop for
- Exclusive benefits and privileges

- Exclusive cash counters so that they can spend more time shopping rather than waiting in a line

There are three membership categories:

1. Classic Moments
2. Silver Edge
3. Golden Glow

The company believes in providing the best experiences possible, including the best benefits and privileges. The programme gets as rewarding as one makes it since it depends on the membership status which is upgraded when one qualifies with the necessary purchases during the membership period.

Co-branded CRM initiatives: Shopper's Stop has been launching several schemes to benefit its profitable customers and has been coming up in partnership with several leading players who matter for retailing industry. One such programme partner is Citibank.

First Citizen Citibank credit card: The First Citizen Citibank credit card-India's only co- branded store card combines the benefits of Shopper's Stop Loyalty programme, First Citizen and the advantages of a Citibank credit card. This entitles customers to the benefit of

- Earn double reward points
- 0% EM! scheme

First Citizen Citibank debit card: The First Citizen ATM/debit card is India's first co-branded ATM/debit card in the retail sector. While this card can be used as a regular debit card and at an ATM to withdraw cash, it also helps a customer collect reward points every time he purchases merchandise at any Shopper's Stop outlet. This also provides automatic membership to First Citizen Shopper's Stop Loyalty programme for those who are not First Citizen members yet. The company had also gone in for massive IT initiative to support the customer support it had planned for. It chose software tools for facilitating the analysis of the customer data. They have been using a combination of business objects and the Statistical Analysis System (SAS) solutions for trend analysis, promotion management, consumer behaviour, segmentation, buying basket analysis, profitability and lifecyde analysis.

Questions

1. Shopper's Stop has initiated many things in the direction of keeping customers for life. What are those initiatives? (8)
2. If you were in the place of incharge of relationship management practices, what innovation would you have done? (7)