



## GARISSA UNIVERSITY

### UNIVERSITY EXAMINATION **2017/2018** ACADEMIC YEAR **FOUR** **SECOND SEMESTER EXAMINATION**

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 431

COURSE TITLE: RELATIONSHIP MARKETING

EXAMINATION DURATION: 3 HOURS

**DATE: 07/05/18**

**TIME: 09.00-12.00 PM**

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#### INSTRUCTION TO CANDIDATES

- The examination has **SIX (6)** questions
- Question **ONE (1)** is **COMPULSORY**
- Choose any other **THREE (3)** questions from the remaining **FIVE (5)** questions
- Use sketch diagrams to illustrate your answer whenever necessary
- Do not carry mobile phones or any other written materials in examination room
- Do not write on this paper

This paper consists of **TWO (2)** printed pages

*please turn over*



### QUESTION ONE (COMPULSORY)

- (a) Use an illustration to describe the stages through which a prospect climbs through the loyalty ladder and becomes a partner in business **[12 marks]**
- (b) Relationship marketing attracts, maintains and enhances customer relationship. Highlight five advantages of relationship marketing **[5 marks]**
- (c) Discuss four elements of customer behavior that can be used by organization to measure customer loyalty **[8 marks]**

### QUESTION TWO

- (a) Explain the meaning of transactional marketing and highlight six differences between transactional marketing and relationship marketing **[7 marks]**
- (b) State and explain the four fundamental requirements of relationship marketing that a company can use to establish and maintain long term relationships with their customers **[8 marks]**

### QUESTION THREE

- (a) Discuss five key strategies for practicing relationship marketing and their role in the achievement of relationship marketing **[10 marks]**
- (b) Explain the concept of knowledge management as used in relationship marketing **[5 marks]**

### QUESTION FOUR

- (a) There is need to have measures in place to ensure customer retention. However, even with customer retention plans in place organizations still lose customers. Discuss five reasons why organizations lose customers **[10 marks]**
- (b) Today's customers are looking for products which offer a high degree of customization. Define customer satisfaction and explain the four ways through which to achieve mass customization **[5 marks]**

### QUESTION FIVE

- (a) Knowledge is captured, disseminated, modified and used constantly within all CRM business process. State and explain the three classifications of knowledge flows in CRM **[6 marks]**
- (b) Define marketing intelligence and discuss how the elements in IDIC framework facilitates leaning about customers and help in converting them to loyal customers **[9 marks]**

### QUESTION SIX

- (a) Increased profitability associated with customer retention efforts occurs because of several factors that occur once a relationship has been established with a customer. Discuss five of these factors **[10 marks]**
- (b) Companies like to conduct business with people whom they know or are recommended by friends and family. This introduced the factor of network in building relationships. Explain the types of networks companies can use to reach their customers **[5 marks]**

