



UNIVERSITY OF RUHUNA
FACULTY OF GRADUATE STUDIES

Master of Business Administration Degree Program –Semester II Examination

July/August 2021

PDBA/MBA 106 – Marketing Management

Duration: Three hours

The question paper contains Six (06) questions.

Answer four questions including question number one

➤ Non-programmable calculators are permitted.

Question 01

Read the case titled “Mitsubishi Motor Sales: Implementing Customer Relationship Management Systems” and answer the questions given below.

Mitsubishi Motor Sales: Implementing Customer Relationship Management Systems

Until the late 2010s, Mitsubishi Motor Sales of America Inc. was only about cars and its approach to retail customer service reflected that. There were more than 18 toll-free customer service numbers that callers had to navigate to find information on topics ranging from financing to sales to repairs, “We were fragmented in our approach, and we clearly lacked a customer focus,” says Greg O’Neill, executive vice president and general manager. Mitsubishi decided to change that. As part of a company-wide shift to an increased focus on customers, executives challenged the call center to provide “one voice and one set of ears for the customer,” says CEO Tony Romero. That was the beginning of a continuing drive toward improved customer service through a customer relationship management (CRM) initiative that would eventually engage multiple departments and 18 vendors.

Today, Mitsubishi has one call center and an outsourced service provider that handles the most basic calls. The cost per call has decreased by about two-thirds, and that savings alone paid for the system in 18 months, according to Rich Donnelson, director of customer relations. The system saves agents time and uncertainty and enabled the call center to handle 38 percent more volume, with an even staffing level. Meanwhile, the company’s customer satisfaction rate rose by 8 percent,

according to a survey by J.D. Power and Associates. Mitsubishi's call center project team included members from its sales, marketing, finance, and IT departments, all of which contributed resources as needed. Early on, the team members established some rules of the road. First, they would selectively choose best-of-breed CRM software components, not the integrated CRM suits that seemed intent on force-fitting Mitsubishi's needs into fixed product offerings. But that required a constant struggle to keep 18 vendors heading in the same direction.

The team members also decided to implement changes slowly, adding a technology only when all employees were using the last one implemented. This approach allowed call center agents to get comfortable with the new technology over time. To accommodate the deliberate, modular approach, all products had to pass the "three S" test: Is it simple? Does it satisfy? Is it scalable? "If we couldn't answer yes to all three, we didn't do it," says Greg Stahl, Mitsubishi's director of advertising. The journey began in earnest in June 2019, when Mitsubishi chose to outsource its most basic level of customer calls to Baltimore-based Sitel Corp. within two months, Mitsubishi's 18 toll-free customer numbers and the multiple call centers behind them were consolidated, and call center software from Siebel Systems was implemented. Also, as part of the companywide customer focus, a new customer-centric data-base was consolidated in-house the next year. The database became the engine powering the call center, but unfortunately, dirty data were a major stumbling block. The project stalled for months as the data were cleansed and updated. In early 2021, a digital phone switch from Avaya Inc. was installed that allowed flexible skills-based call routing. Callers to the single toll-free number routed on menu choices. About half the callers got the information they needed from an interactive voice response unit, which can answer fairly sophisticated queries without live contact. Simple calls went to Sitel, and the rest were routed to call center agents with appropriate skills. In March 2021, graphical user interface upgrades put 11 screens' worth of customer information on one screen of call center agents. And Smart Scripts workflow software from Siebel provided agents with decision-tree scripts and automated customer correspondence. In May 2021, Mitsubishi managers began listening to outsourced service calls, and they could see agents' screens with Avaya IP Agent software. The next month, the company started using workforce management software from Blue Pumpkin Software to hourly forecast call center coverage. Then 'Nice log' software from Nice Systems was installed to record agents' voice and screen activity for quality assurance and training. Aside from happier customers, the benefits to call center employees include career growth and higher pay. Previously, agents in separate call centers handled specific areas: accounts, vehicles, titles, or retailer queries. Now the silos are gone

and agents can learn new skills in multiple areas, greatly increasing call center flexibility. The workforce management software schedules training time during lags, and agents who learn multiple skills earn more money. Call center turnover, which has traditionally been more than 20 percent, was about 7 percent last year. O'Neill says the executive team members regularly listen in on service calls to get a feel for customer concerns, and they act on what they hear. "that bubble up of information has driven more early marketing decisions and made us more effective earlier than I could have ever thought," O'Neill says. "That's been a huge dividend."

You are required to answer the following questions,

i). What are the key application components of Mitsubishi's CRM system? What is the business purpose of each of them?

(10 Marks)

ii). Do you agree with Mitsubishi's approach to acquiring and installing its CRM system? Why or why not?

(10 Marks)

iii). Briefly explain the 'Bucket theory of Marketing' and apply this theory to analyze Mitsubishi's Customer Relationship Management (CRM) practices.

(10 Marks)

iv). What is the customer perceived value (CPV), and how can marketers calculate it?

(10 Marks)

[Total 40 Marks]

Question 02

i). Discuss the importance of intermediaries in delivering value to the consumers by highlighting the key functions performed by intermediaries.

(10 Marks)

ii). Compared to products, marketing services is a more challenging task. Discuss the validity of this statement by highlighting the distinctive services marketing challenges.

(10 Marks)

[Total 20 Marks]

Question 03

i). Discuss how cultural beliefs, values, and customs influence one's consumption patterns using relevant examples.

(10 Marks)

ii). Even though companies come up with new superior products some of them fail to deliver any meaningful financial returns. Discuss the validity of this statement by highlighting the reasons for new products failure. Use examples to validate your answer.

(10 Marks)

[Total 20 Marks]

Question 04

“Pricing practices have changed significantly, in part due to a severe recession in the last decade, a slow recovery, and rapid technological advances. But the new generations also brings new attitudes and values to consumption. For example, renting, borrowing, and sharing have become valid options to many.

i). Describe the three possible relationships among perceived value, price and cost, ignoring competition for the present. (10 Marks)

ii). Briefly explain the product mix pricing strategies using examples. (10 Marks)

[Total 20 Marks]

Question 05

i). "Foreign market entry modes are the ways in which a company can expand its offerings into a foreign market". Discuss four different Entry-modes available for a company to enter into a foreign market. Validate your answer with examples.

(10 Marks)

ii). "Segmentation is taking the entire market and breaking it down into smaller groups that share similar characteristics". Discuss the four (04) main segmentation bases/criteria available for marketers to segment the consumer market. Use examples to validate your answer.

(10 Marks)

[Total 20 Marks]

Question 06

i). "Developing Effective Communications requires following carefully designed steps". Discuss four (04) areas where marketers need to focus when formulating the message.

(10 Marks)

ii). "When implementing a communication strategy, the basic question is how much to spend on promotion". Discuss the four common methods available for marketers, when determining the communications budget.

(10 Marks)

[Total 20 Marks]
