

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT

**Final Year First Semester Examination in Bachelor of Business Administration/
Specialization in Marketing Management – 2016/2017 (January 2019)**

(Proper)

MKT 4033 Management of Customer Service

Answer All Question

Time: 03 Hours

Q 01. Read the following case study and answer the questions given below.

NORDSTROM

Nordstrom is an upscale U.S. department store chain with net sales 11,097 Million dollars at the end of third quarter, 2018. Total Company net sales increased 3% for the third quarter ended November 3, 2018 compared with the quarter ended October 28, 2017. John W. Nordstrom originally started the company as a shoe store but grew it over the years into a fashion specialty chain store selling top-quality, brand-name clothing, accessories, jewelry, cosmetics, and fragrances.

From the beginning, Nordstrom has believed in and stressed the importance of providing the highest level of customer service possible along with top-of-the-line, high-quality merchandise. As a shoe retailer, the company offered a wide range of products to fit most everyone's needs and price point. As it expanded into fashion and apparel, it maintained these goals.

Today, Nordstrom sets the standard in customer service and loyalty. In fact, the company is so well-known for this trait that urban legends of unusual acts of customer service still circulate today. One of the best-known tellshow in 1975 a customer came into a Nordstrom store after Nordstrom had purchased a company called Northern Commercial Company. The customer wanted to return a set of tires originally bought at Northern Commercial. Although Nordstrom has never carried or sold tires, it happily accepted the return and instantly provided the customer cash for his purchase.

While Nordstrom's "no questions asked" return policy remains intact today, there are many other examples of its exceptional customer service. Its sales representatives send thank-you cards to customers who shop there and have hand-delivered special orders to customers' homes. Nordstrom installed a tool called Personal Book at its registers that allow salespeople to enter and recall customers' specific preferences in order to better personalize their shopping experiences. Nordstrom also provides customers with multichannel for shopping, allowing them to buy something online and pick it up at a store within an hour.

Nordstrom's customer loyalty program, Fashion Rewards Program, rewards customers at different levels based on their annual spending. Customers who spend \$10,000 annually receive complimentary alterations, free shipping, a 24-hour fashion emergency hotline, and a personal concierge service. Customers at the highest rewards level (\$20,000 spent annually) receive private shopping trips complete with prestocked dressing rooms in the customer's size, champagne, and live piano music; tickets to Nordstrom's runway fashion shows; and access to exclusive travel and fashion packages, including red carpet events.

This strategic and often costly customer-focus approach has reaped great benefits for the company. Not only has Nordstrom emerged over the past 100+ years as a luxury brand known for quality, trust, and service, but its customers stay loyal even in hard times. During the economic downturns of 2008 and 2009, many customers chose to shop at Nordstrom over its competitors due to its existing relationship and hassle-free return policy.

Nordstrom currently operates 112 full-line stores, 69 Nordstrom Rack clearance stores, two Nordstrom Boutiques, and one clearance store, with plans to open 50 new stores over the next 10 years. When a new store opens, Nordstrom connects with the surrounding community by hosting an evening night gala complete with live entertainment, a runway fashion show, and the ultimate shopping experience to help raise money for local charities. As Nordstrom moves forward, the company continues to be flexible and look for new tools and means to help deepen and develop its customer salesperson relationship.

Questions

1. What are Nordstrom's greatest risks? (4)
2. According to the above case study, it is stated that Nordstrom is a Customer Centric organization. Briefly explain the typical qualities of Nordstrom's from the perspective of a customer centric organization. (6)
3. Briefly illustrate, how else can Nordstrom continue to provide exceptional customer service and increase brand loyalty? (9)

(Total 21)

Q 02.

1. As a customer service person, what should you know to ensure the quality of customer service?
(06 Marks)

2. "Since the 1970s, a variety of business movements have influenced what people know about making themselves and their company's customer friendly." Explain, how organizations get benefit from the evolution of Customer Service.
(06 Marks)

3. "According to the report of Genesys Telecommunications Laboratories, Inc., United States, Insurance companies are dissatisfied with the results of their cross-selling/up-selling efforts and also keeping costs down is difficult to them. Hence the industry maturation and price competition impede growth of the business". Suggest the customer service strategies for the Insurance industry to address the above challenges effectively.
(06 Marks)

(Total 18 Marks)

Q 03.

1. "Being aware of the key areas in building a winning service strategy is only half of the picture. The next step is creating an overall implementation plan that takes the strategy from paper to reality". Briefly explain the four major phases that are used by the organization to implement their customer service strategies.
(09 Marks)

2. "Coaching often requires a more personal, one-on-one approach. For that reason, each manager needs to know how to prepare and facilitate such coaching sessions." Briefly describe three stages of a coaching approach with a suitable example.
(09 Marks)

(Total 18 Marks)

Q 04.

1. "Sometimes the customer service managers find that when staff of the service are selling or interacting with customers, they get caught up in the features of their product and fail to go the extra step to extract the benefits of the features they're crooning about. Develop a product based on your choice and develop a simple sales script that should emphasize the Product's features and their resulting benefits separately. (06)
2. "You won't always be able to resolve an issue immediately. In such cases, offering a realistic time frame for resolution is important." Briefly illustrate this statement by using an appropriate example. (06)
3. "Even though customer complaints can be stressful and challenging, they're really helpful. Explain, how the customer complaints can be helpful to the organization to ensure the quality of customer service? (06)

(Total 18 M)

Q 05.

1. "Smart talk is constructive self-talk that helps employees to reduce stress, live longer, and prosper." Briefly explain the common themes in smart talk from the context of Management of customer service. (06)
2. "The service quality requirements of external customers have been the focus of research (Parasuraman et al., 1985), but we rarely see systematic processes applied to understanding the service requirements of internal customers (Greg W. Marshall, Baker, David W. Finn, 1998)".
 - a) Differentiate internal customers from external customers. (04)
 - b) Briefly explain the term "Internal service quality". (04)
3. Every day the customer service employees face situations, when what they say to customers makes or breaks the service interactions. Briefly illustrate the "Ten Major Principles of Customer Service". with appropriate examples. (10)

(Total 24 M)