# *Managing Customer Experience and Relationships:*

# *A Strategic Framework*

# Third Edition

# Don Peppers and Martha Rogers

# SAMPLE Test Questions

**Chapter 1: Evolution of Relationships with Customers and Strategic Customer Experiences**

*Multiple choice: For the following questions, choose the best answer.*

1. “Customer strategy” is: (pp. 3–5)
   1. the capability of matching customers and messaging in any medium, whether traditional or digital
   2. finding customers for the products a company produces
   3. creating customer value by increasing the value of the customer base
   4. creating customer campaigns that win market share
2. Customer relationship management (CRM) is best characterized as: (pp. 5–6)
   1. an enterprise-wide strategy
   2. a marketing strategy
   3. a customer service discipline
   4. a software program
   5. any of the above
3. For “Industrial Age” companies, competitive advantage is primarily based on: (pp. 3–4)
   1. product innovation
   2. brands
   3. customer information
   4. a and b
4. For “Interactive Age” companies, competitive advantage is primarily based on: (pp. 4–5)
   1. product innovation
   2. brands
   3. customer information
   4. a and b
5. Examples of customer-specific behaviors include all of the following except: (pp. 6–9)
   1. Fans of a product band together on social networking sites and provide service and recommendations to others.
   2. A supervisor orders more computer components by going to a Web page that displays his firm’s contract terms, his own spending to date, and his departmental authorizations.
   3. A marketing copywriter develops a brochure aimed toward thirtysomething suburban mothers and mails it out to all who fit that specific profile.
   4. A car-rental customer rents a car without having to complete another reservation profile.
6. Analytical CRM includes the following: (p. 9)
   1. strategic planning
   2. cultural change management
   3. software installations
   4. measuring change management
7. Traditional marketing’s “four Ps” apply to which part of the “get, keep, and grow” customer strategy? (pp. 10–13)
   1. get
   2. keep
   3. grow
   4. a and b
8. According to Philip Kotler, the following shifts have occurred as companies move from mass marketing to customer-focused marketing except: (pp. 12–14)
   1. from market share to share of customer
   2. from direct contact with end users to reliance on efficient intermediaries
   3. from large customer segments to individual customers
   4. from pursuing all types of customers to pursuing high-potential-value customers
9. Which of the following describes a customer-share strategy? (pp. 15–18)
   1. finding a constant stream of new customers
   2. using mass media to build brand and announce products
   3. differentiating products from competitors
   4. selling as many products as possible to one customer at a time
10. The core benefit of a Learning Relationship for a customer is: (pp. 18–20)
    1. reduced switching cost
    2. lower priced products
    3. higher quality products
    4. increased product choice
11. The core benefit of Learning Relationship for an enterprise is: (p. 20)
    1. increased product innovation
    2. greater profit margins
    3. greater customer loyalty
    4. all of the above
12. If an enterprise ranked low in tailoring for customers but high in customer interaction, it would find itself in which quadrant of Peppers and Rogers’ Enterprise Strategy Map? (p. 14)
    1. Quadrant I: Mass Marketing
    2. Quadrant II: Niche Marketing
    3. Quadrant III: Database Marketing
    4. Quadrant IV: One-to-One Learning Relationships
13. Keeping long-term customers is more beneficial than continually acquiring new customers because: (pp. 29–30)
    1. Long-term customers tend to pay full price for a product rather than a discounted price.
    2. Loyal customers tend to give more referrals.
    3. Acquiring new customers costs more than keeping current ones.
    4. All of the above

*Essay questions:*

1. Compare and contrast the mass marketing era with the interactive era. What are the goals of each? What defines competitive advantage? What are the key technological tools?
2. Define “customer relationship management.” What is its central purpose?
3. What is a Learning Relationship? What are the benefits of a Learning Relationship—both to the enterprise and to the customer?
4. Describe why customer relationship management, or customer strategy, needs to be an enterprise-wide strategy. How would it affect each of the five principal business functions:
   1. financial
   2. production, logistics, and service delivery
   3. marketing communications, customer service, and interaction
   4. sales distribution and channel management
   5. organizational management strategy

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# Multiple Choice Test Questions Answer Key

**Chapter 1: Evolution of Relationships with Customers and Strategic Customer Experiences**

1. c
2. e
3. d
4. c
5. c
6. a
7. a (or d)
8. b
9. d
10. c
11. d
12. c
13. d