

CHUKA



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**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
PROCUREMENT AND LOGISTICS MANAGEMENT, BACHELOR OF
ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT AND BACHELOR OF
COMMERCE (PROCUREMENT OPTION)**

BPLM 401/BPSM 400/BEN 403: CUSTOMER CARE AND RELATIONS

STREAMS: BPLM, BEEM & BCOM Y4S1

TIME: 2 HOURS

DAY/DATE: MONDAY 22/03/2021

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

- **SECTION -A QUESTION ONE (1)-IS COMPULSORY.**
- **SECTION B- ANSWER ANY OTHER TWO QUESTIONS.**

SECTION A

QUESTION ONE (1) – IS COMPULSORY (30 MARKS)

The Central Bank of Kenya (CBK) rule could force Safaricom to share agents.

The Central Bank of Kenya (CBK) has launched a fresh review of the national payment system that will force Safaricom to offer rivals access to its vast network of mobile money outlets for seamless transfer of money among the telcos.

The proposals are contained in draft rules that the CBK released Wednesday for public input in a review that could threaten Safaricom's dominance of the mobile market.

Under the plan, the regulator is pushing for cross-network mobile money transfer service that allows users to withdraw cash from an agent of their choice irrespective of whether they belong to Safaricom or Airtel.

Airtel subscribers will also be allowed to pay for bills via Safaricom's Lipa na M-pesa in the latest push to increase the penetration of mobile money services and deepen financial inclusion in the country.

Since 2018, users can send money across phone networks, but they can only withdraw cash from agents associated with the operator.

The CBK is now seeking to break the agent hurdle, a proposal that look set to irk Safaricom.

“This will enable users to affordably access their stores of value from different channels and providers so as to seamlessly pay for goods and services an facilitate economic activities,” says the CBK report.

“Though the industry moved to enable interoperability of mobile wallets in 2018, this is limited to only P2P (person to person) payments, and is yet to be expanded to both merchant and agent interoperability and even to work seamlessly at P2P.”

Safaricom has been uncomfortable with the push to open its mobile money outlets to rival firms, arguing it would expose its lucrative M-Pesa mobile money platform to stiff competition.

More than 30 million people in Kenya use M-Pesa, which besides allowing users to send cash and make payments by phone, they can also borrow cash.

Safaricom had 215,367 mobile money agents at the end of September, leaving rivals to control the reaming 47,833 outlets. This market structure discourages M-Pesa-to-Airtel money transfer, which is also expensive to those sending money cross-network.

It costs Sh 56 to send Sh 3,000 on the Safaricom network, but the cost rises to Sh112 for sending from M-Pesa to Airtel.

Safaricom’s Lipa na M-Pesa service has risen to take an 85.8 percent market share of non-cash payment for ordinary goods and services, underlining the entrenchment of the mobile money platform in everyday transactions.

The telco disclosed that the service processed deals worth Sh 404.8 billion in the six months to September when payments on point of sale (POS) machines using credit, debt, prepaid and charge cards stood at Sh66.8 billion, according to data from the CBK.

Analysis of M-Pesa’s market share in cashless consumer payments excludes cheques and Real Time Gross Settlement (RTGS) system which is mainly used to settle high-value business-to-business transactions.

Rival firms have struggled to cut M-Pesa dominance amid calls to compel Safaricom to separate its widely used mobile money business from its telecoms unit due to its dominant size.

Safaricom’s rivals-have long demand that the Communication Authority of Kenya (CA) act to curb Safaricom’s dominance. Safaricom denies allegations of abuse of dominance. Telkom and Airtel’s bid to merge to take on Safaricom’s might collapsed.

Lipa na M-Pesa was launched in June 2013 and has aggressively recruited merchants, including large and small businesses such as fuel stations, supermarkets, corner shops and eateries. This has been it overtake the card payments – run by banks and their global payments technology partners such as Visa and MasterCard – that have largely focused on serving formal retailers.

QUESTION ONE

Required

- (a) What are the fundamental differences between working in a corporation and working in an agency as a public relations professional? (10 marks)
- (b) What would have been your timing in terms of Customer Care responses in this case? (10 marks)
- (c) What would be your overall public relations strategy if you were Safcom Public relations director? (10 marks)

SECTION B – ANSWER ANY OTHER TWO QUESTIONS

QUESTION TWO

- (a) As a customer relations manager at Co-operative Bank, prepare a presentation to Bank staff on how you can effectively deal with rude or inconsiderate customers? (10 marks)
- (b) As a public relations director, discuss how you will enhance Corporate identity. (10 marks)

QUESTION THREE

- (a) As newly appointed customer care manager at K.C.B, prepare a presentation entitled major causes of customer commitment to newly recruited employees. (10 marks)
- (b) As a public relations consultant, discuss what NOT to do in a crisis management. (10 marks)

QUESTION FOUR

- (a) As a customer care manager at Equity Bank, prepare a presentation to new customer relations offers entitled, Re-evaluation of the way business is conducted is on-going and results in necessary changes and upgrades to deliver timely, quality services to customers. (10 marks)
 - (b) As a newly recruited public relations manager at Airtel, prepare a management paper on the public relations plan for year 2021. (10 marks)
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