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**AN ANALYSIS UPON IMPACT OF CRM PRACTICES
ON INDIAN RETAILING IN THE TRANSFORMING
BUSINESS SCENARIO: A CONSUMERS
CONCEPTION STUDY**

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An Analysis upon Impact of CRM Practices on Indian Retailing In the Transforming Business Scenario: A Consumers Conception Study

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Abstract – In recent era customers have become more sophisticated and they are enjoying more alternative options of brands. Thus satisfying and retaining such customers is increasingly becoming more difficult for the organizations. Customer satisfaction can only be attained by continuously sensing the changing needs and preferences of customers, and by providing them with solutions that can better fulfill their need. Customer Relationship Management (CRM) is regarded as one among the best approaches in achieving goals of customer satisfaction and loyalty. However contemporary literature and publications on the subject of CRM may portrait it as a strategy that can bring fruitful results in any context. There are contradicting views of researchers; in literature about the effectiveness of CRM practices and policies.

We are living in a period of upheaval, where change is the norm. In this current changing business scenario, retail industry has witnessed major revolution and global attention. The Indian retail industry is the 5th largest and 3rd attractive in the world and accounts over 10% of the country's GDP and 8% of total employment. In the background of changing retail trends, understanding customers perceptions, building relationship and retaining customers has been identified as major source of competitive advantage.

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INTRODUCTION

The Indian retail industry is the fifth largest in the world and expected to grow at a pace of 25-30% annually. The retail sector accounts over 10% of the country's GDP and 8% of the total employment of nation's work force. In the background of changing times retail is trying to adapt Indian customer psyche as opposed to earlier strategies of mere adaption. Therefore understanding Indian customers perception became biggest challenge and very crucial in designing retail strategies. Building relationships with customers and retaining customer loyalty has been identified as a major source of competitive advantage within the retailing sector (CHANG & TU, 2005). So retail managers need to identify the significance of CRM as a complex tool in influencing customers perception and decision making. So, the study attempts to bring 3 critical areas in retailing

1. Customer perceptions on retail attributes
2. Effect of customers perception on CRM
3. Changing Indian retail sector with changing times.

A survey of 150 respondents was conducted in Hyderabad to obtain responses of shoppers on a structured questionnaire based on the above 3 areas. Five variables were identified under product attributes and 12 variables were identified under store and retail attributes on the basis of review of related studies in the past in order to identify important factors that affect customer's perception in choosing a particular store. Majority of the questions are close-ended, in order to maintain accuracy & to facilitate data analysis. Data was analyzed using Likert's five – point scale and final results thus obtained has been calculated using weighted ranking method.

Customer Relationship Management means creating offers to customers based on their past behaviors and demographic characteristics, CRM giving service representatives' information about customer profitability and how customers generate profits. Customer Relationship Management (CRM) to help attract new customers, increase brand loyalty, reduce costs, increase efficiency, and maintain a competitive advantage. As markets evolve & become more competitive it will become more important for retailer to focus on branding .the retail outlet as an image creator and image is a mental picture in the mind of the customer. Customer Relationship Management

(CRM) has the role of increasing retailers return on marketing investment and maximizing lifetime customer value. As markets more competition retail player are trying to keep customer satisfied and happier. Customers are satisfied and happier when customer expectation will be met. Customer satisfaction means that customer needs, wishes and expectations are met or overcome during the product/service period, giving way to re-purchasing and customer loyalty. Customer Relationship Management (CRM) is a multifaceted process, mediated by set of information technologies that focuses on creating two way exchanges with customers so that firms have an intimate knowledge of their needs, wants and buying patterns in this way CRM helps companies understand as well as anticipate the need of current and potential customers. A CRM is a very important tool to understand the customer in a better way & know about the customer expectations and demands.

Rapid changes are taking place in the business environment. The competitive advantage that organizations achieved due to product differentiation no longer holds good due to a proliferation of similar looking and performing "me too" products. Most organizations today can mass customize products and services and make it very difficult for customers to distinguish between their product/ service and that of a competitor. In such an environment, having loyal customers is an ever increasing challenge for the marketer. The choice of products and services has increased so much that today's customers are always having an alternative. It is therefore, of absolute importance and necessity for the marketer that she or he has ways and means to stop the customer from switching over to the competing products and services.

Companies try to outsmart their competitors through a variety of marketing strategies and tactics. One such tactic happens to be the ubiquitous 'loyalty program'. In short it means rewarding a customer who comes back to you and purchases your product or service.

Customer Loyalty as defined by Khan and Khan (2006) reads "... exists when a person regularly patronizes a particular (store or non-store) that he or she knows, likes and trusts". Zeithaml et al. (1996) opine that a loyal customer will result in repeat purchase; increase in purchase value and volume over time and in spreading positive word of mouth (wom) which in turn will bring newer customers to the business.

The primary motive behind a loyalty program is rewarding customers for their repeat purchase behavior, encouraging, maintaining and subsequently enhancing the level of loyalty by providing the customers with targets at which various benefits can be earned by them. By implementing effective reward programs, marketers retain their old customers i.e. earn their loyalty. In addition, it can attract new customers, some of whom will become loyalists in the

long run (O'Malley, 1998). Loyalty programs are considered to be highly effective in retaining customers and are readily accepted by both customers and retailers.

Companies are now more than ever focusing on high customer retention and maintaining good long term customer relationships. Customer relationships management (CRM) is a high customer retention strategy. It is very important to know more about customers' needs and offer customized products and services in order to improve customer satisfaction and loyalty. Two main strategies, collecting customers' profiles and promoting customer participation, are used to probe customers' needs. CRM research highlights that knowledge of customers is critical, but the tacit knowledge of customers is not much emphasized.

Companies need to make CRM efforts effective. Therefore, corporations should seek new interaction mechanisms to improve customer relations by achieving complete communication with customers, building partnerships with customers, and getting more non-structured information about customers that is leveraged to drive CRM activities. Regarding the urgent demand for tacit information about customers, customer participation in the service research should be considered as one important source of knowledge about customers, in addition to customer profiles which are acquired by database technologies. Also, gaining customers' active participation is able to directly increase their perception of the services provided by the companies.

The main objectives of this study are to (1) discuss and integrate related research to infer a conceptual model which includes the customer profile, customer participation, and measures of CRM performance; (2) to investigate the relationship between the degree of using a customer profile and customers' perceptions of the quality of goods; and (3) to investigate the relationship between the degree of customer participation and customers' perceptions of the quality of goods and CRM performance.

Retail scenario in India has underwent a sea change specifically in terms of experiential shopping which has compelled the organized retail sector to delve deep into retail atmospherics as it became deterministic to emotionally satisfied shopping. This has also put the practicing retailers at the crossroad of product/brand value addition and retailscape value addition. The retail atmospherics has been conceptualized to be a spectrum of tangible and intangible dispositions intertwined to frame meaningful stimuli that generate response across the social, psychological, economic, cultural, ethnic and religious life-styles of consumers because of concordance with prevailing trends. Retail atmospheric cues may function as antecedents to develop both threshold and subliminal perception

culminating into evaluation and predisposition when it comes to purchase (shopping) behaviour. In fact, retail atmospherics can generate a chain of attributes, benefits and emotions of pleasure-displeasure, attraction-distraction, high-low confidence, motivational layers and desire (Kumar et al., 2010). The retail atmospherics consist of factors namely olfactory, tactile, tangible and intangible which operate on the cognitive process of shoppers resulting in specific behavioural pattern both short-term (purchase intention, purchase decision) and long-term (patronage, advocacy) in nature. Retail displays are not mere agglomeration of products but a harmonious ensemble and arrangement of brands compatible to retailscape whereby transposition of abiotic brand components to its biotic personified form and the communication of the same with the shoppers is ensured.

The strategic usage of atmospherics in multi-branded retail malls is now well witnessed. The sole purpose of using the atmospheric cues is to stimulate the cognitive emotions of the shoppers which are expected to generate favourable shopping behaviour. The integration of customer relationship management (CRM), as an adjunct business process, with the retail operations has enabled the retail operators to segment shoppers in a better way, which is likely to help them design effective communication and display of merchandise.

The quantifiable influence of retail atmospheric cues on cognitive domain of shoppers is a problematic issue to be addressed because of which the proper atmospheric-mix is difficult to identify. In addition to this, the CRM dimensional elements, which are also likely to intervene in the relationship between retail atmospherics and shopping behaviour link, have not been perfected for a retail set-up.

The objective of this study is to understand the causal relationship between the retail atmospherics and shopping behaviour and to their apprehended modification under the mediating influence of CRM dimensional performances. The study also attempts to identify the mediating effects of emotional behaviour of shoppers on the shopping behaviour under the impact of CRM dimensional elements. Further to this the study proposes a default model involving all the constructs.

The Indian Retail sector is one of the important, enormously growing and successful industries which attract global retailers to enter into India. According to India Brand Equity Foundation (IBEF), India ranked fourth among the 30 countries in Global Retail Development Index and ranked sixth in the 2011 Global Apparel Index. The fashion apparel & related / complementary retail businesses form a considerable portion of the huge Indian Retail Market, especially in organized retail. Increased customer satisfaction and

service is one of the means through which the retailers can be able to fulfil their goals. The use and implementation of Customer Relation Management tools like Loyalty Programmes is one of the ways in which customer satisfaction can be achieved.

The loyalty programme market in India is estimated to be about Rs. 5,000 crore of which retail alone accounts for two-thirds of the market. According to Colloquy, there are about 35 million loyalty programme members in India which is a small number compared to the 2.65 billion loyalty club members across retail stores in US as per the 2013 Colloquy Loyalty Census. This indicates that loyalty programmes in India are still in their infancy, as against the retail industry in developed countries where the programmes have been taken to a higher level with multi-partner coalitions with many tiered benefits and differential treatment of customers based on their value and frequency of purchase.

In India, most of the programmes are offered by the independent retailers and are driven mainly by accumulated points and offering of discounts. This study about loyalty program is directed towards understanding the perceptions of the 'member' customers towards the program benefits, influence of perception on purchase behaviour, store attractiveness and loyalty. The finding of the research will help retailers understand their customers better and design more effective loyalty programmes. There are numerous studies customer loyalty and loyalty programmes pertaining to national & international product brands and retail formats dealing with airlines, value retail chains, food retail (grocery stores/supermarkets), medical goods (pharmacies) and hypermarkets, but very few for assessing the effectiveness of loyalty programmes of competing departmental stores.

In this study, retail stores which are large, have extensive assortment and variety of merchandise that are segregated into various departments all under one roof, known as departmental stores have been considered for the study. The largest retail chain stores that have implemented loyalty programmes as relationship management tools namely, Lifestyle, Pantaloons, Shoppers Stop and Westside have been selected for the study.

Perception is how information is collected and categorized. Perception is affected by the amount of exposure to a stimulus and by individual interpretation. For example, a consumer who hears--once--that dairy herds contribute to greenhouse gas would not take the statement seriously. If the same consumer encountered that information often and from many sources, then the consumer's attitude toward dairy products might change enough to influence how often the consumer chose yogurt as a breakfast food. Here it is stated that higher the

preference for the brand, higher is the positive consumer perception which in turn reflects positive buying behavior. The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as:

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions; □ Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

One "official" definition of consumer behavior is "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society." Consumer value is a cognitive-affective evaluation of an exchange relationship carried out by a person at any stage of the process of purchase decision, characterized by a string of tangible and/or intangible elements which determine, and are also capable of, a comparative, personal, and preferential judgment conditioned by the time, place, and circumstances of the evaluation.

IMPACT OF CRM PRACTICES ON CUSTOMERS' BEHAVIORS

After air and water, food is the third most essential element for life. It has been critical contributor to health, a determinant of pleasure or stress and the greatest category for spending money, across the world (Rozin, et al 1999). Increasingly, today's complex food system, from production-to-consumption has made food more safe, delicious, healthy, varied, convenient and more readily available. According a report by La Trobe University (2009), food sector is one of the biggest sectors as compared to the traditional industries. Food industry is as big as to cater the activities form growing and cultivation of food to proceed and cooked food retailers like restaurants. A number of researches conducted in different countries, including Pakistan have reported remarkable changes in food consumption patterns and that there is an increasing trend of fast food, and dining out in

restaurants,(Bahaduran et al, 2012, Baig at el. 2012,). Not only adults are the customers of these restaurants but children also want to celebrate their memorable events out in restaurants (Shamoon et al, 2012). So the target market of these restaurants is young people and children from the age of 6 to 35. Out of 170 million of population 104 million people are estimated to be below the age of 30. In the 58 years of time span, urban population has increased seven-fold. Per capita real income has also grown 1% more in 2011-12 than the previous year i.e. 2.3%, where consumers spend almost half of their expenditure on food and beverage. It is also reported that middle class is growing and is 25% of the total population. Food inflation in country has decreased to 11.1 % in the current year compare to 18.8% in previous year.

Consequently, demand for restaurant food is increasing¹, but as consumers are getting more educated in terms of nutrition and quality, they compare prices menus quality and serves available. It is hard for restaurants chains, with the limited funds available, to compete through mass advertisement, public relations or through low-cost strategy. However, they can get sustainable growth through differentiation in their marketing strategies. All these aforementioned challenges highlight the Importance of CRM. CRM is basically a business philosophy, that emphasis that customer is everything to business. It focuses on retaining existing customers than to winning new ones (Gilaninia et al, 2012). It is the combination of information technology tools and customer service strategies. It organizes the information technology and marketing together in such a way to generate useful information. CRM enables business to identify most profitable customers and to maintain such relationship with them that can turn them into loyal customers. In order to increase customer satisfaction, businesses needed to articulate a system that could establish long lasting relationships with customers. Consequently, CRM was introduced in US in 1990s (Zamil, 2011). The success of CRM projects that were initiated in 1990s gave it a status of popular business tool, (Sudhakar & Ravindran, 2012). Eventually CRM has become a topic of interest for the academic researchers and practitioner as well. It has evolved into a basic component of the overall business strategy. And as, increasingly, businesses are incorporating CRM, customer expectations toward services and support activities are also increasing. CRM is regarded as one of the best approaches in achieving goals of customer satisfaction and loyalty (Gilaninia et al, 2011). However there are conflicting views in literature about the effectiveness of CRM practices (Saxena & Khandelwal, 2011). Critics are of the view that CRM is hard to implement in some industries, and its cost benefit value is very low (Zamil, 2011). In past two decades. Several researches have also reported some CRM projects as a failure.

A research on customers' attitude toward CRM practices in five star hotels proved positive attitude of

customers toward these practices (Hashem, 2011). But little is known about the satisfaction level, and attitude of customers toward CRM practices in Restaurants of emerging markets. It is crucial for practitioners to clearly understand how changes in the level of CRM practices and their effectiveness influence customer satisfaction and loyalty, and its ultimate effect on Word of mouth. Purpose of this research is to evaluate the effectiveness of CRM practices in customer purchase behavior, and WOM, especially in the industries where switching cost is very low. For this purpose data is collected, from customers of two popular restaurants,.

SERVICE QUALITY AND ITS IMPACT ON CUSTOMER SATISFACTION IN RETAILING

Measuring service quality is difficult due to its unique characteristics: Intangibility, heterogeneity, inseparability and perishability (Bateson, 1995). Service quality is linked to the concepts of perceptions and expectations. Customers’ perceptions of service quality result from a comparison of their before-service expectations with their actual service experience. The service will be considered excellent, if perceptions exceed expectations; it will be regarded as good or adequate, if it only equals the expectations; the service will be classed as bad, poor or deficient, if it does not meet them.

Based on this perspective, Parasuraman et al. developed a scale for measuring service quality, which is mostly popular known as SERVQUAL. This scale operationalizes service quality by calculating the difference between expectations and perceptions, evaluating both in relation to the items that represent five service quality dimensions known as ‘tangibles’, ‘reliability’, ‘responsiveness’, ‘assurance’ and ‘empathy’.

The SERVQUAL scale has been tested and/or adapted in a great number of studies conducted in various service settings, cultural contexts and geographic locations like the quality of service offered by a hospital, a CPA firm, a dental school patient clinic, business school placement center, tire store, and acute care hospital, pest control, dry cleaning, and fast food, banking (Sharma and Mehta, 2004) and discount and departmental stores.

All these studies do not support the factor structure proposed by Parasuraman et al. (1988). The universality of the scale and its dimensions has also been the subject of criticisms and it is suggested that they require customization to the specific service sector in which they are applied. The five dimensions are elaborated in Table 1.

| Dimension | Definition |
|----------------|--|
| Tangibles | Appearance of physical facilities, equipment, personnel and written materials |
| Reliability | Ability to perform the promised service dependably and accurately |
| Responsiveness | Willingness to help customers and provide prompt service |
| Assurance | Employees’ knowledge and courtesy and their ability to inspire trust and confidence |
| Empathy | Caring, easy access, good /communication, customer understanding and individualized attention given to customers |

Table 1: Five Broad Dimensions of Service Quality

In SERVQUAL, both - store service performance and consumer expectations of the store service, are explicitly measured to assess the ‘gap’. Several researchers find the performance perceptions to be sufficient in assessing service quality as compared to the gap. Measures of Retail Service Quality : Service quality in retailing is different from any other product/service environment (Finn, 2004). Because of the unique nature of retail service, improvements and measurements of quality in retailing cannot be approached in the same way as that of the services perspective. In retail service, it is necessary to look at quality from the perspective of services as well as goods and derive a set of items that accurately measure this construct (Mehta et al., 2000). For this reason, Dabholkar et al. (1996) developed and empirically validated the Retail Service Quality Scale (RSQS) to capture dimensions important to retail customers based on the triangulation qualitative research technique. They conducted qualitative research using three different methodologies - phenomenological interviews, exploratory depth interviews, and tracking the customer through the store. Combining these qualitative findings with the existing literature and SERVQUAL, Dabholkar et al. (1996) proposed that retail service quality has a hierarchical factor structure comprising five basic dimensions, namely ‘physical aspects’, ‘reliability’, ‘personal interaction’, ‘problem solving’, and ‘policy’, with first three basic dimensions having two sub-dimensions each and overall service quality as a second order factor.

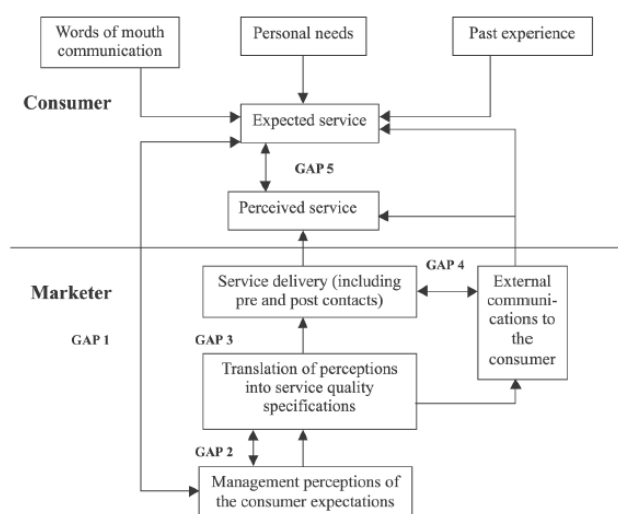


Figure 1: GAP model

The sub-dimensions of the basic dimension 'physical aspects' are: 'appearance' and 'convenience'; the sub-dimensions of the basic dimension 'reliability' are: 'promises' and 'doing it right'; and the sub-dimensions of the basic dimension 'personal interaction' are: 'inspiring confidence' and 'courteousness/helpful'.

There has been a continued research on the definition, modelling, measurement, data collection procedure, data analysis etc., issues of service quality, leading to development of sound base for the researcher.

EFFECT OF CRM ON CUSTOMER RETENTION

"Any company that depends on repeat business absolutely must have a good customer retention system in place in order to thrive in today's competitive environment. Time and again I have seen this as the primary area of businesses where companies don't succeed at the level they are capable of - especially in small businesses. The thinking with many people is, "If they want my services, they know where to find me." While a potential customer is looking for you, your competition's marketing systems may find them first!"

"As an example, a pet store offering grooming services could increase revenues by having a reminder system in place to notify the customer when their dog is due for grooming or to let them know when a new product arrives. They may also consider using a punch card that gives the customer a free grooming service after a predetermined amount of visits have been made. Many pet owners view their animals as family members and will be more likely to do business with you when they believe you care about their pets just as much as they do."

"What would your profit margin be if you were able to turn the occasional customer into a frequent customer? Customers who regularly visit your business would also be more likely to refer you to their friends and associates. Remember that frequency is determined by your particular industry or service. A grocery store may consider twice-weekly visits a good frequency, whereas a dry cleaner may only be monthly."

"Changing customers from being a one or two item purchaser to purchasing several products can increase your bottom line tremendously. With a bit of vision and creativity, one basic service can open several opportunities. Most businesses can take their basic product or service and expand into other offerings. What are your current offerings? Are there other products and services you could develop that are consistent with your market and your company vision?"

"This is where you can create an incredible backend list of possibilities. Once you think about other offerings, what are some new avenues you could open? Is it possible to partner with other companies

where you could offer each other's products and services?" "Here are some possibilities:

- Car dealerships offering a year's worth of car washes or oil changes at a discount,
- Hair salons who sell facials or nail services,
- Pet shops selling grooming services,
- Restaurants who provide recipe books,
- Chiropractors and Massage Therapists who promote their services.

As you plan for the coming year, include methods for keeping in touch, developing a list of companies you can partner with and increasing strategies for gaining and maintaining top-of-the-mind awareness for your customers." "Marketing is about timing. Just because you contact a client today does not mean they are in the market to buy today. However, if you keep in regular contact with them, when they are ready to purchase, there is a good chance you will be the one they call."

"Today's customers are busy. New choices are thrown at them every day. Keep your name on the top of their list by consistently reminding them of their great experiences with your company. Great marketing systems will help you gain and retain customers."

EFFECT OF CRM IN E-TAILING INDUSTRY

In view of the global competition, there are greater pressures on Retail Industry in India to bring greater satisfaction to the consumers. With the passage of time there has been a change in the strategy of Indian Retail Industry as they strive to become more competitive. It has become more imperative to define new standards of quality and services with the changing technology and environment in India. Indian Retail Industry has been divided into two category i.e. un-organized and organized.

Unorganized retail offers unique services to its clientele i.e. Door delivery, personalized services and sometime credit facility by the small Kirana shops established in approximately 500 sq. feet area. The Big Mega Malls, Super stores, Big Bazaars Specialty stores, e-tailing etc. are the latest formats of organized Retailing. E-commerce and E-tailing is one of the sunrise industries in India and becoming more and more prominent among the people. E-tailing is growing because it helps consumers to save time and efforts. One of the significant reasons for its growth is access to internet users numbering more than 2.5 billion. In India demographics changes, changing in life styles and exposure to international brands are also key motivators of E-tailing.

E-Retailing or E-tailing offer an opportunity to cater to consumers across geographies, no operational timings, unlimited shelf space, and all this with miniscule quantity of infrastructure. In developed countries like India, this business model is a very good and easy way of growth. It is proved beyond doubt that Retail is India's largest industry, which is accounting for over approximately 10% of the country's GDP. In India organized retailing contribute only 4.1% of the total market while 95.9% unorganized retail sector cater the needs of the Indian population. This industry provides around 8% of the employment in India. Yet it is the beginning only the retail sector in India is exploding and good trends are visible. Indian Industry has ambitious plans to grow at a very fast pace and it is expected that retail business will grow 13 per cent annually from US\$322 billion in 2006-07 to US\$590 billion in 2011-12. As per the experts, organized retail will result in the creation of world class infrastructure in India.

In spite of above boosting trends in retail industry, as researcher we believe that it is need of day and the retailers has to be more efficient, more systematic, more accurate and more profitable. For this Retailers should begin to see the benefits of customer relationship management. automation and innovation. Advance Technology or IT can change the means of competition with the help of Laser barcode, scanning, and instant checkout, online grocery shopping and automated operations. The detailed product data with demand forecasting available in a software modules and online payments collection are important milestones in the growth journey of Retail Industry. The Information Technology and Telecommunication has forced the retailers not to focus on capital expenditure budgets for the growth but to use the application software to increase efficiency and profitability.

Special software has been designed to cover the specific requirements from sales point of view, supply chain management, customer relationship management, and assortment and so on. Software Companies like Oracle and JDA Software have understood the growing interest of utilizing IT in the retail business.

JDA Software has catered software needs to nearly ten acquisitions in the last seven years for Textile, Food, and Consumer Goods Industry. This is the starting of the trends and as per the experts, the software market is expected to grow from \$474.8 million in 2005 to \$731.9 million in 2010, which means it will grow at compound annual growth rate of 9%. The Ecommerce market is expected to touch 9210 Crore INR in 2007-08, E Tailing or e-retailing market is only about 1150 Crore INR according to a survey conducted by Internet and Mobile Association of India and Indian Market Research Bureau (IMRB).

The internet industry in India has experienced a tremendous growth in the last decade especially in urban and semi urban areas. There is now a reason that e-tailing should not flourish with the growing number of internet users. The increase in use of internet in the general public is very glaring i.e. a jump of 700% has been noticed in the last six years. Out of 21.4 million online users in urban areas in India only 10% are active buyers. In India most commonly purchased merchandises through internet marketing are electronic items, cloths, gift items etc. The Future Group offers more than 50000 products in 185 categories and is expecting revenue of Rs.300 crores. It also offers home delivery services in more than 1500 cities across India.

In spite of all these encouraging factors indicating chances for higher growth of e-tailing activities in India still considerably large number of population is not exposing to internet and its use. As per data 96.7 per cent Indian especially in the rural areas are not using internet and are far away from the e-tailing. Despite the vast awareness of organized retail formats the dependence of the rural poor for day today needs continues on Kirana Stores, Weekly Bazaars in their locality.

CONCLUSION

Customer Relationship Management is an important aspect of retail outlets to know about customer interest, need and buying habits, like, dislike and refocus its strategy to serve him better. In this case study practices in selected organized retail outlets in Indore city are identified customer expectation fulfillment retailers & retail outlets can hold the customer relationship improve customer satisfaction. Retailers focus keeps customers record information properly maintain with help of feedback forms, Entry forms, transaction history and purchasing record accurately maintained. Analyzed retailers ways of build good relationship with customer provided coupons, membership cards, festival offers, after service and maintained customer loyalty with help of Guarantee & response cards, accepting credit /debit cards, Accepting mail orders, loyalty programs. finding results organized retailers believe in touch with customer sending card. Identified CRM retail software using organized retail outlets, finding retailer methods used to bring back customers prefers. Then better retailer service, the more customers you will win, and retain.

Customer expectations and Customer Perceptions are subjective and are in a state of constant flux and change. The findings therefore can be generalized to a given period, a pre-defined market, and economic scenarios. Customer perception indicates that monetary benefits offered by loyalty programmes are very important to them. Loyalty programmes have

failed to deliver satisfaction through non-monetary benefits. The inferential analysis clearly indicates that customer perception of loyalty programmes influences purchase behaviour of customers, the attractiveness of the store and store loyalty.

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