An Analysis upon Various CRM Practices in Indian Retail Stores

Manvi*

Abstract – Today in the profoundly aggressive business sector, expanding client requests retail outlets understand the significance of client relationship administration. The absence of comprehension on Customer Relationship Management (CRM) is dependably a worry among the administration suppliers particularly retail outlets, retailers have their own specific manner of dealing with their associations with the clients. Under this contextual analysis of CRM Practices in Selected sorted out retail outlets in Indore city examines about systems embraced, retail outlets can hold the client relationship. Comprehend the commitment of CRM of the retail outlets regarding its goals. The point of this contextual investigation discovering and distinguish these issues sway on client desires through actualized CRM retail outlets can enhance the association with clients.

Customer relationship management is a corporate level initiative, focusing on creating and maintaining relationships with customers. Manual as well as computer based steps are taken by the organizations to reap the benefits of CRM initiatives. Several commercial CRM software packages are available which vary in their approach to CRM. However, CRM is not a technology itself, but rather a holistic approach to an organization"s philosophy, placing the emphasis firmly on the customer.

Undoubtedly, CRM has generated value for many companies in the past several years. However, the value that"s been delivered is not up to the mark in comparison to what is possible to achieve. As economic uncertainty continues and customers become more demanding, organizations simply must find ways to improve the chances that their new CRM initiatives succeed.

Customer Relationship Management is the most emerging concept of modern management. It is the overall process of building and maintaining profitable customer relationship by delivering superior customers' values & their satisfaction. Quality is an important dimension to meet the sophisticated competitors of today's world & maintaining the long-lasting relationship with customer.

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INTRODUCTION

Customer Relationship management (CRM) perhaps the most important concept in modern marketing until recently, CRM has been decide narrowly as customer data management activity .in its broader sense, CRM is the overall process of building & maintaining profitable customer relationship by delivering superior customer value & satisfaction. It deals with all the aspect of acquiring, keeping & growing customers. The key building lasting customer relationships is to create superior customer value & satisfaction.

Organization can build customer relationship at many levels depending on the nature of the target market. To build customer relationships, companies can add structural ties as well as financial social benefits.

Today the companies are building more long & lasting relationship with more carefully selected customers,

changing demographics, more sophisticated competitors mean that are fewer customer to go around .Many organization are fighting for shares of flat or fading market .in a addition to being good at customer relationship management, marketers must be good at partner relationship , which mean working closely with goal departments outside the company to jointly bring greater value to customer Successful CRM focuses on the profiling or understanding the needs and desire of customer & is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy & goal.

The most challenging and exciting time to live in is on the cusp of change. And that is where India is today. This huge, multicultural country India is transforming from a socialist economy to consumption led creative

economy. The scope and depth of change that is taking place across the India defies description .This Change provides both a humongous challenge and a gigantic opportunity for marketers and retailers.

Retailing is not only an important aspect of the economic structure but very much a part of our lives. Though trading of goods has been in existence since the older days, it is only in the recent past that the buying and selling of goods have become more dominated activity. In fact, today retailing is evolving into a global, high tech business.

Retail industry in India is at the crossroads. It has emerged as one of the most dynamic and fast paced industries with several players entering the market. But because of the heavy initial investments required, break even is difficult to achieve and many of these players have not tasted success so far.India's vast middle class,at the same time, is key attractions for global retail giants wanting to enter Indian markets. CRM systems, therefore, becomes sine-qua-non for each organized retail chain.

Critics, however, have observed that the implementation of a CRM solution is not sufficient to create a true learning organization. Rather, organizations need to think across organizational functions to truly benefit from CRM. This requires thinking across departmental boundaries in order to concentrate on adding value to the customer. There is the need for marketing to act as an integrating function in coordinating the organization"s interaction with the customer. If properly implemented, the organization's CRM system is uniquely well positioned as a knowledge management tool, able to serve as the value creating interface between the firm's functional units (including those linked by an ERP) and its customers.

CUSTOMER RELATIONSHIP MANAGEMENT

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.

CRM is a combination of policies, processes, and strategies implemented by an organization to unify its customer interactions and provide a means to track customer information. It involves the use of technology in attracting new and profitable customers, while forming tighter bonds with existing ones.

Customer relationship management is an emerging tool that enables marketers to maintain their presence in the dynamic marketing environment. Customer relationship management is high on the corporate agenda. Recent research carried out by Business Intelligence reveals that six out of ten companies have already started out on the CRM journey.

CRM needs a deep understanding of the customer expectations, attitude & behaviour through a well organized & maintained customer database & innovative customer strategies. The goal of CRM is to ensure customer satisfaction & delight at every level of interface with the company (Pahuja & Verma, 2008).
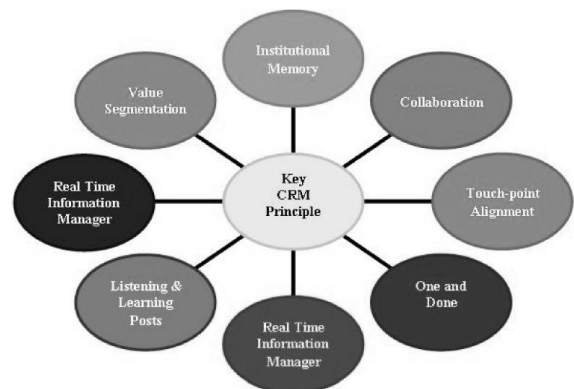

Figure 1 : Key Principle of Customer Relationship Management.

CRM IN RETAIL INDUSTRY

Retailing is the largest private industry in the world, with total sales of $ 6.6 trillion World over the retail sector is not only the oldest but also one of the most advanced users of the technology. Retailing is also India's largest industry accounting for over 10% of the country's GDP and around 8% of the employment (CII-

Manvi*

Mckinsey report). Retailing in India is gradually inching its ways towards becoming next booming industry.The Indian retailing industry is highly fragmented with 97% of its business being run by the unorganized retailers such as the traditional family run stores and corner stores.

Organized retailing, however, is at a very nascent stage though its share is expected to rise to 9-10% by the year 2010.The figure is much higher for the U.S. & U.K. and relatively higher too for neighboring Asian countries like China, South Korea, Indonesia, Philippines, Thailand and Malaysia.

According to India Retail Report 2009, even at the going rate, organised retail is expected to touch Rs. 2,30,000 cr (at constant prices) by 2010, constituting roughly 13 per cent of the total retail market. Global Retail Industry is of size USD 08 Trillion. Over 50 of the Fortune 500 companies are retailers.

In this modern era Indian retailing industry is eyeing the global retail players. Indian retail industry is one of the fastest developing industries which have inculcated modern techniques, exclusive retail outlets, emergence of retail chains etc.

Large Indian players like Reliance, K Rahejas, Bharti, and ITC are making significant investment in this sector, leading to the emergence of big retailer who can bargain with suppliers to reap the benefits of economies of scale.

Retail: In Detail - The emergence of Retail in India is cause for success of Indian organized Retail & Marketing. With the help of modern management techniques we will become the specialist Retailers in future. We know that the relationship between the Retailer & customer is very close than other chains of distribution.

India is a nation of shopkeepers. We can see more than 16 million plus retail outlets in India, and India has highest density of retail outlets in the world. Retail Industry in India is at present estimated to be more than US $ 250 billion. On that part of organized retailing is estimated 3.5% i.e. $ 7.47 billion. By the year 2010 the vision of Industry is to attained more than the goal which was estimated US $ 23 billion in organized retail.

If we are taking as base the size of retail market in India it was only US$ 215 billion in 2005 but in China it was US$ 225 billion in 1996 & US$ 400 billion in 2003. It means the status of India's size of retail market is not very matured as compare to China. The share of organized trade in retaining in India was quite more than 4% in 2005, but it was between 7-8% in 1996 and 17% in 2003 in China. At present USA is biggest retail market with 85% share of organized trade in retailing at the second step. There is Malaysia with 55% plus, Thailand with 40%plus , Brazil with 35%plus, Russia with 33%plus, Indonesia with 30%plus, Poland with 20%plus, China with 17% plus & then India with 6% plus only.

Organized Retail - Organized retail segment has been growing at a blistering pace, exceeding all previous estimates. According to a study by Deloitte Haskins and Sells, organized retail has increased its share from 5 per cent of total retail sales in 2006 to 8 per cent in 2007. The fastest growing segments have been the wholesale cash and carry stores (150 per cent) followed by supermarkets (100 per cent) and hypermarkets (75-80 per cent). Further, it estimates the organized segment to account for 25 per cent of the total sales by 2011.

This paper endeavours to fill the gap in the service quality literature by exploring the dimensions of customer perceived service quality in the context of the Indian retail industry. A set of service quality parameters, drawn from customers' perceptions about service quality as well as the retail sector marketing and service quality literature have been drawn up. These parameters have been used in the context of two of the largest marts in ajmer city to identify the underlying dimensions of service quality. Finally, the paper has drawn upon the findings of the service quality dimensions to contend the initiatives that stores' managers can take to enhance employees' skills and attitudes and instill a customer-service culture.

The Dimensions of Service Quality - Underpinning our understanding of service quality is an array of factors or determinants. A number of researchers have provided lists of quality determinants, but the best known determinants emanate from Parasuraman and colleagues from the USA, who found five dimensions of service quality, namely, tangibles, reliability, responsiveness, assurance and empathy and used these as the basis for their service quality measurement instrument, SERVQUAL.

The result was the development of the SERVQUAL instrument, based on the gap model. The central idea in this model is that service quality is a function of the difference scores or gaps between expectations and perceptions. An important advantage of the SERVQUAL instrument is that it has been proven valid and reliable across a large range of service contexts. However, while the SERVQUAL instrument has been widely used, it has been subjected to certain criticisms as well. The contention that service quality consists of five basic dimensions is according to some researchers questionable and they have suggested that SERVQUAL's dimensions are

Manvi*

contextual and not universally applicable. Instead, the number and composition of the service quality dimensions are probably dependant on the service setting. It has been suggested that for some services the SERVQUAL instrument needs considerable adaptation and that items used to measure service quality should reflect the specific service setting under investigation, and that it is necessary in this regard to modify some of the items and add or delete items as required. Moreover, research suggests that culture may play a fundamental role in determining how consumers perceive what constitutes service quality. In a nutshell, there are still issues and varying opinions about the dimensionality of service quality and the universality of the five dimensions,. These are of interest to and significant for users of SERVQUAL and for all those who wish to understand better the concept of service quality. Hence there is still a need for fundamental research into the dimensionality of service quality bearing in mind the contextual circumstances, the specific industry and the specific service setting.

LITERATURE REVIEW

CRM ascent of devotion projects, mail request and the Internet has given retailers genuine access to purchaser information. Information warehousing and mining advances offers retailers the devices they have to comprehend their buyer information and apply it to business. This, alongside the different accessible CRM (Customer Relationship Management) Systems, permits the retailers to ponder the buy conduct of buyers in point of interest and develop the estimation of individual shoppers to their organizations.

The greater part of the clients favors Organized Retail area due to more Tangibles and Empathy towards its clients. With a specific end goal to hold and pull in new clients, the sorted out retail segment ought to enhance client's administration level and ought to give affirmation towards its client. Sorted out retail outlets give better nature of administration, item extend when contrasted with the disorderly retail outlets. The greater part of the clients are fulfilled by the nature of administration gave by the sorted out retail outlets. Faithfulness programs, particularly focuses programs, appear to have a positive transient effect on various parts of client conduct, including buy recurrence, bushel size, lifetime term and share of wallet.

Showcasing contacts through business people, post office based mail and telesales are found to impact client maintenance, and benefit. In any case, the relative viability of exceptionally interpersonal salesman contacts is more noteworthy than that of less interpersonal modes, for example, regular postal mail . Retailers regularly record exchange information, which can be accumulated to the client level measuring the quantity of past exchanges, verifiable esteem, and sorts of items obtained.

Data warehousing & mining technologies offers retailers the tools they need to make sense of their consumer data and apply it to business. This, along with the various available CRM (Customer Relationship Management) Systems, allows the retailers to study the purchase behavior of consumers in detail and grow the value of individual consumers to their businesses.

Most of the customers prefer Organized Retail sector because of more Tangibles and Empathy towards its customers. In order to retain and attract new customers, the organized retail sector should improve customer's service level and should provide assurance towards its customer. Organized retail outlets provide better quality of service, product range as compared to the unorganized retail outlets. Most of the customers are satisfied with the quality of service provided by the organized retail outlets. Loyalty programs, specifically points programs, seem to have a positive short-term impact on different aspects of customer behavior, including purchase frequency, basket size, lifetime duration and share of wallet.

Marketing contacts through sales people, direct mail and telesales are found to influence customer retention, and profitability. However, the relative effectiveness of highly interpersonal salesperson contacts is greater than that of less interpersonal modes such as direct mail. Retailers often record transaction data, which can be aggregated to the customer level measuring the number of previous transactions, historical value, and types of products purchased.

Customer relationship management is a customer-based relationship management philosophy that enables the coordination and cooperation between all the departments, customers and business associates as a front office practice (marketing, selling and customer service) and back office practice(accounting, production and logistics).The basic objective of the customer relationship management is to create customer loyalty. Besides, the objectives of customer relationship management can be listed as follows: to make the customer relationships profitable; to form and preserve long-term and profitable relationships with customer. Customer relationship management means following all the information about the customers through special software and seeing all that information with just one key at will. Customer relationship management is a philosophy of working that should be extended to the whole of the firm.

Goldenberg (2000) said attempting to connect the customer with the product can be achieved by automating a series of processes within the organization that allow the creation of that connection.Ciborraand Failla(2000) said it is apparent that the CRM concept has a technological component,

but evidently involves other aspects of the organization.

As stated by Mendoza et al. (2006) the CRM concept has evolved in such a way that nowadays it must be viewed as a strategy to maintain a long-term relationship with the customers.Michael et al.(2005) suggested that companies have to move in accordance to the customer behavior if they want to thrive in coming world. They have to come along with new customer loyalty programmes and build more comprehensively among partners and vendors, enabled by technology, to bring mutually beneficial relationships.

METHODOLOGY

Unit retail outlet is diverse fragment like footwear, garments and attire, sustenance, watch, Bags and endowments, way of life and so on. The strategy of examining utilized Judgmental inspecting and Questionnaire composed with help of auxiliary information and retailer meeting and sentiments taking into account. The essential information gathered from retailer (retail outlets) and shoppers would be measured and gathering Questionnaire 45 retail outlets and 45 customers.

Sources of data-

1. **Primary Data:** The Primary information will be gathered utilizing overview as a method of information accumulation. To direct overviews separate arrangements of organized poll would be arranged for Retailer respondents and retail outlet customer respondents.

2. **Secondary Data:** The optional information might be gathered from different Publications of Retailer and Brand should be investigated through Books, organizations' lists, Magazines, Journals, Periodicals business audit.

Sampling types-

The Retailer study would be led utilizing Judgmental testing strategy 10 question outlined. The inspecting sort for the purchaser overview information was gathered utilizing an institutionalized five point Likert sort scale.12 question planned.

Sample size-

a.   Retailer survey: 45 retail outlets Questionnaire design collect data

Sampling Frame-

1. Footwear: Adidas, Bata, Woodland, Reebok, Nike, puma.

2. Clothing & Apparels: Peter England, John player, killer, Globus, Planet fashion, Pantaloons, Lilliput, Gini & jony, Arrow, Zebra, Lee, denizen, Raymond, Pepejean, Zodiac, Levis, Wills lifestyle, Mufti, Provogue, Blackberrys, Denis parkar, K Lounge, Scullers, Spykar, The loot, fabindia, Puma, Louis philippe, Vishal Mega Mart.

3. Food: Café coffee day, Pizza hut, KFC, McDonalds, Wraps & Rice, Domino's ,Pizza hut ,Reliance Fresh, barista.

4. Watch & gifts: Fastrack, World of Titan. , Archies etc.

5. Consumer Survey: 45 customer Questionnaire design collect data

Individuals in the age group of 18-50 years selected retail outlets Research Methodology Conducted here is descriptive technique in nature. The Research done on the sampling.

CONCLUSION

Customer relationship management is highly exercised in the industry like hospitality, services industry etc. but it is having equal importance in the retail industry also. The customers don't take a single second when it comes to change the preference and break the loyalty for an organization, in such a situation it the customer relationship management of the organization which will compel the customers to visit the retail outlet again and again.

The implementation of a CRM solution is not sufficient to create a true learning organization. Rather, organizations need to think across organizational functions to truly benefit from CRM. This requires thinking across departmental boundaries in order to concentrate on adding value to the customer. There is the need for marketing to act as an integrating function in coordinating the organization's interaction with the customer. If properly implemented, the organization's CRM system is uniquely well positioned as a knowledge management tool, able to serve as the value creating interface between the firm's functional units (including those linked by an ERP) and its customers.

The Retail sector of India is now running in dynamic challenges concerning both customer base and performance. Service quality, customer satisfaction, customer retention, customer loyalty and delight are now the measure challenges in griping the Retail

Manvi*

sector. Service quality placed a measure role in getting customer satisfaction and creating a brand loyalty in Retail sector.

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Corresponding Author

Manvi*

E-Mail – rohitkumarjangra1@gmail.com