

# AN EMPIRICAL STUDY ON STANDARD CRM PRACTICES OF SELECTED MODERN RETAIL STORES

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## Abstract

Customer relationship management (CRM) is one of the customer management strategies of retail firms. It aims to retain existing customers, build long term and never-ending relationship with the customers. In retail business, an effective customer relationship management represents essentiality, due to the changing pattern of market dynamics. The study primarily focuses on understanding the concept of Customer Relationship Management Practices of selected retail firms and also analyzed the CRM practices of chosen retail firms. The study concluded that understanding the importance and benefits of CRM is essential to the retail firms because, the customers don't take a single second when it comes to change the preference and break the loyalty of an organization; in such a situation it is the customer relationship management which helps the retailers to retain their customers back to the stores.

*Key words: CRM, Customer management, Customer retention, GDP, Customer service.*

## I. Introduction

Nowadays, Customer management has become one of the fundamental activities in business environment. Customers are the key element to the businesses, they are not depending on any firms but firms are depending on them. Therefore many firms initiated distinctive strategies to understand their customers better. Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new companies. India is the world 5<sup>th</sup> largest global destination in the retail space and ranked 63 in World Bank's doing business 2020. Retail industries are playing significant role in the economic development of the country. It accounts 10percent of its GDP and generated 8 percent of the employment in the country (ibef.org). The

relationship marketing approaches of retail firms merely focused on customers and marketing functions but customer relationship management focused more widely on customers and the entire functions connected to the value creations in the organization. Customer relationship management (CRM) is one of the customer management strategies of retail firms. It aims to retain existing customers, build long term and never-ending relationship with the customers.

## II. CRM in Retail Firms

In retail business, an effective customer relationship management represents essentiality, due to the changing pattern of market dynamics. This is one of the reasons for which CRM is considered as an important tool of present business arena. Formulation of a successful business plans depends on analysis of customers and retailers.

Role of Customer Relationship Management is to increasing retailers return on marketing investment and maximizing lifetime customer value. Many retail firms trying to keep their customer satisfied and happier through varied CRM practices implementation. It also aims to retain existing customers along with adding more diversified numbers to their business. This has given rise to understand the newer concepts and practices of customer relationship management.

## III. Objective of the Study

- To study the concept of Customer Relationship Management Practices
- To understand the CRM practices of selected Retail firms
- To analyze the CRM practices of chosen Retail firms

## IV. Need of the Study

Customer relationship management is a commonly used practice of organized retail firms. Many retail organizations losing their customers due to price, product, service, competitors and personal related reasons. It is the CRM practices of the retail store which helps the businesses to identify solutions to the problems and creates unique identity, good will among the available businesses. Therefore the study made an attempt to discuss and understand the various CRM practices of selected modern retail stores.

## V. Scope of the study

The present study focused on engaging research work in Shivamoga city. The study selected four popular organized retail outlets which are established its number of branches throughout the different states. The study

focused on CRM practices of selected retail stores namely Big bazaar, More, Spar and Vishal Mega mart. All these stores formulated unique CRM practices compare to each other. Therefore, there is a scope for engaging the research work on understanding the CRM practices of modern retail stores, specifically in Shivamogga region.

## VI. Research Methodology

The study adopted both primary and secondary data for the convenience of completing this research work. Primary data is collected from the sources of questionnaire, personal interview and observation. Secondary data collected through the sources like, published articles, scholarly papers, books and company websites.

### VI.1. Sample Design

The study has considered the sample size of 40 respondents and adopted convenience sampling technique to collect the data

## VII. Limitations of the study

- The study confined to the limited number of respondents.
- The study represents the respondents of Shivamogga city only
- The study is applicable to CRM practices of selected retail firms

## VIII. Results and Discussions

Table No. 01 Showing standard CRM Practices of Selected Modern Retail Stores

Customer Relationship Management Practices	SA		A		N		D		SD	
	F	%	F	%	F	%	F	%	F	%
Smiling & greeting each customer, ensure customers feel welcome.	8	20	7	17.5	3	7.5	18	45	4	10
Employees Wearing clean, proper uniform & personally hygiene	19	47.5	11	27.5	3	7.5	5	12.5	2	5
Employees provide right information and help the customer to find out required products	3	7.5	15	37.5	4	10	12	30	6	15
If customer waited for service, employees thank the customer for waiting	5	12.5	12	30	3	7.5	16	40	4	10
Customers treated as Guest, on the concept of "Atithi Devobhava"	4	10	9	22.5	9	22.5	10	25	8	20
Sufficient space for customer movement and Vehicle Parking	3	7.5	16	40	7	17.5	9	22.5	5	12.5

Proper layout for stocks visibility	12	30	8	20	5	12.5	8	20	7	17.5
Proper lighting and ventilation	16	40	7	17.5	3	7.5	12	30	2	5
Clean, hygienic and pleasant ambience with fresh fragrances	13	32.5	9	22.5	4	10	12	30	2	5
Modernized equipments for unique services (self billing kiosk, handy carts)	10	25	9	22.5	1	2.5	19	47.5	1	2.5
Offers one stop shop for most of the customer needs	9	22.5	5	12.5	2	5	18	45	6	15
24/7 toll free number for addressing customer queries and complaints	8	20	10	25	4	10	14	35	4	10
Store insists customer satisfaction through personalization	6	15	13	32.5	5	12.5	12	30	4	10
The store ensures all time stocks availability	6	15	15	37.5	2	5	14	35	3	7.5
The store always sells all the products at less than MRP	7	17.5	7	17.5	8	20	12	30	6	15
The store provides guarantee on its brand	3	7.5	14	35	4	10	10	25	9	22.5

The percentage of the customer response is measured by likert scale which consist 1 to 5 points where in 5 stands Strongly Agree and 1 Strongly Disagree.

Strongly Agree – S A, Agree – A, Neither Agree nor Disagree – N, Disagree – D, Strongly Disagree – S D, F – Frequency

## IX. Major Findings

The above table revealed standard CRM practices of selected retail stores. Each variables in the table helps to understand employees' responses, store characteristics and products related CRM practices of chosen retail stores.

**Observation:** from the above table, the study found that the majority of the respondents strongly agreed to the following customer relationship management practices. 47.5% of the majority respondents expressed that employees wearing clean, proper uniform & they are personally hygiene. 30 % of the respondents said that stores consisted proper layout for stocks visibility. 40% of the respondents opine that stores consist proper lighting and ventilation and 32.5% of the respondents opine that stores are Clean, hygienic and has pleasant ambience with fresh fragrances.

**Inference:** Employees wearing clean uniform and being hygiene would be the basic standards of retail firms, the study found majority of the employees are strictly adhere to the company standards. In the same way, proper layout for stocks visibility, lighting and ventilation and pleasant ambience would attract more number of customers to the stores. Therefore, the store selected for the study has well incorporated all these essentials according to the size of the store.

**Observation:** the study observed that the majority of the respondents agreed to the following customer relationship management practices. The majority i.e. 37.5% of the respondents agreed that employees provide right information and help the customer to find out required products. 40% of the majority respondents said stores consists sufficient space for customer movement and Vehicle Parking. 32.5% of the respondents said that stores maintain customer satisfaction through personalization. 37.5% of the respondents opine that stores ensure all time stocks availability. 35% of the respondents said that stores provide guarantee on its brands.

**Inference:** From the above observation, the study revealed that employees of the store provide right and required information and store has sufficient space for vehicle parking and customer movements. Stores ensure all time stock availability and most of the products have guarantee on its brands.

**Observation:** from the above table, the study found that the majority of the respondents disagreed to the following customer relationship management practices. 45% of the respondents disagreed that employees are smiling & greeting them to feel welcome. 40% of the respondents disagreed that store employees thank the customer for waiting, 25% of the respondents opine that customers were not treated like a Guest, on the concept of “Atithi Devobhava”. 47.5% of the respondents disagreed that stores facilitated modernized equipments for unique services. 45% of the respondents disagreed that stores offer one stop shop for customer needs. 35% of the respondents disagreed that stores facilitated 24/7 toll free number for addressing customer queries and complaints. 30% of the respondents disagreed that stores always sells all the products at less than MRP.

**Inference:** Currently, Majority of the retail stores assign security guards to welcome their customers. Most of the time, these guards are outsourced from security agencies and their duties are frequently changed to the different stores. In this regard, it is hard to expect better welcome from changing security guards. Therefore, it is recommended to assign store employees to smile and greet customers at the store entry. Similarly, thanking the customers for spending their precious time at the store is equally significant to the retailers. This is one of the key strategies to calm down the customers who are irritated by long queues at the stores. “Atithi Devobhava” on the concept of treating customers as guests, and giving them utmost priority help the retailer to develop better relationship among them. According to the changing trend, usage modernized equipment would be suitable option to the firms which are intended to adopt changes in their business. Offering all customer needs at one place would be highly difficult to the retailer but keeping most of the needs would satisfy their expectations. Providing 24/7 toll free number services would help the retailer to address customer queries and complaints as soon as possible, store needs to be given importance on these services. Selling all the products at less than MRP may not be applicable to loosened stocks therefore store need to be focused on packed products which reveals maximum retail price and selling price with discounts.

## X. Conclusion

CRM practices of selected retail stores intended to improve the customer relationship through their unique practices. Finding new customers and retaining existing ones to the business would be the fundamental objective of all the retail stores. CRM is an essential strategy to all the businesses but it is highly exercised by industries like Retail, hospitality and services. Understanding the importance and benefits of CRM is essential to retail firms because, the customers don't take a single second when it comes to change the preference and break the loyalty of an organization; in such a situation it is the customer relationship management which helps the retailers to retain their customers back to the stores. The successful CRM practice of the retail stores not only determines the effective implementation but also ensures the customer response to the each CRM initiatives.

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