



IMPACT OF DIGITALIZATION OF CUSTOMER RELATIONSHIP MANAGEMENT STRATEGIES ON CUSTOMER RETENTION IN RETAIL INDUSTRY

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Abstract: *The retail industry has led to the development of many countries and the rising of economies. The retail industry is included in the most dynamic as well as an industry acclaimed for its fast-paced growth in the country, having a lot of new entrants to the market scenario. Customer retention is critical to business success, particularly for subscription-based services, where sustained revenue hinges on a company's ability to retain existing customers. The new business ideology has changed from businesses being profit-oriented to being customer-oriented; these changes have led to numerous formulations and implementations of strategies and tactics to improve customer relationship management and, more so, increase services so as to lead to an increase in their performance. Digitalization of CRM makes use of digital tools, such as websites, emails, and social media, to improve customer interactions, collect valuable data, and deliver personalized services. In the retail sector, where competition is fierce, digitalization of CRM gives businesses a competitive edge by facilitating efficient communication, seamless service delivery, and timely engagement with customers. The main objective of the present study is to study the impact of digitalization of customer relationship management strategies on customer retention in the retail industry. Descriptive research methodology was used for the present study. The variables, such as soft and hard CRM strategies, were used as study indicators. There were 156 retail outlet owners in Bengaluru city who were targeted to collect the data for the analysis. A structured questionnaire was used to collect the data as the primary source of data. Multiple linear regression was used as a statistical tool for the analysis purpose. Suitable findings and suggestions were provided at the end of this research paper. The implication of the study indicated that the present research paper is going to be used by organized retail outlets to retain their customers through digital mode without wasting time and money in the near future.*

Key words: *Digitalisation, CRM, Strategies, Customer Retention, Retail Industry*

1. INTRODUCTION

The rising usage of technology and shifting customer behavior have both contributed to the tremendous expansion of the e-commerce sector in India in recent years. With a population of more than 1.3 billion, India offers a sizable market for e-commerce companies (Gil-Gomez, H., et al., 2020). The Indian e-commerce sector was estimated to be worth \$38.5 billion in 2020, and by 2025, Statista projects that it will be worth \$128.9 billion. India's retail and its digitalization have grown significantly as a result of rising technology use and shifting consumer preferences (Raj, A., & Bisht, D. 2025). The retail industry has led to the development of many countries and the rising of economies. The retail industry is included in the most dynamic as well as

an industry acclaimed for its fast-paced growth in the country, having a lot of new entrants to the market scenario (Ajay Singh & Dharmendra Kushwaha, 2024). The retail industry is geared up to become the expectation of the future due to its scope for growth. Retailing deals with the direct interaction of a customer with a store. Customer preferences are changing on account of an ever-dynamic environment of economic, marketing, and demographic variables (Mathew, J. 2017). Modern retail markets are the battleground of big multinationals, and their biggest weapon is customer relationship management initiatives. CRM initiatives are a holistic process of acquiring, retaining, and growing customers (Nangare, V. V., Wankhade, S., 2024).

Customer relationship management (CRM) is a technology for managing all your company's relationships and interactions with customers and potential customers. The goal is simple: Improve business relationships (Akram, U., et al., 2021). A CRM system helps companies stay connected to customers, streamline processes, and improve profitability. A CRM solution helps to focus on an organization's relationship with individual people—including customers, service users, colleagues, or suppliers—throughout the lifecycle with them, including finding new customers, winning their business, and providing support and additional services throughout the relationship (Dwivedi, R. K., et al., 2024). Digitalization of CRM makes use of digital tools, such as websites, emails, and social media, to improve customer interactions, collect valuable data, and deliver personalized services. In the retail sector, where competition is fierce, digitalization of CRM gives businesses a competitive edge by facilitating efficient communication, seamless service delivery, and timely engagement with customers. Digitalization of CRM's role extends beyond customer retention and contributes to customer acquisition through personalized outreach and improved customer experiences (Boadu, A. A. K. 2016). As businesses increasingly rely on digital interactions, investing in digitalization of CRM systems that integrate advanced technologies, such as artificial intelligence, will be the determinant for staying competitive in the digital marketplace and ensuring long-term profitability and growth (Nethanani, R., et al., 2024).

The retail industry employs various retention strategies. These include personalized email marketing, loyalty programs, subscription models, and exceptional customer service. Each of these strategies leverages CRM systems to track customer interactions, preferences, and behaviors, allowing businesses to deliver targeted and relevant content that resonates with their audience (Chalplot, N. D., et al., 2024). For example, personalized email campaigns can remind customers of items left in their cart or suggest products based on their previous purchases. Loyalty programs reward repeat customers with exclusive discounts or early access to new products, incentivizing them to stay with the brand (Gulati, T. 2024). Subscription models offer convenience and savings, encouraging customers to commit to regular purchases. Meanwhile, exceptional customer service ensures that any issues are resolved promptly, reducing the likelihood of churn (Thakur S P. 2018). Due to the growth of digitalization and CRM, online retailers are fiercely competing with traditional retailers. Retailers are utilizing AI-powered CRM; as a result, they are setting themselves apart from their rivals and improving the consumer experience (Krish, S. a. S., Krish. 2021). On the other side, e-commerce businesses are utilizing digital CRM strategies to retain the customers by providing customized services and increasing customer engagement (Patil, S. J., et al., 2024). CRM is powered by digitalization, and it is revolutionizing how companies communicate with their clients. Large amounts of client data can be analyzed by digital algorithms to get important insights into customer behavior, preferences, and needs (Boppana, V. R. & Avanade. 2021). This helps companies to offer tailored experiences, increase consumer satisfaction, and customize their offers. Businesses utilize AI-powered chatbots to provide 24/7 customer assistance, answer questions, and make tailored recommendations (Altice, 2024). This helps organizations enhance productivity and lower expenses while also enhancing customer happiness. The study's findings will provide insights into how digital strategies can be effectively used in CRM to create a sustainable future for India's retail and e-commerce industry (Magatef, S., et al., 2023). It enables organizations to acquire significant insights into customer behavior, preferences, and needs. This helps companies to offer tailored experiences, increase consumer satisfaction, and customize their offers. This helps organizations enhance productivity and lower expenses while also enhancing customer happiness (Mabzor, S. C., et al., 2023).

CUSTOMER RETENTION

Customer retention is critical to business success, particularly for subscription-based services, where sustained revenue hinges on a company's ability to retain existing customers. Customer retention is a well-researched area in marketing and business management, with multiple theories explaining the dynamics of customer loyalty, lifecycle, and churn (Joel, N. O. S., et al., 2024). Unlike transactional business models, subscription services rely on recurring payments, making the lifetime value (LTV) of a customer significantly more important than the initial acquisition cost. In the modern era the customer has changed a lot, so their preferences have changed, and now the customer prefers to have a good shopping experience more than the price (Suriانشa, R., et al., 2024). Now price is not the only initiator and differentiator for the customer. In the competitive world, satisfying a customer is not enough; the retailer can't expect that the customer will come again. Here the importance of customer loyalty and retention comes into application (Mazharunnisa and Sai Jayadeep, V. 2024). Customer satisfaction and retention are essential for the long-term success of any retail organization, and the rise of 'Digitalization of Customer Relationship Management has revolutionized how businesses achieve these goals (Vroo, K. 2024).

The new business ideology has changed from businesses being profit-oriented to being customer-oriented; these changes have led to numerous formulations and implementations of strategies and tactics to improve customer relationship management and, more so, increase services so as to lead to an increase in their performance (Assaad, A. S., Sanayei, A., & Shafiee, M. M. 2024). The Digital Revolution refers to the advancement of technology from analog electronic and mechanical devices to the digital technology available today. Digital information is in a much more malleable format. It can easily be duplicated, changed, or processed. Building customer relationships is crucial to the success of any business. It is very similar to building rapport as a salesperson or any retailer (Romagia, R., Indrayani, I., & Damsar, D. 2025). We need to know and understand the customer to build a relationship. Customers are a business's greatest asset. Digital CRM, a concept that has a lot of impact in the digital era, covers a wide range of topics relating to managing customer relationships through the web. Retention in subscription services involves more than just customer satisfaction; it requires understanding and addressing factors that drive churn (A-Diabat, B. F. 2022). Customer expectations are higher than ever, with demands for personalized experiences, seamless service delivery, and ongoing value. A lapse in meeting these expectations can quickly lead to customer dissatisfaction and, ultimately, subscription cancellations (Raj, A., & Bisht, D. 2025). This dynamic makes customer retention a central pillar for companies in industries ranging from media streaming to software-as-a-service (SaaS), where competition is intense, and switching costs are often low.

2. LITERATURE REVIEW

Various research has consistently highlighted the positive influence of digitalization of CRM on customer satisfaction. One of the primary functions of digitalization of CRM is to create a more seamless, efficient customer experience (Gil-Gomez, H., et al., 2020). It is done by automating interactions so that businesses can respond to customer inquiries swiftly and consistently, and this makes an overall improvement in service quality. The ability to analyze customer data also helps companies to create personalized experiences, which are key drivers of retention (Ajay Singh & Dharmendra Kushwaha, 2024). Digitalization of CRM also reduces operational costs while boosting productivity, as it automates repetitive tasks and simplifies communication. This efficiency makes businesses focus more on customer engagement and less on operational logistics. This also contributes to better customer retention (Mathew, J. 2017). In India, for example, digitalization of CRM's ability to collect and analyze vast amounts of customer data has made businesses personalize marketing efforts, and as a result, increase customer satisfaction in a highly competitive retail environment. Successful adoption of digitalization of CRM relies on its ability to improve customer loyalty and retention through enhanced satisfaction (Nangare, V. V., Wankhade, S., 2024). The integration of information technology in the digitalization of CRM processes facilitates customization, which is vital for creating a customer-centric organization. Customer retention is another significant benefit of digitalization of CRM, as it helps businesses maintain relationships with their existing customers, leading to long-term loyalty (Akram, U., et al., 2021).

When companies analyze customer feedback and purchase patterns, they are able to adjust their services to meet the changing customer expectations, and this prevents customer disappointments. The smart use of online communication tools, such as live chats and automated email responses, also strengthens customer relationships by providing timely support and engagement (Dwivedi, R. K., et al.2024). The integration of digitalization of CRM into business processes in the retail sector has had a large effect on customer retention. Personalization is the key factor that drives retention, as digitalization of CRM enables businesses to give customers tailored offers and services, creating a sense of exclusivity and value that encourages repeat business (Boadu, A. A. K. 2016). This helps businesses build long-term relationships with customers who are more likely to remain loyal to companies that consistently meet their needs. Digitalization of CRM strategies are important to make better customer loyalty, especially in sectors like retail industries (Nethanani, R., et al.,2024). Functional aspects of digitalization of CRM, such as website navigation, information quality, and aesthetics, positively influence customer loyalty by reducing uncertainty and building confidence in online interactions. The personal dimension, which includes personalization and interpersonal communication, does not directly impact loyalty, though (Chalplot, N. D., et al.,2024). Instead, it influences customer loyalty indirectly through the quality of the customer relationship (CR) (Gulati, T. 2024). The quality of CR, which consists of both cognitive and emotional elements like trust and commitment, mediates the relationship between the functional and personal dimensions of digitalization of CRM and customer loyalty (Thakur S P. 2018). This suggests that while improving the functional aspects of digitalization of CRM is needed for direct loyalty gains, personal engagement needs to be more focused on getting better relationship quality so as to achieve similar effects (Krish, S. a. S., Krish. 2021). Digital tools like customized recommendations, interactive customer service, and loyalty rewards are all aspects of the digitalization of CRM and are essential for retaining online customers. Factors such as customization, interactivity, and convenience are key drivers of customer retention in the digital marketplace (Patil, S. J., et al.,2024). Businesses using digitalization of CRM often report higher productivity, reduced operational costs, and an improved ability to attract and retain customers. Companies that align their digitalization of CRM strategies with their organizational culture are able to maximize the benefits of digitalization of CRM, including better sales performance and customer loyalty (Boppana, V. R. & Avanade. 2021). Even with all these positive sides, implementing digitalization of CRM systems has its own challenges. Digitalization of CRM systems that prioritize transparency, data security, and personalized service contribute to building and maintaining this trust. In industries like banking, where trust is what keeps the industry going, digitalization of CRM is particularly effective in keeping customers loyal by giving secure, personalized, and seamless service interactions (Altice, 2024). Businesses need to make sure that their digitalization of CRM systems user-friendly and focusses on reducing any barriers that may create anxiety for customers. Looking forward, the integration of advanced analytics and artificial intelligence (AI) in the digitalization of CRM is set to revolutionize customer relationship management (Magatef, S., et al.,2023). The continuous advancement of digital communication tools, such as chatbots and automated support systems, will further enhance the role of digitalization of CRM in customer satisfaction. With the help of these tools, businesses can give 24/7 support and can address customer inquiries promptly, regardless of time zones or business hours (Mabzor, S. C., et al.,2023). As a result, businesses that invest in these technologies will likely see a significant improvement in both customer retention and satisfaction. In the last decade, CRM has become a popular marketing strategy, effectively managing customer relationships and boosting companies' profitability. Identifying, satisfying, and retaining the company's best customers and maximizing the value from them is the underlying objective of CRM (Joel, N. O. S., et al.,2024). The higher an organization's quality of service, the better the organization's success. It is a combination on of software, hardware, application, and management commitment, which is concerned with being fascinating and also being in control of economically valuable customers and eradicating less profitable ones as well as building loyalty and profitability, increasing customer satisfaction, simplifying processes and lowering costs, and improving insight and decision-making of the organization (Suriasha, R., et al., 2024). The Internet and email as part of electronic and interactive media are playing a significant role in operationalizing CRM and supporting effective customized information between the organization and customers. Whereas (Mazharunnisa and Sai Jayadeep 2024) argue that the main driver behind digital CRM adoption is a commonly

shared belief that improves customer loyalty and retention through the enhancement of customer satisfaction. Technology adoption to optimize communications with customers: companies can create a 360-degree view of customers to learn from previous connections to optimize future ones (Vroo, K. 2024). Organizational customers, such as retail shops, are also increasingly looking for a clear demonstration of value in product features and expect a proportionate reflection of pricing to value. As reported in (Assaad, A. S., Sanayei, A., & Shafiee, M. M. 2024), there has been a shift from mere advertising as a result of stiff competition brought about by reforms to more aggressive marketing strategies as perceived by retail shops about marketing (Romagia, R., Indrayani, I., & Damsar, D. 2025). Customers, by the tenet of assimilation theory, need continuous relationship management by the e-tail shoppers staff to avoid after-purchase dissonance; in case of any service failure or performance going below expectation, it will not translate to customer switching; rather, customers shall try to adjust by minimizing their earlier service expectation to align with actual performance and retention (A-Diabat, B. F. 2022).

3. RESEARCH GAP

Since the main goal of an organization is to satisfy the needs of customers, which will lead to increased profit. This indicates that without the existence of customers, business activities will be futile. Retail business owners often concentrate on the improvement of their customer relationship through hard and soft CRM strategies; these are the key factors of customer retention strategies. Often they organize retailers who ignore their customer care and relationship; as a result, many of their customers move their purchasing interests to other organizations that can serve them better. The problem here is that they fail to understand that customer's value, care, and concern are far above the product quality. So retail business owners tend to try their best as much as possible to retain their customers and even attract more. Studies highlight managers' inability to increase customer loyalty and profits, although this is still attributable to a lack of research. They were unable to identify the aspects that increase customer loyalty. Because of the retailer's inadequate customer retention strategies. Due to a lack of management attraction with customers, organizations generally don't care enough about the needs and wants, attitudes, and trends of their customers. As a result, many businesses have lost their existing consumers and are unable to find new ones. Strong relationships with customers may be used to acquire new consumers and keep them for the long run. However, managing great relationships alone is insufficient to please customers and win their continued commitment. To maintain satisfaction and loyalty in the modern period, a company's reputation must be improved. Studies have, however, hardly ever examined this period in rising economies. In this study, the impact of digitalization of customer relationship management strategies on customer retention in the retail industry has been studied. This study assists retail businesses in increasing profitability by increasing retail customers' loyalty.

4. OBJECTIVES OF THE STUDY

1. To find out the influence of soft CRM strategies on customer retention
2. To explore the influence of hard CRM strategies on customer retention
3. To provide the suitable suggestions for the better improvement of customer retention in retail sector.

5. HYPOTHESIS

H0: There is no significant influence of soft CRM strategies on customer retention.

H1: There is a significant influence of soft CRM strategies on customer retention.

H0: There is no significant influence of hard CRM strategies on customer retention.

H2: There is a significant influence of hard CRM strategies on customer retention.

6. RESEARCH METHODOLOGY

i) Primary data

This research is based on both primary and secondary data. The primary data were gathered through an offline questionnaire from the organized retailer in Bangalore. A total of 435 questionnaires were distributed, out of which only 156 filled questionnaires were able to be collected from the survey, and invalid questionnaires, such as those with incorrect responses, were eliminated at the stage of the pilot survey. Finally, 156 samples were utilized in the study and analysis. A structured questionnaire was prepared containing statements related to the influence of factors related to soft and hard CRM strategies on customer retention, and those statements were measured based on a five-point Likert scale with scale agreements ranging from strongly disagree to strongly agree. "Strongly agree" was assigned a score of 5, "agree" a score of 4, "can't say" a score of 3, "disagree" a score of 2, and "strongly disagree" a score of 1 for conducting regression analysis.

ii) Secondary Data

The following are the sources from which the secondary data was collected, such as information that has been gathered from selected peer-reviewed articles from bibliographic databases (Emerald, Sage journals online, Science Direct, Scopus, Taylor & Francis online, Web of Science, and Wiley (online library)). Peer-reviewed journals were considered based on their knowledge validity and their highest impact on the research field. Online E-Sources, Published reports, journals, theses, magazines, research articles, newspapers, etc.

7. SAMPLES AND SAMPLING METHOD

There were 435 organized retail outlets listed in Bangalore from the source of <https://www.ambitionbox.com>. All the retail outlets were targeted, but only 156 outlet owners have responded. The convenient sampling method was used to collect the data, as it saves time and effort.

Statistical tools

Data was planned and processed using the International Business Machines Corporation (IBM) arithmetical Statistical Package for Social Science (SPSS) 26. The IBM SPSS was used for performing Multiple linear regression is a statistical method that examines the relationship between one dependent variable and two or more independent variables by fitting a linear equation to the observed data. It helps predict the value of the dependent variable based on the values of the independent variables and understand their combined influence.

8. SCOPE OF THE STUDY

The scope of this study is limited to the owners of the organized retail sector in Bangalore, making the findings relevant to Bengaluru City. By narrowing the focus to find out the influence of soft and hard CRM strategies on customer retention in the retail industry. This study is limited to the impact of digitalization of customer relationship management strategies on customer retention in the retail industry.

9. DATA ANALYSIS—RESULTS AND DISCUSSIONS

The linear regression was run using SPSS software to test the data collected for the analysis purpose. The data were measured by using a five-point Likert scale.

Influence of Soft CRM strategies on Customer Retention

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.976 ^a	.952	.948	.29800		
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	249.805	14	17.843	200.924	.000 ^a
	Residual	12.522	141	.089		
	Total	262.327	155			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.216	.159		-1.361	.176
	Marketing through social media	-.473	.070	-.331	-6.760	.000
	Use of email marketing	.158	.055	.155	2.887	.005
	SMS Marketing	.103	.063	.108	1.635	.104
	Use of online advertising	.481	.050	.494	9.712	.000
	Online loyalty programs	.406	.078	.319	5.209	.000
	Online social communities	-.495	.226	-.448	-2.191	.030
	Use of mobile applications	.531	.227	.477	2.337	.021
	Data-Driven Marketing	.134	.036	.136	3.764	.000
	Alerts and notifications	-.024	.069	-.018	-.354	.724
	Video conferencing- phone calls	.248	.052	.194	4.762	.000
	AI Assisted CRM (Interactive voice mail, Chat bots)	-.328	.049	-.269	-6.723	.000
	Cash back offers through UPI and Loyalty points	.133	.033	.119	4.070	.000
	Internet (Website aesthetic)	.186	.041	.159	4.510	.000
E-commerce Platforms	.013	.039	.010	.328	.743	
a. Dependent Variable: Customer Retention						

A multiple regression analysis was used to investigate the effect of 14 variables of Soft CRM strategies on customer retention. From the above table it is understood that Soft CRM strategies ($R = .976$, indicating a high degree of correlation among the variables, $t = -1.361$, and a p -value less than 0.05) had a significant influence on customer retention. Hence, it can be concluded that if the average level of soft CRM strategies were high, the average level of customer retention would also be high. The analysis also reveals that the soft CRM strategies used by the retail sector were able to explain the total variation in customer retention by the regression model, with R^2 being about 95.2%, which is high, indicating the model fits the data well. Thus, answering the hypothesis H1: There is a significant influence of soft CRM strategies on customer retention, posited for this research, is accepted. The coefficient table shows the contribution of Soft CRM strategies to customer retention. From the above table the beta values demonstrate the unique contribution for the variables of Soft CRM strategies used by organised retail sector such as Marketing through social media ($\beta = -.473$), ($P = .000$), Use of e-mail marketing ($\beta = .158$), ($P = .005$), Use of online advertising ($\beta = .481$), ($P = .000$), Online loyalty programs ($\beta = .406$), ($P = .000$), Online social communities ($\beta = -.495$), ($P = .030$), Use of mobile applications ($\beta = .531$), ($P = .021$), Data-Driven Marketing ($\beta = .134$), ($P = .000$), Video conferencing- phone calls ($\beta = .248$), ($P = .000$), AI Assisted CRM (Interactive voice mail, Chat bots), ($\beta = -.328$), ($P = .000$), Cash back offers through UPI and Loyalty points ($\beta = .133$), ($P = .000$), Internet (Website aesthetic) ($\beta = .186$), ($P = .000$) were the variables are able predict the customer retention.

Influence of Hard CRM strategies on Customer Retention

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.976 ^a	.952	.948	.29707		
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	249.796	13	19.215	217.740	.000 ^a
	Residual	12.531	142	.088		
	Total	262.327	155			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.208	.156		-1.331	.185
	Responsive customer service	-.474	.070	-.331	-6.797	.000
	Speed Delivery experience	.157	.055	.154	2.882	.005
	Attractive promotions	.102	.063	.108	1.635	.104
	Improved Product quality	.481	.049	.494	9.742	.000
	Offer emotionally touching experiences	.417	.070	.328	5.922	.000
	Superior customer service	-.491	.225	-.445	-2.184	.031
	Encourage Frequent repurchase	.529	.227	.475	2.336	.021
	Offer personalized recommendations	.135	.036	.137	3.805	.000
	Provide membership	-.025	.068	-.018	-.364	.717
	Loyalty programs and perceived rewards	.249	.052	.195	4.784	.000
	Targeted discounts	-.329	.049	-.269	-6.748	.000
	Provide Digital literacy	.133	.033	.119	4.087	.000
	Create Trust and security	.186	.041	.158	4.520	.000

a. Dependent Variable: Customer Retention

A multiple regression analysis was used to investigate the effect of 13 variables of hard CRM strategies on customer retention. From the above table it is understood that hard CRM strategies ($R = .976$, indicating a high degree of correlation among the variables, $t = -1.331$, and a p -value less than 0.05) have a significant influence on customer retention. Hence, it can be concluded that if the average level of hard CRM strategies were high, the average level of customer retention would also be high. The analysis also reveals that the hard CRM strategies used by the retail sector were able to explain the total variation in customer retention by the regression model, with an R^2 of 95.2% being high, indicating the model fits the data well. Thus, answering the hypothesis H1: There is a significant influence of hard CRM strategies on customer retention, posited for this research, is accepted. The coefficient table shows the contribution of hard CRM strategies to customer retention. From the above table the beta values demonstrate the unique contribution for the variables of hard CRM strategies used by organised retail sector such as Responsive customer service ($\beta = -.474$) ($P=.000$), Speed Delivery experience ($\beta = .157$) ($P=.005$), Attractive promotions ($\beta = .102$) ($P=.104$), Improved Product quality ($\beta = .481$) ($P=.000$), Offer emotionally touching experiences ($\beta = .417$) ($P=.000$), Superior customer service ($\beta = -.491$) ($P=.031$), Encourage Frequent repurchase ($\beta = .529$) ($P=.021$), Offer personalized recommendations ($\beta = .135$) ($P=.000$), Provide membership ($\beta = -.025$) ($P=.717$), Loyalty programs and perceived rewards ($\beta = .249$) ($P=.000$), Targeted discounts ($\beta = -.329$) ($P=.000$), Provide Digital literacy ($\beta = .133$) ($P=.000$) and Create Trust and security ($\beta = .186$) ($P=.000$) are the variables significantly influencing in predicting customer retention in retail industry.

10. RESEARCH FINDINGS

It is found that the unique contribution for the variables of soft CRM strategies used by the organized retail sector, such as marketing through social media, use of e-mail marketing, use of online advertising, online loyalty programs, online social communities, use of mobile applications, data-driven marketing, video

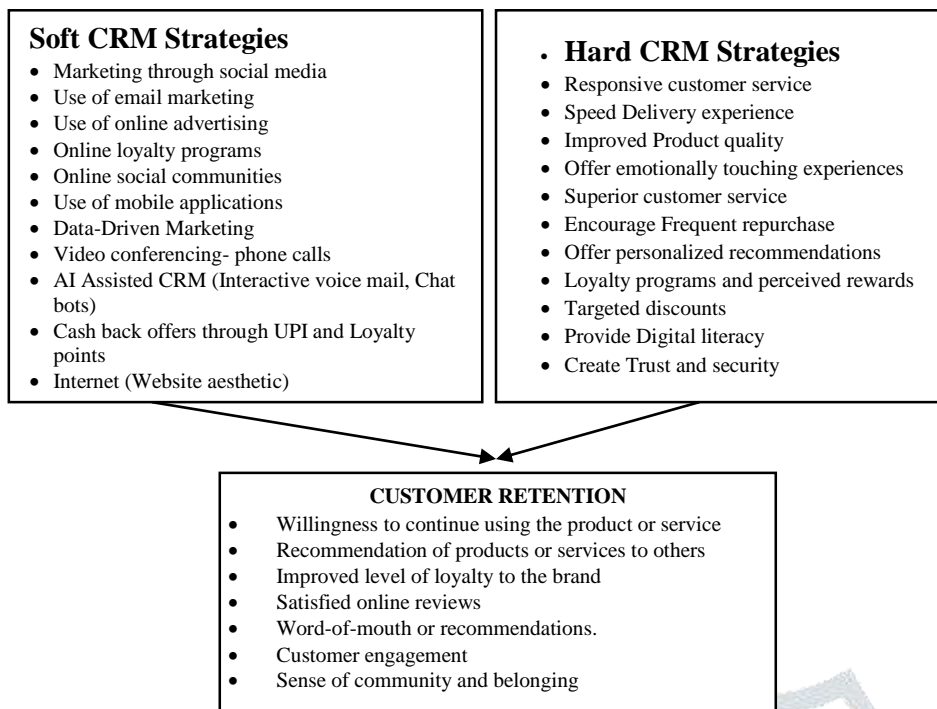
conferencing/phone calls, AI-assisted CRM (interactive voice mail, chatbots), cashback offers through UPI and loyalty points, and the internet (website aesthetic), were the variables that significantly influenced the prediction of customer retention.

It is found that the unique contribution for the variables of hard CRM strategies used by the organized retail sector, such as responsive customer service, speedy delivery experience, attractive promotions, improved product quality, emotionally touching experiences, superior customer service, frequent repurchase, personalized recommendations, membership, loyalty programs and perceived rewards, targeted discounts, digital literacy, trust, and security, are the variables significantly influencing customer retention in the retail industry.

11. SUGGESTIONS

To maintain effective digitalized customer relationship strategies, retailers should focus on integrating technology with personalized, value-driven engagement. Use platforms like Salesforce, HubSpot, or Zoho CRM to track customer behavior, purchase history, and engagement. It is suggested that, retailers should integrate CRM with their e-Commerce site, social media, and POS systems. Retailers should Leverage customer data to send tailored offers, product recommendations, and reminders based on browsing/purchase history. They should Use dynamic email campaigns and personalized SMS notifications to keep in touch with customers. Retailers should provide a consistent customer experience across channels: in-store, mobile app, website, social media, and email. It is suggested to use unified data to avoid repeating customer requests and preferences. They should launch a digital loyalty program tied to your CRM to reward frequent purchases or referrals. Retailers owners should use gamification to increase engagement and track reward redemption through apps. Efforts should be made to implement and Deploy AI chatbots for 24/7 support, FAQs, and basic issue resolution. Retailers should escalate complex issues to human agents for hybrid support. They have to use digital surveys, review requests, and Net Promoter Scores (NPS) to gather input. Retail owners should implement feedback loops where visible changes are made based on customer suggestions. They should not ignore to monitor brand mentions, tags, and hashtags across platforms. Organized retail owners should engage with customers in real time, addressing concerns or celebrating user-generated content. They must ensure your CRM and engagement tools are mobile-friendly. Retailers should invest in a mobile app for direct interaction, purchases, push notifications, and loyalty tracking. They should be transparent about data collection practices. It is always better to ensure compliance with regulations like GDPR (General Data Protection Regulation), CCPA (California Consumer Privacy Act), and others to build trust. It is advised to use AI/ML to anticipate customer needs, restock reminders, seasonal promotions, or churn prediction. Retailers should send targeted campaigns based on predicted behavior.

12. INTEGRATED RESEARCH MODEL



12. LIMITATION

This study experienced certain limitations. Although sufficient for descriptive analytical research, the sample size of 156 respondents may limit the generalizability of the findings related to the study. Self-reported data from a questionnaire survey may have caused response biases in the study; participants may have overstated their experience in executing CRM strategies, thereby inflating results. Focusing on organized retailers in Bengaluru and using quantitative methodologies limit the study's scope. The findings are relevant but may not apply to different industries. Lastly, the study did not examine the psychological effect of customers on retention strategies. Another limitation is about the credibility of organized retailers. Some critics contend that organized retailers are unveiling their actual CRM strategies implemented; the majority of participants are retail owners, and their implementation of CRM strategies might influence the results. Those factors are not examined in this research.

13. CONCLUSIONS

In today's fast-paced digital world, the success of the retail industry has transformed how businesses operate and interact with their customers. Companies must continually innovate and improve how they manage relationships with their customers to ensure long-term success. At the heart of this effort lies Customer Relationship Management (CRM). CRM strategies are essential for attracting new customers and, more importantly, retaining them. In a digitalized business environment, where customer loyalty can often feel fleeting, focusing on retention through digitalized CRM strategies can be the key to thriving in a highly competitive market. Ultimately, enhancing customer retention is about creating value and trust. By continuously adapting digitalized CRM strategies, retailers not only meet customer expectations but also exceed them, ensuring long-term success in the competitive e-commerce landscape. Retailers should keep their customers at the heart of everything they do, and the results will speak for themselves.

14. DIRECTIONS FOR THE FUTURE RESEARCH

The study of customer relationship management as a determinant of organizational performance has been considered in this work. As have been listed above, other variables that may affect organizational performance should also be carried out for further studies by researchers who may find the research topic quite interesting to work on considering the fact that customer relationship management is just a relatively new concept being adopted in every organization to better enhance their performance and also build a good and lasting relationship with customers who serve as assets to any organization. For researchers, this paper highlights the need for further exploration of cross-industry adaptations and emerging technologies.

Longitudinal studies examining the sustainability of predictive analytics strategies over time could provide invaluable insights, while ethical frameworks addressing data privacy concerns are increasingly necessary. Investigating technologies such as artificial intelligence and real-time analytics will help refine existing models and drive innovation in retention strategies. By addressing these areas, practitioners and researchers alike can ensure predictive analytics remains a powerful and responsible tool for customer retention.

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