
**CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES: A STUDY OF RETAIL STORES
IN JALANDHAR**

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ABSTRACT

Today is the highly competitive market ,where the customers' demands are quite volatile and constantly changing .It has become all the more difficult to satisfy the customers .The retail outlets have son realized the importance of CRM .Customer Relationship Management is an attempt to create and maintain healthy relations with the customers .

Retail Sector is the largest private Industry in the world and accounting for 10 % of India's GDP and contributing to 8% of employment .In the city like Jalandhar ,organized retail stores and firms are concentrating and targeting the consumers from different segments like-rural ,urban ,low, middle and high income groups . The concept of CRM has gained equal importance in the retail industry .This paper is an attempt to study the various tools and techniques used by the retail outlets to attract and retain customers.

Key Words: Retail Industry, CRM, Techniques and Database.

INTRODUCTION

Retailing in India is one of the largest industry accounting for over 10% of the country's GDP and around 8% of the employment (CII-McKinsey report).Organized Retail can be defined as any organized form of retail or wholesale activity which is typically a multi-outlet chain of stores or distribution centers run by professional management (Michael and Barton,2008).

According to the Business Monitor International third -quarter of 2012 BMI India Retail Report forecasts that total retail sales will grow from INR 22.57trn in 2012 to INR28.01trn by 2016 an expected rise of 24.1%.Average annual GDP growth of 7.7% is predicted by BMI by 2016.

The key reasons for such growth is unexpected population explosion ,sudden increase in wealth of people, development of infrastructure ,role of government in development and an urge to move fast and forward .With the introduction of larger and more diverse retail formats and also with the establishment of new stores ,the retail industry is able to attract shoppers . The biggest challenge for retail industry today is to satisfy and to understand the customer's need and desires which are changing at a very fast phase.

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The fact cannot be denied that if any retailer is able to retain its customers then this will largely increase its profits .Customer satisfaction is a business philosophy which tends to the creation of value for customers ,anticipating and managing their expectations and demonstrating ability and responsibility to satisfy their needs (Dominici and Guzzo,2010).Thus various retailers are aiming for maintaining good customer relationship and are relying on customer relationship management practices .

Customer Relationship Management (CRM) is an attempt to create and maintain healthy relations with the customers .CRM is a complete package of policies ,processes and strategies being used by any organization to maximize their customers and it is a mean to access customer information .The goal of CRM is to ensure customer satisfaction and delight at every level of interface with the retail organization (Pahuja & Verma ,2008).CRM has generated value for many organizations in the past several years .Various CRM software's and tools are available with varied approach. CRM technology alone cannot work unless the firm focuses on "Customers". But CRM system has although so far become sine-qua -non for each organized retail chain.

TABLE NO.1 KEY PRINCIPLES OF CRM

1. Value Segmentation
2 Institutional Memory
3 Collaboration
4 Touch Point Alignment
5 One and Done
6 Institutional Memory
7 Real Time Information Manager
8 Listening and Learning Posts

Source: Sunder K Shyama & Dr. Ramji (2000)," Coming Closer to the Customer"

Customer Relationship Management (CRM) helps to attract new customers ,increase brand loyalty ,reduce costs ,increase efficiency, and maintain a competitive advantage .(Verma.D & Verma.S.D,2013).

REVIEW OF LITERATURE

Azhagan,T & Nagarajan,S.P.(2011) 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.

Ciborraand Failla(2000) said it is apparent that the CRM concept has a technological component, but evidently involves other aspects of the organization.

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.

Kaul.S (2006)Customer relationship management is a philosophy of working that should be extended to the whole of the firm

Peppers and Rogers (1999)stated that in some organizations, CRM is simply a technology solution that extends separate databases and sales force automation tools to link sales and marketing functions in order to improve targeting. Other organizations consider CRM as a tool specifically designed for one-to-one customer communications, only responsibility of sales/service, call centers, or marketing department.

Pahuja & Verma (2008).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

Sheth .J & Parvatiyar.A (2001)CRM system helps companies to keep and record the customer information, like their goals, needs and events. Moreover, saved knowledge is updated into the CRM system, so that the customer's information will be up to date without being outdated. With these connections the information is always expands in the CRM system that enhances the profile data for customers and works like a strong instrument in making business decisions.

Verhoef, (2001)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.

CRM AND ORGANIZED RETAIL SECTOR

Once a relationship is maintained with the customers ,CRM help to increase profitability in following ways :

1. CRM helps to maintain customer loyalty.
2. Since retail store has complete customer information , it help them to target the customer.
3. Once customer becomes regular customer ,it reduces advertisement expenditure and marketing costs .
4. Customer loyalty raises the product life-cycle .
5. CRM helps to predict the buying pattern of customers .

OBJECTIVES OF THE STUDY

*To study the role of CRM for retailers to attract and retain customers.

* To understand the CRM system used by retailers in Jalandhar.

*To understand the contribution of CRM of the retail outlets.

* To study the various CRM techniques adopted by retail firms and stores.

ROLE OR CRM IN IMPROVING CUSTOMER RELATIONSHIPS

- 1.CRM helps to keep a complete track of customers likes, dislikes, needs and preferences .
- 2.CRM facilitates in formulating dynamic marketing strategies .
- 3.CRM attracts customers for repurchase and repeated purchases.
- 4.CRM CRM creates personal touch between the firm and the customer.
- 5.CRM creates competitive edge in the market .
- 6.It helps to find and redefine new technology and development
- 7.CRM provides regular feedback for customer update information

RETAIL OUTLETS IN JALANDHAR

Jalandhar in retail sector is increasing at a very fast pace .There are ample number of branded and organized retail outlets and stores .These organized retail stores and firms are concentrating and targeting the customers from the different segments like rural ,urban ,low ,middle and high income segments etc .

The detail of organized retail stores in Jalandhar City are :

RETAIL SEGMENTS	RETAIL STORES
Footwear	Adidas, Bata ,Woodland ,Reebok ,Reliance foot prints, Liberty
Food & Grocery	V-Mart ,Vishal Mega Mart ,Reliance Fresh ,Big Bazaar, Easy Day
Watch & Jewellery	World of Titan , Tanishq, Reliance Jeweler
Durables	Next Retail, Sony World ,LG, Samsung
Clothing & Apparels	Peter England ,Bombay Dying ,V-Mart ,Priknit, Raymond, Allen Cooper, Ginni & Johny ,Van Huesen ,Provogue Studio, Wrangler ,Numerouno Store ,Reliance Trend.

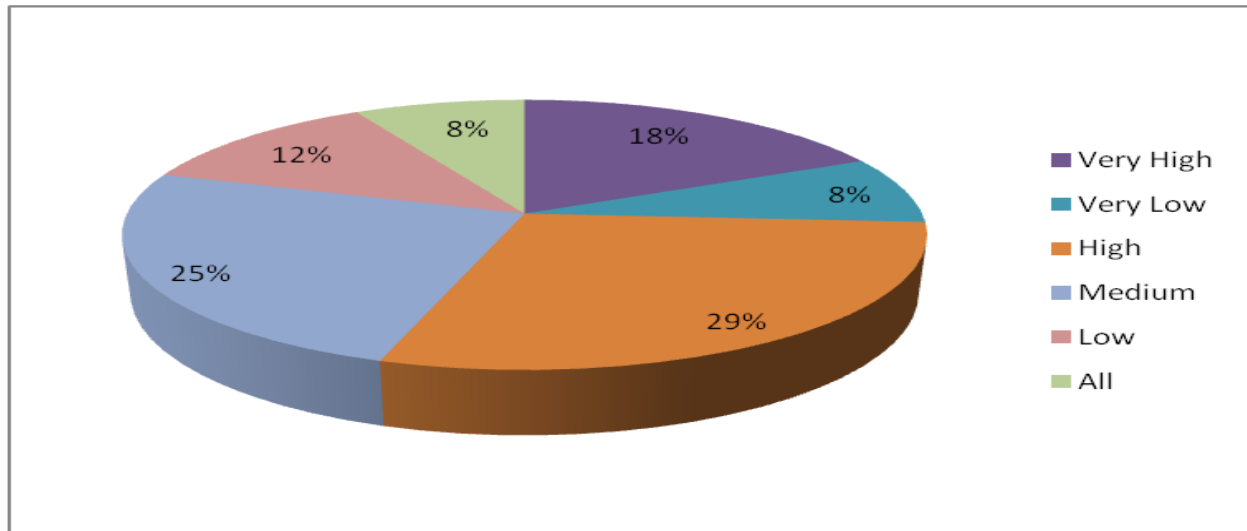
RESEARCH METHODOLOGY

The research methodology adopted in CRM in retail is a descriptive research technique taking 30 organized retail stores as the sample population and sample size .Structured Questionnaire ,Interviews and observation methods are used to collect data from the customers .

RESULTS AND DISCUSSION**1. Percentage of income group of consumer for retail outlet in Jalandhar**

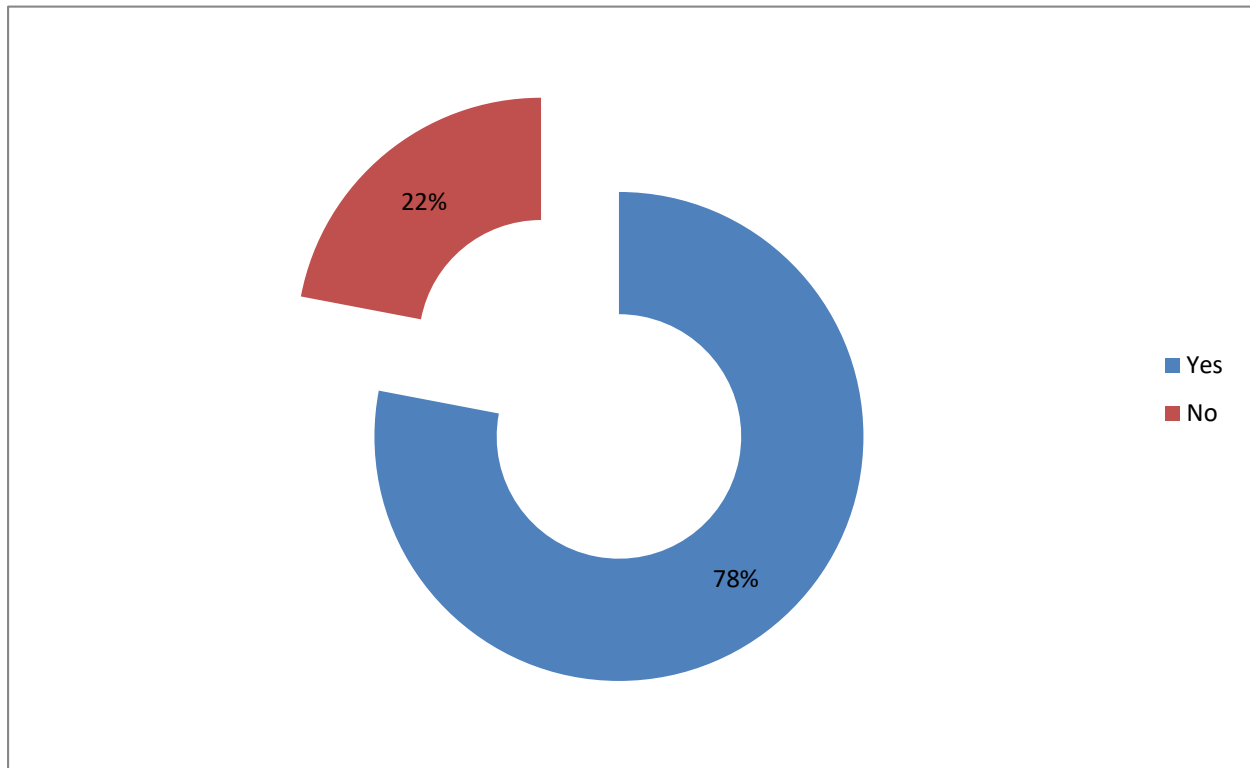
There are 29% of the organized retail outlets in Jalandhar which are targeting the high income consumer segment, and then it is followed by the medium income consumer segment (25%) being targeted by the retail stores in Jalandhar. Only 18% of the retail stores are targeting very high income consumer segment. Some of the stores which are targeting very high income consumer segment are: Van Hussen, Provogue ec.

CHART NO.1 PERCENTAGE OF TARGET INCOME GROUP OF CONSUMERS OF RETAIL OUTLETS IN JALANDHAR



2. Percentage of retail stores collecting customer data: From the responses given by the 30 retail stores it is found that 78% of the organized retail stores do collect the customers database which is their only source of information to target the customers. On the other hand only 22% of the organized retail stores say that they are not collecting and constructing the customers' database. These facts indicate that there exists a trend of maintaining customers' database to maintain relationship with the customers in the future.

CHART NO.2 PERCENTAGE OF RETAIL OUTLETS RELYING ON CRM SYSTE



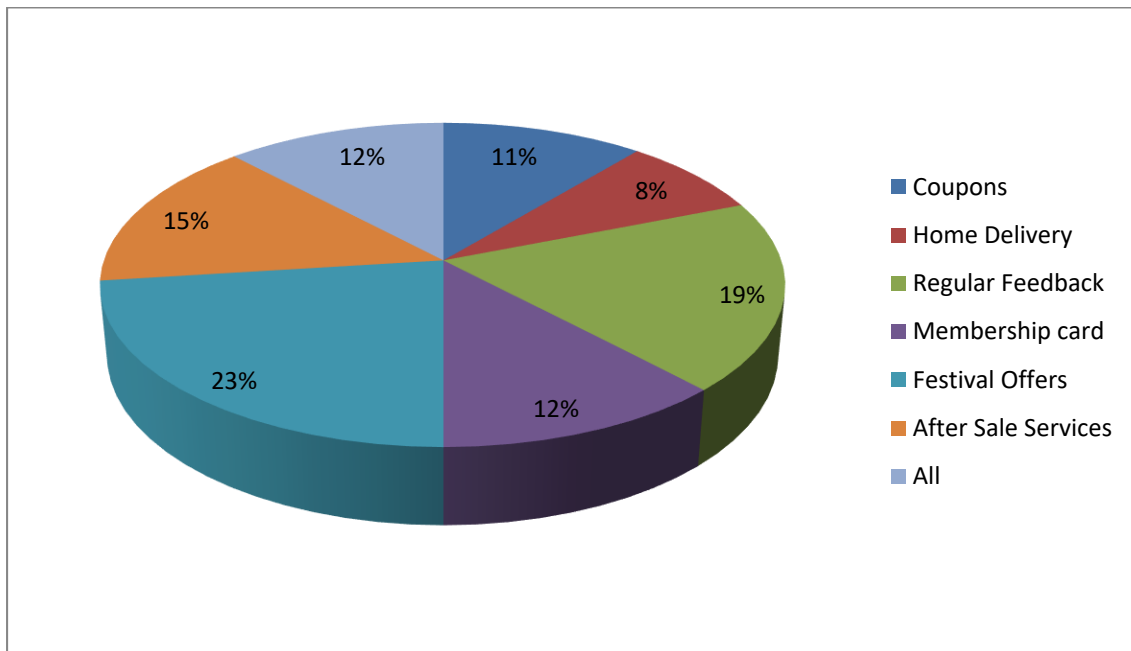
3.Percentage of type of information collection by retail stores: About 21% of the total retailers require the personal information of the customers and 23% collects information regarding occupation. While 18% targets on income of customers and 15% collects feedback. Based on these data ,various retail outlets plan their policies and strategies.

TABLE NO. ii % of TYPE OF INFORMATION COLLECTED

Personal Information	21%
Occupation	23%
Address	20%
Income	18%
Family Information	10%
Feedback	15%
Any Other	08%

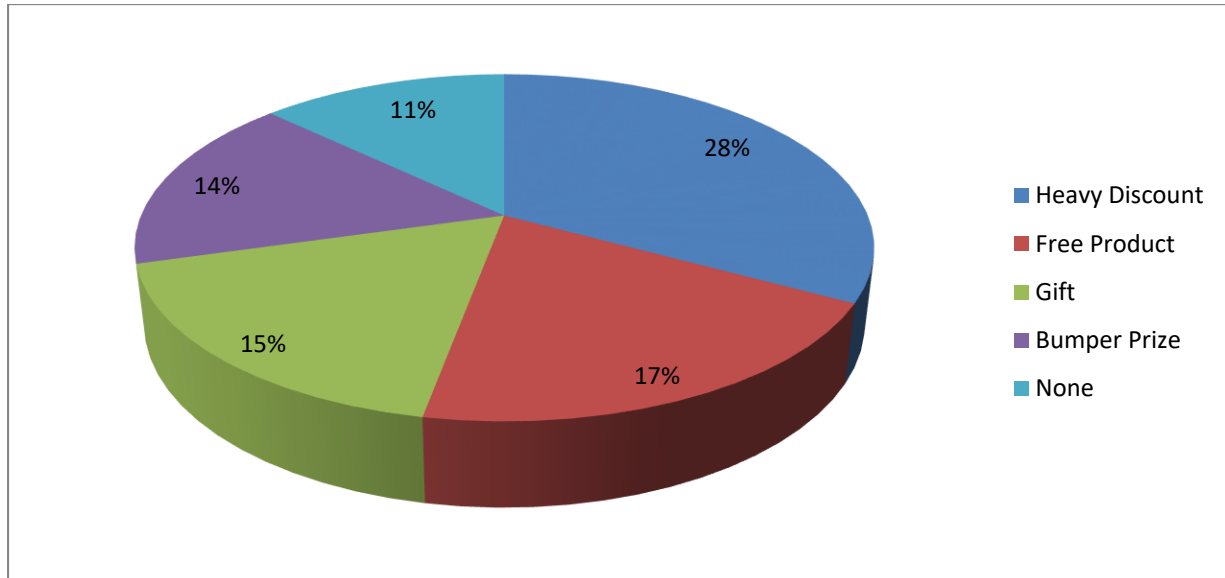
4. Different ways to build good relationship with customer; Almost all of the retailers of Jalandhar are using various mean to build a good relationship with the customers. Festival offers, Regular feedbacks and after sales services constitute the major part of the practices used to build a healthy relationship with the customers. Coupons and home delivery is the new practice started by many retailers .There are only 12% of the retailers who are making the use of all kind of the practices to retain customers with them.

CHART NO.3 % OF RETAILERS USING DIFFERENT WAYS TO BUILD GOOD RELATIONS WITH THE CUSTOMERS



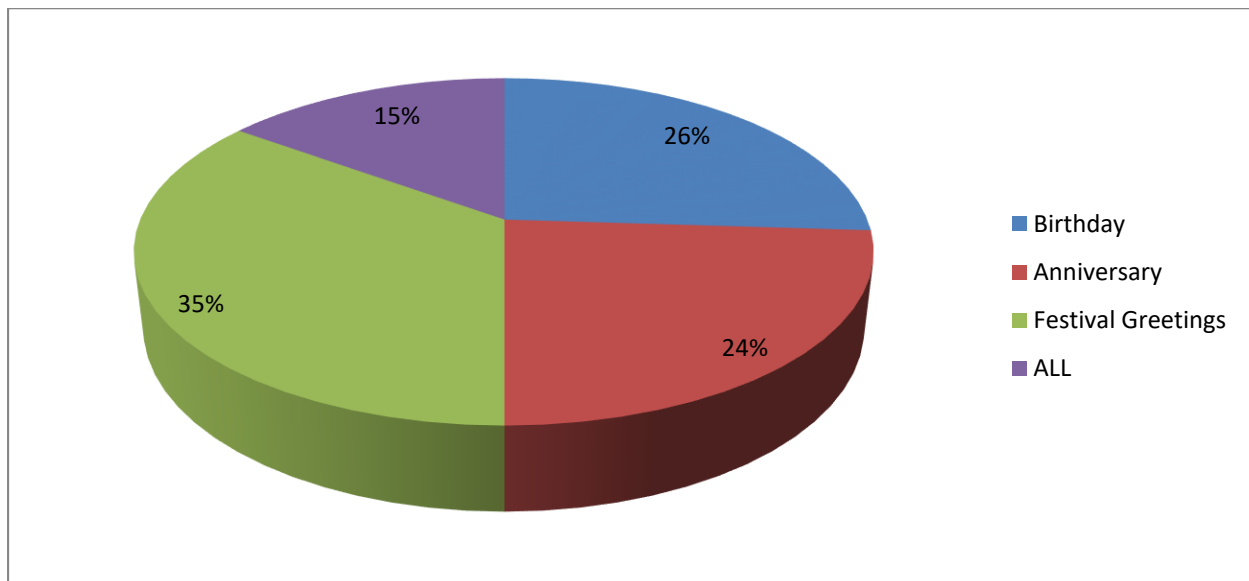
5. Percentage of special schemes offered by the retailers: Retailers are using varied strategies to attract the new customers and retain the old ones .28% offers heavy discount and it is accepted fact that customers waits for sales and discount offers .17% of them are offering free product with the minimum purchase while 15% are giving free gifts (conditions apply) and around 14% announces bumper prizes .These strategies have increased the purchasing power of customers .But 11% of the retailers do not offer anything as they are of the view that their product is quality wise strong enough to capture the market.

CHART NO.4. % OF SPECIAL SCHEMES OFFERED BY THE RETAILERS



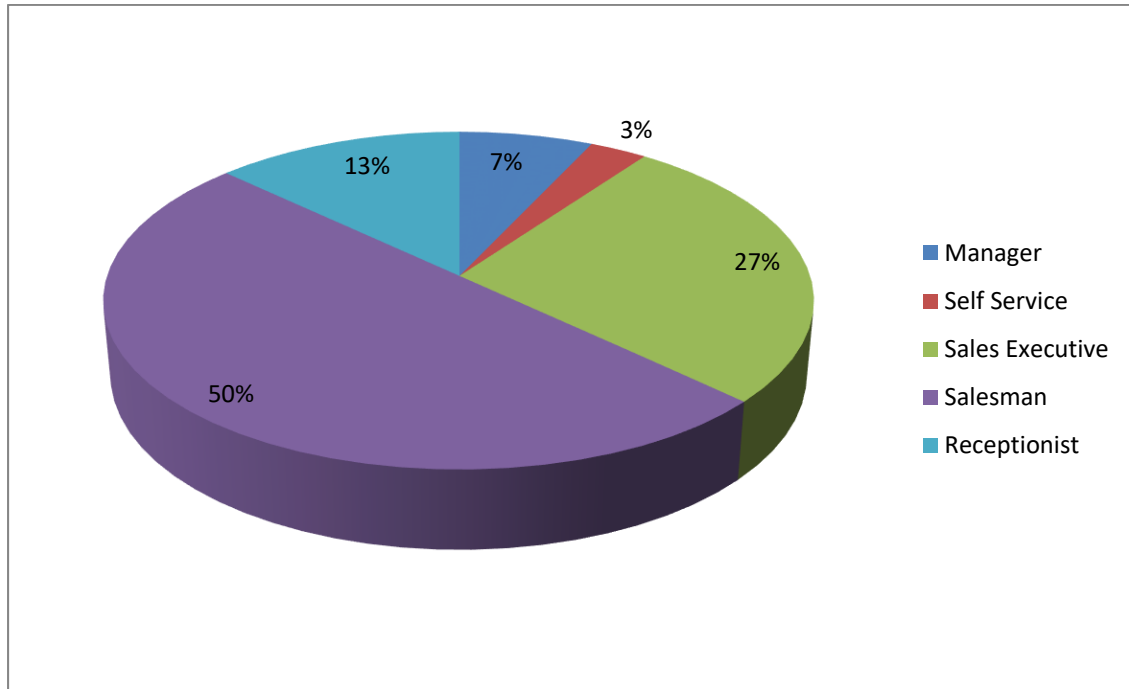
6.Retailers sending greeting cards to the customer :With the advent of technology, retailers now sends greetings to their customers through sms, mail etc. This has witnessed a drastic increasing trend ,as with this retailers can make their customers aware of their marketing schemes . 35% of retailers sends festival greetings ,26% sends birthday wishes ,24% anniversary wishes and 15% has adopted all these strategies.

CHART . NO.5 % OF RETAILERS SENDING GREETING CARDS



7. Retailers view about attending the customer: Most of the retailers in Jalandhar are of the view (around 50%) that customers must be attended by the salesmen. Above them for supervisory check,27% of the retailers have reported to employ sales executive .While only 3% are of the view that customers should be left to themselves for self service .

CHART .NO.6 RETAILERS VIEWS ABOUT ATENDING THE CUSTOMER



CONCLUSION

In the study of retail sectors of Jalandhar ,it is found that the practice of CRM is quite popular and widely used .As customers are now the king of the market ,so it is very important that they are satisfied .Moreover it is very important for the retailers to know what is the customers attitude towards the services offered .Customers do not take much time to change their opinion and break the loyalty towards any product .It is during that time when CRM maintained by the organization will compel the customers to visit the retail outlet again and retain them

BASED ON THE FINDINGS ,THE SUGGESTIONS ARE :

- The sales staff must be given special training to maintain healthy and friendly relations with the customers that will definitely pave the way for future sales .
- Timely feedback for personal touch .
- Proper purchase records of every customer .It will help to find the buying behavior of customers .
- In the era of technology , more use of mobile apps, wifi etc.to connect to customers .

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