Customer Relationship Management Practices In Selected Organized Retail Outlets: A Case Study of Indore City

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Abstract: *Today in the highly competitive market, increasing customer demands retail outlets realize the importance of customer relationship management. The lack of understanding on Customer Relationship Management (CRM) is always a concern among the service providers especially retail outlets, retailers have their own way of managing their relationships with the customers. Under this case study of CRM Practices in Selected organized retail outlets in Indore city discusses about strategies adopted, retail outlets can hold the customer relationship. Understand the contribution of CRM of the retail outlets with respect to its objectives. The aim of this case study finding & identify these issues impact on customer expectations through implemented CRM retail outlets can improve the relationship with customers.*

Keywords: Retail outlets, Customer Relationship Management, Customer Expectation, Database.

1. Introduction

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.

2. Literature Review

CRM rise of loyalty programs, mail order and the Internet has provided retailers with real access to consumer data. 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 [1].

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 [2]. 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 [3]. 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 [4].

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 [5]. 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 [6].

Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customer to create superior value for company and the customer. It involves the integration of marketing, Sales, customer service and the supply chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value [6]. 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 [7].

CRM in terms of partnerships, empowerment with customers and personalization, have a positive and direct impact on customer loyalty. Effective CRM will lead to greater customer loyalty. Organization can use website characteristics to build tight relationships with their customers who become loyal to them, rather than to select customers on a transaction-by- transaction basis from a large pool of non-loyal customers [8].

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 [9]. 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 [10]. Customer relationship management is a philosophy of working that should be extended to the whole of the firm.[11]

3. Objectives of the Study

- To understand the CRM systems used by the retail outlets
- To identify various level (satisfaction with a product, purchase decision experience, Performance attribute, satisfaction with a Pre purchase experience)
- To analyze the importance of CRM from the retailers & customers point of view
- To Study the benefits of CRM to the retailers (respondent) and customers
- To Improve Customer life time value & customer experience level
- To Study Improve customer service by facilitating communication
- To understand the contribution of CRM of the retail outlets with respect to its objectives

3.1 Role of CRM in Improving Customer Relationships

- Tracking of Customer Interests, needs and buying habits, like, dislike, tastes and preference on a continuous basis and formulations of dynamic marketing strategies
- CRM ushers in improvements in customer service to facilitate long term sustained customer satisfaction.
- CRM establishes an in depth understanding between the firm and its customer.
- Enabling the firm to attain a higher rate of repeat Purchase
- CRM helps the organizations to identify customer need and refocus its strategy to serve him better.
- It helps the company to achieve business growth through development of competitive edge & excellence.
- It helps in rediscovering the customer and understanding him.
- Identify fields requiring new technology and development.
- Provide feedback and new information on competitors.

3.2 Retail Industry Scenario in India

According to the Business Monitor International third – quarter of 2012 BMI India Retail Report forecasts that total retail sales will grow from INR22.57trn (US$490.68bn) in 2012 to INR28.01trn (US$746.99bn) by 2016, a rise of 24.1%. Strong underlying economic growth, population expansion, the increasing wealth of individuals and the rapid construction of organized retail infrastructure are key factors behind the forecast growth. As well as an expanding middle and upper class consumer base, there will also be opportunities in India's second- and third-tier cities. The greater availability of personal credit and a growing vehicle population providing improved mobility also contribute to a trend of 7.1% average annual retail sales growth throughout the period. India's nominal GDP is forecast at US$2.10trn in 2012. Average annual GDP growth of 7.7% is predicted by BMI through to 2016. With the population expected to increase from 1.26bn in 2012 to 1.32bn by 2016, GDP per capita is forecast to rise 78.5% by the end of the forecast period, reaching US$2,984.

3.3 Retail Outlets in Indore

Indore is a II tier city in organized retail sector it is growing at a fast pace. There is as Top number of branded and retail outlet in different segments like food & watch, footwear Clothing and Apparels lifestyle etc. In the city like Indore these organized retail outlet are concentrate and targeted to profitable customer from the different income segments like rural, urban, high, middle and Low income segments.

4. Research Methodology

Research Methodology Conducted here is descriptive technique in nature. The Research done on the sampling

unit retail outlet is different segment like footwear, clothing and apparels, food, watch, Bags & gifts, lifestyle etc. The technique of sampling used Judgmental sampling and Questionnaire designed with help of secondary data and retailer interview and opinions based on. The primary data collected from retailer (retail outlets) and consumers would be quantified & collecting Questionnaire 45 retail outlets & 45 customers.

4.1 Sources of data

1. Primary Data: The Primary data will be collected using survey as a mode of data collection. To conduct surveys separate sets of structured questionnaire would be prepared for Retailer respondents and retail outlet customer respondents.

2. Secondary Data: The secondary data shall be collected from various Publications of Retailer and Brand shall be explored through Books, companies' catalogues, Magazines, Journals, Periodicals business review.

4.2 Sampling types

The Retailer survey would be conducted using Judgmental sampling method 10 question designed.
The sampling type for the consumer survey data was collected using a standardized five point Likert type scale.12 question designed.

4.3 Sample size

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

4.4 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.

b. Consumer Survey: 45 customer Questionnaire design collect data

4.5 Sampling Frame: Individuals in the age group of 18-50 years
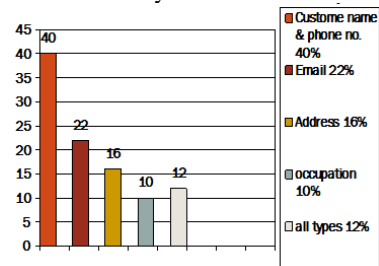
Selected retail outlets

5. Interpretation of collected data

1. Percentage of retail outlet collects customer data & information.

Result-As for the responses it is found that 71% customers' data & information properly maintained and record to let their CRM system work effectively. 29% organized retail outlet say that they are not collecting Customer data and Information are record followed any other method.

2. Percentage of retail outlet when you make a sale what customer information do you record.
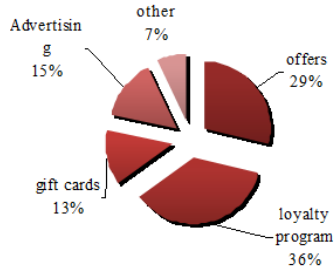

Result: As for the responses it is found that 40% require information collected customer name & phone no., email 22% refer of record maintain and 16% also collect address, Occupation 10% and all types 12% prefer types of information.

3. Retail outlet different ways used to collect customer information record.
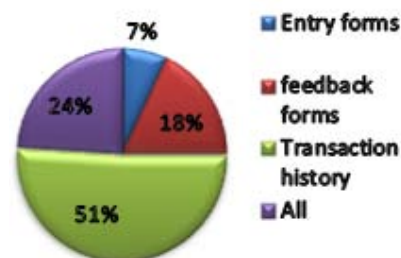
Result: As for the responses it is found that different ways used to collect customer information record with help of prefer 7% Entry forms, 18% feedback forms and 51% transaction history reasons that all most customer purchasing transactions customers prefer to use the debit/credit cards. All methods 24% prefer. They are different ways used to customer data & information with help improve customer relationship.

4. Percentage of retail outlet what methods do used bring back customers

Result- As for the responses it is found that methods used bring back customer prefer 29 % offers & loyalty program 36% , gift cards 13% , sale promotion and advertising 15% ,other type 7% reasons that all most retailers prefers loyalty program and offers based on bring back customers. Customers prefers for discount and offers, special schemes attracting to customer.

5. Percentage of different ways to building good relationship with customer
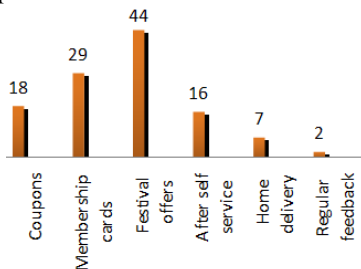
Result: As for the responses it is found that retailer are using various mean to building a good relationship with the customers. ways used to Coupons 18% ,Membership card 29% build a good relationship with the customer Festival offers 44%, Regular feedbacks 2% and after sales services 16% & home delivery 7% the practices used to build a healthy relationship with the customers. Reasons that customers purchasing at time for festival & occasion, retailers focus new ranged quality product providing this times customers prefers purchasing.

6. Percentage of Various ways by retailer to maintained customer loyalty.
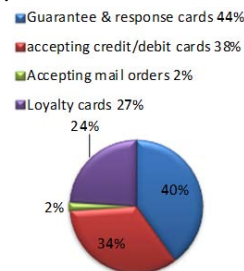
Result: As for the responses it is found that 38% retailers focus on accepting credit/debit cards as customers prefer to use the debit/credit cards to make purchase. About retailer view focus on 44% Guarantee & response forms to providing their customers. Accepting mail order 2% retail outlets way to retailer maintain loyalty membership card 27% to build up the good relationship of customers. Loyalty cards & Guarantee & response forms are least in trend in the Indore city.

7. Percentage of retail outlets how do keep in touch with your customers
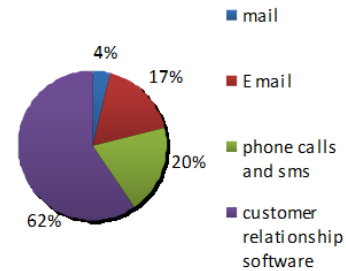

Results: 45 Selected organized retail outlets responses given it is found that Retail outlet keep in touch with customer provided 4% mail, Email 17% & phone calls 20% and using CRM software 62 % with help of touch with customer.

8. Percentage of Retail outlet sending greeting cards to the customer Touch points
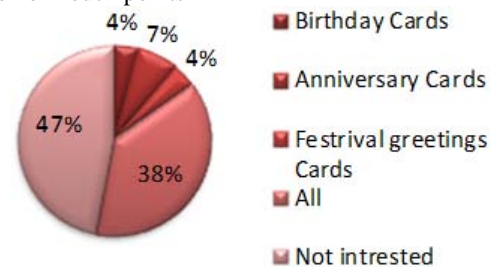
Results: As for the responses it is found that graph shows 53% of the organized retailers believe in to be in touch with the customers. They send festival greeting, birthday greetings, and anniversary greeting to their customers.

9. Percentage of special schemes offered by the retail outlets:
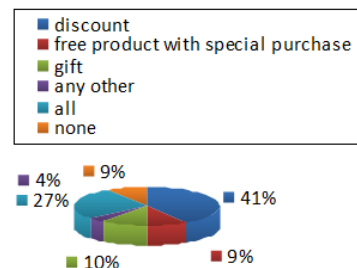
Result- As for the responses it is found that retailers are offering heavy discounts 41%, free product with special purchase gifts and bumper prizes 9%, gift 10%, any other 4%, All 27%, any other schemes like festival offers etc. to attract the customers and have maximum footfalls. There are 9% organized retail outlets which not offering any of the special schemes to the customers.

10. Percentage of CRM Retail software using of organized retail outlet:
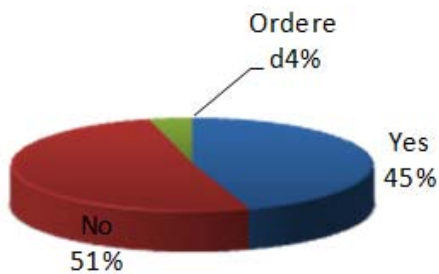
Result: 45 Selected organized retail outlets responses given it is found that 44% retail outlets using CRM software with help customer managed relationships.56% retailer say don't required CRM software.

8.1 Customers survey data

1. The retail outlet keeps my purchasing records accurately.		
	No. of Respondent	*Percentage*
Strongly Agree	8	18%
Agree	22	49%
Neither agree nor disagree	6	13%
Strongly disagree	6	13%
disagree	3	7%
total	45	100%
Result- As for the responses it is found that 67% customers strongly agree & agree retailers purchasing records accurately. 20% customer disagree, 13% say neither agree/disagree.		
2. The employees and staff of the retail outlets are friendly/polite.		
	No. of Respondent	*Percentage*
Strongly Agree	12	27%
Agree	20	44%
Neither agree nor disagree	7	16%
Strongly disagree	4	9%
disagree	2	4%
total	45	100%
Result- As for the responses it is found that 71 % customers strongly agree & agree employees and staff retailers are friendly/polite.		
3. Overall, the retail outlets management of relationships with its customer is adequate.		
	No. of Respondent	*Percentage*
Strongly Agree	4	9%
Agree	18	40%
Neither agree nor disagree	10	10%
Strongly disagree	8	18%
disagree	5	10%
total	45	100%
Result- As for the responses it is found that 48% customers strongly agree & agree retail outlets management of relationships with its		

4. Employees of Retail outlet have sufficient product knowledge.		
	No. of Respondent	*Percentage*
Strongly Agree	14	31%
Agree	15	33%
Neither agree nor disagree	8	18%
Strongly disagree	5	11%
disagree	3	7%
total	45	100%
Result- As for the responses it is found that 64% customers strongly agree & agree Employees of Retail outlets has sufficient product knowledge.		
5. Building a relationship with the retail outlets is worthwhile.		
	No. of Respondent	*Percentage*
Strongly Agree	9	20%

Agree	24	53%
Neither agree nor disagree	6	13%
Strongly disagree	4	9%
disagree	2	4%
total	45	100%

Result- As for the responses it is found that 73% customers strongly agree & agree Building a relationship with the retail outlets is ...

6. The retail outlets handle customer's complaints properly.		
	No. of Respondent	*Percentage*
Strongly Agree	5	11%
Agree	23	51%
Neither agree nor disagree	8	18%
Strongly disagree	5	11%
disagree	4	9%
total	45	100%

Result- As for the responses it is found that 62% customers strongly agree & agree retail outlets handles customer complaints properly.

7. The Retail Outlets provides any information regarding special schemes to me personally by Email or phone sms.		
	No. of Respondent	*Percentage*
Strongly Agree	5	11%
Agree	20	44%
Neither agree nor disagree	10	22%
Strongly disagree	8	18%
disagree	2	4%
total	45	100%

Result- As for the responses it is found that 56% customers strongly agree & agree retail outlets handles customer complaints properly.

8. The Retail Outlet Sending Festival Greeting, Anniversary /Birthday greeting card.		
	No. of Respondent	*Percentage*
Strongly Agree	2	4%
Agree	6	13%
Neither agree nor disagree	20	44%
Strongly disagree	11	24%
disagree	6	13%
total	45	100%

Result- As for the responses it is found that 37% customers disagree, 44% no result, 17% agree retailers sending card.

9. The retail outlets provide availability of customers feedback form.		
	No. of Respondent	*Percentage*
Strongly Agree	8	18%
Agree	24	53%
Neither agree nor disagree	6	13%
Strongly disagree	4	8%
disagree	3	7%
total	45	100%

Result- As for the responses it is found that 71% customers strongly agree & agree, 13% no result, retailers provide customer feedback.

10. The Retail Outlet Provides Membership card & reward point status.		
	No. of Respondent	*Percentage*

Strongly Agree	2	4%
Agree	14	31%
Neither agree nor disagree	9	20%
Strongly disagree	13	29%
disagree	7	16%
total	45	100%
Result- As for the responses it is found that 34% customers strongly agree & agree retailers provide membership card & reward point status.		
11.The Retail Outlet Special schemes offered (like Heavy discounts, Gift)		
	No. of Respondent	*Percentage*
Strongly Agree	8	18%
Agree	21	47%
Neither agree nor disagree	8	18%
Strongly disagree	3	7%
disagree	5	11%
total	45	100%
Result- As for the responses it is found that 65% customers strongly agree & agree retailers provide special schemes offered.		
12. The retail outlets provide excellent customer service.		
	No. of Respondent	*Percentage*
Strongly Agree	8	18%
Agree	20	45%
Neither agree nor disagree	9	20%
Strongly disagree	2	4%
disagree	6	13%
total	45	100%
Result- As for the responses it is found that 63% customers strongly agree & agree retailers provide excellent customer service.		

6. Findings

Findings & observations this case study customers & retailers survey identified issues;

a) Responses some retailers focused on customer's data information. All retailers are do not collecting data, CRM system without build database is does not work. Database is heart of CRM. It is important to build a database listing the names, profiles, and other important information regarding customers. It helps in tracking of customer interests, needs, buying habits, like, dislike, preference.

b) Some of the respondents lack of product knowledge and information which leads to the customer unsatisfied.

c) Some of the respondent's customers are unsatisfied with employees and staff of the retail outlets is not friendly & polite, retailers must teach employees and staff practical details of customer relationship management developing the interpersonal skills of employees are as important to retail outlets.

d) Some of the respondents customers are dissatisfied with customer touch points, retail outlets keep in touch with customers changed mental image customers feel good, retailers sending to customer client's emails, newsletters, anniversary cards, gifts, and invitations to special events to build customer relationships.

e) Some of the respondents are retail outlets not provide feedback form; feedback form is a very important tool

to understand the customer in a better way & know about the customer expectations and demands.

f) Some of the respondents are continuous promotion is the most important issue customer prefers new product information & offered, new stock detail by phone sms & emails. Today in the highly competitive market other player adopted new technology customer preferences changed to easily.

g) Some of the respondents are customers unsatisfied with retailers, because not provides membership cards facilities.

h) Some of the respondents customers are dissatisfied with retail outlets, reasons that because, retailers are not provide better services to customers, efficient inventory management system work, availability of product all time, knowledge and information of product in store ,then better retailer service, the more customers you will win, and retain.

7. 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.

7.1 Suggestions

- The Retail outlets should send Cards occasion such as marriages, Birthday, Anniversaries, festivals. Customers will have the feelings of concern about themselves by the retail outlets.
- Employees of retail outlets should be trained to handle the customers' complaints effectively and quickly respond.
- Employees of retail outlets should have sufficient knowledge about products available in stock.
- Today new technology trends in markets, Retail outlets should use to facilities like mobile based loyalty programs, mobile app devices and WiFi.
- Retail outlets should try to perform error free services provided excellent service.
- Retail outlet should provide information regarding special schemes to regular customers personally by phone sms or email, who walking in the retail outlets regularly.

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