



An Empirical Study on Customer Relationship Management Practices in Spencer Plaza, Chennai City

KEYWORDS

Customer Relationship Management, Spencer Plaza, Strategies, Competition, Shopping Malls, Chennai city.

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ABSTRACT To know the awareness and expectations of customers on Customer Relationship Management Practices in shopping malls in Chennai city with special reference to Spencer Plaza.

INTRODUCTION

CUSTOMER RELATIONSHIP MANAGEMENT

Berry defines CRM as "attracting, maintaining and in multi-service organizations enhancing customer relationships." Berry and Parasuraman define CRM as "attracting, developing and retaining customer relationships." In industrial marketing, Jackson defines CRM as "marketing oriented toward strong, lasting relationships with individual accounts." From the above definitions, it is inferred that Customer Relationship Management refers to all marketing activities directed towards establishing, developing, and sustaining long lasting, trusting, win-win, beneficial and successful relational exchanges between the organization and its stakeholders.

WHO IS A CUSTOMER?

A customer is defined as someone who pays for goods or services. A customer is a person or a group of persons who has acquired or is considering the acquisition of one of our products or utilizing the service.

CRM CONCEPT

CRM is not a new concept but a very old practice, which has grown because of the benefits it offers in the present marketing scenario. CRM today is a discipline and also a set of software and technology which automates and improves the business process associated with managing customer relationships in the area of sales, marketing, customer service and support. CRM helps companies understand, start and develop long-term relationships with clients as well as help in retaining current customers.

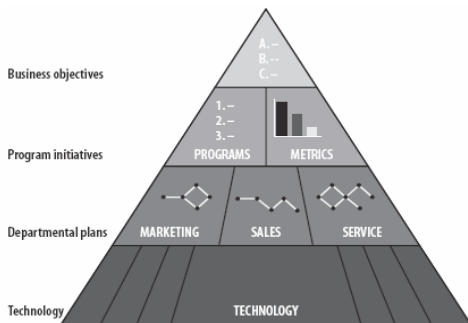


Figure 1-1: Onyx view of building a business that will use CRM (Copyright 2000, Onyx Software. All rights reserved.)

SIGNIFICANCE OF CUSTOMER RELATIONSHIP MANAGEMENT

- Reduction in customer recruitment cost.
- Generation of more and more loyal customers.
- Expansion of customer base.
- Reduction in advertisement and other sales promotion expenses.
- Increase in the number of profitable customers.

- Easy introduction of new products.
- Easy business expansion possibilities.
- Increase in customer partnering.

CHENNAI CITY

Chennai is the capital city of the Indian state of Tamil Nadu. Located on the Coromandel Coast off the Bay of Bengal, it is the biggest industrial and commercial centre in South India and a major cultural, economic and educational centre as well.

The area around Chennai had been part of successive South Indian kingdoms for many centuries. The recorded history of the city began in the colonial times, specifically with the arrival of British East India Company and the establishment of Fort St. George in 1644. The British defended several attacks from the French colonial forces, and from the kingdom of Mysore, on Chennai's way to becoming a major naval port and presidency city by the late eighteenth century. Following the independence of India, Chennai became the capital of Madras State and subsequently Tamil Nadu, and an important centre of regional politics based on the Dravidian identity of the populace.

According to the provisional results of 2011 census, the city had 4.68 million residents, making it the sixth most populous city in India (The area of Chennai was expanded in 2011. The figure represented here is calculated according to the old city limits (176 Sq Km) as the revised figures pertaining to 426 Sq Km are awaited.); the urban agglomeration, which comprises the city and its suburbs, was home to approximately 8.9 million, making it the fourth most populous metropolitan area in the country and 31st largest urban area in the world.

Chennai's economy has a broad industrial base in the automobile, computer, technology, hardware manufacturing and healthcare sectors. As of 2012, the city is India's second largest exporter of information technology (IT) and business process outsourcing (BPO) services. A major part of India's automobile industry is based in and around the city thus earning it the nickname "Detroit of India". It is known as the Cultural Capital of South India.

Chennai is an important hub for Carnatic music and hosts a large cultural event, the annual Madras Music Season, which includes performances by hundreds of artists. The city has a diverse theatre scene and is one of the important centres for Bharata Natyam, a classical dance form.

Chennai is only city in South Asia and India, to figure in the "52 places to go around the world" by the The New York Times. The city also serves as the second financial hub in India next only to Mumbai, also housing the Madras Stock Exchange.

SPENCER PLAZA

Spencer Plaza is a shopping mall located on Anna Salai in Chennai, Tamil Nadu, India, and is one of the modern landmarks of the city. Originally built during the period of the British Raj and reconstructed in 1985 on the site of the original Spencer's departmental store, it is the oldest shopping mall in India and one of the biggest shopping malls in South Asia when it was built. It is one of the earliest Grade A commercial projects of the city, which were developed in the second half of the 1990s. As of March 2010, it is the 11th largest mall in the country with a gross let table area of 530,000 sq ft.

Spencer Plaza was built in 1863–1864, established by Charles Durant and J. W. Spencer in Anna Salai, and then known as Mount Road, in the Madras Presidency. The property originally belonged to Spencer & Co Ltd. Spencer & Co opened the first Departmental store in the Indian subcontinent in 1895 and the store had over 80 individual departments. After a few years, Eugene Oakshott, owner of Spencer's, shifted the department store to a new building, which was an example of Indo-Saracenic style of architecture. The building was designed by W. N. Pogson. In 1983, the original building was destroyed in a fire. The present Spencer Plaza was constructed on the same site measuring about 10 acres and was opened in 1991. Spread across a million square feet built in three phases with parking space for 800 cars, the plaza is one of the major hangout for the people of Chennai. The mall was developed by Mangal Tirth Estate Limited in January 1993.

The plaza is an 8-storey shopping-cum-office complex of approximately 1.068 million sq ft, consisting of nearly 600,000 sq ft of air-conditioned shopping units and 400,000 sq ft of office units. The shopping arcade is located on the ground, first and second floors in all the three phases and the office units are spread between the fourth and the seventh floors. The car parks are spread over the basement, ground, second and third floors, in addition to double basement parking lots in the third phase of the building.

The first phase of the building consists of about 300,000 sq ft, including about 125,000 sq ft of centrally air-conditioned shopping space and 100,000 sq ft of office units together with about 75,000 sq ft of service areas. The second phase consists of about 400,000 sq ft, with a provision for about 600 cars at the basement, with shops with various sizes ranging from 300 sq ft to 2,000 sq ft. The third phase covers another 300,000 sq ft.

There are over 700 shops in the plaza and over 22,000 people visit the plaza everyday with the number increasing to 40,000 on weekends and to 60,000 on festival days. The complex has three counters to keep track of footfalls. Over 20,000 two-wheelers check into the parking lot on weekends.

Being a high-rise building, the complex has wet riser system and electronic fire alarm system installed. The underground sump has a storage capacity of 100,000 litres. A ring main surrounds the building from the pump room, and there are 5 wet risers running from basement to the second floor and 3 wet risers running from the fourth floor to the seventh floor. These risers are located at strategic points in each floor. The pump room has three pumps, one jockey pump, one main pump with electrical driven motor and one main pump connected with diesel engine. The electronic fire detection system comprises smoke detectors and manual call points located in various points in common areas in all floors, substations, electrical rooms, A/C plant and so forth, which are connected to a centralized computer, located at the enclosures of the chief security officer. In addition, there are also many portable fire extinguishers to fight different types of fires, installed at each floor in different locations. The rear periphery of the building has fire escape stairs, with the fire escape routes displayed with signboards at various points of the building. The car ramps can also be used as fire escape

routes. The building has two entrances, one from Binny Road and another from Anna Salai, for fire engines.

Fire safety includes water capacity of 1.2 million litres, fire sprinklers, smoke and heat detection systems and fire extinguishers. The in-house fire department has six firemen per shift.

RESEARCH METHODOLOGY

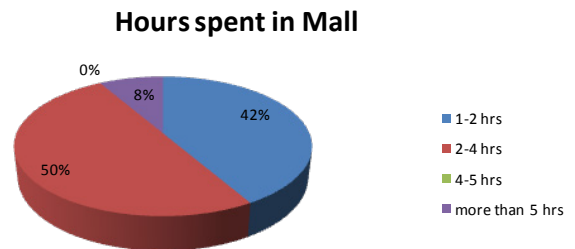
The Survey was collected from the Customers in random Sampling method. The calculation and analysis of data was interpreted using average method. The surveys were in the form of questionnaire which contains all the aspects related to customer relationship management practices conducted and used by the SPENCER PLAZA to serve its customers. It also contains questions related with experience, customer retention, behavior, services and all other expectations of customers with the mall.

RESULTS: ANALYSIS & INTERPRETATION

The results of the questionnaires were calculated using average analysis of data among total customers visiting the malls. The total sample size collected was 20, and the analysis were made out of the collected samples. A few analysis are given below:

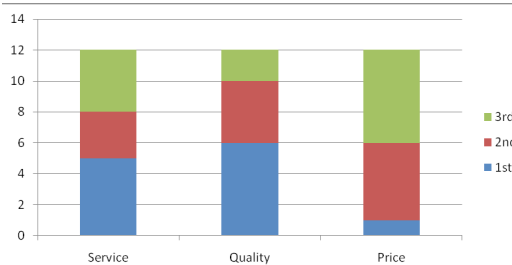
a) Number of hours spent in the mall by customers:

- a. 1-2 hrs
- b. 2-4 hrs
- c. 4-5 hrs
- d. more than 5 hours



b) Rating of the shopping experience:

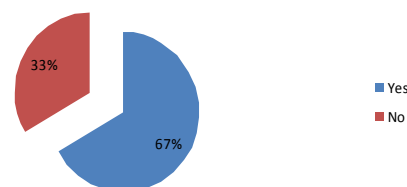
- a. Service
- b. Quality
- c. Price



c) Shop owners entertaining of queries in a proper manner. Personalized service.

- a. Yes
- b. No

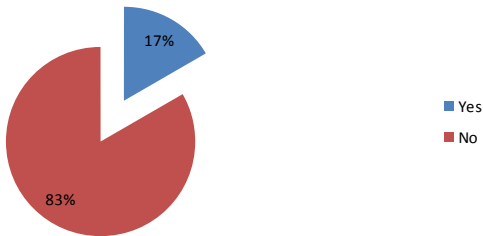
Personalized service



d) Shopkeepers information about the new services / changes in the services on time?

- a. Yes
b. No

Information about new services



OTHER RELATED FINDINGS

The final assumptions were:

- The first result understood in the study was that, SPENCER PLAZA being the oldest mall in the city failed to withstand competition.
- The customers visiting the mall were mostly the loyal customers who frequently visited it in late 1990's.
- New customers visiting the mall were very less.
- Employees were not paid enough as in other malls but the satisfactory levels were justified as the work time and workload were less compared to other malls.
- Customer expectations from the mall were
 - Improved Infrastructure,
 - Cinema Theatres,
 - Employee attitude and behavior,
 - Promos, competitions & frequent exhibitions,
 - Publicity & Public relations,
 - Improved marketing strategies,
 - New and trendy shops,

- Less expensive fancy items.
- Traffic diversions and metro train works have made it difficult to customers to reach the mall in convenient way.
- The mall definitely needs a facelift and uplift in its outlook and Infrastructure.
- The Customer Relationship Management has to be maintained effectively and efficiently.

LIMITATIONS

The various problems and limitations during the study were:

- Limited number of customers as permission was not granted.
- Most of the customers were reluctant to answer and fill the questionnaire,
- The customers had a problem of language barrier to fill up the questionnaire as it was in English,
- The respondents felt tired to answer the survey.
- The collection of data and analysis were random.

CONCLUSION

SPENCER PLAZA being the oldest and historical mall in Chennai has been the market leader and has had many followers, but as of now it failed to withstand competition with other existing malls in Chennai city and sustain as a market leader as it was.

It has weak Customer Relationship Management practices which have led to its downfall. A strong management of Relationship with its Customers shall lead to upliftment of the mall in the growing market competition.

"TELL ME AND I FORGET. TEACH ME AND I REMEMBER. INVOLVE ME AND I LEARN."

- BENJAMIN FRANKLIN

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