



CrM Practices And Customers` Perception Towards Retail Outlets In Puducherry

KEYWORDS

Retailer, Customer Relationship Management, perception

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ABSTRACT *Retailer is a person who interacts with both the manufacturer and the customer. To sustain in retailing industry, retailers concentrate on developing and maintaining relationship with customers.. Retailers have realized that for making customers loyal, they need to become loyal to the customer, as customers are the lifeline of the retail business. Therefore an attempt is made to study the customers` perception towards retail outlets in Puducherry region. The study concludes the practice of CRM helps in attracting and retaining customers.*

INTRODUCTION:

Retailing is the final stage in a channel of distribution, which comprises of all the efforts and people involved in movement and transfer of ownership of good s and services from manufacturer to the end consumer. Retailer is a person who interacts with both the manufacturer and the customer. He is the link between the manufacturer, wholesaler and the end consumer. Today, due to competition, retailers engage in relationship retailing, where they seek to develop and continue long-lasting relationship with customers, who give them the profit. Therefore to sustain in retailing industry, retailers concentrate on developing and maintaining relationship with customers. The present study analyses customers` perception towards retail outlets in Puducherry region.

LITERATURE REVIEW:

Meera Mathur & Sumbul Samma (2009)¹ investigated CRM practices of selected Organised retail outlet of Udaipur city. They tried to identify the CRM practices and techniques by organized retail firms and stores and also they studied the various benefits of CRM to the retailers and the customers.

Dineshkumar & Vikkraman (2012),² both investigated the Customers` Satisfaction towards organized retail outlets of Erode city. They tried to identify the determinants of customer satisfaction in organized retails of Erode city; they also tried to identify the attitude and behaviour of customers in organized retail outlets. Dheeraj Verma, Devendra Singh Verma both investigated the Customer Relationship Management Practices of selected organized retail outlets of Indore city. They tried to understand the CRM systems used, analyses the importance and its benefits to retailers. They also tried to identify the various levels of satisfaction with a product, purchase decision experience, performance attributes and satisfaction with a Pre Purchase experience. Shruti Sharma, Dr. Atul Dhingra, studied the Customer Relationship Management Sytems- A Study of select organized retail companies of NCR Region. The research work is an attempt to understand the importance , significance and usage of CRM systems in retail companies of Delhi- NCR Region

OBJECTIVES OF THE STUDY:

- To identify the determinants used by retailers to maintain good relationship with customers.
- To examine the good CRM practices followed by retail outlets in Puducherry region.
- To study the future prospects of retail outlets in Puducherry region.

SCOPE OF THE STUDY:

The scope of this study is wide. The study deals with customers` perception towards retail outlets in Puducherry region. Also, it deals with major CRM practices followed by retail outlets in Puducherry region.

RESEARCH METHODOLOGY:

5.1 Research Design:

The main aim of this survey is to analyses customers` perception towards retail outlets in Puducherry region. Therefore simple random sampling technique is being adopted to obtain the opinion of the retail outlet customers in Puducherry region.

5.2 Area of the study:

The study is conducted among all class of customers who are the regular purchasers and occasional buyers in retail outlets in Puducherry region.

5.3 Research approach:

The present research work is mainly based on primary data. The primary data are the opinion of the retail outlet customers in Puducherry region of Union Territory of Puducherry. The respondents for the sample are selected using simple random sampling technique.

5.4 Sample size:

Sample size taken in this study is 390.

5.5 Period of study:

The study was conducted for a period of nine months from August 2015- April 2016.

5.6 Sampling Technique:

The respondents for the sample are selected using simple random sampling technique.

5.7 Research instrument:

A standard questionnaire is prepared for the collection of

data from various respondents. The questionnaire is designed in such a way that the aim of collecting essential information for the study would meet the set of objectives.

HYPOTHESIS:

H1: There is no significant relationship between CRM practices and methods used by retailers to develop relationship with customers.

Results and Discussion :

General profile of the Respondents:

Table - 1

Socio-Economic Profile of Customer Respondents

Socio-Economic Profile	Number of Respondents	% to Total
Sex		
Male	189	48.5
Female	201	51.5
Age (in Years)		
<= 25	114	29.2
26 – 35	168	43.1
> 35	108	27.7
Education		
School level	43	11.0
Under Graduate	197	50.5
Post Graduate	115	29.5
Professional	35	9.0
Occupation		
Housewife (unemployed)	53	13.6
Govt. Employee	120	30.8
Private Employee	103	26.4
Self-Employed	114	29.2
Family Income		
Up to Rs.10000	242	62.1
Rs.10001 – 20000	98	25.1
> Rs.20000	50	12.8
Marital Status		
Unmarried	119	30.5
Married	271	69.5
Family Size		
Up to 3	166	42.6
Above 3	224	57.4
Area of Residence		
Rural	179	45.9
Semi-Urban	55	14.1
Urban	156	40.0
Total Sample	390	100.0

Source: Primary Data

Interpretation:

As shown in the table - 1, there are 390 randomly selected customers of organized retail outlets in the region participated in the survey as sample respondents. In the total sample of 390, 51.5 per cent of the respondents are fe-

male and the remaining 48.5 per cent of them are male. As much as 43.1 per cent of the total respondents are aged between 26-35 years while the age of 29.2 per cent and 27.7 per cent of the respondents is up to 25 years and above 35 years respectively.

Half of the respondents in the sample (50%) are under graduates followed by 25 per cent as post-graduates. The school level education is found with 11.0 per cent while 9.0 per cent of the respondents have professional qualification. The government employee group comprising 30.8 per cent of the total respondents is dominant in the sample. Next to this group, self-employees constitute 29.2 per cent; private employees comprise 26.4 per cent and the unemployed including housewife amount to 13.6 per cent of the total sample.

The family income per month is up to Rs.10000 for 62.1 per cent, Rs.10001-20000 for 25.1 per cent and above Rs.20000 for 12.8 per cent of the total respondents. That is, majority of sample respondents are from low income families. This further implies that the majority people of low income families have access to organized outlets in their localities. Most of the respondents are married (69.5). The unmarried / single group constitutes remaining 30.5 per cent.

The size of family members is above 3 in 57.4 per cent and up to 3 in 42.6 per cent of the respondent families. The area of domicile is rural for 45.9 per cent, urban for 40.0 per cent and semi-urban for 14.1 per cent.

Table – 2
Methods Used by Retailers to Develop Relationship with Customers – Customers’ Perception

Methods Used	No		Yes	
	N	%	N	%
Sending seasonal greetings	248	63.6	142	36.4
Providing information about new products through mail	287	73.6	103	26.4
Sending sales representative to home	292	74.9	98	25.1
No methods are followed	201	51.5	189	48.5

Source: Primary Data

Interpretation:

As per the table - 2, 36.4 per cent of respondents have stated that the retailers are used to send seasonal greetings followed by 26.4 per cent and 25.1 per cent of the respondents have observed that the methods used by retailers to develop relationship with customers are providing information about new products through mail and sending sales representative to home respectively. At the same time, 48.5 per cent of the respondents have observed that the retailers have not used any of the above three methods to develop the relationship with customers. In sum, it is found that sending seasonal greetings is the method mostly used by the retailers followed by providing information about new products through mail and sending sales representative to home as method to develop the relationship with customers.

Table - 3
Comparison of Retailers’ CRM Practices between Retailer Groups With and Without “Sending Seasonal Greetings” to Develop Customer Relationship

Major CRM Practice Components	Sending Seasonal Greetings		t-Value
	No	Yes	

Responding to queries and customers complaint	3.39 (0.81)	3.58 (0.80)	2.14*
Providing information on purchased products	3.35 (0.82)	3.56 (0.68)	2.54*
Payment and delivery system	3.56 (0.81)	3.82 (0.72)	3.17**
Price discount and seasonal offers	3.08 (0.80)	3.44 (0.62)	4.70**
Ensuring the availability of variety products and delivering them with stylish packing	3.65 (0.80)	3.83 (0.69)	2.21*
Overall CRM Practices	3.37 (0.56)	3.62 (0.46)	4.45**

Source: Survey Data; Figures below mean values are standard deviations

*Significant at 5% level; **Significant at 1% level

Interpretation:

From the perusal of the table – 3, it is understood that the retail outlets, who send seasonal greetings to develop relationship with customers, practice CRM such as “responding to queries and customers complaint”, “providing information on purchased products” and “overall CRM Practices” at good level and differ significantly from those who do not use such method for developing relationship as this group practice the above two CRM factors as well as overall CRM at moderate level (t values are significant).

Table – 4
Significance of Function Discriminating Retailer Groups With and Without “Sending Seasonal Greetings” to Develop Customer Relationship by Customer Perceived CRM Practices

Function	Eigenvalue	Canonical R	Wilks’ Lambda	Chi-Square	Df	Level of Significance
0	0.0672	0.2510	0.9370	25.08	5	0.0001

**Significant at 1% level

Interpretation :

As depicted in the table - 4, the Discriminant function differentiating respondent groups with ‘no’ and ‘yes’ opinion about sending seasonal greetings with respect to liner composites of all five CRM practice factors, is significant with eigenvalue of 0.0672 and canonical correlation of 0.2510 (Wilks’ lambda = 0.7370, 2 = 25.08, p < 0.01). This envisages the existence of relationship between CRM practices and sending seasonal greetings.

Table - 5
Centroid for Retailer Groups with and without “Sending Seasonal Greetings”

Opinion Group	Centroid Value
Not Sending	-0.1957
Sending	0.3418

Interpretation:

Negative composite score reveals that CRM practices are less for not sending opinion group and they are high ‘sending’ opinion group.

Table - 6
Standardized Canonical Coefficients for Major CRM Practice Factors with Significant Discriminant Function

Major Components Underlying Retailers’ CRM Practices	Standardized Coefficients
Responding to queries and customers complaint	-0.0924
Providing information on purchased products	0.2028
Payment and delivery system	0.3522
Price discount and seasonal offers	0.7912
Ensuring the availability of variety products and delivering them with stylish packing	-0.0192

Interpretation:

It is concluded that the retail outlets, which are more in giving price discount / seasonal offers as part of promoting CRM, are more likely to send seasonal greetings to develop relationship with customers.

Findings of the study:

1. Out of the total sample of 390, majority (51.5 %) of the respondents are female.
2. As much as (43.1%) of the total respondents are aged between 26-35 years.
3. Half of the respondents in the sample (50%) are under graduates.
4. The government employee group dominant in the sample comprising 30.8 % of the total respondents.
5. Majority of the respondents (62.1 %) have family income per month up to Rs.10000 per month.
6. Most of the respondents are married (69.5%) and the size of family members above 3 is (57.4%), and their area of domicile is rural (45.9%) .
7. It is found that sending seasonal greetings is the method mostly used by the retailers to develop relationship with customers.
8. It is found that the retail outlets, who send seasonal greetings to develop relationship with customers, have good CRM practice than others.
9. It is proved the existence of relationship between CRM practices and sending seasonal greetings.

9. Suggestion of the study:

Retailers adopt a number of ways to attract and retain a customers as there is too much competition in retail sector, only the best practice captures momentum. As far as the study is concerned sending seasonal greetings opts a best CRM practice for retailers in puducherry region. Retailers in puducherry can adopt this strategy to maintain and retain good relationship with their customers. This cannot be rationalized for all the retailers.

10. CONCLUSION:

In this study it is found that to develop the relationship with customers, the retail outlets have mostly adopted a method of sending seasonal greetings followed by providing information about new products through mail and sending sales representative to home. Sending seasonal

greetings is more in the retail outlets where giving price discount / seasonal offers as part of promoting CRM is more. The retail outlets, which practice payment and delivery system in better way, is more likely to provide information on new products through email to develop customer relationship. At the same time, method of sending sales representative to home the retail outlets to develop customer relationship is little it is inferred. Hence it is concluded that the practice of CRM helps in attracting and retaining the customers.

11 References:

Books

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2. Swapna Pradhan ,(2009),"Retail Management-text and cases", 3rd edition, Tata Mc Graw Hill.