



ORIGINAL RESEARCH PAPER

Management

UNDERSTANDING CRM STRATEGIES OF RETAIL SECTOR: AN ANALYTICAL STUDY OF MORE RETAIL STORES

KEY WORDS: Customer relationship management, Customer retention, customer loyalty

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ABSTRACT

Customer relationship management (CRM) is an unending activity of the retailers. This paper made an attempt to study the customer response towards CRM strategies of More retail stores and also analyzed its implementation in the business. The study also expressed some of the basic information of growth of retail sector in India and its classifications. At the end of the article it clearly described analytical study of the gathered information. The article finally concluded that it is significant to adopt unique CRM strategies in the retail business which helps the retailer to differentiate their business from the competitors.

1. INTRODUCTION

Customer relationship management (CRM) is an unending activity of the retailers. The success of many retail businesses were strongly believed in CRM strategies of their business initiatives. The primary goal of CRM strategies is to ensure customer satisfaction and customer delightedness at every stages of the customer journey with the company. According to a Sweeney Group, CRM is all the tools, technologies and procedures to manage, improve, or facilitate sales, support and related interactions with customers, prospects, and business partners throughout the enterprise."

2. Brief of More Supermarket and Hypermarkets

Aditya Birla Retail Limited is the retail arm of Aditya Birla Group, a USD 40 billion corporation in the league of Fortune 500 companies. The Company ventured into food and grocery retail in 2007 through the acquisition of Trinethra Super Retail and subsequently expanded its presence nationally under the brand 'More.' across Supermarkets & Hypermarkets. There are 483 More. Stores across the country. Offering a wide range of fresh fruits & vegetables, groceries, personal care, home care, general merchandise etc. Offering an irresistible combination of quality and value. More. Aims to be the shopping destination of choice for families everywhere.

3. CRM Strategies

Clubmore is a well structured customer loyalty program designed by the firm to attract and rewarding the customers with superior shopping experience and high savings. The benefits of the clubmore loyalty program are card less convenience, additional discounts on purchases, spend based gifts for customers, tailor made offers based on customer shopping needs and free Membership for a lifetime.

4. Objectives of the study

- To study the conceptual information of customer relationship management in retail
- To understand the customer response towards CRM strategies of More retail stores
- To analyze the customer responses and implementation of CRM Strategies

5. Need of the study

The CRM strategies in retail sectors are uniquely differ than each other and response of the customers will also vary from their own perspectives. Hence, the study made an attempt to understand and analyze the CRM strategies of More retail stores. In a competitive business, every retail firms designing and implementing various kinds of CRM strategies. Can CRM strategies of the retailers retain more and new customers to the business? The Study made an attempt to understand the answer for this type of question in this paper.

6. Scope of the study

The present study focused on engaging research in Shivamogga city only. The growing city attracted many organized retailers to invest their capital in this potential market. More retail limited being a highly reputed organized retail businesses entered to this location to gain first mover advantages and adopted unique CRM practices. Hence, there is a scope for the study in this specific region to understand CRM practices of More retail stores.

7. Research Methodology

The study has adopted both primary and secondary data for the convenience and successful completion of this research work. Primary data is collected from the sources of questionnaire, personal interview and observation. Secondary data is collected from various sources like, published articles, company websites and reputed research journals.

8. Sample Design

The study has considered the sample size of 50 respondents and adopted convenience sampling technique to collect the data and the data has been analyzed with the help of SPSS (20.0 Version)

9. Limitations of the study:

- The study confined to the limited number of respondents.
- The study represents the respondents of Shivamogga city only

10. Literature Review

Julie Kenyon and Maria Vakola, opined in their article customer relationship management a viable strategy for the retail industry that a well planned and executed customer relationship management strategies can increase profitability by improving customer loyalty. Authors were expressed that many areas of the retail sector appear to have neglected the benefits of CRM strategies.

Mohd Azizul Sulaiman et al, expressed in their article customer relationship management (CRM) strategies practices in Malaysia retailers that customer relationship management is a complimentary tool for organizations to prosper in any economic condition and for customers to receive quality products and services. The researcher also opined that when the customers develops strong belief and trusts towards the company, they can really commit and be loyal to the company forever.

Richard Cuthbertson in his article, the role of CRM within retail loyalty marketing highlighted that retailer's overall loyalty marketing strategies which influence the importance

of different customer relationship management activities. Author also expressed that CRM plays an extraordinary role within an organization depending on the marketing strategy adopted.

11. Growth of Retail industry in India

Before 1990s, most of the Indian retail industries were completely unorganized, unstructured and unplanned. The people involved in these activities are not properly trained but they use to get complete knowledge of retail activities from hands on experiences. Ultimately the family concerned unorganized retail businesses were steadily started losing ground due to the lack of interest of their next generations. After the liberalization, privatization and globalization, the government of India allowed foreign retailers to enter in to the retail businesses, Until 2011, foreign direct investments (FDI) were completely not allowed in multi-brand retail and restricted foreign companies from the ownership of any retail businesses. Even single-brand retail was limited to use of 51 per cent ownership. During January 2012 onwards, India allowed 100 percent FDI investment in single-brand stores, but imposed the requirement that the single brand retailer would have to source 30 percent of its goods from India. On 7 December 2012, India allowed 51 per cent FDI in multi-brand retail.

• Categorization of Retail Stores

a. Store based Retailing

Specialty stores, departmental stores, Supermarket, Convenience stores, Off-price retailers, Discount stores and catalog showrooms.

b. Non Store based Retailing

Direct selling, Direct Marketing, Automatic Vending, Online Retailing.

12. Results and discussions

Table No 1. Showing the sources of data collection from the customers:

Sources	No. of respondents	Percentage
Mobile number	41	82
Entry forms	7	14
Feedback forms	2	04
Any other	00	00
Total	50	100

Source: Survey Data

Table No 2. Showing Sources of contact between retailer and the customers

Particulars	No. of respondents	Percentage
E-mail	8	16
Call/SMS	38	76
Greeting cards	4	8
Post	0	0
Total	50	100

Source: Survey Data

Table No. 3. Customer response to the CRM strategies of More retail stores

RM Strategies	SA		A		N		D		SD	
	F	%	F	%	F	%	F	%	F	%
Store welcomes the customers with smile	8	16	22	44	12	24	6	12	2	4
Store immediately attends each customer	5	10	18	36	15	30	4	8	8	16
Store informs all the offers and discounts regularly	10	20	17	34	6	12	14	28	3	6
Store maintains clean, hygienic ambience	14	28	30	60	4	8	2	4	0	0
Store always keeps quality products	12	24	23	46	9	18	4	8	2	4

Store consist updated technologies for customer benefits	4	8	12	24	14	28	14	28	6	12
Store calmly attends customer complaints and issues	7	14	26	52	8	16	8	16	1	2
Store systematically manages huge crowds with sufficient cash counters	4	8	29	58	5	10	7	14	5	10
Store sincerely apologizes for any inconveniences	6	12	32	64	9	18	2	4	1	2
Store ensures customer satisfaction on every visit	12	24	19	38	10	20	9	18	0	0

Source: Survey Data

13. Findings

- It has found that majority of the respondents information that is 82 percent were collected from mobile numbers sources and rest of the sources were collected through entry, feedback forms
- It has identified that 76 percent of the majority respondents were contacted through calls and SMS, followed by 16 percent of the respondents were contacted via email communications
- It has found that 60 percent of the majority respondents totally agreed that store welcomes customers with smile.
- It has recognized that 46 percent of the mass respondents totally agreed that store immediately addresses each customer.
- It has identified that 54 percent of the majority respondents totally agreed that store informs about all the offers and discounts regularly
- The study identified that 88 percent of the mass respondents totally agreed to the store which maintains clean, hygienic ambience.
- It has found that 70 percent of the respondents totally agreed that store always keeps quality products
- It has identified that 32 percent of the respondents totally agreed to the store which consist updated technologies for customer benefits, followed by 28 percent of the second majority of the respondents have given neutral responses.
- It has recognized that store calmly attends customer complaints and issues are concerned, majority of the respondents that is 68 percent were totally agreed to this statement
- It has identified that the majority of the respondents that is 66 percent, totally agreed to the store systematically manages huge crowds with sufficient cash counters
- It has found that 76 percent of the majority respondents totally agreed to the store sincerely apologize for any inconveniences variable.
- It has identified that 62 percent of the mass respondents totally agreed to the store ensures customer satisfaction on every visit

14. Suggestion

- The success of the business is also depends on the number of complaints or issues handled by the business therefore whenever the business experiences issues or any challenges from the customers, it must be addressed immediately to retain customer back to the business.
- Communicating store discount and offers regularly to the customer will help the business to retail more number of customers and also it supports to convert potential customers to loyal customers therefore study recommends to focus on this area too.
- Technology plays vital role in retail business, it helps to attract more customer if technology is user friendly therefore the study recommends to focus second majority of the respondents which had been given neither agree nor disagree responses

15. CONCLUSION

More retail limited one of the popular supermarkets in Shivamogga. It comprised large number of loyal customers in the business. The study identified that CRM strategies in retail business played significant role for the growth of business. The study has recognized only few acceptable and modifiable responses from the strategies analysis. More supermarkets hold a large customer base and it has emerged as one of the shopping hub for meeting their regular needs, especially for middle class people. Customers are happy with very nice ambience and its quality of products and services.

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