A comparative study on customer relationship management as a tool for enhancing competitiveness in the organized retail sector in Raipur city (India) with special reference to Fbb, Max and Pantaloons

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Abstract

We are witnessing a dynamic business scenario in every sector of the Indian economy. To cope up with the level of competition all the business houses require to learn about their buyers in and out. Here CRM proves to be an important tool in enhancing the competitiveness of the organizations. The objective of CRM is to maintain a database wherein all the details of customers is collected and extended into a databank as a valuable asset. India is witnessing a breakaway in the buying pattern of today’s consumers thereby altering the whole shopping scenario. This has affected Raipur city also. CRM is built on the philosophy of relationship marketing that aims to create, retain and develop relationships with the customers. To withstand the prevailing competition, a business organization will have to take up “Quality and Customer Satisfaction” as the important dimension. Thus, the work undertaken here is with the objective to explore whether CRM strategies are an effective tool for satisfying customers and retaining them with special reference to Pantaloons, Fbb and Max – the outlets in Ambuja Mall (the organized retail sector) in Raipur city.

Keywords: Enhancing, Customer Relationship Management, Competitiveness, Quality, Customer Satisfaction, Retaining.

Introduction

“TODAY” marks “the buyer’s market” and therefore the highly demanding and intellectual consumers of today are riveting sellers to put in immense efforts to attract and retain them. Retail in India is at the crossroad. The whole scenario of retail sector has changed over time with the coming up of huge shopping malls, hypermarkets, super bazaars etc. This has led to high competition and dynamism in the current business environment with a need to build a one to one relationship with the customers thereby opening the gateway for Customer Relationship Management.

Customer relationship Management: Customer relationship management is a business strategy adopted by most organizations and it requires customer oriented business approach with the purpose of improving marketing productivity, enhancing customer satisfaction resulting into enhanced sales. This thought makes it possible for firms to satisfy the customers by modifying the products and services as per their needs, providing round the clock assistance to them. CRM does not restricts itself to capturing information from different systems in and out of the organization but also promotes exchange of information and data across the whole organization in order to cope up with the competitive world outside.

Organized Retail sector: India’s organized retail sector is on its way to become the next boom industry globally. There are several players entering the market and while the opportunities are immense, all players must be aware that the consumer culture is also changing.

Taking about shopping malls as one of the segments in the organized retail sector establishes itself as a place with everything under one roof. All big brands of men, women and kids apparels, footwear stores, book stores, automobile sector, cosmetics, jewelers, eating houses, game zone etc. is what is available under one umbrella. Raipur city at present has six malls in number out of which four are operating successfully. Among them, one is AMBUJA MALL.

CRM in Organized Retail sector: Due to the increased competition level amongst the various outlets in the different malls, CRM has become a tool for each one of them to exploit the competitive advantage over the other. Organizations who promise to deliver high level of customer satisfaction adopt CRM practices and strategies to do things differently than their prospective competitors.

Like any other product even customers have a cycle, as in, customer lifecycle and, at every stage, there are different functions viz. sales, marketing, customer service etc. which the CRM strategies take care of. Each function has its own importance individually but for the overall success they work in harmony i.e. they support one another.

Each and every customer has its own unique life cycle but a general flow in it can be stated as follows:
Now, each stage is addressed by a different function of customer relationship management which can be explained as:

**Awareness** is the first stage in which sales cold-call, speaking at events, social relationships etc create awareness. Companies marketing plans usually set advertising targets to be achieved to generate awareness. **Knowledge** as the second stage makes sales department connects with the prospective customers through calls to learn more about them and their needs. Marketing gives prime importance to customer preferences and customer need oriented thinking is to be given priority. As customers seek more and more information customer service develops a list of FAQs to satisfy their queries. In the third stage which is **Consideration** sales make it a point to approach the prospective buyers and explain them all the key features and value points of the products and services. Marketing develops leaflets, brochures etc which enhances the knowledge of the customers about the products and services and also helps them to have an analytical review of the available options. Customer service can have a live chat pop-up option on the product page to answer questions. In **Selection**, the fourth stage, marketing extends its gratitude to make the customers feel important and valued. Customer service is available 24 hours to clarify the doubts and queries of the customers. **Purchase** which comes in the fifth step makes sales department to convert the prospective buyers into a customers and completes the selling process. Marketing ensures the purchase and the billing experience of the buyer is hassle free and smooth. Customer services have feedback filled and also follows up the after sales services if needed. In **Retention**, the sixth step, sales connects with the
Customers whenever there are special offers or schemes to attract them. Marketing sends monthly reminder mails to keep themselves reminded of and on the top of the priority list. This makes the customers feel special and valued too. Also customers are given special offers on their special dates like birthdays, anniversaries etc. Customer service keeps a track of the customers, their experience with the product, new wants etc. Advocacy the last stage involves in sales department encouraging customers to suggest referrals and offer them discounts on every reference they get. Marketing department encourages people to give references based on an incentive program. Customer service is ready to answer new queries from new referrals.

Thus the study here analyses how CRM will help in enhancing the competitiveness of Pantaloons, Fbb and Max in the organized retail market of Raipur (Ambuja Mall) at every step of customer’s life cycle, to retain its customers and maintain an everlasting relationship.

Objectives: As the title suggests the main objective of the present study is to know the role of CRM in the organized retail sector with special reference to a few outlets in Ambuja Mall, Raipur city. The other supporting objectives are: i. To study the inevitable role of customer satisfaction in enhancing competitiveness of the retail outlets in current scenario. ii. To study the various customer relationship management strategies adopted by Pantaloons, Fbb and Max. iii. To assess the factors of customer satisfaction. iv. To assess the factors of customer retention.

Methodology

To complete the objective of the research, both primary and secondary data has been collected from various sources. The source of primary data is a structured questionnaire. Whereas, secondary data was collected from journals, reports, magazines and research articles.

A sample of 89 respondents has been collected by adopting two methods of sampling as of – Convenience Sampling and Simple Random Sampling.

The research instrument used is a Questionnaire consisting of several questions asked in a proper sequence covering the main aspects of information to be collected regarding the success of customer relationship management in attracting and retaining customers, thereby enhancing a firm’s competitiveness.

Results and discussion

Data Analysis attempts to organize and summarize data so as to make it easier and useful in such a manner that enables the researcher to relate critical points with the objectives of the study. This helps the interpretation of the collected data also effective so that the inferences drawn can be used for further researches.

Part 1 (Representation of the Demographic Information of Respondents)

Q1. Gender profile of respondents:

![Gender profile of respondents](image1)

Interpretation: Of the total 89 respondents 63% i.e 56 were women.

Q2. Age of the respondents:

![Age of the respondents](image2)

Interpretation: Maximum of the respondents fall under the middle age group segment The mature and family segment.
Part 2 (Representation of the CRM practices followed at the stores)

Q1. Customer Awareness:

![Customer Awareness Chart](image)

**Figure-3: Customer Awareness.**

Q2. Use of Newspaper ads, Hoardings, FM etc as advertising tools:

![Advertising Tools Chart](image)

**Figure-4: Use of Newspaper ads, Hoardings, FM etc as advertising tools.**

**Interpretation of Figure-3:** Of the total, only 63 new all the three stores, 17 new about two (Max and Pantaloons) and 9 knew only about Pantaloons. (Fbb-63/Max-80/Pantaloons-89).

**Note:** All the under-mentioned responses are in percentage of the total respondents who were aware of the three stores under study.

**Interpretation of Figure-4:** Fbb uses different modes of advertisements more as compared to max. Pantaloons also has taken steps to make people aware of their outlet.
Q3. Vast Product Range:

**Figure-5:** Vast Product Range.

Interpretation of Figure-5: About 67% (out of 89) of the respondents feel that Pantaloons has the widest product range.

Q4. Proper display of products:

**Figure-6:** Proper display of products.

Interpretation of Figure-6: 70 respondents out of 89 felt that Pantaloons has the best display of its products as compared to the other two stores.
Q5. Prompt Attention by staff:

**Figure-7:** Prompt Attention by staff.

Q6. Is the pricing of the products satisfactory?

**Figure-8:** Is the pricing of the products satisfactory.

**Interpretation of Figure-7:** The sales staff of Max was rated highest (41 out of 80) in paying prompt attention to their customers. Then came Pantaloons with a data of 39 out of 89 respondents.

**Interpretation of Figure-8:** The respondents showed a satisfactory response as far as the pricing was concerned. Fbb and Pantaloons were close enough with 72% and 77% respectively.
Q7. Product has good quality:

![Figure-9: Product has good quality.](image)

Interpretation of Figure-9: Pantaloons showed the maximum satisfaction level with quality aspect of products.

Q8. Staff has complete product knowledge:

![Figure-10: Staff has complete product knowledge.](image)

Interpretation of Figure-10: Again out of 89 respondents, 79 felt that Pantaloons staff has complete product knowledge (i.e. 88%).
Q9. They have smooth billing and payment systems:

![Figure 11](image1.png)

Figure-11: smooth billing and payment systems.

Q10. Appreciable Behavior of the staff:

![Figure 12](image2.png)

Figure-12: Appreciable Behavior of the staff.

**Interpretation of Figure-11:** Pantaloons was rated the best for smooth billing and payment systems followed at the store.

**Interpretation of Figure-12:** The behaviour of the staff of Pantaloons was also found to be the best among others.
Q11. Good after sales services:

![Figure-13: Good after sales services.](image)

Q12. Effective communication between the staff and customer:

![Figure-14: Effective communication between the staff and customer.](image)

**Interpretation of Figure-13:** Pantaloons gives good after sales services as reported by the respondents in comparison to Fbb and Max.

**Interpretation of Figure-14:** 92% of the total respondents of Pantaloons agreed that the staff understood customers needs and wants properly.
Q13. Feedback forms are available:

**Figure-15:** Feedback forms are available.

Q14. Maintains customer database:

**Figure-16:** Maintains customer database.

**Interpretation of Figure-15:** Pantaloons also welcomed the feedback from customers.

**Interpretation of Figure-16:** The data recorded interprets that Pantaloons has the highest percentage of respondents agreeing that it maintains a good customer database (76.40%).
Q15. Gives a Thank You note after the visit:

![Graph showing Thank You notes given by different stores.](image)

**Figure-17**: Gives a Thank You note after the visit.

Q16. Proper communication of offers and discounts:

![Graph showing communication of offers and discounts.](image)

**Figure-18**: Proper communication of offers and discounts.

**Interpretation of Figure-17**: Only Pantaloons show their gratitude towards the customers visit in the store.

**Interpretation of Figure-18**: Both Pantaloons and Fbb were rated equal on proper communication of discounts and offers. (71%).
Q17. Monthly reminders via mails or messages:

Figure-19: Monthly reminders via mails or messages.

Interpretation of Figure-19: It was recorded that 65% respondents received timely reminders from pantaloons whereas 63.5% respondents agreed to receive timely reminders from Fbb of the total aware respondents of each.

Q18. Special offers on birthdays/anniversaries:

Figure-20: Special offers on birthdays/anniversaries.

Interpretation of Figure-20: None followed this strategy for attracting customers and making them feel special.
Q19. Special attention on the second visit:

**Figure-21:** Special attention on the second visit.

**Interpretation:** Only pantaloons was rated for paying special attention to customers on their second visit. This made them feel remembered.

**Findings and suggestions:** The findings after the analysis and interpretation of the data collected by the researcher are as mentioned below:

There was lack of awareness among the respondents about Fbb and Max as organized retail outlets in Ambuja Mall. Whereas, Pantaloons offered a much wide variety of products and the display also was attractive as compared to Fbb and Max. Organized retail outlets like these normally have a reasonable pricing strategy, targeting the middle class of the society.

The quality of products in Pantaloons was found to be superior than Fbb and Max. Also, the staff of Pantaloons and Max were found to be well aware and updated about the products available in the store. The staff had good and friendly behavior with the customers.

Pantaloons had the most satisfactory billing and payment system among the three. It even attended the after sales issues of the customers promptly. Customer's feedback was asked for and valued at Pantaloons too. It thereby maintained a vast customer database.

Pantaloons and Fbb were found to have a proper channel of communication of the offers and discounts at the store. Pantaloons also gave special attention to the customers who visited the store time and again which showed value to customers on their part.

The above findings reveal that advertisements for customer awareness, range of products, degree of ease in finding the product, staff’s attention and behaviour, quality of the product, effective communication etc. are very important for attracting and retaining customers in the current business scenario. The customers have to be made to feel important and valued for maintaining a long term relationship.

Pantaloons value customers time, their needs and also welcome their suggestions. There were respondents who were aware about Pantaloons as the only organized retail outlet in Ambuja after shoppers stop. Reason being the various aspects Pantaloons takes care of in attracting its customers, attending them, retaining them and making it sure that they visit the store again.

**Conclusion**

Whenever a customer is made to feel special, the footfall of that particular store will definately increase by leaps and bounds. In the current business scenario where there is cut throat competition, any retail outlet needs to enhance its competitive skills by paying special attention to its customers who are the most important aspect of the success of any organization.

The study thereby concludes that the overall perception of customers is above average towards Pantaloons which is the result of the effective implementation of the CRM strategies by Pantaloons as compared to Fbb and Max.
Questionnaire
Respected Sir/Madam,

I am hereby conducting a study entitled I request you to kindly provide me your valuable opinion to fill this set of questions. Your information will be kept confidential and will be used exclusively for academic purpose.

Part 1
Demographic Information:

Name: Gender: Age:

Part 2
Customer Relationship Management Practices at the stores:

Q.1 Are you aware of the following stores in Ambuja City Centre Mall Raipur?

<table>
<thead>
<tr>
<th>Stores</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fbb</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pantaloons</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q.2: Are the following CRM strategies adopted by the stores for customer satisfaction?

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Practices</th>
<th>Fbb</th>
<th>Max</th>
<th>Pantaloons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Has vast product range</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Proper display of products in the store</td>
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<td></td>
<td></td>
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<tr>
<td>3.</td>
<td>Value customers time and prompt attention given</td>
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<tr>
<td>4.</td>
<td>Satisfied pricing</td>
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<td></td>
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<tr>
<td>5.</td>
<td>Good Quality of the products</td>
<td></td>
<td></td>
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<tr>
<td>6.</td>
<td>Complete product knowledge to the staff</td>
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<td></td>
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</tr>
<tr>
<td>7.</td>
<td>Smooth billing and payment systems</td>
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<tr>
<td>8.</td>
<td>Appreciable behaviour of the staff</td>
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<tr>
<td>9.</td>
<td>Good after sales services</td>
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<tr>
<td>10.</td>
<td>Effective communication between the staff and customer</td>
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<tr>
<td>11.</td>
<td>Feedback form available</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>12.</td>
<td>Maintaining customer database</td>
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<td></td>
<td></td>
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<tr>
<td>13.</td>
<td>A “Thank You” note for the visit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Proper communication of offers and discounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Monthly reminder mails or messages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Special offers on birthdays and anniversaries</td>
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<tr>
<td>17.</td>
<td>Special attention on the second visit</td>
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