

## RETAIL MARKETING PRACTICES FOR CRM

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**Abstract:** *In many retail organizations, it is the fundamental duty of the marketing practices to generate more revenue to the firm. Along with this, customer retention is also an additional responsibility to the business therefore for the purpose of bringing more customers to the business; firms formulate customer relationship management practices in connection to the retail marketing practices. This research paper initially studied marketing practices of selected retail stores and understood the marketing practices related to the CRM practices and finally analyzed the marketing practices of the retail stores selected for the study. The study has identified some of the satisfied and dissatisfied response to the marketing practices and inferred relevant suggestions. Finally it concluded that the success of the customer relationship management practices implementation depends on the formulation of effective retail marketing practices.*

*Keywords: Customer relationship management, Customer service, Customer loyalty program, Customer retention*

### Introduction

The term 'Marketing' plays significant role in the success of a business enterprise. It is primarily concerned with movement of goods and services from producer to the ultimate consumers. A business firm which incorporates effective marketing strategies will survive and experience constant growth in the society. The retail firms uses various advertising and communication strategies to grow awareness and considerations with future customers, finding the right marketing mix leads to a profitable growth and higher return on investment. Most of the retail businesses formulate marketing strategies/practices with an intention of attracting more customers to the business. Customer relationship management is one of those retail marketing practices which help the retailers to attract, manage and retain new or old customers to the business. In this article, the study made an attempt to understand and examine the retail marketing practices of selected organized retail stores for successful CRM implementation.

### Retail Marketing

Retail includes all the activities directly related to sale of goods and services to consumers for personal and non business use. Retail marketing is the process by which retailers promote

awareness and interest of their goods and services in an effort to generate sales from their consumers. It is also a creative function of the business which includes sale of goods and services, pricing, promoting, and distributing to the satisfaction of customers requirements. The primary approach used by many organized retailers in marketing their products is four Ps (product, price, place and promotion) of retail marketing. The study considered all these retail marketing mix to understand the marketing practices of organized retail stores.

### **CRM in Retail**

The concept of CRM has exceptional significance in retail; it helps the retailer to understand customers' information, interests, demands and their expected services. The role of CRM is to improve the customer satisfaction and loyalty. It is easy to copy the products from any competing company but creation of customer satisfaction and retention is possible only through effective customer relationship management. CRM helps to build relationships with the help of technology, strategic planning and marketing practices which increases the productivity and profit margins of the retail firms (N.H. Mullick. 2016). According to the literature review, Customer Relationship Management is a talented 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 (Dheeraj Verma et.al. 2013). Customer relationship management is a corporate level initiative, focusing on creating and maintaining relationships with customers. Manual as well as computer based steps are taken by the organizations to reap the benefits of CRM initiatives (Shruti Sharma, 2012).

### **Objectives of study**

- To study the marketing practices of selected retail stores
- To understand the marketing practices related to the CRM practices.
- To analyze the marketing practices for successful CRM Implementation

### **Need of the study**

The marketing practices of organized retail stores play significant role in retaining customers to the businesses. In a present business environment, marketing practices are quite common and inevitable. The unique marketing practices of retail stores magnetize more number of customers to the retail premises; it is responsibility of the customer relationship management (CRM) practices to lock such customers for a longer period. Therefore many retail stores formulated various kinds of marketing practices that are linked to the successful CRM

implementation. Hence, the study made an attempt to understand retail marketing practices of retail stores which facilitates successful CRM implementation.

### Scope of the study

The present study is mainly focused on retail marketing practices of four popular organized retail stores such as Spar, Big Bazaar, More and Vishal mega mart. All these stores have multiple branches in various part of the country. The regional scope of the study is specific to Shivamogga city only. From the past literature review, the study realized that no one papers have been developed in this area. Hence, there is a scope for the study to understand marketing practices of retail stores which are related to CRM implementation in this specific region.

### Research Methodology

The study considered both primary and secondary data for gathering relevant information and successful completion of this research work.

- **Primary Data:** It is collected through the sources of questionnaire, personal interview and personal observation
- **Secondary data:** It is collected through various sources like literatures reviews, text books, company websites, published articles, etc.

### Sample Design

The study has considered the sample size of 50 respondents and adopted convenience sampling technique to gather relevant information.

### Limitations of the study

- The study is limited to the marketing practices of Selected stores
- It is confined to the limited number of respondents.
- The study also limit to the respondents of Shivamogga city only

### Review of literature

- **Monika Sharma (2017)** analyzed the concept of customer relationship management practices adopted by organized retail outlets of Bhopal city, the study focused on understanding the customer preferences, needs, frequency of visits and purchasing behavior of the customers towards organized retail outlets. The study evaluated various CRM techniques of ten organized retail outlets and examined benefits of CRM to the customers as well as retailers through detailed analysis of collected sources.

- **Chittipothula Gangadhara Rao (2017)** articulated customer relationship management practices in retail marketing with reference to Big bazaar of Future group. Author reviewed various literatures to gain knowledge and to develop concept of CRM programs. The study majorly focused on CRM programs of Big bazaar along with retailing business of Indian market and also expressed the challenges experienced by the Big bazaar during the phases of CRM implementation. The author has concluded that CRM plays significant role in the success of retail business; Big Bazaar has successfully implemented CRM practices to offer better services to their customers.
- **Sudham setti (2014)** expressed that customer relationship management is a key component for the success of any business. The study focused on discussing objectives, principle, benefits and eight important queries linked with the CRM and recorded the essential reasons that caused failure of CRM practices. From the evident of the study author opined that CRM is a highly essential tool for implementing in business which helps to brought more customers and generate more revenues.
- **Manoj Kumar Jain (2009)** described the role of CRM in Indian retail market, study expressed that customers are treated as a god in the Indian retail context and every retailer (Organized /Unorganized) intention is to transform a casual customer into a loyal customer and create a concrete bond between a store and a customer. The study shared customer lifetime value through Pareto's Principle which defines 80% of the sales will generate from the 20% of the existing customers. The study explained various CRM strategies of the prominent retailers to increase customer retention and concluded that a well treated customer or a satisfied customer never break loyalty, if the retailers initiate unique customer relationship management practices.
- **Alok Mishra (2009)** explained CRM implementation process and highlighted the causes for failure of CRM process namely, organization change, policies of the company, low understanding of CRM process and poor CRM skills. Changes in company policies and lack of customer relationship management process and skills lead the business to experience difficulty circumstances in every phase. Hence, the study suggested solution for the implementation ERP applications and effective CRM practices in the business.

## Results and Discussions

Table no. 1 shows the Marketing Practices of organized Retail Stores

	Marketing Practices	HS		S		N		D		HD	
		F	%	F	%	F	%	F	%	F	%
Store Oriented	Well decorated Store atmosphere	13	26	18	36	12	24	4	8	3	6
	Employees participation in customers expected service	9	18	15	30	10	20	7	14	9	18
	Adequate trail rooms, Children play area & Restrooms	2	4	14	28	8	16	18	36	8	16
	Location of the store and Parking Facility	10	20	23	46	9	18	6	12	2	4
Product Oriented	Sufficient Stock of various quality products	8	16	14	28	4	8	15	30	9	18
	Freshness of products with proper packaging	12	24	22	44	7	14	6	12	3	6
	Latest and unique products with Popular Brands	6	12	17	34	8	16	13	26	6	12
Sales Oriented	Personalized attention and prompt service rendered	4	8	13	26	5	10	18	36	10	20
	Feel comfortable and valued with the attendant	8	16	11	22	6	12	21	42	4	8
	Store working hours	15	30	26	52	2	4	2	4	5	10
	Systematic crowd management and shorter cash counter lines	6	12	12	24	14	28	15	30	3	6
	Provision of home delivery facilities	12	24	15	30	4	8	12	24	7	14
Promotion Oriented	Cash and coupon discounts	4	8	16	32	11	22	15	30	4	8
	Accumulation of Reward points	4	8	8	16	14	28	20	40	4	8
	Additional discounts on bulk purchases	2	4	10	20	12	24	20	40	6	12
	Surprise gifts for loyal customers	2	4	8	16	4	8	24	48	12	24
	Advertisements in Media (Newspaper, TV, Radio etc)	26	52	12	24	6	12	6	12	0	0

Source: Primary Data

Note: HS – Highly satisfied, S- Satisfied, N- Neutral, D- Dissatisfied, HD- Highly Dissatisfied, F – Frequency.

The study considered 5 point likert scale to measure customer satisfaction towards marketing practices of organized retail stores and drawn following inferences ;

### Store oriented Marketing Practices

**Inference:** store-oriented marketing practices are concerned majority of the respondents satisfied response to the well decorated store atmosphere (36%), employee’s participation in customers expected service (30%), location of the store and parking facility (46%) but the adequate trail rooms, children play area & restrooms variable are concerned the majority of the respondents i.e. 36% are dissatisfied. The study found that majority of the retailers were primarily focused about increasing sales transactions rather than adequate trail rooms,

children play area & restrooms. The study also found that the retail store situated at shopping malls and hypermarkets provided such facilities, the limited space oriented stores like More supermarkets haven't offered such facilities. Therefore study recommended basic facilities like restroom & adequate trail rooms need to be offered for the convenience of business as well as to the customers.

### **Product Oriented Marketing Practices**

**Inference:** product-oriented marketing practices are concerned majority of the respondents satisfied to the freshness of products with proper packaging (44%), latest and unique products with popular brands (34%) but the majority of the respondents i.e. 30% are dissatisfied to the availability of sufficient stock of quality products. The study found that majority of the stores believed that they have carried wide varieties of quality products but the quality of the products depends upon the customer usage experiences therefore study recommends to give more importance on customer expectations rather than carrying huge quantity of non moving products which leads to huge losses to the business.

### **Sales Oriented Marketing Practices**

**Inference:** sales-oriented marketing practices are concerned majority of the respondents satisfied to the store working hours (52%), provision of home delivery facilities (30%) but the majority of the respondents dissatisfied to the personalized attention and prompt service rendered (36%), feel comfortable and valued with the attendant (42%) and systematic crowd management and shorter cash counter lines (30%). The study found that store employees were least concerned to the above dissatisfied responses. Therefore study recommends training store employees to be more focused about customer service related initiatives like crowd management, personalized attention and creating comfortable buying environment to the customers.

### **Promotion Oriented Marketing Practices**

**Inference:** promotion-oriented marketing practices are concerned majority of the respondents satisfied to the cash and coupon discounts (32%) and highly satisfied response to the advertisements in media (52%) but the majority of the respondents dissatisfied to the accumulation of reward points (40%), additional discounts on bulk purchases (40%) and surprise gifts for loyal customers (48%). The study realized that most of the stores initiating attractive promotional offers but permanent implementations were highly challenging to the stores. Insufficient information, employees' lack of knowledge always puts customers under confusions, failure to share required information leads to failure of promotional initiatives

and it may not be benefitted to the ultimate customer. Hence, the study suggests that stores must take initiative to educate their customers related to accumulation of reward points and its redemption process. The study also found that majority of the stores were not offering additional discount on bulk purchases and surprise gift to the loyal customers. Hence, it is recommended that the stores can focus on incorporating this kind of initiative for customer retention.

### **Conclusion**

The store marketing practices in the study has high relevance on customer relationship management practices. The respondents' opinion to the store oriented marketing practices and product oriented marketing practices are satisfied similarly in the sales oriented marketing practices are concerned, the study suggested to focus on customer services. Promotion oriented marketing practices were majorly focused on discounts and advertisements, but study revealed apart from these areas, there is a requirement of giving importance on other initiatives. The success of the customer relationship management purely depends on the effective implementation of retail marketing practices, therefore the study examined each marketing practices of selected retail stores and inferred relevant thoughts based on gathered information.

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