

CRM; A STRATEGIC TOOL FOR LONG LASTING RELATIONSHIP – AN ANALYTICAL STUDY OF BIG BAZAAR, SHIVAMOGGA

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Abstract

CRM is an arrangement of plans, policies, processes, and practices executed by an organization to combine its customer relations and provide a means to track customer database. It entails the use of technology in attracting prospective and potential customers, while forming tight bonding with existing customers. The study focused on discussing the CRM practices of Big bazaar along with it explained brief information of retail industry in India and its various formats. The major objectives of the study is to understand the CRM practices and conceptual information of retail industry, along with it discusses and analyzes various CRM strategies of big bazaar. The study finally concluded by explaining the importance of customer relationship management and importance implementing better CRM practices.

Keywords: Customer loyalty program, Customer retention, Customer relationship customer response, Organized Retailing.

1. Introduction

Customer Relationship Management is a promising tool which facilitates the marketers to maintain their presence in the dynamic marketing environment. CRM is highly exercised in the industry like hospitality, services industry etc, but it is having equal importance in the retail industry too. CRM is an arrangement of plans, policies, processes, and practices executed by an

organization to combine its customer relations and provide a means to track customer database. It entails the use of technology in attracting prospective and potential customers, while forming tight bonding with existing customers.

CRM is high on the corporate agenda. Recent research carried out by Business Intelligence reveals that six out of ten companies have already started out on the CRM journey. The preceding literatures also express that if customers were not treated fairly, they don't take single second to switch the preference and break the loyalty of the organization, in such scenario it is the CRM program of the organization which will influence the customers to continue their visit with same retail outlets. CRM desires a deep understanding of the customer opportunities, attitudes and their behavior through a well maintained customer database and strategies.

The fundamental goal of CRM practices is to ensure customer satisfaction and customer delightedness at every stages of 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. Retail industry in India

Indian retail industry has its own reputation, prior to the revolution of industrial activities; retail businesses 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. Eventually the ancestors concerned unorganized retail businesses were gradually started diminishing 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, from those days onwards the concept of organized retail was initiated. 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.

Table no 1. Showing various formats of Retail Stores

Store based retailing	Non Store based retailing
Specialty Stores	Direct Selling
Departmental Store	Direct Marketing
Supermarket	Automatic Vending
Convenience Stores	Online retailing
Off - Price Retailer	
Discount Store	
Catalog Showroom	

3. Brief note of Big bazaar

Big Bazaar is a mega departmental shopping destination and it is India's largest hypermarket that guarantees bigger value for customers' money. Big bazaar promises more for less, addressing a wider range of product lines which are of interest to mass market. The high service levels, good ambience and implicit guarantees make shopping at Big bazaar a worry free experience. Store offers a wide range of apparel and accessories, cosmetics, grocery and vegetables, crockery, etc. all these at a fair prices

Big bazaar is a retail chain of hypermarkets having more than 295 stores in operation across India. It is a subsidiary Future group of companies, founded by Mr. Kishore Biyani who is the current chief executive officer of future group.

4. Objectives of study:

- To understand the conceptual information about Indian retail industry and CRM practices.
- To study the various CRM strategies adopted by the Big bazaar.
- To analyze the CRM practices implemented by the Big bazaar.

5. Need of the study:

The concept of CRM practices in organized retail industries played significant role in the success of many businesses. In a competitive business environment retail sectors implementing various kinds of CRM practices to differentiate their businesses from the competitions. The constant changes made by the retailers can attract the customers? Or do they succeed with the competitions of their rival businesses. Hence, the Study made an attempt to understand the answer for such types of questions in this paper.

6. Scope of the study:

The present study specifically focused on conducting research in Shivamoga city. City with growing opportunities attracted many organized retailers to invest their capital in untouched potential market. Big bazaar being a highly reputed organized retail outlet adopted unique CRM practices compare to others. Hence, there is scope for the study in this specific region to understand CRM practices of big bazaar.

7. Research Methodology

The study has adopted both primary and secondary data for the convenience and successful completion of this research work.

7.1 Primary Data: Primary data is collected from the sources of questionnaire, personal interview and observation

7.2 Secondary data: Secondary data is collected from various sources like text books, published articles, company websites and reputed research journals.

8. Sample Design:

8.1. Sample size: The study has considered the sample size of 50 respondents.

8.2. Sampling techniques: The study has adopted is convenience sampling technique to gather relevant information of the questionnaire.

8.3. Tools and techniques used: The data collected by the respondents compiled in excel, then it has been tabulated analyzed and drawn conclusion with the help of SPSS (20.0 versions).

9. Limitations of the study:

- The study confined to the limited number of respondents.
- The study represents the respondents of Shivamogga city only
- The opinion of the study is restricted to the CRM practices of Big Bazaar, Shivamogga

10. Review of literature:

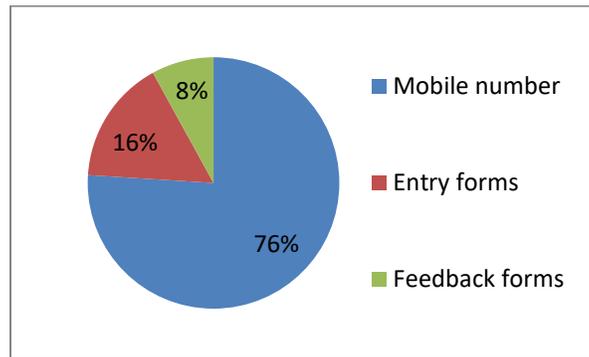
- **Alex Berson , Stephen Smith and Kurt Thearling(2000):** Authors of the book entitled “Building Data Mining Applications for CRM “ have observed that the way in which companies interact with their customers has undergone a radical transformation over the years through adopting the better way of CRM strategy and customer’s continuing business is no longer guaranteed, as a result companies have found that they need to understand their customers better and to quickly respond to their wants and needs.
- **Fred Selnes and James Sallis (2003):** In their article “Promoting Relationship Learning”, have proposed a theory, they have developed on the area how management can develop and promote the learning capabilities of targeted customer- supplier relationships. Here the authors consider the customer management relationship strategies and making effect on customers and supplier relationship. In their article, they consider and the importance of CRM strategies in strengthening customers and supplier relationship.
- **Atul Parvatiyar and Jagdish N.Sheth (2002):** In their article “Evolving Relationship Marketing into a Discipline” explores the conceptual foundations of CRM by conducting and the knowledge of Customer Relationship Management. This study considered various literatures reviews to develop the concept of Customer Relationship Management. It has been pointed out as Customer Relationship Management has been used to reflect a variety of themes and perspectives. Some these themes offer a narrow

functional marketing perspective which others offer a perspective that is broad and somewhat paradigmatic in approach and orientations.

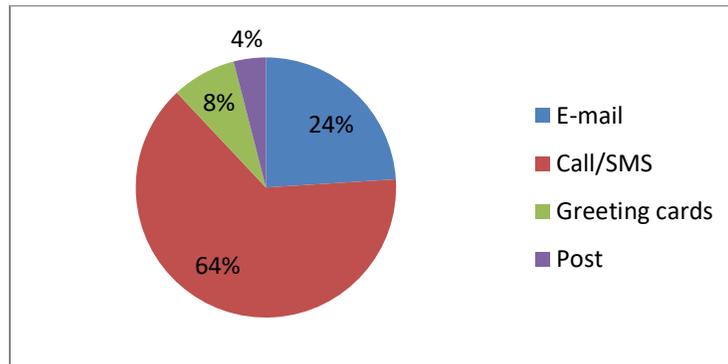
- **MS. Jasmine Kaur (2016)** in her article “Customer Relationship Management: A Study of CRM Policies of Different Companies” shared the basic understanding of the CRM practices of different companies with the helps respective company cases. Study also expressed some of the benefits of CRM practices and discussed the solutions relevant to the cases of selected companies.

11. Results and discussions

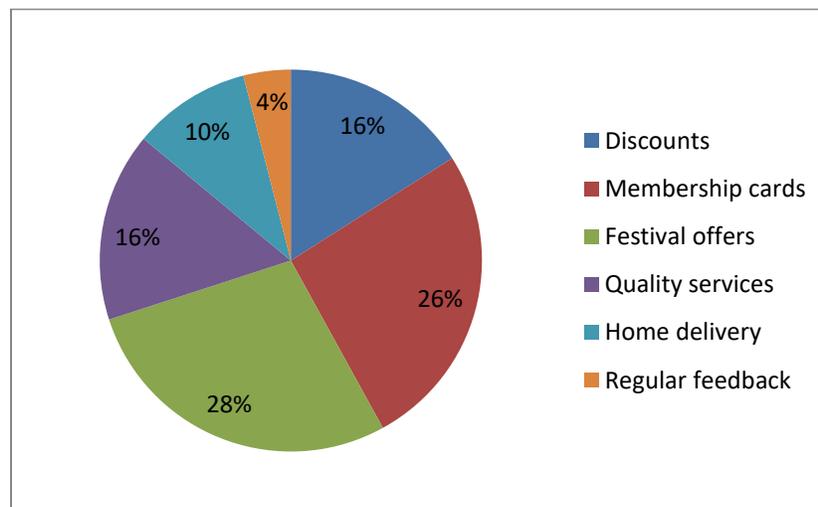
Chart No.1. Showing the sources of data collection from the customers:



Inference: The chart shows majority (76%) of the customer databases were collected from the customer contact numbers and 16 percent of the database were gathered through entry forms and rest of the database i.e. 8% were collected by feedback forms. It means company adopted convenient method of data collection practices rather than wasting the customer precious time in filling the forms.

Chart No. 2. Showing sources of contact between retailer and the customers

Inference: The above chart shows the various sources used by the retailer to contact their customers. 64 percent of the respondents said they were in contact with the retailer through calls or SMSs sources. 24 percent of the respondents expressed they were contacted via email sources. 8 percent of the respondent said they invited through greetings and only 4 percent of the respondents said they received postal invitation. The study clearly understand

Chart No. 3. Showing CRM practices of Big Bazaar to build good relationship with customers

Inference: the above chart reveals the CRM practices of big bazaar, the majority of the respondents i.e. 28 percent will be attracted by the festival offers given by the big bazaar, followed by 26 percent of customers were already enrolled to the big bazaar's membership program (loyalty program), and 16 percent of the respondents expressed that they are visiting to

the big bazaar for discounts and quality of services respectively. 10 percent of the respondents said that the reason for visiting big bazaar is home delivery facilities and 4 percent of the respondents said they are visiting to the big bazaar because they collect regular feedback for improvements.

Table no. 2. Customer response to the CRM practices of Big Bazaar

CRM Practices	SA		A		N		D		SD	
	F	%	F	%	F	%	F	%	F	%
improves customer services	10	20	37	74	3	6	0	0	0	0
helps to understand customer better	8	16	35	70	2	4	3	6	2	4
influence customer to revisit	8	16	32	64	6	12	3	6	1	2
helps to identify customer needs	13	26	28	56	6	12	2	4	1	2
helps the companies to increase revenue	15	30	28	56	3	6	2	4	2	4
introduces new technologies for customer benefits	12	24	28	56	7	14	3	6	0	0
helps to attract new customers	14	28	22	44	8	16	4	8	2	4
ensures customer satisfaction	8	16	34	68	3	6	4	8	1	2

The study considered 5 point likert scale to drawn conclusion on customer responses to the CRM practices. From the above table, each variable would be inferred as follows;

Inference: CRM practices improves customer services are concerned, 94 percent of the respondents expressed positive opinion for this variable because most of the customer basic expectation is that they should be treated fairly and given individual attention. CRM by incorporating such strategy in its practices guarantees services for all customers.

Inference: CRM practices helps to understand customer better is concerned, 86 percent of the respondents are agreed to this statement because CRM gives an opportunity to discuss with every customer like an dislikes personally, this practice help the retailer to understand their customer even better.

Inference: CRM practices influence customers to revisit are concerned, 80% of the respondents are agreed to this statement because satisfaction leads to revisit, regular revisits develop loyalty and loyalty leads to good relationships.

Inference: CRM practices helps to identify customer needs are concerned, 82% of the respondents have given agreed response to this variable because CRM practices always committed to fulfillment of customer needs.

Inference: CRM practices helps the companies to increase revenue are concerned; 86% of the respondents are agreed to this statement because satisfied customer generates increased value to the firm.

Inference: CRM practices introduces new technologies for customer benefits are concerned, 80% of the respondents are agreed to this statement, means the technology implemented by the retailers for the benefits of their customer are performing well and it offering good services

Inference: CRM practices helps to attract new customers, relevant to this variable is concerned, 72% of the respondents are agreed means, CRM practices fundamental objective are fulfilled.

Inference: CRM practices ensure customer satisfaction is concerned, 84% of the respondents have given agreed responses, means the customers are satisfied with the services of Big bazaar.

12. Findings

- It has found that Big Bazaar is undoubtedly collects every customer data through mobile numbers and keeps in touch with customers regularly via the phone calls and SMSs especially during festival seasons.
- It has found that Big Bazaar provides various CRM practices to attract their customers like, membership cards, discount coupons, festival offers and home deliveries etc and it will be a continuous process to retain customers' regularly.
- It is also found that Big Bazaar ensures quality services and makes an attempt to understand their customer needs, taste and preferences etc. to increase sales through repetitive purchases that helps beating the competition.
- It is found that Good CRM practices helps in attracting more customers.

13. Suggestions:

- Big bazaar has to focus more on promotional activities along with CRM practices.
- Training given to the employees must be verified often so that retailers can ensure employees are adhere to the CRM practices and implementing it correctly.
- Big Bazaar should keep offers in regular intervals so that there should not be a long term gap, because offers are the most influencing factors to make buying decisions.
- Inventory management must be quick enough to refill, replace and reorder the required stock to ensure all the needs are available to the customer at one destination.

14. Conclusion

Customer relationship management is a common strategies used by various retailers. Therefore the CRM practices of retailers must be unique enough to attract new and potential customers regularly to the business. Big bazaar being one of the popular retail industries successfully initiated various CRM practices to attract maximum customers. The big bazaar's most successful 'Payback' loyalty program (Membership program) provides huge benefit to the enrolled customers across various outlets and other subsidiaries of future group companies. Similarly, the other companies can also come up with better CRM practices to attract customers during this circumstances if the company would have been treated their customers fairly they can remain in the business without switching to attractive offers of other companies. If not, business will lose such potential and loyal customers. Therefore, the CRM practices of retail companies must be well planned, structured and implemented effectively in the business.

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