

Impact of Customer Relationship Management in Retailing Sector -With Special Reference to Big Bazaar-An Empirical Evidence.

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ABSTRACT

In today's first-paced competitive business environment it's more important than ever to create and maintain long-losing business relationships. Today, Customer Relationship Management (CRM) manages business process spanning sales, support, and marketing creating effective customer interactions. Given the purpose of CRM, the functionality is straightforward, and the benefits of successful deployments clearly generate value and profitability for any company. Grate CRM solutions need to encourage users to interact with the application as well as be in-tune with the business and IT cost-saving needs. "For the modern-day CRM to be world class it needs to be revolutionary in market incursion and evolutionary in technological up gradation." Today the major business focus is towards endowing value addition to the sales cycle, and customer retention rather than constructing a new customer base which is costlier and also an uncertain chase from business perspective. The basic philosophy behind CRM is that a company's relationship with the customer would be the biggest asset in the long-run. It is now vital for CRM vendors to develop a sound understanding of their target organizations customer and deliver them with solutions which help in achieving long-term business relations with their customers. Vendors must also build long-term customer relationship management strategies with the end-user organizations to assure a series of deployments, and hence ensuring a regular revenue stream for themselves as well as their customers.

Increase in the level of satisfied customers make them to retain with the company, which makes company to be successful in terms of profit, more customer attention and to create a benchmark in the market. Hence a study is conducted on customer relationship management at big –bazaar. The data for the study is collected by means of observation, potential interaction with various customers through distribution of questionnaire. And the opinions of the customers are collected through personal interactions. The study has helped to find the satisfactory levels of the customers with the offers or the loyalty programs provided by the big – bazaar and also to study the programs and its effectiveness in the real time. Hence with the help of the study we can conclude that implementation of new offers, and upgrading the existing offers to next levels will play a significant role in attracting more and more new customers, as well as helps in retaining the customers, and creating more loyal customers day – by –day.

Keywords: Financial Performance, CAMEL Model, Public sector Banks, Profitability.

JEL Codes: M31, M37, M38, M39.

1. Introduction:

Customer Relationship Management entails all aspects of interaction a company has with its customer, whether it is sales or service related; it starts with the foundation of relationship marketing. CRM is a systematic approach towards using information and ongoing dialogue to build long lasting mutually beneficial customer relationship. The use of CRM technology forms the crucial front-end of any e-business strategy, essentially CRM has emerged as convivial weapon in the hands of the industry laggards as well as leaders to cascade the business suites; the only touch point which is formulating this base is the awareness amongst the corporatists to suffice the customers already available to the companies to large extent. In today's first-paced competitive business environment it's more important than ever to create and maintain long-losing business relationships.



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It is now vital for CRM vendors to develop a sound understanding of their target organizations customer and deliver them with solutions which help in achieving long-term business relations with their customers. Vendors must also build long-term customer relationship management strategies with the end-user organizations to assure a series of deployments, and hence ensuring a regular revenue stream for themselves as well as their customers.

2. Review of Literature:

- ❖ **Hoenlein (2021):** This Paper has analyzed Usually, customers did not change the company because of habits, switching costs, and a combination of all this was attitudinal loyalty. A company can attract their customers by regularly improving the products
- ❖ **Hoenlein & Kaplan (2021):** Provided a framework with a six-step approach to deal with unprofitable customers and the steps were: Avoid those customers to acquire them, know how to rescue from those customers, try to reject Types of Studies Sources of Sample Papers Country-wise Type of Data Distribution Year wise Categorization Basis of Classification 6 those customers, draw a cost-benefit analysis, familiar with the environment such as legal restrictions and competitive environment and the last step was to make strategies that will low the pain of separation
- ❖ **Soltani & Navimipour (2020):** This Analyses has analysed CRM works around business processes, and integration of information technology and the study found that it was a holistic and complex concept. For successful implementation of CRM requires effective leadership, sourcing, targeting and evaluation strategies
- ❖ **Bompolis & Boutsouki (2019):** This paper has observed Customer overall satisfaction, customer effective commitment, and active social media presence were the main factors for involvement in a new relationship with banks
- ❖ **Choudhury & Harrigan (2019):** CRM technology had a positive association with customer engagement initiatives, information processes. But CRM technology had no direct link with CRM performance`.
- ❖ **Ariffin et al (2018):** This Paper has examined CRM was directly affected by knowledge management (KM) and that to customer knowledge management. Soft skills of humans such as change management, knowledge sharing, and team collaboration were the main barriers in information system implementation
- ❖ **Khalifa & Shen (2016):** This paper has examined Product customization; website customization & dynamic pricing were the most effected strategies in one to one mode. E-CRM drivers such as alerts, search capabilities, order tracking and problem-solving plays a vital role in customer satisfaction
- ❖ **Llamas-Alonso et al (2015):** Proposed a measuring system in CRM which includes dimensions like business & competitive strategy, resources, business processes, products and services, customers and external factors.
- ❖ **Saarijarvi et al. (2015):** The paper has evaluated the New CRM waves identified, i.e., Customer loyalty, Firm differentiation, Firm values, Firm image, which were not only

useful for the firm's value but also for customers

- ❖ **Matis & Ilies(2015):** This paper has It was essential to know the profitable customers in order to get the maximum benefit of the CRM system. CRM system helps in reducing cost and in identifying profitable customers, but it cannot replace human labor as humans develop unique strategies for retaining customers for long term
- ❖ **Verhoef (2015):** Commitment and loyalty programs have a positive effect on customer retention and customer share development. Also, the same strategies work for both customer retention and customer share development

3. Statement of the Problem:

The data was collected through structured questionnaire. Questions can be categorized into multi-choice and open-ended questions. Questionnaires were designed for consumers. Care was taken to ensure that the questions framed were compatible with research objectives. Firstly, by taking the sample questionnaires, a pilot survey has been conducted among the various sections of the people. Wording and sequencing of questions, choice of respondents, information sought and instruments clarity as a whole, were tested. After taking the exactness and correctness the final version of the questionnaire has been drafted and was taken up for field survey purposes.

4. Research Gap:

Good customer service is the lifeblood of any business. You can offer promotions and slash prices to bring in as many new customers as you want, but unless you can get some of those customers to come back, your business won't be profitable for long. Good customer service is all about bringing customers back. And about sending them away happy - happy enough to pass positive feedback about your business along to others, who may then try the product or service you offer for themselves and in their turn become repeat customers.

4. Research Questions:

- ❖ Provide customer and staff with clear standards and expectations
- ❖ Ensure all customers contact reaches an appropriate conclusion
- ❖ Minimize incidences of repeat contact
- ❖ Seek to provide seam less service for customers
- ❖ Provide equal and easy access to our services at a time, place, channel that meet the needs of residents, businesses, and other stake holders

5. Objectives of the Study:

- ❖ To determine the Store loyalty of the customer
- ❖ To analyze the impact of Loyalty programs on the Retention of customer

6. Hypotheses of the Study:

H0:There is no significant relation between the customer satisfaction with respect to loyalty programs.

H1: There is significant relation between the customer satisfaction with respect to loyalty

programs.

7. Research Methodology:

❖ Sampling Plan:

Since it is not possible to study whole universe, it becomes necessary to take sample from the universe to know about its characteristics.

- ® Sampling Units: Customers of Big bazaar.
- ® Sample Technique: Random Sampling.
- ® Research Instrument: Structured Questionnaire.
- ® Contact method: Personal interview.

❖ Sample size:

The work is a case of big bazaar one of the Retail Sector industries together representing great per cent of the market share of Indian retail sector. The survey was conducted in the city of Hyderabad with Tarnaka branch of big bazaar, with 200 customers as respondent.

❖ Source of Data:

Data, which is to be used for the project, has come both from primary sources as well as secondary sources

❖ Primary Data Sources:

The crux of the report is based on the information collected from the respondents with the help of questionnaires. The primary source of information have been consumers who have filled up the questionnaire, Consumer who interviewed separately and the respondents jotted down in the questionnaire for the purpose.

❖ Secondary data sources:

Information has also been borrow from both internal sources such as company records and external sources like journal, magazines and book on marketing research

❖ Data Collection Method:

The survey method was employed for primary data collection. The medium of data collection was through personal interviews. Where the respondents were questioned in face-to-face meeting the consumers were met either in their homes (or) place of work. Some of respondents were questioned through telephones,

❖ Tools For Data Collection

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❖ Statistical tools:

In the context of the present study, the following statistical tools have been used:

❖ Frequency distribution table:

A frequency distribution refers to data classified on the basis of some variable, which can be measured such as age, income etc.

❖ **Percentages:**

Percentages are used to describe relationships, since they reduce everything to a common base and there by allow meaningful comparisons to be made.

❖ **Pie diagram:**

There are pictorial representations of statistical data with several subdivisions in a circular form and column form respectively.

8. Need for the study:

- ❖ Organizations having been competitive environment with relationship management of customer and they are attracting the customer with some effective sale promotions. But some organizations need to evaluate the purpose, utility, effectiveness of customer satisfaction. They are fails to evaluate this customer relationship management. So these studies has been undertaken to assess the customer relationship management in the organization.
- ❖ The increasing competition in business is the reason to pay much more attention to satisfying customers. It may help the market to notice role of customer satisfaction in the overall context of product of service development and management.
- ❖ Customers do not buy services, they buy satisfaction. Hence marketers must be clear about the satisfaction the customer is seeking and check out whether the customers are getting the actual satisfaction. This study helps the marketers to take necessary steps to gain the competitive advantage over the competitors.

9. Scope of the Study:

- ❖ The scope is confirmed only to examine the “Customer relationship management with reference to BIG-BAZAAR” and to find possible remedies to counteract their competition in the mar.
- ❖ The scope is very limited because attitude of the people changes according to the time.
- ❖ The study is restricted to both Hyderabad and Ranga Reddy Dist and that to among 200 respondents.
- ❖ The study is conducted for 45 days.

10. Limitations of The Study:

- ❖ The study is only for the big bazaar confined to a particular location and a very small sample of respondents. Hence the findings cannot be treated as representative of the entire retail industry.
- ❖ Respondents may give biased answers for the required data. Some of the respondents did not like to respond.

- ❖ Respondents tried to escape some statements by simply answering “neither agree nor disagree” to most of the statements. This was one of the most important limitation faced, as it was difficult to analyze and come at a right conclusion.
- ❖ In our study we have included 200 customers because of time limit time is also one of constraints. Duration of 45 days is not sufficient to cover all the aspects of the study.

11. Result and Discussion:

1. How do you feel about t24 talk time loyalty program in big –bazaar?

Crosstab						
Count						
		V17				Total
		1	2	3	4	
Occupation	1	7	23	6	4	40
	2	13	39	14	5	71
	3	10	40	25	4	79
	4	1	4	5	0	10
Total		31	106	50	13	200

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.651 ^a	9	.379
Likelihood Ratio	9.927	9	.356
Linear-by-Linear Association	1.316	1	.251
N of Valid Cases	200		
a. 5 cells (31.3%) have expected count less than 5. The minimum expected count is .65.			

Interpretation: The table value of chi-square for 9 degrees of freedom is 16.919, and the calculated value is 9.651, as the calculated value is lower than the table value, we have to accept the null hypothesis. hence the conclusion is that there is no significant variation with the customer satisfaction with respect to loyalty programs based on customer relationship management.

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3. Loyalty Programs Offered By Big-Bazaar To The Customers Are Beneficiary

Crosstab						
Count						
		V17				Total
		1	2	3	4	
occupatio n	1	30	5	5	40	40
	2	40	6	25	71	71
	3	54	5	20	79	79
	4	7	1	2	10	10
Total		31	131	17	52	200

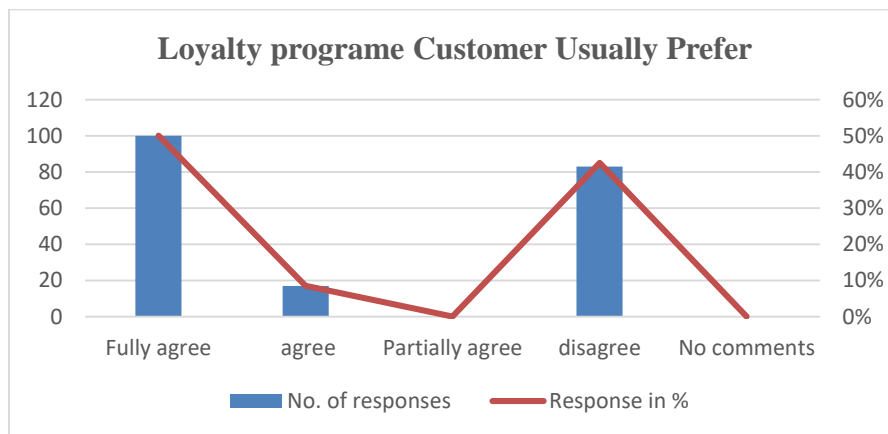
Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.081 ^a	6	.232
Likelihood Ratio	8.496	6	.204
Linear-by-Linear Association	.097	1	.756
N of Valid Cases	200		

a. 5 cells (31.3%) have expected count less than 5. The minimum expected count is .65.

Interpretation: The table value of chi –square for 6 degree of freedom is 12.592, and the calculated value is 8.081^a, the calculated value is lower than the table value. Therefore the hypothesis is valid and it holds good. Hence, we have to accept the null hypothesis, therefore the conclusion is that there is no significant variation with the customer satisfaction with respect to loyalty programs

1. Do you agree with the statement that offers and loyalty programs in big-bazaar provided to customers helped them to be a loyal customer of big-bazaar?

Options	No. of responses	Response in %
Fully agree	100	50%
agree	17	8.5%
Partially agree	0	0%
disagree	83	42.5%
No comments	0	0%



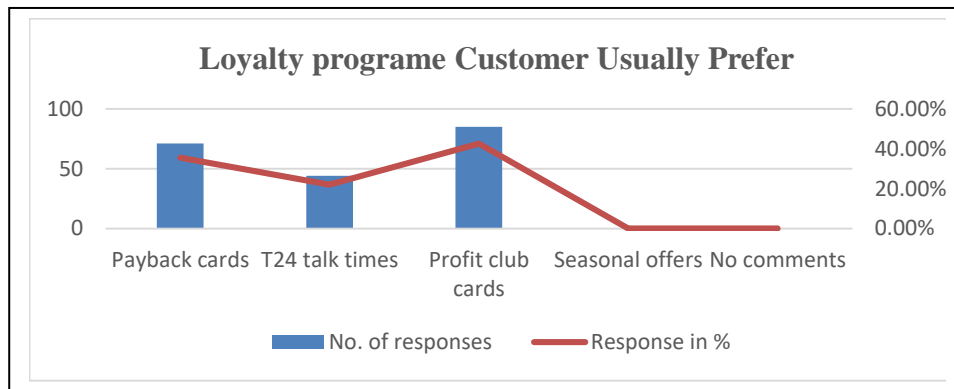
Interpretation:

From the above table 42.5% of respondents disagrees with the statement, 50% of the respondents fully agree with the statement and 7.5% agrees with the statement that loyalty programs offered by big-bazaar helped them to become loyal customers to the company

2. Which loyalty program do you usually prefer

Options	No. of responses	Response in %
Payback cards	71	35.5%
T24 talk times	44	22%
Profit club cards	85	42.5%
Seasonal offers	0	0%

No comments	0	0%
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Interpretation:

From the above table 42.5% of respondents disagrees with the statement, 50% of the respondents fully agrees with the statement and 7.5% agrees with the statement that loyalty programs offered by big-bazaar helped them to become loyal customers to the company

12. Findings of The Study

- ❖ There is no significant variation with the customer satisfaction with respect to loyalty programs
- ❖ 60% of the respondents are fully aware of the loyalty programs offered by big bazaar
- ❖ 62% of the respondents feel satisfactory about the payback cards loyalty programs in big bazaar
- ❖ 53% of the respondents feel satisfied about the T24 talk-time loyalty program in big bazaar
- ❖ 68.5% of the respondents feel satisfied about the profit club cards loyalty programs in big bazaar
- ❖ 43% of the respondents usually prefer profit club cards loyalty program offer
- ❖ 66% of the respondents feel that the loyalty programs offered by big-bazaar are very beneficial to the customers
- ❖ Mainly 38% of the customers are attracted to the discounts, 25% of them are to 1+1 offers, 23% of them to advertisements and 14.5% of them are attracted to promotional activities given by the big-bazaar.
- ❖ 42.5% of the customers usually prefer profit club cards, 35.5% of them prefer payback cards, and 22% prefer T24 talk time cards.

- ❖ Only 35% of the respondents are visiting big-bazaar again and again through the loyalty programs.

13. Suggestions of The Study:

- ❖ Customer loyalty can only be gain by providing good or satisfied services to the customers, and most of the customers take on the spot decisions of buying different products because of the various attractive products display.
- ❖ Quality plays a major role because most respondent said that they want a quality product and that's also one of the reasons for most of the customers sticking to particular brand.
- ❖ Customers are very price conscious they are having many options in the market, so going for high low pricing rather than everyday low pricing.
Implementation of new offers like weekly coupons, monthly gifts on some amount of purchase, and seasonal offers, festival bonanza offers etc., which helps to attract new customers as well as to retain customers.

14. Conclusion of The Study

- ❖ The existing customer loyalty programs at big-bazaar are good and satisfying around 70% of the customers with various offers
- ❖ Big-bazaar is successful at attracting more customers by offering loyalty programs like T24 talk time, payback cards, profit club cards etc.
- ❖ Big –bazaar is successful at retaining customers as 66% of the customers feel satisfactory with the services as well as the offers provided by the big-bazaar.
- ❖ And the offers provided by big-bazaar has proven beneficiary and attractable and satisfactory as 66% of the respondents or customer felt the same.
- ❖ According to chi square analysis, it is proved that the customers are well satisfied with the present offers and implementation of new offers can make retention of more customers as well as the it can accumulate more loyal customers from the market.
- ❖ Therefore, customer loyalty programs are leading to retain as well satisfy more customers and making them to be loyal towards big-bazaar by their offers.

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