Customer relationship management as a tool to enhance customer loyalty: A study of selected retail stores

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Abstract

CRM is quite a new phenomenon in retailing industry. Nowadays retail stores have realized the importance of customer relationship management (CRM) and its potential to help them retain the existing customers. The purpose of this study was to determine the CRM practices through literature review, to what extent the retail stores under study have adopted CRM practices , loyalty level of customers of the respective retail stores and finally to determine the relationship between CRM practices adopted by the retail stores and loyalty of their customers. 100 questionnaires were filled for retail stores and 263 questionnaires from customers to determine the loyalty for the retail stores. Finally it could be concluded that Shortcomings do remain in each of the retail store with respect to the deployment of the CRM best practices though the degree of the same varies from retail store to retail store. The kirana stores are the most lagging as far as the deployment of CRM is concerned among all other types of retail store types.

Keywords:

CRM, Loyalty, Retail Stores, Delhi/NCR

Introduction

In the mid-twentieth century, mass production techniques and mass marketing changed the competitive landscape by increasing product availability for consumers. However, the purchasing process that allowed the shopkeeper and customer to spend quality time interacting with each other was also fundamentally changed. As a result, customers lost their uniqueness becoming an "account number". Shopkeepers lost track of their customers' individual needs as the market became full of product and service options. Many companies today are striving to re-establish their connections to new as well as existing customers to boost long-term customer loyalty (Chen and Popovich, 2003).

The world has come full circle from selling to marketing and from seller's market to buyer's market. The customer today has the option to buy what he thinks he should and from whom, being in his best interest.

Product development, technological improvement, cost optimization and excellent service facility are very important for any organisation but their importance is only if the customer appreciates it. For example, both diamond and coal are carbon but they are priced differently due to different valuations by the customer. Therefore, any business begins and ends with the customer (Sugandhi, 2002). Thus, service organizations are shifting their focus from "transactional exchange" to "relational exchange" for developing mutually satisfying relationship with customers. Extended relationships are reported to have a significant impact on transaction cost and profitability, and customer lifetime value. Serving the customers, in true sense, is the need of the hour as the customer was, is and will remain the central focus of all organizational activities.

Literature Review

Modern marketers are rediscovering the ancient mantras for success in corporate world and blending them with contemporary marketing practices. Long term survival and competitive advantage can only be attained by establishing an emotional bond with the customers. A shift is taking place from marketing to anonymous masses of customers to developing and managing relationships with more or less well known or at least some identified customers (Gronroos, 1994).

Relationship Marketing

Professor M.S.Vardani and Deepali Singh (1999) attempted to examine the status of relationship marketing in India, based on the perception of cross-section of marketers as a technique for developing lifetime customers. They suggested ways to marketers in order to win their customers' heart and also to develop value-laden strong relationships with them.

Customer Relationship Management

The dictionary meaning of the term relationship describes it as 'A logical affiliation, association, or connection between two entities that benefit both of them. Customer Relationship Management (CRM) advocates for long-term mutually beneficial relationships between consumers', companies' and other stakeholders.' (Oxford dictionary 2000)."CRM ...an enterprise wide business strategy designed to optimize profitability, revenue and customer satisfaction by organizing the enterprise around customer segments, fostering customer-satisfying behaviors and linking processes from customers through suppliers."**Gartner Group**

Customer Relationship Management, or CRM, is broadly defined as the business process of understanding, collecting and managing all of the information in a business environment relating to a customer. The goal of CRM is to more effectively communicate with customers and improve customer relationships over time. **James Wong, President, Avidian Technologies.** Developers of **Prophet 2004** "CRM is the business strategy that aims to understand, anticipate, manage and personalize the needs of an organization's current and potential customers" **PWC Consulting**

Customer Relationship Management (CRM) is a way to identify, acquire, and retain customers, a business' greatest asset. Research has shown that companies that create satisfied, loyal customers have more repeat business, lower customer-acquisition costs, and stronger brand value—all of which translates into better financial performance. **Siebel**

"CRM is a business strategy that permeates your entire company - beginning with the acknowledgement that your customer is the center of your organization. Allyour management decisions, systems, processes, marketing, advertising, sales approaches, customer retention programs, product or service enhancements ,on-going support, billing, pricing - everything revolves around your customer . Your overall organization's business processes are designed to enhance your relationships with customers and their customer experience. Furthermore, your organizational systems are built to continually gain insight into your customers so that you that you can constantly improve your business strategies with more informed decision making. Everything about your company is arranged to retain, foster and extend the life cycle of your most valuable asset - your customers. **"Unknown**

CRM stands for Customer Relationship Management. It is a strategy used to learn more about customers' needs and behaviours in order to develop stronger relationships with them. There are many technological components to CRM, but thinking about CRM in primarily technological terms is a mistake. The more useful way to think about CRM is as a process that will help bring together lots of pieces of information about customers, sales, marketing effectiveness, responsiveness and market trends. **CRMworks**

Customer relationship management (CRM) is a set of strategies, processes, and associated technology enablers designed to improve the interactions and engagement of customers. It involves not only the use of these systems, but also corporate cultural transformation and ongoing programs with the appropriate organizational framework.

Sales force automation (SFA), customer service and support, and enterprise marketing management are among the main CRM areas. **TEC.**

CRM, or Customer Relationship Management, is a company-wide business strategy designed to reduce costs and increase profitability by solidifying customer loyalty. True CRM brings together information from all data sources

within an organization (and where appropriate, from outside the organization) to give one, holistic view of each customer in real time. **Unknown**

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The idea of CRM is that it helps businesses use technology and human resources to gain insight into the behaviour of customers and the value of those customers.

Unknown

Customer relationship management (CRM) is a business strategy to select and manage the most valuable customer relationships. CRM requires a customer-centric business philosophy and culture to support effective marketing, sales, and service processes. CRM applications can enable effective customer relationship management, provided that an enterprise has the right leadership, strategy, and culture. **CRM Guru**

Key features of CRM tools: CRM includes all business processes in sales, marketing, and service that touch the customer. With CRM software tools, an enterprise might build a database about its customers that describes relationships in sufficient detail so that management, salespeople, people providing service, and even the customer can access information, match customer needs with product plans and offerings, remind customers of service requirements, check payment histories, and so on. **Unknown**

Essentially, CRM is about increasing the customer base, retaining those customers longer and cultivating them into customers who buy more products and services.

Customer relationship management (CRM) is a business strategy that aims to understand, anticipate and manage the needs of an organization's current and potential customers. It is a journey of strategic, process, rganizational and technical change whereby a company seeks to better manage its own enterprise around customer behaviors. It entails acquiring and deploying knowledge about one's customers and using this information across the various touch points to balance revenue and profits with maximum customer satisfaction. **SalesProCRM.**

The goal of CRM is to ensure customer satisfaction & delight at every level of interface with the company (Pahuja & Verma,2008).

"CRM builds especially on the principles of relationship marketing; the formal study of which goes back 20 years.

CRM builds on the philosophy of relationship marketing. This emphasis on relationships, as opposed to transactions, is redefining how companies are interacting with their customers. Customer relationships have received considerable attention from both academicians and practitioners. The increasing emphasis of relationship marketing is based on the assumptions that building committed customer relationships results in greater satisfaction, loyalty, positive word of mouth, business referrals, references, and publicity. Intense competition for market share in today's market requires managers to attend to customer retention and the how' s or whys of a patron returning and continuing to repurchase." (Tariq Mohiuddin Ahmed - p.1) "CRM is a highly fragmented environment and has come to mean different things to different people. As the thought and approach to CRM is in the initial stages and not fully matured, one can find different perspectives and definitions of CRM. According to Gummesson, CRM is the values and strategies of relationship marketing - with particular emphasis on customer relationships - turned into practical application. Swift's states that CRM is an enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability." (Ibid)

Ramanakumar, KPV(2008) writes about the Customer Relationship Management or Relationship Marketing. He refers to all marketing activities directed towards establishing, developing and Maintaining relational exchanges successfully.

According to V. Ramanathan (2008), CustomerRelationship Management is an emerging tool that enables retail marketers to maintain their presence in the dynamic market environment.

"To survive in the global market, focusing on the customer is becoming a key factor for companies big and small. It is known that it takes up to five times more money to acquire a new customer than to get an existing customer to make a new purchase. A Second aspect of CRM is that knowing the customer and his /her problem allows to acquire new customers more easily and facilitates targeted cross-selling." (Tariq Mohiuddin Ahmed - p. 9)

2.3 Customer Retention

The benefits of customer loyalty to a provider of either services or products are numerous, and thus organizations are eager to secure as significant a loyal customer base as possible (Gefen, 2002; Reinartz & Kumar, 2003; Rowley & Dawes, 2000). Recent developments in Internet technology have given the Internet a new role to facilitate the link between CRM and customer loyalty (Body and Limayem, 2004). It is common knowledge that a dissatisfied and

unhappy customer will share his unfortunate experience more than a satisfied customer. It is also observed that a fraction of unhappy customers choose to complain while others simply switch their loyalty to others service providers. Loss of customer is loss of business along with the opportunity for business growth and profitability. Feedback collection from the customer is essential for the supplier to ascertain customer satisfaction and scope for improvisation (Sugandhi, 2002).

The fundamental reason for companies aspiring to build relationships with customers is economic. For survival in the global market, focusing on the customer is becoming a key factor for companies big and small. Establishing and managing a good customer relationship is a strategic endeavor. Having a CRM software installed does not ensure a successful customer relationship. For this to happen business processes and company culture have to be redesigned to focus on the customer. CRM software can be only a tool to implement a customer strategy. It is known that it takes up to five times more money to acquire a new customer than to get an existing customer to make a new purchase. Improving customer retention rates increases the size of the customer base. Thus, customer retention is essential. (Baumeister, unknown).

"Customer retention is increasingly being seen as an important managerial issue, especially in the context of saturated market or lower growth of the number of new customers. It has also been acknowledged as a key objective of relationship marketing, primarily because of its potential in delivering superior relationship economics, i.e. it costs less to retain than to acquire new customers. The assumption is that generalized theories, which imply universal applicability, tend to overlook the distinctive impact of conceptualized business conditions on effective customer retention strategies. The fact is that both theoreticians and managers should consider "business context" in developing and implementing customer retention strategies." (Rizal Ahmad & Francis Buttle - pp. 149-161).

"With the cost of losing customers rising every day, companies continually seek new ways to acquire, retain and increase business. Service has long been an important factor in customer retention, and new research suggests its role is more critical than ever and will continue to grow throughout the 1990s." (Jennifer Potter - P. 53-56)

Going over to customer loyalty, Oliver (1999) defined it as a deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite situation influence and marketing efforts having the potential to cause switching behaviour. Thus, loyalty has both an attitudinal and behavioural dimension (Day, 1969; Dick and Basu, 1994). Behavioural loyalty will include examples like repeat purchase, word of mouth, etc while attitudinal loyalty will comprise examples like trust or emotional attachment (Baumann et al., 2005).

Customer loyalty can be defines as "customer behavior characterized by a positive buying pattern during an extended period (measured by means of repeat purchase, frequency of purchase, wallet share or other indicators) and driven by a positive attitude towards the company and its products or services" *(Looy, Gemmel & Dierdonck, 2003).*

Further, behavioural loyalty does not necessarily reflect attitudinal loyalty, because there might exist other factors that prevent customers from defecting (Aldlaigan and Buttle, 2005; Liljander andRoos, 2002 Reinartz and Kumar, 2002). Customer loyalty has been additionally related to profit levels (Reichheld and Teal, 1996). Besides, customer loyalty is one of the key objectives of CRM (Das, 2004;Lindgreen, 2004; Parvatiyar and Sheth, 2001; Payne, 2002; Sin et al., 2005).

Research Methodology

Objectives of the Research

1. To determine the best practices with regard to CRM in retail stores.

2. To determine the extent of CRM deployment in the Indian retail stores.

3. To determine the loyalty level of consumers for selected retail stores.

4. To determine association between deployment of CRM best practices and customer loyalty in retail stores.

The study of the topic *"A Study on Customer relationship management: as a tool to customer loyalty - in select retail stores''* focused moved from a qualitative methodology to a quantitative one in two stages. During qualitative research the primary focus was on finding out what constituted CRM practices. The quantitative research sought to find the levels of critical capabilities of analytical CRM systems acquired by retail stores (as found from qualitative research and academic Literature)

Stage 1: Qualitative research: Informal interviews were held with key people in various retail stores.

Stage 2: Quantitative research : a. The major variables identified in stage 1 were used as items in a questionnaire and administered to key personnel in various retail stores and b. another questionnaire was devised for the customers of this retail store to derive the loyalty levels of these customers.

A) Survey of CRM best practices in retail stores

This survey attempts to measure the extent of deployment of

CRM best practices across the retail stores of Delhi and NCR. The sample taken to conduct this survey is 100 and 31 different retail stores were selected on the basis of different sizes, products sold, difbrand value, pricing and distribution strategies. The research design is descriptive in nature.

Questionnaire Development

In order to develop a questionnaire comprising the CRM best practices, review of literature was done. Based on the review of literature mentioned earlier, various statements were developed each representing a CRM practice. A panel of experts was formed to validate, trim and refine the initial items. The panel consisted of five experts: two academics, who specialized in CRM and retail management and three executives who at different levels in the retail sectors.

Validity and Reliability

In this study, the actual number of observations (100 observations) is lesser than the minimum requirement of 135 observations and, therefore, factor analysis is not feasible. However, since the statements have been generated from an review of academic and practitioner's literature, it is assumed that construct validity will hold.

In addition, content validity of the scale was evaluated by the panel of judges who found it to be a good scale measuring the extent of deployment of CRM best practices. Further, the questionnaire was pre-tested with a set of five retail store managers similar to those targeted to participate in the research.

The pre-testing results indicated that the questionnaire was clearly understandable and unambiguous leading to the conclusion that the questionnaire had adequate content validity.

Regarding external validity, the findings cannot be generalized to the other retail stores of other cities as well as the sample was non-probability in nature.

Reliability was computed using Cronbach's coefficient alpha for the entire set of 27 best

practice statements and was found to be 0.894, which is much higher than the threshold value of 0.65

Sources of Data

For the study of the topic, both primary and secondary sources of data will be taken because one source of data is not enough to fulfil the requirements of the study

Primary Data

Primary data is that, which is collected afresh and for the first time and it happens to be original in character. For collection of primary data survey & observation method is to be used. Primary data would be collected to get information

about the cost, advantages and implementation priorities of CRM in retail store. The data would be collected from customers of retail stores and few selected retails stores. Few selected retail stores are:

- **Kirana stores:** Primary data was collected from various kirana stores like Hari Om, Gupta general stores

- **Department stores:** Data was collected from Shopper's Stop, Lifestyle, Sanondya, Globus.

- **Specialty Stores:** Primary data was collected from Blackberry, Littles, Lilliput, US Polo, Satya Paul, Koutons, Planet M, Lotus Inc, Monte Carlo, United Colors of Benetton, Sunrise Furniture and Interior, The mobile store, Toshiba, Reebok, Sparx, Shahid juice corner, Panasonic India.

- **Hypermarkets/ Supermarkets:** Primary data was collected from Big Bazaar, Reliance, Spencers, Vishal Megamart

Secondary Data

Secondary data are those which have already been collected by some reputed agency and which have already been processed. The following sources of collection of secondary data will be used.

- Websites of various retail stores

- Newspapers and magazine articles.

- Various Publications of market players

Population for the Current Study

The population for the study is defined as *the retail stores based in Delhi and NCR Gurgaon, Greater Noida, Noida, Faridabad and Ghaziabad city with at least one year of commercial operation.* The business organizations need to complete a significant period of operation (in this case, one year) after which the practices can be considered to be well established and suitable for comprehensive description.

- **Sample Frame:** Key personnel primarily from lower, middle level and a few from top management of selected retail stores and customers of those retail stores.

- **Sample size:** 100 retail stores

- **Geographic Scope**

For matter of convenience, the study was restricted to Delhi and NCR Gurgaon, Greater Noida, Noida, Faridabad and Ghaziabad city with at least one year of commercial operation.

Scale administered in questionnaire

The questions were administered using a rating scale with the pointers - "(1) strongly disagree", "(2) disagree", "(3) neutral", "(4) agree", and "(5) strongly agree". **Sample Plan**

• **Sampling method:** Non -probabilistic convenience sampling was used for data collection

• **Sample extent.** The survey was carried out for a period from February 2009 to February 2011

• Data Analysis Tools and Techniques

• SPSS was used in the calculations, analysis and statistical testing of data. Some of the data was not found fit for further analysis.

B. Consumer Loyalty Survey

• Respondents for the study

• The respondents for the customer loyalty survey comprised of 263 sample of low, medium and high networth customers of retail stores.

• **Sample size:** 263 consumers of the selected 31 retail stores

• **Sampling method:** Non -probabilistic convenience sampling was used for data collection

• **Sample extent.** The survey was carried out for a period from February 2009 to February 2011

• Data Analysis Tools and Techniques

• SPSS was used in the calculations, analysis and statistical testing of data. Some of the data was not found fit for further analysis.

• The statistical tools used are Cronbach, Mean and frequencies.

• Scale administered in questionnaire

• The questions were administered using a rating scale with the pointers - "(1) strongly

• disagree", "(2) disagree", "(3) neutral", "(4) agree", and "(5) strongly agree".

Hypothesis to be tested

A Hypothesis testing is a special proposition, formulated to be tested in a certain given situation as a part of research which states what the researcher is looking for, the broader hypothesis for the research are as follows :-

(1) Hypothesis 1 (H_1): There is a strong association between deployment of CRM best practices and loyalty levels among consumers.

Null Hypothesis ($H0_1$): There is no strong association between deployment of CRM best practices and loyalty levels among consumers

Analysis

Table 1: The extent of CRM deployment by retailers

Average of Average	
Retail —	Total
Archies	4. 04
Big B az a	3. 86
Blackber	4. 37
Croma	4. 1 5
Globus	3. 93
Gupta General Store	3. 33
Hari Om	3. 36
Koutons	4. 41
Kurlon L	4. 02
Lifesty l	4. 25
Liliput	4. 18

Littles	4.	15
Lotus Inc Cosmetics	4.	00
Macro Sporting House	3	28
Madhusudhan Footwear	2	76
Monte Carlo	3.	89
Panasonic India	4.	13
Planet M	3.	33
Reebok	3.	84
Reliance	3.	89
Sanodyay	3.	50
Satya Pa	4.	69
Shahid Juice Corner	2	94
Shopper'	4.	52
Sparx footwear	3.	65
Spencers	4.	04
Sunshine furniture and interior	3	41
The Mobile Store	4.	02
Toshiba	4.	09
United Colors of Benetton	3	65
US POLO	3.	96
Vishal Mega Mart	3.	85
^Vills Lifestyle	4.	30

Table 2 : Customer Loyalty store wise

Average of Mean		
name of the retail store -	Total	
Archies	3	28
Big Bazaar	3	71
Blackberry	3	42
Croma	3	87
Globus	4	28
Gupta General Stores	3	78

Hari Om	3	78
Koutons	3	92
Kurlon L	4	06
Lifestyl	4	33
Lilliput	3	59
Littles	3	50
Lotus Inc Cosmetics	3	93
Macro Sporting House	3	39
Madhusudhan footwear	3	78
Monte Carlo	4	22
Panasonic India	3	56
Planet M	3	53
Reebok	3	55
Reliance	3	63
Sanodyay	3	56
Satya Paul	4	67
Shahid juice corner	3	50
Shopper'	3	86
Sparx Footwear	4	17
Spencers	3	75
Sunshine Furniture & Inte	3	56
The mobile store	3	47
Toshiba	3	75
United colors of Benetton	4	13
US Polo	3	46
Vishal Mega Mart	3	54
Wills Life Style	3	06

Table 3: Relationship between Retail Store, CRM & Loyalty

Retail Store	CRM	Loyalty
Archies	4.04	3.28
Big Bazaar	3.86	3.71
Blackberry	4.37	3.42
Croma	4.15	3.87
Globus	3.93	4.28
Gupta General St	3.33	3.78
Hari Om	3.36	3.78
Koutons	4.41	3.92
Kurlon L	4.02	4.06
Lifestyl	4.25	4.33
Lilliput	4.18	3.59
Littles	4.15	3.5
Lotus Inc Cosmet	4	3.93
Macro Sporting H	3.28	3.39
Madhusudhan Foot	2.76	3.78
Monte Carlo	3.89	4.22
Panasonic India	4.13	3.56
Planet M	3.33	3.53
Reebok	3.84	3.55
Reliance	3.89	3.63
Sanodyay	3.5	3.56
Satya Paul	4.69	4.67
Shahid Juice Cor	2.94	3.5
Shopper'	4.52	3.86
Sparx Footwear	3.65	4.17
Spencers	4.04	3.75
Sunshine furnitu	3.41	3.56
The Mobile Store	4.02	3.47
Toshiba	4.09	3.75
United Colors of	3.65	4.13
US Polo	3.96	3.46
Vishal Mega Mart	3.85	3.54
Wills Lifestyle	4.3	3.06
Total Average	3.87	3.75

Epilogue

The hypothesis can be tested as follows:

(1) Hypothesis 1 (H1): There is a strong association between deployment of CRM best practices and loyalty levels among consumers.

Null Hypothesis 1 (H01): There is no strong association between deployment of CRM best practices and loyalty levels among consumers

Table 3 of the analysis chapter shows that Top 3 CRM

Satya Paul   4.69 (CRM) 4.67 (Loyalty)

Shopper's Stop 4.52 (CRM) 3.86 (Loyalty

Kouton   4.41(CRM) 3.92 (Loyalty)

The tables given above shows that we fail to reject the first null hypothesis (H0i) which states that There is no strong association between deployment of CRM best practices and loyalty levels among consumers

The loyalty research implies that going for CRM deployment may not be a profitable strategy for retail stores, particularly in an Indian context. CRM is an important factor to gain loyalty of the customers. However, it is not the only factor that determines loyalty, there are other factors such as product itself, price, brand and convenience of shopping which also play a vital role in gaining the loyalty of the customers.

Customer relationship management is highly exercised in the industry like hospitality, services industry etc. but it is having equal importance in the retail industry also. The customers don't take a single second when it comes to change the preference and break the loyalty for an organization, in such a situation is it the customer relationship management of the organization which will compel the customers to visit the retail outlet again and again.

The retail store are facing stiff competition in today's scenario they need to provide good quality products, competitive prices, convenience of shopping, branding to customers along with CRM to be able to gain and sustain customer loyalty.

Spending only on CRM and ignoring other factors would not suffice for customer retention.

High net worth customers are the least loyal and most profitable so retailers should concentrate more on those customers to sustain their loyalty.

Kirana stores are lagging behind as compared to other types of retail stores, so they must concentrate more along with other factors on implementation of CRM.

Male customers are less loyal than female customers so the retailers should put in special efforts to lure the male customers.

Customers in the fast developing cities like Greater Noida are less loyal than in other cities than already developed cities. One of the reason is less options in such cities. Hence, competition reduces loyalty for a particular retail store. A retail store needs to have competive edge over their competitors to retain loyalty.

Service class people are the most loyal class among all the occupations under study. So, special attention should be paid to service class people to retain the loyalty.

Lastly, it can be concluded that CRM is a very important marketing strategy in the current scenario. However, it should also be understood that only CRM does not suffice to attain customer loyalty other factors are equally important.

Limitations of Study

The following limitations are the limitations of the study:

- There was lack of proper response from the respondents: The respondents

- The employees in retail stores, are generally busy and engaged in the routine work. Hence many times they did not respond to the research. They did not find any motivation in responding to our questionnaires vis-a-via their work.

- Customers of the retail stores, were asked to fill up the questionnaires at the time they were out shopping so they were reluctant to fill up the questionnaires as they did not want to spend time in filling up the questionnaires but wanted to spend time enjoying and shopping.

- The research is done with the help of samples which have been selected and are only representative of the population. The research isnot a census research which is done on the entire population under study. Hence the data collected may not be fit to be generalized to the entire population.

- It was difficult to access the employees of retail stores especially high level   employees. Compromise was done collecting data from medium or low level employees where high level employees could not be accessed

- The information taken from the respondents did not have proper information especially for retail survey. Some of the employees in retail stores either did not understand the question because of lack of knowledge or some understood the question but did not have

enough information to answer to the questions. This itself has shown that the retail stores implementing CRM are not taking all employees with them for the purpose.

- Since the data was collected from the customers from around the retail stores in questions they reluctant to give negative responses fearing retaliation.

- The sample size was 100 for retailers and 256 for customers. However, the larger sample size would have given even more accurate results which could have be more representative ofthe population

- The last but not the least limitation was related to time and cost of data collection. The research had to be completed within the stipulated time given by the university. Moreover, there is a monetary budget which one has to keep in mind. A lot of expenditure was incurred in going to different cities , different locations in the cities for data collection

Scope for further research

There is also further research scope in this area of CRM in retail. There is ample literature available on CRM in the retail industry. There are innumerous articles suggesting the advantages and disadvantages of CRM. Scholars can carry out research on CRM in retail by selecting some other geographical area and other retail stores not covered in my study. Such studies shall provide valuable data for the retail stores to comprehend extensively customers' expectations and ensure that they are met in the most profitable manner for themselves.

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Appendix III

Webliography

CRM Principles

Key Customer Focus

1. Our competitive advantage is based on building and maintaining long-term customer relationships.

2. We have a Loyalty program to enhance the Lifetime Value of our Customers.

3. We have effective customer recovery strategies including guarantees for service failures.

4. We use the concept of 'Relationship Pricing' in pricing our different products/ services.

5. We do co-branding / affinity partnering programs to provide increased value to our customers.

6. We strengthen the emotional bonds with our customers by wishing them on important occasions.

7. We do cross selling of products / services to increase customer share.

8. We try to educate our customers regarding proper use of our products and services.

CRM Organisation

9. Our top management team provides leadership for building and maintaining customer relationships as a major goal of my RETAIL STORE.

10. Our board meetings give a high priority to non-financial success factors such as customer satisfaction, employee satisfaction.

11. Our top management is actively involved in understanding, interacting with and marketing to customers and asking them for feedback and ideas.

12. My RETAIL STORE makes concerted and coordinated efforts across functions to satisfy our customers

13. My RETAIL STORE commits time and resources in managing customer relationships.

14. Our employee training programs are designed to develop the skills required for acquiring and deepening customer relationships.

15. Our employees at all levels are encouraged and empowered to exceed customer expectations.

16. Customer-centric functions are staffed with well-trained and motivated employees.

17. We train and empower (both financially and in terms of additional authority) the frontline employees to resolve most complaints during the first contact.

Knowledge CRM

18. My RETAIL STORE manages all customer communications so that they are consistently superior and relevant to the customer.

19. We regularly measure and monitor customer satisfaction, loyalty, and commitment.

20. We use information from customers to design or improve our products or services.

21. We take customer feedback seriously and reply to them.

22. Customer and employee feedback is taken using a variety of direct and indirect measures.

23. We have a differential reward system that rewards customers based upon their profit/revenue contribution

24. Our Knowledge Management system provides customer insight, profiles, habits, contact preferences and understanding to improve contact with the customer

25. My RETAIL STORE continuously maintains and monitors our customer information.

Technology CRM

26. Our databases are dynamic in nature and provide comprehensive real-time information about all our customers

27. My RETAIL STORE has the technical expertise and resources to succeed in CRM.

Loyalty

1. I have never seriously considered changing this retail store.

2. I consider myself to be a loyal customer of this retail store.

3. I will continue using the services offered by this retail store.

4. I will use other products/ services offered by this retail store in the future.

5. I recommend my retail store to others.

6. I will switch to a competitor retail store that offers more attractive benefits/ products/ services.

7. I will switch to a competitor retail store when there are problems with the current retail store's service

8. I deal with the retail store because I want to, not because I have to.

9. Sometimes I get a feeling of being trapped **** reverse score