



# A Study on Customer Relationship Management towards Retailers in Srivilliputtur Taluk

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**Abstract** - Customer Relationship Management (CRM) is a strategy adopted by business firm in recent years and includes the formulation of methodologies and tools that help businesses manage customer relationships in an organized way. The CRM processes are extremely helpful in identifying and targeting the best customers of the business firm and generating quality sales leads, as well as in the planning and implementation of marketing campaigns with definite goals and objectives. The processes involved in CRM can help the firm to maintain a customized relationship with the customers for creating higher level customer satisfaction and offering the finest customer service. The CRM also endows the employees of the organizations with the information they need to know about their customers wants and needs and to build a long term sustained relationship between the firm and its customers.

**Key Words** - Customer; Retailer; Customer Relationship Management; Customer Satisfaction

## 1. INTRODUCTION

The most challenging aspect in a business is attracting the customers and retaining them throughout the period. A Customer Relationship Management (CRM) system offers a solution to this challenge by scientifically analyzing the dimensions of this challenge and by enabling the business organizations to understand the complicated, multifaceted nature of its customers. Consequently, business organizations can evolve strategies based on the data of the above to attract the customers and retain them as well, by supplying them their wants and needs on analyzing the customers business relationship with the business organization. This can make both the organization and the customers feel satisfied to their optimum level of satisfaction in their mutual business interaction. To sustain or survive and grow, business organizations find new ways of thinking which has led to new

approaches and has emerged in marketing research.

Since the satisfaction of consumers' needs and wants is the justification for an organizations existence, an effective CRM system is a way for the organization to develop a customer focus in a business and it allows the organization to hear the customer's voice. Customer retention is also means that the firm satisfies customers and/or offers variety as customer comes back and repeats transaction with the same organization. Customer retention and customer loyalty are the major benefits of CRM systems to the organization. Hence, an effective and successful CRM programme for a business organization requires creation of a customer focused culture, effective adaptation of customer based measures, development of a complete end-to-end process to serve customers, suggestion of the question to be asked to help a customer in solving the problem, recommendation of the strategies to deal with customer complaints and tracking of all aspects of selling to both existing and prospective customers with a view to gain adequate customer support.

## 2. STATEMENT OF THE PROBLEM

In the Indian market, customers are supposed to be treated as kings, following the business dictum given by the father of nation Mahatma Gandhi, who pointed out that 'A shopkeeper should not think that he is doing any service to a customer, but he shall always remember that only the customer is doing a service to the shopkeeper by giving him an opportunity to do business with him'. As the nation prospers, and as the business expands with increasing competitiveness among the business players of a business domain this

dictum gains more value since such customer focus would not only fetch more profit but also would infuse some ethics and spirituality in business in the present cut throat competitive scenario of business.

In order to enhance profitability and customers' satisfaction in the present scenario retailers must focus on implementing customer relationship management strategies that aim to seek, gather and store right information, validate and share it throughout the entire organization that could offer solutions and be a pointer to extend the necessary attention to individual customers in order to attract and retain them. Customer relationship management implementation, particularly in retail store services, is very challenging. Hence, the researcher has undertaken to study the customer opinion on CRM practiced by the retailers in Srivilliputtur Taluk.

### **3. SCOPE OF THE STUDY**

In order to describe how retailers can use a customer relationship management system, this research gives a description of how customer relationship management functionality can be used at different steps in the sales process. This study also helps us to understand the level of satisfaction of customers as regards the retail shops in Srivilliputtur Taluk. The present study is mainly confined to identify the customer opinion on CRM practiced adopted by the retailers in Srivilliputtur Taluk only. It does not investigate into the opinion of retailers.

### **4. OBJECTIVES OF THE STUDY**

The study has been undertaken with the following objectives:

- ❖ To know the concept of Customer Relationship Management
- ❖ To analyse the socio economic status of the customers
- ❖ To study Customer Relationship Management towards the retailers
- ❖ To offer suitable suggestions based upon the findings of the study

## **5. METHODOLOGY**

The researcher has used descriptive research design in this study. Data, which is a vital to this research, has been collected through various resources. Both secondary and primary data have been used in this study. In the present study both secondary and primary were collected and analysed. The secondary data is an integral part of any research study or a project report as it provides information on key variables, which play a major part in the actual research. The sources of secondary data collected for this study includes text books, journals, newspapers, websites and so on.

Primary data is the first hand information, which has been collected through questionnaire from the customers in Srivilliputtur Taluk for studying their opinion on customer relationship management practices followed by the retailers. A sample survey with selected 125 customers, selected according to the convenience of the researcher, is carried out using questionnaire designed specifically for the purpose.

The data collected from the customer was tabulated category wise. To analyse and interpret the collected data, the researcher has been used the statistical techniques like, percentage, Chi-Square test, Weighted Arithmetic Mean and Garrett Ranking.

## **6. CUSTOMER RELATIONSHIP MANAGEMENT**

Customer Relationship Management is a business strategy to select and manage customers to optimize long term value. It is a business approach that integrates people, processes and technology to maximize the relations of an organization with all types of customers. Customer relationship management has become immensely popular because of the promise it holds for organizations. The CRM provides competitive advantage to the organizations at a time when product, price and place differentiations are fast disappearing from

the marketplace. Various organizations have successfully implemented CRM projects and it has become the new mantra that is being chanted from many a boardroom across the globe. Many people firmly believe that CRM is a very valuable organizational strategy that can transform the organizations by providing great opportunities and has come to stay. They point

out the benefits reaped by organizations that successfully implemented CRM.

## 7. PROFILE

The basic idea about the samples studied provided below illuminates the status of various customers buying from retailers in Srivilliputhur taluk.

**Table 1: Profile of the Customers**

Measure	Category	Frequency	Percentage
Gender	Male	53	42.4
	Female	72	57.6
Age	Below 25	29	23.2
	25-35	51	40.8
	35-45	14	11.2
	Above 45	31	24.8
Educational Qualification	Upto Higher Secondary	54	43.2
	Under Graduate	39	31.2
	Post Graduate	9	7.2
	Diploma	23	18.4
Occupation	Government Employees	14	11.2
	Private Employees	42	33.6
	Business	15	12.0
	Students	10	8.0
	House Wives	44	35.2
Marital Status	Married	83	66.4
	Unmarried	42	33.6
Type of Family	Joint Family	27	21.6
	Nuclear Family	98	78.4
Nature of House	Owned	71	56.8
	Rental	54	43.2
Monthly Income	Below Rs.10000	36	28.8
	Rs.10000-Rs.15000	71	56.8
	Rs.15000-Rs.20000	10	8.0
	Rs.20000-Rs.25000	5	4.0
	Rs.25000 & Above	3	2.4

Source: Primary Data

Table 1 reveals that a majority of 57.6 per cent of the respondents are female, the age of 40.8 per cent of the respondents is 25 – 35 years, maximum of 43.2 per cent of the respondents are educated upto higher secondary, 35.2 per cent of the respondents are housewives, a majority of 66.4 per cent of the respondents are married, a majority of 78.4 per cent of the respondents lives under nuclear family system, a majority of 56.8 per cent of the customers has owned house and the

monthly income of a majority of 56.8 per cent of the respondents' ranges between Rs.10000 and Rs.15000.

**Table 2: Customer Relationship with Number of Shops**

Sl. No	No of shops	Number of Respondents	% to Total
1.	One	29	23.2
2.	Two	53	42.4
3.	Three	13	10.4
4.	More than three	30	24.0
	Total	125	100.0

Source: Primary Data

The analysis of collected data shows that, out of 125 respondents, a notable majority of 96 respondents representing 76.8 per cent (42.4+10.4+24.0) maintain the relationship with more than one shop in Srivilliputtur Taluk.

**Table 3: Period of Awareness of the Retail Shop**

Sl. No	Period	Number of Respondents	Percentage to Total
1.	Below 2 years	44	35.2
2.	2-4 years	40	32.0
3.	4-6 years	11	8.8
4.	Above 6 years	30	24.0
	Total	125	100.0

Source: Primary Data

Table 3 reveals that a perceptible majority of 84 respondents in Srivilliputtur taluk, representing 67.2 per cent (35.2+32.0), aware about the retail shop for a period of 4 years and less.

**Table 4: Sources of Awareness about the Retail Shop**

Sl. No	Sources	Number of Respondents	% to Total
1.	Relatives	63	50.4
2.	Friends	35	28.0
3.	Advertisements	27	21.6
	Total	125	100.0

Source: Primary Data

**Table 5: Customer Opinions towards Retail Shop**

Sl. No	Towards Retail shop	Customer opinions					WMS	Rank
		Very good (5)	Good (4)	Medium (3)	Poor (2)	Very poor (1)		
1	Retailers behaviour	8	83	34	-	-	3.792	II
2	Retailers information about the product	12	68	29	16	-	3.608	IV
3	Customer-Retailers relations	11	63	45	6	-	3.632	III
4	Product delivery	-	78	37	10	-	3.544	V
5	Quality maintenance	5	92	28	-	-	3.816	I

Source: Primary Data

Table 5 upshots that, the level of performance of retailers according to the customers are at the maximum in case of quality maintenance (3.816), retailer behaviour

Table 4 discloses that a majority of 98 customers of retailers in Srivilliputtur taluk studied, representing 78.4 per cent (50.4+28.0) come to know about the retail shop through relatives and friends than the advertisements. The study enquired about the opinion of the customers of retailers in Srivilliputtur taluk about their performance of retailers under five heads, namely, (i) overall behaviour of retailers, (ii) product information of retailers, (iii) relationship between customer and retailers (iv) promptness and effectiveness in delivery of product and (v) maintenance of quality of products dealt by retailers. The respondents are asked to mention the specific level of their opinion under five point scale as 'very good', 'good', 'medium', 'poor' and 'very poor'. During the data processing, weighted mean score was computed by assigning weights as 5,4,3,2 and 1 for these levels. The scrutiny of data revealed that the weighted mean score was 3.816 for quality maintenance, followed by 3.792 for retailer behaviour and so on as tabulated below.

(3.792) and customer-retailer relationships (3.632).

**Table 6: Level of Satisfaction with Retail Shop**

Sl. No	Level of Satisfaction	Number of Respondents	Percentage to Total
1.	High	24	19.2
2.	Medium	86	68.8
3.	Low	15	12.0
	Total	125	100.0

Source: Primary Data

The analysis of collected data regarding the level of satisfaction regarding the services of retailers discloses that out of 125 respondents, a majority of 86 respondents,

representing 68.8 per cent, have 'medium' level satisfaction as regards the services of their retail shop.

In order to ascertain relationship between the level of satisfaction and the various profile variables, a group of null hypothesis are set for testing as 'There is no significant relationship between the level of satisfaction and different profile variables like gender, age and so on. The results of analysis containing the calculated values of chi-square and table values are depicted in the following table.

**Table 7: Relationship between Profile Variables and Level of Satisfaction**

Sl No	Profile Variables	Hypothesis	Calculated Value	Table Value	Degrees of Freedom	Acceptance of Null Hypothesis
1	Gender	H <sub>0</sub> 1	6.97	5.99	2	Rejected
2	Age	H <sub>0</sub> 2	32.28	12.6	6	Rejected
3	Educational Qualification	H <sub>0</sub> 3	11.15	12.6	6	Accepted
4	Occupation	H <sub>0</sub> 4	14.07	15.5	8	Accepted
5	Marital Status	H <sub>0</sub> 5	0.49	5.99	2	Accepted
6	Type of Family	H <sub>0</sub> 6	47.61	5.99	2	Rejected
7	Family Size	H <sub>0</sub> 7	42.29	15.5	8	Rejected
8	Monthly income	H <sub>0</sub> 8	27.13	15.5	8	Rejected
9	Period of Awareness	H <sub>0</sub> 9	9.03	12.6	6	Accepted

Source: Primary Data

Table 7 makes it clear that in case of five hypotheses, namely, H<sub>0</sub>1, H<sub>0</sub>2, H<sub>0</sub>6, H<sub>0</sub>7 and H<sub>0</sub>8, since the calculated values of chi square are more than the table value at 5% level of significance. these hypothesis are rejected, Hence it is ascertained that there is a significant relationship between gender, age, type of family, size of family and monthly income of the customers and the level of satisfaction towards retail shops.

The remaining four hypotheses set, namely, H<sub>0</sub> 3, H<sub>0</sub> 4, H<sub>0</sub> 5 and H<sub>0</sub> 9, since the calculated values of chi square are less than the table value at 5% level of significance, were accepted,. Hence is found that there is no significant relationship between educational

qualification, occupation, marital status and period of awareness with the level of satisfaction towards retail shops.

The study further enquired about the opinion towards the services rendered by retailers in Srivilliputhur taluk under four heads, namely, (i) response by retailers on any query or obligation; (ii) extent of friendliness in approach; (iii) effectiveness of payment system and (iv) effectiveness of delivery system under five point scale. The results of analysis including weighted mean score are tabulated below.

**Table 8: Customer Opinion towards Services**

Sl. No	Nature of Services	Customer opinion					WMS	Rank
		Very good (5)	Good (4)	Medium (3)	Poor (2)	Very poor (1)		
1	Response	18	67	36	4	-	3.792	<b>I</b>
2	Friendly approach	10	53	58	4	-	3.552	<b>II</b>
3	Payment system	5	48	63	9	-	3.392	<b>IV</b>
4	Delivery system	4	66	38	17	-	3.456	<b>III</b>

Source: Primary Data

Table 8 highlights that the retailers are 'Responsive' towards any query or obligation required by customers with the maximum weighted mean score of 3.792 points followed by 'friendly approach' of the retailers in providing services (3.552 points) and so on.

The study further enquired about the opinion of customers regarding the various product related features like (i) variety of products offered (ii) making the products readily available; (iii) provision of information regarding new products and (iv) style of packages.

**Table 9: Customer Opinion towards Products**

Sl. No	Towards the products	Customer opinions					WMS	Rank
		Very good (5)	Good (4)	Medium (3)	Poor (2)	Very poor (1)		
1	Product varieties	11	69	37	8	-	3.664	<b>III</b>
2	Product availability	23	51	43	8	-	3.712	<b>II</b>
3	Information about new products	14	44	57	10	-	3.496	<b>IV</b>
4	Package styles	26	64	30	5	-	3.888	<b>I</b>

Source: Primary Data

Table 9 clearly shows that the customers indicate 'Package styles' with a maximum points followed by 'product availability' (3.712 points) as regards the

product offerings by the retail shops in Srivilliputhur.

**Table 10: Customer Opinion towards Price Mix Strategy**

Sl. No	Price mix strategy	Customer opinions					WMS	Rank
		Very good (5)	Good (4)	Medium (3)	Poor (2)	Very poor (1)		
1	Price of the products	9	69	42	5	-	3.656	<b>I</b>
2	Price matches with products	4	63	58	-	-	3.568	<b>II</b>
3	Price allowances	-	41	74	10	-	3.248	<b>III</b>

Source: Primary Data

Table 10 unfolds that the customers say that 'Price of the products' is fixed effectively (3.656 points) followed by the 'price of products matches with the product' features (3.568 points).

The study further enquired about the effectiveness of the various promotional measures offered by the retail shops in Srivilliputtur taluk like price discounts, free gifts, free coupons, samples, advertisement and

seasonal offers. The results of examination, mean score are tabulated below.  
using five points scale, along with weighted

**Table 11: Customer Opinion towards Promotion Strategy**

Sl. No	Promotion strategy	Customer opinions					WMS	Rank
		Very good (5)	Good (4)	Medium (3)	Poor (2)	Very poor (1)		
1	Price discounts	4	29	64	18	10	2.992	<b>II</b>
2	Free gifts	16	26	18	48	17	2.808	<b>III</b>
3	Free coupons	-	36	21	58	10	2.664	<b>V</b>
4	Samples	-	18	43	54	10	2.552	<b>VI</b>
5	Advertisement	-	64	16	27	18	3.008	<b>I</b>
6	Seasonal offers	5	21	54	33	12	2.792	<b>IV</b>

Source: Primary Data

The highlight of Table 11 is that the effectiveness of the promotional measure 'Advertisement' is at the maximum with (3.008 points) followed by price discounts (2.992 points), free gifts (2.808 points).

Adjusting or setting off of any defectives in supply is a most wanted service of a retailer by a customer. The study enquired about nature of response by retailers in Srivilliputhur taluk in case of supply of defective items. The frequency distribution of the nature of responses is provided below.

**Table 12: Response on Defective Items by Retailers**

Sl. No	Response	Number of Respondents	Percentage to Total
1.	They will give another product	57	45.6
2.	They will not change the product	13	10.4
3.	They will repay the money	39	31.2
4	They will repair the product and return	16	12.8
	Total	125	100.0

Source: Primary Data

Table 12 evidenced that a notable portion of 45.6 per cent of the customers says that the retailers will substitute the defective product by sending another new product. Further 31.2% of the respondents indicated that they retailers will repay the money paid already to the customers.

The customers prefer to buy products from a particular retail shop for various reasons. The researcher identified five important reasons, namely, product quality, hospitality in service, employees cooperation, proximity and availability of the products. The respondents were asked to rank these reasons according to their view. The average score,

using Garrett ranking method, is found for each of the reasons and tabulated below.

**Table 13: Reasons for Selecting the Particular Retail Shop**

Reasons	Garrett Score	Average Score	Garrett Rank
Product quality	7824	62.59	<b>1</b>
Hospitality in service	5341	42.73	<b>4</b>
Employees cooperation	5516	44.13	<b>3</b>
Proximity	4794	38.35	<b>5</b>
Availability of the products	7525	60.20	<b>2</b>

Source: Primary Data

Table 13 upshots that the most important reason for selecting a particular retail shop in Srivilliputtur Taluk by the customers is 'Product quality' with the maximum average score of 62.59 points followed by availability of products with a score of 60.20 points.

The study further enquired about the various expectations of the customers to be served by retail shops under seven heads, namely, maintenance of good relationship with customers, effective salesmen support, more responsive retailer shop, product availability, retail store appearance and outlook, payment system in prompt and provision for credit purchase. The results of analysis of responses by customers using Garrett ranking in terms of average score are tabulated below.

**Table 14: Customers Expectations in Retail Shop**

Expectations	Garrett score	Average score	Garrett Rank
Maintenance of good relationship with customers	5743	53.93	2
Effective salesmen support	6462	51.70	4
More response in retailer shop	5468	43.74	6
Product availability	7793	62.34	1
Retail store appearance and outlook	4569	36.55	7
Payment system in prompt	6599	52.79	3
Credit purchase	6741	45.94	5

*Source: Primary Data*

It is lucid from the above Table 14 that the most important expectation of customers from retail shop is 'Product availability' with the maximum average score of 62.34 points followed by 'Maintenance of good relationship with customers' (53.93 points), 'payment system in prompt' (52.79 points) and so on.

The customers experienced various problems in purchasing from retail shops in Srivilliputhur taluk under nine heads, namely, non-availability of products, poor response of

the employees, lack of knowledge about new products, not providing free gifts, salesmen's misrepresentation, retailers misbehaviour, price variation in different shops, lack of parking facility, unable to find the expiry date of products. The average score under garattee ranking are provided in the table 15 given below.

**Table 15: Problems Faced by Customers during Purchase**

Problems	Garrett score	Average score	Garrett Rank
Non-availability of products	6808	54.464	2
Poor response of the employees	6013	48.104	6
Lack of knowledge about new products	7628	61.024	1
Not providing free gifts	6332	50.656	4
Salesmen's misrepresentation	6414	51.312	3
Retailers misbehaviour	5640	45.12	7
Price variation in different shops	6249	49.992	5
Lack of parking facility	5438	43.504	9
Unable to find the expiry date of products	5603	44.824	8

*Source: Primary Data*

It is clear from Table 15 that most important problem faced by the customers during purchase in retail shop is 'Lack of knowledge about new product' with the average score of 61.024 points, followed by non-availability of products (54.464 points) and so on.

The study enquired about the nature of repurchase behaviour under three heads, namely, going to same shop, change the shop and change the product.



**Table 16: Repurchase Behaviour**

Sl. No	Repurchase behaviour	Number of Respondents	Percentage to Total
1.	Will go to same shop	63	50.4
2.	Will change the shop	47	37.6
3.	Will change the products	15	12.0
	Total	125	100.0

Source: Primary Data

The analysis of the data on future behaviour of customers while purchasing from retail shops in Srivilliputhur taluk shows that a majority of 50.4 per cent of the customers indicate that they will go to the same shop for repurchasing.

## 8. SUGGESTIONS

The following are the suggestions made for ensuring the effective relationship between customers and retailers:

1. It is observed from the study that most of the customers are female. Therefore, retailers may appoint the well qualified and well mannered sales persons to sell the products in the retail shop.
2. Majority of the customers maintain the relationship with two shops. Therefore, the retailers could foresee the customers' expectations and their satisfaction towards goods and services in their retail shops.
3. More number of new customers gets awareness about the retail shop services through their relatives. So, the retailers should treat their customers as their boss.
4. The retailers do not provide much about hospitality services like water facilities, sitting facilities and so on. So, this may be concentrated by the retailers for further maintaining relationship with their real customers.
5. Some of the customers felt that their expectations were not fulfilled by the retailers. Therefore, retailers can fix the

permanent suggestion boxes in front of the retail shop to get the feedback from the customers.

6. Most of the customers face the problems of lack of knowledge about the new products and price variation in different shops. So, the retailers must take necessary effort to bring information about new products and comparative price analysis for customer benefit.

## 9. CONCLUSION

Customer Relationship Management has become immensely popular because of the promise it holds for organizations. The effective implementation of CRM strategies thus allows a firm both to retain the existing customers as well as to attract new customers. Today everything begins and ends with the customer as the emerging global and electronic economy has turned on its head, and has placed the customers firmly in the controlling seat. *Thus, Customer Relationship Management is an idea regarding how a retailer can keep their most profitable customers by increasing the value of interaction. The value is maximized through differentiation of the management of customer relationships. To enhance profitability and customers satisfaction in marketing, individualized attention should be given by retailer to customers in order to attract, induce, act and retain them.*

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