Project Report

On

Customer Relation Management In Retail Sector

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2K15/MBA/58

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April 2017

CERTIFICATE

This is to certify that the dissertation report titled **"Customer Relation Management In The Retail Sector"** is a bonafide work carried out by **Mr. Vedant Kaushik** of **MBA 2015-17** and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide   **Signature of Head (DSM)**

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DECLARATION

I, **Vedant Kaushik**, student of **MBA 2015-17** of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 42, hereby declare that the dissertation report **"Customer Relation Management In The Retail Sector"** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This report is not being submitted to any other University, for award of any other Degree, Diploma or Fellowship.

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ACKNOWLEDGEMENT

ABSTRACT

Retail is most important industry of India. Retail industry in India is at the crossroads. In retail, one of the major factors playing a role is income–Increase in disposable incomes of customers across various sectors. The simple answer to effective CRM is a way of separation between customers to provide greater value to more valuable customers since the customer today is far more discerning than he was earlier. Every retailer today is aiming at an attempt to make a casual customer into a loyal customer who develops a bond with the retail store he/she visits. Customer relationship management as a transactional exchange helps the marketer to understand the customer's sentiments and buying habits so that the customer can be provided with products and services before he starts demanding them. In this paper describe the role of Customer Relationship Management (CRM) in Indian retail market and how to enhancing the Customer Lifetime Value (CLV). A successful and effective CRM programmed results in increase of Customers Lifetime Value for the store. The importance of the tangible and the intangible offerings are also discussed. A good CRM Strategy should focus on: Building dynamic relationship with the customer, CRM is the key element to building customer loyalty to a store brand and to build a significant competitive advantage.

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1 Introduction

1.1 Introduction of the Industry

Retail markets and shops have a very ancient history, dating back to antiquity. Retailing involves the process of selling consumer goods or services to customers through multiple channels of distribution to earn a profit. Retailers satisfy demand identified through a supply chain. Some of the earliest retailers were itinerant peddlers.

Modern retailers typically make a variety of strategic level decisions including the type of store, the market to be served, the optimal product assortment, customer service, supporting services and the store's overall market positioning. Once the strategic retail plan is in place, retailers devise the retail mix which includes product, price, place, promotion, personnel and presentation. In the digital age, an increasing number of retailers are seeking to reach broader markets by selling through multiple channels, including both bricks and mortar and online retailing. Digital technologies are also changing the way that consumers pay for goods and services. Retailing support services may also include the provision of credit, delivery services, advisory services, stylist services and a range of other supporting services.

The term "retailer" is typically applied where a service provider fills the small orders of a large number of individuals, who are end-users, rather than large orders of a small number of wholesale, corporate or government clientele. Shopping generally refers to the act of buying products. Sometimes this is done to obtain final goods, including necessities such as food and clothing; sometimes it takes place as a recreational activity. Recreational shopping often involves window shopping (just looking, not buying) and browsing: it does not always result in a purchase.

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space. India's retail market is expected to nearly double to US$ 1 trillion by 2020 from US$ 600 billion in 2015, driven by income growth, urbanisation and attitudinal shifts. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent.

The Indian retail trading has received Foreign Direct Investment (FDI) equity inflows totaling US$ 935.74 million during April 2000–December 2016, according to the Department of Industrial Policies and Promotion (DIPP). With the rising need for consumer goods in different sectors including consumer electronics and home appliances, many companies have invested in the Indian retail space in the past few years for example US apparel retail major Gap Inc, has tied up with Arvind Group's fashion portal NNNow.com to sell its products online, which will help the retailer expand its presence beyond metros and tier-I cities, Hamleys , has stated that India is one of the most important markets for Hamleys globally, and outlined plans of opening six more stores, taking its total store count in the country to 32 by the end of March 2017.

1.1.1 Government Initiatives

The Government of India has taken various initiatives to improve the retail industry in India.

Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of e-commerce companies operating in India.
The Government of Andhra Pradesh signed pacts worth Rs 1,500 crore (US$ 222.36 million) in a wide range of sectors including retail and steel and gas with Walmart India, Future Group, Arvind Lifestyle Brands Ltd and Spencer's Retail, during the Partnership Summit in Visakhapatnam, while also unveiling a retail policy aimed to attract retail businesses to invest in the state.
The Ministry of Urban Development has come out with a Smart National Common Mobility Card (NCMC) model to enable seamless travel by metros and other transport systems across the country, as well as retail purchases.
IKEA, the world's largest furniture retailer, bought its first piece of land in India in Hyderabad, the joint capital of Telangana and Andhra Pradesh, for building a retail store. IKEA's retail outlets have a standard design and each location entails an investment of around Rs 500–600 crore (US$ 74–89 million).
The Government has approved a proposal to scrap the distinctions among different types of overseas investments by shifting to a single composite limit, which means portfolio investment up to 49 per cent will not require government approval nor will it have to comply with sectorial conditions as long as it does not result in a transfer of ownership and/or control of Indian entities to foreigners. As a result, foreign investments are expected to increase, especially in the attractive retail sector.

1.1.2 Factors affecting Retail marketing

The development of organized retail is dependent on the efforts of several agencies and institutions. Some of the factors are:

1.1.2.1 Government

The first among these is the government. In a country as big as India and with as many states as ours, it is imperative that the Central government and all state governments bring in Value Added Taxation or a unified taxation system to ensure that the tax-regimes are the same across the country.The laws governing retail real estate should also be looked into, so that it is possible to develop retail-estate beyond the city-limits. Apart from providing entertainment and retail opportunities, this will also decongest the city center and facilitate the development of suburbs. The relevant rules should also be amended to allow retail-stores to operate 7 days a week, 12 hours a day.

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1.1.2.2 Nuclear Families:

Given the hours most urban consumers keep at work, and keeping in mind the increase in the number of nuclear families, this may, indeed, make sense. This will also help people enjoy their evenings, out at malls.

1.1.2.3 Developers:

The second group, whose participation is essential in making retail a boom-sector in this millennium, comprises developers. Most properties are developed without considering the end user; thus, we sometimes find high-

Ceilinged offices and low-ceilinged retail stores. Often, the shopper's convenience is not taken into consideration while the property is constructed.

1.1.2.4 Manufacturers:

There's a lot at stake here: even so early in the 21st Century, India is too large a market to be ignored by transnational retail giants. From the manufacturing company's perspective, the focus should be on producing good products, and forging relationships with organised retail. Manufacturers need to draw a plan of producing quality products and tie in with retailers. Indeed, the birth of organised retail will also engender the creation of **private labels** and **store-brands**. Thus, if a manufacturing company lacks the resources to build a brand, it can supply to a retail-chain that has the resources to create a brand of its own.

1.1.2.5 Indian Consumers:

With time, the Indian consumer became more mature. Customer-expectations zoomed. Thus, at the beginning of the New Millennium, retailers have to deal with a customer who is extremely demanding. Not just in terms of the product-quality, but also in terms of service, and the entire shopping experience.

Today, the typical customer who shops in a retail outlet compares the time spent at the check-out counter with that at an efficient petrol station, and the smile of the counter-person to that decorating the face of a Jet Airways' crew member. To cope with the new customer, manufacturers have to focus on product quality and brand building. And retailers, in turn, have to focus on the quality of the shopping experience.

In this millennium, like in the last, customers will want to spend time with their family and friends. They may like to visit an outlet on weekends where everything will be available under one roof. India will benefit from these developments because of increased consumption through retailing and the corresponding increase in employment created by retailing.

Retail organizations exhibit great variety and new forms keep emerging. There are store retailers, non store retailers, and retail organizations.

Consumers today can shop for goods and services in a wide variety of stores. The best-known type of retailer is the department store. Japanese department stores such as Takashimaya and Mitsukoshi attract millions of shoppers each year. These stores feature art galleries, cooking classes, and children's playgrounds.

The success of the retail stores, therefore, depends on customers' reaction to the retailing mix which influences the profits of the store, its volume of turnover, its share of the market, its image and status and finally its survival.

Trends in retail marketing

Urban   Suburban   Rural

New retail forms and combinations continually emerge. Bank branches and ATM counters have opened in supermarkets. Gas stations include food stores that make more profit than the gas operation. Bookstores feature coffee shops.

The electronic age has significantly increased the growth of non store retailing consumers receive sales offers in the mail and over television, computers, and telephones, to which they can immediately respond by calling a toll-free number or via computer.

Competition today is increasingly intertype, or between different types of store outlets. Discount stores, catalog showrooms, and department stores all compete for the same consumers. The competition between chain superstores and smaller independently owned stores have become particularly heated. Because of their bulk buying power, chains get more favorable terms than independents, and the chains' large square footage allows them to put in cafes and bathrooms.

Today's retailers are moving toward one of two poles, operating either as mass merchandisers or as specialty retailers. Superpower retailers are emerging. Through their superior information systems and buying power, these giant retailers are able to offer strong price savings. These retailers are using sophisticated marketing information and logistical systems to deliver good service and immense volumes of product at appealing prices to masses of consumers.

Many retailers are even telling the most powerful manufacturers what to make; how to price and promote; when and how to ship; and even how to reorganize and improve production and management. Manufacturers have little choice: They stand to lose 10 to 30 percent of the market if they refuse.

Technology is becoming critical as a competitive tool. Retailers are using computers to produce better forecasts, control inventory costs, order electronically from suppliers, send e-mail between stores, and even sell to customers within stores. They are adopting checkout scanning systems, electronic funds transfer, and improved merchandise-handling systems.

1.2 Objectives of the study

Considering the emerging scope of retail sector in India, the need for current study was felt to evaluate the customer relationship management in the country. On the basis of the need of the study, the following objectives has been derived to set the focus of the study:

1. To carry out the SWOT analysis for Big Bazar.
2. To identify the customer buying behavior at retail chains like Big Bazar
3. To examine the customer satisfaction
4. To study the challenges faced while making purchase at Big Bazar

2.Literature Review
2.1 Customer Relationship Management

CRM is a combination of policies, processes, and strategies implemented by an organization to unify its customer interactions and provide a means to track customer information. It involves the use of technology in attracting new and profitable customers, while forming tighter bonds with existing ones. Customer relationship management is an emerging tool that enables marketers to maintain their presence in the dynamic marketing environment. Customer relationship management 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. CRM needs a deep understanding of the customer expectations, attitude & behaviour through a well organized & maintained customer database & innovative customer strategies. The goal of CRM is to ensure customer satisfaction & delight at every level of interface with the company.
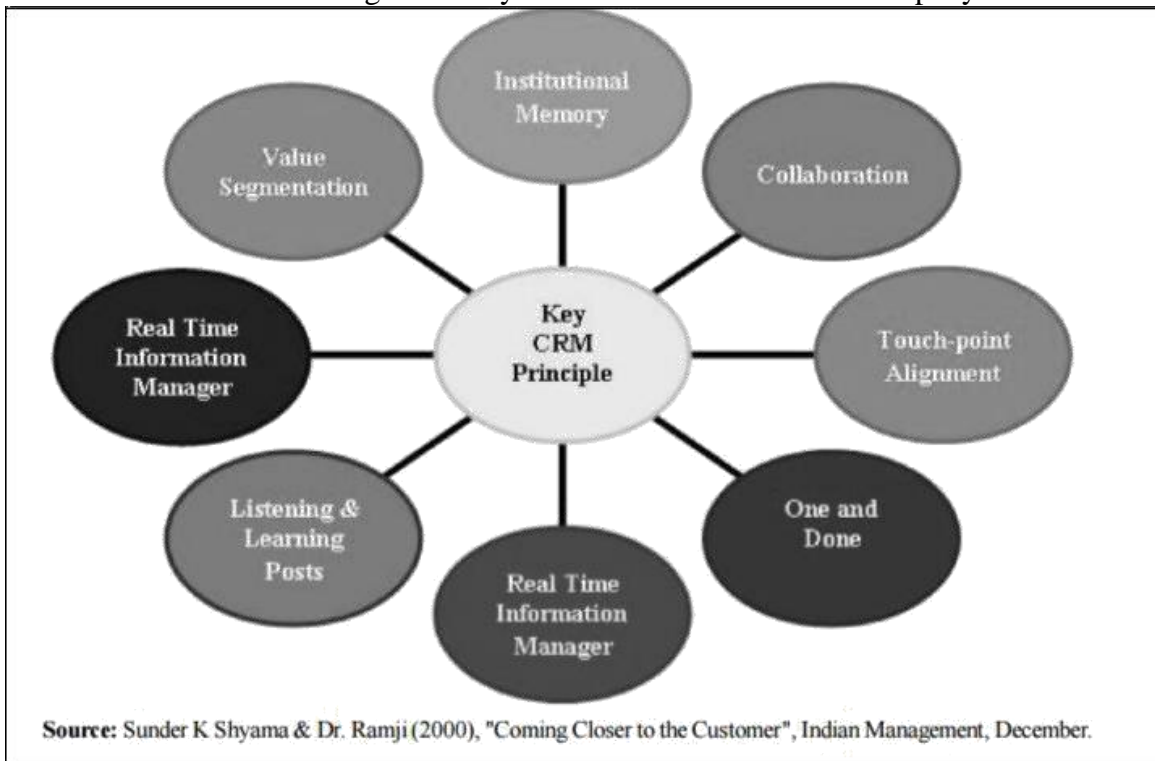

Source: Sunder K Shyama & Dr. Ramji (2000), "Coming Closer to the Customer", Indian Management, December.

Figure 1

2.2 CRM and Organized Retail Sector

Products are easy to copy, services are harder to copy but the learned relationship that a customer has with or his supplier is nearly impossible to reproduce. It increases profitability of the retail business in five key ways:

Customer loyalty translates into reduced price

Customer information allows companies to target profitable customers.

Predictable buying patterns lower inventory holding costs, spoilage, and distribution costs.

Customer loyalty reduces advertising and marketing costs

Customer loyalty extends products life cycle."

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 Ramanathan (2008), Customer Relationship Management is an emerging tool that enables retail marketers to maintain their presence in the dynamic market environment. In early days CRM was the tool preferred by the manufacturers in order to motivate and retain retailers. Now retailers are applying this very same tool in order to retain customers. Both Ramanakumar and Ramanathan bring certain CRM strategies into lime light being followed in the retail sector. They mention certain CRM strategies like personalization strategies, communication strategies like "Stay in Touch", "Inform Customers About the New Arrival", "Reward Strategies like offer tangible reward, discounts offers etc. Pahuja (2008) opines that customer relationship management encompasses certain characteristics aspects. He says that business necessity regardless of whether one sells to end - consumer or to enterprise customers. According to Deb (2009), customer loyalty programs are the in - thing in today's retail world and Foodlands in Mumbai is one of the pioneers in this field in western India. He further gives the reaction of the a typical consumer that "privilege cards or special offers are nothing but retail trade gimmicks and the consumer ends up spending more by availing themselves of the offer.

2.3 The History of CRM

Following on from Enterprise Resource Planning or ERP (the business strategy that promised to automate the "back-office"), the term CRM was first coined in the mid-1990s. CRM in those days referred to the software used to help businesses manage their customer relationships. From sales force automation software (SFA) that focused on customer contact management to integrated knowledge management solutions, these were the early foundations of CRM. The last couple of years have seen the term broaden to encompass a more strategic approach and the investment of billions of dollars worldwide into CRM solutions and services has followed.

2.3.1 First Things First

Successful CRM always starts with a business strategy, which drives change in the organization and work processes, enabled by technology. The reverse rarely works. The key here is to create a truly Customer-Centric philosophy that touches every point and more importantly every person in the company. From CSR to CEO everyone must live and breathe customer focus for all of this to work.

2.3.2 The Right Technology

It is estimated that the global market for CRM services and solutions is currently worth $148 billion. That means a lot of choice when selecting your technology - from web-based solutions aimed at small businesses with less than 10 employees to solutions suitable for multi-national enterprises with millions of customers.

2.4 The Future

CRM has already made a big impact in the world of Customer Service and will continue to do so. As more and more companies become customer-centric those that fail to do so will lose competitive advantage. As technology increases to develop at a startling rate the key emphasis will be how we can fully utilize it within our business. However let's not ignore the fact that Customer Relationship Management is about people first and technology second. That's where the real value of CRM lies, harnessing the potential of people to create a greater customer experience, using the technology of CRM as the enabler.

2.5 Process of CRM

Customer Relationship Management (CRM) is the process of bringing the customer and the company closer together. There are many different areas in which Customer Relationship Management can be implemented. The goal of CRM is to help a company maintain current customers, as well as gain new customers.

2.5.1 Targeted Marketing

Targeted marketing is accomplished through collecting information about the customer. This information can be buying habits or simply demographics. The idea behind this is that a business analyzes what a customer buys and then markets specific products to that customer based on his or her buying habits. Businesses track buying habits using discount cards, and special store credit cards. Targeted marketing can also be implemented on the Internet. Amazon.com has product recommendations based on buying habits, and product ratings. Customers can also be sent e-mails that market targeted products. Marketing the right products to the right customers can significantly increase a business' sales with minimal associated costs.

2.5.2 Consumer Behavior

Options: Consumers are more likely to choose an alternative after a relatively inferior option is added as a choice. For example, Simonson (2012) says, participants in one study were given a choice between $6 and an elegant Cross pen. A second group chose among $6, the same Cross pen, and a second pen that was clearly less attractive than the Cross pen. As was predicted, the addition of the unattractive pen increased the share of the Cross pen at the expense of the $6."

Alternatives: Consumers prefer alternatives that are compromise choices. Given a choice between two alternatives, one priced lower than the other, the addition of a third choice, priced higher than both, will increase the market share of the more expensive of the original two. This finding suggests that companies can increase their overall sales and shift purchases to higher-margin items by carefully designing the sets of alternatives that their customers consider.

Floor Displays: Buyers are averse to choosing the lowest-quality alternative in sets of three or more choices. One of the implications of this finding is that marketers of well-known, high-priced brands should encourage retailers to organize floor displays by model type, whereas marketers of lesser-known, lower-priced brands should prefer organization by brand."

Brands: Consumers who think about the possibility that their purchase decisions will be wrong are more likely to choose better known brands. In a test case, Simonson showed that consumers debating between a better known, more expensive brand and a lesser-known, less expensive brand expect to feel greater regret if they err by choosing the cheaper option. Indeed, after thinking about the possibility of regret, consumers were more likely to select the better-known brand. Kodak film has capitalized on this finding with an advertising campaign that asks consumers to consider how they would feel if they bought cheap film and their pictures didn't turn out.

Preferences: Consumers tend to select variety when buying multiple products for consumption at a later time. In each of three weeks, Simonson asked a group of respondents to select one of six familiar snacks for immediate consumption. A second group was asked to pick three snacks -- one for immediate consumption and one for each of the next two weeks. Both groups were told that they could pick the same snack as many times as they wished. Those in the first group tended to select the same snack all three times, whereas most in the second group selected three different snacks.

Product Modifications: Modifying a product with a feature or premium that is of little or no value to the consumer, even without raising the price, may actually decrease sales. When consumers are uncertain about their preferences, a product that offers an unneeded add-on (such as an offer to purchase a Pillsbury Doughboy collector's plate) provides them with a reason for rejecting it.

While marketing professionals can use these findings to influence consumer decision making, consumers, too, can benefit by understanding their own behavior. "One of the points of our research is to inform consumers about some of the factors that influence their decisions," Simonson says. "With such knowledge, they may be able to make better, more thoughtful decisions.

2.6 Retail Marketing In India

There are various ways of making goods available to consumers like:

Company to distributor to wholesaler to retailer to consumer(B2B2C)

Company to salesperson to consumer(B2B2C)

Company to consumers (online/ phone/ catalog ordering)(B2C)

These three are among the most common ways of making the goods available to consumers. But in India the three layered system of distributor, wholesaler and retailer, forms the backbone of the front-end logistics of most of the consumer-good companies. There are a number of reasons behind this fragmented retail market. Some of the major reasons being:

Poverty and lower literacy levels.

Low per capita income.

Savings focused and less indulgence mindset.

Poor infrastructure facilities like roads etc.

Restrictions on intra-state good movement.

High taxes.

No exposure to media

High import duties on imported goods.

FDI in retailing is not allowed."

2.7 CRM In Retail Marketing (Big Bazaar)

Customer relationship activities have the most impact on customer retention. Every customer service encounter has the potential to gain repeat business or have the opposite effect. The expectation of personalized, relevant offers and service is becoming a primary driver of customer satisfaction and retention in financial services.

"The degree of customer satisfaction you deliver determines the level of long-term success you will achieve in business. --- Training Mantra for Sales Force

2.7.1 Customer Satisfaction their Top Priority

Don't just make sales. Create customers - satisfied customers. In addition to the immediate profit they provide on the first sale, satisfied customers help you build your business in 2 other important ways:
1. They become a reservoir of repeat buyers. For some businesses that means repeat buyers for more of the same product or service. For every business, it means buyers for additional products and services.
2. They automatically refer more business to you from their friends and business contacts. This is highly profitable business for you because it doesn't cost you any time or money to get it.

2.7.2 Whatever they Promise More, they Deliver

Never make any promises you can't (or won't) keep. Nothing alienates customers faster than getting something less than they expect from a business transaction. They won't do business with you again. And they will tell everybody they know about their unhappy experience - causing you to lose future customers.

2.7.3 Always Give Customers More Than They Expect

Over deliver on quality and service. Always exceed your customers' expectations. You will win their long term loyalty. It also makes it difficult for competitors to steal customers from you - even if they have lower prices. Customers will not risk an uncertain experience with a competitor when they know they will get more than they expect from you.

2.7.4 Customers know how much they value them

Let your customers know you are always thinking about them. Communicate with them regularly. For example, create some special deals just for your existing customers. And announce new products or services to them before you announce them to the general market.

2.8 Advantages of CRM for Big Bazaar

Using CRM, at the management of Big Bazaar can:

❖ Provide better customer service

- ❖ Increase customer revenues

- ❖ Discover new customers

- ❖ Cross sell/Up Sell products more effectively

- ❖ Help sales staff close deals faster

- ❖ Make call centers more efficient

- ❖ Simplify marketing and sales processes

By applying this methodology Big Bazaar learned more about customers' needs and behaviors in order to develop stronger relationships with them. They implemented CRM as a process that brought together lots of pieces of information about customers, sales, marketing effectiveness, responsiveness and market trends.

CRM helps businesses use technology and human resources to gain insight into the behavior of customers and the value of those customers.

3. Research Methodology

The current study is based on primary data collected from respondents who qualified for the survey in the Delhi region. The respondents comprises of students, housewives, professionals and people in service. A 10item questionnaire was designed to collect the information from the respondents with the help of Google Forms. The questionnaire comprised questions regarding their buying experience and practices at Big Bazar .Further , a qualitative analysis was conducted to achieve the objectives.

3.1 Data collection

The questionnaire was sent to the potential respondents through online and personal. The questionnaire was sent to a total of 150 people out of which only 110 responded and 100 qualified the screener section.

3.2 Data analysis

3.2.1Demographic Profile of Respondents:
 Age composition of the respondents

Majority of the respondents i.e. 42% were from the 30-35years age group whereas 30%of the respondents were in the 20-30years age group. People from the 30-35years age group comprised a 24% of the respondents and only 4% above 40
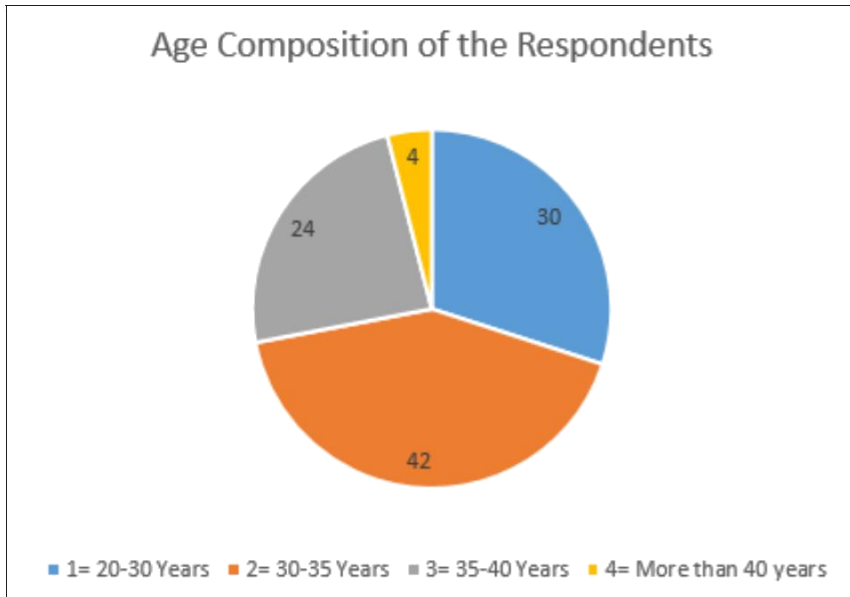
Figure 2
 Gender of the Respondents

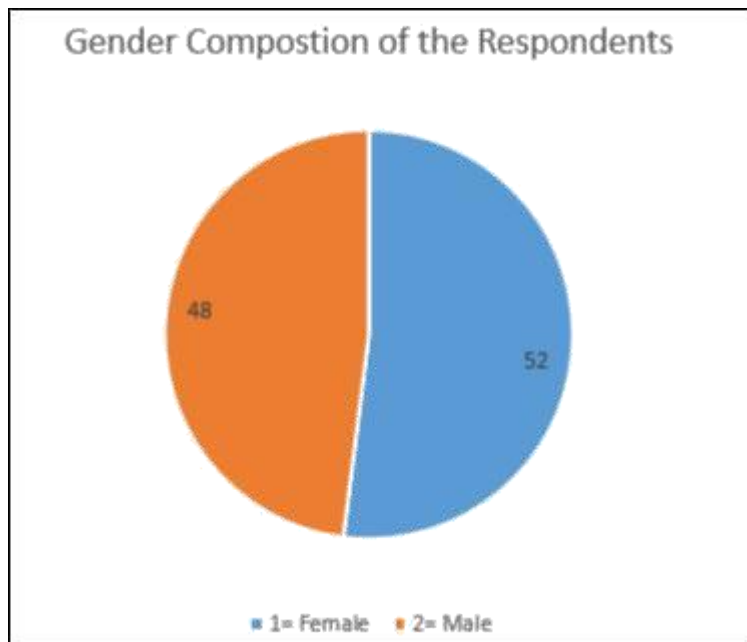Among the respondents 52% of the respondents were female whereas 48% of the respondents were female.

Figure 3

User Category of the Respondents

Majority of the respondents were those who buys households sometimes constituting 44% of the total respondents around 20% of the respondents were those who buys households on daily basis and 18% of the respondents were those who bought households sometimes and the percentage was same for those who bought households rarely that is 18%"
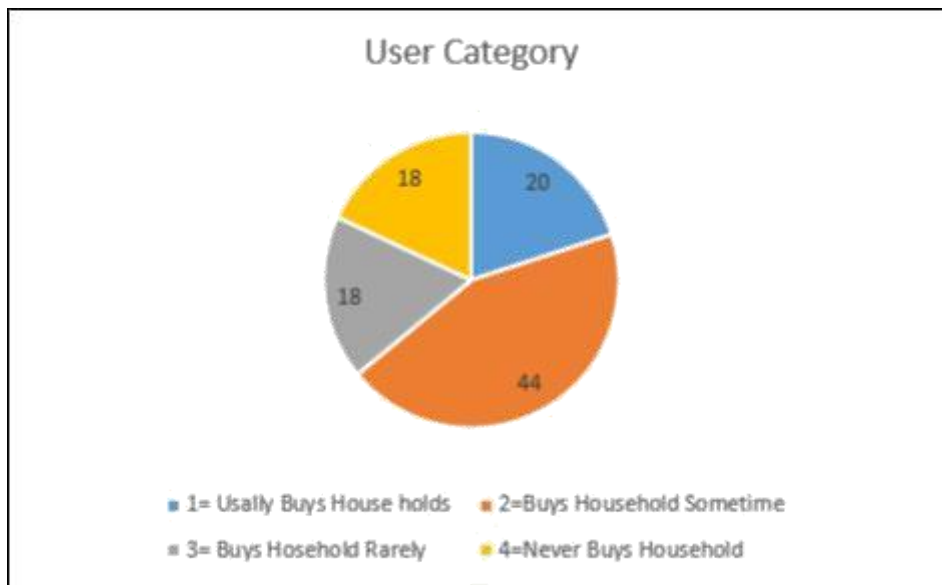

Figure 4

3.3 The Results of various Questions of the Questionnaire

Please rate the shopper assistant's behavior on the scale of 1 to 5				
Count of 5	Count of 4	Total Count	Top Box %	Top 2 Box %
20	57	100	20	77

Please Rate the cleanliness of the store on the scale of 1 to 5				
Count of 5	Count of 4	Total Count	Top Box %	Top 2 Box %
24	62	100	24	86

Please rate the layout of store on the basis of comfortability to reach out to the products				
Count of 5	Count of 4	Total Count	Top Box %	Top 2 Box %
17	54	100	17	71

Please rate your ease while waiting in queue at cashier on scale of 1 to 5				
Count of 5	Count of 4	Total Count	Top Box %	Top 2 Box %
0	7	100	0	7

Please rate weather you'll make repurchase at Big Bazar on the scale of 1 to 5				
Count of 5	Count of 4	Total Count	Top Box %	Top 2 Box %
11	89	100	11	98

Will you recommend Big Bazar to others? Please rate it on the scale of 1 to 5				
Count of 5	Count of 4	Total Count	Top Box %	Top 2 Box %
27	64	100	27	91

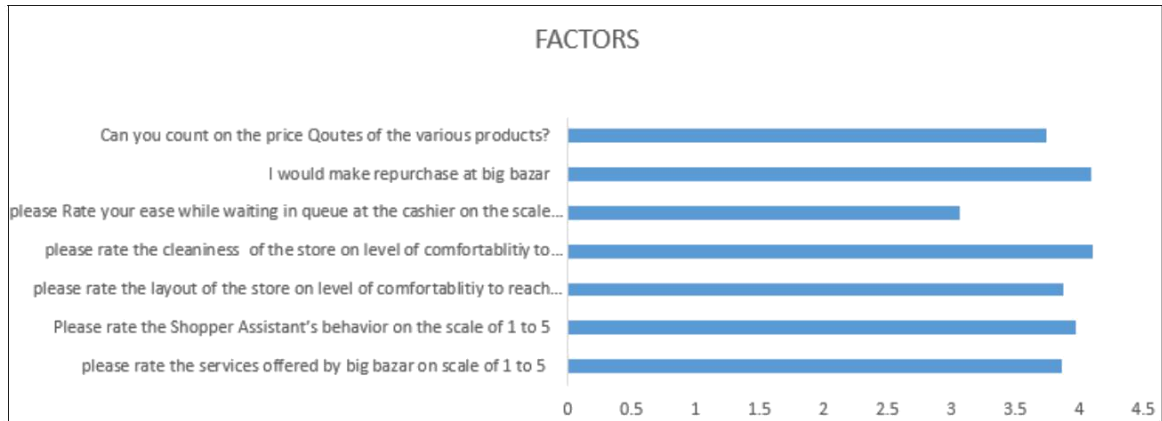| Do count on the price quote of the various products?				
Count of 5	Count of 4	Total Count	Top box %	Top 2 Box %
0	33	100	0	33

Figure 5

4 Findings

The various factors were analysed using Ms-Excel. Top Box and top 2 Box were calculated to identify the the percentage of the respondents in those two category. The various findings are as followed:

The time spent in the queue at cashier is one of the most important factor which drives the respondent's attention as compared to all other factors. The average rating for this factor is the least and comes out to be 3.06 on the scale of 5. This could also be accounted as highest percentage of the respondents are professionals.

The belivibility price quote is the second most important factor that is on the scale of 5 it scores 3.35 thus the company can improve in terms of gaining the confidence of the customers regarding the price value of their products. This could be accounted for giving proper discount that is now days customers are aware of the the trap that brands create in terms of discounts.

The brand enjoys very good loyality among customers as 98% respondents are are ready to make repurchase at Big Bazar.

The brand also enjoys high positive word of mouth as 91% of the respondents are likely to recommend to others.

Since top 2 box rating for shopper's assistants is 77% is a field where the brand can improve and can offer better facilities to the customers.

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4.1 SWOT Analysis of Big Bazaar

Strength

Prime location

Large floor space allowing for better visual merchandising

Large area also allows to stock a large variety of products under one roof

Experienced and competent management

Highly trained and motivated sales force Brand equity

Large scale operations in various cities throughout the country allows them to reap the benefits of "economies of scale

Weakness

Large scale of operations sometimes acts as a barrier to personalized customer relations

Large scale operations lead to reduced flexibility by increasing the amount of overheads and a huge commitment in terms of fixed costs

A large organization structure leads to delayed decisions. This can prove fatal for a business in the dynamic fashion industry. Mumbai, this fact sometimes results in delayed decisions in adapting to changing market trends

Opportunities

Apart from the metros, cities like Ahmadabad, Pune, Lucknow, Indore and Coimbatore have shown substantial retail presence. Most sport modern retail formats like supermarkets, department stores and specialty chains. These markets are expected to show exponential growth in the next few years.Thus Food Bazaar has the opportunity to explore new markets

According to the Consumer Outlook study, consumers are generally satisfied with the service that organized retailers extend to them. More importantly,

they are increasingly regarding these organized retailers as providing `value-for-money'. These findings indicate that large retailers will capture most of the higher consumer spending

Increasing penetration of the internet into Indian homes has provided Food Bazaar Mall to break the geographical barriers and to increase their customer base. The entry into online retailing, would, in fact, expand the product categories available to the consumer

Threats

The time when retailers had to worry about competition only from their peers down the street has come to an end. Food Bazaar is now facing increased competition in the form of international retail chains that are making a beeline towards the highly potential Indian markets. Moreover many big Indian business houses are also vying a space in the Indian retail scene.

4.2 Challenges For Big Bazaar in CRM implementation

Difficulty in acquiring new customers can be a result of any one, or combination, of the following problems.

Inaccurate and Slow Quoting Organizations may be unable to accurately estimate and quickly deliver successful proposals, often leading to missed opportunities, bad profit margins and upset prospects.

Lack of Product Knowledge Within their Sales Force

Problems can arise when products were sold that didn't fit company's profitability strategy such as selling a customer one product when another would be better for the customer and more profitable for you.

Difficulty and Delay in Updating Pricing and Product Information

When the sales force is relies on incomplete product, pricing and customer information, then they're probably not selling the most profitable products you offer.

Customers prefer a combination of differing channels in which to deal with your company. Self-service on the web can even be done for complex products. Plus, self-service on the web offers retail banks the opportunity to shift cost out to the customer.

4.4 Conclusion

1 <u>Growing your business</u> will be a difficult task at best if you don't perform, meet and exceed your client's expectations, and provide service that creates customers for life.
2 <u>Customer service</u> is all about the customer's perception. You have to do more than just get the job done. You must deliver on all the things (big and small) that affect the relationship with your client. Consider opportunities for improvement in the following areas.
3 <u>Setting/Reviewing Expectations:</u> Do you work with your client to set clear, appropriate, realistic expectations that you can always meet or exceed? Are you clear about the responsibilities (both yours' and the client's), timelines, and expectations of results? Are you then willing to go back and review these expectations with the client at key points along the way?
4: <u>Communication:</u> Do you have mechanisms in place to ensure you're communicating with clients at every stage of the engagement, from the sales process through to completion of the project? Being clear about where you're at, what's been completed, what's coming up next, who's responsible, what results you can expect, etc.? Has the client ever had to ask you for these things?
5: <u>Organization:</u> Are you organized? Punctual? Reliable? When you show up to work with your clients, have you done the work and are you prepared to make them feel comfortable and taken care of? Even though you've done it hundreds, maybe thousands of times before, do you take the time to organize and prepare to make it the best client experience possible?"
6: <u>Committing to the Little Things:</u> Don't ever dismiss the power of all the little things. Together they can make all the difference and really separate you from the competition. Returning calls and emails in a timely manner. Providing useful

information to folks on a regular basis. Showing appreciation for your clients through things like thank you notes, exclusive client-only briefings, and open house, etc. Clearly these are not the only relevant areas for creating great customer service, I assure you. But these were some of the Factors which might

Provide a boost to the sales figures, though I am sure the organization would have already implemented most of these measures already."

5 Annexure

QUESTIONAIRE ON CUSTOMER-RELATIONSHIP

MANAGEMENT IN RETAIL-SECTOR (BIG

BAZAAR) CUSTOMER BASED SURVEY

Welcome!

Thank you for agreeing to participate in this important survey. The purpose is to understand how we can improve our service. Your honest, candid responses are critical to the success of this study. This survey should take 8 - 10 minutes to complete."

1.What is your age?
      20-30 years
      30-35 years
      35-40 years
    More than 40 years

2. You Are
      Housewife
      Professional
      Student
    Service
      Any other Specify

3.Your Gender
      Male
      Female

4.Please select
      I buy all household every time I
      buy households very frequently
      I buy households sometimes.
    I never buy households

5 Have you been to Big Bazar
    Yes
    No (Qualifying Criteria)

6 Please rate the behavior of shopper's assistant on scale of 1 to 5

    1 -Dissatisfied

    2- Satisfactory

    3- Somewhat Satisfied

    4- Satisfied

  5- Highly Satisfied

7 Please rate your count for value for money while making purchase at Big Bazar (Scale of 1 to 5)

  1-Dissatisfied

  2- Satisfactory

  3- Somewhat Satisfied

  4- Satisfied

5- Highly Satisfied

8. Please rate the layout of the store on the basis of comfort to reach out the products (scale of 1 to 5)

  1-Dissatisfied

  2- Satisfactory

  3- Somewhat Satisfied

  4- Satisfied

5- Highly Satisfied

9. Please rate the cleanliness of the store (on scale of 1 to 5)

  1-Dissatisfied

  2- Satisfactory

  3- Somewhat Satisfied

  4- Satisfied

5- Highly Satisfied

10. Please rate the ease while waiting in queue at the cashier (On the scale of 1 to 5)

  1-Dissatisfied

  2- Satisfactory

  3- Somewhat Satisfied

  4- Satisfied

5- Highly Satisfied

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