

# **Dissertation Report On**

## **“ Loyalty Marketing In Indian Food And Grocery Retail “**

**Submitted by:**

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## **Certificate from the Institute**

This is to certify that the Project Report titled “Loyalty Marketing In Indian Food And Grocery Retail“, is a bonafide work carried out by Mr. Akshay Solanki of MBA 2012-14 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfilment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide

Prof. P.K. Suri (DSM)

(Assistant Prof. DSM)

(Head of Dept. DSM)

Place:

Date:

Seal of Head

## **DECLARATION**

I Akshay Solanki student of MBA 2012-14 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Summer Internship Report on “ Loyalty Marketing In Indian Food And Grocery Retail “ submitted in partial fulfilment 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 and Fellowship.

**Akshay Solanki**

Place: New Delhi

Date:

## **ACKNOWLEDGEMENT**

Acknowledgement is not only a ritual but also an expression of indebtedness to all those who helped me in the completion of the project.

On completion of this project I would like to take this opportunity as a platform to thank all people who helped me in this work and who made this project a success.

I owe an enormous intellectual debt towards faculty of Delhi School of Management and thank Prof. P.K. Suri, Head, Delhi School of Management for his continuous encouragement throughout the duration of course.

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I am also thankful to all those one hundred and twelve respondents who took time from their busy lives to fill the questionnaire.

Akshay Solanki

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## **Executive Summary**

The objective of this dissertation is to study loyalty marketing in Indian food and grocery retail. The report begins with an introduction to loyalty marketing by defining the concept. Then, there is an account of the origin of loyalty program which was started with S&H Green Stamps. This is followed by a mention of the “AAdvantage”, the frequent flyer loyalty program of American Airlines. A brief overview of the food and grocery retail in India is also provided.

In the literature review, a study of various research papers was undertaken on the topic of loyalty marketing. The discussion starts with a theoretical framework of loyalty marketing followed by some theory on the primary need of loyalty marketing. The discussion then moves on to the need of loyalty marketing in retail Industry where stress is given on engaging the customer and technology as the primary driver for loyalty marketing. After this theory, there is an analysis of a research paper on how the use of “Combined Currency” affects the usage behaviour of consumers who use flights as a medium of transport. This is followed by a discussion on the concept of “Artificial Advancement and the effect of Endowed progress” on the customers. A theoretical mention is also given on the concept of Loyalty cards and the advantages of using loyalty cards. This is followed by a discussion on how loyalty programs are being evaluated. The literature review ends with a mention of how loyalty programs are gaining precedence in today’s competitive scenario and a brief case on Big Bazaar and some of its initial customer loyalty programs.

The research methodology comprises of a clear mention of the research problem at hand and a structured research design to solve the same. The research design consists of three phase’s viz. the exploratory phase which is the initial secondary research on the topic, the data collection phase which is done via primary research and the data analysis phase. The data analysis deals with qualitative as well as quantitative analysis of data. The responses received from the in-depth interviews were analysed using qualitative analysis while the responses from the survey were treated with quantitative analysis. Qualitative analysis of the responses was done by dividing the responses into relevant sections like planning of program, measuring ROI, etc. As far as the quantitative analysis is concerned, the responses were collated and were reported as percentage of total responses. Some questions which involved likert scale were treated with factor analysis.

The result was divided into parts viz. based on in-depth interviews of the store level managers and other based on surveys of the shoppers. This was followed by limitations of the dissertation and what could have been done to get an even better solution to the research problem. The future scope gave an account on how this research can be taken forward both by the researchers as well as retailers to get a better understanding of the current state of customer loyalty programs. A final conclusion was made that the customer loyalty programs needs to improve to serve the customers in a better way.

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