A STUDY ON IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES ON CUSTOMER RETENTION WITH SPECIAL REFERENCE TO DEPARTMENTAL STORES

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Abstract

In recent years the Metropolitan City departmental stores have high competition due to large number of stores emerged in last few years. This implies stores to retain their existing customers as well as acquiring new customers through effective Customer Relationship Management practices. The present research has found effectiveness of Customer Relationship Management on customer retention. Further this research found satisfaction level of the customers with CRM and customer retention ten dimensions like relationship management process, technology adoption, quality of service, Knowledge Management, employee behavior, Customer satisfaction, Customer loyalty, Customer Trust, Cost and Time. The research design is empirical in nature since the study is conducted by using both analytical and diagnostic type of research. This study is based on both primary and secondary data. The primary data is obtained through the tested questionnaire which consists of both optional type and statements in Likert 5 point scale. The secondary data is obtained from Retail sectors of India reports, magazines and other published articles. The researcher applied convenience sampling method. From the result analyzed the present study The demographical variables towards CRM and customer retentions provided by stores were tested and analyzed through frequency analysis and regression analysis. These analyses were to find out the significant mean difference and relationship of CRM and Customer retention dimensions with demographical variables finally conclude this research the CRM practices are highly impact on customer retention in departmental stores.

Keywords: Customer Relationship Management, Customer Retention, Departmental Stores, Customer loyalty

INTRODUCTION

Customer relationship management (CRM) is a way to deal with manages an organization's association with present and potential customers. It utilizes information investigation about customers' history with an organization to enhance business relationships with customers, particularly concentrating on customer maintenance and at last driving deals development.

Customer loyalty that ends up in retention can develop over time if the parameters for the connection are planned and enforced properly. In an exceedingly democratized offer is that the quality and profundity of the customers' relationships-physically and mentally that eventually separates between brands (Burnett, 2004).

Literature review

CRM is the approach in which by the utilization of cutting edge IT new Customers are admission and keeping up the old ones for solid and perpetually connections which centers around enhancing Customer relationship for customers commitment, Customer upkeep or customers efficiency. Numerous examinations have been completed on client relationship administration Chacha Magasi (2016).

According to Infosys Limited (2016) the CRM success depends on its acceptance for use by different stakeholders. Depending on the application and the industry in question, the stakeholders might vary. Some of the stakeholders involved in CRM are commonly marketing managers, top management and call center agents / retail sale agents, dealers and product managers, customers using self-care applications and field / sales agents.

From the CRM each stakeholder has their own set of their expectations. CRM intends to be distinctive things to various people, and it is being executed in a few ways. For specific associations and organizations, CRM implies making offers to clients premise their past states of mind, practices and statistic Characteristics'. To others, it is said to give benefit agents information and insights about client profitability and how clients add to benefits. At the same time, organizations and associations have received information administration (KM) and CRM as they understand the essentialness of Knowledge Management in achievement of CRM. Against such foundation of examples of overcoming adversity, the investigations

additionally have uncovered that the CRM executions have likewise fizzled. It is watched that

70% to 90% of the CRM usage have fizzled. Estimation is that 30%-40% of strategic activities of CRM have fizzled. One of every five executions of CRM is thought to have in certainty spoilt client connections Nichita et al (2013). (Janet Sim ,2014) demonstrated that the inert build Customer retention was reliant on the dormant develop of consumer loyalty. Added esteem was found to effectively affect consumer loyalty and customer retention.

Customer satisfaction is impacted by particular item or administration highlights and view of value. Fulfillment is additionally impacted by Customer's enthusiastic reactions, their attributions their view of value (Zeithal & Bitner. 2003).   The present unforgiving business sector where making and keeping up Customer dedication is ore mind boggling than it used to be in the previous years. This is a result of innovative achievement and broad of the web employments. Dedication building requires the organization to center the estimation of its item and benefits and to demonstrate that it is intrigued to satisfy the want or fabricate the association with Customers (Griffin 2002)

Objectives:

- ❖ To find the relationship between CRM and customer retention strategies of departmental stores.
- ❖ To study the social Economic profile of Customers of Departmental stores.
- ❖ To find the CRM techniques used by the departmental stores.

Hypothesis of the Study

- ❖ There is no relationship between CRM and customer retention strategies in departmental stores.
- ❖ There is no significant influence of demographic variables of departmental stores customers and their perception towards CRM and customer retention strategies.

Research Methodology

This study is based on both primary and secondary data. The primary data is obtained through

the tested questionnaire which consists of both optional type and statements in Likert 5 point scale. The secondary data is obtained from Retail sectors of India reports, magazines and other published articles. The research questions and hypothesis gradually developed from the research gap identified from the literature reviews.

Sample Design

The researcher applied convenience sampling method to collect the responses from all 15 zones of Chennai city. In fact the researcher circulated 50 questionnaires in all 15 zones and able to obtained only 625 responses after scrutiny 19 of them are found flaws hence the sample size of research is 606.

Data Analysis

Table 1

DEMOGRAPHIC PROFILE OF CUSTOMERS

	Frequency	**Percent**
Age group		
Up to 20 years	127	21.0
21-30years	170	28.1
31-40years	188	31.0
41-50years	69	11.4
>50 years	52	8.6
Gender		
Male	248	40.9
Female	358	59.1
Marital Status		
Married	398	65.7
Un Married	208	34.3
Area of Residence		
Rural	121	20.0
Urban	267	44.1
Semi-Urban	218	36.0
Educational qualification		
School Level	85	14.0
Diploma	113	18.6
Graduate	236	38.9

Professionals	123	20.3
And above	49	8.1
Occupation		
Government-employee	88	14.5
Private firm employee	139	22.9
Self-employment	192	31.7
House Wife	143	23.6
Others	44	7.3
Monthly Income		
Below Rs.5, 000	32	5.3
Rs.5, 001-10,000	89	14.7
Rs.10, 001-15,000	120	19.8
Rs.15, 001-20,000	116	19.1
Above 20,001	249	41.1
Family Size		
Joint Family	232	38.3
Nuclear Family	374	61.7

Interpretation:

From the above table it can be ascertain that the sample unit consist of the maximum of 31% of customers in the age group is 31-40 years followed by 59.1% of respondents gender group is female, 65.7% and 44.1% of respondents are belong to married and urban area respectively further 38.9% of customers education level is graduate, 31.7% respondents are occupation is self employment and 41.1% and 61.7% respondents are belong to above 20,001 and family size is nuclear respectively.

CRM PRACTICES USED BY DEPARTMENTAL STORES

CRM initiatives leads to long term lucrative associations with picked clients and drawing nearer to those clients with each purpose of contact with them. A not too bad CRM method goes for giving a win-win stage to both the affiliation and the customer by paying attractive information to the technique of apportionment by focusing on choices open to customers' adequate headway fights and spotlight on existing customer. CRM practices bring greater customer loyalty. Right time and attracting (acquiring),developing and maintaining successful customer relationships over time and building customer loyalty through efficient and effective two-way dialogues that   seek to understand and influence customer buying behaviors and improve customer acquisition, retention, loyalty and profitability. The departmental stores in Chennai city used various CRM practices for retaining their

customers in the competitive world such as Membership Card, Wishes, Impulsive Purchases techniques, Customer feedback, Offers / discounts, toll free numbers, customer review rating system, Ambiance, WIFI connectivity and parking facility. The following rank analysis based on mean value is done and the tables are clearly given below

Table 2

Customer Relationship Management Techniques

CRM techniques	N	Mean	Rank
Membership Card	606	4.4851	1
Greetings	606	4.8861	2
Impulsive Purchases techniques	606	5.6931	7
Customer feedback	606	6.3119	10
Offers / discounts	606	5.2970	3
toll free numbers	606	5.5314	5
customer review rating system	606	5.3696	4
Ambiance	606	5.6469	6
Wifi connectivity	606	5.8746	9
parking facility	606	5.7046	8

From above table it is ascertained that the membership card strategy (Mean=4.4851, Rank 1) is considered as number 1 CRM practices to have smooth relationship with the customers. It is followed by sending greetings to the customers through SMS (Mean=4.8861, Rank 2) is also playing second vital role in maintain customer relationship management in departmental stores. The third rank is given by the respondents is offer given (Mean=5.2970, Rank 3). It shows that offer and discount play a conspicuous role in CRM.

Influence of customer relationship management on factors of Customer retention.

After reviewing the national and international literature pertaining to Customer relationship management as well as customer retentions the variable meticulously identify the factors representing with empirical evidence from literature review. The main aim of this study is the establish the nature of relationship exist between customer relationship management and customer retentions factors need to be established in this section hence the researcher consider customer relationship management factors has independent variables and customer retention factors has dependent variables. Linear multiple regression analysis the researcher found customer relationship management factors dominate independent variables and customer retention factors dominate dependent variables for each regressions. Influence of customer relationship management factors on the dependent factor on customer satisfaction. The applications of regression analysis on the independent factors namely relationship management, technology adoption, Quality of service, Knowledge management, and employee behavior and the dependent factors the customer satisfaction consider the regression and the results are given below.

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Table 3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.971ᵃ	.943	.942	.31629

From above table it was found that R square value = 0.943 which implies that the independent variables cumulatively create 94.3% variance. It is further confirmed through the following F values in the analysis of variance table.

Table 4

ANOVAa

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	991.031	5	198.206	1981.233	.000 b
Residual	60.125	601	.100		
Total	1051.156	606			

From the above table it can be ascertained that F=1981.223, p=0.00) are statistically significant at 5% level. This implies there is significance relationship between factors of customer relationship management and   customer satisfaction in the departmental stores but customer's relationship can be further microscopically studied in the following co efficient table.

Table 5

Coefficient					
Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Relationship Management	-.098	.056	-.106	-1.737	.083
Technology Adoption	.326	.063	.318	5.192	.000
Quality Service	.290	.064	.270	4.559	.000
Knowledge Management	.881	.058	.894	15.306	.000
Employee Behavior	-.396	.051	-.409	-7.730	.000

From above table it can be ascertained that Technology adoption (Beta = 0.318, t=5.192, p=0.00), Quality of service = 0.270, t=4.559, p=0.00), Knowledge Management = 0.894, t=15.306, p=0.00) and Employee behavior   (Beta = -.409, t=-7.730, p=0.00) are statistically significant at 5% level. This implies customers are king of business the Successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the technology adoption, quality of service, knowledge management and employee behavior. Today the most important thing to do about the reduced customer satisfaction is the customer-centered practices adapted to each customer's needs and values. By treating different customers in different manners, firms can achieve customer   loyalty   (Tarhan, 2004: 77). From above result it can be interpreted except employee behavior other factors are significantly related with relationship management for employee behavior of stores is not highly satisfied by the customers.

Influence of customer relationship management factors on the dependent factor on Customer loyalty.

Model Summary

Table 6

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.991 a	.98 1	.981	.1906 1

From above table found that R square value = 0.981 which implies that the independent variables cumulatively create 98.1% variance. It is further confirmed through the following F values in the analysis of variance table.

Table 7

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1156.688	5	231.338	6367.296	.000b
	Residual	21.836	601	.036		
	Total	1178.524	606			

From the above table it can be ascertained that F=6367.296, p=0.00) are statistically significant at 5% level. This implies there is significance relationship between factors of customer relationship management and customer loyalty in the departmental stores but customer's relationship can be further microscopically studied in the following co efficient table.

Table 8

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Relationship Management	.142	.034	.145	4.188	.000
Technology Adoption	.189	.038	.174	4.990	.000
Quality Service	-.169	.038	-.149	-4.421	.000
Knowledge Management	.319	.035	.305	9.183	.000
Employee Behavior	.537	.031	.522	17.362	.000

From above table it can be ascertained that relationship management (Beta = 0.145, t=4.188), Technology adoption (Beta = 0.174, t=4.990, p=0.00), Quality of service = -.149, t=-4.421, p=0.00), Knowledge Management = 0.305, t=9.183, p=0.00) and Employee behavior (Beta = .522, t=17.362, p=0.00) are statistically significant at 5% level. According to Zeithaml, (2000) the loyal customer relationship has long life in organization. So, customer loyalty is basically related to firm's ability to retain customers and influence them to suggest its products and services to future customers. Hence the above table results it can be inferred that all the relationship management factors exclude quality of service are significantly relationship with customer loyalty. The quality of service is not standard in all the times in departmental stores of Chennai city. Influence of customer relationship management factors on the dependent factor on Customer trust

Table 9

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Cluster 1	.975^a	.951	.951	.26844

a. Predictors: (Constant), EB, TA, KM, QS, RM

From above table found that R square value = 0.951 which implies that the independent variables cumulatively create 95.1% variance. It is further confirmed through the following F values in the analysis of variance table.

Table 10

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	846.248	5	169.250	2348.799	.000 b
	Residual	43.307	601	.072		
	Total	889.554	606			

From the above table it can be ascertained that F=2348.799, p=0.00) are statistically significant at 5% level. This implies there is significant relationship between factors of customer relationship management and customer trust in the departmental stores but customers relationship can be further microscopically studied in the   following   co efficient table.

Table 11

	Un standardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
Relationship Management	-.087	.048	-.102	-1.815	.070
Technology Adoption	.313	.053	.332	5.865	.000
Quality Service	.358	.054	.362	6.631	.000
Knowledge Management	.085	.049	.094	1.746	.081
Employee Behavior	.265	.044	.297	6.098	.000

From above table it can be ascertained that Technology adoption (Beta = 0.332, t=5.865, p=0.00), Quality of service = 0.362, t=6.631, p=0.00) and Employee behavior (Beta = .297, t=6.098, p=0.00) are statistically significant at 5% level. According to Thomas (2009) clarified trust as an expectation of idealistic results, that   one can get in light of the normal activity of another gathering. Trust is characterized as the desire for the gatherings in an exchange with any organization amid benefit involvement and even it identifies with the dangers related with accepting and following up on such desires by the concerned organization. Hence the above results it can be explained that the trust is significantly relationship with customer relationship management factors namely technology adoption, quality of service and employee behavior. Stores customers are rather difficulties countenance in Relationship management process.

Influence of customer relationship management factors on the dependent factor on Customer spent time in shopping

Table 12

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.987[a]	.975	.974	.21433

From above table found that R square value = 0.974 which implies that the independent variables cumulatively create 97.4% variance. It is further confirmed through the following F values in the analysis of variance table.

Table 13

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1063.303	5	212.661	4629.359	.000[b]
	Residual	27.608	601	.046		
	Total	1090.912	606			

From the above table it can be ascertain that F=4629.359, p=0.00) are statistically significant at 5% level. This implies there is significance relationship between factors of customer relationship management and customer spent time in the departmental stores but customer's relationship can be further microscopically studied in the   following co efficient table.

Table 14

Coefficients[a]					
	Un standardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.

Relationship Management	.036	.038	.038	.929	.353
Technology Adoption	.144	.043	.138	3.385	.001
Quality Service	.291	.043	.266	6.748	.000
Knowledge Management	.465	.039	.463	11.916	.000
Employee Behavior	.090	.035	.091	2.585	.010

From above table it can be observed that Technology adoption (Beta = 0.138, t=3.385, p=0.00), Quality of service = 0.266, t=6.748, p=0.00) and Knowledge Management = 0.463, t=11.916, p=0.00) are statistically significant at 5% level. Now days Time is highly important for every one when customers are shopping in stores offline mode or online mode customers are focusing on minimizing shopping hours, easiness of choosing items, quick clear bill and expect the stores employees respect customer valuable time. The above table interpret the result is the customer spent in time in stores is significantly relationship with customer relationship management factors namely technology adoption, quality of service and knowledge management. Influence of customer relationship management factors on the dependent factor on Customer cost conscious

Table 15

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.989a	.978	.978	.20235

From above table it is found that R square value = 0.978 which implies that the independent variables cumulatively create 97.8% variance. It is further confirmed through the following F values in the analysis of variance table.

Table 16

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1117.919	5	223.584	5460.350	.000b
	Residual	24.609	601	.041		
	Total	1142.528	606			

From the above table it can be understood that F=5460.350, p=0.00) are statistically significant at 5% level. This implies there is significance relationship between factors of customer relationship management and customer conscious about cost in the departmental stores but customers' relationship can be further microscopically studied in the following co efficient table.

Table 17

Coefficientsa					
Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Relationship Management	.221	.036	.229	6.132	.000
Technology Adoption	.083	.040	.078	2.064	.039
Quality Service	.097	.041	.087	2.389	.017
Knowledge Management	.407	.037	.396	11.047	.000
Employee Behavior	.211	.033	.209	6.432	.000

From above table it is observed that relationship management (Beta = 0.229, t=6.132, p=0.00), Knowledge Management = 0.396, t=11.047, p=0.00 and Employee behavior (Beta = .209, t=6.432, p=0.00) are statistically significant at 5% level. Customers are not too blind to buy a product without searching information about a product or service. Actually, consumers

are sensitive to the prices because they want to get maximum benefits of using their money and time. Price sensitivity is an individual difference variable describing how individual consumers show their reactions to changes in price levels. Bundled pricing also makes the partitioned components more important than when the prices are not bundled (Chakravarti et al. 2002). Higher perceived price shows greater monetary loss for customers, which leads to lower purchase intentions (Hee, & Darren, 2006). Hence the above table inferred that the cost conscious of customer with customer relationship management factors such as relationship management, knowledge management and employee behaviour.

Finding

The impact of CRM practices on customer retention strategies the researcher used linear multiple regression analysis. It is found that all the five CRM practices influence over satisfaction followed by cost, time, loyalty and trust. The effectiveness of CRM practices through modern technique revealed that the membership card is primary and important for departmental stores to have constant touch with customers, the customers receiving Greeting message from departmental stores are also important and impulsive techniques of stores have attracted the customer it makes long-term customer relationship with stores.

Suggestions:

Most of the customers are male hence the departmental stores will give more attention to male customers as well as would develop attractive CRM strategies for female to increase female customer to visit the stores. Majority of customers of departmental stores age group is middle level younger in nature, hence stores have to give more attention to middle level customer to fulfill their needs. It is suggested that the departmental stores can introduce an introducer card to existing customers, store can give bonus point and other offers to the existing customers who introduce to new customers through this introducer card this enable the stores to acquire new   customers and also to improve the effectiveness of the CRM and Customer retention strategies.

Conclusion:

In recent years the Metropolitan City departmental stores have high competition due to large number of stores emerged in last few years. This implies stores to retain their existing customers as well as acquiring new customers through effective Customer Relationship Management practices. The present research has found effectiveness of Customer

Relationship Management on customer retention. Further this research found satisfaction level of the customers with CRM and customer retention ten dimensions like relationship management process, technology adoption, quality of service, Knowledge Management, employee behavior, Customer satisfaction, Customer loyalty, Customer Trust, Cost and Time. The study has enclosed the Demographical profile of store customers and the shopping behaviour of the respondents, along with an enumeration of their opinion on the various dimensions that trigger satisfaction to the service provided. From the result analyzed the present study The demographical variables towards CRM and customer retentions provided by stores were tested and analyzed through frequency analysis and regression analysis. These analyses were to find out the significant mean difference and relationship of CRM and Customer retention dimensions with demographical variables finally conclude this research the CRM practices are highly impact on customer retention in departmental stores of Chennai city.

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