A Study of Customer Relationship Management and Customer Preferences in Apparels with Special Reference to Chennai Retail Stores

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Abstract
Customer Relationship Management (CRM) is a comprehensive approach to developing, sustaining, and expanding customer relationships. Customer relationships, on the other hand, are not widely considered in the businesses of small street vendors. The customer relationship management adoption process in small businesses and the goal of this paper is to expand knowledge and provide a better understanding of the CRM adoption process through an empirical study in Chennai and also particularly bring out the most effective practice that influences customers shopping decision. The Indian apparel retail sector is booming, leading to intense competition. The companies are tailoring CRM initiatives to increase their customer base. The customer’s role is crucial in maintaining long term profitable relationships with the customers. This research attempts to study various touchpoints related to apparel retailing. The study aims at establishing the importance of customer touchpoints in CRM.

Keywords: Retail Stores, Customer Relationship Management, Preferences, Customer Loyalty and Satisfaction.

Introduction
Retailing by its very nature is a dynamic industry. Retail is the final stage of any economic activity. By this feet, retail occupies an important place in the world economy. According to Philip Kotler, “Retailing includes all the activities involved in selling goods or services to the final customers for the personal, non-business. A retailer or retail store is any business enterprise whose sale volume comes primarily from retailing.

Retailing is not only an important part of the economic structure, but it is also an important part of our lives. Though goods trading has existed since ancient times, it is only recently that buying and selling goods has become a more dominant activity. Retailing is now transforming into a global, high-tech industry. Retailing is selling goods and services to a final consumer for their use. Retailers serve as a link between manufacturers, wholesalers, agents, and customers. The retail sector in India is experiencing unprecedented growth due to matched demographics, rising income levels, shifting lifestyles, and changing aspirants of the country’s burgeoning middle class.

The Indian retail market has many clothing stores, both organised and unorganised. There are numerous clothing outlets in the unorganised market, most of which are small in size and place little emphasis on their merchandise display.
Customers have a limited selection of unbranded products in these stores. Customers can purchase ready-made and unstitched clothing from them. In these establishments, the retailer or the owner himself attends to his or her regular customers. They are usually found in the city’s most affluent neighbourhoods. On the contrary, an organised market has clothing stores that are appealing, well-organized, and display their merchandise beautifully.

Customer Relationship Management

Customer relationship management (CRM) has emerged as the core marketing activity for businesses operating in a dynamic and competitive business environments. Customer Retention has taken the front seat in the organisation because its results are very lucrative.

In definition, Customer Relationship Management (CRM) is the combination of practices, strategies and technologies that companies use to manage and analyse customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth. CRM systems compile customer data across different channels or points of contact between the customer and the company, including the company’s website, telephone, live chat, direct mail, marketing materials and social media. Also, CRM systems can give customer-facing staff detailed information on customers’ personal information, purchase history, buying preferences and concerns.

CRM software has become the most important software in the last ten years for various reasons. The global market has become highly competitive. It has become easier for customers to switch companies if they are dissatisfied with the service they receive or want a low-cost product. One of the primary goals of a CRM solution is to retain customers and protect them from the temptations of competitors. When CRM is used correctly, an organisation can establish long-term relationships with their customers.

The Customer support cycle is an internal part of the CRM system; when a client sends complaints; they must be handled efficiently and promptly. The corporation should also seek to make sure those mistakes are not repeated. When sales are complete, they should be tracked to analyze them from various aspects and produce reports. The analytical aspect of the CRM system deals with analyzing clients’ information and using it for business intelligence purposes.

Customer Loyalty

Customer loyalty describes an ongoing emotional relationship between you and your customer, manifesting itself by how willing a customer is to engage with and repeatedly purchase from you versus your competitors. Loyalty is the byproduct of a customer’s positive experience with you and works to create trust.

Customer loyalty and customer retention work together. Loyalty is a mindset predisposes a customer to engage with and purchase from your company. Retention is a metric used to track customer engagement and the resulting sales. It’s all about keeping the customers you worked so hard to acquire, to provide great experiences, and to continue to offer value. Customer retention strategies are developed to provide and extract more value from your existing customer base.

Loyalty Programs

Loyalty programmes encourage customers to buy products, interact with, or use the services of a particular brand. Customers are recognised and rewarded across all channels based on monetary expenditures or other interactions with your brand.
A loyalty programme, whether it involves collecting points, performing a specific action, or spending a certain amount of money, is an upfront agreement you make with your customers: If you engage with us, we’ll give you something of value in return. Vouchers and discount codes, exclusive products and exclusive access to better pricing, free delivery, or even free merchandise could all be used as incentives. A customer loyalty programme is a subset of a customer retention strategy and is a tried-and-true method of retaining customers and building loyalty.

Loyalty programs have two purposes. They help acquire customers, retain customers, and grow customer advocacy. They are also designed to collect first-party customer data (name, address, email) while deepening relationships between you and your customers.

**Customer Satisfaction**

The study of individuals, groups, or organisations and the processes they use to select, secure, use, and discard products, services, experiences, or ideas to meet needs, as well as the effects these processes have on the consumer and society. The study of consumer behaviour is based on consumer purchasing behaviour, with the customer playing the three distinct roles of user, payer, and buyer. Consumer behaviour is difficult to predict, according to research, even for experts in the field. It investigates individual consumer characteristics such as demographics and behavioural variables to comprehend people’s desires. It also attempts to assess the consumer’s influences from family, friends, reference groups, and society in general. The level of satisfaction is determined by various psychological and physical variables that correlate with satisfaction behaviours, such as other products that the customer can compare the organisation’s products.

Shopping motives are very important in retail stores, shopping centres that match the predominant customer motives have higher patronage, and different product categories have different motives. Normally, once a customer is satisfied with one retailer or brand, he will not switch to another, but his behaviour may change if something attracts him. As a result, the process encourages repeat purchases.

**Objectives**

- To understand and identify the Customer Relationship Management Practices followed by retail stores.
- To explore factors for brand loyalty and satisfaction level.
- To study the benefits of CRM to the retailers and customers.
- To provide the effectiveness of loyalty programs adopted by retail stores.
- To suggest measures for developing customer retention.

**Review of Literature**

Rogers and Dorf (1999) postulated that CRM could be seen as an application of one-to-one marketing and relationship marketing, responding to an individual customer based on what customer says and what else is known about that customer.

Hobby, J., (1999) stated that CRM is a managerial approach that enables organisations to identify, attract, and increment and retention profitable customers by managing relationships with them and further identifying significant customers.

According to L. De Chernatony (1999), brand preference can be measured based on brand loyalty. Given the choice of multiple competing brands, a customer will prefer a specific brand and will only choose the substitute brand if their preferred brand is unavailable. The author went on to say that brand requirement is important during the first sale, but brand loyalty is important during repeat purchases.

Kotler (2000) assured that CRM uses IT to gather data, which can then be used to develop information acquired to create a more personal interaction with the customer. In the long-term, it produces a method of continuous analysis and reinforcement to enhance customers’ lifetime value with firms.

Jinhee Nam et al. (2007) investigated the purchasing habits of female customers in the United States. The authors analysed the reactions of young...
and mature customers who lived independently and discovered that they do not buy clothing for conformity but rather for pleasure or to meet their needs.

Ramanakumar, KPV (2008), discusses Customer Relationship Management (CRM) or Relationship Marketing. He refers to all marketing activities aimed at successfully establishing, developing, and maintaining relational exchanges.

According to V. Ramanathan (2008), Customer Relationship Management is an emerging tool that enables retail marketers to maintain their presence in a volatile market environment. CRM was initially the tool for manufacturers to motivate and retain retailers. This same tool is now being used by retailers to retain customers.

According to Sreekumar P (2009), for implementing any CRM initiative or special loyalty offers, Lifetime Customer Value is the most important criterion.

According to Faed (2010), customer relationship management amplifies a firm’s relationships with customers and competitors to increase the organisation’s market share by integrating technology, procedures, and people. The goal of CRM is to keep customers and increase customer loyalty, which results in strategies and business function transformation. Customer satisfaction and pleasing are two key components in a successful CRM implementation for retaining customer loyalty.

Mueller (2010) characterises the customer relationship management aspect of business as highly dynamic and convincingly argues that to remain competitive in their industries, businesses must take a proactive approach in developing relevant programmes and initiatives.

According to Fornell (2011), CRM policy will help in terms of the maximisation of channel sales of the retail market. Moreover, the CRM provides the precise and updated data of the products and services to the customers. In addition, the purchase orders, order status tracking, delivery commitments are maintained to ensure loyalty. Moreover, the CRM practices are guided by effective regulatory norms so that the global trade practices can be maintained.

According to Bhattacharya (2011), CRM is implemented in a firm or organisation to reduce costs and increase company performance, which results in customer loyalty. Indeed, in a successful CRM, data is collected from internal and external sources of data, such as the sales department, customer service, marketing, after-sales services, procurement, and so on, to obtain a holistic view of each customer’s requirements in a real-time system. This information could assist employees dealing with customers in various areas of the organisation to make quick and well-informed decisions from up and cross-selling target market strategies to position the company in a competitive position in the market among rivals.

According to Peppers and Rogers (2011), there is a global tendency in customer relationship management that relates to the shift from the transactional model towards the relationship model. In other words, argue that satisfying customer needs as a result of the on-time transaction is not sufficient today to ensure the long-term growth of the businesses.

Research Methodology

This study is descriptive and based on secondary data collected from various sources, including journals, articles, reports and websites.

A literature review is useful to explore the current research topics; it summarises prior studies and shows the difference between studies and gaps that exist in the field of research. Reviews are useful not only for interpreting and assessing the strength of previous research but also for guiding the direction of future study.

Limitations

This research has several limitations as it is conducted at a small level. There are many variables that have an impact on brand loyalty and satisfaction of the customers, but only a few are included in the research model, and only their impact and relationship is studied in Apparel industry. Learning about other variables and other industries may contribute more towards the literature, so they should be added for better understanding.

Findings

Customers purchasing behaviour is not always consistent with their principles. It exhibits
a wide range of behaviours not only within groups of individuals but also within the decisions of individuals who are heavily influenced by emotional decisions. The design community must engage in these emotional decisions.

Customer happiness with the apparel is a critical indicator of brand loyalty, according to the findings. Customer happiness is dependent on this scenario, but brand loyalty is independent because they have a causal relationship. Customers are satisfied with a brand that is loyal to its customers. Our brands are the most well-known market leaders and rival each other. As a result, we selected them because they are all the most accurate in our research topic, and our sampling is not biased. Furthermore, the quality of the clothing and the brand’s after-sales services were the most important factors in the relationship between different types of happiness and loyalty.

Shoppers Stop provides appropriate brand space, and its primary focus is lifestyle retail. It focuses on the system and the process, which becomes their main strength. Employee retention becomes a major weakness for them. The opportunities for shoppers to Stop are geographical reach and sales growth. The main threats are a slowing economy and increased competition. When comparing the CRM strategies of Shoppers, Stop the maintenance of customer databases, repeat customer purchases, and purchases by their major CRM strengths.

Survey findings can be used to explain consumer purchasing behaviour. The factors identified in the study can help apparel retailers improve their marketing strategies. With its assistance, retailers can convert potential customers into actual customers. To increase demand, apparel retailers must improve their ambience and location; brands offered, prices offered, discounts offered, services provided within the store, and after-sales service.

**Conclusion**

The efficient management of customer touchpoints is instrumental for any effective Customer Relationship Management initiative. The study investigates the customer touchpoints associated with apparel retailing. According to the empirical analysis, some customer touchpoints are critical from the customer’s perspective. The findings are significant because of the managerial implications for organisations that tailor CRM initiatives and create customer experiences through customer touchpoints. As a result, the research findings cannot be generalised. They try to satisfy them with a wide range while also maintaining a good relationship to retain them and, as a result, convert them into loyal customers. Loyalty discounts are the most influential CRM practices that influence customers purchasing decisions. However, street stall salespeople should hone their selling skills and put more effort into developing healthy vendor-customer relationships.

The study considers the income factor as well as the purchasing pattern of apparel products. According to customer rankings, the quality factor is first, followed by colour and design, comfort and style, and price, in that order. The level of expectation and satisfaction with the various types of apparel had a positive relationship. Finally, it can be concluded that it is critical to thoroughly understand the customers purchasing behaviour process and customer requirements. The brand developer should develop and place the products according to the customer, which will aid in the development of sustainable apparel products and better business performance. There has been a transformation in the consumption pattern, thus leading to change in the overall retailing scenario. Also, a change has been noticed in the demographic profile of customers that can be utilised smartly by the retailers for fulfilling the needs and expectations of the customers.

**Suggestion**

The study’s findings may strongly encourage customer relationship building value for micro and small businesses to gain a competitive advantage in the market. Based on the findings and implications, this study will help small and micro businesses gain a better understanding of marketing mix theory. Taking into account the fact that there has been very little research done on street vendors and their managerial capabilities and management know-how, this research will generate recommendations for managerial application for the street vendor business as well as identify areas for future scholarly inquiry.
References


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