

**Customer Relationship Management of  
Organized Food & Grocery Retail Stores in  
Udaipur City**

उदयपुर शहर में संगठित खाद्य और किराने खुदरा

दुकान में ग्राहक संबंध प्रबंधन

**RAUNAK KUMAR PRAJAPAT**

**Project Report**

**Master of Business Administration**

**(Agri Business)**



उत्तमा वृत्तिस्तु कृषिकर्मैव

**2018**

**Institute of Agri Business Management  
Swami Keshwanand Rajasthan Agricultural University  
Bikaner- 334006**

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**Project Report**

Submitted to the  
Swami Keshwanand Rajasthan Agricultural University, Bikaner  
in partial fulfilment of the requirement for the degree of

**Master of Business Administration**

**(Agri Business)**

**By**

**Raunak Kumar Prajapat**

**2018**

# **Institute of Agri Business Management**

**Swami Keshwanand Rajasthan Agricultural University, Bikaner**

Date: .....

## **Certificate – I**

This is to certify that **Mr. Raunak Kumar Prajapat** had successfully completed the Comprehensive Examination held on...24.4.2016....as required under the regulation for the degree of Master of Business Administration (Agri Business)

DIRECTOR

**Institute of Agri Business Management**  
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Date: .....

**Certificate – II**

This is to certify that this Project Report entitled “**Customer Relationship Management of Organized Food & Grocery Retail Stores in Udaipur City**” submitted for the degree of **Master of Business Administration (Agri Business)** in the field of Agri embodies bonafide project work carried out by **Mr. Raunak Kumar Prajapat** under my guidance and supervision and that no part of this project report has been submitted for any other degree. The assistance and help received during the course of investigation have been fully acknowledged. The evaluation committee also approved the draft of this Project Report on .....

Satyveer Singh Meena  
(Major Advisor)

Director

**Institute of Agri Business Management**

**Swami Keshwanand Rajasthan Agricultural University, Bikaner**

Date: .....

**Certificate- III**

This is to certify that project report entitled “**Customer Relationship Management of Organized Food & Grocery Retail Stores in Udaipur City**” submitted by **Mr. Raunak Kumar Prajapat** to the Swami Keshwanand Rajasthan Agricultural University, Bikaner in partial fulfilment of requirement for degree of Master of Business Administration (Agri Business) after recommendation by the external examiner was defended by the candidate before the following members of the evaluation committee. The performance of the candidate in the oral examination on his project report has been found satisfactory. We recommend that the project report be approved.

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Satyveer Singh Meena  
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Aditi Mathur  
(Member)

Amita Sharma  
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Recommended for approval

Director

APPROVED

Dean,

Post Graduate Studies

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**Certificate – IV**

This is to certify that **Mr. Raunak Kumar Prajapat** of the Institute of Agri Business Management, Bikaner has made all the corrections/modifications in his project report entitled “**Customer Relationship Management of Organized Food & Grocery Retail Stores in Udaipur City**” which were suggested by the external examiner and approved by the committee constituted for the purpose in the oral examination held on..... The final copy of the project report duly bound and corrected were submitted on ..... And enclosed here with for approval.

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Satyveer Singh Meena  
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Recommended for approval

Director

APPROVED

Dean,  
Post Graduate Studies

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**(Raunak Kumar Prajapat)**

Date: .....

Place: Bikaner

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## **List of Abbreviations**

CRM	Customer Relationship Management
FMCG	Fast Moving Consumer Goods
TSCO	Tractor Supply Company
CAGR	Compound Annual Growth Rate
ORP	Organized Retail Penetration
KBFP	Kishore Biyani Fair Price Shop
FBB	Fashion Big Bazaar
RPG	Ram Prasad Goenka Group
KFC	Kentucky Fried Chicken
POS	Point of Selling
GDP	Gross Domestic Product

## EXECUTIVE SUMMARY

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Customer relationship management is based on customer because the customer is becoming a key factor for the small and big companies. The companies know that its cost is more to acquire a new customers than to get an existing customer for a making a purchase. Another aspect of survival of CRM is that knowing the customer better and also his/her preferences will allow the companies to acquire new customers more easily and facilitates targets cross selling. CRM is based on the basic marketing belief that an organization that knows its customer like an individual. The organization's components include the database warehouse that store all the company information of the customer. For the collection of the customer database, they are using the different customer service system to get the complete information of the customer and the sales system. In the portable sales communication, the CRM is appointment making of the service. In the practice, the CRM system is the range from automated customer contacts system to the company wide pooling for the customer information. CRM is a system for capital investment that integrates the strategy, marketing and the IT system. It is also a strategic know how to handle the customer relations from a company point of view. The strategy is based how to develop, establish and increase the relation with the customer for profitability perspective

The present study is an attempt to analyze the existing role and importance of customer relationship management (CRM) in organized food and grocery retail stores in Udaipur city. The study was conducted to find out that how the retail outlets are managing CRM system and how the CRM practices adopted by the retail outlets are impacting the consumer taste and preference towards organized food and grocery retail markets in Udaipur city. The idea about the study is inspired by increased numbers of organized food and grocery retail outlets in Udaipur city in last ten years and there is increase in ways of CRM system adopted by the organized retail players.

The study shows that the trend of organized retail market in Udaipur city is thriving year by year due to some driving factors like rapid urbanization, education, growing income, changing the people lifestyle, and taste and preferences of consumers, infrastructure facility etc.

The study also reveals that the organized food and grocery retail outlets are using different kinds of practices of customer relationship management system in order to retain their existing customers for long term by providing them the best of the products and services. The retailing trends has been changed now and its focus from providing quality products to the consumers has now been shifted nowadays to the better customer services which in turn, help the retailers to maintain their customer relationship with the customers.

The study also shows that there is mutual benefits and impacts of CRM on customers as well as retail outlets. After adopting CRM practices, retailers witnessed that their customer retention, business profitability and discovery of new customers have increased. Also retailers find it easy to simplify the marketing and sales strategy for the company with the help of CRM implementation. On the other hand, CRM also play the key role in changing the mind sets of customers. After adopting CRM practices by retail outlets, there have been some positive changes in customer tastes and preferences like customers shopping experience improved, customers availing better customer services, more spending and customer buying behavior changed after the implementation of CRM practices. CRM can be a holistic strategy which can help the retailers to build a relationship with their customers that can last a lifetime, enables to develop philosophy that is oriented towards the customers.

## कार्यकारी सारांश

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ग्राहक संबंध प्रबंधन ग्राहक पर आधारित है क्योंकि ग्राहक छोटी और बड़ी कंपनियों के लिए एक महत्वपूर्ण कारक बन रहा है। कंपनियों को पता है कि एक मौजूदा ग्राहक को खरीद करने के लिए एक नया ग्राहक प्राप्त करने के लिए इसकी लागत अधिक है। सीआरएम के अस्तित्व का एक और पहलू यह है कि ग्राहक को बेहतर तरीके से जानना और उसकी प्राथमिकताओं से कंपनियों को नए ग्राहकों को अधिक आसानी से हासिल करने और लक्षित बिक्री को पार करने की सुविधा मिल जाएगी। सीआरएम मूल विपणन धारणा पर आधारित है कि एक संगठन जो अपने ग्राहक को एक व्यक्ति की तरह जानता है। संगठन के घटकों में डेटाबेस वेयरहाउस शामिल है जो ग्राहक की सभी कंपनी की जानकारी संग्रहीत करता है। ग्राहक डेटाबेस के संग्रह के लिए, वे ग्राहक और बिक्री प्रणाली की पूरी जानकारी प्राप्त करने के लिए विभिन्न ग्राहक सेवा प्रणाली का उपयोग कर रहे हैं। पोर्टेबल बिक्री संचार में, सीआरएम सेवा की नियुक्ति है। इस अभ्यास में, सीआरएम प्रणाली स्वचालित ग्राहक संपर्क प्रणाली से ग्राहक की जानकारी के लिए कंपनी के व्यापक पूलिंग की सीमा है। सीआरएम पूंजीगत निवेश के लिए एक प्रणाली है जो रणनीति, विपणन और आईटी प्रणाली को एकीकृत करती है। यह एक रणनीतिक जानकार है कि कंपनी के दृष्टिकोण से ग्राहक संबंधों को कैसे संभाला जाए। रणनीति लाभप्रदता परिप्रेक्ष्य के लिए ग्राहक के साथ संबंध विकसित करने, स्थापित करने और बढ़ाने के तरीके पर आधारित है।

वर्तमान अध्ययन उदयपुर शहर में संगठित खाद्य और किराने की खुदरा दुकानों में ग्राहक संबंध प्रबंधन (सीआरएम) की मौजूदा भूमिका और महत्व का विश्लेषण करने का प्रयास है। अध्ययन यह पता लगाने के लिए किया गया था कि रिटेल आउटलेट सीआरएम सिस्टम का प्रबंधन कैसे कर रहे हैं और खुदरा दुकानों द्वारा सीआरएम प्रथाओं को कैसे अपनाया जाता है, उदयपुर शहर में संगठित खाद्य और किराने के खुदरा बाजारों के प्रति उपभोक्ता स्वाद और वरीयता को प्रभावित कर रहा है। अध्ययन के बारे में विचार पिछले दस वर्षों में उदयपुर शहर में संगठित खाद्य और किराने के खुदरा दुकानों की संख्या में प्रेरित है और संगठित खुदरा खिलाड़ियों द्वारा अपनाई गई सीआरएम प्रणाली के तरीकों में वृद्धि हुई है। अध्ययन से पता चलता है कि उदयपुर शहर में संगठित खुदरा बाजार की प्रवृत्ति सालाना बढ़ती जा रही है क्योंकि तेजी से शहरीकरण, शिक्षा, बढ़ती आय, लोगों की जीवन शैली में बदलाव, और उपभोक्ताओं, बुनियादी सुविधाओं की सुविधा आदि के स्वाद और वरीयताओं जैसे कुछ ड्राइविंग कारकों के कारण। अध्ययन से पता चलता है कि संगठित खाद्य और किराने के खुदरा दुकानों में ग्राहक संबंध प्रबंधन प्रणाली के

विभिन्न प्रकार के प्रथाओं का उपयोग कर रहे हैं ताकि वे अपने मौजूदा ग्राहकों को लंबे समय तक उत्पादों और सेवाओं का सर्वोत्तम प्रदान कर सकें। खुदरा रुझानों को अब बदल दिया गया है और उपभोक्ताओं को गुणवत्ता वाले उत्पाद उपलब्ध कराने से इसका ध्यान अब बेहतर ग्राहक सेवाओं के लिए स्थानांतरित कर दिया गया है, जो बदले में, खुदरा विक्रेताओं को ग्राहकों के साथ अपने ग्राहक संबंध बनाए रखने में मदद करते हैं। अध्ययन से यह भी पता चलता है कि ग्राहकों और साथ ही खुदरा दुकानों पर सीआरएम के पारस्परिक लाभ और प्रभाव भी हैं। सीआरएम प्रथाओं को अपनाने के बाद, खुदरा विक्रेताओं ने देखा कि उनके ग्राहक प्रतिधारण, व्यापार लाभप्रदता और नए ग्राहकों की खोज में वृद्धि हुई है। इसके अलावा खुदरा विक्रेताओं को सीआरएम कार्यान्वयन की मदद से कंपनी के लिए विपणन और बिक्री रणनीति को सरल बनाना आसान लगता है। दूसरी तरफ, सीआरएम ग्राहकों के दिमागी सेट को बदलने में महत्वपूर्ण भूमिका निभाता है। खुदरा दुकानों द्वारा सीआरएम प्रथाओं को अपनाने के बाद, सीआरएम प्रथाओं के कार्यान्वयन के बाद ग्राहकों के स्वाद और वरीयताओं जैसे ग्राहक खरीदारी अनुभव में सुधार हुआ, बेहतर ग्राहक सेवाओं का लाभ लेने वाले ग्राहक, अधिक खर्च और ग्राहक खरीदारी व्यवहार में कुछ सकारात्मक बदलाव हुए हैं।

सीआरएम एक समग्र रणनीति हो सकता है जो खुदरा विक्रेताओं को अपने ग्राहकों के साथ संबंध बनाने में मदद कर सकते हैं जो जीवनभर तक रहना है, जो ग्राहकों के प्रति उन्मुख दर्शन विकसित करने में सक्षम है।

# 1. INTRODUCTION

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## 1.1 Introduction to CRM

Customer relationship management 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 is high on the corporate agenda. Recent study 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 expectation, attitude and behavior through a well-organized and maintained customer database and innovative customer strategies. The goal of CRM is to ensure customer satisfaction and delight at every level of interface with the company.

Customer relationship management means creating offers to customers based on their past behaviors and demographic characteristics. Customer relationship to help attract new customers, increase brand loyalty, reduce costs, increase efficiency and maintain a competitive advantage as markets evolve and become more competitive it will become more important for retailers to focus on branding. The retail outlet as an image creator and image is a mental picture in the mind of customers. Customer relationship management has the role of increasing retailers return on marketing investment and maximizing lifetime customer value. As markets are being more competitive retail players are trying to keep customer satisfied and happier. Customers are satisfied and happier when customers' expectation will be met. Customer satisfaction means that customer needs, wishes and expectations are met or overcome during the product/service period,

giving way to re-purchasing and customer loyalty. CRM is a multifaceted process, mediated by set of information technologies that focuses on creating two way exchanges with customers so that the firms have an intimate knowledge of their needs, wants and buying patterns in this way customer relationship helps companies understand as well as anticipate the need of the current and potential customers. A CRM is a very important tool to understand the customers in a better way and know about the customer expectations and demands. Customer relationship management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customer to create superior value for company and the customer. It involves the integration of marketing, sales, customer service and the supply chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value. Customer relationship management system helps companies to keep and record the customer information like their goals, needs, events, moreover, saved knowledge is updated into the CRM systems so that the customer's information would be up to date without being outdated. With these connections the information is always expands in the CRM system that enhances the profile data for customers and works like a strong instrument in making business decisions.

CRM is an emerging tool that enables marketers to maintain their presence in the dynamic marketing environment. In the city like Udaipur these organized retail store and firms are concentrating and targeting the consumer from different segments like rural, urban, low, middle and high income segments etc. The research attempts to evaluate CRM practices of the retail stores in Udaipur city. CRM is highly exercised in the industry like hospitality, services industry, etc. but it is having equal importance in the retail industry also. The results of this research shows that customers don't take a single second when it comes to change the preference and break the loyalty for an organization in which the company exchange personalized services for the loyalty for their customer and

customer convey purchasing behaviour. Company tracks and acts upon these preferences with customized products and personalized services.

## **1.2. Role of CRM in Improving Customer Relationship in Retail**

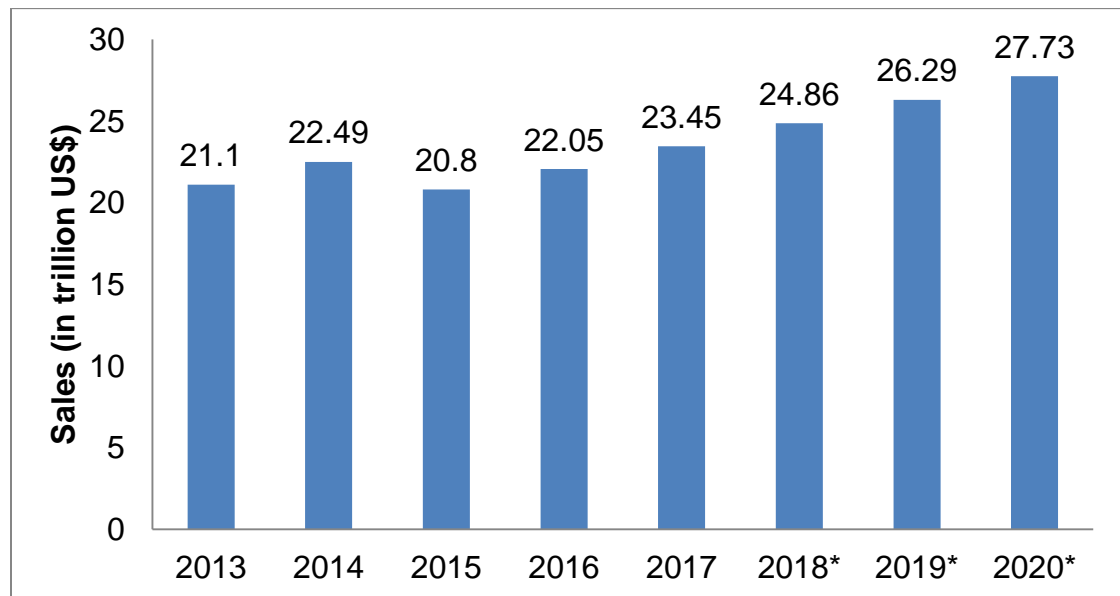
- Tracking of customer interests, needs and buying habits like dislike, tastes and preferences on a continuous basis and formulations of dynamic marketing strategies.
- CRM ushers in improvements in customer services to facilitate long terms sustained customer satisfaction.
- CRM established an in depth understanding between the firm and its customer.
- CRM helps the organizations to identify customer needs and focuses on its strategy to serve better.

## **1.3 Global Retail Scenario**

The global retail industry is classified into four categories: fast-moving consumer goods (FMCG), fashion goods, hardlines and leisure goods, and diversified products. FMCG sales growth has been outpacing the sales of the other product categories in recent years (Report on Fast Moving Consumer Goods Analytics Framework by Deloitte, 2013). The global retail industry analysis encompasses all direct sale to end consumers activities. It includes all kinds of store formats: specialty stores, supermarkets and hypermarkets, discount stores, general dealer, convenience stores, warehouses (for instance, used by wholesalers), in-store retail and non-store retail, large department stores, kiosks, mobile trucks and pop-up stores. It also covers mail order and online sales to end consumers. The U.S. dominates the retail industry. Europe is the second largest market, with the U.K., France and Germany the key countries in the region. The global retail market is highly fragmented. Many major retailers, such as Walmart and Carrefour (which are

the leader in many retail sector such as the food retailing industry), are based in the U.S. or Europe. Important retailers and e-retailers from Asia-Pacific include Alibaba Group (China) and I Holdings (Japan). Walmart is the largest retailer in the world with a 3 per cent market share. It operates a chain of discount department stores and warehouse stores globally as well as selling products online. Its product range comprises both branded and in-house/private labels. Carrefour is the second largest international retail chain with a nearly 1 per cent market share. It has a presence in Europe, Asia, Middle East and the Americas outside the U.S. Total retail sales worldwide from 2015 to 2020 are given below.

**Fig 1: Total retail sales worldwide from 2015 to 2020**



\* Forecasted figure

Source: <https://www.statista.com/statistics/443522/global-retail-sales/2018>

Figure 1 indicates the total retail sales worldwide from 2015 to 2020. It reveals that global retail business is increasing over year. The total retail business for the year 2013 was 21.1 trillion US\$ and it was reached to 23.45 trillion US\$ in 2017. Total global retail sales in 2020 are projected to amount to 27.73 trillion U.S. dollars.

## 1.4 Retail Industry in India

India is one of the largest emerging markets with a population of over one billion. It is one of the largest economies in the world in terms of purchasing power. Retailing in India is at nascent stage of its evolution but within a small period of time certain trends are clearly emerging which are in line with global experiences. Organized retailing has become more popular in big cities in India and most of the metropolitan cities and other big cities are flooded by modern organized retail stores. Many semi-rural areas have also witnessed entry of such organized retail outlets. India's retail sector is estimated to US\$ 600 billion by the end of 2015 and US\$ 1.3 trillion by 2020 with a compound annual growth rate (CAGR) of 10 per cent which is quite lucrative. Retailing as a whole contributes almost 10 per cent of India's GDP and employs almost 8 per cent of India's employable population.

The organized sector accounts for a mere 8 per cent indicating a huge potential market opportunity that is lying in the waiting for the consumer-savvy organized retailer. Purchasing power of Indian urban consumer is growing and branded merchandise in categories like apparels, cosmetics, shoes, watches, beverages, food and even jewellery are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer. Organized retailing is witnessing a wave of players entering the industry and these players are experimenting with various retail formats. A number of large corporate houses like Aditya, Bharti, Reliance, Future group, Vishal, Tata's, RPG, Raheja's and Piramals have already made their foray into this arena with beauty and health stores, supermarkets, self-service music stores, new age book stores, everyday low prices stores, computers and peripherals stores, office equipment stores and home building construction stores. Today organized players have attacked every retail category. Organized retail chains comprise only 8 per cent of the Indian market while 92 per cent market is

comprised of unorganized retail market like Mom and Pop type shops. Now the numbers of organized retail stores is gradually increasing.

According to ETIG (Economic Times Intelligence Group 2015), the size of the organized retail industry was about US\$ 600 billion in 2014-2015. Until 2011, foreign direct investment (FDI) was not allowed in multi-brand retail forbidding foreign companies from any ownership in supermarkets, convenience stores or any retail outlets even single brand was limited to 51 per cent ownership but in 2012, India allowed 100 per cent FDI investment in single brand stores. But government also imposed the requirement that the single brand retailers would have to source 30 per cent from India. On 7 December 2012, India allowed 51 per cent FDI in multi brand retail. Manmohan Singh, the then prime minister of India, felt that this would be beneficial for both customers and farmers. Agricultural marketing was also expected to be benefited with the introduction of new technologies.

The Indian retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organized retailing. A T Kearney, US based global management consulting firm has ranked India as the fourth most attractive nation for retail investment among 30 flourishing markets.

## **1.5 Retail Classification**

Retail industry can be classified into two categories namely- organized and unorganized retail.

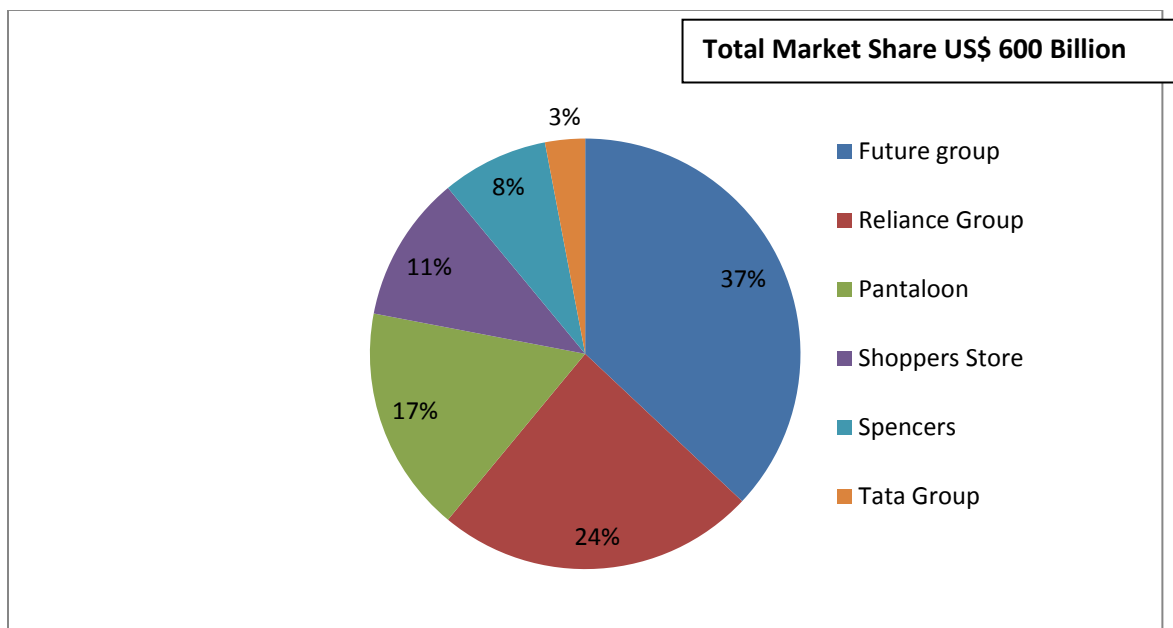
- Organized Retail: organized retail are licensed for trading activities and registered to pay taxes to the governments.
- Unorganized Retail: It consists of unauthorized small shops, conventional kirana's shops, general shops, corner shops among

various other small retail outlets but remain as the radiating force of Indian retail industry.

### 1.6 Share of different Indian organized retail company

Indian is the fifth largest market player in world organized retail industry by 2015-2016. India has various organized retail company working in India. Figure 2 shows the share of top Indian retail company.

**Fig: 2 Share of different retail companies in India**



Source: <https://www.ibef.org/download/Retail-June-2017>

Figure 2 shows that future group has major portion of market share and accounts for 37 per cent of total retail market share by 2015 whereas reliance group and pantaloon have 24 per cent and 17 per cent market share by 2015. Shopper stops are new player in market and have 11 per cent of market share. Spencer and tata group have minimum share of retail business in India.

## 1.7 Major Organized Indian Retailer

Major retailers in India include RPG, Future Group, Aditya Birla Group, The TATA Group, Lifestyle International, Vishal Retail Group, Reliance Retail. The major formats of the companies are given in table 1.

**Table 1: Retailers in India and their major formats**

<b>Name of Retailers</b>	<b>Major Formats</b>
RPG	Music World, Book & Beyond, Spencer's Hyper, Daily & Fresh
Future Group	Big Bazaar, Food Bazaar, KBFP Shops, Easy Day, Aadhaar, FBB , E-zone etc.
Aditya Birla Group	Pantaloons, More outlets.
The TATA Group	Westside, Star India Bazaar, Steel Junction, Landmark, Titan Showrooms, Tanishq etc.
Lifestyle International	Lifestyle, Home centre, Max, Fun city etc.
Vishal Retail Group	Vishal Mega Mart
Reliance Retail	Reliance Fresh, Reliance world

Source: <https://www.indianretailer.com/magazine/2017>

Table 1 shows, that the key players in the Indian retail market in terms of dominant share are Big Bazaar Ltd, a future group venture, over more than 12 million square feet of retail space spread over 1000 stores across 80 cities in India followed by Shoppers Stop Ltd, over 1.82 million square feet of retail space spread over 42 stores in 19 cities of India and RPG Enterprises LTD Retail,

footage of over 1.1 million square feet with approx. 250 stores, across 66 cities respectively. In addition to these, some of the major foreign players who have entered the retail segment in India are Carrefour which opened its first cash and carry store in India in New Delhi. The Germany based cash and carry opened six wholesale centres in the country and Wal-Mart in a joint venture with Bharti retail plans to invest about US\$ 2.5 billion over next five years to add about 10 millions square feet of retail space in the country. British Retailer Tesco Plc (TSCO) in 2008 signed an agreement with Trent Ltd. (TRENT), the retail arm of India's Tata Group, to set up cash and carry stores.

### 1.8 Major Organized Retailers in Udaipur City

Major organized retail players in Udaipur are given in the table below.

**Table 2: Major organized retailers in Udaipur city**

<b>Retail Segments</b>	<b>Retail Stores</b>
Footwear	Adidas, Bata, Woodland, Reebok.
Clothing & Apparels	Peter England, Prinkit, Vishal Mega Mart, Raymond, Cantable, Allen cooper, Signature, Levi's, Flying Machine, Wrangler.
Food & Grocery	Vishal Mega Mart, Reliance Fresh, Udaipur Co-operative Stores, Big Bazaar, KFC, MacDonald's etc.
Watch and Jewellery	Worl of Titan, Tanishq.
Durables	Next Retail, Sony World, LG etc.

Source: Researcher's observation from field data.

Table 2 shows that, Adidas, Bata, Woodland and Reebok are the major organized retailer in the footwear segment. Similarly in clothing segment, Peter England, Prinkit, Vishal Mega Mart, Raymond, etc. are the major organized retailers. Vishal Mega Mart, Reliance Fresh, Udaipur Co-operative Stores, Big Bazaar, KFC, MacDonald's etc. are the leading retailers in the segment of Food and Grocery. World of Titan, Tanishq are the market leaders in jewellery segment.

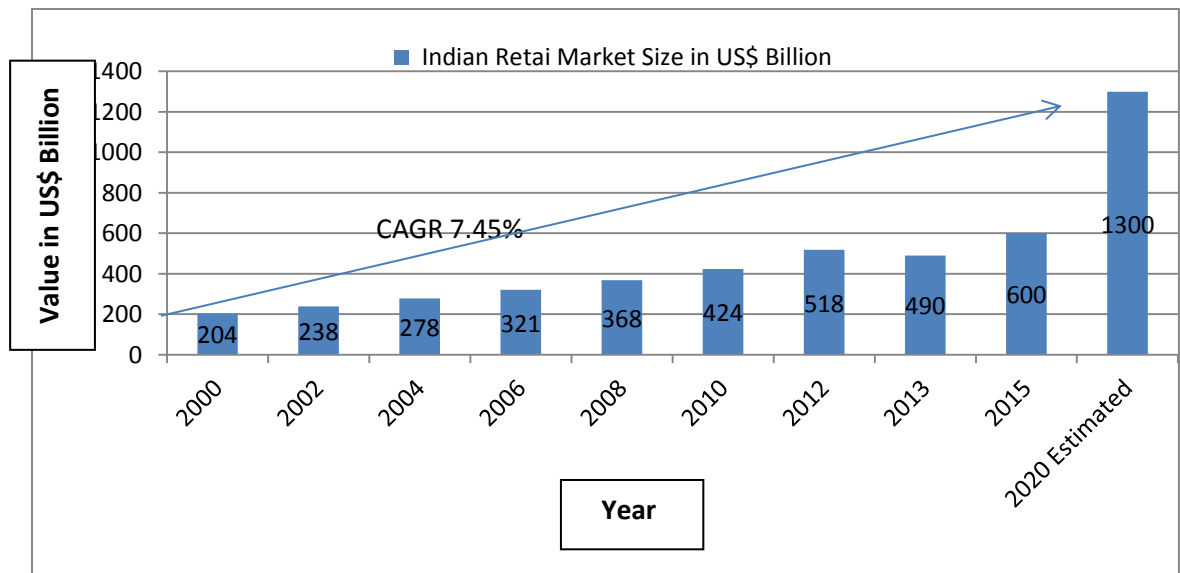
### 1.9 Features of Indian Retail Industry

Indian retail industry has witnessed various business pitfalls of retail industry in India. Below are the main features of Indian retail industry which are given below.

#### 1.9.1 Growth in the Indian retail industry

Indian organized retail sector has immense potential and opportunities to grow in Indian retail market. The strong growth scenario of the Indian retail market is shown in figure 3.

**Fig 3: Growth in the Indian retail industry**



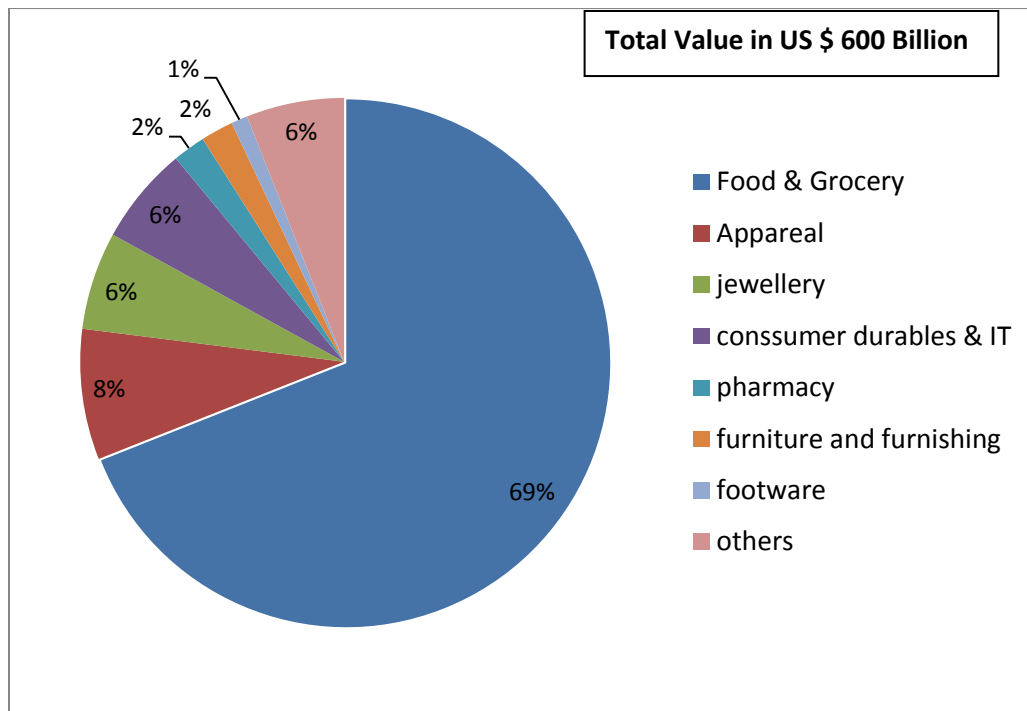
Source: <http://www.BCG Retail 2020>, Ernst & Young/Indianretail.com

Figure 3 shows that retail sector in India is emerging as one of the largest sector in the economy. By 2015, the total market size was estimated to be around US\$ 600 billion, thereby registering a CAGR of 7.45 per cent since 2000. The Retail industry is expected to grow to US\$ 1.3 trillion by 2020, registering a CAGR of 9.7 per cent from 2002-2020.

### 1.9.2 Food and grocery accounts for largest share in revenue in retail in India

Food and grocery category accounts largest share in terms of revenue in Indian retail market. The major share of categories in Indian organized retail industry is shown in figure 4.

**Fig: 4 Shares of retail segments in retail revenue in India 2014-2015**



Source: <http://www.technopak.com/Technopak-Retail.aspx>

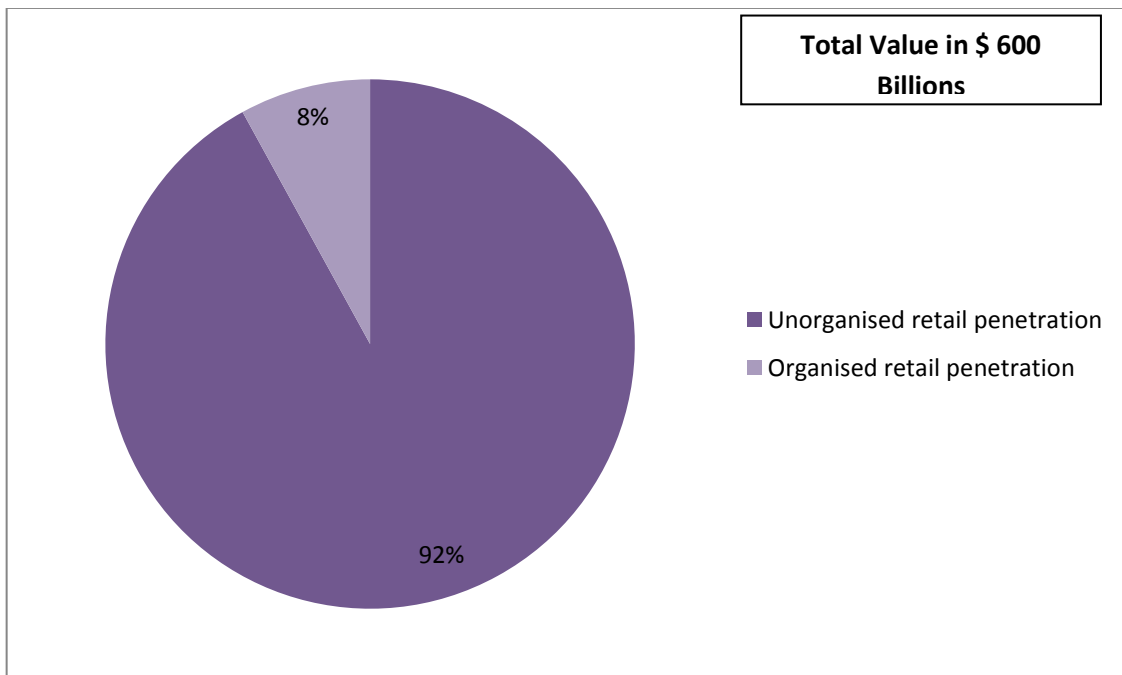
Figure 4 shows that, in 2014-2015, food and grocery market accounted for nearly 69 per cent of total revenues in the retail sector, followed by apparel

(8%). Demand for western outfits and readymade garments have been growing at 40-45 percent annually. Apparel penetration is expected to increase to 30-35 per cent by 2018 while jewellery accounted for 6 per cent share in Indian retail sector and its share is expected to increase from 6 per cent to 8 per cent in FY2020.

### 1.9.3 Organized retail is in nascent stage in India

Though the organized retail market in India has good business opportunities but the organized retail industry is still in growing stage. The organized and unorganized retail market penetration in India by 2014-2015 is shown in figure 3.

**Fig: 5 Indian retail industry penetration status**



Source: [http://rasci.in/downloads/2011/Winning\\_India\\_Retail\\_Sector\\_2011.pdf](http://rasci.in/downloads/2011/Winning_India_Retail_Sector_2011.pdf)

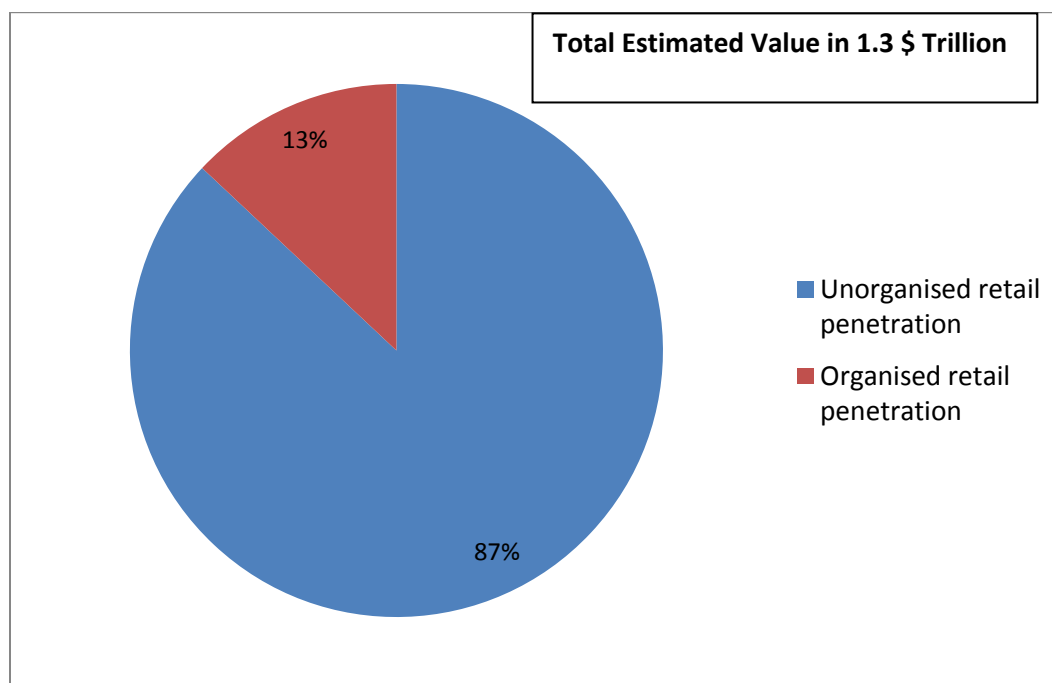
Figure 5 shows that, Organized Retail Penetration (ORP) in India is low (8%) compared with that in other countries, such as the US 85 per cent till 2015. While unorganized retail penetration is 92 per cent in India by the year 2015 which is highest as compared to other countries. This indicates strong growth potential for

organized retail in India with a total Indian retail industry worth value of US\$ 600 billions.

#### 1.9.4 Indian retail industry penetration status

The expected retail industry penetration in Indian retail market by 2020 is shown in figure 6

**Fig 6: Retail sector penetration in India by 2020**



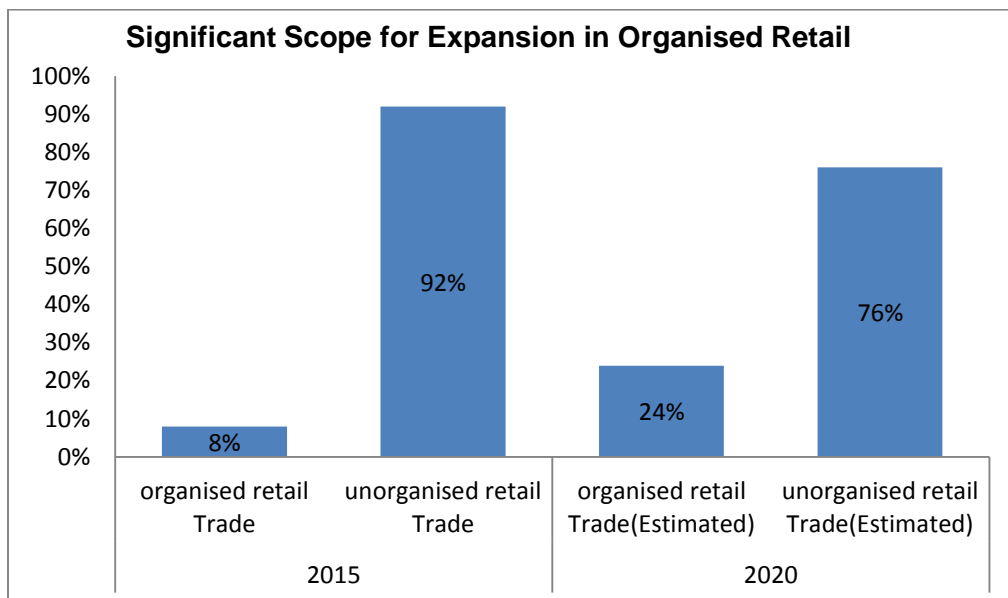
Source: [http://rasci.in/downloads/2011/Winning\\_India\\_Retail\\_Sector\\_2011.pdf](http://rasci.in/downloads/2011/Winning_India_Retail_Sector_2011.pdf)

Figure 6 shows that, by the end of 2019-2020, it is estimated that organized retail penetration share would reach 13 per cent and unorganized retail penetration would hold a major share of 87 per cent. The current market retail market in India has immense potential to foray their entry in Indian retail industry. Figure 5 shows that the market would reach to 1.3 trillion US\$ which would be one of the largest market in India.

### 1.9.5 Scope of organized retail in India

There is a significant scope for expansion in organized retail industry due to rapid change in urbanization, good infrastructure facilities, introduction of new technology, increased income and spending, changing consumer taste and preferences will help the organized players to invest the more in organized retail industry. The scope for organized and unorganized retail sector in India is shown in figure 7.

**Fig: 7 Scope for organized retail in India**



Source: [http://rasci.in/downloads/2011/Winning\\_India\\_Retail\\_Sector\\_2011.pdf](http://rasci.in/downloads/2011/Winning_India_Retail_Sector_2011.pdf)

Figure 7 shows that, organized and unorganized retail market accounted for 8 per cent and 92 per cent respectively of the total retail market during 2013-2015. There are over 15 million Mom-Pop stores between financial year 2009-2013. Organized retail in India witnessed a CAGR of 19-20 per cent. organized retail is expected to account for 24 per cent of the overall retail market by 2020.

### **1.9.6 The purpose of the study**

From the days of industrial revolution when goods and services were produced to the present day, the emphasis has shifted from the producers to the consumer and his needs, and with the consumer becoming more involved, in the marketing process there is greater need for information regarding the consumer needs. Preferences and making them satisfied of the products and services, has led to a constant but increasing need to conduct marketing research. This research will be an insight into the mind of the consumer, with the help of which the organizations will become aware of their pitfalls and in turn can also make improvements in the product regarding marketing of the goods and service offered and the level of satisfaction of the consumers towards their offerings in the market place. The results of this research paper will show that the customers don't take a single second when it comes to change the preference and break the loyalty for an organization, in such a situation, the CRM of the organization which will help compel the customers to visit the retail outlet again and again.

### **1.9.7 Objectives**

- To study the current scenario of organized food and grocery retail market in Udaipur city
- To study the various CRM practices adopted by organized food and grocery retails in Udaipur city
- To study the impacts of CRM to the organized retails and customers in Udaipur city



## 2. REVIEW OF LITERATURE

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In this section, review of past research work on Customer Relationship Management (CRM) system in retail as well as related fields have been compiled to enable better understanding of the research project.

**Goldenberg (2000)** believed that CRM is not merely technology applications for marketing, sales and services but rather when it is successfully implemented, it enables firms to have cross functional, customer driven, technology integrated business process management strategy that maximizes relationships.

**Ryals and Payne (2001)** stated that relationship marketing is about how organizations manage their relationship with customers for long term profitability. Customers relationship management on the other hand is more about how to use information technology in the implementation of relationship marketing strategies which is concerned with relationship management is foremost on the customer.

**Agrawal (2003)** stated that CRM offers customization, simplicity and convenience for completing transactions irrespective of the kind of channel of interaction used. Many businesses today realize the importance of CRM and its potential to help them achieve and sustain a competitive edge.

**Chen and Popovich (2003)** concluded that CRM has become one of the most dynamic topics of the millennium. CRM is not a concept that is really new but rather due to current development and advances in information and enterprises software technology, it has assumed practical importance. The root of CRM is relationship marketing, which has the objective of improving the long term profitability of customers by moving away from product centric marketing.

**Bose (2005)** analyzed that as a result of changing nature of the global environment and competition, firms cannot compete favorably with minor advantages and tricks that can easily be copied by competing firms. The

implementation of CRM is an enabled opportunity to rise above minor advantages with real focus on developing actual relationships with customers. Firms those are most successful at delivering what customers want are the more likely to be leaders of the future.

**Mendoza et al. (2006)** stated that the CRM concept has evolved in such a way that nowadays it must be viewed as a strategy to maintain a long term relationship the customers. He also suggested that companies have to move in accordance to the customer behavior if they want to thrive in coming world. They have to come along with new customer loyalty programmes and build more comprehensively among partners and vendors.

**Ramanathan and Hari (2008)** mentioned that the 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.

**Jain and Bagdare (2009)** believed that CRM is able to attract the attention as an effective tool because of its applicability in the service industry. They emphasized that behavioral dimensions play a crucial role in determining the effectiveness of CRM programmes.

**Kim and Kim (2012)** found that the CRM system helps the employees and sellers to obtain relevant information about the customer in order to meet their expectations. It is important that the communication between the employees and customers are good. It does not matter how good the CRM system is if the communication fails. Instead the company risks that the customers perceive the CRM system as unnecessary and redundant or special offers are nothing but retail trade gimmicks and the consumer ends up spending more by availing themselves of the offer.

**Chin et al. (2014)** stated that due to many technological solutions available for CRM automation, it is often misconstrued as a piece of technology but they maintained that in recent times many companies have realized the strategic importance of CRM, and as a result, it is becoming a business value effort rather than technology centric efforts.

**Šebjan et al. (2014)** conducted a study on organizational factors influencing effective use of CRM solutions. They dealt with the question of where and how the critical factors in organization affect the use of CRM solutions. They studied a number of critical factors of organizations that are associated with the use of CRM solutions, but at the same time they are not sufficiently comprehensive about the organization and its orientation, in particular what regards the process, innovative and technology, that are representing a prerequisite for the effective use of CRM solutions. In the context of innovation, researchers examine factors as a result of the use of CRM solutions, although it should be pointed out that the organization with its innovative attitude expresses interest in introduction and efficient application of CRM solutions, with which it would acquire useful information for the development of new products/services as a result of the use of CRM solutions. They believe that the results of the effective use of CRM solutions are conditioned with the orientation of the organization.

**Bhattacharya (2015)** found that CRM is implemented in an organization to reduce cost and increase company performance, which means profitability result through customer loyalty. Indeed, in a successful CRM implementation, data are collected from internal and external source such as sales department, customer service, marketing, after sales services, procurement and others. This is crucial in obtaining a holistic view of each customer requirement in real time system. This information will be able to aid employees to make fast and accurate decision when dealing with the customers in different areas and touch points.

**Singh and Kumar (2015)** found that CRM is a relationship process which a company can cultivate with its customer groups/segments in such a way that benefits both the customer and the company. It allows companies to gather customer data swiftly, identify the most valuable customer over time, and increases customer loyalty by providing customized products and services. Customer relationship management also reduces the cost of serving the customer and makes it easier to acquire similar customer. Financial firms find it almost impossible to have a complete and holistic view of their customers and that puts them at a disadvantage when knowing their customers is a criteria. More often than not selling financial services and products is infinitely more difficult than the work other industries face. The requirements demanded of financial service employees right now far surpass those of the other industries, which indirectly contributes to the fact that this particular industry lags far behind the others. Customer Relationship Management is becoming an important factor in Indian banking sector. Now each and every bank is realizing the significance of relationship with customer to survive in the competitive world.

**Filippe et al. (2017)** conducted a study on customers' relationship with their grocery store: Direct and moderating effects from store format and loyalty programs. The study aims (i) to characterize the priorities designed and implemented by grocery retailers concerning relationship marketing with customers; (ii) to analyse customers' relationship with their grocery store and to evaluate store format and loyalty programs as key determinants of this relationship. Exploratory interviews were conducted with grocery store managers. Two independent samples of Portuguese customers answered a questionnaire and collected data were analysed using Structural Equation Modelling. Main results suggest that supermarkets lead to higher levels of customers' trust (directly) and customers' loyalty (indirectly). Furthermore, the positive effect of customers' satisfaction on customers' loyalty is higher for members of grocery store loyalty programs.

**Kaur H. et al. (2017)** found in their study that, customer relationship management is very important in the industry wherein human resource is very much involved like tourism, hospitality, but its significance is increasing in the retail industry as well. Customers now a days well educated and experiences so they don't think twice to switch when it comes to better service so in this scenario CRM is the best tool to create a niche in the market. Customer relationship management is highly exercised in the industry like hospitality, services industry etc. but it is having equal importance in the retail industry also. The customers don't take a single second when it comes to change the preference and break the loyalty for an organization, in such a situation it the customer relationship management of the organization which will compel the customers to visit the retail outlet again and again.

**Rahimi and Kozak (2017)** found that Customer Relationship Management (CRM) can bring many benefits to the hotel business, though there are some associated challenges. Such challenges often bring a significant risk of failure, and these risks become more significant in budget hotels. This study considers the changes that have emerged in the last decade as regards customer expectations when staying in budget hotels. They use qualitative approaches to investigate the overlaps between customer expectations and managers' perceptions of CRM applications. The findings reveal that regardless of all changes, value for money and core products continue to play a critical role in customers' overall satisfaction with budget hotels.

**Datta PR (2018)** conducted a study on relationship marketing and customer retention in Bangladesh's food retailing sector. The main purpose of the study was to investigate the relationship between Customer Relationship Marketing (CRM) and customer retention. The findings indicate that service quality, trust, bond and customer satisfactions are vital for creating positive customer loyalty which in turn creates customer retention. In regards to the intensity of four types

of loyalty (cognitive, affective, co-native and action) results indicate that the intensity of cognitive loyalty was higher than affective loyalty, co-native and action loyalty. Co-native loyalty is also higher than action loyalty. This study provides evidence for the first time in Bangladesh of various linkages between bonds, service quality, relationship quality, loyalty and retention and hence, contributes to both theoretical and practical knowledge. The findings suggest that by employing adequate service quality provisions and bonds it is possible to enhance and build quality relationships between parties.

**Eichorn (2018)** examined that successful internal customer relationships are perhaps the most important component necessary for successful external relationships. Unfortunately, many large organizations have hierarchical structures that are roadblocks to creating the proper climate, or implementing the level of connectedness required, to develop and optimize these internal relationships to successfully support CRM. Improving of these relationships requires an examination of all levels of the organization. Before embarking on an expensive CRM project, companies need to perform a comprehensive audit of internal capabilities and take steps to build the ones needed to ensure integration and foster a customer-focused culture throughout. The CRM framework provides a template for this examination and can assist in identifying areas needing improvement. It also directly relates to establishing the organizational foundation needed to establish successful outsourcing partnerships.

**Gayatri NM (2018)** analysed the customer satisfaction towards retail products and how retail sector is adopting different kinds of strategies to attract the customers and also explains its CRM Practices; marketing practices etc. It was found in the study that, BIG BAZAAR has maintained that uniqueness and has succeeded in attracting customer. The study concludes that the Big Bazaar customer of Shivamogga is satisfied with the services, offers, and other extra services provided by Big Bazaar. Big Bazaar still need to provide good offers in

future days, and the big bazaar is doing good in terms of understanding customer expectation and providing them good offers and products in terms of fulfilling their expectation.



## 3. PROJECT METHODOLOGY

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This deals with methodologies adopted for undertaking the study. A brief description of the sampling design for the data collection and analytical procedures and techniques adopted for reaching at a result are presented in this chapter. The present study was conducted in Udaipur city of Rajasthan. The customers were selected systematically from the retail outlets from the city. The retailer employees were selected conveniently.

### 3.1 Collection of Data

#### 3.1.1 Primary data:

Primary data was collected through pre-structured schedule involving personal interview of respondents. In this, open and closed type questionnaire was taken for the study.

#### 3.1.2 Secondary data:

The secondary data was collected through various publications, technical and trade journal, company reports, magazines and other source of published information and internet.

### 3.2 Study approach:

The study was descriptive covering all aspects about customer relationship management practices and their impacts on customers as well as retail outlets.

### 3.3 Area of Study: Udaipur City

Udaipur is a tier III city in organized retail sector though it is growing it is growing at a fast pace. There is a striking number of branded and organized retail outlets and store in different segments like food & grocery, clothing and textile, watch &

jewellery and footwear etc. In the city like Udaipur, these organized retail store and firms are concentrating and targeting the consumers from different segments like rural, urban, low, middle and high income segments etc.

Udaipur has myriad number of small shops, big showrooms and roadside stalls that would offer you an extensive variety to choose from. In addition to these, a large number of domestic and international tourists come here to enjoy Udaipur's natural beauty and rich cultural heritage which adds opportunities for retail business in Udaipur city. Udaipur was founded in 1559 and it is spread over the area of around 37 Km<sup>2</sup> with a total population of 4.5 lakhs with literacy rate of 62.74 per cent.

### **3.4 Sampling**

#### **3.4.1 Sampling Frame:**

The consumers were selected those who were presented at food and grocery retail outlets of Udaipur city.

#### **3.4.2 Sample Size:**

20 Retail outlets and 15 customers from each retail outlets (300 customer) were taken into consideration for the study.

A- Retailers: 20

B- Customer: 300

#### **3.4.3 Sampling procedure:**

Three kinds of samplings were followed. Complete enumeration sampling was adopted for retail outlets located in Udaipur city while convenience sampling was

followed for retail employees. Also systematic sampling was taken into consideration for selecting customers.

#### **3.4.4 Analysis of Objectives:**

Three objectives were selected to carry out the study.

##### **Objective 1: To study the current scenario of organized food and grocery retail market in Udaipur city**

To fulfil this objective, the current retail formats and key retailers of food and grocery were taken into the consideration for the study. The food and grocery retailers were interviewed for the current trends adopted by organized food and grocery retail outlets in Udaipur city. Simple analysis was done with tools like average, percentage, trend analysis of food and grocery retail market in Udaipur city.

##### **Objective 2: To study the various CRM practices adopted by organized food and grocery retails in Udaipur city**

To achieve this objective, the employees of organized food and grocery retail outlets were asked about what kinds of practiced are adopted by them to maintain customer relationship management. The various kind of CRM practices like numbers of stores collecting customer data and information, retail outlets using different ways to collect customer information records, what method retail outlets use to bring back customer, different ways to build good relationship with customer, and special schemes offered by the retail etc. was asked to fulfill this objective. Simple analysis with tools like average, percentage, different charts, tables and graphs.

**Objective 3: To study the impacts of CRM to the organized retails and customers in Udaipur city**

For this objective, the impact of customer relationship management practices to the retails as well as customers was found out. The ways and results of practices used by the retails were the prime basis to analysis the impacts of CRM to the retails and customers. The analysis for the consumer as well as retail outlets was done using standardize five point Likert type scale.

## 4. FINDING AND ANALYSIS

The data collected for the study entitled to customer relationship management of organized food and grocery retail stores in Udaipur city were analysed and explained objective wise. Different kinds of techniques have been used to analyzed stated objective.

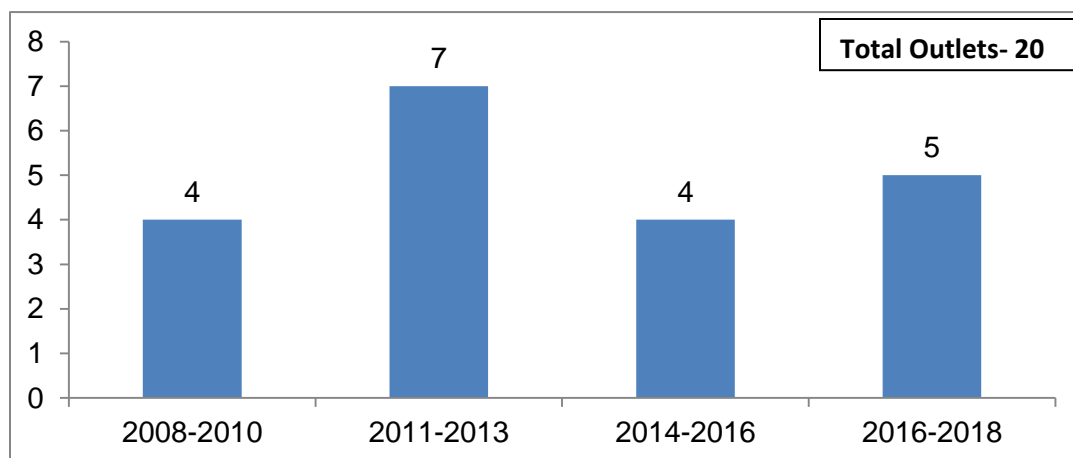
### 4.1 The Current Scenario of Organized Food and Grocery Retail Market in Udaipur city

This objective includes the trend and current scenario of organized food and grocery retail market in Udaipur city.

#### 4.1.1 Current retail formats and key retailers in Udaipur city

The study shows the current scenario and trends of organized food and grocery retail outlets in Udaipur city. During ten years, there have been a lot changes in food and grocery retail market in Udaipur city. Due to rapid urbanization, increasing per capita income, changing buying habits, and better infrastructure in last fifteen years. The figure 8 shows the current scenario of retail in Udaipur city.

**Fig: 8 Organized retail opened in Udaipur city**



Source: Researcher's computation from field Data.

Figure 8 shows that during last ten years the numbers of the retail outlets opened year by year in Udaipur city. The first organized store in Udaipur city was opened in year 2008. It was the time when the organized retail players started their entry into retail market of Udaipur city. Between the years 2011-2013, there was a boom in organized retail market in Udaipur city due to opening of its first ever mall of city “ The Celebration Mall “ in 2011. This was the time when the different giant retail players like Big Bazaar, Easy Day, Reliance Fresh, MacDonald’s, KFC etc foray their entry into the city.

Udaipur has various kinds of retail formats located in Udaipur city. The below table shows the retail formats available in Udaipur and their prime retail players in Udaipur city

**Table 3: Types of retail formats in Udaipur city**

<b>Types of Formats</b>	<b>Store size (sqft )</b>	<b>SKUs offered</b>	<b>Popular Retail</b>
Hypermarket	100000-250000	80000-125000	Big Bazaar, D-mart, Relaince fresh, Reliance Retail ltd, Spencer, Vishal Meghamart etc.
Supermarket	20000-50000	20000-50000	Big apple, Easy Day, Food Bazaar, Food world, Fresh & Easy etc.
Discount Stores	5000-20000	1000-3000	Reliance fresh, Nilgiri, Food basket, Shahara Q shop etc.
Speciality stores	1000-10000	2000-4000	Food Bazaar, Haldiram Bhujawala, Apollo Pharmacy etc.
Convenience stores	1000-10000	2000-5000	24*7, spencer, Hypercity etc.

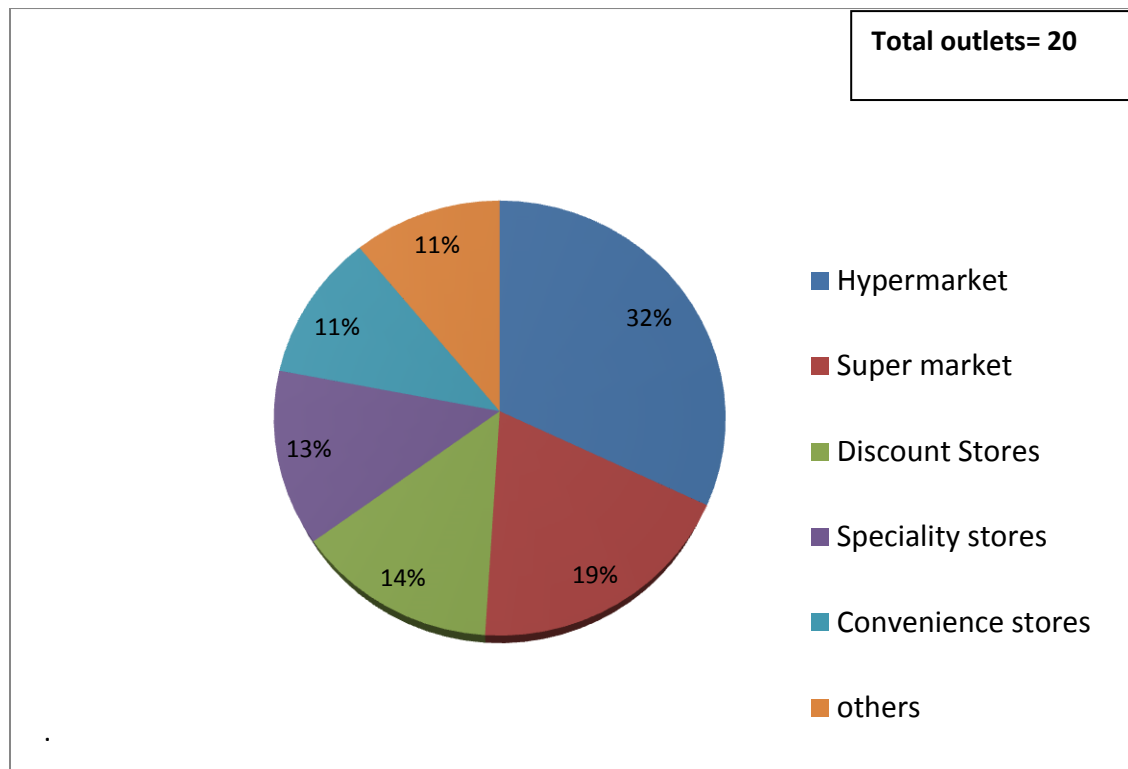
Source: Researcher’s observation from field data.

Table 3 reveals that hyper market and super market are the big formats available in Udaipur city in terms of space availability and numbers of offer SKUs. Big bazaar, Reliance fresh, V-mart, Easy Day and Spencer are the main player of organized retail players located in Udaipur city.

#### 4.1.2 Shares of retail formats in Udaipur City

Shares of organized retail formats in Udaipur city is shown in figure 9.

**Fig: 9 Shares of retail formats in Udaipur City**



Source: Researcher's computation from field data.

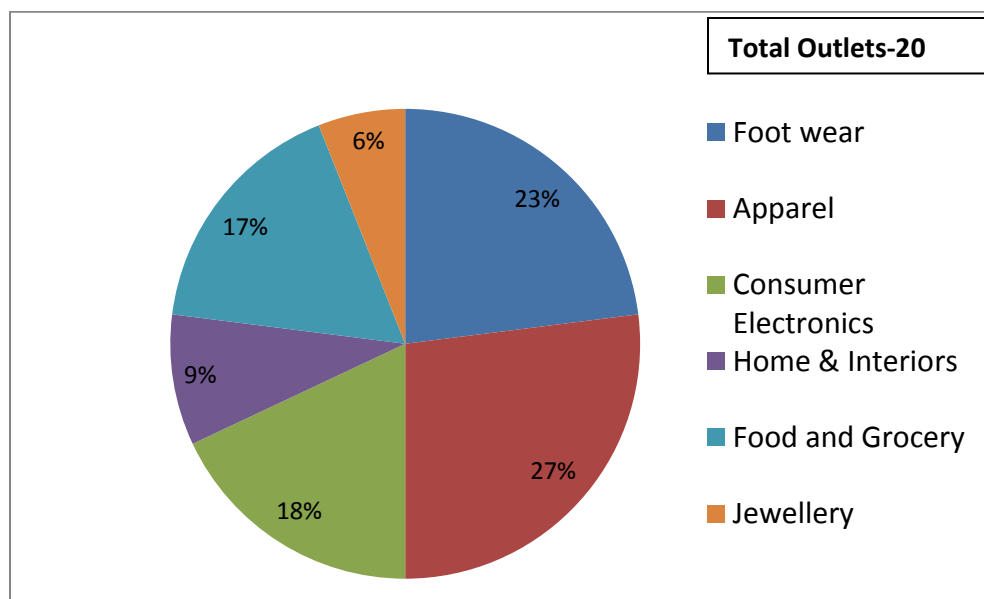
Figure 9 shows that, hyper market and super market accounts for the highest share in terms of existence of the stores available in Udaipur city with more than 50 per cent of the food being sold through these formats. Besides these formats, online retailers are also thriving in Udaipur city. After these two kinds of formats, discount stores and specialty stores have major existence in Udaipur city and

these contribute about 14 per cent and 13 per cent respectively of the organized retail outlets present in Udaipur city

#### 4.1.3 Study of the share of key categories in organized retails in Udaipur city

The attempt to identify the key categories of organized retail outlets was carried out through this study as there is an importance of identifying the categories wise business growth in retail market of Udaipur city. Share of category wise share of different business is shown in figure 10.

**Fig: 10 Shares of key categories in organized retails in Udaipur city**



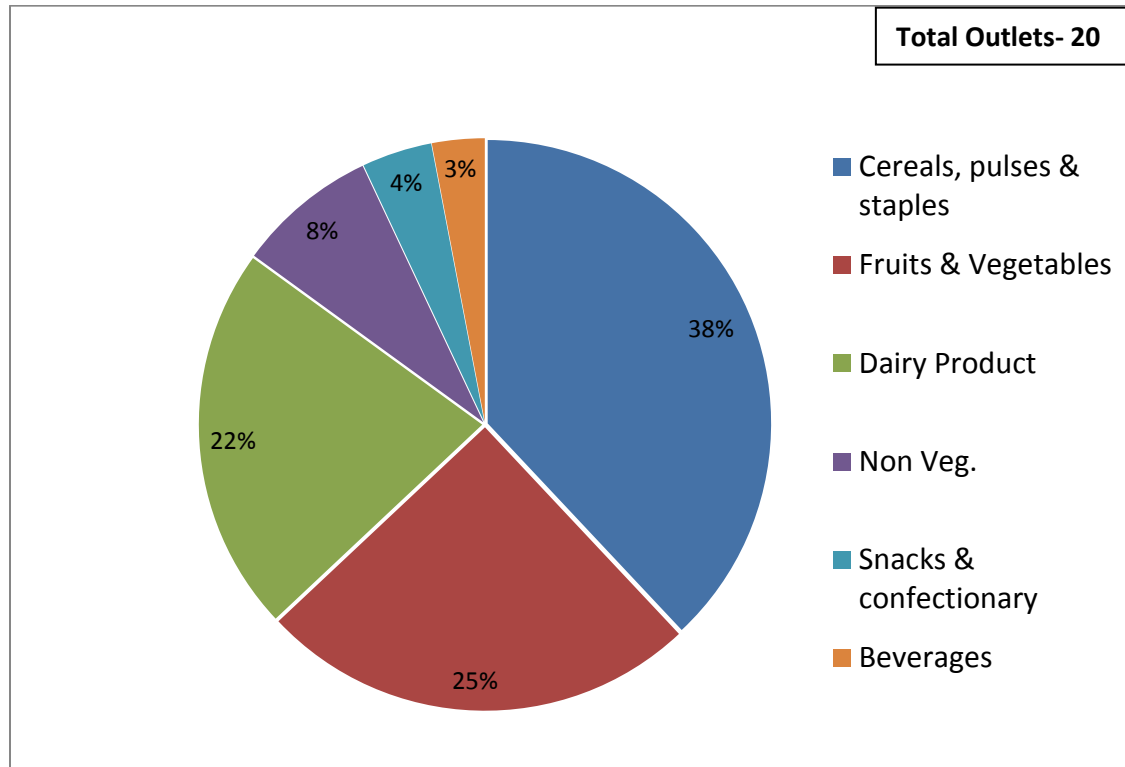
Source: Researcher's computation Field Data.

Figure 10 shows that, two categories namely apparel and footwear have major portion of category wise retail market with 27 per cent and 23 per cent respectively in Udaipur city followed by consumer electronics with 18 per cent and food and grocery category with 17 per cent. Jewellery accounts for only 6 per cent.

#### 4.1.4 Share of food and grocery category in organized retail in Udaipur city

Further break up of food and grocery category is shown in figure 11.

**Fig: 11 Shares of food and grocery retail market category wise**



Source: Researcher's computation from field data.

Figure 11 shows that, cereal, pulses and staples contributes more shares about 38 per cent of the total shares of food and grocery category market in Udaipur city followed by fruits and vegetables with 25 per cent and dairy category with 22 per cent respectively. Non vegetarian category have 8 per cent share of the total category wise breakup while snacks, confectionary are still in growing phase under organized retail sector as most of the people prefer nearby shops for purchasing snack and confectionary items.

## 4.2 The Various CRM Practices Adopted by Organized Food and Grocery Retails in Udaipur City

The different kind of CRM practices like numbers of stores collecting customer data and information, retail outlets using different ways to collect customer information records, types of method used by retail outlets to bring back customer, different ways to build good relationship with customer, and special schemes offered by the retail were the prime basis of this objective to take into the finding consideration.

In the past twenty years, the focus of global markets has shifted from sellers to customers. Today, customers are more powerful than sellers, if we consider the driving factors of market. We have different types of CRM according to the changes in customer portfolios, speed of business operations, requirement of handling large data, and the need of sharing information, resources, and efforts jointly.

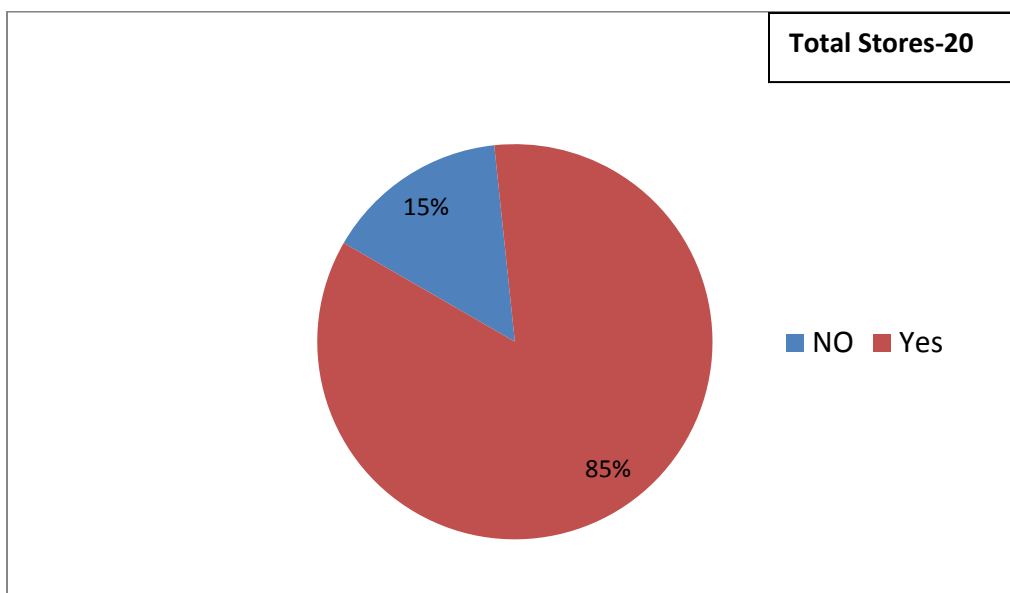
CRM systems are divided based on their prominent characteristics. There are four basic types of CRM systems:

- **Strategic CRM:** This is customer centric, based on acquiring and mining profitable customers
- **Operational CRM:** This is based on customer oriented processes such as selling, marketing, and customer services.
- **Analytical CRM:** This is based on the intelligent mining of the customer data and using it tactically for future strategies
- **Collaborative CRM:** This is based on application of technology across organization boundaries with a view to optimize the organization and customers

#### 4.2.1 Numbers of organized retail stores which were collecting data

Organized retail store collect customer data in order to maintain customer database and collecting the customer data is a very important task to facilitate CRM. Number wise stores which collect customer data in study area are shown in figure 12.

**Fig: 12 Retail stores collecting customer data for CRM**



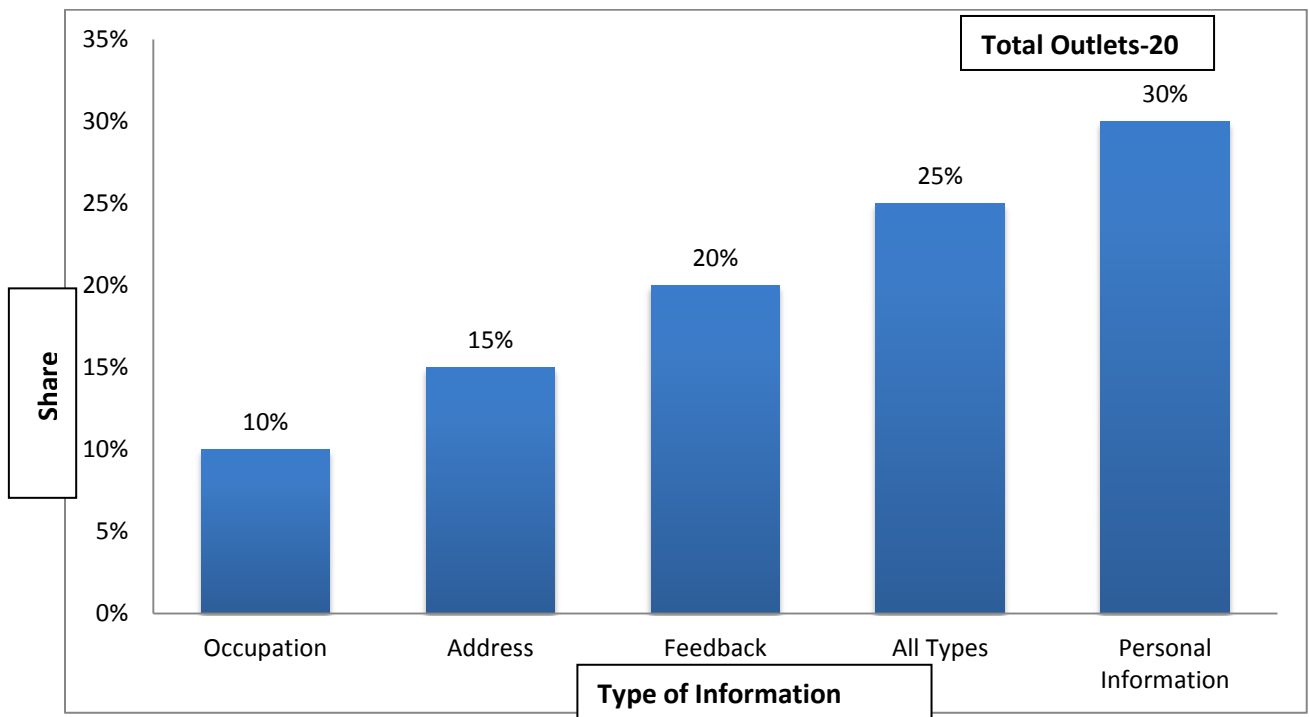
Source: Researcher's computation from field Data

Figure 12 shows that, from the responses given by 20 retail stores, it is found that 85 per cent of the organized retail stores are heavily relying on the constructing customer's database in order to let their CRM work effectively. Only 15 per cent stores say that they do not use any way to collect customer data. This fact indicates that there exists a trend of maintaining customer database to maintain further relationship with customers. These retail stores are having an added advantage over the other players in the retail industry which are not maintaining customer database.

#### 4.2.2 Types of information collected by retail stores

Different types of customers information is collected by the organized retail outlets in Udaipur city. The types of customer data collected by the organized retail stores vary from stores to stores depending upon their use and importance. Types of information collected by the retail outlets are shown in figure 13.

**Fig: 13 Shares of different types of information collected by the retail outlets**



Source: Researcher's computation from field Data

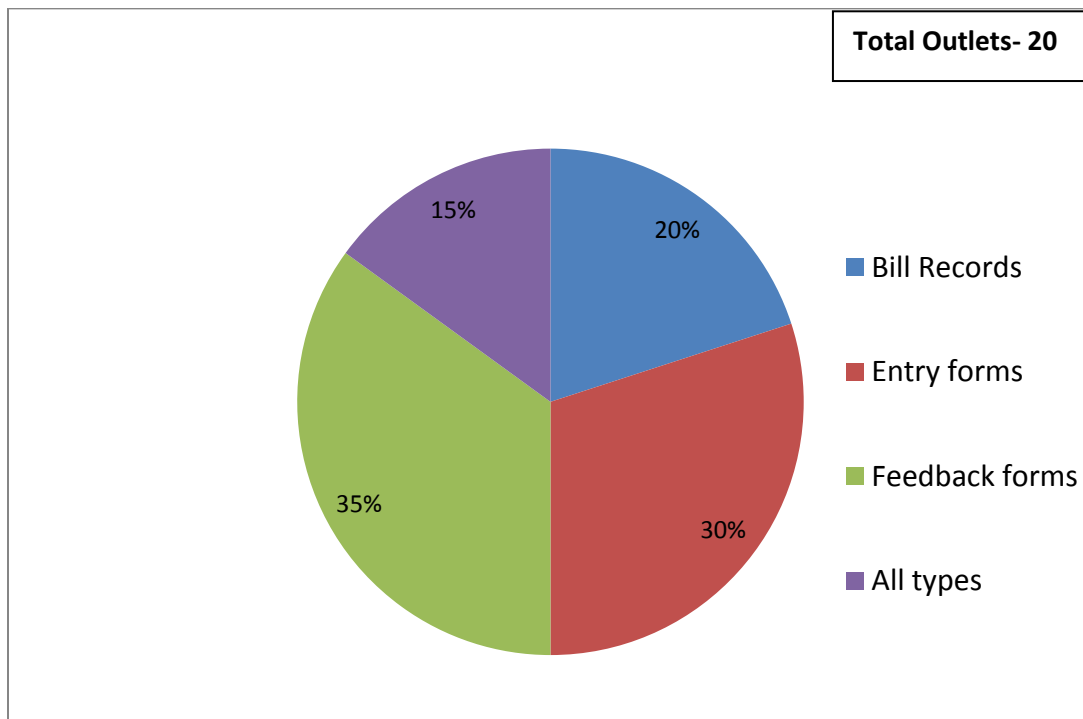
Figure 13 shows that, about 30 per cent of the total retailers require the personal information of the customers whereas 25 percent retailers believe that they require all types of customer information in order to facilitate customer relationship management with their customers. 20 per cent stores believe in collecting data through feedbacks forms whereas 15 per cent stores collect data

on the basis of their address information. Very least focus is given to occupational related information of customer.

#### 4.2.3 Different ways used by stores to collect customer data

Stores use different ways to collect customer data. The most adopted ways were feedback forms, entry forms, bill records. The ways used by stores to collect customer data are shown in figure 14.

**Fig: 14 Different ways used by stores to collect customer data.**



Source: Researcher's computation from field Data

Figure 14 shows that, majority of the retail outlets prefer to collect customer information through feedbacks forms (35%) as it not only provides the customers personal information but also provide the customers view in the form of feedbacks regarding their product and service quality etc.

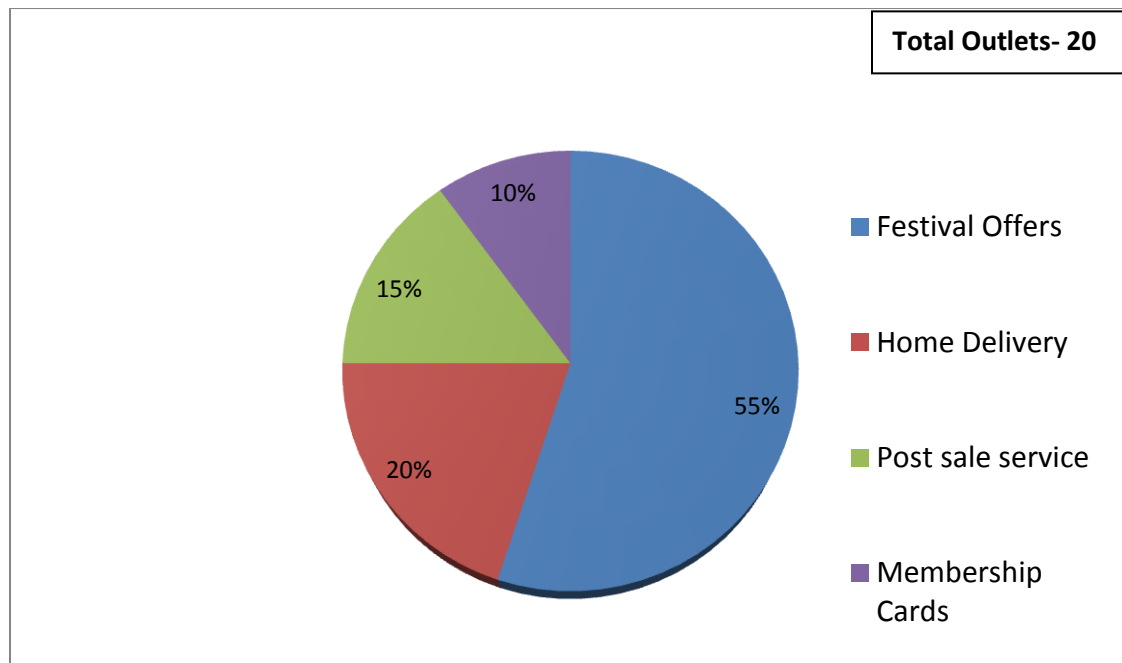
30 per cent stores prefer to collect customers' information through entry forms at the time of entering into the retail stores. Only 20 per cent stores collect customer

information through bill records while 15 stores believe in collecting data with the help of all types of ways.

#### 4.2.4 Different ways to build relationship with customers

Almost all of the retailers of Udaipur are using various means to build good relationship with customers. What kinds of ways used by retail outlets to build customer relationship is shown in figure 15.

**Fig:15 Different ways used by retailers to build relationship with customers**



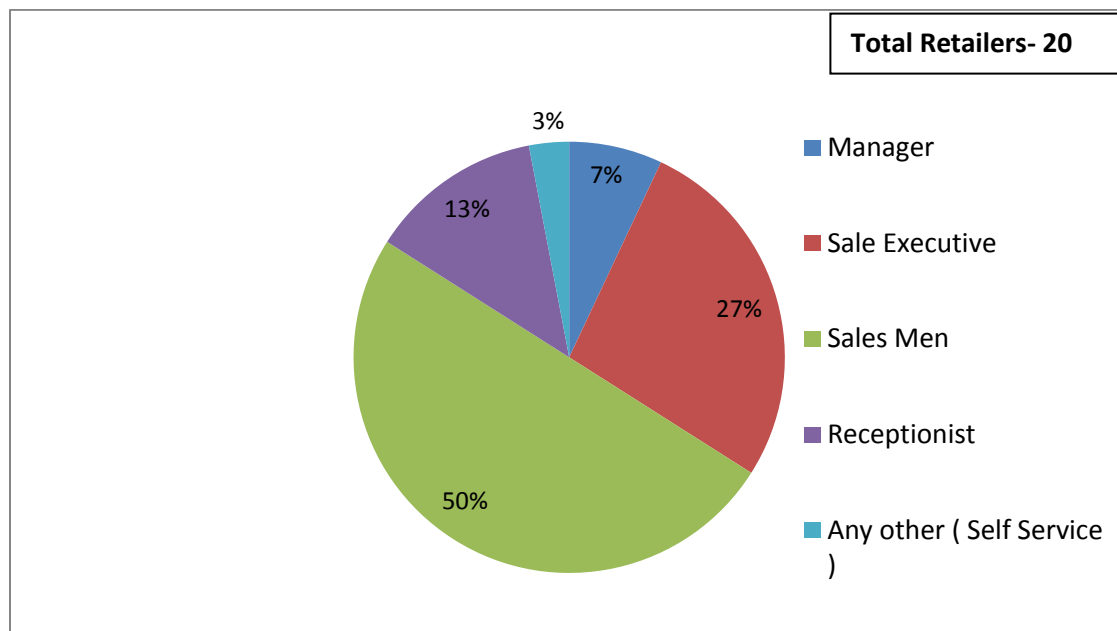
Source: Researcher's computation from field Data

Figure 15 shows that festival offers, home delivery and post-sale services constitute the major part of the practiced used to build a healthy relationship with customers. Festival offers have maximum share about 55 per cent in building relationship with customers. Home delivery also plays a crucial role in building relationship with 20 per cent followed by post sale service

#### 4.2.5 Retailers view about attending the customers

Customer attending is the very important component of customer relationship management practice used in organized retail stores. The retailers view about the attending customer at shop floor is shown in figure 15.

**Fig: 16 Retailers view about the attending the customers**



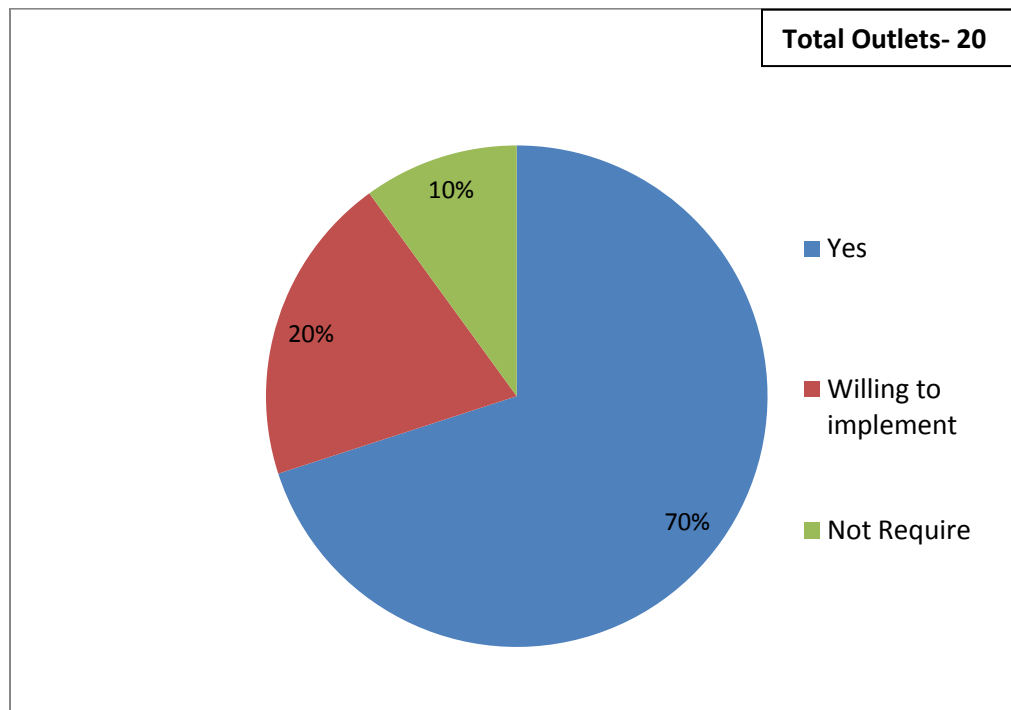
Source: Researcher's computation from field Data

Figure 16 shows that, managers of the retail stores of Udaipur are giving less personal touch to the consumers as only 7 per cent of the managers believe in personally communication with customers. Sales men and sales executives who are the present at stores floor have good personal touch with the customers and shares maximum customers attending at the stores floors with 50 per cent and 27 per cent respectively.

#### 4.2.6 Organized retail stores using CRM software status.

Advancement of recent technology used in different fields of organized retail industry has helped a lot the retailers to smooth facilitation of customer based relationship software. Software like NetSuite, Toast POS, Epos now, Breadcrumb POS are the main CRM software widely used in organized retail outlets. Numbers of organized stores using CRM based software are shown in figure 17.

**Fig: 17 Status of retailers using CRM software**



Source: Researcher's computation from field Data

Figure 17 shows that, 70 percent of the organized retail stores are using computerized CRM system to have a smooth CRM process in order to compete with other retailers. Due to increasing technology advancement, numbers of stores availing CRM software system is increasing. Figure 16 also shows that there also exists contrasting figure of 10 percent of retailers who say that they do not require any kind of the computerized CRM system while 20 percent say that they are willing to implement the CRM software to facilitate the relationship with customers.

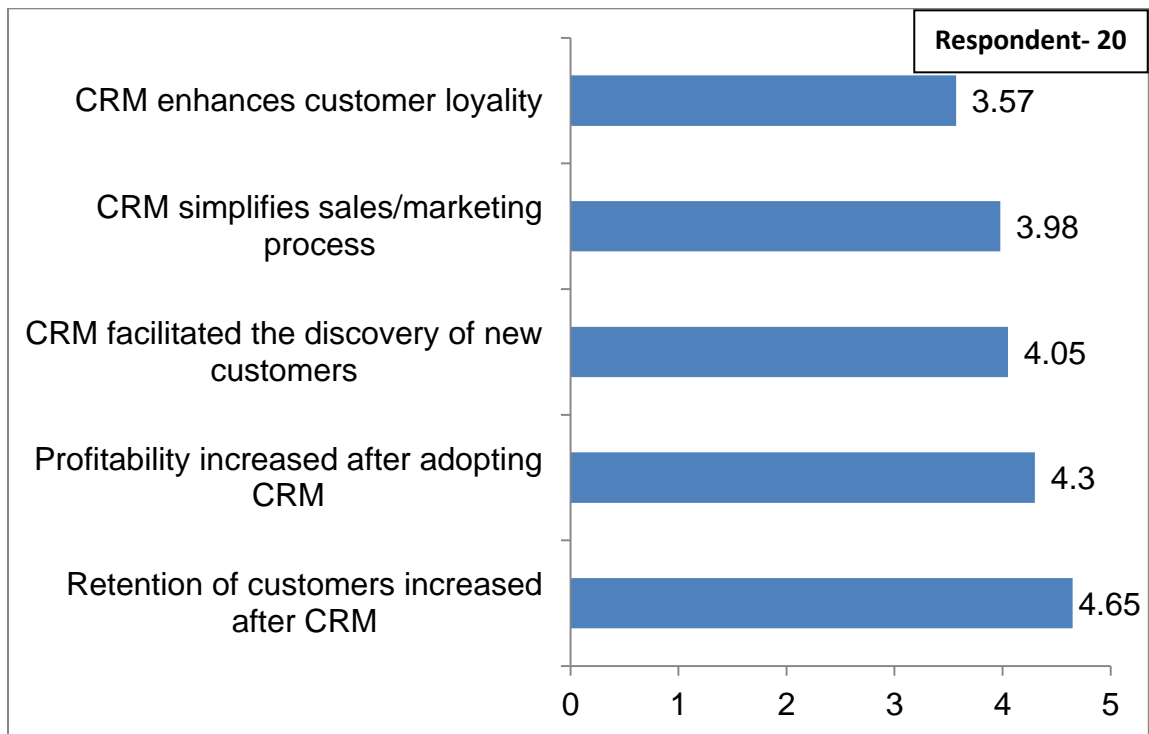
### 4.3 The Impacts of CRM to the Organized Retails and Customers in Udaipur City.

The impacts of CRM to the retailers as well as customer were carried out in the study. The impacts are mentioned below.

#### 4.3.1. Impacts of CRM to the organized retailers

CRM helps the retailers by ensuring profitability and better customer morale, which will in turn, helps in retaining profitable customers with the company. The major impact areas of CRM to the retailers are shown in figure 18.

**Fig: 18 Impacts of CRM to the retailers**



Source: Researcher's computation from field Data.

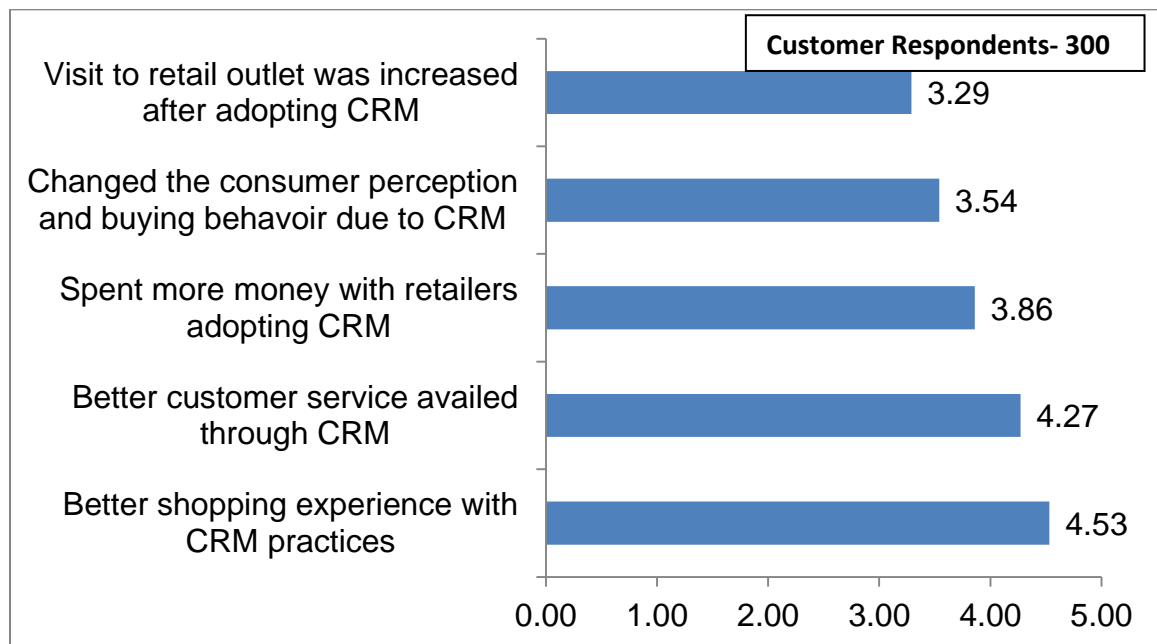
Figure 18 shows that, on the retailers' point of view the major impact area after adoption of CRM practices was the retention of the existing customers in the outlet with weighted average score of 4.65. The next best impact area was

increased profitability with a weighted average of 4.30. The least impact was noticed on the area of enhancing of the customer loyalty in the stores.

#### 4.3.2 Impacts of CRM to the customers

CRM practices proved that it will help the consumers by providing better experience while shopping. Apart from this, it also provide better customer services, hence the customer visit to the retail outlets will be increased. The major areas of impact by practicing CRM to the customers are given in figure 19.

**Fig: 19 Impacts of CRM to the customers.**



Source: Researcher's computation from field Data.

Figure 19 reveals that, according to the customers' point of view the major impact area after adopting CRM practices was ensuring better shopping experience than prior. It accounts a weighted average of 4.53. The next positive impact was visible in the customer services provided by the store followed by the consumers are started spending more money with the retailers after adopting the CRM. The least impact was observed in the increase of visit by the consumers to the retail outlet with weighted average of 3.29.

## 5. CONCLUSION AND RECOMMENDATIONS

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### 5.1 Conclusions

- In 2008-2010, four organized retail outlets were opened in Udaipur city and total retail outlet opened in the study area from 2008 to 2018 were 20.
- Types of retail formats in the study area were hypermarket, super market, discount stores, speciality stores and convenience stores.
- Among the different retail formats in the study area, hypermarkets having highest store size and maximum number of SKUs. This includes Big Bazaar, D-mart, Relaince fresh, Reliance Retail Ltd, Spencer, Vishal Megha Mart, etc.
- Hyper market and super market accounts for the highest share in terms of existence of the stores available in Udaipur city with more than 50 per cent of the food being sold through these formats. Besides these formats, online retailers are also thriving in Udaipur city.
- Two categories like apparel and footwear have major portion of category wise retail market with 27 per cent and 23 per cent respectively in Udaipur city followed by consumer electronics.
- Among food and grocery category, cereal, pulses and staples contributes more shares about 38 percent of the total shares of food and grocery category market in Udaipur city followed by fruits and vegetables
- Strategic CRM, operational CRM, analytical CRM and collaborative CRM were the major types of CRM practices followed in the Udaipur city.
- 85 per cent of the organized retail stores were heavily relying on the constructing customer's database in order to let their CRM work effectively. Only 15 per cent stores say that they do not use any way to collect customer data.

- About 30 per cent of the total retailers require the personal information of the customers whereas 25 per cent retailers believe that they require all types of customer information in order to facilitate customer relationship management with their customers.
- Majority (35%) of the retail outlets prefer to collect customer information through feedbacks forms as it not only provides the customers personal information. 30 per cent stores prefer to collect customers' information through entry forms at the time of entering into the retail stores.
- Almost all of the retailers of Udaipur were using various mean to build good relationship with customers. Festival offers have maximum share (55 %) in building relationship with customers. Home delivery also plays a crucial role in building relationship with 20 per cent followed by post sale service.
- Managers of the retail stores of Udaipur were giving less personal touch to the consumers as only 7 per cent of the mangers believe in personally communication with customers.
- 70 per cent of the organized retail stores were using computerized CRM system to have a smooth CRM process in order to compete with other retailers. Due to increasing technology advancement, numbers of stores availing CRM software system is increasing.
- On the retailers' point of view the major impact area after adoption of CRM practices was the retention of the existing customers in the outlet with weighted average score of 4.65. The next best impact area was increased profitability with a weighted average of 4.30.
- According to the customers' point of view the major impact area after adopting CRM practices was ensuring better shopping experience than prior. It accounts a weighted average of 4.53.

## 5.2 Recommendations

- Retail stores should keep the purchase records of the customers along with the personal information of the customers. It would provide them a way to analyse the buying behaviour of the customers
- The management of the retail store should give a personal touch to the customers. It will encourage the customers to make frequent visits to the retail stores. It also helps in building personal relationship with the customers leading to the higher level of the customer loyalty.
- The management of the retail stores should provide special training to the staff of the organization to keep a healthy and friendly relationship with the company
- Timely feedbacks from the customers should be taken by the retail stores that would make the customers realize that they are the important for the growth of organization
- Organization should adopt new ways of attracting customer in order to compete with their competitors. Most of the retailers use same kinds of ways to attract their customers
- Organizations should give more important to provide post sales service rather than the product services in order to retain the customers



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7.1 SCHEDULE FOR CUSTOMER

1. Name.....

2. Age.....

3. Gender: A- Male..... B- Female.....

4.Occupation: A- Service Holder.....B-Public..... C-Private.....D-Student.....E-House wife..... F-Own Business.....

5.Do the retail outlets keep your purchasing data?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree

6.The employees and staff of the retail outlets are friendly /polite to you?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree

7.Do the employees of the retail outlets provide you satisfactory customer services under CRM?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree

8. Please rate the following impacts of CRM to the retailers ( Five point scale: 5= Most important, 1= Least important)

(Most Important-1 and least important-5)

Impacts	Rating
Change in customer perception and buying behavior	
Change in frequency of visit to retail stores	
Change in services availed through CRM	
Change in shopping experience	
Change in customer spending	

9. How much do you prefer products from organized retail stores?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree.

10. Frequency of shopping from organized retail stores in a month.

1. 1 to 5 times
2. >5 to 10 times
3. > 10 to 15 times
4. >15 times

11. Organized retail outlets manage CRM in an effective way

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree

12. Reason for preferring organized retail outlets.

.....  
.....  
.....

13. Do you believe that your spending is increased after CRM?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree

14. Do retail outlets provide any information regarding special scheme and offer to you personally by email or phone or sms?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree

15. The retail outlets handle customer complaints properly?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree

## 7.2 SCHEDULE FOR RETAILERS

A. Employee Name.....

B. Employee Code.....

C. Department.....

D. Phone Number.....

E. Email ID.....

1. People prefer products from organized retail stores.

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree.
4. Agree.
5. Strongly agree.

2. Do you collect customer personal data and information?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree.

3. Does your store use CRM software to maintain customer relationship management?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree.

4. Which types of customer information do you collect?
  1. Occupation
  2. Address
  3. Feedback
  4. All of the above
  
5. By which ways, do you collect customer data?
  1. Bill records
  2. Entry forms
  3. Feedback forms
  4. All type
  
6. What are the ways through which do you build customer relationship?
  1. Festival offers
  2. Home delivery
  3. Post sale services
  4. Membership Cards
  
7. Which part of stores employees remain in touch more with customer?
  1. Manager
  2. Sales Executive
  3. Sales Man
  4. Receptionist
  5. Others
  
8. Does CRM help you to improve market position in market place?
  1. Strongly disagree.
  2. Disagree.
  3. Neither agree nor disagree
  4. Agree.
  5. Strongly agree.

9. Please rate the following impacts of CRM to the customers.

(Most important-5 and least important-1)

Impacts	Rating
Customer retention	
New customer discovery	
Customer loyalty	
Simplify marketing/sale process	
Profitability of stores	

10. Does CRM increase loyalty of customer in terms of frequent visit?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree.

11. Does CRM help in improving quality of strategic and marketing decision?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree.

12. Does CRM help in customer retention for long time?

1. Strongly disagree.
2. Disagree.
3. Neither agree nor disagree
4. Agree.
5. Strongly agree.