

A COMPARATIVE STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT STRATEGIES IN ORGANISED MULTI BRAND TRADE IN APPARELS

S.Barani Chelvi¹, Dr.A.Krishnan²

Research Scholar, Department of Commerce,

Vels Institute of Science Technology and Advanced Studies (VISTAS), Chennai¹

Associate Professor and Research Supervisor, Department of Commerce,

Vels Institute of Science Technology and Advanced Studies (VISTAS), Chennai²

Abstract: Customer relationship management (CRM) is a comprehensive strategy and process of acquiring, retaining and parenting with selective customers to create superior value for the company and the customers. The Indian Apparel Industry has an overwhelming presence in the economic life of the country. The retail apparel industry can be broadly classified in to organized and un organized retail apparel industry. The organized retail apparel industry can further be classified in to Exclusive Retail outlets and Multi Brand Retail outlets. This article analyses the different players in organized retail apparel industry and compares their strengths weakness opportunities and threats. This article compares the CRM strategies followed in the various organized multi brand retail outlets.

Keywords: Customer relationship Management, Multi brand retail apparels, organized retail apparels.

INTRODUCTION

In emerging markets around the world there has been a close linkage between economic development, rise in per capita income, growing consumerism, proliferation of branded products and retail modernization. With high economic growth, per capita income increases this, in turn, leads to a shift in consumption pattern from necessity items to discretionary consumption. Furthermore, as the economy liberalizes and globalizes, various international brands enter the domestic market. Consumer awareness increases and the proliferation of brands lead to increase in retail space. Thus, retailing is a part of the development process. Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP (McKinsey, 2013). The Indian retail market is estimated to be US\$ 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people (Wall Street Journal, 2011).

India continues to be among the most attractive investment propositions for global retailers. India has emerged as the fifth most favorable destination for international retailers, outpacing the UAE, Russia, Indonesia and Saudi Arabia, according to A T Kearney's Global Retail Development Index (GRDI) 2012. The report also highlighted that "India remains a high potential market with accelerated retail growth of 15-20 per cent expected over the next five years."

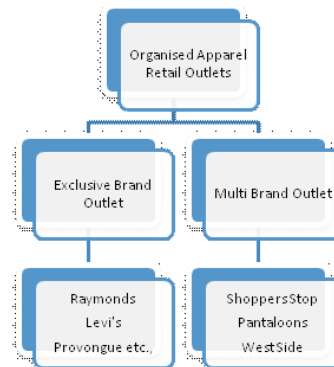
INDUSTRY ANALYSIS

India's retail sector is worth US\$ 350 billion and is growing at a compound annual growth rate (CAGR) of 15 per cent to 20 per cent at present, as per a PricewaterhouseCoopers (PwC) research report titled, 'Winning in India's retail sector: Factors for Success'. Mass grocery and apparel are the two most favored segments for foreign direct investment (FDI) in multi-brand retail in India, according to a study titled 'Indian Retail Market-Opening More Doors' by Deloitte Touched Tohmatsu India. The FDI inflows in single-brand retail trading during April 2000 to December 2012 stood at US\$ 42.70 million, as per the data released by Department of Industrial Policy and Promotion (DIPP). The Indian Apparel Industry has an overwhelming presence in the economic life of the country. It is one of the earliest industries to come into existence in the country.

The Indian apparel industry is estimated to be worth Rs. 3,270 billion in 2011-12 and is expected to grow at a compounded annual growth rate of 8.7 per cent till 2016. The growth would primarily be driven by the surge in demand

for readymade apparels in semi-urban areas, rising income levels and youth population and increasing preference for branded apparel. (Competition Commission of India, 2013)

Showing Key Players in Organized Apparel Retail Industry.



Source: Indian Retail Apparel, North Bridge Capital. (North Bridge Capital, 2011)

REVIEW OF LITERATURE

Borden 1965;Culliton 1948;Kotler 1997. Traditionally, businesses have employed transaction marketing, that is, the 4Ps of product, price, promotion, and place (e.g., However, over the past decades, it has been argued that businesses across all sectors should move toward supply chain management and, most recently, interactions, relationships, and networks (e.g., Day 2000; Gronroos 2000; Gummesson 1999; Hunt 2000; Peck et al. 1999; Webster 2000). The two different approaches to marketing have been compared and contrasted in the table.

Victor Danicu (2005) in his article titled “Performance in Service Marketing from Philosophy to Customer Relationship Management” narrates that the contribution of services to the development of every national economy is in the progress, they becoming the major contributor to the gross national product of most countries. In their turn, the customers become more demanding and powerful in their relationship with service providers. They ask for more and new relationship. The appropriate new marketing, known as Relationship Marketing, In order to establishing and maintaining long-term relationship, relationship marketing should understand customer expectations, know the customers, evaluate services process, obtain a proper service quality and adequately manage customers’ relationships. The service customer’s, expectation range to a five dimension scale and have two levels which may be analyzed into a model of service. A stimulus for relationship marketing performance may be the quality of service. The objective and subjective quality of service is essential for the service customer relationship management. In order to reach the goal of retaining actual customers, service companies should be prepared to spot customers who leave and then analyze and act on information they provide. Managers should make sure the entire organization understand the importance of keeping customers and encourage employees to pursue zero defections by trying incentives, planning, and budgeting to defections targets. Most important, managers use defections as a vehicle for continuously improving the quality and value of the service they provide to customer.

Santhanakumar D Ketel (2011) has highlighted the research topics in the field of CRM in their article CRM a Research Agenda. The research ideas discussed in this article include development of a scale to measure the depth of relationship, stages of relationship development and underlying dimensions of business relationship

RESEARCH METHODOLOGY

Research Objective:

To Compare and analyze the customer relationship management activities followed by organized multi brand retailers in apparel industry.

Scope of the Study:

The scope of the study is confined to organized multi brand retail apparels. The study compares and contrasts three major retail outlets Shoppers Stop, Pantaloons and West Sides.

Research Design

The Research Design used in this article is case study. The researcher classified the retail apparel industry in to organize and un organized retail players. The organized retail plays were further classified in to exclusive retail outlets and multi brand retail outlet. Among the multi brand retail outlet three key players in the Indian market were identified

for the study. They are pantaloons, west sides and shoppers stop.

Nature of Data

The data used in this study are secondary in nature.

Sources of Data

The main sources of Data are the websites of the company Pantaloons Retail India Ltd., Shoppers Stop and West Sides. The company's annual reports are used as a source of secondary data in this article.

The annual reports of ministry of textile were also used as sources of secondary data for industry analysis.

Apart from the above mentioned sources journals, magazines and news articles are also used for gathering facts and data.

Types of Analysis used

SWOT analysis is used in this article for analyzing organized multi brand retail outlets. In this article the SWOT analysis is done in a comparative basis of the key players of. This gives a bird's eye view of Strengths Weakness Opportunities and Threats of key players in the industry and also acts as a powerful tool for comparison.

Limitations

The data used is secondary and hence the research should rely upon the facts and figures of the sources of secondary data. The analytical tool used is SWOT hence the conclusion derived from the analysis is confined to the particular analytical tool

The study covered only three major players in the organized multi brand retail outlet. Other players like Mega Mart, Star Bazaar, and Big Bazaar were not chosen for the study.

CONCLUSION:

The three multi brand retail outlets Shoppers Stop, Pantaloons Retail India Ltd and West Side are operating in same platform and more or less the same customer base. But their business strategies differ based on their Segmentation Targeting and Positioning.

Customer relationship management is very essential to sustain and grow in business. This article compares the CRM strategies followed in organized multi brand retail apparels like Pantaloons, Shoppers Stop and West Side.

As a concluding note Shoppers Stop should concentrate on attracting more customers from middle class segment. Pantaloons should concentrate on providing rich customer experience inside the store.

West Side should concentrate on retaining and parenting their customers by proper measures for classification

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