

**A STUDY ON STRATEGIC CUSTOMER RELATIONSHIP MANAGEMENT IN
MAX FASHION RETAIL**

Dr.V.Rengarajan*

A.Swathi**

**Assistant Professor, School of Management, SASTRA University, Thanjavur, South India*

***II Year MBA Student, School of Management, SASTRA University, Thanjavur, South India*

ABSTRACT

The purpose of this study is to understand the strategic customer relationship management in Max Fashion Retail conducted in Trichy Max Fashion retail with a sample size of 200. After the Data collection. The researcher has identified that customer relationship depends on satisfaction level of the customers that further induces a retention rate which lasts for longer time. The result of this analysis showed that the mean age of women is higher than the men. The data analysis shows that the age, gender, income are significant factor that influences the relationship with Max Fashion retail.

KEYWORDS: Income, Retention, Strategic Customer Relationship Management, Satisfaction

INTRODUCTION

The development of a customer centric business culture. This culture is dedicated to winning and keeping customers by creating and delivering value better than competitors. In a customer -centric, resources to be allocated where they would best enhance customer value, reward systems to promote employee behaviors that enhance customer satisfaction and retention, and customer information to be collected, shared and applied across the business. Customer-centricity competes with other business logics. Philip Kotler identifies three major business orientations: Product, Production, and Selling.

Product-oriented business believes that customers choose products with the best-quality, performance, design or features. These are highly innovative and entrepreneurial firms unfortunately, this is a relatively small segment, not more than 2.5 percent of the potential market. Customer or Market Oriented Company shares a set of beliefs about putting the customer first. It collects, disseminates and uses customer and competitive information to develop better value propositions for customers. A Customer -centric firm is a learning firm that constantly adapts to

customer requirements and competitive conditions. There is evidence that customer-centricity strongly with business performance.

STATEMENT OF THE PROBLEM

Max Fashion Retail introduced loyalty card since the last 4 years. As the use of loyalty card is increasing in the retail business, it is important to study the customer relationship towards the use of loyalty card in Max Fashion retail. This study is one of such an attempt. Identification of information needed to solve the problem, Selection or development of instruments for gathering the information, Identification of target population and determination of sampling procedure, Design of procedure for information collection, Collection of information, Analysis of information, Generalization and /or prediction.

OBJECTIVE OF THE STUDY

- To study the demographic profile of the respondents in Max Fashion Retail.
- To understand the CRM systems used by the Retail.
- To understand the CRM systems used by the Max Fashion Retail
- To analyze the importance of CRM from MAX retail and customers point of view.
- To understand the contribution of CRM with respect to its objectives.
- The Influence of CRM towards the performance of the Max Fashion Retail

LIMITATION OF THE STUDY

- Some respondents were hesitating to give true responses.
- The data was collected within 1-month time period
- The inferences apply only to the respondents of Trichy city and are not applicable to any other places and cannot be generalized.

RESEARCH METHODOLOGY

This research follows the survey research methodology; questionnaire was constructed to study the strategic customer relationship towards the Max Fashion retail. It was administered to 200 respondents using convenient sampling. The data were analyzed with percentage method, frequencies, correlations and ANOVA. Tables are also prepared.

REVIEW OF LITERATURE

Werner Reinartz, (2004) reveals it is based on the customer -centric would result in managing the interactions based on the generated intelligence effect in parallel and well defined actions through different functions.

Verhoef, (2003) proposes that the customers past behavior are considered as control variables generating inertia effects that are termed to be customer loyalty in business -to-consumer markets. The past behaviour translates into future loyalty.

Kumar, (2003) constructed a framework that incorporates projected profitability of customers in the computation of lifetime duration. Additionally the author recognize factors under a control that explain the variation in the profitable lifetime duration.

Sheth, (2002) explores that the theoretical foundations of CRM by determining the relationship, it proposes that it builds on other relationship development process models.

Becker, (1997) investigates the link between technological and organizational implementations ,the results indicate that CRM implementations do not have performance regarding all aspects of the CRM process and by stakeholders.

Doku, (1998) reveals the better way to have effectiveness of CRM through the framework known as CRM pyramid which rather shows the success of the concept as its potency to engage customers and improve business performance.

Popovich, (2003) suggests that it is an integrated approach to managing relationship by focusing on customer retention and customer satisfaction. Though successful implementation is intangible to many companies.

Dheeraj Varma, (2008) study focusses on strategies adopted and retail outlets can hold the customer relationship, the aim is to identify the issues on customer expectations through implemented CRM practices can improve the relationship with customers.

Luciano Pilotti, (2008) the study identified the key areas where technology can drive greater efficiency and effectiveness on the development of customer retention and satisfaction and also the analysis of KM-based customer relationship management framework throughout the integration between strategic and operative supports.

Schierholz, (2007) defined CRM as a complex set of interactive process that aims to achieve an optimum balance between corporate investments and fulfilling of customer needs in order to generate maximum profit.

DATA ANALYSIS & INTERPRETATIONS

In the present scenario strategic customer relationship among customers for retail would differ from one retail to other retail scenario, so to understand the customers this study have used various dimensions such as service satisfaction, relation development, customer responsiveness, safe security in Max fashion Retail.

Table 1- FREQUENCY ANALYSIS OF DEMOGRAPHIC VARIABLES

Variables	Category	Frequency	Percentage frequency
Gender	Male	93	46.5
	Female	107	53.5
Age	20 years	58	29.0
	21-30 years	100	50.0
	31-40 years	33	16.5
	40yearsabove	9	4.5
Income	5000-10000	11	5.5
	10001-20000	22	11.0
	200001-30000	24	12.0
	30000above	65	32.5
	Student	78	39.0

Source: Primary data

93 respondents forming 46.5% were male and, 107 respondents forming 53.5% were female. 58 respondents forming 29% were in the age of 20 years. 100 respondents forming 50% were in the ages between 21-30 ,33 respondents forming 16.5 were in the ages between 31-40 and rest of the 9 respondents forming 4.5% were above 40 years,11 respondents forming 5.5% belong to the income group of 5000-10000, 22 respondents forming 11% belong to the income group of 100001-20000,24 respondents forming 12% belong to the income group 20001-30000, and65 respondents

forming 32.5% belong to the income group above 30000 and rest of the 78 respondents belong to students .

Table 2-Correlation of Customer Satisfaction and Customer Retention

Customer Satisfaction vs. Customer Retention	R	Significance	Relationship
Customer Satisfaction	0.577**	0.000	Positive

Source: Primary data

** . Correlation is significant at the 0.01 level (2-tailed)

- There is significant positive correlation between Customer satisfaction and Customer Retention since $r = .577^{**}$ and $P = 0.000$ which also means Customer satisfaction lead to Customer Retention

Table 4- ANOVA for Income and Customer Satisfaction

		Sum of Squares	df	Mean Square	F	Sig.
Satisfaction of service	Between Groups	4.533	4	1.133	2.630	.036
	Within Groups	84.022	195	.431		
	Total	88.555	199			
Receiving of wish message	Between Groups	4.437	4	1.109	1.898	.112
	Within Groups	113.958	195	.584		
	Total	118.395	199			
Receiving of personnel wish	Between Groups	12.817	4	3.204	4.164	.003
	Within Groups	150.058	195	.770		
	Total	162.875	199			

Source: Primary data

*Significance at 5%

- **Hypothesis H0: The opinion towards the statement satisfaction of service, receiving of wish message, receiving of personal wish do not vary with the income of the respondent at 5%**
- From the above table it can be noted that the significance of "f" for the satisfaction of service is less than 0.05 & the H0 is rejected. It can be concluded that the opinion towards the statement satisfaction of service in the Max store do vary with the Income of the respondent at 5%.
- From the above table it can be noted that the significance of "f" for the receiving of personal wish is less than 0.05 & the H0 is rejected. It can be concluded that the opinion towards the statement receiving of personal wish in the Max store do vary with the Income of the respondent at 5%.
- From the above table it can be noted that the significance of "f" for the receiving of wish message is less than 0.05 & the H0 is rejected. It can be concluded that the opinion towards the statement wish message in the Max store do vary with the Income of the respondent at 5%.

Table 6-ANOVA for Gender and Relation development

		Sum of Squares	df	Mean Square	F	Sig.
Development of relationship with customers	Between Groups	1.791	1	1.791	2.628	.107
	Within Groups	134.929	198	.681		
	Total	136.720	199			
Interest in customer complaints	Between Groups	1.273	1	1.273	4.420	.037
	Within Groups	57.047	198	.288		
	Total	58.320	199			
Information in comfortable way	Between Groups	2.747	1	2.747	7.402	.007
	Within Groups	73.473	198	.371		

	Total	76.220	199			
--	-------	--------	-----	--	--	--

Source: Primary data

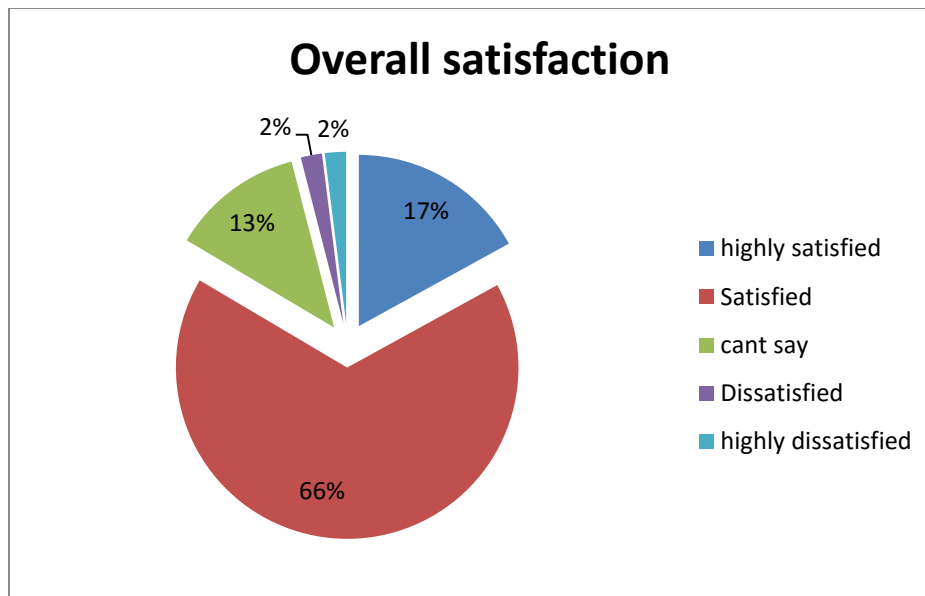
***Significance at 5%**

- **Hypothesis H0: The opinion towards the statement development of relation with customers, interest in customer complaints, information in comfortable way do not vary with the gender of the respondent at 5%**
- From the above table it can be noted that the significance of "f" for the development of relation with customers is less than 0.05 & the H0 is rejected. It can be concluded that the opinion towards the statement in the Max store development of relation with customers do vary with the gender of the respondent at 5%.
- From the above table it can be noted that the significance of "f" for the interest in customer complaints is less than 0.05 & the H0 is rejected. It can be concluded that the opinion towards the statement interest in customer complaints in the Max store do vary with the gender of the respondent at 5%.
- From the above table it can be noted that the significance of "f" for the information in a comfortable way is less than 0.05 & the H0 is rejected. It can be concluded that the opinion towards the statement information in a comfortable way in the Max store do vary with the gender of the respondent at 5%.

Table 7-Overall Satisfaction

Overall Satisfaction	Frequency	Percentage
Highly satisfied	34	17
Satisfied	133	66.5
Can't say	25	12.5
Dissatisfied	4	2
Highly dissatisfied	4	2
Total	200	100

Source: Primary data



34 respondents forming 17% that they are highly satisfied, 133 respondents forming 66.5% that they are satisfied and 25 respondents forming 12.5% that they can't say, 4 respondents forming 2% that they are dissatisfied and 4 respondents forming 2% that they are highly dissatisfied.

FINDINGS

Max Fashion Retail is mainly targeted on the upper middle class customers, where the products are affordable to them. The result of this analysis showed that the mean age of women is higher than the men. Customer retention rate is always in a mark of 70%-80% who are the existing customers, which is due to availability of variety of products which can be furnished by the following data such as 73 respondents declare that reason for visiting the max store is due to variety of products, 38 respondents declare that reason for visiting the max store is due to good service, 45 respondents declare that reason for visiting the max store is due to reasonable price etc., The overall satisfaction data reveals that the 34 respondents are highly satisfied, 133 respondents declare that they are satisfied where it can be noted to take actions to solve. There is a statistically significant positive correlation between Customer satisfaction and Customer Retention which also means customer relationship will last longer if customers are satisfied.

RECOMMENDATIONS

- Senior Management levels must assure creating customer oriented culture in the MAX store in order to become positive responsive to customer needs and expectations.

- MAX should develop its organizational structure in a way that ensures the full support from the technical & administrative departments to the customer departments so as to make sure that the customer complaints, queries will be circulated to the concerned departments in the right time & no delay will take place during processing the complaints.
- The Max store should encourage its employees to embrace the concept of the private sector practices especially in dealing with the customers & also training to be done to cultivate the skills
- Advertisements in mass media are advised to be established to have more sales.
- The car parking facility is required to be provided for the satisfaction of the customers and that too will help the firm to have the CRM effectively.
- The additional bill counters are expected to be provided for the benefit of the customers in all the floors at multi level.

CONCLUSION

Customer Relationship Management is an important factor for the development of Retail Industry. It is the main factor that leads to Customer satisfaction, Customer Retention. So the Max Store should maintain Customer Satisfaction which is an important factor for retaining the existing customers. From the study it is found that Customer Satisfaction is one of the most important factors for a Customer Relationship in a long run.

REFERENCES

1. Becker, Customer retention on CRM, Kim, Soyoung, 1998, DAI-A 58/06, p. 2303
2. Dheeraj Varma, The impact of customer relationship characteristics on profitable lifetime duration, 2008
3. Doku, Quality and customer satisfaction: A case study in Brazil, Barcellos, Paulo Fernando Pinto, 1998, DAI-B 59/09, p. 5022
4. Kumar, The impact of customer characteristics profit lifetime duration, 2003
5. Popovich, The impact of individual differences on perceptions of service quality, customer
6. Relationship and consumer complaint behavior, 2003
7. Luciano pilloti, Application of knowledge management in crm, 2008

8. Schierholz, The effect of customer satisfaction and retention in crm, 2007.
9. Sheth, Application of data mining techniques in customer relationship management, 2002.
10. Verhoef, understanding the effect of crm in customer retention and customer share development, 2003.
11. Werner Reinartz, The Customer relationship management process and measurement, Aug., 2004.
