

# A STUDY ON “CONSUMER PREFERENCE IN E-CRM SERVICES AND SOLUTION DEVELOPMENT FOR CONSUMER DURABLES IN RETAIL SECTOR WITH SPECIAL REFERENCE TO BANGALORE URBAN”

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## ABSTRACT

*After Liberalization, Privatization and Globalization era, retailing in India is getting more attraction like never before. In service industry, especially retailing sector growth is very rapid and moving steep upward trend. Retail sector contributes more than 50% of GDP and its annual growth is estimated 8.9% in current years This establishes the needs for and the importance of customer satisfaction. The satisfaction of consumers is different from one to another. Became, each consumer has the different behavior in their life. So, the marketer satisfy the consumer, he must very well know the behavior of consumer In today's world, customers interact with an organization via multiple communication channels—the World Wide Web, call centres, field salespeople, dealers and partner networks. Many organizations also have multiple lines of business that interact with the same customers Bangalore is 5th largest and 2nd fastest growing city in India. It has become the IT hub of India. It is the capital of the Indian state of Karnataka. It has located on the Deccan Plateau in the south-eastern part of Karnataka; Bangalore is India's third most populous city and fifth-most populous urban agglomeration. It is among the top 10 preferred entrepreneurial locations in the world. This study was chosen in Bangalore because number of organized retailing shops is available.*

**Key words:***E-CRM Services, Consumer Satisfaction: , Consumer Satisfaction.etc*

## RETAIL MARKET IN INDIA

After Liberalization, Privatization and Globalization era, retailing in India is getting more attraction like never before. In service industry, especially retailing sector growth is very rapid and moving steep upward trend. Retail sector contributes more than 50% of GDP and its annual growth is estimated 8.9% in current years. It is one of the fastest developing sector and it is gained fifth place in the top five retail market in the world by economic value. As the Indian council for research and international Economic relations (ICRIER) retail sector is expected to contribute 22 percent of the India's GDP. In India, Retailing is predominantly unorganized. The growths of organized retailing in India especially in metros are very high and attractive in nature. Retailing in India is gradually inching its way toward becoming the

next boom industry. Modern retail has entered in India as seen in sprawling shopping centers, multi-storied malls and huge complexes offer shopping, entertainment and food all under one roof. The Indian population is witnessing a significant change in its demographics a large young working population, nuclear families in urban areas, along with increasing working-women population and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in India. Over 12 million outlets operate in the country and only 4% of them being larger than 500 sq ft in size. In India the emergence of a few medium sized Indian Retail chains, namely Pantaloon Retail, RPG Retail, Shoppers Stop, Westside (Tata Group) and Lifestyle International. Given the attractiveness of the Indian retail sector, foreign retailers like Wal-Mart, Carrefour SA, Europe's largest retailer and Tesco Plc, the UK's largest retailer, were keen to enter this growing market, In the last few years, Indians have gone through a dramatic transformation in lifestyle by moving from traditional spending on food, groceries and clothing to lifestyle categories that deliver better quality and taste.

Consumer behavior changes make “Yesterday’s luxuries are today’s necessities”. India is emerging as an attractive market for consumer durables. But the vibrant environmental factors and fierce competition is making it imperative to understand the dynamics of consumer durable market. Market survival depends on consumer satisfaction. Consumer satisfaction depends on their perception and brand preference of particular brand.

#### Consumer

A consumer is an individual who purchase or has the capacity to purchase goods and services offered for sale by marketing institutions in order to satisfy personal or household needs, wants or desires.

#### **MARKET**

The term market is derived from Latin Word ‘Mercatus’, which means ‘totrade’ that is purchasing and selling of goods. It also means merchandise truthic place of business. According to Pyle, “Market includes both place and region in which buyers and sellers or in free competition with one another”.

#### **MARKETING**

Marketing includes all the impacts involved in the exchange process of transferring the possession and ownership of goods or services from the producer to the ultimate consumers’.

#### **IMPORTANCE OF CONSUMER SATISFACTION:**

The needs to satisfy customer for success in any commercial enterprise is very obvious. The income of all commercial enterprise is derived from the payments received for the products and services supplied to its customers. If there is no customer there is no income and there is no business. Then the core activity of any company is to attract and retain customers. It is therefore no surprise that Peter Drucker the renowned management Guru, has said “to satisfy

the customers is the mission and purpose of every business". Satisfaction of customer is essential for retention of customer's and for continuous sales of the products and services of the company to customers. This establishes the needs for and the importance of customer satisfaction. The satisfaction of consumers is different from one to another. Became, each consumer has the different behavior in their life. So, the marketer satisfy the consumer, he must very well know the behavior of consumer.

### **CONSUMER BEHAVIOUR :**

The term consumer behavior may be defined as the behaviour that consumer displays in searching for purchasing, using, evaluating, producing, services and ideas which they expect will satisfy their needs. In other words, "It is a study of physiological, social, physical, behaviors of all potential customer as they become aware of evaluation, purchase and consumption and tell other about products and services.

### **ECONOMIC IMPORTANCE OF CONSUMER CHOICE:**

Consumer preference is critical to economics because of the relationships between preferences and consumer demand curves. It is important to understand what Eddie and other consumers prefer to spend their income on which will help predict consumer demand. The purpose in understanding the consumer choice theory is a way of analyzing how consumers may achieve equilibrium between preferences and expenditures by maximizing utility or satisfaction in terms of their consumer budget limits.

Consumer preferences are portrayed through indifference curves. chart. If an economist uses this chart, they would be able to create a demand schedule even if the price of one good changes. In other words, each indifference curve illustrates a household budget line which is used to determine the point of maximum utility or satisfaction.

### **CONSUMER PREFERENCES:**

The underlying foundation of demand, therefore, is a model of how consumers behave. The individual consumer has a set of preferences and values whose determination are outside the realm of economics. They are no doubt dependent upon culture, education, and individual tastes, among a plethora of other factors. The measure of these values in this model for a particular good is in terms of the real opportunity cost to the consumer who purchases and consumes the good. If an individual purchases a particular good, then the opportunity cost of that purchase is the forgone goods the consumer could have bought instead.

### **IMPORTANCE OF CONSUMER BEHAVIOUR:**

To Marketers, It is important for marketers to study consumer behavior. It is important for them to know consumers as individual or groups opt for, purchase, consumer or dispose products and services and how they share their experience to satisfy their wants or needs (Solomon, 2009) May 18, 2017.

India's consumer durables industry is valued at \$9.7 billion as of 2015. This sector is expected to grow to \$20.6 billion by 2020 and become the fifth largest in the world by 2025.

### **CUSTOMER PREFERENCE:**

A customer is someone who makes use or receives of the product or service of an individual or organization the historically derived from "custom" meaning "habit" "a customer was someone who frequented a particular shop, who made it habit to good of the short the shop sold their rather than elsewhere and with whom the shopkeeper had to maintain a relationship to keep his "custom" "meaning expected purchases in the future. In psychology and the cognitive sciences perception is the process acquiring interpretation selection and organization sensory information the word perception comes from the Latin perception meaning receiving collection action of taking a possession. Apprehension with the mind or sense. Method of studying perception range from essentially biological or physiological approaches though psychological approaches though the philosophy of mind and in empiricist epistemology. So it is important to understand the customers' mind about the shopping mall to make better policy decision regarding mall management. Outcome this, the researcher chosen to study how customers' perceived the promotional factors in a mall such as Artistic design, entertainment, service offered in mall, security aspects and image.

### **WORKING OF E-CRM:**

In today's world, customers interact with an organization via multiple communication channels—the World Wide Web, call centers, field salespeople, dealers and partner networks. Many organizations also have multiple lines of business that interact with the same customers.

E-CRM systems enable customers to do business with the organisation the way the customer wants – any time, via any channel, in any language or currency—and to make customers feel that they are dealing with a single, unified organisation that recognises them every step of the way.

The E-CRM system does this by creating a central repository for customer records and providing a portal on each employee's computer system allowing access to customer information by any member of the organisation at any time. Through this system, E-CRM gives you the ability to know more about customers, products and performance results using real time information across your business.

### **IMPLEMENTATION OF E-CRM SYSTEM:**

When approaching the development and implementation of E-CRM there are important considerations to keep in mind:

**i. Define customer relationships:**

Generate a list of key aspects of your customer relationships and the importance of these relationships to your business.

**ii. Develop a plan:**

Create a broad Relationship Management program that can be customized to smaller customer segments. A suitable software solution will help deliver this goal.

**iii. Focus on customers:** The focus should be on the customer, not the technology. Any technology should have specific benefits in making customers' lives easier by improving support, lowering their administrative costs, or giving them reasons to shift more business to your company.

**iv. Save money:**

Focus on aspects of your business that can contribute to the bottom line. Whether it is through cutting costs or increasing revenue, every capability you implement should have a direct measurable impact on the bottom line.

**v. Service and support:**

By tracking and measuring the dimensions of the relationship, organisations can identify their strengths and weaknesses in the relationship management program and continually fine tune it based on ongoing feedback from customers.

**STUDY AREA PROFILE:**

Today, Bangalore is 5th largest and 2nd fastest growing city in India. It has become the IT hub of India. It is the capital of the Indian state of Karnataka. It has located on the Deccan Plateau in the south-eastern part of Karnataka; Bangalore is India's third most populous city and fifth-most populous urban agglomeration. It is among the top 10 preferred entrepreneurial locations in the world. This study was chosen in Bangalore because number of organized retailing shops is available.

**SOURCES OF DATA**

The sources of data are primary as well as secondary. Secondary data has been collected from library of, IIM Bangalore, various University's research publications And various books, Journals, Magazines, reports, dailies etc. Structured questionnaire was used as instrument for collecting the primary data. The study questionnaire mainly contented which were closed ended.. The questionnaire was pre-tested before final use. Some senior professionals associated with retailing also evaluated the questionnaire.

**STATEMENT OF THE PROBLEM:**

According to the data released by the Department of Industrial Policy and Promotion (DIPP), the electronics sector attracted foreign direct investment (FDI) worth US\$ 1.78 billion between April 2000 and June 2017. Some major investments and developments in the Indian consumer market sector like Amazon India has set up seven new warehouses in India, which will be used exclusively for large appliances and furniture, with an aim to boost the sales of its high-priced products such as televisions, refrigerators and furniture, the CRM services are excellent, so find out the solutions is taken as a researcher challenge of the topic is:

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**OBJECTIVES:**

1. To identify the different Retail Customer Preference Level.
2. Know the Future Generate Leads through Customers in consumer durable industry.
3. To Identify the Enabled Sales Promotion Tool in e-crm.
4. Increase The Customer Retaining Success factors using e-crm technology in consumer durable industry
5. The know the Better Preference of E-CRM Benefits in Retail Sectors

**SAMPLE SIZE:**

Sample chosen for the study covers different area of Bangalore urban City. Totally, 300 visitors are selected on simple random sampling method. Out of the sampling 320 customers only returned the filled in questionnaires and of them, 300 only are usable. Hence, the exact sample of the study has 300.

**Sample Method:** In this study Stratified Random Sampling is used to get the proper output.

Stratified random sampling is a method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, or stratification, the strata are formed based on members shared attributes or characteristics.

When running analysis or research on a group of entities with similar characteristics, a researcher may find that the population size is too large to run a research on. In order to save time and money, an analyst may take on a more feasible approach by selecting a small group from the population. The small group used is referred to as a sample size, which is a subset of the population that is used to represent the population. There are a number of ways a sample may be selected from a population, one of which is the stratified random sampling method.

A stratified random sampling involves dividing the entire population into homogeneous groups which are called strata (singular is stratum). Random samples are then selected from each stratum.

**Sample frame:**

Universe: e-crm consumer durable product buyers in urban Bangalore.

**Sample unit:** the sample unit was limited to selected areas of Bangalore urban district.

**Sample size:** 300 mall shopping respondents.

**Data Source**

Secondary data has been collected from library of IIM Bangalore, And Journals, Magazines, proceedings of seminars and conferences, Internet etc. Structured questionnaire was used as instrument for collecting the primary data looking into the nature of study the questionnaire mainly contented questions which were closed ended. The questionnaire was pre-tested before final use.

**PERIOD OF THE STUDY**

The period of the research study is four years, starting from 2013. The researcher took first year to collect the review and identify the research gap. Another six months were spend to draft the research design prepare data collection instrument and to conduct the pilot study. After finalizing the questioner, two years have been spending to collect the data from the target respondents. The researcher took four months to analyses and interprets the collected data.

**Data Collection**

The data are collected for the study by means of three sections. The first section of the questionnaire was framed to obtain general information and about the visitors of RETAIL SHOPPERS. The second section deals with customers' normal Retail Customer Preference Level behavior when they visiting the PLACE. Third section covers the customers' Rank the better preference of e-CRM benefits in Retail sectors. The questionnaire with a covering letter is handed over personally to each and every respondent and they are requested to return the filled questionnaire.

**TOOLS FOR DATA ANALYSIS:**

The processing, classification, tabulation, analysis and interpretation of data are done with the help of SPSS (20.0) software package. The following statistical tools and mathematical techniques have been applied depending on the nature of data collected from The primary data collected through a structured interview schedule were analyzed using statistical tools such as percentage analysis, factor analysis, cluster analysis, discriminant analysis, chi – square test, correlation.

### 1. Hypotheses

Null Hypothesis (H0): There is no significant association between gender of the respondents and their preference.

Alternate Hypothesis (H1): There is a significant association between gender of the respondents and their preference

### 2. Hypotheses

Null Hypothesis (H0): There is no significant association between Age of the respondents and their preferences.

Alternate Hypothesis (H1) There is a significant association between Age of the respondents and their preferences.

1. **FACTOR ANALYSIS:** This method is applied to analyzed the various elements of shopping behavior with regard to Mall attractive factors.

2. **PERCENTAGE ANALYSIS:** This tool used to study the general characteristics of customers which include age, education, occupation, income level, etc. Percentages were worked out for understanding the consumer awareness, attitude, preference and perception of shopping mall.

3. **CHI-SQUARE TEST:** This statistical tool is used to measure the customers' level of satisfaction with demographic variables of urban mall shoppers.

4. **CORRELATION ANALYSIS** correlation analysis is a method of statistical evaluation used to study the strength of a relationship between two, numerically measured. In correlation analysis, we estimate a sample correlation coefficient, more specifically the Pearson Product Moment correlation coefficient. The sample correlation coefficient, denoted  $r$ , the sign of the correlation coefficient indicates the direction of the association. The magnitude of the correlation coefficient indicates the strength of the association.

### 5. DISCRIMINANT TEST:

Discriminant Analysis is a statistical tool with an objective to assess the adequacy of a classification, given the group memberships; or to assign objects to one group among a number of groups. For any kind of Discriminant Analysis, some group assignments should be known beforehand.

### LIMITATIONS:

The study has the following limitations.

1. The Universe being large, the study was restricted to customers residing in selected areas of Bangalore urban city only. The data were collected only from visitors of retail shopping place in Bangalore city.

2. Lack of proper awareness still prevails in the market, which is hindering the growth.
3. Individual retailing shop has not selected for the study. Thus, the study is conducted with a macro approach.

### **OUTPUT OF PILOT STUDY:**

1. Alpha variables reliability value is .828
2. Gutt-man co-efficient value is .803
3. Cronbanch Alpha Value is .914

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