

Emerging Trends in Retail Sector and CRM Challenges in Mysuru City

Dr. M. S. Yathish Chandra* and Aashish.C.I**

* Associate Professor, Dept. Of MBA, VTU, RC, Sathagally, Mysuru

** Research scholar, Dept. Of MBA, VTU, RC, Sathagally, Mysuru

Abstract

Indian retail sector is one of the largest business revenue generating sectors; especially after 2000's onwards activities became even more evident. The time when the retail sector started to contribute significantly towards the Indian economy, the supermarkets flooded the markets. The entry of the retail sector especially saw a tremendous change in the business improvisation along with the mindset of the customers too. This symphony triggered the retail sector to update the market trends with customer's likes and preferences. Even though there was not much of marketing activities taken up, the challenge lies with the industry to market its products after a gap of almost 2 decades. Today the retail industry is seeing low sales with an immediate deceleration of sales, thereby creating flutters in the industries which have investment in the business, with an intension to recover in the next couple of decades. The repercussions are such that the supplying industries are so much effected that, they are working day in and day out, which otherwise had seen a volumes of sales naturally. The question is – is there a change in the preferences of customers considering retail industry as privilege, some years back or the Indian markets are seeing a sea change from the traditional small time business markets to hyper markets? As such Indian readiness does not indicate either of the two. The concentric and the repulsive picture of the industry are definitely not good for the overall economic growth of Indian. One of the economists say- that there should be a larger investment in the industry when there is recession and your profits earned during blossom time comes to use during this hour. Some of the companies have been showing consistency like big bazaar or more. When

we consider the uncontrollable factors like the government policies, national norms, nothing much could be done but definitely a ray of hope can always come from any corners of the functional areas. It's now the real time testing for the marketers to buckle their shoes and help the industry recover the stability, by extending all the creative marketing strategies to overcome the present situation.

Keywords: - Cross Selling, Proposition, CRM, Speculative,

1. Introduction:

Retail sector is one of the sectors; India has always looking at since 1990's for its economic growth. In the initial stages of its growth, the retail sector came with the objectives of fulfilling merchandising and making the products available when customers ask for it. But the projection of the sector was such that, they had estimated the growth of it to an extent of about 300 million dollar industry. To make it happen, many other factors such as creating awareness, differentiation, position of the retail outlets, customer relationship management etc., had to play a vital role in the upliftment of the sector. All these factors could have helped in the initial stages of its entry, but most of it would get covered by after sales services, which is mostly concerned with CRM. If creating awareness is that necessary, CRM is equally necessary to generate multiplication of customers thereafter. It said in marketing that once you lose a customer, they are lost forever, but once gained customer- multiplies. Therefore, under any circumstances, multiplication of customers is comparatively easier than the summation. CRM helps the organizations to multiply their customers and cost involved in the process is equally lesser as compared to spending money on creating awareness. There are many sub-factors at the ground level, helps the organization to achieve their targets through compelling simple CRM practices at the regional and the local levels. Some of these sub-factors are the frequency of purchase, visit to retailers, offers, other benefits the retailers give. What it all started as a business is now converting in to marketing revolution and the efforts are focused to the final

customers upon selling of goods and services, were the focus until 2010. At the same time the Indian spenders have become literate enough to map their right choice of shopping experience and particularly more so in the retail outlets because it has everything in one roof. The new millennium has changed the shopping experience for the customers by their efforts towards right shopping. This right shopping can always help the retailers to map their customers and in turn help in developing CRM strategies or CRM practices. On the other hand, the new development of nuclear families from the traditional joint families have made the CRM practices even more challenging but to suffice that most of these nuclear families spend their time in malls. Today retail is not just alone retail but a question of retail mix which means customers want the experience of quality, variety, durability, reliability, amusement, play area. All these put together can be said as “Indian customers want sophistication. In the recent time, even the ordering of products and the payments has become electronic and therefore the shopping experience too. Especially a place like Mysore which is sub-urban locality requires those trendy changes but may not be as much as it is in tier-i cities. In spite of all these, still the most common way of distribution remains to be the wholesale, retail and customer format. Therefore, the market looks are these factors, namely poverty, literacy level, per capita income, saving focused indulged mindset etc., has made the Mysore market to be speculative.

2. Objective of the Study:

This study made an attempt to the association between awareness level and the promotional activities in Mysuru City.

3. Content:

CRM practices would help retain the customers as much as it helps in developing new marketing strategies. A customer service counter would help in making the customers to come back and would be able to give business. Even though the primary driver is the customer satisfaction, a

personalized customer service will create repeat customers as well. Of what is presently being concentrated on customers is to know them by their name, their special day to acknowledge etc.,. A proper collection of classificatory and its information would lead to further analyze for cross selling proposition too. Today it is evidently seen that cross selling proposition would work effectively than trying to spend more money for different other activities. This could create customer centric proposition and help the organization to develop a much more stronger approach towards CRM.

In accordance to the questionnaire that was distributed in Mysuru city, with about 30 sample size, the main factors that we considered was to see what can be the mind set of customers. Mainly the analysis is on the awareness and the offer as two factors considered for it.

Analysis and interpretation:- a sample size of 30 was considered for the study and the fragments of it with goodness of fit is calculated.

Hypothesis-

- a. The awareness level is independent on promotional activities
- b. The awareness level is dependent on promotional activities

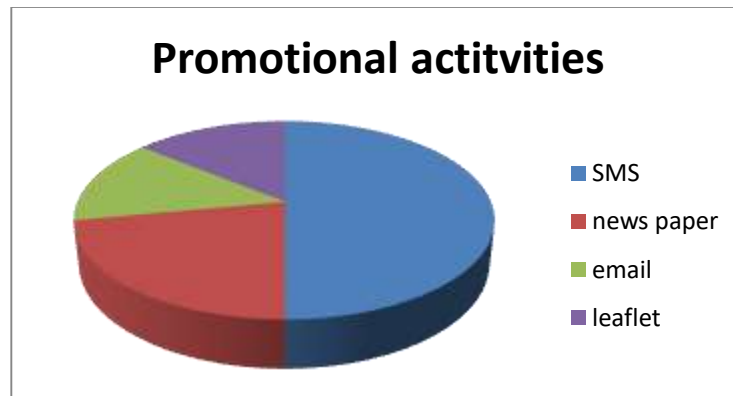
Sl no.	Factors	
1	SMS	15
2	News paper	6.6
3	E-mail	4.2
4	Leaflet	4.2

Chi sq = 70.11

With the level of significance at 5% and for the degree of freedom being $4-1=3$

The critical value from the appendix table

$Z(\text{critical}) = 1.96$

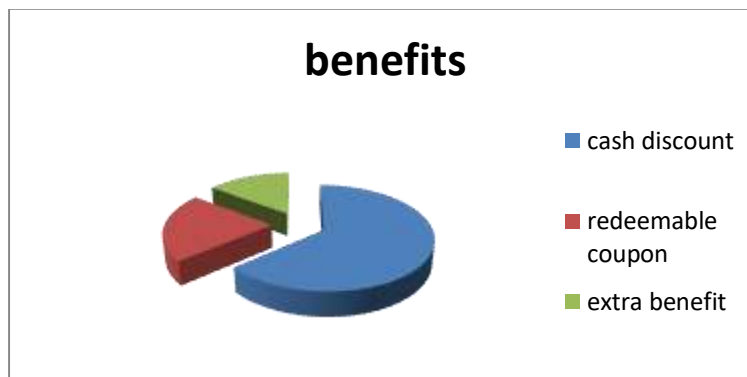


Therefore, the calculated value lies far below 1.96, the null hypothesis is rejected. This means that the alternate hypothesis gets accepted. This result indicates that the awareness level is dependent on promotional activities and a city like Mysuru would require those promotional activities

Interpretation- according to the data so collected- it is evidently seen that Mysuru customers prefer 50% of creating awareness from sms, 22% prefer newspaper and 14% each for email and leaflet. A study taken for some other city would reveal a different perspective, at least in Mysuru SMS still remains to be a better option.

Similarly another question for which the factors that was considered for options were cash discount, redeemable coupons, something extra and freebies, for which 19.2% of the people in Mysuru prefer cash discount and others factors are depicted in the pie chart.

Sl no.	Factors	
1	Cash discount	19.5
2	Redeemable coupon	6.6
3	Extra benefit	4.5
4	Freebies	0



4. Conclusion:

Mysuru is traditionally rich practicing city and moving towards the fast developing cities like Bangalore. Whatever may be the factors that work in Bangalore and other places may not work in this place. As a tier-ii city, it still remains to be effective with SMS working effectively and the cash discount. Therefore for a city like Mysuru the retailers should adopt such of those practices that would help the organizations to implement traditional practices. Instead of calling it as strategies, certain local practices can always be adopted to ensure that the customers come

back and give that volume of sales that is required for the fulfillment of objectives, which is sales volume. The future of CRM depends on such of these small practices and may be the sub factors of these practices could change. It is emphasized that customer centric and customer specific practices would help attain the development of CRM activities. It is basically to harnessing the potential of people to create a better customer experience with these factors so that it would enable the continuous factors analysis to craft the CRM practices. This helps in analyzing the behavioral changes of the customers so that the practices can be localized. What becomes even more important here is that these local practices will help value the perspective of the customers which will in turn help developing a better CRM practices. Ultimately the priority is to ensure that the customer satisfaction will help the organization to develop CRM practices. This would also determine the long-term sustainability of the practices to align the factors.

Reference

1. John Seely Brown, Allan Collins, Paul Duguid, Title:-” Situation Congnition And Culture Of Learning”, Journa Name:- Educational Research Brown, 1989/1, Volume18, Issue1, Pages32-42
2. Author:-Allan M Collins, Elizabeth F Loftus,Publication Date:- 1975/11, Journal :- Psychological Review, Volume82 ,Issue6, Pages407, Publisher:- American Psychological Association
3. *E. Schoenherr, Steven (5 May 2004). "The Digital Revolution". Archived From The Original On 7 October 2008.*
4. "Information Age". *Debjani Roy (2014). "Cinema In The Age Of Digital Revolution" (Pdf).*
5. *Bojanova, Irena. "The Digital Revolution: What's On The Horizon?". It Professional (Jan.-Feb. 2014). 16 (1): 8–12.*

6. Freeman And F. Louçã, *As Time Goes By: From The Industrial Revolutions To The Information Revolution*, Oxford University Press, Usa, 2002.
7. *Schumpeter, Joseph Alois (1939). Business Cycles: A Theoretical, Historical, And Statistical Analysis Of The Capitalist Process. Martino Pub. Isbn 9781578985562.*
8. Online Course "Digital Technology & Social Change" (University Of California), Hilbert M., Dt&Sc 4-2: Long Waves Of Social Evolution
9. C. Perez, "Technological Revolutions, Paradigm Shifts And Socio-Institutional Change Archived 3 January 2012 At The Wayback Machine." In E. Reinert, *Globalization, Economic Development And Inequality: An Alternative Perspective*, Cheltenham: Edward Elgar, 2004, Pp. 217–242.
10. Bharath, V., & Rani, N. S. (2017, June). A Font Style Classification System For English Ocr. In *Intelligent Computing And Control (I2c2), 2017 International Conference On* (Pp. 1-5). Ieee.