
Impact of CRM in e-tailing industry In India: A Customer Perception Study

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A Brief Overview

In view of the global competition, there are greater pressures on Retail Industry in India to bring greater satisfaction to the consumers. With the passage of time there has been a change in the strategy of Indian Retail Industry as they strive to become more competitive. It has become more imperative to define new standards of quality and services with the changing technology and environment in India. Indian Retail Industry has been divided into two category i.e. un-organized and organized. Unorganized retail offers unique services to its clientele i.e. Door delivery, personalized services and sometime credit facility by the small Kirana shops established in approximately 500 sq. feet area. The Big Mega Malls, Super stores, Big Bazaars Specialty stores, e-tailing etc. are the latest formats of organized Retailing. E-commerce and E-tailing is one of the sunrise industries in India and becoming more and more prominent among the people. E-tailing is growing because it helps consumers to save time and efforts. One of the significant reasons for its growth is access to internet users numbering more than 2.5 billion. In India demographics changes, changing in life styles and exposure to international brands are also key motivators of E-tailing.

E-Retailing or E-tailing offer an opportunity to cater to consumers across geographies, no operational timings, unlimited shelf space, and all this with miniscule quantity of infrastructure. In developed countries like India, this business model is a very good and easy way of growth.

It is proved beyond doubt that Retail is India's largest industry, which is accounting for over approximately 10% of the country's GDP. In India organized retailing contribute only 4.1% of the total market while 95.9% unorganized retail sector cater the needs of the Indian population. This industry provides around 8% of the employment in India. Yet it is the beginning only the retail sector in India is exploding and good trends are visible. Indian Industry has ambitious plans to grow at a very fast pace and it is expected that retail business will grow 13 per cent annually from US\$322 billion in 2006-07 to US\$590 billion in 2011-12. As per the experts, organized retail will result in the creation of world class infrastructure in India.

In spite of above boosting trends in retail industry, as researcher we believe that it is need of day and the retailers has to be more efficient, more systematic, more accurate and more profitable. For this Retailers should begin to see the benefits of customer relationship management. automation and innovation. Advance Technology or IT can change the means of competition with the help of Laser barcode, scanning, and instant checkout, online grocery shopping and automated operations. The detailed product data with demand forecasting available in a software modules and online payments collection are important milestones in the growth journey of Retail Industry. The Information Technology and Telecommunication has forced the retailers not to focus on capital expenditure budgets for the growth but to use the application software to increase efficiency and profitability. Special software has been designed to cover the specific requirements from sales point of view, supply chain management, customer relationship management, and assortment and so on. Software Companies like Oracle and JDA Software have understood the growing interest of utilizing IT in the retail business. JDA Software has catered software needs to nearly ten acquisitions in the last seven years for Textile, Food, and Consumer Goods Industry. This is the starting of the trends and as per the experts, the software market is expected to grow from \$474.8 million in 2005 to \$731.9 million in 2010, which means it will grow at compound annual growth rate of 9%.

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The Ecommerce market is expected to touch 9210 Crore INR in 2007-08, E Tailing or e-retailing market is only about 1150 Crore INR according to a survey conducted by Internet and Mobile Association of India and Indian Market Research Bureau (IMRB).

The internet industry in India has experienced a tremendous growth in the last decade especially in urban and semi urban areas. There is now a reason that e-tailing should not flourish with the growing number of internet users. The increase in use of internet in the general public is very glaring i.e. a jump of 700% has been noticed in the last six years. Out of 21.4 million online users in urban areas in India only 10% are active buyers. In India most commonly purchased merchandises through internet marketing are electronic items, cloths, gift items etc. The Future Group offers more than 50000 products in 185 categories and is expecting revenue of Rs.300 crores. It also offers home delivery services in more than 1500 cities across India.

In spite of all these encouraging factors indicating chances for higher growth of e-tailing activities in India still considerably large number of population is not exposing to internet and its use. As per data 96.7 per cent Indian especially in the rural areas are not using internet and are far away from the e-tailing. Despite the vast awareness of organized retail formats the dependence of the rural poor for day today needs continues on Kirana Stores, Weekly Bazaars in their locality.

Statement of the Problem:

The study focuses on important dimensions of relationship Customer Relations Management, which plays very crucial role in the growth of e-tailing in India. The study encompasses various practical approaches like understanding of customer needs and focusing on their satisfaction has its impact on the growth of e-tailing in India. The study also suggests various measures to improve the level of growth in the organized retailing especially e-tailing. In view of enormous competition all over the world, this study also explores the possibility of greater attention and effort on Customer Relationship Management.

Objective of the Study:

The objective of this study is to understand the impact of customer relationship management CRM contributing in growth of e-tailing.

Sampling Frame and Design

Primary data required for this study has been managed through well designed questionnaire issued to the randomly selected samples, Personal Interview and telephonic interview. The random sampling method has been used for the purpose of this study considering their availability and approachability from different part of the society. The sample has been selected from National Capital Region.

Sources of Data

The Researcher has used both primary and secondary data to have better and clear focus on the objectives of the study.

Primary Data

Primary data has been collected from the constant user of e-tailing and retailers through a well structured questionnaire. The questionnaire focuses on the applicability of Consumer Relationship Management (CRM) from customer preferences and also from Retailers preferences. Similarly the questionnaire also focuses on role of Advance technology in the growth of organized retailing from customers' preferences and also from Retailers preferences. The details of the respondents have also been collected for record purposes.

Questionnaire Design:

To find out the authentic data to meet the objectives of this study, four variables were identified, which were quite relevant to the topic. These variables were also selected based on the literature survey and discussions with the experts and academicians. Based upon these variables a questionnaire has been designed. The questionnaire has been pre-tested with the help of prominent academicians and practitioners and their suggestions were incorporated as per the need of the study.

Secondary Data:

Secondary data has also been collected from important sources i.e. Websites Journals, Newspapers, Magazines, Articles, Books etc. to have the proper theoretical background of e-tailing in India.

Data Collection:

A total 150 No. of questionnaires was distributed to different segments of the society through personal contacts, through e-mails. Only 120 completed questionnaires have been received from the respondent, which represent 80% of response rate. Only 20% respondents have not submitted their responses pertaining to the questionnaires.

Data Analysis:

The analysis of the data is done after tabulation of the collected data. The interpretation and tabulation of the data is done very careful to avoid any chance of error. The question wise responses received have been tabulated, interpreted and percentage calculated to achieve the objectives is given in Table 1 as under:-

Table 1.**Question wise responses received from the sample**

Question	SA	A	U	D	SD
1. Do you agree that e-tailing is more popular than other organized retailing formats?	10	30	-	80	-
2. Do you agree that CRM is not being given due importance in Retail Industry in India.	-	70	20	30	-
3. Do you agree that perfect coordination between Information Technology and consumer Relationship Management is very important for the growth of e-tailing?	80	40	-	-	-
4. Do you agree E-tailing in India has bright scope in future.	60	40	20	-	-

(1)'SA' stands for strongly agree (2) 'A' for agree, (3) 'U' for uncertain,

(4)'D' for disagree and (5) 'SD' for strongly disagree, CRM for customer relationship management.

Inferences:

After collecting and analyzing the data, the researcher has to accomplish the task of drawing inferences followed by report writing. Data analysis has to be done very carefully, otherwise misleading conclusions may be drawn and the whole purpose of doing research may get vitiated. It is only interpretation that the research can expose relations and processes that underlie his findings.

The collected data has been analyzed and some important Question-wise inferences and interpretation are given below:-

Inference-1:

Do you agree that e-tailing is more popular than other organized retailing formats?

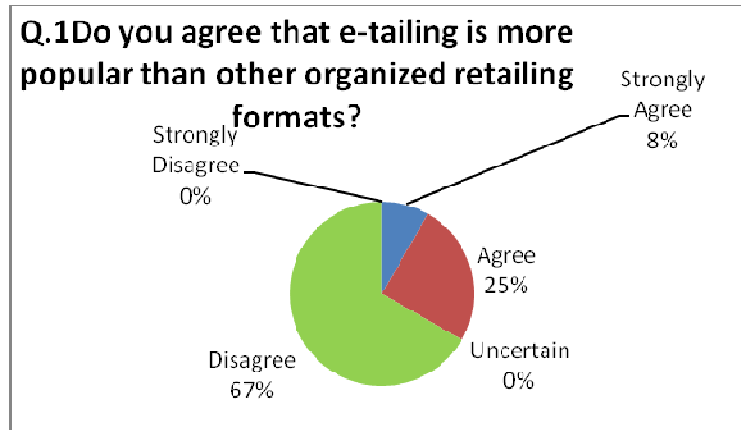


Figure.1

The responses received from the respondents revealed that 67% of the respondents have disagreed that e-tailing is more popular than other organized retailing formats.

Inference-2:

Do you agree that CRM is not being given due importance in Retail Industry in India.

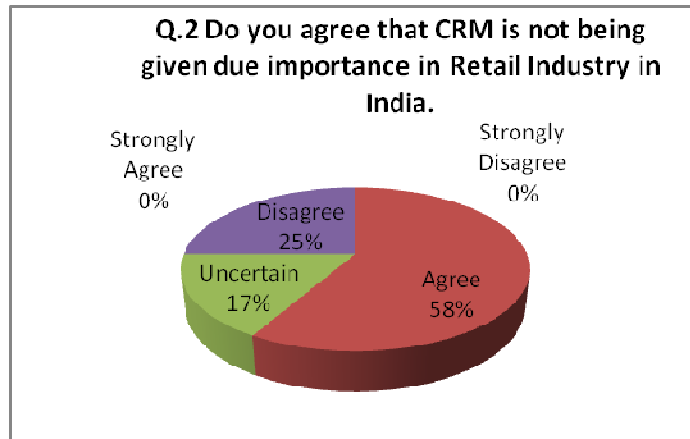


Figure-2.

Out of total data collected 50% disagree and 33% strongly disagree that CRM is not given due importance in retail industry in India while 17% respondents have agree with this view.

Inference-3:

Do you agree that perfect coordination between Information Technology and consumer Relationship Management is very important for the growth of e-tailing?

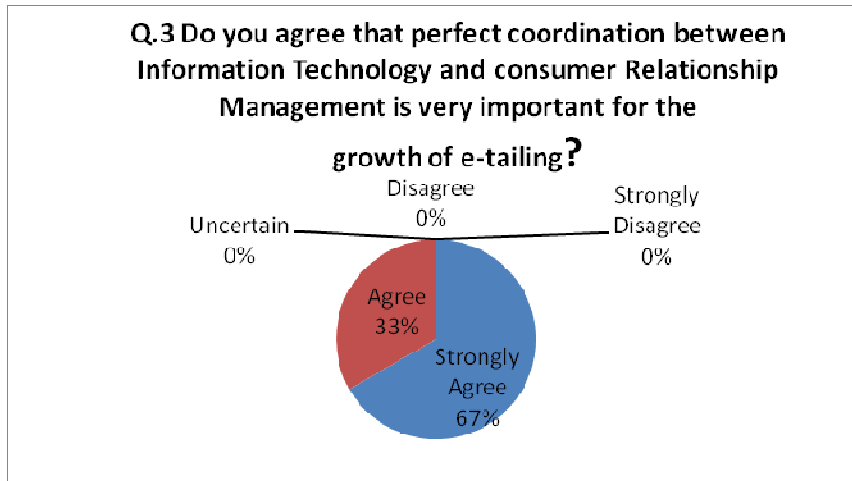


Figure-3.

Since 67% of respondents are strongly agree and 33% agree that there is significant contribution of relationship between IT and CRM towards growth of e-tailing hence Alternate Hypothesis is accepted.

Inference-4

Do you agree E-tailing in India has bright scope in future?

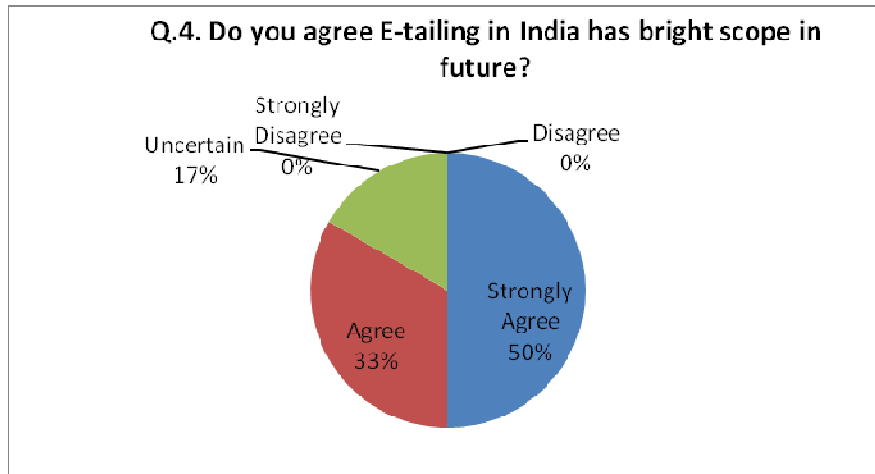


Figure-4.

Since 50% of respondents are strongly agree, 33% are agree and 17% uncertain about India having bright scope in future, hence it is predicted that e-tailing in India has enormous and bright scope.

CONCLUSION

E-tailing as the name suggests, is marketing through internet or e-mails. This age of advance technology or Information Technology has opened up new possibilities across the world. As per the latest statistics 400 million people access internet regularly in India. This study has revealed that the role of Customer Relationship Management in e-tailing especially in the age of automation and innovation are very crucial and important for the growth of any business. No doubt the future of retail industry in India is promising, the market is growing, government policies are becoming more favorable and emerging technologies are facilitating operations. The conclusion of the study are as under:-

- That e-tailing or internet marketing is not so popular as other organized Retailing formats as voted by majority i.e. 67% of the respondents.
- That the Consumer Relationship Management is very important in the growth of e-retailing supported by 80% of the respondent. But still 53% respondents feels that customer relationship management is not being given due importance in retailing in India. It means that there is large scope for the retailers to progress in this direction.
- That Coordination between IT and CRM is very important for the growth of retailing and e-tailing.
- That E-tailing has a great growth potential and has a bright scope in future as 83% respondent have strongly agreed that internet marketing is a sunrise area in India

Though the above trends are very encouraging towards having bright future of internet marketing or e-tailing in India but at the same time there are some feed back against e-retailing are:-

That other Retail Marketing formats have been viewed better than internet marketing because in Retail Marketing consumer can see and inspect the samples or goods in physical before purchasing the same. But in e-tailing we cannot check or verify the quality of the product or services.

Internet marketing can facilitate quick searching and order placing with e-payments but other important aspects of retailing such as delivery of goods, post sale services, customer satisfaction and relationship to be managed efficiently. The future of E-tailing depends on the use of internet by younger generation.

RECOMMENDATIONS:

While making recommendation, it is pertinent to mention here that in India internet marketing or e-retailing is just the beginning and it has already received much exposure. It is hard to believe that internet is just a decade old in India. The greater use of internet has resulted number of online marketing companies cropped up in the country and is a proof of how well the industry is flourishing. As internet is growing so the trend of online marketing. It is strongly felt that there is great scope of internet in the rural India. Government of India should take some definite steps for proper IT education for further growth of Retail industry in rural areas. It is strongly recommended that broad band connections to be increased in semi urban and rural areas. This will surely enable the purchasers in these areas to use E retailing. Another important recommendation for the growth of e-tailing is that mobile connectivity to internet should be enhanced that in turn will increase the market for e commerce. Companies should try and promote e-commerce by physical advertising also (ICICI has done excellent work in this area by even keeping a demo computers in the physical premises allowing customers to have a physical experience to promote e-banking

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