



A STUDY ON CUSTOMERS PERCEPTION TOWARDS CRM PRACTICES OF GARMENTS RETAILING IN KANYAKUMARI DISTRICT

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ABSTRACT :

The move in marketing focus from expanding the number and transaction value (transactional marketing) to having effective and productive associations with different stake holders (relationship marketing) has significant advantages. Marketing based on customer relationship focuses on increasing the customers' value to make them last longer. By expanding on existing investment, as far as item improvement and client obtaining costs, firms can create possibly higher income and benefit at lower cost. Marketing based on transaction, on the other hand, includes more prominent financial expense and risk. Concentrating on single deals includes prevailing upon the client at each deal experience, a less proficient and successful utilization of investment.

KEYWORDS : *effective and productive associations , customer relationship focuses , client obtaining costs.*

INTRODUCTION:

Client Relationship marketing likewise creates critical impalpable benefits. The importance given to client service supports client contact and client association. Accordingly, firms can get familiar with clients' needs and incorporate this learning with future products and delivering service. Clearly, customer encounters that end once the transaction is completed and with only a record of purchase details for reference, do not offer the same wealth of opportunities for service and relationship enhancement that enduring customer relationships do.

STATEMENT OF THE PROBLEM

Today is a world of fashion. Everyone around the globe is running behind one or the other fashion to look trendy and attractive in front of the others. All the human being are very much aware that deep inside all of them are one and the same. What differentiates one from the other human being is their dress. Dress is one visible differentiating factor used effectively by the human being. That is the reason why garments industry is one of the leading industries in the world. People are ready to spend a lot in order to buy a dress in which they will look good and appealing to others.

Few years ago we would see only a few garments outlet in the market and people used to buy garments only on special occasions like festivals, marriages, birthdays, etc. But today, we can see a lot of garments outlet ranging from a small boutique to big shopping malls. As the people are ready to spend money



on garments, so do they expect quality experience while buying the garments. That is the reason why we can see a lot of competitions among the outlets to attract the customers. It's a mutual relationship between the customers and the outlets. If the customers are satisfied with the outlets, than they will return again and again and moreover they will bring more customers which in turn benefits the outlets.

In order to attract customers and sustain them in the long run, Customer Relationship Management (CRM) practices greatly helps. There are various kinds of CRM practices practiced around the globe. Research shows that when utilised CRM practices properly the sales goes up by 37%, the sales productivity goes up by 44% and accuracy of the forecast goes up by 48%¹. These numbers alone would give us a clear picture how effective is the CRM practices. That is the reason why garment outlets today are willing to spend a lot of money on CRM practices. They focus on things like interiors, air conditioning, escalators, layouts, parking lots, offers and discounts, decorations, database management, etc., in order to maintain the relationship and post purchase behaviour of the customers.

The focus of the present research is to analyse the CRM practices followed by the garments retail outlet in Kanyakumari district and to understand how effective these practices are. It also is trying to focus on the relationship between CRM practices, customer loyalty and customer retention. Is the CRM practices followed by the garments outlet effective in attracting customers and sustaining them in the long run? How the CRM practices are increasing the loyalty of the customers and how the loyalty leads to the retention of the customers? These are the major questions for which the present research is trying find answer to.

OBJECTIVES OF THE STUDY

- To study the demographical profile of the customers of garments retail outlets in Kanyakumari District
- To understand the purchasing behaviour of the customers in garments retail outlet.
- To measure the impact of CRM practices on CRM performance.

SCOPE OF THE RESEARCH

The Customer Relationship Management (CRM) practices followed by the retail garments outlet in Kanyakumari district is the focus of the present research. What are the various kinds of CRM practices followed by the garments outlet? How effective are these practices? Do they succeed in attracting the customers and sustaining them in the long run? These are some of the question that will be analysed in the present research. When these questions are answered in the present research, we will have a clear idea as to what kind of CRM practices are being followed by the garments outlet and what are the various way it can improved. Based on the data analysis the present research will try to provide various suggestions to improve the CRM practices followed by the retail garments outlet.

Measurement Tool validity and reliability

Average Variance Extracted:

A good rule of thumb is an AVE of 0 .5 or higher indicates adequate convergent validity. An AVE of less than .5 indicates that on average, there is more error remaining in the items than there is variance explained by the latent factor structure you have imposed on the measure.

Discriminant Validity

	CRM	Customer Loyalty	Customer retention
CRM	0.9027		
Customer Loyalty	0.0926	0.93125	
Customer retention	0.1738	0.1976	0.965325

¹<https://www.salesforce.com/in/learning-centre/crm/what-is-crm/>

All variances extracted (AVE) estimates in the above-shown table are larger than the corresponding squared inter construct correlation estimates (SIC). This results in that the indicators have more in common with the construct they are associated with than that of what they do with other constructs.

Sampling Technique

The researcher has applied the convenience sampling method to collect the primary data of customer and retailer. From the customer data were collected from the customers of different garments retail outlets in the Kanyakumari. Sample sizes of 540 respondents were selected for this study for the accuracy of the result. Out of 480 filled questionnaires received, 467 were found to be completed. The researcher has applied the convenience sampling method to collect the primary data for customer. The data were collected from the customers of garments retailing in the Kanyakumari district.

Result Discussion

Structural Equation Modelling of direct and indirect effects between CRM and Customer Retention through Customer Loyalty

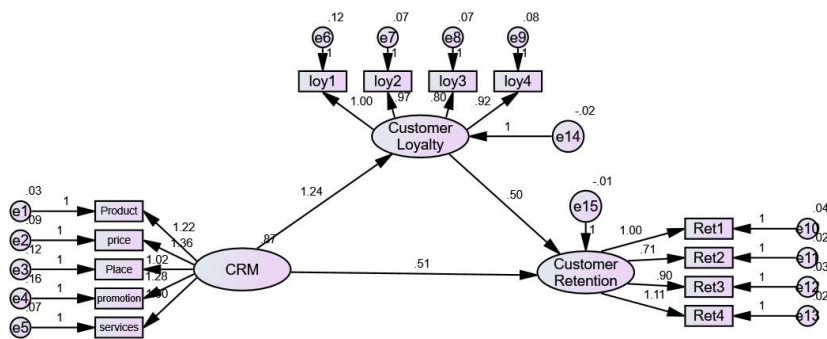


Fig:4.1 – Unstandardized estimates of structural model

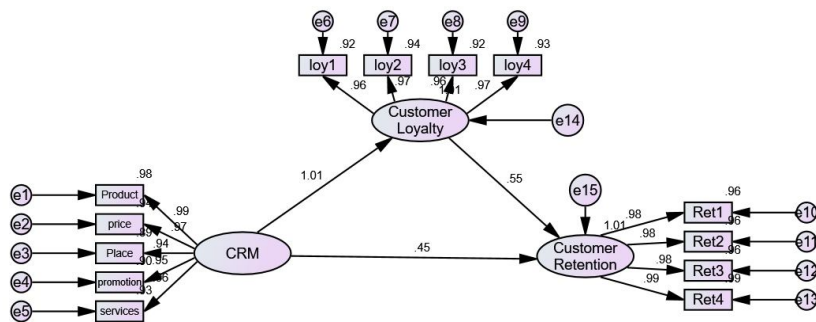


Fig:4.1 – Standardized estimates of structural model

Table No. 5.26
Model fit summary

Indices	Value	Suggested Value
CMIN/Df	3.086	< 5
P Value	0.086	> 0.05 (Hair et al,1998)
GFI	0.918	> 0.80(Hair et al, 2006)
AGFI	0.919	> 0.80 (Hair et al, 2008)
CFI	0.963	> 0.80 (Hair et al,2008)
RMSEA	0.027	< 0.05 (Hair et al,2006)

The summary of model fit reveals that the above structural model is fit. The value of CMIN/Df is 3.086 which is within the suggested value less than 5. The P value is 0.086 which is within the suggested value of greater than 0.05. The value of GFI is 0.918 and this also is within the suggested value. Similarly, the value of AGFI is 0.919 and this again is also within the suggested value. The value of CFI is 0.963 and this is also within the suggested value. Finally the value of RMSEA is 0.027 is also within the suggested value of less than 0.05.

From the Structural Equation Modelling (SEM) graph given above, we can identify the direct and indirect effect that the CRM practice has upon customer retention. The total effect value is 1.01. Among this the direct effect of CRM practices upon customer retention is 0.45. But when the mediation of customer loyalty is taken into consideration, then the value of customer retention increases to 0.56. Thus it can be concluded that compared to the direct effect of 45% upon customer retention, the mediation of customer loyalty increases the customer retention by 56%.

FINDINGS

1. In this study Male customers are high than the female customers.
2. Majority below 25 years take the massive place in purchasing garment in garment retail outlets. Their strength is of 34.9 percent.
3. Married customers excel in purchasing in garment retail outlets than the single customers.
4. Customers purchasing in garment retail outlets are mostly Employees in the enormous percentage of 45.8.
5. The direct and indirect effect that the CRM practice has upon customer retention. The total effect value is 1.01. Among this the direct effect of CRM practices upon customer retention is 0.45. But when the mediation of customer loyalty is taken into consideration, then the value of customer retention increases to 0.56. Thus it can be concluded that compared to the direct effect of 45% upon customer retention, the mediation of customer loyalty increases the customer retention by 56%.

SUGGESTIONS AND CONCLUSION

- Every customers who is going for purchasing the garments is ready to pay a lot of money. But the one thing that they don't want to spend is their valuable time. The customers prefer to buy all their clothing needs in one place. Therefore, it is imperative on the part of the retailer to provide as much variety as possible under one roof.
- Database management is another major CRM practice that is crucial in maintaining the relationship between the customer and the outlet. The data about the customers need to be managed and utilised properly so that it can be used in future to convey any offers or discounts to the customer. Therefore it is very crucial for any outlet to have a safe and secure database.
- Interiors plays a major role in attracting the customers. When a customer visits an outlet, he expects to have a unique experience that he had never faced before and only then he will visit the outlet again.

Therefore, the outlets needs to focus on things like air conditioning, trial room facilities, lighting, wrack arrangement, seating arrangement, toilet facilities, etc.

- Employee service is another major CRM practice that will attract the customers and make them loyal to the outlets. The customers expect prompt service, quick response to their queries, clearing of any doubts without hesitation, proper product description and many more from the staffs of the outlets. Therefore, the outlets need to train the employees properly in order render flawless service to the customers.

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