

Impact on customer satisfaction through CRM at big bazaar (MPM mall): An empirical study

Y. Vinodhini

Al-Qurmoshi Institute of Business Management, Hyderabad, India

Abstract

Customer relationship management (CRM) is a management strategy that unites information technology with marketing. It originated in the United States in the late 1990's, and, to date, has been accepted in a significant number of companies worldwide. It is believed that "it is five to 10 times more expensive to acquire a new customer than obtain repeat business from an existing customer." As the needs of customers became diversified, conventional promotions became less efficient and drove up costs. According to the well-known empirical "Pareto principle," it is assumed that 20 percent of a company's customers generate 80 percent of its profits. In other words, retention of a large customer base is a major issue. This paper attempts to understand the true nature of Customer relationship management (CRM), identify strategies to retain the customer and tried to empirically understand the customer relationship through primary data and statistical techniques such as factor analysis and chi-square were used to analyze the data and results of the same have been presented.

Key words: *Customer relation, business market technology, products and services, customer*

Introduction

Customer relationship management (CRM) can help to select the most useful clients for an enterprise. Enterprises most frequently feel who their main customers are, but only some use systematized media of customers' stimulation, loyalty development. Collected data about consumers later become knowledge, and the latter determines profit for an enterprise. However the enterprise's activity can be based on such knowledge only when the data are processed and on their basis motivated decisions to attract or sustain customers are taken. At present most organizations recognize evident benefit of CRM and almost every enterprise either use certain CRM technologies, supporting their business, or evaluate specific benefit of CRM technology and plan its future realization.

Research Methodology

Nature of Study: descriptive research

Sampling Area : Big Bazaar MPM store, Abids, Greater Hyderabad city is the sampling area.

Sample size: 100 people

Sampling technique: sampling technique is convenience sampling,

Data collection instrument: questionnaires with structured set of questions which were to measure satisfaction levels of customers on various terms as if like on brands purchased, quality, price etc.

Data sources: The sources of data we used were mainly primary, with help of questionnaires.

Data analysis tools

Factor analysis: This technique is usually used for the data summarization. With the help of this technique we can arrange some correlated sets of variables under one factor. This helps in saving time and cost. Here factor analysis technique has been used to identify the prominent factors responsible for the satisfaction level towards the customer relationship management of insurance industry.

Chi-square analysis: -

Chi square technique is usually used to find the dependency of different variables or in other words we can say that it is used to find out the whether there exists a relationship between two variables or not.

Review of Literature

Fotheringham , (1988) studied that consumer choice may follow a hierarchical model at times. Most studies have focused on the relation between store choice and price formats. **Tang, Bell and Ho, (2001)** specified in their study that Price formats have an impact on store choice. There have been studies which found out that store choice is also related to perceived shopping utility which may depend on Service Quality (Parking space, friendliness of employees, billing time), Assortment of products (popular brands), Purchase Flexibility etc. (Tang, Bell and Ho, 2001) Lastly, unplanned time spend in store and unplanned purchases have been found to be linked with factors like perceived quality, variety, specials and value for money.

Oxenfeldt (1974) and Martineau (1958) mentioned that various definitions about a retail store image have been given by scholars from time to time. The oldest and most basic one can be credited to who defined a store's personality as:.... the way in which the store is defined in the shopper's mind; partly by its functional qualities and partly by an aura of psychological attributes." Later on, defined it as: " an image is more than the sum of its parts.....it represents interaction among characteristics and excludes extraneous elements... It has some emotional contents... a combination of factual and emotional material." **Ditcher (1985)** emphasized on the image being something complete."It describes not individual traits or qualities, but the total impression an

entity makes on the minds of others... an image is not anchored in just objective e data and details. It is the configuration of the whole field of the object.”

Smith and Barclay, (1997) mentioned that satisfaction with the relationship is regarded as an important outcome of buyer-seller relationships). We define relationship satisfaction as “a consumer’s affective state resulting from an overall appraisal of his relationship with a retailer”. **Anderson and Narks, (1984)** opined that business as well as consumer markets, customers tend to be more satisfied with sellers who make deliberate efforts towards them. Consequently, we posit the following hypothesis: “A higher level of customer retention orientation of the retailer leads to a higher level of relationship satisfaction. **Yim (2005)** presents four elements groups consumers (customers) characteristics, management of knowledge/data (information about customers), CRM structure (organisation structure, organisation obligations, sources, human resources, etc.) and CRM substantiation by IT technologies.

Jason (2004) viewed that each customer is a unique personality, thus it is necessary to analyze his or her needs and features. It means that it is necessary to accumulate at least little information about a customer, to possess his or her contact information, work profile and main wishes he also assumes that certain reorganization of an enterprise is necessary. If the level of customer service is not developed sufficiently, customer relationship cannot be managed effectively.

Data analysis and interpretation

Factor Analysis:

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.728
Bartlett's Test of Sphericity	Approx. Chi-Square	1073.494
	df	153
	Sig.	.000

Interpretation: Since Kaiser meyer olkin measure of sampling adequacy is more than 0.5 hence sample is adequate for factor analysis

Communalities		
	Initial	Extraction
Physical facilities	1.000	.845
presentation	1.000	.824
Store layout	1.000	.863
Employee behaviour	1.000	.605
billing	1.000	.868
Store reputation	1.000	.581
cards	1.000	.893
quality	1.000	.755
Brands available	1.000	.705

Impact on customer satisfaction through CRM at Big Bazaar (MPM mall): An empirical study

Home brands	1.000	.340
price	1.000	.570
range	1.000	.750
Product available	1.000	.714
service	1.000	.666
Offer scheme s	1.000	.185
overall	1.000	.802
Cleanliness hygine	1.000	.727
packaging	1.000	.812

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared			Rotation Sums of Squared		
	Loadings			Loadings			Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.678	31.543	31.543	5.678	31.543	31.543	3.759	20.885	20.885
2	2.215	12.306	43.849	2.215	12.306	43.849	3.188	17.713	38.598
3	1.758	9.769	53.618	1.758	9.769	53.618	2.088	11.602	50.201
4	1.627	9.041	62.658	1.627	9.041	62.658	1.815	10.084	60.285
5	1.310	7.279	69.938	1.310	7.279	69.938	1.737	9.653	69.938
6	.989	5.493	75.430						
7	.910	5.054	80.485						
8	.831	4.615	85.100						
9	.657	3.652	88.751						
10	.482	2.677	91.428						
11	.404	2.247	93.676						
12	.349	1.940	95.616						
13	.279	1.549	97.164						
14	.177	.982	98.146						
15	.162	.900	99.047						
16	.134	.746	99.793						
17	.037	.207	100.000						
18	-	-1.012E-	100.000						
	1.821E	15							
	-16								

Extraction Method: Principal Component Analysis.

Interpretation : According to above table we can see that out of the total variance, 695 of the variance is explained by 5 factors, 20.885%,17.713%,11.602%,10.084%,9.653.

Rotated Component Matrix^a

	Component				
	1	2	3	4	5
physicalfacilities	.861				
presentation	.863				
storelayout	.861				
employeebehaviour				.747	
billing			.899		
storereputation					.714

cards		.905		
quality				.763
brandsavailable	-.548			.469
homebrands			.511	
price			.582	
range	-.686	.442		.546
productavailable	-.683			.455
service			.426	
offerschems	-.714	.118		
overall	.800			
cleanlinesshygiene	.746			
packaging	-.746			

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 11 iterations.

Interpretation:

Out of the total factors above the factors can be divided into 5 factors namely,

Factor 1(physical characteristics of the store)

Physical facilities, Presentation and Store layout.

Factor 2(hygiene)

Cleanliness and Hygiene

Factor 3(monetary requirements)

Billing procedures, Cards acceptance and Offer schemes/ discounts)

Factor analysis 4(Store's support)

Service, Employee behaviours, Home brands quality and Price/quality justification in case of home brands

Factor 5(store reputation(quality)

Brands available sufficient or not, Product availability and Quality of product

Component Matrix^a

	Component				
	1	2	3	4	5
Physical facilities	.891				
presentation	.871				
Store layout	.891				
Employee behaviour		.451		-.536	
billing	.453	.523			.436
Store reputation			.639		
cards	.472	.531			.465
quality			.792		
Brands available	-.651		.402		
Home brands				-.465	
price		.592			
range		.522		.522	

Impact on customer satisfaction through CRM at Big Bazaar (MPM mall): An empirical study

Product available service	-.504			.451	
Offer schemes overall	-.475	-.518			.404
Cleanliness hygiene	.808				
packaging	.696				
	-.729	-.403			

Extraction Method: Principal Component Analysis.
a. 5 components extracted.

Cross tabulation (shopping and quality)

Case Processing Summary

	Cases				Total	
	Valid	Missing				
	N	Percent	N	Percent	N	Percent
shopping * quality	100	100.0%	0	0.0%	100	100.0%

Shopping * quality Cross tabulation

			quality					Total
			highly dissatisfied	dissatisfied	neutral	satisfied	Highly satisfied	
shop	food	Count	2	2	8	2	37	51
op	bazaar	Expected Count	11.8	.5	1.0	2.1	35.5	51.0
pin	Non food	Count	4	0	0	0	22	26
g	section	Expected Count	6.0	.3	.5	1.1	18.1	26.0
	clothes	Count	0	1	2	2	3	8
	section	Expected Count	1.9	.1	.2	.3	5.6	8.0
	electronic	Count	5	0	0	0	5	10
	section	Expected Count	2.1	.1	.2	.4	6.3	9.0
	furniture	Count	4	0	0	0	1	5
	section	Expected Count	1.2	.1	.1	.2	3.5	5.0
Total		Count	15	3	10	4	68	100
		Expected Count	15.0	3.0	10.0	4.0	68.0	100.0

Interpretation:

From cross tabulation we can see that in food bazaar quality stated by maximum of our respondents is stated as highly satisfied, and in non food section it is also highly satisfied, as per our table we can see there were only 9 & 5 respondents in big bazaar who shopped electronic or furniture respectively from big bazaar and most of them stated quality as highly dissatisfactory So , it is advised to the management to

increase the quality of products in electronic and furniture section to increase sales there

Cross tabulation (shops and brands)

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
shopping * brands available	100	100.0%	0	0.0%	100	100.0%

Interpretations

We can see from the table itself that in food bazaar there is high satisfaction level in customers as per as brands availability is concerned, but in, electronic and furniture section the more frequency is in highly dissatisfied (6)and dissatisfied (3)respectively, and for clothes(7) highly dissatisfied

So, according to the research if Big Bazaar wants to increase its sales and level of satisfaction in customers in electronic clothes and furniture section go on increasing brands or number of brand.

Cross tabulation(income group and overall satisfaction)

Case Processing Summary								
			Cases					
			Valid	Missing			Total	
Shopping * brands available Cross tabulation								
			Brands available					Total
			highly dissatisfied	dissatisfie d	Neutral	satisfied	highly satisfied	
shop ping	food baza ar	Count	4	4	12	6	23	51
		Expected Count	12.4	14.4	10.8	4.1	9.3	51.0
	Non food secti on	Count	4	9	9	0	4	26
		Expected Count	6.3	7.4	5.5	2.1	4.7	26.0
	cloth es secti on	Count	7	1	0	0	0	8
		Expected Count	1.9	2.3	1.7	.6	1.5	8.0
	electr onic secti on	Count	6	0	0	2	2	10
		Expected Count	2.2	2.5	1.9	.7	1.6	9.0
	furni ture secti on	Count	1	3	0	0	1	5
		Expected Count	1.2	1.4	1.1	.4	.9	5.0
Total	Count	22	17	21	8	30	100	
	Expected Count	22.0	17.0	21.0	8.0	30.0	100.0	

Impact on customer satisfaction through CRM at Big Bazaar (MPM mall): An empirical study

	N	Percent	N	Percent	N	Percent
Income group * overall satisfaction	100	100.0%	0	0.0%	100	100.0%

Income group * overall satisfaction Cross tabulation

			Overall satisfaction					
			highly satisfied	satisfied	neutral	dissatisfied	highly dissatisfied	Total
income group	<10,000	Count	2	6	2	0	0	10
		Expected Count	.3	1.4	.8	.6	7.9	10.0
	10,000-20,000	Count	0	0	2	6	17	25
		Expected Count	.8	3.3	1.8	1.3	17.9	25.0
	20,000-30,000	Count	1	2	2	3	47	55
		Expected Count	1.7	7.2	3.9	2.8	39.4	55.0
	30,000-40,000	Count	0	3	0	0	0	3
		Expected Count	.1	.4	.2	.2	2.2	3.0
	>40,000	Count	0	5	1	0	1	7
		Expected Count	.2	.7	.4	.3	3.6	7.0
	Total	Count	3	18	7	6	66	100
		Expected Count	3.0	18.0	7.0	6.0	66.0	100.0

Interpretations

We can infer from above data that in low income groups such as >10,000 or say 10,000-20,000 satisfaction level is highest 5 in highly and 19 in highly satisfied again respectively, while in high such as 30,000-40,000 and >40,000 the satisfaction level is 3 in dissatisfied and 4 in dissatisfied respectively so we can infer there is relationship or association between income group and satisfaction level.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	59.646 ^a	16	.010
Likelihood Ratio	47.077	16	.000
Linear-by-Linear Association	2.978	1	.084
N of Valid Cases	99		

a. 21 cells (84.0%) have expected count less than 5. The minimum expected count is .09.

Interpretation:

We can infer since the value of chi square is less than 0.05 therefore the H0 hypothesis is rejected hence we can say that there is association in income and overall

satisfaction, and how we have seen in above cross tabulation

Hence it is suggested the management that yes, though the lower income groups are more satisfied from big bazaar, but to increase the overall profitability we have to target high income groups because they are dissatisfied, hence we can say that from the one before the previous cross tabulation, that to make high income group satisfied increase brands in furniture, electronic section. And target high income groups.

Cross tabulation (distance from the store and frequency of visits)

Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Distance from the store * frequency of visits	100	100.0%	0	0.0%	100	100.0%

Distance from the store * frequency of visits Cross tabulation

			Frequency of visits				Total
			once	twice	thrice	>4times	
Distance from the store	0-5	Count	2	0	0	59	61
		Expected Count	8.6	.6	11.1	40.7	61.0
		Count					
	5-10	Count	5	1	18	4	28
		Expected Count	4.0	.3	5.1	18.7	28.0
		Count					
	10-15	Count	2	0	0	3	5
		Expected Count	.7	.1	.9	3.3	5.0
		Count					
	>20	Count	5	1	0	0	5
		Expected Count	.7	.1	.9	3.3	5.0
		Count					
Total		Count	14	2	18	66	100
		Expected Count	14.0	2.0	18.0	66.0	100.0
		Count					

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	105.126 ^a	9	.023
Likelihood Ratio	99.152	9	.000
Linear-by-Linear Association	48.106	1	.020
N of Valid Cases	99		

a. 11 cells (68.8%) have expected count less than 5. The minimum expected count is .05.

Interpretation:

We can directly see that if distance is less 0-5 example say kms then frequency of visit is highest in >4 times(59) and if distance more >20 it is most in once a month(5) and as, the chi square coefficient is less than our level of significance so, H₀ rejected hence, there is association between frequency of visit and distance from the store i.e inversely proportional.

Employee behaviour
employee behaviour

		Frequency		Valid Percent	Cumulative Percent
		y	Percent		
Valid	highly satisfied	6	6.0	6.0	6.0
	satisfied	13	13.0	13.0	19.0
	neutral	19	19.0	19.0	38.0
	dissatisfied	20	20.0	20.0	58.0
	Highly Dissatisfied	42	42.0	42.0	100.0
Total		100	100.0	100.0	

Interpretation:

The pie chart shows that out of our 100 samples 6%,13%,19%,20%,42% are highly satisfied, satisfied, neutral, dissatisfied, highly dissatisfied. Hence management should increase the employee support and knowledge to increase customers satisfaction, and thereby sales.

Overall satisfaction

overall satisfaction				Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	highly dissatisfied	66	66.0	66.0	66.0
	dissatisfied	18	18.0	18.0	84.0
	neutral	7	7.0	7.0	91.0
	satisfied	6	6.0	6.0	97.0
	highly satisfied	3	3.0	3.0	100.0
Total		100	100.0	100.0	

Interpretation:

Out of total 66%,18%,7%,6% and 3% are highly dissatisfied, dissatisfied, neutral, satisfied, highly satisfied.

Conclusion

1. Summarizing the functionalism and validity of researched elements of different models, it would be possible to highlight that in order to successfully implement CRM, it is necessary for Big Bazaar store that they must balance and integrate technologies, processes and people. These elements are closely

2. Related to enterprise's strategy, processes of technologies, and processes of integration of overlapping functions as well as orientation to basic customers.
3. Model's formation has to appeal to certain continuity of actions (a situation is evaluated, CRM strategy is formulated, investments are determined, anticipated profit is calculated), and creation of the system can be successful when the following elements of the system are analyzed and related: customers, relationship interaction, information sources and data bases, processes and employees.
4. In the end it has been concluded from our analysis that though the overall satisfaction level as mentioned by the customers was low in Big Bazaar but there are several ways also to increase their satisfaction level and hence sales of select 5 Big bazaar stores .The customers had less confidence on quality of products, authenticity of billing procedures i.e. all went wrong every time, their schemes were not updated at cash counters or even at the different sections too. So, the managers should take some strict and constructive measures to ensure all such modifications to be done correctly by time.
5. Employees behaviors and support was also not satisfactory as per the customers so managers should take some serious training methods for the store sales force. Lastly, higher income groups were less satisfied from the store which signaled the store management to target higher groups with some appropriate kind of strategy. Promotional activities as carried during the study has provided a good way success which increased the overall foot fall in the store day by day. Hence in the end we can state though overall customer stated their satisfaction level as dissatisfactory but yet there are ways to make them satisfied as well as loyal customers of Big Bazaar

Recommendations

- Diversity of CRM model and its structure shows that CRM as system is forming and thus preparation of typical model, which would enable its successful implementation, is possible.
- Though gifts like bags, magazines were good to attract customers but more good offers should be inculcated to increase customer buying activities.
- The store should increase its product line and for this it should contact to many distributors so they can provide a huge amount of products so that they can find every product according to their need.
- The space should be increased in the store for the customers to move to find every products of their choice. The employees should be trained in this way so that they can answer the questions of the customers regarding their problems in services efficiently.

Impact on customer satisfaction through CRM at Big Bazaar (MPM mall): An empirical study

- Number of brands in various sections specially clothes and clothes to be increased especially the quality of Home brands to be improved.
- Employees should be given proper training about knowledge and support to customers and billing softwares to be updated and improved.

References

- Atos, O. Customer Relationship Management, 2007. Prieiga per internetą:
- Bagdonienė, L., Hopenienė, R. Paslaugų marketingas ir vadyba. Vadovėlis, Kaunas: Technologija, 2004, 468 p.
- Berry, M. & Linoff, G. Data Mining Techniques. For Marketing Sales and Customer Relationship Management, 2004.
- Compton, J. As the CRM Industry Reinvents Itself, 2005. Promises both New Opportunities and New Challenges. CRM Magazine.
- Chung-Hoon, P. A framework of dynamic CRM: linking marketing with information strategy / Chung-Hoon P., Young-Gul K. // Business Process Management Journal, 2003, Vol. 9, issue 5, p. 652 – 671.
- Chen, Injazz J. Understanding customer relationship management: People, process and technology / Injazz J. Chen, Karen Popovich // Business Process Management Journal, 2003, Vol. 9, Issue 5, p. 672 – 688.
- Christopher M., Payne A., Ballantyne D. Relationship marketing, Oxford: Butterworth-Heinemann, 1991.
- Curry, A. Evaluating CRM to contribute to TQM improvement – a cross-case comparison / Curry A., Kkolou E. // The TQM Magazine, 2004, Vol. 16, No. 5, p. 314 – 324.
- Evans, J. R. & Laskin, R. L. The Relationship Marketing Process: A Conceptualization and Application. // Industrial Marketing Management, 1994, December, 23, p. 439–452.