

A Study on the Impact of CRM in the Indian Retail Industry

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Abstract: *The foundation of modern retailing is information and communication technology (ICT). Because of its size, scope, and lack of competition, traditional retailing was easier to manage; Additionally, the owner-manager was typically in charge of the shops. However, without an effective and dependable IT system in place, the modern retail formats—superstores and large chains owned by large organizations—are difficult to manage. Technology makes it easier to build and keep relationships with customers. When data is analyzed at the retail point of sale, it is easier to learn about a customer's preferences, buying habits, spending plans, and family needs. Using IT to send periodic emails, SMS, greetings, promotional letters, and personal calls helps keep relationships alive. Retailing development has requested IT organizations to widen their field and conquered difficulties specifically Business Advancement, expanding SCM effectiveness, enhancing the shopping experience and other manual restrictions.*

Keywords: Indian Retail Industry, Customer Relationship Management, Information and Communication Technology

I. INTRODUCTION

The trading activities carried out by licensed retailers who are registered for income tax, sales tax, and other taxes are referred to as organized retailing. Hypermarkets and retail chains are examples of large privately-held retail businesses. The term "organized retail" refers to a type of retailing in which customers can purchase goods from the same physical location rather than from multiple locations. These include retail chains and hypermarkets backed by corporations as well as privately held large retail businesses. Such retail might require the utilization of various store designs like single items stores, departmental stores and shopping centres and so forth. The class of merchandise retailed would incorporate food, home style, staple, books, attire, purchaser durables, frill, gems, footwear, excellent items, music, and so forth. Modern retailing is built on information technology. Because of its size, scope, and lack of competition, traditional retailing was easier to manage; what's more, generally the shops were overseen by the proprietor supervisor. However, without an effective and dependable IT system in place, the modern retail formats—superstores and large chains owned by large organizations—are difficult to manage. Technology makes it easier to build and keep relationships with customers. When data is analyzed at the retail point of sale, it is easier to learn about a customer's preferences, buying habits, spending plans, and family needs. Connections are kept up with by using IT for periodical messaging, SMS, good tidings, special letters and individual calling. In order for retailing to expand and overcome obstacles like Business Optimization, increasing SCM efficiency, innovating the shopping experience, and other manual limitations, IT deployment has been required. In terms of employment, retailing is second only to agriculture in India's private sector. India has the highest density of retail outlets, with approximately 1.5 million retail outlets. The retail area contributes around 10 - 11% to Indian Gross domestic product and it is esteemed at an expected Rs.93000 crore out of which the coordinated retailing industry is around Rs.3 5000crores.

II. RESEARCH METHODOLOGY

Decisions are made based on both primary and secondary data in this study. Thus, professionals from user and vendor organizations were interviewed in a structured fashion to gather the primary data; however, we have utilized enterprise resource planning system product information from suppliers, internet-based discussion forums, and company-specific

materials like annual reports and auditing reports for the collection of secondary data. The concentrate additionally centred around late material that could be gotten to. A number of articles published in academic journals and trade magazines have also been collected and properly cited in order to provide access to the most recent developments in this field.

2.1 Objectives of study

- To investigate New Delhi's organized retail industry.
- To figure out the arising devices in Client The board in Retail Industry
- To assess the effect of Data and Correspondence Innovation (ICT) on Indian Retail.

2.2 Major Factors for the Growth of Organised Retail

According to a McKinsey report on India from 2004, organized retailing would help India achieve higher GDP growth and improve the productivity and efficiency of all economic activities. India has a low retail employment rate of 6%, compared to Brazil's (14%), Poland's (12%), and Brazil's (14%), respectively. The government of India's plan to modify the FDI guidelines for this industry demonstrates the significance of retailing. The significant investments in the retail sector have recently been further fueled by actions taken by large corporations like Reliance Industries. An essential union, land acquisitions in prime regions give the pith of the state of mind in this area. Business houses like Omaxe, Parshvnath, Vatika, and Ansals have chosen to invest in retail businesses due to India's strong economic growth and rise in disposable incomes, particularly among salaried class members following the implementation of Sixth pay scales. The decision made by the government will make it possible for businesses and foreign direct investment to enter this industry, thereby attracting foreign companies to establish operations in India. As part of a significant government liberalization of business, for the first time, foreign retailers will be able to own stores in India. In order to safeguard indigenous businesses, the government permitted foreign franchises to be operated by foreign companies until 2006. New rules may now permit foreign companies to hold up to 100 percent. However, the Indian government is moving forward with new reforms that, while protecting domestic firms' interests, could result in the creation of millions of jobs in the near future. The expansion in the land worth and number of land organizations putting resources into this field has additionally helped power the blast as supporting is made simpler, one can see that product organizations like Sat sweet potato has denoted their presence actually and foundation and the truth organization, K.Raheja bunch has extended its wings to retail. The noted rapid growth of the real estate industry is significant and is altering the evolution and scope of FMCG, dairy, and farm product marketing as a whole. The Indian government has allowed up to 51% foreign direct investment in single-brand retailing. This standard, somewhat saved the presence of disorderly retailers however over the long haul there is plausible that Indian Government might permit 100 percent FDI there by allowing to arrangement global retail administrators which might clear out the presence of sloppy area. The growth of organized retail was also aided by the government's ignorance of the needs of unrecognized retailers and, in one way, dissuasion of them by failing to provide sufficient financial, infrastructure, distribution, storage, transportation, trade centers, and other facilities. The government authorized 1% FDI for the promotion of Indian-made food products in the Union Budget. The new declarations extends it to web based business, with the probable recipients being firms, for example, Bigbasket and Grofers, gave such things are delivered, handled or produced in the country.

2.3 ICT in Organised Retail

The most dynamic and appealing industry of the past decade is retail. Even though our nation's retail sector has been around for a long time, it has only recently experienced such dynamism. With the help of cutting-edge supply and distribution solutions, retailing has more to do with buyers' increased purchasing power, particularly post-liberalization, product variety, and economies of scale. Indian retail is currently at a fascinating crossroads. New technologies are boosting retail productivity, and retail sales are at an all-time high. Even though there are numerous opportunities to start a new retail business, there are numerous obstacles retailers must overcome. As time goes on, the Indian market will be overrun by a lot of scattered businesses that want to stand out from their competitors, for whom information technology has become an essential medium, by going above and beyond.

2.4 Business Intelligence tools

Tools like data warehousing, data mining, and online analytical processing (OLAP) make it possible for retailers to access a wealth of sales and behavioral analysis data. Business Insight apparatuses are recognized to be exceptionally flexible that investigate deals information from the POS, decides pattern of deals for the classifications and sub - classifications of product sold from distribute stores that empower the retailers to comprehend the recurrence of offer, geological spread of deals, sorts of sold product and in this way give 'imagine a scenario where' examination uncommonly to projected deals and cost changes . This would prompt expansion in deals.

2.5 RFID

Currently, retail businesses in developed nations are using RFID to their advantage, primarily in two areas: the supply chain, warehouses, and retail front. It guarantees individual articles labeled by RFID empower speedy charging and to guarantee robotized stock keeping.

2.6 B2B Software

Multi-channel retail businesses that consolidate sales via the Internet, mail catalog, phone/fax, and point-of-sale (POS) terminals installed in physical stores can benefit greatly from B2B software. Multi-channel business is not a novel idea. Nonetheless, the most recent innovative vehicles like Web/Web, made an additional opportunities for retailers for sure. Using tools like Web stores and shopping portals, brick-and-mortar businesses and mail-order retailers now have significantly more opportunities to expand and reach a wider clientele both nationally and internationally. This has made it harder to run a business effectively and to consolidate all of the sales and marketing channels to save money on operations. As a result, businesses begin looking for new multi-channel retail software solutions that may assist in business management and boost productivity. Sending B2B programming gives strong highlights to notice assortment of multi-direct retail activities in the unified Electronic administrative center. Supervisors can audit united client shopping exercises from various sources like Web, mail inventory, and so on. As a result, additional cross-sell opportunities are created and business performance is enhanced. Such functional climate further develops client shopping experience as well, since clients can get ongoing updates about items accessibility, exceptional offers and dynamic advancements. Alternatively, B2B programming likewise gives organizations rich usefulness to oversee stock as well as deals/client information across Sites from a solitary administrative center. Managers will have a better understanding of current business activities across multi-channel Web retail operations thanks to the system's built-in helpdesk (customer service) capabilities. As customer expectations for multi-channel retail continue to rise, businesses must expand the capabilities of their solutions to meet them. Furthermore, here, the most expense - successful arrangement is having the SLA from B2B to stay up with the latest the custom multi-channel business arrangement and have the option to get on-request advancement administrations to meet individual venture necessities to be sure. This B2B site would entail confirming vendors, suppliers, and other channel partners to send the necessary information through the network, which in turn ensures reduced costs and availability of merchandise at the stores. Business to business solutions are typically implemented either through existing packages such as C-ME, SOA, or custom-made solutions.

III. BUSINESS OPTIMIZATION SOFTWARE

Software for pricing products: With the development of sophisticated techniques for revenue management and price optimization, significant opportunities for profitability can be realized. Demand Tech and Khimetrics, two software product manufacturers based in the United States, have developed products that optimize product prices. India will present such items before long as retailers have begun understanding the highlights of the items and their arrangement in estimating direction.

3.1 Merchandise Optimization Software

Planning merchandise is one of the most difficult tasks for any retailer with multiple locations. A combination of customer insight, allocation, and assortment strategies is required to achieve the optimal mix of product across all of your stores. Our subject matter experts are aware of this and assist clients in making the appropriate forecast based on

SKU and ensuring that consumers locate the appropriate product at the appropriate location, time, and price. We guide our clients through the entire merchandise planning lifecycle in a systematic and integrated manner, working closely with our technology partners. We support start to finish marketing capabilities including improving merchandizing groupings, distributing items, giving preparation and investigation capacities and ultimately, giving answers for augment esteem from advancements and cost administration. Merchandise Planning has helped our clients save a lot of money by reducing the number of unplanned discounts and promotions, making better use of floor space, fewer store transfers, and more turns throughout the chain. Programming applications however at early stages are being created to apply modern information handling methods to existing stock and deals information and hence precisely decide future examples of market interest at every thing and store level.

3.2 Mobile computing

Through the integration of personal digital assistants (PDAs) into individual shopping carts that would provide information on the products, mobile computing has made it easier for employees to track inventory and provided customers with an innovative shopping experience. Costs have been reduced thanks to this use, which has reduced inefficiencies in the inventory and supply chain sections. Similar mobile phones with WAP (Wireless Application Protocol) capabilities are currently attracting attention in the retail industry.

3.3 Customer Relationship Management

The goal of customer relationship management (CRM) is to find and keep a company's most valuable customers while also maximizing their value. As a business reasoning CRM supposedly is immovably established in the idea of relationship promoting, which is pointed toward working on lengthy show benefit to moving from exchange based promoting to client maintenance through viable administration of client connections. As of late it has been recognized that organization associations with clients can be enormously improved by utilizing data innovation which can work with and upgrade client connections in different ways however primarily empowers organizations to achieve customisation, which is the substance of a client - driven association. Retailers benefit from customer relationship management because it makes it easier for them to comprehend the sentiments and purchasing patterns of their customers. As a result, customers can receive products and services before they demand them. This is conceivable through the combination of four significant parts for example individuals, cycle, innovation and information. Today, every retailer in India is taking a gander at some or the other type of CRM or its excellent constituent steadfastness based projects to draw the clients.

3.4 Data Mining

With increased globalization and competition, retailers are looking for better marketing campaigns in today's dynamic and competitive marketplace. Retailer are gathering huge measure of client dialy exchange subtleties. The proper mechanisms are needed to transform the collected data into knowledge, which can be used by retailers to make better business decisions. The retail industry is looking for a strategy that will allow them to target the right customers who might bring in money for them. Information mining is the extraction of concealed prescient data from exceptionally huge data sets. It is a strong innovation with extraordinary potential to assist associations with zeroing in on the main data in their information distribution centers. Tools for data mining aid organizations in making proactive, knowledge-driven decisions and predict future behaviors and trends. Bharati M. Ramagiri and Dr. B. L. Desai (2013), "Role Of Data Mining In Retail Sector," International Journal on Computer Science and Engineering, Vol. 5 No. 1, pages 47-50. investigations of previous occasions given by review apparatuses ordinary of choice emotionally supportive networks. Data mining tools can answer questions that used to take too much time to answer. They prepare databases for the purpose of discovering hidden patterns and predictive data that experts might overlook because it goes against their expectations.

3.5 Impact of ICT on Organised Retailing

In the retail esteem chain, deals and client information stream from stores to big business frameworks. Generally, providers satisfy the orders from their distribution centers and thusly place orders with makers when stockroom stock

falls under a specific limit. In order to prevent customers from arriving at a store with a desired product that is out of stock, these procedures need to run smoothly. Until now, retailers have been able to shorten the ordering process thanks to technology; For instance, electronic ordering facilitates stock availability without the need for employee intervention. However, digital technologies have begun to significantly impact the retail sector, making it possible for previously regional brands to expand internationally.

ICT is presently being applied in different ways by retailers past store network the board, including:

1. New technologies for detecting a customer's location.
2. mCommerce as well as e-commerce
3. media online.
4. Personalization of retail administrations and items.

Big data in the retail sector is based on all of these. With the commitment and capability of enormous information, notwithstanding, come a few likely dangers and hindrances. These new uses of ICT depend to a more noteworthy or lesser degree on new means and techniques for drawing in with existing and expected clients. Therefore, retailers are able to overcome the dominant technical designs of the established industrial structure that heavily rely on impersonal customer communications with these new ICT solutions.

IV. CONCLUSION

In the retail esteem chain, deals and client information stream from stores to big business frameworks. Generally, providers satisfy the orders from their distribution centers and thusly place orders with makers when stockroom stock falls under a specific limit. In order to prevent customers from arriving at a store with a desired product that is out of stock, these procedures need to run smoothly. Until now, retailers have been able to shorten the ordering process thanks to technology; For instance, electronic ordering facilitates stock availability without the need for employee intervention. However, digital technologies have begun to significantly impact the retail sector, making it possible for previously regional brands to expand internationally. As a result, ICT opens up opportunities for retail industry disruption and process enhancement. Providing the right information, at the right time, in the right place is one common application of ICT in retail. Systems that can quickly generate, combine, and deliver data to the appropriate locations are necessary for making information available in close to real time. In the past, retailers had to rely on prohibitively expensive, massively exclusive systems to implement these information flows.

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