

An Empirical Study on the Drivers of CRM Implementation in Garment Retail Stores

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I.INTRODUCTION

Customer Relationship Management (CRM) provides various offers to customers based on their past behaviors and demographic characteristics. It also depicts service representatives' information about the profit range of customers and the ways they used to generate profits. CRM attains the attraction of new customers through increased brand loyalty, price decline, high proficiency, and provides a competitive advantage. Retailers are in the situation to pay keen attention on brand loyalty in order to sustain in the existing competitive market. Retail outlet draws out a mental picture in the mind of the customer.

The garment retail sector in India has witnessed fastest growth driven because of urbanization, digital transformation and innovation, to rising disposable income of people, and changing consumer lifestyles. Retailers are shifting from transaction-based marketing to relationship-based marketing to ensure repeated purchases and brand loyalty. CRM systems help retailers to collect, analyze, and utilize customer data to personalize offerings, also to improve service quality, and enhance customer engagement.

CRM brings out a huge hike in retailers return on marketing investment and expands the lifetime customer value. Retailers works to the extreme in order to make the customers happy and bring up their satisfactory level. Being a multifaceted process linked by set of information technologies that focuses on creating two-way exchanges with customers, CRM gains the knowledge of customer's needs in depth. Dissecting the needs and buying patterns of customers in this way CRM encourages the companies to grasp the need of present and potential customers. Providing huge information about customers, their needs, expectations and demands, CRM plays the role of a vital tool with enormous power.

However, CRM implementation is not simply a technological decision; it is influenced by multiple organizational, technological, environmental, and strategic factors. Factors such as top management support, technological readiness, employee skills, competitive pressure, customer expectations, cost considerations, and perceived benefits play a crucial role in influencing CRM adoption in garment retail stores.

Despite of the growing importance of CRM in retailing, limited empirical studies have specifically examined the drivers influencing CRM implementation in garment retail outlets. Therefore, this study aims to identify and analyze the major factors that motivate or hinder retailers in adopting CRM practices.

Review of Literature

CRM is referred to as a customer-focused business strategy. The concept has traditionally been seen as a set of philosophies, strategies, systems and technologies that would effectively and efficiently manage the transactions of customers with companies and the subsequent relationships with those customers (Greenberg, 2010; Payne and Frow, 2006). According to Zablah et al. (2004), the main purpose of CRM is to build and maintain a profit maximizing portfolio of customer relationships. However, the benefits that customers receive from a firm via this relationship should add value to their service experience beyond that provided by the core product offering (Wilson et al., 2002; Zineldin, 2006). These may include social benefits, greater confidence and special treatment (Dagger et al., 2011). Schultz (2000) suggests that before deciding to develop CRM, organizations need to recognize the “two faces” of CRM. One is the “North American” version, which is a technology driven solution to sales, marketing and management. This version focuses on the flow of information between parties, sellers and buyers and seeks for efficiency and cost reductions. It also focuses on new customer acquisition, relationship to customers, which are to be generated by marketers and the management of these relationships through various contacts. The other version is the “Nordic School” or “Scandinavian and Northern European” one. This version developed from marketing, and focuses on how organizations exploit and sustain relationships with their customers over time. Thus, the primary focus in this version is on building customer loyalty and retention.

Santosh Kumar Yadav (2009) improvement of retail outlets in urban and semi-urban areas is analysed in this study. Being the largest and upcoming industry, the retail sector of India compresses various players and business men. But everybody didn't attain the goal of success because of the requirement of enormous capital amount in order to sustain in the competing market. Global retailers are eagerly entering into the Indian retailing industry because of inadequate organized retailing sectors and customers character of adoring local shops. With huge amount of unorganized retail market and massive middle class-based appreciation for

untapped retail industry kindles global retailers to bringing their footsteps. It analysed the consumers' alertness and brand consciousness amidst of their varying socio-economic group in India and pinpointed the remarkable improvement in urban and semi urban retail markets.

John William and Prabakar (2012) the study depicted the influencing factors encouraging customers to purchase from organized retailers and customer's perception is revealed here. The study tried to analyse the purchase enhancing activities and offers issued by organized retailers and gave out few vital measures leading towards the growth of customer service provided by organized retailers. Catechized 100 randomly selected respondents (consumers of an organized retail shop) selected as samples from Coimbatore retail outlets. The survey administered the respondents using a systematized questionnaire and collected the primary data. The study reveals the impact of service hosted under various aspects even by personal interaction. Physical aspects grab the attention of major consumers. Hence, the retail outlets are in the situation to impress consumers by unique attractive ideas.

Research Method

Research Design

The present study investigates the drivers of Customer Relationship Management (CRM) implementation in garment retail stores. The research is descriptive in nature, as it aims to identify and analyse the major factors influencing CRM adoption among retailers.

The study is based on both primary and secondary data sources. Secondary data were collected from the Garments Retailers Association, academic journals, books, published reports, and relevant websites to establish the theoretical foundation and research gap.

Area of the Study

The study was conducted in Chennai. Chennai was selected as the study area for the following reasons:

- The city has a large concentration of garment retail outlets, making it suitable for empirical investigation.
- The researcher's familiarity with the region facilitated access to respondents and ensured better cooperation from retailers and customers.

Sources of Data

Primary Data

Primary data were collected from selected respondents using a comprehensive and pre-tested enquiry schedule. The data collection was carried out through the personal interview method to ensure clarity, reliability, and completeness of responses.

The data collection process extended over a period of nine months. Necessary precautions were taken to avoid bias, and cross-verification techniques were applied to ensure accuracy and consistency of the collected data.

Secondary Data

- Secondary data were obtained from:
- Retailers' associations
- Academic journals
- Books
- Government publications
- Reputed websites

These sources helped in framing the conceptual framework and identifying relevant variables influencing CRM implementation.

Sampling Design

Population

The population of the study consists of garment retailers and customers of garment retail stores in Chennai.

Sampling Technique

For retailers, simple random sampling was adopted to ensure equal representation and minimize selection bias. For customers, convenience sampling was used due to accessibility and practical constraints during data collection.

Sample Size Determination

For customers, Cochran's (1977) formula was applied to determine the sample size under the assumption of an infinite population. Based on the formula, a sample size of 450 respondents was determined to ensure statistical accuracy and reliability.

Out of 450 questionnaires distributed, 437 completed and usable responses were obtained, representing a high response rate suitable for empirical analysis. The collected data were coded, tabulated, and analyzed using appropriate statistical tools.

Results

Details of Demographical Profile of the Garments

Table 1
Demographical profile of the garment's retailers

Particulars	Frequency	Percent
Gender of respondents		
Male	260	96.3
Female	10	3.7

Age group of respondents		
Below 25 Years	13	4.8
26 - 35 years	42	15.6
36 - 45 years	102	37.8
46 - 55 years	75	27.8
56 - 65 years	29	10.7
More than 65 Years	9	3.3
Educational qualification of respondents		
SSLC	9	3.3
HSC	47	17.4
UG	155	57.4
PG	9	3.3
Others	50	18.5
Marital status of respondents		
Married	192	71.1
Unmarried	78	28.9
Total	270	100.0

In the above table, out of 270 respondents, the majority 96.3 percent respondents are men. The remaining 3.7percent respondents are women respondents.

In the age group table, out of 270 respondents the majority 37.8 percent respondents are in between the age group of 36 to 45 years. The 27.8 percent respondents are in between the age group of 46 to 55 years. Then the 15.6 percent respondents are in the age group of 26 to 35 years. Following 10.7 percent respondents are between the age group of 56 to 65 years. The 4.8 percent respondents are of 25 years of age and below 25 years of age. The rest 3.3 percent respondents are 65 years and above the age of 65.

The table defines about the educational qualification of respondents. Out of 270 respondents, the majority 57.4 percent respondents completed they're under graduation. The following 18.5 percent respondents are people who studied other courses. The 17.4 percent respondents finished only their higher secondary education. Then 3.3 percent respondents studied their post-graduation, and another same 3.3 percent respondents completed their higher education.

On stating the marital status of 270 respondents, the majority 71.1 percent respondents are married and the rest 28.9 percent respondents are unmarried.

Males are the breadwinners of the family and therefore male customers visit the garments outlet frequently. Similarly, the age group of between 36 to 45 years is

the age when most of the people are secure and stable with regard to their economic status and that is the reason why people between this age group visit the outlet more often. As we all know that literacy rate in India is still developing, most of the customers belong to the category of UG education. Similarly married people have more needs for garments and therefore the higher number of married customers to the retail outlet.

Table 2
Factors influencing to implement CRM practices in garments retail

S. No	Particulars	Mean	SD	Rank
1	Upgrade process	3.74	1.49	VIII
2	High profitability	4.21	0.63	IV
3	Better service from existing level	4.55	0.51	III
4	To meet competition	4.57	0.43	II
5	Easy to manage customers	3.94	0.98	V
6	Easy to access the information	3.09	1.25	XI
7	To avoid crowd at shop	2.33	1.78	XII
8	To offer more facilities to customers	3.19	0.85	X
9	To identify the customer needs	4.71	0.35	I
10	Efficiency of cost (affordability)	3.66	0.88	IX
11	Automation process	3.79	0.92	VII
12	Cost efficiency	3.85	1.08	VI

The above table shows about the factors influencing the implementation of CRM practices in garments retail. The first three position is occupied by things like customer needs (Mean - 4.71), meeting the competition (4.57) and better servicing from the existing level (4.55). The needs of the customer are the priority not just in garments retail, but any retail business and therefore it occupies the first position.

Next comes the concern about high profitability (4.21), the ease of managing customers (3.94) and cost efficiency (3.85). All these items come secondary to the initial items discussed in the table. In the list are automation process (3.79), upgrade process (3.74) and affordability (3.66).

The last three ranks in the table are the necessity of offering more facilities to the customers (3.19), ease of accessing the information and avoiding crowd at the shop. These are the last concern that affects the implementation of CRM practices in garments retail.

Table .3

Rank table of Factors influencing consumers to visit garments retail shop

Factors	1	2	3	4	5	6	Total	Rank
Advertisement	936	380	328	111	138	17	1910	I
Public Relation	444	420	208	279	144	62	1557	III
Event/ Experience	132	340	392	186	156	109	1315	V
Direct Marketing	126	305	208	207	212	128	1186	VI
Sales Promotion	678	390	332	192	170	14	1776	II
Personal Selling	306	350	280	336	54	107	1433	IV

The above table explains the factors influence the customers to visit garments retail shop from the retailer. As we know that advertisement kindle the consumers, like that advertisement is in the first position in influencing the customers. Next, sales promotion takes the second place, because promoting their shop through offers are familiar nowadays. Thirdly, the relationship maintained by the garments with the public earns them many customers. So, public relation is in the third place. Garments sold out personally also have influence the people and it holds the fourth place. Events conducted by the shops and its workers and experience have a great influence on customers. So, event and experience rank the fifth position. In the sixth place, one can see direct marketing, because it attracts the consumer less than the previous factors.

Managerial Implications

The findings of the study indicate that the primary driver for CRM implementation in garment retail stores is the ability to identify customer needs (Mean = 4.71), followed by meeting competition (Mean = 4.57) and improving service levels (Mean = 4.55). This suggests that garment retailers perceive CRM as a strategic mechanism for enhancing customer understanding and sustaining competitive advantage rather than merely a technological upgrade.

Retail managers should therefore: Utilize CRM systems to analyze customer purchase patterns; Develop personalized marketing strategies based on customer data; Enhance service quality through systematic customer feedback mechanisms; Integrate CRM tools with promotional strategies to increase store traffic and customer retention.

The ranking analysis also shows that advertisement and sales promotion are the most influential factors attracting customers to garment retail shops. This implies that CRM databases can be effectively used for targeted advertising and customized promotional campaigns, thereby improving marketing efficiency.

Future Research Directions

Although the present study provides valuable insights into the drivers of CRM implementation, certain limitations offer scope for future research.

The study is geographically limited to Chennai. Future research may extend to other metropolitan cities or rural markets for comparative analysis.

Future studies may examine the relationship between CRM implementation and financial performance indicators such as sales growth, profitability, and customer lifetime value.

Advanced analytical techniques such as Structural Equation Modelling (SEM) may be used to test causal relationships between technological, organizational, and environmental factors influencing CRM adoption.

Researchers may also explore the role of digital transformation, artificial intelligence, and omnichannel retailing in enhancing CRM effectiveness.

Comparative studies between organized retail chains and unorganized garment retailers may provide broader sectoral insights.

II.CONCLUSION

The study empirically examined the drivers influencing CRM implementation in garment retail stores. The results reveal that customer-centric motives, particularly identifying customer needs, meeting competition, and improving service quality, are the primary factors motivating CRM adoption. The demographic profile indicates that garment retail businesses are predominantly managed by educated and middle-aged entrepreneurs, suggesting favourable conditions for strategic technology adoption. Furthermore, promotional activities such as advertisement and sales promotion significantly influence customer visits, reinforcing the importance of integrating CRM with marketing communication strategies.

Overall, the study concludes that CRM implementation in garment retail stores is a strategic decision driven by competitive pressure, customer orientation, and profitability considerations. Effective CRM adoption can enhance customer satisfaction, strengthen loyalty, and ensure long-term sustainability in an increasingly competitive retail environment.

III.REFERENCES

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