

## Analysis of Retailers' Magnetism and Retention Strategies of Customers in Kanyakumari District.

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### Abstract :

Retail Industry, being a fast growing industry in India, it is natural that it faces more dynamism because of competition. With this competition it is an uphill task for every retailer in sustaining in the market. So to remain in the market successfully, the retailers use different technique to attract more customers and also to retain their present customers. Apart from the various customer retention and attraction strategies, it becomes important for the retail owners to study the profile of customers who are in the locality of the retail stores. Without knowing customers, it is useless in framing various attractive and the retention strategies. That is, the retailer has to analyse the customers and has to find out what strategy really makes them to come to the retail stores.

In this study an attempt has been made to identify what really makes a customer to visit a particular retail store. This study revealed the profile of the customers of different retail stores.

### Introduction :

Magnetism of the prospects in large scale is the present trend in marketing products in this modern world. To be successful in the competitive business environment, each of the business owners devices new and novel strategies in attracting the customers towards their goods and services. However, attracting the customers alone is not sufficient, but the business also has to retain the customers. For this purpose different companies are framing various strategies to retain the customers in their company. In normal course, the companies formulate retaining strategies just based on the assumptions on the strategy's capacity to trigger the interest of the customers. Now a days, some companies are attempting to understand the response of the customers to formulate the strategies.

There are many studies in the past that analysed the importance of attracting as well as retaining the customers. But as a different approach, in this study, the researcher attempted to identify the impact of various demographic factors of the customers in perceiving the retention strategies and, how an effective strategy to attract and retain the customers may be formulated. It is helpful in achieving the success as the strategies are formulated based on the reasons. This study is done because, now a days it is common that a successful strategy of a company for one group of customers may have a poor effect on another group of customers and so on. So, for any strategy to be successful, particular group of customers have to be studied well before implementing the strategy. Instead of going for the profile of whole customers, it is decided to go for a particular industry in a particular geographical area. This will be helpful in arriving to a conclusion more easily for the specific geographical area. Retail sector is chosen for this study as there is more competition in the chosen geographical area, Kanyakumari district. According to the website "Business maps of India", even the foreign retailers' perceive India as a 5<sup>th</sup> largest destination for their investor. This competition is a major reason for a company in framing different attractive as well as retention strategies. This study extracts the profile of the customers of retailers in Kanyakumari district with respect to the demographic factors of the customers.

### Objective of the Study :

This study attempt to identify the preference of customers towards magnetism and the retention strategies practiced in retail stores with respect to various demographic factors of the customers.

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### Literature review :

In an article titled "A Demographic Study on Retail Consumer Behaviour" Dr. Ruchi Srivastava and Dr. Deepali Monga (2009) examined the relationship between demographics and customer shopping in retail. It deals with the development of organized retailing in India in the form of shopping malls and looks into demographics of the shopping malls. The purpose of this study conducted is to examine the relationship between consumer behaviour and consumers demographics like age, sex, income, education and occupation. The study revealed the changing demographic profile of Indian retail customer in terms of increasing affluence, bulging middle classes, growing younger population, increased literacy levels, influence of urbanization and increased consumption mentality.

The article titled "Analyzing the Role of Customer-Base Differences in Developing Customer Relationship Management Strategies" Dr. Suphan Nasir, Istanbul University and Dr. V. Aslihan Nasir, Bogazici University (2005) says that a firm can maintain customer retention and loyalty through creating customer satisfaction, giving superior service to its customers, handling complaints effectively, making continues customer satisfaction measurements and defection analysis, and identifying switching barriers. The authors also show the role of customer base differences for developing customer relationship management strategies in the GSM sector.

### Methodology :

Retail industry being a more dynamic industry in India, there may not be any deficiency for various kinds of strategy. This necessitated a study on the profile of the customers of retail stores and its impact on acceptance of strategies of different retailers that attracts and retains the customers.

Retail stores of Fast Moving Consumer Goods are selected for this study due to the surplus availability of data and also due to the number of competitors in the particular sector of retailing are too high. In this study, retailers of FMCG in Kanyakumari District are chosen to understand various strategies and consumers of FMCG of the area where been chosen as respondents for the study.

For this study, 200 consumers spread over the district have been chosen through purposive sampling and the collected data has been analysed according to the objectives. Data were been collected from the respondent using the structured interview schedule. Appropriate statistical tools were applied to infer from the data.

Here, customers are asked on the various attraction and retention strategies they aware of and get obtained their preference ranging from "highly preferred" to "not at all preferred" with a six interval scale. Further the respondents are grouped on the basis of their education, occupation, monthly family income and monthly purchase expenditure in a retail store. This grouping has been done to find out the preferred strategy by the customers of different group and also to know the preference levels of different strategies by different set of people on the basis of their demographic factors.

### Findings :

Different retention strategies followed in the retail stores under the study area are found to be as follows, they are, issuing membership cards, discount for frequent purchase and bulk purchase, festival offers, price/gift coupons, discount for introducing new customers, appearance of the outlet, store design, availability of the products, pleasant music, service of the employees, advertisement, employee knowledge about the products and its assortment, attention towards regular customers, introduction of latest technology, cleanliness, and valet parking.

Table showing the average weight of various strategies based on demographic factors

	Education			Occupation						Monthly Family Income			Monthly Purchase Expenditure		
	School	UG	PG	Students	Teachers	Self employed	Office employ	House Wives	Up to ₹15000	₹15001 to ₹30000	Above ₹30001	Up to ₹15000	₹1501 to ₹3000	Above ₹3001	
Issuing Membership Cards	4.43	3.49	4.22	5.04	4.25	3.02	3.66	5.05	4.30	3.95	3.61	4.31	3.84	4.06	
Discount for Frequent Purchase	3.28	3.69	3.85	3.92	4.08	2.47	4.24	3.73	3.46	3.55	4.00	2.58	3.61	4.12	
Discount for Bulk Purchase	5.21	5.23	5.19	5.28	4.88	5.57	5.36	4.73	5.30	5.20	5.11	4.81	5.38	5.10	
Festival Offer	3.68	4.66	4.32	5.00	4.13	4.18	4.58	3.59	4.10	4.38	4.46	3.12	4.37	4.66	
Price/Gifts Coupons	2.04	3.18	3.32	2.68	3.21	2.53	3.42	2.64	2.00	3.70	3.16	2.00	2.57	3.94	
Discount for Introduction a New Customer	1.57	3.10	2.74	3.32	3.12	1.49	3.20	1.86	1.64	3.14	3.11	1.92	2.15	3.59	
Appearance of the Outlet	4.00	4.24	4.12	4.44	4.10	3.88	4.20	4.36	3.81	4.31	4.32	4.12	3.81	4.66	
Store Design	4.06	4.36	4.19	4.28	4.23	4.14	4.40	4.00	3.91	4.31	4.51	4.58	3.92	4.57	
Availability of products	5.47	5.60	5.62	4.64	5.65	5.55	5.88	5.82	5.43	5.74	5.53	6.00	5.43	5.63	
Pleasant Music	1.21	2.02	2.49	2.20	2.81	1.27	2.06	1.45	1.46	2.20	2.40	1.38	1.49	3.04	
Service	5.04	5.60	5.15	5.32	5.12	5.16	5.68	5.23	5.14	5.45	5.32	5.12	5.37	5.28	
Promotional Activities	3.30	4.36	4.29	4.44	4.04	3.73	4.48	3.73	3.51	4.65	4.05	3.27	4.07	4.43	
Employee Knowledge	4.28	4.69	4.45	4.52	3.96	4.63	4.98	4.41	4.30	4.97	4.14	5.54	4.23	4.54	
Attention towards regular Customers	3.15	4.58	3.70	4.20	3.69	3.57	4.78	3.00	3.38	4.46	3.88	3.54	3.74	4.35	
Latest Technology	4.60	4.54	5.15	4.88	4.83	4.47	4.64	5.00	4.48	5.23	4.33	4.73	4.63	4.84	
Cleanliness	4.87	5.21	5.49	5.32	5.33	4.94	5.42	5.18	4.77	5.69	5.21	4.85	5.25	5.35	
Valet Parking	1.00	2.27	1.93	2.36	1.92	1.24	2.52	1.00	1.00	1.65	3.14	1.00	1.23	3.15	

### Education :

Based on education, the respondents are divided as Up to schooling, Under Graduate and Post Graduate & above. Here it is found that the respondent with qualification up to schooling prefers the strategies like availability of the products (5.47), discount for bulk purchase (5.21), cordial service (5.04), cleanliness (4.87) and the latest technology (4.60). According to the respondent with the qualification of Under Graduate, the preferred strategies are product availability (5.60), cordial service (5.60), discount for bulk purchase (5.23), cleanliness (5.21) and employee knowledge on products (4.69). For the respondent with the qualification of Post Graduate & above the strategies are product availability (5.62), cleanliness (5.49), discount for bulk purchase (5.19), cordial service (5.15) and the usage of latest technology (5.15).

Further the analysis shows that the increase in education made consumers to consider more factors as important.

### Occupation :

On the basis of occupation the respondent are grouped as students, teachers, self employed, office employees and house wives. Here student says their preferred strategies practised are cordial service (5.32), cleanliness (5.32), discount for bulk purchase (5.28), issuing membership cards (5.04) and festival offers (5.00). Those who are in teaching profession says their preferred strategies as product availability (5.65), cleanliness (5.33), cordial service (5.12), discount for bulk purchase (4.88) and implementation of latest technology (4.83). Preferred strategy according to those who are self employed are discount for bulk purchase (5.57), product availability available (5.55), cordial service (5.16), cleanliness (4.94) and employee knowledge about the products (4.63). To the respondents who are working in office the preferred strategies is availability of the products (5.88), service (5.68), cleanliness (5.42), discount for bulk purchase (5.36) and employee knowledge about the products (4.98). Preferred strategies according to house wives are product availability (5.82), cordial service (5.23), cleanliness (5.18), issuing membership cards (5.05) and usage of latest technology (5.00).

It is further inferred that, for students, teachers, office employees and house wives, the highly preferred strategy are cordial service and products' availability. But, when comes to the self employed people, the highly preferred strategy is the discount for bulk purchase.

### Monthly family income :

On the basis of monthly family income the respondent are grouped as those having family income up to '15000, those respondents having family income from '15001 to '30000 and those having family income more than '30000. Here it is found that the respondent with the monthly income up to '15000 prefers product availability (5.43), discount for bulk purchase (5.30), employee service (5.14), cleanliness (4.77) and latest technology (4.48). The respondents with the monthly family income of '15001 to '30000 prefers the strategies like product availability (5.74), cleanliness (5.69), employee service (5.45), implementation of latest technology (5.23) and discount for bulk purchase (5.20). The respondents with the family income more than '30000 prefers the strategies like product availability (5.53), employee service (5.32), cleanliness (5.21), discount for bulk purchase (5.11) and store design (4.51).

It is well clear from the finding that the respondent with minimum income prefers to look for the discount for their purchase and also it is inferred that with the increase in the income level, people's preference are leading them to see the comfort level of purchase like the store design.

### Monthly purchase expenditure :

On the basis of the monthly purchase expenditure of a family the respondents are grouped as the respondent with the purchase expenditure up to '1500 those with the monthly purchase expenditure from '1501 to '3000 and those respondents with the monthly purchase expenditure of more than '3000. It is found that those respondents with the monthly expenditure of less than '1500 says product availability (6.00), employee knowledge about the products (5.54), employee service (5.12), cleanliness (4.85) and discount for bulk purchase (4.81) as

their preferred strategies. Preferred strategies according to those respondents who spent monthly purchase expenditure within '1501 to '3000 are availability of the products (5.43), discount for bulk purchase (5.38), employee service (5.37), cleanliness (5.25) and latest technology (4.63). Preferred strategy according to those who spend more than '3001 for monthly purchase are, product availability (5.63), cleanliness (5.35), employee service (5.28), discount for bulk purchase (5.10) and implementation of latest technology (4.84).

It is inferred from the above finding that the difference in purchase expenditure of the customers doesn't have much impact towards their preference of strategies. That means respondent with different purchase expenditure almost have similar preference towards the strategies followed in the retail stores.

### Conclusion :

The study extracted that the preference of the customers of any retail stores gets varied with the different demographic factors. So with the help of these analyses, a store can identify what strategy to be implemented and to whom on a particular area. To be successful, the companies should implement the strategies as well as to make it to reach the customers. The Administrators has to analyse the profile of that area as well as the customers to find out the suitability of the strategy to be implemented. This helps the company in making it most preferred among the customers in the market.

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