



ANALYSING THE EFFECTIVENESS OF CRM AMONG TIRUPUR RETAILERS

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Abstract: The development of organized retail in India, specifically in dynamic commercial capitals like Tirupur, has raised the demand for technologies like Customer Relationship Management (CRM). This study analysis the effectiveness of CRM practices in selected organized retail store within Tirupur District and evaluates how these systems affect factors like customer retention, increased sales and improved business performance. It employs descriptive research approach and it is based on both primary (collected from 75 organized retailers through structured questionnaire) and secondary data (books and journals). Through tools like percentage analysis, Likert scale evaluation and ranking correlation the findings show that CRM does make a meaningful difference in customer satisfaction and overall business performance. It also aligns with Indian SDGs, like Decent work and economic growth (SDG8), Industry, Innovation and Infrastructure (SDG9) and Sustainable cities and communities (SDG11).

Keywords - Customer Relationship Management (CRM), Organized Retail stores.

I. INTRODUCTION

The Indian retail sector has grown significantly in recent years, becoming one of the key contributors to the country's economy. From ₹35 lakh crore in 2014 to ₹85 lakh crore in 2024, this growth highlights not just expanding markets but also changing customer expectations. With the sector accounting for over 10% of the GDP and employing nearly 8% of the national workforce, retailers are now under greater pressure to strengthen customer relationships and maintain loyalty. In this context, Customer Relationship Management has moved beyond being a mere business tool—it has become an essential part of how organized retailers operate and stay competitive.

CRM involves more than just technology; it encompasses a wide range of strategies, communication methods, and internal business processes designed to help companies connect with customers in meaningful and long-lasting ways. For retailers, the use of CRM systems is crucial in understanding customer preferences, tracking their buying behavior, and delivering tailored experiences that meet their specific needs. This ability to personalize service and anticipate customer expectations becomes increasingly important as organized retail stores expand in size and variety, leading to more competition and a broader range of customer choices. CRM provides the necessary framework for retailers to manage interactions more effectively, maintain consistency across touchpoints, and ensure every customer feels valued. From analyzing data trends and managing feedback to running loyalty programs and automating marketing efforts, CRM serves as the backbone of customer-centric retail operations. Ultimately, it supports better decision-making and helps build strong, lasting relationships that drive repeat business and brand loyalty.

Tirupur, a fast-growing district in Tamil Nadu known for its vibrant textile and commercial activities, offers a unique environment for studying CRM effectiveness in a semi-urban retail setting. The city is witnessing a steady rise in supermarkets, lifestyle stores, and branded outlets, reflecting a shift from traditional to organized retail formats. As retailers navigate this transition, there is a growing need to assess whether CRM systems are being implemented effectively and if they truly address the evolving expectations of both businesses and their

customers. This research takes a closer look at the current use of CRM in Tirupur's organized retail stores, the challenges retailers face, and how these systems influence customer retention, service quality, and long-term performance. The study also considers practical limitations such as employee resistance, training gaps, and cost-related constraints that affect effective CRM integration. It explores how retailers perceive the return on investment (ROI) from CRM implementation, especially in a competitive and cost-sensitive market. Moreover, the research aligns with broader national objectives such as promoting sustainable economic development, innovation, and inclusive growth in regional markets. It aims to bridge the existing research gap and support the strategic growth of organized retail in emerging urban centers.

STATEMENT OF THE PROBLEM

There's a revealing gap in understanding Customer Relationship Management strategies in the retail sector of Tirupur district from retailers' perception. There's only limited research has been conducted on how organized retailers in Tirupur apply these practices. While large metropolitan areas have broadly adopted Customer Relationship Management practices, Tier II cities like Tirupur have received limited attention indeed their retail markets are expanding quickly. This lack of research creates a gap in knowledge that could affect the effectiveness of Customer Relationship Management practices in Tirupur's expanding retail sector.

SCOPE OF THE STUDY

This study aims to give usable insights for retailers in Tirupur District to optimize their Customer Relationship Management practices, focusing on strategies that enhance customer retention and improve sales. It'll assist retailers gain a competitive edge in the fast-changing retail market. Moreover, this study is significant for policymakers and industry associations aiming to support the growth of Tirupur's retail sector. The findings will also contribute to academic knowledge by expanding research on Customer Relationship Management practices in regional retail markets.

OBJECTIVES

- To examine the effectiveness and challenges faced by retailers of current CRM practices.
- To measure customer retention rates before and after CRM system implementation.
- To study the influence of CRM factors on sales performance and customer retention.

RESEARCH METHODOLOGY

Research methodology refers to the structured approach took up to carry out a research study. It encompasses the ways used for data collection and analysis, along with the theoretical foundation that supports the investigation. A well- defined methodology is key for securing the study is systematic, credible, and produces valid results.

RESEARCH DESIGN

Sampling Size	75 Retailers
Sampling Technique	Convenience Sampling Technique <ul style="list-style-type: none"> • Clothing and Apparels • Footwear
Sampling Frame	<ul style="list-style-type: none"> • Departmental stores • Electronics and Home Appliances • Specialty Stores
Primary Data	Structured questionnaire
Secondary Data	Books and journals
Area of the Study	Tirupur District <ul style="list-style-type: none"> • Simple Percentage Analysis
Statistical Tools Used	<ul style="list-style-type: none"> • Frequency Table • Likert Scale Analysis • Ranking Correlation

LIMITATIONS

- May not consider the external factors that can affect CRM effectiveness.
- Cross-sectional, which can limit the ability to analyse the changes over time.

II. LITERATURE REVIEW

Shruti Tiwari (2024)¹, the study explores the significance of Customer Relationship Management in the apparel retail sector, with a specific focus on understanding its impact on customer loyalty and retention. The primary objective of this research is to investigate the effectiveness of CRM strategies in the apparel retail sector and identify the key factors influencing customer purchasing behavior. The study employed a structured questionnaire to collect data from 200 respondents, using convenience sampling technique. A descriptive research approach was adopted to examine the current state of CRM in the apparel retail sector. The data was analyzed using frequency distribution, percentages, and cross-tabulation. The findings reveal that occupation and income significantly influence the frequency of apparel purchases. The study concludes that apparel retail stores can benefit from implementing CRM strategies tailored to their customers' needs and preferences, ultimately driving business growth and enhancing customer loyalty and retention.

Dr. Suja Sundram, et. al. (2021)², had investigated a review on customer service quality in Big Bazaar, Tirupur. The investigation's fundamental aim is to research based on the results, which would be very useful in developing the overall satisfaction of long-term engagement and boost customer retention. A structured questionnaire is administered to collect 120 respondents. The study reveals that the majority of the customers are satisfied with drinking water facility, cleanliness in restroom facility, emergency exit facility, free door delivery services and more services provided at the right time. And they suggest that their employees should focus on the exchange of damaged products, improve parking facility arrangement, hassle-free flow of vehicles and special counters for billing and delivery services during peak hours.

Dr. M. Usharani and Dr. R. Gopinath (2020)³, investigated on the customer reliability of organized retail stores in Tiruchirappalli Town. Here reliability refers to loyalty in market structure. The main objective of the study is to find the factors determining the preference of retail stores. Convenient sampling technique of non-probability sampling was used to select the sample from the population. The researcher used structured questionnaire for collecting primary data from 300 respondents in the selected retail stores. Secondary data is collected for second hand information through websites, magazines, text books, newspapers and journals. It found that factors like lightings, ventilation, power, drinking water, cleanliness and hygienic toilets, clear product information, customer treatment, grievances handling are certain factors which determines the reasons behind the choice of retail stores. And suggested the organized retail stores have to arrange enough facilities to children and the aged people above 50 years.

Ms. Pooja Pandey (2020)⁴, in the study expressed the factors affecting consumers perception towards organized retail sector in India. The study focusses on factors like ambience, credit facility, reliability, purchasing attitude and performance of products have been considered in terms of gender and marital status. The main purpose of the study is to know the differences for the factors between male and female & married and unmarried consumers. Independent T-Test was applied to measure the mean difference. Convenience Sampling method was used for the population of sample is comprised of 598 young age group consumers. The study revealed that the attitude of consumers like ambience, status symbol, enjoyment, pleasure, experience, quality, price, variety of products, exclusivity, credibility, ethnocentricity, discount or offer push them to purchase from the organized retail stores.

Dr. M. Robinson and M. Thangapandi (2020)⁵, observed that customers don't take a single second when it comes to change the preference and break the loyalty for an organization. In that case CRM of the organization which will compel the customers to visit the retail outlet again and again. The core objective of the study is to study the CRM in organized retail sectors in Trichy and to study the customer awareness and purchasing pattern by organized retailing to consolidate their CRM strategies. Convenient sampling method is adopted to collect the primary data and the respondents are selected systematically. It is found that CRM is a powerful concept for the success of any industry and majority of the customers are satisfied by the product return and exchange policy of the retail stores.

III. ANALYSIS AND INTERPRETATION**3.1 SIMPLE PERCENTAGE ANALYSIS****Table 3.1.1 - Table showing the Primary Goal of Using CRM system**

S. NO.	PRIMARY GOAL	NO. OF RESPONDENTS	PERCENTAGE
1	Customer Retention	18	24.3%
2	Increase Sales	29	39.2%
3	Loyalty Programs	13	17.6%
4	Only Billing	14	18.9%
TOTAL		75	100%

(Source: Primary Data)

The above table 3.1.1, indicating the primary goal of respondents using Customer Relationship Management system in the surveyed retail stores is to increase sales, accounting for 39.2% of the responses. Customer retention follows with 24.3%, while billing and loyalty programs are identified by 18.9% and 17.6% of respondents, respectively.

Table 3.1.2 - Table showing the Customer Repeat Purchase Rate Before CRM Implementation

S. NO.	PRE-CRM RAGE	NO. OF RESPONDENTS	PERCENTAGE
1	Less than 25%	26	34.7%
2	25%-50%	35	46.7%
3	50%-75%	13	17.3%
4	More than 75%	1	1.3%
TOTAL		75	100%

(Source: Primary Data)

The Table 3.1.2 shows that customer retention rate before Customer Relationship Management implementation, 46.7% respondents had a repeat purchase rate between 25% - 50%. Followingly, 34.7% respondents reported a repeat purchase rate of less than 25%, while only 17.3% achieved a rate between 50% - 75% and very few stores of 1.3% had a repeat purchase rate exceeding 75%

Table 3.1.3 - Table showing the Customer Repeat Purchase Rate Before CRM Implementation

S. NO.	POST-CRM RAGE	NO. OF RESPONDENTS	PERCENTAGE
1	Less than 25%	10	13.3%
2	25%-50%	33	44%
3	50%-75%	31	41.3%
4	More than 75%	1	1.3%
TOTAL		75	100%

(Source: Primary Data)

The Table 4.1.7 reveals that after Customer Relationship Management implementation, 44% of the respondents reported a repeat purchase rate between 25% - 50%, 41.3% experienced a repeat purchase rate between 50% - 75%, 13.3% of the respondents reported less than 25% repeat purchases and stores with a repeat purchase rate exceeding 75% remained minimal at 1.3%.

3.2 FREQUENCY TABLE**Table 3.2.1 - Table showing the Frequency of Factors Considered while Selecting a CRM System for Retail Store**

S. NO.	CHALLENGES	FREQUENCY OF NO. OF RESPONDENTS
1	Cost-Effectiveness	35
2	Ease Of Use and Training Requirements	65
3	Integration With Existing Systems	47
4	Customization Options	29
5	Data Security and Privacy Feature	20

(Source: Primary Data)

In the table 3.2.1, indicates the factors considered by respondents while selecting a Customer Relationship Management system for their retail stores, where ease of use and training requirements is chosen for 65 times, integrating with exiting system is chosen for 47 times, cost-effectiveness is chosen for 35 times, customization options is chosen for 29 times and data security and privacy features is chosen for 20 times.

Table 3.2.2 - Table showing the Frequency of Challenges Faced in Linking CRM Practices to Sales Growth

S. NO.	CHALLENGES	FREQUENCY OF NO. OF RESPONDENTS
1	Limited Employee Adoption	33
2	High Implementation Costs	51
3	Difficulty in Measuring ROI	42
4	Competitive Market Pressure	18

(Source: Primary Data)

In the table 3.2.2, indicating the challenges faced by respondents in linking Customer Relationship Management practices to sales growth, where High Implementation costs is chosen for 51 times, difficulty in measuring ROI is chosen for 42 times, limited employee adoption is chosen for 33 times and competitive market pressure is chosen for 18 times.

Table 3.2.3 - Table showing the Frequency of Challenges Faced in Conducting CRM Training for Employees

S. NO.	CHALLENGES	FREQUENCY OF NO. OF RESPONDENTS
1	High Training Costs	19
2	Employee Resistance to Change	52
3	Lack of Time and Training	47
4	Limited Knowledge of CRM Tools	21

(Source: Primary Data)

In the table 3.2.3, indicating the challenges faced by respondents in conducting Customer Relationship Management training for employees, where Employee Resistance to Change is chosen for 52 times, Lack of Time for Training is chosen for 47 times, Limited Knowledge of Customer Relationship Management Tools is chosen for 21 times and High Training Costs is chosen for 19 times.

3.3 LIKERT SCALE ANALYSIS

Table 3.3.1 - Table showing the Effectiveness of Current CRM System

STATEMENT	FACTORS (LIKERT SCALE VALUE)					TOTAL ($\sum F_x$)	LIKERT SCALE VALUE
	STRONGLY AGREE (5)	AGREE (4)	NEUTRAL (3)	DISAGREE (2)	STRONGLY DISAGREE (1)		
Understanding the Customer Preferences	59	13	3	0	0	356	4.74
Tracking and Managing Customer Complaints	17	33	9	11	5	271	3.61
User-friendly to Operate	51	14	10	0	0	341	4.54
Provide insights for Decision-Making	29	31	15	0	0	314	4.18
Building strong relationship	17	26	26	6	0	279	3.72
Re-engaging inactive customers	16	18	16	21	4	246	3.28

(Source: Primary Data)

Likert Scale Value = $\sum Fx / \text{Total Number of Respondents (75)}$

Where,

FACTORS	LIKERT SCALE (x)	No. of Respondents (F)
Strongly Agree	5	Total (Fx)
Agree	4	
Neutral	3	
Disagree	2	
Strongly Disagree	1	

In the above table 3.3.1, showing the Likert scale value, all the factors are greater than the middle value (3) where,

STATEMENT	LIKERT SCALE VALUE
Understanding the Customer Preferences	4.74
Tracking and Managing Customer Complaints	3.61
User-friendly to Operate	4.54
Provide insights for Decision-Making	4.18
Building strong relationship	3.72
Re-engaging inactive customers	3.28

3.4 RANKING CORRELATION

Table 3.4.1 – Table Showing the Ranking of CRM Factors Influencing Sales Performance

FACTORS	1	2	3	4	5	TOTAL	RANK
Staff Training	16 (5)	16 (4)	09 (3)	12 (2)	22 (1)	137	5
Technology Adoption	10 (5)	15 (4)	22 (3)	19 (2)	09 (1)	223	2
Marketing Strategies	29 (5)	17 (4)	18 (3)	06 (2)	05 (1)	284	1
Feedback Mechanism	06 (5)	16 (4)	12 (3)	12 (2)	29 (1)	199	4
CRM Data Utilization	14 (5)	11 (4)	14 (3)	26 (2)	10 (1)	218	3

(Source: Primary Data)

In the table 3.4.1, it is understood that Marketing strategies is ranked as 1, Technology Adoption is ranked as 2, CRM Data Utilization is ranked as 3, Feedback Mechanism is ranked as 4 and Staff training is ranked as 5 with reference to Sales performance of the retail stores.

IV. FINDINGS, SUGGESTIONS AND CONCLUSION

4.1 FINDINGS

SIMPLE PERCENTAGE ANALYSIS

- 39.2% of respondents said that the primary goal of using CRM is to increase sales.
- 46.7% of the retail stores experienced a repeat purchase rate between 25% - 50% before CRM implementation.
- 44% of the respondents reported a repeat purchase rate between 25% - 50% after implementing CRM.

FREQUENCY TABLE

- The respondents have chosen that the most influential factor considered while selecting a CRM system for their store is Ease of use and training requirements for 65 times.
- The respondents face high implementation cost as their challenge faced in linking CRM practices to sales growth which is chosen for 51 times.
- The respondents face Employee Resistance to Change as their challenge faced conducting CRM training for employees which is chosen for 52 times.

LIKERT SCALE ANALYSIS

- 4.74 is greater than the middle value (3), so the respondents are agreeing that their current CRM system is efficient in understanding the customer preferences.
- 3.61 is greater than the middle value (3), so the respondents are agreeing that their current CRM system is efficient in tracking and managing customer complaints.

- 4.54 is greater than the middle value (3), so the respondents are agreeing that their current CRM system is efficient in user-friendly to operate.
- 4.18 is greater than the middle value (3), so the respondents are agreeing that their current CRM system is efficient in providing insights for decision-making.
- 3.72 is greater than the middle value (3), so the respondents are agreeing that their current CRM system is efficient in building strong relationship.
- 3.28 is greater than the middle value (3), so the respondents are agreeing that their current CRM system is efficient in re-engaging inactive customers.

RANKING CORRELATION

- The respondents have ranked the most influential factor in sales performance is staff training.

4.2 SUGGESTIONS

Based on the findings, here are some recommendations for Retailers to streamline their CRM efficiency

- Retailers should include front-line staff in the CRM selection and customization process to ensure the system meets operational needs and encourages active participation across all levels of the organization.
- Regular CRM training and performance-based incentives can increase employee involvement and reduce resistance, resulting in more efficient use of CRM tools and better customer service delivery.
- Simplifying CRM interfaces and choosing user-friendly software can help employees adopt the system quickly, especially in retail settings where time and ease-of-use are critical.
- Retailers must concentrate on collecting accurate and up-to-date customer data, as partial or outdated records limit the effectiveness of CRM-driven marketing and service strategies.
- Encouraging customer feedback through digital and in-person channels can deliver valuable insights for perfecting CRM strategies, refining loyalty programs, and identifying service gaps.
- Retailers should periodically review and update their CRM strategies to align with changing consumer behavior, ensuring the system remains responsive, applicable, and effective in a competitive retail market.

4.3 CONCLUSION

The study concludes that Customer Relationship Management (CRM) plays a vital role in strengthening customer connections, boosting sales, and enhancing business performance in Tirupur's organized retail sector. Retailers increasingly view CRM not just as software, but as a strategic asset that helps them to understand and serve their customers. While challenges like employee resistance, high implementation costs, and limited tool knowledge exist, the overall perception of CRM remains positive. Retailers report that CRM systems help them gain valuable customer insights, manage feedback effectively, and make lasting connections. To completely tap into its eventuality, the study recommends involving frontline staff in CRM opinions, offering regular training, simplifying system interfaces, and keeping customer data up to date. In a quickly growing and competitive market like Tirupur, CRM stands out as a crucial driver of sustainable retail success.

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