

# Changing Behaviour of Retail Customer and Customer Relationship Management

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*Abstract— The retail landscape is undergoing a significant transformation driven by shifting customer behaviours and technological advancements. This paper explores the changing behaviour of retail customers, including their increasing demand for personalized experiences, Omni channel engagement, and sustainability. We also examine the role of customer relationship management (CRM) in responding to these changes, highlighting strategies for retailers to deliver seamless, data-driven experiences that foster loyalty and drive business growth.*

*Indexed Terms- Retail industry, Customer behaviour, Online shopping, Customer expectations, Customer loyalty, Customer retention, CRM.*

## I. INTRODUCTION

The retail industry has witnessed a seismic shift in recent years, driven by the evolving needs and expectations of customers. The advent of digital technologies, rising smartphone penetration, and increasing online shopping adoption have transformed the way customers interact with retailers. As a result, customers are no longer passive recipients of products and services; instead, they are empowered, informed, and demanding.

In this dynamic landscape, retailers face significant challenges in meeting the changing behaviours and expectations of their customers. To remain competitive, retailers must adopt a customer-centric approach, leveraging data-driven insights and advanced technologies to deliver seamless, personalized experiences across channels.

This paper explores the changing behaviour of retail customers, examining the key drivers and implications for retailers. We also delve into the role of customer relationship management (CRM) in responding to these changes, highlighting strategies for retailers to build lasting relationships with their customers and drive business growth.

Consumer behaviour is undergoing tremendous changes due to a wide choice of products and services begin made available to the consumer. The impact is also more due to various marketing techniques and strategies adopted by the marketer. If we compare our own consumption habits over the past 5 years, we can understand that this change is touching even our own lives.

Today's companies operate within a complex environment featuring continuous and rapid changes, owing to the steady arrival of new kinds of competition. There are many factors that push companies in the direction of change, including the market and the development of new technologies. The relationship between company and customers is not limited to the negotiation in terms of quantity, price, delivery term etc, but it requires a special effort on part of the company to understand the needs of the customers. Therefore, companies have to adopt a relational approach, which should be meant to develop and reinforce steady and durable long term relationships with customers.

Possibly the most challenging concept in the marketing is to deal with understanding the consumer behaviour. If there is any one "P" that is dominating the marketing world, it is Psychology. Every business firm today needs to get into the mind of today's consumer, understand his dreams, his aspirations, and his desires. Every time a customer approaches a business firm, he comes with an expectation. It may be a service need or a new product interest, but in every case the customer has an expectation that accompanies his interest towards a business firm. A good experience with the firm may increase the customer's loyalty and tendency to purchase again and again, whereas a poor experience may force the customer to transfer his business to competitor. The ability to recognize this process and retain the customers forms

the basis for CRM (Customer Relationship Management).

Factors contributing to the change in consumer behaviour and an approach to deal with the change by retail marketers to retain and maintain longer relationship with the customers.

Emergence of a New Era known as "Screenagers": Over a period of time, we have witnessed different stages of screen era which has largely influenced and changed the life style and behaviour of the consumers. Now it is said that we are living in an era of "screenagers" where we move from one screen to another-either it's a computer screen, TV screen or a mobile screen that we are switched on to. Interestingly, the mobile screen has integrated the TV and PC therefore; it's going to be the single biggest factor impacting our "screen based lives". The use of Mobile is spread across all ages and geographies. First it was identified as a device for communication nowadays it has become a multi user such as a personal manager, sending text messages, taking photographs, shooting videos, listening to music, internet browser, playing games and also for PowerPoint presentations. Retail marketers are identifying the new trend in electronic devices and they are not only striving hard to meet the present needs of the consumers but also undertaking the research and development programmes to meet the future anticipated needs of the consumers.

Increase in spending habit / Urge to spend more: India is one of the biggest consumer markets in the world because consumers in India are spending more and more on several consumer products. Earlier, only higher income class people who were located in urban area had a habit of spending on varieties of products and services. But today, the gap between urban and rural Indian consumers is diminishing and all income level people have an urge to spend more and more on products and services

To deal with the above change the retail markets have adopted new approaches like segmented product features, innovative distribution methods, change in packaging system etc. Apart from this, in order to reach out larger section of consumers, retail marketers have teamed up with various financial institutions, so

that the products and services can be made available to the consumers at the cheapest level of down payment.

Aspiration for upgraded products: Change in life style, change in fashion, increase in earning capacity, urge to buy more etc all these new trends has a greater impact on consumer behaviour. This impact has paved the way for the aspiration of stylish, better, upgraded, advanced and improved products and services.

Brooks Stevens, an American industrial designer, is credited with coining the term planned obsolescence. Planned obsolescence is used often as a marketing strategy by producers and marketers to stimulate build and sustain customer interest in their offerings. It is believed to be a mean to build and capitalize customer loyalty. Through planned obsolescence, a marketer tends to offer an advanced and improved version of his existing product by making minor or significant changes in design, size, style, format, features, packing, function, effective life, etc. It means that models of product of a company compete among themselves and the company endeavors to improve upon the existing product-technically as well as functionally so that it has something new to offer its customers at all times.

Planned obsolescence is a process of instilling the buyer, a desire to own something a little newer, a little better, a little sooner than is desired. It means that the customer believes the product has become non-functional or obsolete in a stipulated time frame, forcing him to buy from the same producer again. Planned obsolescence is an incorporation into a product, the features that would almost certainly go out of favor in a short time, thereby causing the consumer to purchase a new or so to call an improved model of the product. Planned obsolescence means outdating your product so that customer may be triggered to dispose of the existing product and go in for repurchase of a more stylish, modern, technically better and functionally more sound product. This new version of the product will serve the same basic need, but in a better way.

New format of shopping experience: The change in Indian retail scene has happened from small retail stores to shopping malls Earlier people used to purchase products from Exclusive Brand Outlets

(EBO). Nowadays, people prefer Multi Brand Outlets (MBO) where in they can shop for different types of products such as Apparels, Footwear, Personal Care items, Groceries, Home Furnishing, Home Appliances & Home Electronics etc., under one roof Apart from shopping, consumers go to malls not only to buy products but also to watch a movie, entertain their kids and to satisfy their appetite at the food court. This new format of shopping experience has created an ultimate entertainment for the whole family in a comfortable environment

The retail markets have come up with a new approach called Shoppertainment. Shoppertainment as a product innovation is a result of changes in economy and attitude shift of people. Basically, "Shoppertainment" is 'a shopping destination with the combination of dining, entertainment and education. This is reinvention of shopping. so as to offer the visitor a complete and delightful shopping experience. In simple words we can say that it is an entertainment integrated with retail. The aim of shoppertainment is to raise the bar on entertainment found within shopping malls by creating events which reflect the style and spirit of the mall, promoting an awareness of all facilities and providing a single unique experience to the customers.

Younger Generations attitude: No doubt, India has large population and huge consumer base which has all types of people with different purchasing capacity. Nowadays the trend of the younger generation and young working couples shopping culture is changing due to lack of time, quality exposure, quality of life, easy spending attitude.... these things are pushing them to go to shopping malls. When we say younger generation it includes small kids whose attitude also influence their parents to go for shopping malls in order to enjoy the benefit of ultimate family shopping experience under one roof.

Infrastructure facilities: Infrastructure is also playing an important role in the changing behaviour of the consumers. Today, when consumers think of shopping, they not only think about products and services to be purchased but also they are very much concerned about how quick, how nearer, availability of spacious parking facilities. what would be the fuel cost, all these options would affect their shopping

decisions. Thus, there is a total shift in the consumer behaviour from small retail stores to retail chains or shopping malls.

Nowadays, shopping malls offer a wide range of products in an organized fashion that are easily accessible to the consumers. The product line of the retail stores is substantially long which provides better amenities to the consumers for shopping by developing adequate infrastructure for parking, leisure, coffee shops etc. The customers are able to purchase whatever they want from a single roof as compared to small retail shops

## CONCLUSION

Consumer behaviour is affected by a lot of variables, ranging from personal motivations, needs, attitudes and values, personality characteristics, socio-economic and cultural background, age, sex, professional status to social influences of various kinds exerted by family, friends, colleagues and society as a whole. A new concept HSSE model has emerged which is concerned about Health, Safety, Sophistication and Environment of Indian consumers. The Indian consumers have shown a major change in their buying behaviour. They just don't want availability of products, they also want better experience, services and ambience without affecting their culture, tradition and values.

No doubt, the retail markets are providing better experience, services and ambience but at the same time they should keep an eye on Health, Safety, Sophistication, Environment, Culture, Tradition and Values of Indian consumers to flourish and succeed in India.

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