

# Effectiveness of Customer Relationship Management in the Retail Industry: A Case Study of Pantaloons in Vadodara

Rikita Sinha<sup>1</sup>, Dr. Anil Sharma<sup>2</sup>

<sup>1</sup>Student, MBA Department, Faculty of Management Studies, Parul University

<sup>2</sup>Assistant Professor, Faculty of Management Studies, Parul University

**Abstract**—In the retail industry, maintaining strong customer relationships is a crucial factor in driving business success. A well-managed Customer Relationship Management (CRM) strategy ensures higher customer engagement, retention, and satisfaction, ultimately leading to increased store footfalls and higher revenue generation. The fundamental principle in retail is simple—the more customers visit the store, the greater the profit potential. This research adopts a questionnaire-based methodology to collect data, enabling a more structured and accurate analysis of customer preferences and experiences. Using quantitative and qualitative insights, this study provides a data-driven understanding of how effective CRM practices contribute to business growth.

## I. INTRODUCTION

Pantaloons Fashion and Retail is one of India's leading retail chains, recognized for providing a wide range of fashion apparel and accessories to its diverse customer base. The brand has positioned itself as a premium yet accessible fashion retailer, catering to various consumer segments through its extensive product offerings. The journey of Pantaloons began in 1997 when it launched its first store at Gariahat, Kolkata. Over the years, it has expanded its presence significantly, evolving into one of the most prominent fashion retail chains in the country. Initially, Pantaloons was owned by the Future Group, a well-established name in the Indian retail sector. However, in 2013, Aditya Birla Fashion and Retail Limited (ABFRL) acquired Pantaloons, further strengthening its market position and integrating it into a larger conglomerate known for its expertise in the textile and fashion industry.

Objectives of the study:

- To examine the customer relationship management process at Pantaloons in Vadodara.
- To analyze the impact of various factors influencing customer relationship management and to assess the level of brand awareness among customers of Pantaloons in Vadodara.

## II. LITERATURE REVIEW

The Growth of the Service Sector in India

The service sector has witnessed exponential growth in the Indian economy over the past few decades, contributing significantly to economic development, employment generation, and consumer spending (Naik, 2010; Gantasala, 2010). The increasing dominance of the service sector has led businesses to focus on customer segmentation strategies, identifying the right target audience with the purchasing power and intent to buy their products. A key factor in sustaining customer relationships is understanding their core needs, addressing market complexities, and implementing loyalty programs to enhance customer retention (Fletcher, 2013).

With rapid changes in lifestyle and consumption patterns, consumer preferences have evolved. Today's customers actively follow fashion trends, social media influencers, and fashion magazines, making their purchasing decisions more sophisticated than ever before (Awasthi, 2012). As a result, companies must focus on Customer Relationship Management (CRM) to leverage their core competencies, expand their customer base, and enhance the overall value of their services (Geib, 2006).

To effectively manage customer relationships, many companies maintain CRM databases that help track

consumer preferences and enable businesses to develop tailored marketing strategies for increased engagement and customer satisfaction (Guzzo, 2010).

#### The Apparel Industry and Its Growth

The Indian apparel industry has experienced steady growth, with a Compound Annual Growth Rate (CAGR) of 8.7% until 2016 (Rajendran, 2014). The demand for ready-made apparel has significantly increased, particularly in urban areas, where consumers prefer convenience, variety, and trendy designs. Over time, noticeable changes have been observed in consumer preferences, leading to a shift from traditional shopping habits to a more brand-conscious and trend-driven purchasing behavior.

From a strategic perspective, relationship marketing and CRM are essential tools for managing long-term customer relationships. These concepts are often used interchangeably in managerial practices, as they enhance customer engagement and improve business sustainability. Maintaining strong relationships with stakeholders—including customers, suppliers, and partners—ensures long-term profitability and market leadership (Payne, 2009).

A critical literature review of service marketing and CRM performance highlights the impact of these strategies on the national economy, emphasizing the importance of CRM in business expansion and sustainability (Rajendran, 2014). This research delves into various dimensions of customer relationships, including contact, involvement, dissolution, and intimacy, which are critical in managing long-term brand-consumer interactions. Moreover, businesses must understand the right stage for implementing cross-selling and up-selling strategies to maximize customer lifetime value (Shanthakumar, 2011).

### III. RESEARCH GAP

Through the analysis of research findings, the following key gaps have been identified:

**Limited Focus on Customer Retention Strategies for Rural Consumers:**

While the study explores customer relationship management (CRM) strategies in urban and semi-urban markets, there is a lack of discussion on how to effectively retain customers from rural areas. Since organized retail penetration in rural India remains low, understanding rural consumer behavior, preferences, and purchasing patterns is crucial for expanding the

brand's reach. Future research should focus on developing tailored marketing strategies, affordability-driven pricing models, and localized engagement programs to effectively cater to this segment.

**Need for Strengthened After-Sales Service & Customer Feedback Mechanisms:**

A key aspect of customer relationship management is ensuring a seamless post-purchase experience. However, the research highlights a gap in after-sales service, feedback collection, and customer engagement post-purchase. While brands like Pantaloons focus on pre-sale and in-store customer interactions, structured mechanisms for post-purchase feedback, issue resolution, and customer satisfaction measurement need improvement. Future CRM strategies should include automated feedback systems, personalized follow-ups, and digital platforms for customer reviews to enhance customer satisfaction and loyalty.

### IV. RESEARCH METHODOLOGY

#### Research Problem

Customer Relationship Management (CRM) plays a pivotal role in the growth and success of the retail industry. In the case of retail chains like Pantaloons, focusing on CRM is crucial for customer retention. Pantaloons, being one of the leading fashion retailers, must take strategic actions to strengthen customer relationship management post-pandemic. The primary research problem, therefore, revolves around identifying and analyzing the CRM strategies that Pantaloons should implement to maintain and improve customer relationships in the post-pandemic retail environment.

#### 4.2 Types of Research

Several research methods can be classified based on different aspects such as the nature of the study, purpose, and research design. Some research studies utilize a combination of methods, while others rely on a specific research approach depending on the research objectives.

#### Classification of Research Methods

##### 1. Based on the General Category

##### Quantitative Research

Quantitative research focuses on numerical data collection, measurement, and statistical analysis. It involves quantifying research findings through charts, graphs, and statistical tools to derive objective conclusions. This method ensures a structured and reliable approach to data collection and interpretation.

**Qualitative Research**

Qualitative research deals with non-numeric elements of data collection, such as opinions, experiences, and open-ended responses. It provides deeper insights into customer perceptions and behaviors but lacks statistical reliability compared to quantitative research. Instead of numerical measurement, qualitative research aims at understanding underlying motivations, attitudes, and cultural influences that shape customer behavior.

**2. Based on the Nature of Investigation**

**Descriptive Research**

Descriptive research involves fact-based investigations, case studies, and surveys to provide detailed insights into the subject of study. It does not manipulate variables but instead observes and records data as it exists. This approach is commonly used in social sciences and business studies, where it is often referred to as Ex Post Facto Research.

**Analytical Research**

Analytical research focuses on examining previously confirmed facts and critically evaluating existing data. It is often employed in quantitative studies to analyze relationships between variables and derive logical conclusions.

**Source of Data**

The research which is conducted consists of both primary as well as secondary data. The research requires us to know that how the brand of Pantaloons

maintains its customer relationship management and offers the best services. To give direction to the research and knowing the preference of the Customer a structured questionnaire was formed and circulated among them. In this way, pure data is collected and the primary source of data is used.

The main objective of this research was to study customer relationship management with Pantaloons. Many factors like the branding of the apparel, behaviour of the customers, perceptions regarding the brands, and factors affecting maintaining the relations with the customers have been studied. To get an overview and increase the clearance in the research knowing that how to maintain the relations with Customers many research papers have been taken into account and studied thoroughly. Here we can say that the secondary source of data has been utilized.

**Data Collection Method**

In this research, the data collection method which is used is a Questionnaire. To get an accurate result questionnaire has been circulated. In the research, we used a conclusive research method to get clear facts and accuracy in the data. By this questionnaire method, we will be able to know the perception of Customers.

**Sampling Plan**

N = Population Size

n = Sample Size

e = Permissible Error

**Calculation of Sample Size**

$$n = N / (1 + Ne^2)$$

$$= 20,331 / (1 + 20331 * 0.05 * 0.05)$$

$$= 20331 / 51.8275$$

$$= \mathbf{392.28}$$

Sample size calculation			
$n = N / (1 + Ne^2)$	<b>N</b>	<b>e</b>	<b>n</b>
<b>Pantaloons Customers</b>	20331	0.05	392.2821
Here,			
n = Sample size			
N = Population size			
e = permissible error			
= error between sample mean and population mean			

### Statistical Tool

Statistical tools are used by the researchers to carry the activities like planning, collecting data, designing, and analysing the data to reach conclusions. There are certain tools consists of mathematical formulas which will help in drawing meaningful explanations of research findings. Several tools are used by the researchers to get accurate information. Some of the tools are as follows: -

- T-test
- F-test
- ANOVA test
- Chi-Square test
- Correlation
- Regression

The statistical tool used in the research is the **Chi-Square** test.

#### Chi-Square Test:

A Chi-Square test is a statistical tool that is used to examine the difference between categorical variables in the same population. The Chi-Square test is based on the frequencies and not on the parameters like mean and standard deviation. The chi-square test of association evaluates the relationships between the variables. The variables for an instance are demographic such as gender – male or female and their relation to our study are examined.

### Findings

#### Analysis and Interpretation

The research findings highlight several key trends related to Pantaloons' customer demographics, shopping behavior, and competitive landscape. The data reveals that a significant majority of customers visiting Pantaloons are female, accounting for 64.1% (250 out of 390 respondents). This indicates that the brand has a strong appeal among women shoppers, making it a preferred destination for fashion-conscious female consumers.

Another critical observation is that Pantaloons attracts a predominantly young customer base, with 72.3% (282 out of 390 respondents) falling in the 16-25 age group. This suggests that trend-driven, youthful fashion collections play a major role in drawing customers to the store. Additionally, a large percentage of Pantaloons shoppers are students (69.5%) and graduates (53.6%), reinforcing the idea

that affordability and style-conscious apparel options significantly influence shopping decisions.

From a family structure perspective, nuclear families (three-member households) are among the most frequent shoppers, indicating that Pantaloons caters well to small, independent households looking for convenient and affordable fashion choices. Furthermore, 68.7% of respondents have an annual income of up to ₹2 lakhs, confirming that the store's value-based pricing strategy effectively appeals to budget-conscious consumers.

The research also identifies Pantaloons' biggest competitors in the retail sector. Reliance Trends and Shoppers Stop pose the most significant competition, with approximately 67% of respondents willing to switch brands, followed by Big Bazaar, which has a 53.2% potential customer switch rate. This suggests that brand loyalty is not particularly strong in the retail fashion industry, and customers are likely to explore multiple brands based on pricing, product variety, and discounts.

When it comes to shopping frequency, quarterly visits are the most common, as Pantaloons offers heavy discounts every three months, encouraging customers to shop during sale periods. This pattern highlights the importance of seasonal and promotional sales strategies in driving customer footfall.

In terms of customer satisfaction, the research reveals that a significant number of customers visit Pantaloons because of its diverse brand collection (236 out of 390 respondents). Additionally, customer feedback on Pantaloons' CRM initiatives has been largely positive, with high ratings given for exchange policies and customer service. This indicates that the store's service quality is generally well-received, though there is still room for improvements in certain areas.

#### Recommendations for Pantaloons

Based on the research findings, several strategic recommendations can help Pantaloons enhance its customer experience, expand its market reach, and strengthen brand loyalty:

1. Introduce a Premium/Luxury Product Range – While Pantaloons primarily caters to budget-conscious consumers, introducing a niche product line with high-end fashion items could attract customers who prefer luxury purchases. Offering premium designer collaborations or exclusive collections could help retain high-spending

customers who might otherwise switch to competitors.

2. **Diversify into Skincare and Cosmetics** – Given that 64.1% of Pantaloons shoppers are female, expanding the product portfolio to include skincare, cosmetics, and beauty products can be a lucrative opportunity. Many fast-fashion brands have successfully ventured into beauty and personal care segments, making it a natural extension of Pantaloons' offerings.
3. **Optimize Billing Counters for Faster Transactions** – The research indicates that billing experience is one area that needs improvement. To reduce long waiting times, Pantaloons should consider expanding billing counters, introducing self-checkout kiosks, or implementing mobile-based checkout solutions to enhance the overall customer experience.
4. **Expand Product Variety for Children** – Since nuclear families with children are frequent shoppers, Pantaloons can benefit from increasing its children's fashion category. By offering a broader range of kids' apparel, accessories, and school essentials, Pantaloons can position itself as a one-stop shopping destination for families.
5. **Strengthen the Living Spaces Brand in Home Décor** – While Pantaloons has introduced "Living Spaces" for home décor, the product range appears limited. Expanding home furnishings, lifestyle accessories, and decorative items could attract more home-conscious buyers and diversify revenue streams.
6. **Enhance Merchandise Quality** – While Pantaloons is known for affordable fashion, improving the quality of merchandise will help retain customers who prioritize durability and style. Higher-quality apparel could strengthen brand loyalty, increase repeat purchases, and reduce customer churn to competing brands.
7. **Boost Digital and Social Media Presence** – To reach a wider audience and increase online engagement, Pantaloons should focus on digital marketing, influencer collaborations, and targeted social media campaigns. Expanding online shopping options, mobile app features, and personalized digital promotions could help capture a larger segment of tech-savvy, young shoppers who prefer digital retail experiences.

The research findings emphasize that Pantaloons has successfully positioned itself as a youth-oriented, budget-friendly fashion retailer in Vadodara. However, increasing competition, changing consumer preferences, and evolving shopping trends necessitate continuous innovation. By implementing niche product lines, expanding its customer experience offerings, and strengthening its online and offline presence, Pantaloons can further enhance its market position and customer retention strategies.

#### BIBLIOGRAPHY

- [1] Geib, K. &. (2006). CRM collaboration in financial analysis. *Enterprise Information Management*.
- [2] al, C. e. (1999). SERVQUAL, Customer Satisfaction and Behaviourial Intentions in Retailing.
- [3] Ang, L. &. (2006). Managing For Successful Customer Acquisition. *Journal of Marketing Management*.
- [4] at., B. e. (2003). CRM at retailing. *Journal of Service Research*.
- [5] Awasthi, S. (2012). Analysing effectiveness of CRM in increasing sales volume with special reference on organised retail stores. *International Journal of Retailing & Rural Business Perspectives*, 8.
- [6] Fletcher, T. C. (2013). CRM at the base of the pyramid. *University of Western Sydney*, 16.
- [7] Gantasala, S. B. (2010). SERVQUAL, Customer Satisfaction and Behaviourial Intentions in Retailing. *European Journal of Social Sciences*, 15.
- [8] Guzzo, D. G. (2010). CRM in hotel industry. *Journal of Marketing Studies*.
- [9] Mathew, D. J. (2017). Impact of CRM Initiatives in Indian Retail Senario . *Pacific Business Review International*, 6.
- [10] Naik, C. K. (2010). SERVQUAL, Customer Satisfaction and Behaviourial Intentions in Retailing. *European Journal of Social Sciences*, 17, 15.
- [11] Oliver. (1997). A Behaviourial Perspective on the Customer.
- [12] Olsen. (2002). "Comparative evaluation and the relationship between quality, satisfaction and

- repurchase loyalty”. Journal of the Academy of Marketing Science.
- [13] Payne, A. (2006). Corporate social responsibility and sustainable development. Journal of Public Affairs.
- [14] Payne, A. (2009). CRM: A Strategic Perspective. The University of Sydney, 21.
- [15] Peel, J. (2002). Redefining CRM. Digital Press.
- [16] Peng, L. &. (2006). Impact of Relationship Marketing Tactics (RMTs) on Switchers and Stayers in a Competitive Service Industry. Journal of Marketing Management.
- [17] Prabhakar, G. V. (2010). SERVQUAL, Customer Satisfaction and Behavioural Intentions in Retailing. European Journal of Social Sciences, 15.
- [18] Rajendran, B. N. (2014). A Comparative study on CRM in organised multi brand retail apparels. Indian Streams Research Journal, 8.
- [19] Reichheld. (1993). Loyalty-based management.
- [20] Shanthakumar, D. (2011). CRM on strategies in organised multi brand retail apparels. 8.
- [21] Yuen, F. &. (2010). The effect of retail service quality and product quality on Customer Loyalty. Journal of data base marketing and customer strategy management,
- [22] Zeithaml, V. B. (1996). The behavioral consequences of Service quality. Journal of Marketing.
- [23] Zhou, W. &. (2006). Determinants and Outcomes of Relationship Quality. Journal of International Customer Marketing.