4.1 RETAIL STORES

In past years, the scope of retail stores has been increased tremendously. In India also, the popularity of retail stores has been increased at a large scale. Retail stores are the place where the customers can get all the required items under one roof. It is one of its kinds of places where the customers have the convenience to choose from a variety of items or products. The retail stores consist of a variety of items and products of different companies. The customers have the leverage to choose out of the diverse range of products that have been placed within the store (Alexander and Doherty, 2010). The retail stores changed the dimensions of shopping and gave revolution within the shopping trends of the customers.

It is to acknowledge that the retail stores fall into various categories, but the general definition is that a retail store is a place where the product are shelved for the customers manufactured by different companies. They just work as a bridge between the customers and manufacturers. The major reason behind the success of retail stores is that their business idea is to provide maximum customers to the manufacturers and allowing customers to get products at minimum price. The retail stores work in a very professional way that allows them to cut their operational cost, and this profit could be further divided between customers and manufacturers. The retail stores have so many products under their umbrella that is one of their major reason to become successful as customers found it effective and comfortable shopping at one place. The discounts, offers are very common scenario within the retail stores. The retail stores have become the very important place to shop and have been emerged as most economical places for the Indian families (Barney, 1991).
According to Burt and Carralero-Encinas (2000), the competitive advantage is the major success factors for the retail stores, and they provide value added facilities to the customers. It improves their functions and customers become more satisfactory through the way retail stores run their operations. The high level of professionalism enables retail stores to outrun the traditional sources of shopping places and shops. The needs of the customers could easily be fulfilled, and high value could be returned to customers. Every retail store and retail sector company understand the significance of customer satisfaction and delivering the value, but mainly all the retail stores run on a basic fundamental principle i.e. increasing the product portfolio within the retail stores and providing the material at very reasonable prices (Bhatia, 2008). The author has developed the strong theory that the retail stores can lose the market if they did not have a hold on product portfolio, and then no matter how better the brand it could be. Every retail store has its reputation and needs to align with geographical, social, cultural and economic aspects. Thus, it is a brief description of the retail stores and their working techniques.

4.2 TRENDS IN RETAIL STORES

It sounds good that the retail stores have changed the shopping pattern and provide a huge level of convenience to the customers as well as to the manufacturers. However, nowadays there are lots of changes that have been faced by the retail sector or industry. The retail stores are also facing the impact of those changes, and new trends could be realised within the retail stores. The trends like the retail stores are becoming more attractive, and the use of technology is increasing rapidly. The retail stores are trying immensely to promote the major advantages of shopping that could be availed by the customers. While shopping at retail stores, the customers have the leverage to choose and can ensure the quality of items or products (Blumentritt, 2006).

It is one of the biggest trends that the online retail stores have taken the place of physical stores. The revenue generation capacity of the online retail stores is also increasing as compared to the physical retail stores. This is something that forces physical retail stores to focus on their strength so that they
can save their market and potential customers. This kind of trend is creating troubles only for the retail sector companies as they are losing their market. The manufacturers and customers do not get impacted from these kinds of trends or changes. The online stores have somehow outrun the physical stores with increasing rate.

Another trend is that to deal with the increasing popularity of online stores, the retail stores are targeting such kind of products which are not possible to buy through online retail stores. These are such products that are high priced products or frequently used products. The products range from white goods, grocery items, and FMCG products are such products that have gained huge consideration by the physical retail stores. Thus, it is another very significant trend that the physical retail stores are categorising the market by nature of products. The role of technology is escalating swiftly (Cole, 2003). To manage the operations and supply chain, the retail stores are giving huge considerations to the technology. The stores like Big Bazaar, Wall-Mart, and much more have technological infrastructure that allows them to manage their operations in an appropriate manner. It could help them immensely in responding to challenging competition given by online stores. The price war could be maintained by the retail stores, so it is also one of the significant trends within the physical stores. The impact of technology is huge in operations and logistics, and further, it enables to lower the prices (Hunger and Wheelen, 2000).

The war between the online stores, physical stores could be observed in recent upcoming years. At one hand the online stores will follow the social media marketing or online marketing and at another hand the physical stores still rely on the combination of both traditional marketing and online marketing, the physical stores have to enforce both the marketing tactics into their marketing strategies. Thus, the online stores may need to invest less in their advertisement campaigns whereas the physical stores may need more budget for the same. The traditional marketing is essential as every store in different cities have different kind of offers and discounts that could be disseminated easily through traditional marketing practices. Therefore, such trends of the retail stores could be realised in future (Fernie, 2009).
The Indian retail market is expected to grow by Rs. 47 Lac Cr. by the year 2016 which is the very big contribution of Indian retail sector to the country’s GDP. The expected growth rate of 15 % is estimated by world’s research agencies. The potential in the near future is huge and every big company wants to invest in the Indian retail sector. The reasons for the same is the popularity of branded products, familiarity with global brands, the increment in population, the increment in urbanisation, etc. these are certain elements that are responsible for the inclination towards the organised retail market or the retail stores. The improvement in technology and virtual tours and shopping patterns could be the favourable futuristic changes that could be witnessed in the near future. The trends need to be accepted in such a way that Indian retail sector can meet the international standards, the logistics and supply chain could be improved along with the development of infrastructure and proper distribution channels (KPMG, 2014).8

Figure 4.1: Growth Trends of Indian Organised and Unorganised Retail Market
(Source: KPMG, 2014)

In future, some leverage has been provided by the Indian government to retail sector. The discussion has been going to ensure the flexibility for the foreign direct investment in the retail sector. If this goes well, then the rapid growth of the Indian retail sector could be ensured at very large scale. The foreign companies
can make the investment into the retail sector, and it can boost the Indian economy as well. On the contrary, the loss could be occurred in the unorganised retail sector (Hunger and Wheelen, 2000).  

4.3 CYCLE OF CUSTOMER RETENTION

Before gaining the information about the customer retention strategies adopted by the Indian retail sector, there is a huge requirement of understanding the whole cycle of customer retention strategies. It could be helpful in developing the intellect about the fact that how a company reached the stage of customer retention and most importantly the significance of customer retention strategies could also be identified. Here, at the same juncture, it is essential to understand that through customer retention the company can ensure that they have loyal customers but the loyalty of customers can never be developed or gained in just one or two transactions (Jain, 2008). It is a continuous process, and before customer retention strategies there are lots of other elements that come into the picture.

The cycle of customer retention starts from the customer perception that is very stage to reach customer retention. The customers gathered information about the product or can get information from various sources. Thus, it is something that helps them in creating their perception towards the product by information gathered by them. The customer perception could also be established as the image of the company among the society and common people. It is something that lay down the foundation of customer retention could take place or not. Ahead, another stage is related to customer experience. This is a stage that comes after the customer perception. Once, if the customer found the product or services, then it could be purchased or used by them. Thus, here the positive stimuli have already been established. It is very significant that what company has presented and what they have delivered both must be same from customer’s point of view.

The difference between the customer experience and customer perception is something that put adverse impact on the brand value of the company. It is to acknowledge that it is a very common scenario that if the company is not able to fulfil their promises, then it affects their name negatively (Jeffs, 2008). The
promises and claims that have been made by the company must be fulfilled under any circumstances. However, on the failure of such aspects, the connections among the companies will be disconnected. On the contrary, if the company can fulfil their promises then it can help on the ground of reaching the next stage of reaching towards the customer retention.

The next stage is related to immense customer satisfaction. If the experience of using the product or service is positive, then it can enable them to focus on the attainment of customer satisfaction. It is most crucial stage that must be achieved by the organisations. The Indian retail sector has to ensure that their business practices, product portfolio and service quality must have the potential to satisfy the customers. The customer satisfaction proves that company can achieve their objectives and goals. However, it is just a starting off building a long-term relationship with the customers. After the positive experience and customer satisfaction, the customers will be inclined towards the repetition of purchase (Shimp, 2013). They will become the regular customers for the company, and thus, the company is required to manage their reputation on the regular basis. It is a process that must be repeated for sufficient amount of time. The purchase repetition and customer satisfaction both should come into existence. It develops the confidence of the customers, and after some time, they become the loyal customers for the organisation.

Customer loyalty is just a prior stage to reach customer retention. Through customer loyalty, it becomes easier to target the market and to attain the business goals within the stipulated period. Once the customer loyalty reached its pinnacle, the company can automatically retain their customers for the longer period. Thus, every customer retention strategy starts from positive customer experience and attaining the customer satisfaction. The customer retention is a long process that could be ensured in the form of repetition of purchases made by customers. These entire stages of reaching towards the customer retention could be helpful immensely on the ground of building a relationship with customers and improving the brand value of the company. The entire cycle suggests that it is highly required to show commitment and dedication to their business operations. The strategies must be formed with relevance to the promotions made by the company so that the perception level of customers could be met out (Smith and Taylor, 2004).
4.4 COMPETITIVE ANALYSIS OF RETAIL INDUSTRY

The retail industry is the industry where the customers have the leverage to select particular product out of many products as the retail stores have a huge stock of a variety of products. It is to acknowledge that retail industry is a cluster of new kind of shopping stores where the retail stores provide various products under one roof. To understand the future of the retail industry in India, the competitive analysis is conducted, and it might help immensely on the ground of understanding the growth prospects for the industry. Further, the challenges, threats, and opportunities could also be identified easily.

In India, the retail industry is growing very rapidly. The size of Indian retail sector in 2010 was 353 billion US dollar, and by 2014, it has been crossed the mark of 500 billion US dollar. Another fact is that 20 percent of Indian GDP has the contribution of retail sector which shows that Indian retail industry has a strong impact on the economic scenario of the country. The retail industry is benefitting the consumers, manufacturers, government and society in various ways. In India, the five world’s largest retailers are operating which shows the market potential for the retail industry in India. Various other elements reflect the competency of the retail sector and corroborates for the continued growth of the retail sector in India (Werbach, 2009)\textsuperscript{13}.

![Figure 4.2: Competitive Analysis of Indian Retail Sector](image-url)
To understand the actual growth potential, the industry analysis of the Indian retail sector could be conducted that could help immensely in assessing the market with the perspective of profit generation capacity for the retail industry. To do the industry analysis, five elements could be measured or analysed properly. Majorly the bargaining power of suppliers and customers could be analysed along with the proper assessment of the threat of substitute and level of rivalry or competition within the market. The major element is to understand the growth potential of any industry is to analyse the availability of threat of new entrants. It is something that is very much useful in the way of identifying that how much flexibility any industry provide to new entrants.

In India, opening the retail store is not so tough and not so easy task. There is mix trajectory related to opening as a retail store within the India. It is something that is not a big deal within the country. It provides benefits in two ways. One is that the local people can open the retail stores and can earn good profits. Big companies could also enter into the same business and can earn lucrative profits (Yaprak and Sheldon, 2000). Entering into a new business and commencing the business operations is something that contributes to the particular industry and makes it yielding. The population of India is so big, and there is need of so many retail stores so it is quite possible that in future so many retail stores could be opened in the India. Here, it is essential to explain that the entry or exit is a very significant element in the retail industry. If the entry is very much flexible, then new companies could start their business and can earn revenues. The demand of people could be meeting out, and people could become habitual of the mall culture and such kind of shopping environment. Several players have entered the Indian retail store such as Reliance, V-Mart, V2, Cantabil, Liberty, Provogue, Tristar, Joyalukkas, Bharti, Fabindia, Bata, Westside, Spencer's, Aditya Birla Group, Shoppers Stop, Future Retail and much more.

Ahead, another element that is also associated with the industry analysis is to get knowledge about the substitute or alternative available to customers. With relevance to the retail stores and structured market, the India has lots of other options where the customers can shop and buy their items as well. It is to acknowledge that the threat of substitute product is something that can shift the
potential customers to different products or alternative and it can minimise the sales. In India, the unorganised retail sector has been grown to the greatest extent and most importantly it is very much famous too. People tend to buy products with such kind of shops, and it is still the major culture of the country (Woodcock, Beamish and Makino, 1994). The size of the unorganised retail sector is very big, and it just affects the perception of people towards the retail sector. Due to this element, the sales of the organised retail stores could go down, and it can affect the growth potential of the retail industry in the wrong manner. Thus, the threat of substitute products could be something that can affect the growth of retail industry in India and prevent the companies from growing in a competitive environment.

The bargaining power of suppliers and buyers also affect the industry analysis and its result. There is a huge requirement for gaining the understanding about the power of suppliers and buyers as well on affecting the growth of the industry. In the retail industry, the suppliers or the manufacturers are most powerful people. They have the leverage to change the prices and can put pressure on the industry. However, the situation is not so worst at the world level. However, in India the situation is different. Herein the people are more inclined towards the unorganised retail sector. Additionally, the shops and unorganised retail stores are also popular among the people, so it allows suppliers to change the game accordingly. The manufacturers can set their conditions but under the limitations of the business environment. Thus, certain conditions are not favourable for the retail sector. They need to deal with this element if they are willing to focus on the market and customers (Wu, 2000). The suppliers must be handled properly as it can minimise the profit accordingly. In recent times the suppliers and their power have been minimised as in India the numbers of organised retail stores have been increased. Therefore, the growth potential is huge, and it just enables the retail industry to survive without many hurdles.

Other than this, the situation with the customers is also same with the perspective of the retail industry. The population has the option, and they can buy products from the alternatives as mentioned above that the substitute is available in the form of an unorganised retail sector. The bargaining power of customers is
also very huge as they can switch to other sources if the quality and the services of the retail sector are not so appreciable. Hence, this can put its impact on the industry, and its growth rate could be minimised if this element will not be handled properly. At last, the industry analysis could be completed by analysing the amount of competitors for the particular industry. In India, the retail industry has been grown but not up to that extent, so it just shows that within the level of industry the level of competition is not so high. At this point, there are not so many companies for the retail stores that are active in the retail sector. Therefore, due to low competition at this level the scope of expansion is huge in India, and in future, the retail industry can grow. Above mentioned description about the Indian retail industry explains that the better customer retention strategies are required as the bargaining power of customers, and the threat of substitute product is so high within the industry (Vieceli and Valos, 2000).\textsuperscript{17}

4.5 **SWOT ANALYSIS OF INDIAN RETAIL INDUSTRY**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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</thead>
<tbody>
<tr>
<td>• 15 percent of expected growth</td>
<td>• Most of the retail outlets are owned by financial investors and not by developers or retailers</td>
</tr>
<tr>
<td>• 2\textsuperscript{nd} largest contributor to GDP</td>
<td>• Unavailability and skyrocketing prices of prime catchment’s areas</td>
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<tr>
<td>• 30 percent increase in disposable income</td>
<td>• Shortage of experienced human personnel in facility management</td>
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<tr>
<td>• Change in consumer buying behaviour</td>
<td>• Lacks differentiated offerings</td>
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<tr>
<td>• More than 25m sq ft of retail space</td>
<td></td>
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<tr>
<td>• Everything under one roof</td>
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<td>• Modern skyscrapers</td>
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<table>
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<tr>
<th>Opportunities</th>
<th>Threats</th>
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<tr>
<td>• Majority of Tier II and III cities are still untapped</td>
<td>• Growth in e-commerce</td>
</tr>
<tr>
<td>• Growth in aspiration consumer class</td>
<td>• Inadequate availability of Finance</td>
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<tr>
<td>• Nation of youth, with average age of 24 years</td>
<td>• Unorganised retail stores still capture 95 percent of the market</td>
</tr>
<tr>
<td>• Growing Urbanization</td>
<td>• Intrinsic complexities of retailing such as the threat from the product, rapid price change.</td>
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<tr>
<td>• India is emerging as retail destination</td>
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*(Source: Srinivasan, 2014)*\textsuperscript{18}
4.6 INTRODUCTION OF FIVE RETAIL STORES UNDER STUDY AND THEIR CUSTOMER RETENTION STRATEGIES

The description of five retail stores is given below in a detailed manner. It consists of description of the company along with their customer retention strategies and plans:

4.6.1 Big Bazaar

The retailer that has significantly impacted the shopping behaviour of Indian customers is Big Bazaar. It is the largest hypermarket chain in India with more than 36000 employees, and 215 divisions. It has stores in more than 240 cities across the nation with over 11 million square feet of retail space. On an average, around 330 million customers walk into its stores in a year whose needs and wants are fulfilled by more than 30000 small, medium and large entrepreneurs. Future Bazaar group is the real group that has changed the shopping pattern in India for the very first time. The Big Bazaar was the venture that becomes very much popular among the people, and it transformed the whole environment of shopping within the India. It operates in different models such as hypermarket, supermarket and home segments. It is to acknowledge that the performance of brand is excellent, and they have given tough competition to the unorganised retail sector. Big Bazaar is responsible for introducing the mall culture for the shopping, and they just get the privilege of being an initiator. The range of products and accessories is huge within the Big Bazaar, and it is something that allows the brand to attract a number of customers. The USP of the brand is that they have launched a variety of campaigns and strategies just to retain the customers and to put a positive impact on them. It is essential to focus on the fact that the big bazaar has so many competitors these days, and the industry analysis suggests that there are varieties of elements that are required to be handled in an appropriate manner (Sharp, 1991).19

The big bazaar was founded in the year 2001 with the tagline of “iss se sasta aur acha kuch nahin” and till now located more than 100 locations all over the India. It is one of the most successful hypermarket chains or retail store in
India. The tagline of the group was appealing, and the brand has justified with the same in various ways. The tagline itself suggests that the group is aiming to reshape the shopping aspects within the India by providing the daily items at a cheaper rate. The business strategy of Big Bazaar was very much clear that they have divided the market into the three segments so that they can implement their strategies in an appropriate manner. Ahead it is also clear that the cluster of these three theories or facts allows them to get a hold on the Indian market and to capture the maximum market share. The very first theory suggests that the maximum population of the India belongs to the upper middle class and lower middle class that become the targeted segment of the Indian market. It becomes the basis of their strategies, and entire plan revolves around the same (Lamb, Hair and McDaniel, 2011).

The schemes of the big bazaar are very much lucrative that allows them to retain their customers. It is to acknowledge that the company understands the expediency of the customer retention strategies. It helps them on the ground of dealing with the high competition and other troubling business situation. Big Bazaar understood that if they have a good amount of satisfactory customers, then the customer retention strategies could become successful immensely. The implementation of the strategies could be done only if the customers are quite satisfactory, and they accept such kind of shopping culture in India. The major customer retention strategies of the company are:

- **Hafte ka Sabse Sasta Din**: It was something where every Wednesday people can get the items at a very cheaper rate as compared to other normal days. It is something that enables the company to get some customers and most importantly they can improve their revenue generation capacity as well. This particular campaign was launched in the year 2007 when it becomes the major plan of their customer retention strategies. It becomes very much popular among the people, and it just associates some people for the longer period (Evans and Lombardo, 1993).

It could be analysed in such a way that in earlier time this particular strategy was launched to attracting the number of people, and the main aim was to focus on customer acquisition. Thus, it is completely
different from customer retention strategies. Now it is clear that this particular strategy has become the customer retention strategy as people are highly satisfied, and they found money saving affair for them. Thus in this way it becomes popular and enables big bazaar to stay in touch with people for the longer period. As per the Big Bazaar, the main aim of the plan was to allow people to save their money that help the cited retail store to connect with people and to leave a positive impact on them.

- **Maha Bachat:** It was another activity launched by the big bazaar to attract customers so that the customer could be retained. It was launched in the year 2006, and its main aim was to promote mega saving and to create a strong impact on the mindset of common people. It was also very much successful with a view of retaining the customers (Froot, 2008)\(^{22}\).

- **The Great Exchange Offer:** It was also another kind of strategy that has been initiated by the group. The old goods could be exchanged by exchanging the coupons, and it could be redeemed in any outlet of big bazaar all across the nation. Hence such kind of facilities enables the company to deliver extra convenience to the customers on exchanging the old items at fair prices (Sanyal and Guvenli, 2000)\(^{23}\). These strategies put a positive impact on the customers and help in building a strong relationship with the company. These are certain aspects of the customer retention strategies launched by the Big Bazaar. It is to acknowledge that in the era of competition where the big bazaar has so many competitors these strategies could make them unique and innovative among the other companies in the India retail sector. The impact of these strategies was huge as the retail giant, based in India, get success in surpassing other retail companies and create their brand image within the society. Therefore, this discussion about big bazaar provides information about the customer retention strategies adopted by the retail company.

- **Junk Swap Offer:** Under this scheme, customers can bring anything old and take something new. For old products such as newspaper or any unused products retailer issues coupons to the customer which they can
redeem against their purchasing before the due date. The company's logic behind this scheme is that by this housewives can clean out the junk while getting a good value for it.

- **Future Card, Shakti Card, Silver Credit Card and Payback Card:** Gaining popularity of membership cards forced Future Group to launch different cards. The Shakti Card was specially designed for the females. By using this card, female customers get 4 reward points on every Rs. 100 spent. Similarly, the silver card was issued in association with ICICI bank and offer 1 rewards point for every Rs. 100 spent.

- **T24 Program:** This scheme was launched by the company in partnership with Tata Teleservices. By using this scheme, customers get the dual benefit "Shop More, Talk More and Talk More, Shop More."

- **Sabse Saste Chaar Din:** This is a yearly customer retention program launched by the company for four days every year. During this period company offers products at discounted rate in order to attract and retain customers.

### 4.6.2 Wal-Mart

In world’s retail sector the name of Wal-Mart is huge, and they have transformed the entire industry by their exceptionally well strategies and business operations. Wal-Mart can create their huge market share with the help of unique business idea and excellent execution of the plans and business trajectories. The company is based in America and has its operations all around the world. The retail giant operates the hypermarkets, departmental stores, and grocery stores. The company was founded by Sam Walton in the year 1962, and since then it has its operations in various parts of the world. The count of stores for the country is 11598 stores, and they have their stores in approx 30 countries. In India, the retailer operates as Best Price Stores with 20 stores across 8 states. By revenue generation capacity, the cited organisation has surpassed all other organisations and has witnessed the huge success in the field of retail industry. They have done the partnerships with so many other companies that allow them to diversify into various fields and most importantly the expansion has also done extensively.
Further, the discussed business identity also deals with a variety of products. Food items, grocery, apparels, electronic items, consumer goods, etc. these are various kinds of items and products that are shelved by the Wal-Mart. The reputation of the brand is very appreciable among the customers.

The Indian customers also appreciate the presence of cited company into their region. However, the operations of a retail giant within India are very restrictive and limited to certain cities. The expansion is in the planning phase but still the response is very good and strong. The entry of Wal-Mart is quite surprising as they started their business at very late phase and in very limited way. The company enters into the Indian market with the potential of growing as generating revenues the Indian market is immense. In India, the company starts its operations in the year 2007 when they come into a joint venture with Bharti Enterprises. It was very crucial for the India retail sector.

The impact of retail giant is huge on the world market, and India can also benefit with the same. The retail sector in India still needs to develop, and the entry of Wal-Mart changed the scenario immensely. Both the organisations are prestigious, and they have a huge impact on the current position of Indian retail industry (Blaine, 2009). The stats have been changed completely. The stores of Wal-Mart in India are known as Best Price Stores, and the very first store was opened in Amritsar. Further, the most significant element is that the partnership between Bharti and Wal-Mart has come to an end, and the foreign retail giant is work independently now. They have created their huge customer base in the Indian market and contributed well to the Indian retail sector. Due to certain restrictions of entry for the foreign firms the Wal-Mart enters into JV but, later on, some political issues create problems and JV comes to an end.

To increase the profitability, the company always focuses on bringing the improvement into the customer experience. Through customer experience, it could become easier to ensure the high-level customer satisfaction. It allows putting a positive impact on the customers, and the customer retention could become possible. The business strategies of the company are very simple that they provide items and products at a very cheaper rate that become their USP. Providing the daily used items and products at a cheaper rate is something that
enables them to get a hold on the market and provide chances to surpass the competitors. Mostly the Indian customers seek the cheaper items and products and to fulfil the same; they have targeted the middle section of the society (Borensztein, Gregoria and Lee, 1998)\textsuperscript{25}.

Most of the population in India belongs to the middle section of the society that enables them to increase their customer base. Thus targeting the right section and providing the item at a cheaper rate is the main strategy of their customer retention plans. The cited organisation is not old in the Indian market but still the “Best Price” is very much popular as the retail giant has justified well with their name of the stores. To beat the structure of unorganised retail sector in India, the company has launched the “Mera Kirana” program where the company targets the retailers and provides items to them at very low price. It was very much innovative and different strategy that has been initiated by the company. It is something that has a huge impact on the retailers and indirectly company is approaching the normal customers as well. To the retailers the company provides items at the wholesale price. The normal customers and the retailers both have been issued a card, and their prices are different accordingly. This scheme is very much helpful in retaining the customers at very large scale. Wal-Mart has a long way to go, and such kind of aspects could help them in ensuring their sustainability into the Indian Territory. Therefore, other than low prices, targeting the retailers is another strategy of the customer retention (Epstein, 2004)\textsuperscript{26}.

Another strategy is that the retail giant has tied up with the companies who provide quality items thus providing the quality item is also their main agenda in the first phase of their operations in India. Along with the same element the company shelved the items that are in demand so that the number of customers visits the Best Price Store. Ahead, launching the discounting or offer schemes on a regular basis is also a part of customer retention strategies launched by the discussed retail giant. Improving the customer relationship management and launching the strong customer loyalty program also helps Wal-Mart to ensure the long-term relationship with customers. The use of technology is very huge. The history of the company is not so long in India, so all their strategies are related to focus on more customer acquisition. However, the improvement in customer
experience and better quality and service will ultimately lead towards the long
term customer retention only. Therefore, these are certain elements that are
required to be assessed in the case of Wal-Mart. It affects their performance on
enhancing the level of customer satisfaction. Further, the innovation is a major
requirement for the cited retail stores as they have huge competition from the
unorganised retail store and other big stores like Big Bazaar. There is a huge
requirement of ensuring that the customers should get lucrative offers so that they
can take the decision to get associated with the brand (Mohapatra, 2012). Below
are some of the major retention strategies practised by the retailer:

- **Black Friday Discount**: Wal-Mart came up with Black Friday discount. On
  this particular day, the retailer offers a huge discount on several products.
  Even some of the season's most popular gifts and holiday items are on
discount.

- **Cyber Monday Sale**: Since the company also operates on the online
  platform, thus, to retain and attract its customers, every Monday the
  retailer offers huge discounts on many items purchased through an online
  platform. This is done in order to motivate customers for online shopping.

- **The value of the Day**: Everyday Wal-Mart gives discounts on some of the
  highly demanded products. Every day the products are changed to keep
  customers exciting to wait for the day on which they want something to
  purchase.

- **Grab it before it is gone**: Another retention strategy developed by the
  retailer in which they keep discounts on certain numbers of units of a
  particular product and motivates the customers to buy it before it goes out
  of stock.

- **Discount Coupons, Loyalty Cards and RFID Checkouts**: Wal-Mart is
  trying to allure its customers by providing points and coupons on their
  shopping and delivering greater comfort simultaneously. Customers get
  coupons and points for their shopping which they can redeem in their next
  shopping. Moreover, technology such as RFID checkouts helps customers
  in faster checkouts without standing in the queue for longer.
4.6.3 Easy Day

Out of various renowned names into the retail industry within the India, one of the major names is the Easy Day. The brand name is very popular in India and deals with the departmental stores. It is owned by the Bharti Enterprises Limited and has its operations in the various states of India. The customer base for the brand is very huge, and they commenced their business in the year 2007, and the first store was opened in the year 2008 in Punjab. One of the most significant aspects is that Future group and the Bharti Enterprises has come up with the merger in which both the organisations started to work with each other. Big Bazaar and the Easy day has become the combined unit, and it makes the retail chain as India’s biggest retail chain. Now the number of stores is 570 stores in more than 250 cities in India and now the Easy day operates under the brand Big Bazaar.

Here, it is to acknowledge that the brand value of the Easy Day is not very much huge, and it just faces tough competition from the competitors. The position of Easy Day is weaker than other retail companies (Plant, 2000). Further, the threat of unorganised retail stores could be witnessed immensely upon the operations of Easy Day. It is clear that the presence of the brand is not so impressive, and they need to work hard on their brand recognition to put the huge impact in the mindset of customers. The retail store struggled a lot with their operations, supply chain and logistics. The impact of these elements could be realised in their services as well. It is to acknowledge that the Easy Day is associated with one of the very big brands, but the execution of the strategies is not so proper. Innovation is something that lacks into the business plans of the cited organisation. However, there are certain aspects that are required to be analysed that enable them to focus on improving their position in the Indian market.

The major element is that the Easy Day deals into a variety of items and products. Majorly they provide the products related food and grocery items, fresh vegetables as they have tie ups with the local vendors and agricultural people. The agricultural market is very strong for the Easy Day due to the strong network.
Books and stationery, toys, apparel, electronic items and many others are some of the items that have been shelved by the Easy Day to fulfil the needs of their customers. Such kind of diversification enables the company to focus on targeting the huge range of customers. Further, the most appealing and attractive element is that the Easy Day has done the partnership with the Money Gram International so that the customers can transfer the money from the stores of mentioned retail brand. It was very much a unique feature that establishes the brand in very different manner. It puts the positive impact in the mindset of customers (Jamal, 2006).

The customer retention strategies of the Easy Day are very simple and based on the fundamentals of the marketing and promotional tools. The customers get a variety of offers and discounts so that the tagline of more saving could be fulfilled. The offers and its list are always big within the Easy Day stores. Easy Day also provides the items at very lowest prices and most importantly the quality items have been shelved at the stores. Thus, the customer retention strategies of the brand are effective and result oriented, but there is a huge requirement of bringing the change in the branding of the Easy Day. The perception of the people needs to be changed so that the impact of customer retention strategies could be fulfilled. The people need to be inclined towards the brand so that the customer acquisition ratio could be improved at large scale. Therefore, there is need of bringing the transformation in the entire marketing plans and different elements of marketing process also needs to be designed appropriately.

Ahead, the customer retention strategies of the brand are very much effective in retaining the already associated customers. They still went with traditional promotional plans and it just allow them to focus on the local; residents particularly. The customer loyalty programs have also launched into the supermarkets and departmental stores of Easy Day. Hence, it is clear that the market position of an easy day is not so strong, and there is the demand for bringing the appropriate changes. After the merger with the Future group, the positive changes could be realised and the positive changes in the performance of Easy Day into the Indian retail market could be improved. It is a very significant
move that has been taken by the Bharti enterprises as it can ensure the sustainability of brand (Huber and O'Gorman, 2008). Below are some of the major retention strategies practised by Easyday.

- **Youth Zone**: The Company come up with this scheme for attracting and retaining youth customers of the country. This strategy was targeted at youth and is applicable to only those products which are generally used and purchased by the youngsters.

- **Dawa Sabse Kam Daam Ka**: Under this scheme, Easyday guarantees the lowest price on all the items in comparison to other players. The management says that if a customer gets the same item at a lower price at some other store, the retailer will not charge any penny from the customer.

- **Guaranteed Lowest Price**: This scheme is similar to the above scheme and guarantees lowest price among all the players operating in the market.

- **Sabse Kam Daam Har Din**: Under this scheme, the company gives discounts on certain items every day. The motive behind this is to attract customers' everyday as so that everyday company can generate repeat purchase.

- **Discount Coupons, Loyalty Cards and Gift Coupons**: Easyday gives discount coupons to its customers which the customer can redeem in their next shopping. In addition to this, it gives gift coupons to it is loyal which can be used by the customers to purchase anything from the store.

### 4.6.4 Reliance Mart

The stores of Reliance Mart are owned by one of the most influencing and conglomerates company Reliance Industries. The Reliance Mart operates under a subsidiary of Reliance Industries named Reliance Retail. It was founded in the year 2006 and till now operates into the various cities of India, and the number of stores is around 2000. The Reliance Retail deals in a variety of items by the name of a variety of stores. One is the reliance fresh where the food and vegetables sold to the people. Another retail outlet is completely dedicated to the electronic items.
and white goods. Ahead, the Reliance footwear sold the footwear to the customers. Same wise the Reliance Retail has so many stores where they sold the specialised category of items and products.

The Reliance Mart provides the most diversified variety of items that are also related to the entertainment and leisure, travel facilities, educational products and so on. Thus, the diversification of various kinds of services and product range is the major strength of the Reliance Mart. It allows them to cater some customers and mostly the customer retention strategies also come into practices in an appropriate manner. It is India’s most diversified and highly expanded retail companies. It has utilised its resources in a good manner and most importantly the invested a lot into expanding its business in an appropriate manner. The Reliance Retail has all around 45 subsidiaries that operate with different names and provide a different kind of items. To retain its customer, Reliance came up with an offer "Reliance One"; it is a common membership and loyalty program across all its formats and is based on the philosophy of "Earn Anywhere, Spend Anywhere". Thus, it is clear that the company has adopted the strategy of creating the specialised stores as per the needs of customers (Shahjahan, 2006). For each and every kind of product, they have different stores that are unique and differentiate strategy practised by the Reliance Retail. The success of this kind of strategy was always in doubt due to the increment in operating cost.

Here, it is essential to understand that the particular strategy of Reliance went against them. They categorise the products and items into the different stores that seem like to be against the nature of the retail industry. The retail sector provides all categories of items and products under one roof only. It is convenient as the customers need not to walk here and there they can get all the products and needy items at one place only. Thus, the Reliance forgets to match with the basic principle of the retail industry, and it just makes them less popular among the customers. The most basic principle of the customer retention is that the customer should get convenience. The retail industry is known for this particular aspect and Reliance failed to make alignment with this particular element. Thus, the customer retention strategies for the Reliance Retail are not attractive.
Further, the quality and variety of the stores are also not very much impressive. It is clear that the item that has been sold by the company does not belong to high quality and lack of uniqueness into the items is another element that put its adverse impact on the customer retention strategies. The company can never make long term association with the customers until and unless there is no quality of the products. However, the company can earn profits, but the popularity ratio for the Reliance Mart is comparatively low. The segmentation and targeting strategies of the company are quite clear as the middle-class people are their main targets. There is a huge requirement of ensuring that the basic fundamental of the retail industry must be followed so that the results could have been changed positively. Reliance Mart has a huge brand name, so they can provide offers and discounts to the customers that again enable them to sustain within the market (Blaine, 2009). However, they need to be more aggressive and have to be more painstaking towards the offer and discounting. It allows them to retain their customers but the impact is not so huge or immense. Below are some of the major retention strategies practised by Reliance Mart.

- **Reliance One**: To retain its customer, Reliance came up with an offer "Reliance One"; it is a common membership and loyalty program across all its formats and is based on the philosophy of "Earn Anywhere, Spend Anywhere".

- **Different Stores for Different Products**: In order to have a large customer base and to deliver better services to the customers, Reliance has come up with a unique strategy of having multiple stores dealing in different products and services. For example, its Reliance Trends deals in clothing and apparels, Reliance Mart deals in grocery and FMCG products, Reliance Foot Prints deals with Footwear, etc.
4.6.5 Tesco

Just like Wal-Mart, Tesco is also a big name in the world’s retail industry. Tesco has dominance into the European market, and it just affects the retail industry at very large scale. The cited giant retail deals into a variety of kinds of retail stores supermarkets, hypermarkets, convenience stores, and mega stores. Tesco is UK based organisations and has its operations all across the globe. In India, the level of restrictions is very high, so Tesco has also entered into joint venture within the Indian Territory. The retail industry has many entry restrictions into the retail industry; the direct investments cannot be made by the foreign firms, so the companies chose another way to operate in the Indian market. The foreign firms understand the potential of the Indian market and try to ensure their presence in the India. Tesco has also made alignment with the fact that in future India can become the hub for the retail industry, so they come into JV with the Tata under the name Star Daily and Star Bazaar. The Tata is another conglomerate and one of the largest firms in India. Just like Bharti they have a huge business reputation and brand value in India.

Tesco opened its stores in India but in the very much limited environment. The deal took place in Tata and Tesco is not very much popular, there are very few people who are aware of the Tesco’s store in the India. The cities where the Tesco has commenced its operations is also very less. Due to the political interference and less political support, Tesco is very slow with their expansion within the India (Woodcock, Beamish and Makino, 1994)\(^1\). In 2008, the company initiated their operations by opening their first service centre in Bengaluru and establishing the warehouses and service centres in two or three other major areas of India. The customer retention strategies for Tesco are not so effective and have not been implemented at very large scale. There is a huge requirement of ensuring that the customer acquisition must be done at large scale.
The company is in its starting phase, and they will face lots of challenges. Firstly, they need to build their reputation in the Indian market. Ahead, there is a strong requirement of marketing their brand name so that the people could become familiar with their availability within the India. Firstly, they need to build their market and have to capture the market share then only the customer retention strategies could come into existence. The journey for the cited organisation is long, and there is need of making the strong plans and strategies. In future Tesco is about to open their stores in Metro cities so that the high section of the society could be targeted. This strategy is very much clear that first Tesco wants to build their brand value in big cities then moving to the small cities could become easier for them.

Initially, in 1995 Tesco came up with an idea of loyalty cards and this laid foundation of a (customer relationship management) CRM framework. This scheme gave a significant push to the company's growth figures which had been stagnating for a long time. These loyalty cards were used to collect data regarding the customers and on the basis of this information, Tesco formulates the strategy to deliver personalised services to its customers that too in cost effective manner. Thus, through personalised services company got succeeded in retaining its customers. Industry analysts felt that data collected from these cards not only helped the company in retaining the customers but also in formulating proper marketing strategies (Hunger and Wheelen, 2000).

Tesco was one of the first retailers in the world that came up with an idea of online retail business. In 2000, in order to retain its customers and remain sustainable in the market, Tesco launched Tesco.com, and in 2014 the company generated revenue of £2.5 billion through its online business. This clearly shows the success of its retention strategy. Another customer retention strategy followed by the retail giant is the personalization of Clubcard. This has proved silver bullet for the company. Through this scheme, Tesco is able to collect data of millions of its customers, and now it has started revamping its Clubcard - moving from a mundane loyalty card to a compelling, non-intrusive shopping buddy. Creating
mobile app embedded with iBeacon technology was another customer retention strategy practised by Tesco in partnership with Aditi (Harman, 2015). Through this, the company was able to provide real-time promotion to its customers. Apart from this 'Tesco Price Promise' was another successful strategy which automatically price match the item at the time of checkout. Both these techniques helped the organisation to deliver a better in-store experience which is very much necessary in retaining customers. Providing products and services through digital platform has tremendously helped Tesco to retain its customers and management of the Tesco states that customers who purchase through our online platform spend 13 percent more (Harman, 2015).

In future, the market penetration will be the major strategy for Tesco under these circumstances the company focus on customer acquisition. Further, after reaching the stage of expansion and aggressive business model the company can focus on the customer retention strategies. In India, Tesco is operating under the banner of Star Bazaar and Star Daily. They provide their services to the kiraana distributors and other participants in the retail industry (Hunger and Wheelen, 2000). Therefore, the customer retention strategies could not be firmly investigated with the perspective of the Indian market. Below are some of the major retention strategies practised by Tesco.

- **Tesco Club Card:** Tesco was one of the early retailers which introduced the concept of club cards and membership cards. The retailer issues cards to loyal customers which get loyalty points on each purchase. These loyalty points can be redeemed against next shopping.

- **Personalised Offers:** Tesco uses customer's information to communicate personalised offers as per their past shopping behaviour. Under such schemes, company designs customised offers so that customers can avail maximum benefits.

- **Club Card Vouchers:** Tesco gives special vouchers to its loyal customers. The customers can redeem these vouchers on their next shopping. By distributing such vouchers, the company ensures that their customers do not drift towards other retailers and make repeat purchase.
4.7 SUMMARY

Table 4.2: Comparative Analysis of Customer Retention Strategies of Retail Stores under the Study

<table>
<thead>
<tr>
<th>Big Bazaar</th>
<th>Easy Day</th>
<th>Reliance Mart</th>
<th>Walmart</th>
<th>Tesco</th>
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<td>Different Stores for Different Products</td>
<td>Discounts</td>
<td>Tecco Club Card</td>
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<td>Gifts Coupons</td>
<td>Reliance One Card &quot;Earn Anywhere Spend Anywhere&quot;</td>
<td>Coupons</td>
<td>Personalized Offers</td>
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<td>Mahas Saving Day (26th Jan) &quot;Sabse Sasta Din&quot;</td>
<td>Price Cut</td>
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<td>Customer Loyalty Cards</td>
<td>Club Card Vouchers</td>
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<td>Youth Zone</td>
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<td>Convenient Locations</td>
<td>Bigger than Ever</td>
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<td>&quot;Dawa Sabse Kam Daam Ka&quot;</td>
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<td>RFID Checkouts</td>
<td>Customer Champions</td>
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<td>Guaranteed Lowest Price</td>
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<td>Customized Services</td>
<td>Healthy Eating</td>
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REFERENCES


