

Analytical Study of Customer Relationship Management (CRM) Strategies of D-Mart

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Abstract :

D-Mart is a retail market, which operates in different states of the country. Where customers get all types of household items under one roof at reasonable prices. In this research paper customer relationship management strategies used by D-Mart have been analytically studied and reviewed. In this study an attempt has been made to understand the business model of D-Mart by studying its customer relationship management strategies. This research paper is based on primary and secondary data. Data has been collected through various publications and reports and internet etc. In this research paper, sampling method and simple percentage analysis method have been used as per convenience. 100 respondents have been selected in this study. In this study 5 point Likert-scale has been used to elicit customer response towards D-Mart customer relationship management practices. In this study, D-Mart has tried to establish contact with customers through customer relationship management strategies. The study concluded that respondents are largely in agreement with D-Mart's strategy of customer relationship management practices, which include D-Mart's approach to improving customer service, adopting new technologies, Providing information, influencing repeat visits to the store, providing customer satisfaction, etc.

Key Words: - Customer Relationship Management Responses, Customer Contact, Retailing, Strategy of D-Mart.

1. Introduction

By the late 1990s, our founder, Mr. Radhakishan Damani, was already established as one of the more successful and well-known value investors in the Indian equity markets. Through his investing style, he had developed a very keen understanding of the Indian consumer sector and its psyche. He was anxious to start a business beyond investing, which would enable him to test his hypothesis about the Indian consumer. After a couple of years of introspection and research, he decided to start a grocery retail chain, focusing primarily on the value segment.

DMart, our retail chain, was conceived by him in the year 2000. Mr. Damani imagined the retail business with the same values of simplicity, speed, and nimbleness that he espoused in his stellar

investing career. A focus on financial fundamentals, high levels of patience and strong conviction have been the bedrock on which the Company's values and business direction have been built.

DMart took eight years to start its first ten stores. This wasn't because of dearth of investment opportunities, but more because of his belief in the importance of validating the business model from a perspective of both profitability and scalability. His beginnings at DMart were frugal. For a number of years since inception, DMart's corporate operations were run from a small space carved out from one of the early stores. He and his early leadership team worked together as one cohesive unit without any hierarchy or barriers.

DMart was conceived by value investor Mr. Radhakishan Damani in the year 2000, who at the time was operating a single store in Maharashtra. With a mission to be the lowest-priced retailer in its area of operation, DMart has grown steadily over the years, and operates 324 stores in 10 States, 1 Union Territory and NCR. The Company has delivered stable performance across stakeholder metrics by focusing on financial fundamentals, with fortitude and strong conviction. More importantly, from the very beginning, he had the foresight to understand and strongly believed that any business needs the right blend of entrepreneurship and professionalism. Entrepreneurship to build and strengthen the concept in its formative years, and professionalism to allow a committed team to create, sustain and grow a scalable business model into the future.

Today, DMart continues to focus on this early belief system created during our formative years. We have a good blend of entrepreneurial spirit and high-quality execution. We humbly attribute our success to the values and the way of business thinking that our founder has instilled in us.

Over the years we have seen steady growth in the number of stores and consequently our retail business area.

Financial Year	No. of Stores	Retail Business Area (mn sq. ft.)
FY 2022-23	324**	13.4
FY 2021-22	284	11.5
FY 2020-21	234*	8.8
FY 2019-20	214	7.8
FY 2018-19	176	5.9

Source :- www.dmartindia.com

2. Review of Literature

1. **Avinash Pawar and B. V. Sangvikar (28 June 2019)** have concluded in their research paper that D-Mart has created a distinct identity among the retailers in the country through strategies and techniques like cost efficiency and high sales of its goods. Other companies have expanded rapidly into multiple segments through differentiated retail chains, but D-Mart has become more profitable

by restricting such expansion. Its founder always prepares different strategies for every challenge. D-Mart is mostly visited by customers from middle class families, who like prices, offers and discounts to a great extent.

2. **Harsha S.Parecha and Mahesh C. Dabre (June 2019)** have concluded in their research paper that the positive attitude of customers towards D-Mart Shopping Center is visible due to the helpfulness of the officers and employees here. This mart has shown its stability like a huge chain. Consumers of Amravati city come to D-Mart once or twice a week to buy a variety of goods and make huge purchases. The consumers here have a positive perception towards the working style, product range and facilities provided by D-Mart. Thus the consumers here are playing an important role in the success of D-Mart.
3. **Vidyansh Chandra (May 2020)** has concluded in his research paper that the technology and strategy used by D-Mart in its business model is very synergistic. It is always ready to move ahead of its competitors in the market. If their management techniques are compared with others, it can truly prove to be a miracle as a company. For example, in the year ending March 31, 2019, Big Bazaar despite being a huge retail giant suffered a loss of Rs 4.94 crore, while D-Mart being comparatively new made a profit of Rs 56.10 crore. This indicates that to be successful in the market it is not just necessary to be big or have more capital, but whether you will be successful in the market or not is the reputation in the mind of the general public.
4. **Raghavendra .H & H.N. Ramesh (JUNE 2020)** in his research paper concludes that customer relationship management is a common strategy used by various retailers hence customer relationship management practices of retailers are important in attracting new and potential customers to the business regularly, Should try to do. Big Bazaar being a popular retail industry has successfully introduced various customer relationship management practices to attract maximum customers. Big Bazaar is the most successful 'PAYBACK' loyalty program (membership program) providing huge benefits to the customers enrolled in various outlets and other subsidiaries of future group companies hence retail companies in Shivamogga city need to adopt customer relationship management practices effectively in business. Must be planned, structured and implemented.
5. **Saloni Chechani (November 2020)** has concluded in its research paper that there is an increasing possibility of co-existence of modern and traditional retailers in India in the future, because both these sectors have their own competitive advantages. Brand availability at retail stores, customer loyalty, prompt services and many more are provided. Customers prefer to buy half of their groceries by making a trip to D-Mart. It is a one stop shopping, which influences the customers to make the most purchase. Most of the customers in Bhilwara find D-Mart more suitable than traditional retail stores. Since the launch of D-Mart there, the purchase quantity of customers in traditional retail has reduced to between 1000-2000.
6. **N. Rokendro Singh and Vanlaldinpui Colney (2021)** have concluded in their research paper that customer relationship management is a process that involves managing customer groups managing

heads of an organization and managing a business effectively. In CRM Acts as a tool to facilitate business and thus improve customer relationship with organizations. CRM The biggest thing that we provide is consumer satisfaction. An effective CRM Will lead to customer satisfaction and if the customer is satisfied it leads to positive word of mouth and loyalty. They have stated that in the future, CRM should be implemented in business units or organization to optimize profitability, provide satisfaction to consumers and create and maintain good relationships.

3. Objectives of the study

- 3.1 To study the various customer relationship management strategies adopted by D-Mart.
- 3.2 To study the business model of D-Mart.
- 3.3 To study the value of retailing for creating customer connect through D-Mart.
- 3.4 To conduct an analytical study of the Customer Relationship Management practices implemented by D-Mart.

Hypothesis:

1. **Null Hypothesis (H₀)** - There is a significant difference in customer interaction between D-Mart Retailer and Customer Relationship Management.

Alternative hypothesis (H₁) – There is no significant difference between the contact between customers of D-mart retailer and customer relationship management.

2. **Null Hypothesis (H₀)** - There is a significant difference in customer relationship management practices of D-Mart in establishing good relationship with customers.

Alternative hypothesis (H₁) – There is no significant difference in customer relationship management practices of D-Mart in establishing good relationship with customers.

3. **Null Hypothesis (H₀)** - There is a significant difference in the response of customers towards the customer relationship management practices of D-Mart.

Alternative Hypothesis (H₁) – There is no significant difference in the response of customers towards the customer relationship management practices of D-Mart.

4. Description of the problem

There are many retail markets under the retail industry in India, in which D-Mart is also one of these retail markets. The retail industry has become a competition between many retail markets, in which many types of problems have started to arise among the retail markets. Different types of strategies are devised by all the retail marketers to establish contact with the customers. One of which is the customer relationship management strategy, which is made by all retail business because the main earning of all the stores is the consumer, which affects their main factor. It is very important to know about customer relationship management strategies for D-Mart to establish contact with customers.

5. Significance of the problem

In this study D-Mart's strategies for establishing contact with customers have been known and the problems faced in establishing contact with customers have also been resolved. The main objective of D-Mart is to establish contact with the customers and make them available at reasonable prices, good quality items and all types of household items under one roof, so that consumers do not have to wander around for shopping. And better facilities can be provided to the consumers.

6. Research Methodology

6.1 **Collection of data:-** In this study primary and secondary data have been adopted to complete the research work which are as follows :

6.1.1 **Primary Data:-** Data has been collected through questionnaire, interview and observation in the form of primary data.

6.1.2 **Secondary Data:-** Data in the form of secondary data has been collected through various sources like text book, company website, published articles and research papers, internet etc.

6.2 **Sample Size:-** 100 respondents have been selected in this study.

6.3 **Sampling Method:-** In this study sampling method has been used as per convenience for collecting data.

6.4 **Statistical Tools:-** Simple percentage analysis has been used.

6.5 **Limitations of the study:-** The limitations of the research study are as follows :

6.5.1 This study is limited to customer relationship management of D-Mart.

6.5.2 Boundaries of the study area is confined to Durg town.

6.5.3 The study is limited to a limited number of respondents.

7. **Analysis and interpretation of data:-** In this study the data has been analyzed and interpreted using simple percentage analysis method.

7.1 Contact between retailers and customers

Table-1

Description	Frequency	Percentage
E-mail	6	6
Call/Message	52	52
Advertisement	33	33
Greeting Card	9	9
Total	100	100

Explanation:

As can be seen in the above table, various sources are shown to create contact between the retailer and the customer. In which 52 percent contact between retailer and customer is done through call/message. 33 percent of contact between retailer and customer is done through advertising. 9 percent

contact between retailer and customer is done through greeting cards. 6 percent contact is made with the retailer and customer through e-mail.

7.2 Customer Relationship Management Practices of D-Mart to maintain good relationship with customers

Table-2

Description	Frequency	Percentage
Discount	18	18
Festival offer	15	15
Price	23	23
Quality	26	26
Regular Response	11	11
Membership Card	7	7
Total	100	100

Explanation:

As can be seen in the above table the customer relationship management practices of D-Mart are shown in building good relations with the customers, in which most of the 26 percent customers make purchases considering the quality of goods offered by D-Mart. Is. 23 percent customers buy items in D-Mart based on their price. 18 percent customers make purchases based on the discounts offered by D-Mart on items. 15 percent of customers make purchases based on the festival offers offered by D-Mart. 11 percent customers purchase items from D-Mart on regular basis. 7 percent customers purchase goods through D-Mart membership card.

7.3 Customer reaction towards customer relationship management practices of D-Mart

Table-3

Description	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	Fre q.	Pe r.	Fre q.	Pe r.	Fre q.	Pe r.	Fre q.	Pe r.	Fre q.	Pe r.	Fre q.	Per .
Improves customer services.	1	1	8	8	15	15	63	63	13	13	100	100
Helps to understand the customer better.	3	3	10	10	12	12	60	60	15	15	100	100
Influences the customer to come again.	2	2	13	13	17	17	56	56	12	12	100	100
Helps in identifying customer needs.	1	1	9	9	14	14	57	57	19	19	100	100
Helps in increasing the income of companies.	5	5	12	12	19	19	62	62	12	12	100	100

Introduces new technologies for the benefit of customers.	2	2	10	10	16	16	58	58	18	18	100	100
Helps in attracting new customers.	4	4	15	15	18	18	53	53	10	10	100	100
Ensures customer satisfaction.	3	3	8	8	13	13	66	66	16	16	100	100

Explanation:

In this study 5 point Likert-scale has been used to draw conclusions on customer reactions towards D-Mart customer relationship management practices. From the above table, each variable is estimated and the following conclusions are drawn:

1. Customer services have been improved by customer relationship management practices, with 63 percent of respondents agreeing with the statement that D-Mart guarantees services to its customers.
2. Customer relationship management practices help in understanding the customer better, with 60 percent of the respondents agreeing with the statement that D-Mart helps in understanding its customers even better.
3. Customer relationship management practices influence customers to visit again, with 56 percent of the respondents agreeing with the statement that D-Mart influences its customers to visit again.
4. Customer relationship management practices help in identifying customer needs, with 57 percent of the respondents agreeing with the statement that D-Mart is always ready to meet the needs of its customers.
5. Customer relationship management practices help in increasing the income of companies, with 62 percent of the respondents agreeing with the statement that D-Mart helps in increasing the income of companies through its customers.
6. Customer Relationship Management Practices Introduces new technologies for the benefit of the customer, with 58 percent of the respondents agreeing with the statement that D-Mart is providing good services to its customers by introducing them to new technologies for the benefit of the customer Is.
7. Customer relationship management practices helps in attracting new customers, with 53 percent of the respondents agreeing with the statement that D-Mart employs innovative strategies through customer relationship management practices to attract new customers. .
8. Customer relationship management practices ensure customer satisfaction, with 66 percent of respondents agreeing with the statement that D-Mart provides great options to satisfy its customers.

Hypothesis Testing:

1. D-Mart Retailer and Customer Relationship Management There is a significant difference in customer interaction as customers are contacted through e-mails, calls/messages, advertisements, greeting cards, etc. In this way our null hypothesis was proved false, while the alternative hypothesis was proved true.

2. Customer Relationship Management practices of D-Mart make a significant difference in establishing good relations with the customers as discounts, festival offers, price, quality, regular response, membership cards etc. make a significant difference. In this way our null hypothesis was proved false, while the alternative hypothesis was proved true.
3. There is meaningful difference in customer response towards customer relationship management practices of D-Mart as improving customer services, helping customer understand better, influencing customer to visit again, meeting customer needs. Found a meaningful difference in helping in identifying companies, helping in increasing the income of companies, providing information about new technologies for the benefit of customers, helping in attracting new customers, ensuring customer satisfaction level etc. goes. In this way our null hypothesis was proved false, while the alternative hypothesis was proved true.

Suggestion:

1. D-Mart should pay more attention to customer relationship management practices as well as promotional activities.
2. The training given to the employees in D-Mart should be improved and checked so that the retailer can ensure that the employees are following the customer relationship management practices and implementing it correctly.
3. D-Mart should place offers at regular intervals so that there is no long period gap as offers are the most influential factor in purchasing decisions.
4. Stock management should be quick enough to replenish, replace and reorder required stock to ensure that the customer has all They needs at one destination.

Conclusion:-

From the above study it is concluded that customer relationship management is a common strategy used by various retailers hence customer relationship management practices of retailers should be efficient enough to attract new and potential customers to the business regularly . D-Mart being one of the popular retail industries successfully introduced various customer relationship management practices to attract maximum customers. D-Mart has attracted customers through Customer Relationship Management (CRM) strategies by providing all types of everyday products under one roof at reasonable prices and good quality with discount products. The D-Mart chain operates on a B2C (Business to Consumer) model and sells products directly from the manufacturer to the end user. D-Mart being a low-price retailer gives the company an edge. Due to the low prices, the number of customers in the stores increased, which attracted more and more manufacturers to stock their products in D-Mart. D-Mart's most successful 'Pay Back' loyalty program (membership program) offers huge benefits to enrolled customers across various outlets and other subsidiaries of the future group companies. Similarly other companies can also come up with better customer relationship management practices to attract customers in this situation. If the company treats its customers fairly then they can

remain in business without switching to attractive offers from other companies. . If not, the business will lose such potential and loyal customers hence customer relationship management practices of retail companies should be effectively planned, structured and implemented in the business. D-Mart has moved towards profit due to its success by surpassing its competitors due to its business model and customer relationship management strategy.

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