

# Relationship Marketing Practices in Retail Outlets in Selected Districts of Kerala

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## Abstract

*Relationship marketing offers mutual benefits for retailers and their customers. It facilitates customers in reduction of choices. The marketers are benefitted by improved customer loyalty and referrals. In order to find out the important relationship marketing practices among the organized and unorganized retail outlets in selected districts of Kerala, this descriptive study has been undertaken. It reveals that organized retailers are better in having RMPs compared to unorganized retailers.*

**Keywords:** Relationship Marketing, retailers, RMP, Organized retailers, unorganized retailers.

## Relationship Marketing in the Retail Context

Relationship marketing focuses on retaining existing customers by creating and preserving mutually beneficial, long-term relationships (Christopher, et.al., 2008). The significance of focusing on relationship marketing tactics stems from the notion that building strong customer relationships leads to increased satisfaction, loyalty and customer referrals (Adjei, & Clark 2009). Retailers fostering long-term relationships with customers also benefit financially from the lower cost of acquiring customers and increasing their purchases (Mark et al. 2013). Considering these benefits, it is not surprising that more retailers are pursuing long-term relationships with customers to gain a strategic and competitive advantage (De Cannière et al. 2010).

## Review of Previous Studies

The reviews of previous studies are summarized below:

Mollah (2014) found the significant positive impact of relationship marketing practices on the customer loyalty. Tarun (2014) stated that the relationship marketing is not only beneficial to the organization but also to the employees. It has significant implication on the generation of micro profiled segmented market. Mercy (2014) found the relationship building related factors that generate customer satisfaction are personalization, ease of communication, assurance of customer privacy and relationship cultivation. Song and Chee (2017) found that trust had the greatest positive influence on relationship quality, followed by satisfaction. There was no significant effect of control mutuality and communication on relationship quality. Mazuri et al., (2016) showed that trust, bonding, and shared value have positive influences on marketing effectiveness while communication, empathy and reciprocity do not.

### Objectives of the Study

1. To reveal the profile of the marketers
2. To study the level of implementation of relationship marketing practices (RMPs) by the marketers;

### Hypotheses of the Study

Based on the objectives of the study, the following null hypotheses are drawn. These are:

1. There is no significant difference among the marketers in organized and unorganised retail outlets regarding the implementation of RMPs.
2. There is no significant association between the profile of marketers and their level of implementation of RMPs.

### Research Design

Since the present study has made an attempt to explain the profile of marketers and their level of implementation of RMPs, it is purely descriptive in nature. Apart from this, the study has its own confined objectives and preplanned methodology to fulfill the objectives of the research.

### Selection of Sample

The higher number of retail outlets are noticed in Thiruvananthapuram, Thrissur and Pallakad which consists of 208, 170 and 171 units respectively. 100 each from organized and unorganized retailers were selected at the convenience and included for the study.

### Collection of Data

The present study is mainly depending upon the primary data to be collected from the marketers. Hence, a special care was taken to prepare the interview schedule to collect the primary data. The schedule consists of two parts. The first part covers the profile of the marketers whereas the second part

includes the various components of relationship marketing practices.

A pilot study was conducted among the 15 organized and 15 unorganized retailers at Trivandrum. Based on their feedback, certain additions, deletions, modifications and simplifications in the interview schedule were carried out to prepare a final schedule to collect the data.

### Framework of Analysis

The collected data were processed with the help of appropriate statistical analysis on the basis of nature of the scale of data and also the objectives of the study.

### Relationship Marketing Practices

The relationship marketing practices among the marketers in retail industry are identified by Johnson et al., (1984). The identified RMP in retailing field are multi-product lines, reliability, response on customer needs, many new products, openness to customer, responsiveness, mutual sharing of value, new service, consistency in service, empathy, intense communication, customized products, exploration of customers new needs, confidentiality, door service, trust building with customers, closer integration with customers, customer analysis, long term vision on profit and versatility. According their order of implementation the marketers are asked to rate the above said 20 variables in RMP in their field. In order to exhibit the relative importance of each variable in RMP, the mean score among the marketers in OR and UOR has been calculated separately. Regarding the view on the implementation of each variable in RMP, the significant difference among the two groups of marketers has been computed with the help of 't' test. The resulted mean score and the respective 't' statistics of the variables in RMP is presented in table 1

**Table 1 Implementation of Retail Marketing Practices (RMP)**

SI. No.	Variables in RMP	Mean Score among Marketers		't' Statistics
		OR	UOR	
1	Multi product lines	3.8991	3.0021	2.2356*
2	Reliability	3.7328	2.5897	3.1254*

3	Response on customer needs	3.4497	2.6365	2.9214
4	Many new products	3.7021	3.2452	2.5487*
5	Openness to customers	2.9984	2.1258	2.8521*
6	Responsiveness	3.6423	2.9654	2.1236*
7	Mutual sharing of values	3.8793	3.2354	2.4569*
8	New service	3.7109	3.0601	2.5647*
9	Consistency in service	3.8912	3.0147	2.5987*
10	Empathy	2.8994	2.8852	2.9852*
11	Intense communication	3.2458	2.4897	2.9632*
12	Customized products	3.5998	2.8365	2.4879*
13	Exploration of customers new needs	3.7082	2.7235	3.0897*
14	Confidentiality	2.8947	2.1458	2.8541*
15	Door Service	3.1245	3.3156	-0.3865
16	Trust building with customers	3.5982	2.8693	2.4125*
17	Closer integration with customers	3.6589	2.7458	2.5365*
18	Customer Analysis	3.8021	2.9123	2.5147
19	Long term vision on profit	2.9048	2.3045	2.6305*
20	Versatility	3.6214	2.9874	2.4658*

\*Significant at five per cent level.

The highly implemented variables in RMP among the marketers in OR are multi product lines, consistency in services and mutual sharing of values, since its mean score are 3.8991, 3.8912 and 3.8793 respectively. Among the marketers in UOR, these variables are mutual sharing of values, new service and many new products since its mean score are 3.2354, 3.0601 and 3.2452 respectively. Regarding the implementation of variables in RMP, the significant difference among the two group of marketers is identified in the case of 17 out of 20 variables in RMP since the respective 't' statistics are significant at five per cent level.

#### **Important RMP among the Marketers**

The variables in RMP are narrated into important factors in RMP with the help of factor analysis. The score of the twenty variables in RMP have been taken into account. Initially, the reliability of data for factor analysis has been tested with the help of KMO measure of sampling adequacy and Bartlett's test of sphericity. The KMO measure of sampling adequacy is greater than the standard minimum of 0.5. The chi-square value is significant at zero per cent level. Both these measures satisfy the validity of data for factor analysis. The factor analysis results in four important factors namely complexity of service, service quality, customization and long term value. The number of factors in RMP, its reliability coefficient, Eigen value and the per cent of variation explained are summarized in Table 2

**Table 2 Important Factors in RMP among the Marketers**

Sl. No.	Important	Number of Statements included	Reliability co-efficient	Eigen value	Per cent of variation explained	Cumulative per cent of variation
1	Service quality	6	0.7902	4.9646	24.83	24.83
2	Customization	5	0.8143	3.9932	19.97	44.87
3	Long term value	5	0.7083	3.5088	17.54	62.41
4	Complexity of service	4	0.7314	2.8104	14.05	76.46
KMO measures of sampling adequacy: 0.7834.				Bartlett's test of sphericity chi-square value: 92.64.		

\*Significant at five per cent level.

The narrated four important factors in RMP explain the variables in RMP to the extent of 76.46 per cent. The most important factor of RMP is service quality. It consists of six variables with the reliability co-efficient of 0.7902. The Eigen value and the per cent of variation explained by this important factor are 4.9646 and 24.83 per cent respectively. The second important factor in RMP is customization with the Eigen value of 3.9932. It consists of five variables with the reliability co-efficient of 0.8143.

The third and fourth important factors in RMP are long term value and complexity of service with the Eigen value of 3.5088 and 2.8104 respectively. The long term value consists of five variables of RMO with the reliability co-efficient of 0.7083 whereas the complexity of service consists of four variables of

RMO. These four factors of RMP are considered for further analysis.

#### **Implementation of Important Factors in RMP**

The score on implementation of important factors in RMP is derived from the mean score of four factors in RMP. The mean scores of each important factor in RMP among the marketers in OR and UOR has been calculated separately in order to exhibit the rate of implementation of RMP. The 't' statistics has been administered to find out the significant difference among the two groups of marketers regarding their implementation of RMP. The resulted mean score and the respective 't' statistics of each important factors in RMP is summarized in Table 3.

**Table 3 Mean score on Important Factors in RMP among the Marketers**

Sl.No.	Important factors in RMP	Mean score among retail Marketers in		't' statistics
		OR	UOR	
1	Service quality	3.3698	2.2587	3.1258*
2	Customization	3.5142	2.3989	3.1236*
3	Long term value	3.3654	2.5847	2.7998*
4	Complexity of service	3.7896	3.1258	2.6587*
5	Overall	3.4987	2.5984	2.9854*

\*Significant at five per cent level.

The highly implemented important factors in RMP among the marketers in OR is complexity of service and customization since its mean score are 3.7896 and 3.5142 respectively. Among the

marketers in UOR, these two are complexity of service and long term value since its mean scores are 3.1258 and 2.5847 respectively. Regarding the implementation of important factors in RMO,

the significant difference among the two group of marketers have been identified in the case of all four factors in RMO since its 't' statistics is significant at five per cent level.

Association between the Profile of the Marketers and their Implementation of RMP

The profile of the marketers may have its own association with the level of implementation of important factors in RMP. The score on complexity of service, service quality, customization and long

term value have been included for this analysis. The included profile variables are gender, age, marital status, level of education, occupational background, family income, years of experience and annual sales have been included for the analysis as independent variables. The one way analysis of variance has been administered to analyse the association between these factors. The resulted 'F' statistics are shown in Table 4

**Table 4 Association between the Profile of Marketers and their Level of Implementation of RMP**

SI. No.	Profile variables	F-statistics in			
		Complexity of service	Service quality	Customization	Long term value
1	Gender	3.1143	2.9224	3.8946*	2.1408
2	Age	2.4508	2.6908*	1.1453	2.8084*
3	Marital status	2.5159	2.8688*	2.6907	2.7176*
4	Level of education	2.3844*	2.4517*	2.3616*	2.7023*
5	Occupational background	2.0113	2.6908*	1.4543	2.3692*
6	Family income	2.5678*	2.6061*	2.7334*	2.0117
7	Years of experience	2.4089*	2.6114*	2.8341*	2.8081*
8	Annual turnover	2.0672	2.9089*	1.9246	2.9908*

\*Significant at five per cent level.

Regarding the level of implementation of complexity of service, the significantly associating profile variables are age, level of education, year of experience and annual sales turnover since the respective 'F' statistics are significant at five per cent level. Regarding the level of implementation of service quality, the significantly associating profile variables are gender, age, marital status, level of education, occupational background, family income, years of experience and annual sales turnover.

The significant difference among the marketers are identified when they are classified on the basis of gender, age, marital status, level of education, family income and years of experience their implementation of customization. Regarding the implementation on long term value, the significantly associating profile variables are age, marital status, level of education, occupational background, years of experience, and annual scales turnover since the respective 'F' statistics are significant at five per cent level.

## Findings

### Descriptive Statistics

The marketers are primarily classified into marketers in organized outlets (OR) and unorganized outlets (UOR). The dominant gender among the marketers is male whereas the dominant age group among the marketers in OR and UOR are 40.01 to 50.00 and 30 to 40 years respectively. The important marital status among the marketers is 'married'. The dominant level of education among the marketers is under-graduation. The important occupational background among the marketers is private sector employment and agriculture.

The dominant number of earning members per family among the marketers is one or two. The dominant family income per month among the marketers is 80000 to 100000. The dominant 'years of experience' in marketing is 10.01 to 15 years and above 20 years. The years of experience among the marketers in OR is higher than that among the marketers in UOR. The dominant annual turnover

among the marketers is Rs.20.01 to 40.00 lakhs and less than Rs.10 lakhs.

### Concluding Remarks

The present study concludes that the rate of implementation of relationship marketing practices is higher in organized outlets compared to unorganized outlets. The profile of marketers namely level of education, family income and annual sales turnover are significantly associated with their level of implementation of RMPs.

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