



A STUDY ON CUSTOMER RETENTION TOWARDS THE SREE GOKUL TILES PRIVATE LIMITED,SALEM

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ABSTRACT

The term "customer retention" describes the initiatives and practices used by businesses and organizations to lower the rate of customer attrition. The study based only on the opinion and expectation of customer. Total number of sample taken for the study is 100 respondents. Sampling method utilized was convenience sampling was adopted. Convenience sampling techniques is a method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, or stratification, the strata are formed based on members' shared attributes or characteristics. From the responses, the factors which contribute much to the customer retention are given in the rank order.

KEYWORDS : Customer, retention, satisfaction

INTRODUCTION

A selling organization's strategy to lower client attrition is called customer retention. Effective customer retention begins with the first interaction a business has with a client and lasts for the duration of the partnership. The ability of a business to draw in and keep new clients is closely tied to both the quality of its offerings and the reputation it builds in the industry, in addition to its products and services. The term "customer retention" describes the initiatives and practices used by businesses and organizations to lower the rate of customer attrition. As many consumers as possible can be kept by businesses with the use of customer retention strategies, which frequently involve brand and customer loyalty campaigns. An assessment of the product or service quality provided by a business that measures how loyal its customers are. Customer retention statistics are typically expressed as a percentage of long termclients, and they are important to a business since satisfied retained customers tend to spend more, cost less and make valuable references to new potential customers.

REVIEW OF LITERATURE

Dubois (2018) Customer retention is vital for businesses with much research literature now available and in most cases, is regarded as an indicator of acquisition performance, but factors influencing it have rarely been studied in the serial acquirer context. Companies in a variety of sectors have increasingly started managing customer churn proactively, generally by detecting customers at the highest risk of churning and targeting retention efforts towards



them. Customer experience has drawn a great deal of attention from scholars and business practitioners in the past few decades. Successfully designing and providing customers with an optimal experience has become a central priority for marketing theory and practice

Foxall (2018) describes customer retention tends to determine what it exactly is that drives customer when making retention. Many studies have been performed including the above mentioned with regard to customer retention. Three theories those understand the Retailer' buying decision are; radical, teleological, and Pico economics behaviourism Even though, all three theories take their own the Retailer' choice, they still plays complementary role with customer retention”.

Watson (2019)Customer retention is the propensity of the customer to stay with their service provider. Companies also need to be careful about the technological comfort of their customers, for example, innovations, which are smartphone app only, may end up alienating rural customers, where smartphone penetration is low, but on the other hand, prepaid card based innovations will be a major success amongst rural customers

Ettenson and Wagner (2019)Customers' retention intentions will be higher when they start using a service with a free monthly fee promotion rather than when they start it with a free joining fee promotion. Perceived value has a significant positive effect on customer retention and the outcomes also showed that social media marketing has an insignificant effect on the perceived value, whereas its effect on customer retention is positive and statistically significant

Michael R. Solomon (2021) customer retention typically analyse the processes of group selected or individual purchases/dispose of product, service, concept or experiences to satisfy their need and desires. Customer retention is one of the issues that is widely discussed, therefore it is necessary to have a study that explores it, to find out developments up to now. The goal of this literature review is to find out the relationship between customer retention with other variables so that you know the development from time to time

Kotler (2021) suggested that customer retentions have a huge impact in a firm marketing decision making process every year. There is a risk that what a customer does will inflict on his or her behaviour and generate consequences. The user and the purchaser can be different person, in some cases; another person may be an influencer providing recommendations for or against certain products without actually buying or using them.

Kotler and Armstrong (2022)Additionally, the results confirmed that corporate social responsibility and store environment have significant positive effects on the perceived value and customer retention, moreover, the findings showed that sales promotion has a significant positive effect on the perceived value, but its effect on customer retention is insignificant, and finally, the results revealed that the perceived value mediates the relationships between all of the independent variables and customer retention

RESEARCH METHODOLOGY



Research Methodology is a systematic way to solve a research problem; It includes various steps that are generally adopted by a researcher in studying the problem along with the logic behind them. The present study was conducted at Sree Gokul's Tiles Mart, Salem.

RESEARCH DESIGN

“A Research Design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure”. The research design adopted for the studies is descriptive design. The researcher has to describe the present situation in order to know the retention of the customers. Hence descriptive research study is used. Descriptive research can only report what has happened and what is happening.

PERIOD OF STUDY

The duration taken by the researcher for the data collection and analysis regarding the customer satisfaction of Sree Gokul's Tiles Mart, Salem for one month

METHOD OF COLLECTION

The study basically uses primary and secondary data.

Primary data

Primary data means data which is fresh collected data. Primary data mainly been collected through personal interviews, surveys etc.

Secondary data

Secondary data means the data that are already available. Secondary data provides economy in time and cost. It is easily available and unbiased. Secondary data may either be published data or unpublished data. For this study secondary data were collected from the annual reports of the company and from the company website. The study depends mainly on the primary data and secondary data namely the text books, journals, newspapers, magazines and internet

Sample Size

The study based only on the opinion and expectation of customer. Total number of sample taken for the study is 100 respondents.

SAMPLING METHOD

Sampling method utilized was convenience sampling was adopted.

SAMPLING TECHNIQUES

Convenience sampling techniques is a method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, or stratification, the strata are formed based on members' shared attributes or characteristics.

SAMPLING UNIT:

Sampling unit is in Salem.

STATISTICAL TOOLS USED

The commonly used statistical tools for analysis of collected data are:

1. Chi- square analysis



2. correlation

1. CHI- SQUARE ANALYSIS

Chi-square was done to find out one way analysis between socio demographic variable and various dimensions of the programme.

$$\chi^2 = \frac{(O - E)^2}{E}$$

Where, O – Observed value, E – Expected value

In general the expected frequency for any cell can be calculated from the following equation.

$$E = \frac{RT \times CT}{N}$$

The calculated value of chi-square is compared with the table value of χ^2 given degrees of freedom of a certain specified level of significance. If at the stated level of the calculated value of χ^2 the difference between theory and observation is considered to be significant. Otherwise it is not significant.

3. CORRELATION

Correlation is computed into what is known as the correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

$$r = \frac{XY(X^2)(Y^2)}$$

DATA ANALYSIS AND INTERPRETATION_ GENDER OF THE RESPONDENTS_

GENDER	PERCENTAGE
Male	66%
Female	34%
TOTAL	100%

Source: Primary Data

INTERPRETATION:



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The above table indicates that gender of the respondents, 66% of them are male respondents and 34% of them are female respondents.

Majority 66% of the respondents are male.

MARITAL STATUS OF THE RESPONDENTS

MARITAL STATUS	PERCENTAGE
Married	60%
Unmarried	40%
TOTAL	100%

Source: Primary Data

INTERPRETATION:

The above table clearly indicates that marital status of the respondents, 60% of the respondents are married and only 40% of the respondents are unmarried.

Majority 60% of the respondents are married.

AGE OF THE RESPONDENTS

AGE	PERCENTAGE
Below 25 years	26%
26 - 35 years	36%
36 - 45 years	20%
45-55 years	14%
Above 55 years	4%
Total	100%

Source: Primary data

INTERPRETATION

The above table shows that age of the respondents, 26% of the respondents come under below 25 years age, 36% of the respondents come under the 26 - 35 years age, 20% of the respondents come under the 36 - 45 years age, 14% of the respondents come under 45-55 years and 4% of the respondents come under above 55 years age.

Majority 36% of the respondents come under the 26 - 35 years.

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS



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QUALIFICATION	PERCENTAGE
Illiterate	22%
School	24%
Diploma	30%
Graduate	14%
Others	10%
Total	100%

Source: Primary data

INTERPRETATION:

The table shows that educational qualification of the respondents, 22% of the respondents are illiterate category, 25% of the respondents are school category, 29% of the respondents are diploma category, 14% of the respondents are graduate category and 10% of the respondents are others category.

Majority 30% of the respondents are diploma category.

EXPERIENCE OF THE RESPONDENTS

EXPERIENCE	PERCENTAGE
Up to 2 years	34%
2-5 years	24%
5-10 years	20%
10-15 years	14%
Above 10 years	8%
Total	100%

Source: Primary Data

INTERPRETATION:

Table shows that the experience of the respondents, 34% of the respondents are experienced in up to 2 years, 24% of the respondents are experienced in 2-5 years, 20% of the respondents are experienced in 5-10-year service, 14% of the respondents are experienced in above 10-year service and 8% of the respondents are experienced in 10-15 years' service.

Majority 34% of the respondents are experienced in 2-5 years

INCOME OF THE RESPONDENTS

INCOME	PERCENTAGE
Below Rs.5000	6%



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Rs.5000-Rs.10000	30%
Rs.10000-Rs.15000	24%
Rs.15000-Rs.20000	32%
Above Rs.20000	8%
Total	100%

Source: Primary Data

INTERPRETATION:

It is evident from the table that income of the respondents, 6% of the respondents are getting below Rs.5000, 30% of them are getting Rs.5000-Rs.10000, 24% of them are getting Rs.10000-Rs.15000, 32% of the respondents are getting income of above Rs.15000 and remaining 8% of the respondents are getting income of above Rs.20000.

Majority 32% of the respondents are earned Rs.15000-Rs.20000.

TERMS OF PURCHASE PATTERN

PURCHASE PATTERN	PERCENTAGE
1 time	22%
2-3 times	40%
4-5 times	20%
More than 5 times	18%
Total	100%

Source: Primary data

INTERPRETATION:

The above table shows that terms of purchase pattern, 22% of the respondents are purchase in 1 time, 40% of the respondents are purchase in 2-3 times, 20% of the respondents are purchase in 4-5 times and 18% of the respondents are purchase in more than 5 times.

Majority 40% of the respondents are purchase in 2-3 times.

SOURCE OF INFORMATION

SOURCE	PERCENTAGE
Advertisement	34%
Friends & Relatives	36%
Dealers	16%
Others	14%
Total	100%

Source: Primary data

INTERPRETATION:

The above table shows that source of information, 34% of the respondents are known through advertisement, 36% of the respondents are known through friends & relatives, 16%



of the respondents are known through dealers and 14% of the respondents are known through other sources.

Majority 36% of the respondents are known through friends & relatives.

FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

1. Majority 36% of the respondents come under the 26 - 35 years
2. Majority 66% of the respondents are male.
3. Majority 60% of the respondents are married.
4. Majority 30% of the respondents are diploma category.
5. Majority 34% of the respondents are experienced in 2-5 years
6. Majority 32% of the respondents are earned Rs.15000-Rs.20000.
7. Majority 40% of the respondents are purchase in 2-3 times.
8. Majority 36% of the respondents are known through friends & relatives.
9. Majority 29% of the respondents are purchase floor tiles.
10. Majority 42% of the respondents are satisfied with sales activity.

SUGGESTIONS

Company image building activities such as maintaining good infrastructure, website, easy to understand pricing, maintaining good employee relation, using the press for publicity, maintaining a customer database, and making a marketing plan can be effectively implemented for improving customer retention as building company image occupies the first rank in majority goods.

Customer's preference varies with each product customer looks for benefits, features as given by competitors. So features and benefits should match with a competitor's product. Horizontal expansion of the product line has produced negative on customer retention.

Though company is selling various product items but still because of the other competitors have built a company image more than the product in their specialized product items; it could not be a leader in any of the product categories.

CONCLUSION

A customer retention strategy is something that constantly evolves, adapting to changing customer conditions. Within Enterprise, the outcomes from its many different types of business are constantly reviewed and evaluated. Judgements are then fed into the decision making process. This enabled new strategies to be developed to improve operations.

Company should concentrate on direct meeting with the customer as they are the most vital element in deciding the growth or decline of any company. Company should decrease the response time to the complaint received. The company should fix certain amount of tiles especially for the dealers and give them free of cost as incentives. The company should appoint more and more persons for the promotions of the brands. Company should decrease delivery time of the tiles.



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From the responses, the factors which contribute much to the customer retention are given in the rank order. Building company image, eliminating service irritants, selling various product items, satisfactorily selling all service related problems, providing benefits offered by the competitors, assisting customer making a brand choice

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